

Service Delivery Statements

Department of the Premier  
and Cabinet

Office of the Governor

Public Service Commission

Queensland Audit Office

# **2016-17 Queensland Budget Papers**

- 1. Budget Speech**
- 2. Budget Strategy and Outlook**
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**Service Delivery Statements**

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## Department of the Premier and Cabinet

### Summary of portfolio

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# Portfolio overview

## Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Premier and Minister for the Arts:

### Premier and Minister for the Arts

The Honourable Annastacia Palaszczuk MP

### Assistant Minister of State Assisting the Premier

The Honourable Mark Ryan MP

### Minister for Disability Services, Minister for Seniors and Minister Assisting the Premier on North Queensland

The Honourable Coralee O'Rourke MP

### Department of the Premier and Cabinet

Director-General: Dave Stewart

**Service area 1:** Policy Advice, Coordination and Cabinet Support

**Service area 2:** Government Services

**Service area 3:** Arts Queensland

**Service area 4:** Legislative Drafting and e-Publishing

The Premier and Minister for the Arts is also responsible for:

## Queensland Family and Child Commission

**Principal Commissioner: Cheryl Vardon**

**Objective:** To promote the safety, wellbeing and best interests of children, promote and advocate the responsibility of families and communities to protect and care for children and to improve the child protection system.

## Queensland Art Gallery

**Director: Chris Saines**

**Objective:** To strengthen Queensland's visual arts sector and contribute to the cultural, social and intellectual development of all Queenslanders.

## Queensland Museum

**Chief Executive Officer: Professor Suzanne Miller**

**Objective:** To care for and build the State collection, curate and create experiences that explore unique Queensland stories, the natural environment and cultural heritage.

## Queensland Performing Arts Trust

**Chief Executive Officer: John Kotzas**

**Objective:** To strengthen Queensland's arts sector and contribute to the cultural, social and intellectual development of all Queenslanders.

## Corporate Administration Agency

**Executive Director: Peter Mifsud**

**Objective:** To meet our customers' corporate service requirements through the provision of services in accordance with agreed Service Level Agreements and easy and convenient access to business applications.

## Office of the Governor

**Official Secretary: Air Commodore Mark Gower OAM**

**Objective:** To provide support to the Governor in order to enable His Excellency to exercise his statutory and constitutional, ceremonial, civic and social duties of the Office.

## Public Service Commission

**Commission Chief Executive: Robert Setter**

**Objective:** Deliver high quality, community-focused policies, strategies, programs and advice to government on workforce, leadership and organisational matters that support Queensland Government agencies to deliver on their strategic vision, purpose and objectives.

## Queensland Audit Office

**Auditor-General: Andrew Greaves**

**Objective:** To provide independent assurance and unique insights about public sector performance, supporting better public services.

Additional information about these agencies can be sourced from:

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

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

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

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

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

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

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

[www.qpac.com.au](http://www.qpac.com.au)

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

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

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

# Departmental overview

As the lead central agency of the Queensland Public Service, the Department of the Premier and Cabinet's key role is to support the Premier in her obligations to Queenslanders, as administered by the Queensland Government.

The department's vision is that it makes a real and tangible difference today, and our contributions will be recognised by future generations. The department will do this by supporting the Premier and Cabinet in setting the strategic direction of government.

To achieve this vision, the department's strategic objectives are to:

- support the Premier to set the strategic direction of government
- ensure the effective development, coordination and implementation of policy
- build confidence in government
- deliver outstanding results and value-for-money for Queenslanders
- provide leading insight, advice and services
- attract and retain a talented and diverse workforce.

The department is committed to supporting the delivery of the Queensland Government's objectives for the community, including a focus on integrity and accountability. This will be achieved through consultation and guiding whole-of-government decision making in line with the Government's commitments.

Similar to central agencies in other states and territories, the department is continually working in a fiscally constrained environment, seeking better ways to deliver our business through value for money for Queensland and striving for outstanding results.

In 2016-17, the department will:

- lead a whole-of-government focus on policy development for:
  - jobs and economic growth, including a focus on investment, innovation and infrastructure
  - social wellbeing, cohesion and inclusion with attention on domestic and family violence prevention enhancing education and health outcomes
  - protecting and managing our environment, especially the Great Barrier Reef World Heritage Area
  - shaping the Advance Queensland agenda
  - advancing the Queensland Government's North Queensland priority projects
- encourage organisational diversity and new working environment models
- play a leadership role in addressing State/federal reforms
- strengthen community engagement to better inform policy direction.

## Service performance

### Performance statement

#### Policy Advice, Coordination and Cabinet Support

##### Service area objective

To support the development and coordination of policy advice for the Premier, Cabinet and Queensland Government.

## Service area description

The service area 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 advice on the operation of Cabinet and its related processes, including administration of all Cabinet information, custodianship of the Cabinet record from current and previous governments and direct logistical support.

## Services

- Policy advice and coordination
- Cabinet support

## 2016-17 service area highlights

In 2016-17, the service area will:

- develop policies to diversify Queensland's economy by facilitating investment, encouraging innovation and planning for infrastructure development
- lead Queensland's engagement with the Council of Australian Governments and other whole-of-government interjurisdictional activities, including health and education funding arrangements and economic reform
- support open policy-making and program design through partnerships with departments, researchers, industry and community organisations
- advance and coordinate the Queensland Government's North Queensland policy agenda and priority projects for economic development
- provide dedicated policy and analysis to shape the Government's Advance Queensland agenda
- provide strategic oversight of the statewide roll out of the National Disability Insurance Scheme starting in July 2016
- support the Government's reform agenda for justice-related initiatives, including:
  - the Government's measures to counter violent extremism including piloting State-led engagement in high priority local government areas
  - a new suite of laws to target all forms of organised crime that are stronger, fairer and more effective responses to organised crime in Queensland
  - a whole-of-government and community action plan to improve social cohesion
- coordinate, develop and provide leadership and implementation for whole-of-government initiatives including:
  - Queensland's ten year reform program for ending domestic and family violence, including the implementation of the Government response to Domestic and Family Violence Taskforce *Not Now, Not Ever* Report and the Domestic and Family Violence Prevention Strategy
  - the response to the Queensland Child Protection Commission of Inquiry's final report, *Taking Responsibility: A Roadmap for Queensland Child Protection*
  - Queensland's disaster management and counter-terrorism arrangements, including support for the Premier in her roles as Chair of the Queensland Disaster Management Committee and Queensland Security Committee
  - Queensland's participation in the Northern Australia Infrastructure Facility
  - the development of a coordinated government response to the challenge of climate change including, through co-chairing a Climate Change Interdepartmental Committee with the Department of Environment and Heritage Protection and ongoing involvement in initiatives to protect and manage the Great Barrier Reef World Heritage Area
  - supporting the implementation of the *Environmental Protection Amendment Act 2016* to ensure companies that become insolvent take full responsibility for their environmental obligations
  - supporting the Government response to the Queensland Greyhound Racing Industry Commission of Inquiry including through the establishment and operation of the Queensland Racing Integrity Commission
  - Queensland's participation with the National Water Infrastructure Development Fund
  - developing the policy settings to stimulate the advancement of renewable energy
- provide secretariat, policy and analytical support to the Premier's Business Advisory Council, Working Queensland Interdepartmental Committee and Biofutures Interdepartmental Committee



- provide whole-of-government coordination and support to the Minister Assisting the Premier on North Queensland through continuation of the department North Queensland office in Townsville, and coordinating the Interdepartmental Committee for Northern Australia.

| Department of the Premier and Cabinet   | Notes | 2015-16 Target/Est. | 2015-16 Est. Actual | 2016-17 Target/Est. |
|---|-------|---------------------|---------------------|---------------------|
| <b>Service area: Policy Advice, Coordination and Cabinet Support</b>  |       |                     |                     |                     |
| <b>Service: Policy advice and coordination</b>  |       |                     |                     |                     |
| <b>Service standards</b><br><i>Effectiveness measures</i><br>Customer satisfaction with advice by the department to agencies on performance management and reporting requirements | 1     | 85%                 | 87%                 | 85%                 |
| Customer satisfaction with the department engagement with the policy development process  | 1     | 85%                 | 81%                 | 85%                 |
| Customer satisfaction with support and advice relating to intergovernmental issues  | 1     | 85%                 | 100%                | 85%                 |
| <i>Efficiency measure</i><br>Total cost per hour of policy advice and development output  | 2     | New measure         | New measure         | \$140/hour          |
| <b>Service: Cabinet support</b>   |       |                     |                     |                     |
| <b>Service standards</b><br><i>Effectiveness measure</i><br>Customer satisfaction with support provided by Cabinet Services   | 1     | 85%                 | 91%                 | 85%                 |
| <i>Efficiency measure</i><br>Average cost of support provided to coordinate Community Cabinet meetings  | 3, 4  | \$23,000            | \$17,516            | \$23,000            |

Notes:

- This service standard informs on overall satisfaction of the service and is derived from an annual customer experience survey. Customers are Ministers, Directors-General and their department's Cabinet Legislation and Liaison Officers and Senior Policy Officers.
- This service standard informs the total cost per hour for the provision of advice (including second opinion advice and contributions to policy advice led by other agencies. It does not include taskforces or inquiries). It is calculated by the amount of the department's spend for Policy Division divided by the number of full-time equivalents multiplied by the number of working days per year multiplied by standard public service core hours).
- This service standard measures costs incurred by the department in coordinating two day Community Cabinet meetings. Costs of coordinating the meetings include venue and equipment hire, and costs associated with departmental staff preparing for and attending the meetings (such as salary, travel and accommodation).
- In 2015-16, five two-day Community Cabinet meetings were held. The cost of coordinating the latest Community Cabinet meeting has not been included in the Estimated Actual figures for this *Service Delivery Statement* as, at the time of publication, invoices were still being received/processed.

## Government Services

### Service area objective

Provide high level constitutional support to the Premier and Cabinet as well as supporting whole-of-government sponsorship, communications and events, Ministerial Offices and the Leader of the Opposition.

### Service area description

Government Services is comprised of the Anzac Centenary Coordination Unit, Appointments and Constitutional Services, Ministerial Services, and Strategy and Engagement (Communication Services, Events Coordination and Protocol Queensland).

Government Services provides policy and operational advice and support to the Premier in relation to executive government and machinery-of-government matters, support to the administration of business before Executive Council, and provides support services to Ministerial Offices and the Leader of the Opposition. In addition, it leads whole-of-government sponsorships and communication activities and manages and coordinates events including the Anzac Centenary commemoration program, State occasions, official visits and functions.

### 2016-17 service area highlights

In 2016-17, the service area will:

- lead planning and delivery of whole-of-government communication including strategic stakeholder community engagement programs, special events, and crisis communication
- provide strategic advice and coordination of the Premier's official overseas visits and official functions including the annual functions recognising Queensland's strong relationships with trading partners such as India, China, Japan and the United States of America
- coordinate high level policy advice, options and service support to the Premier and Cabinet on the establishment of and appointments to government bodies and any associated remuneration
- provide advice on constitutional and Executive Council matters and support to the administration of business before Executive Council
- coordinate legal representation for commissions of inquiries and major litigation on a whole-of-government basis
- provide Queenslanders with opportunities to engage with the Anzac Centenary by managing delivery of legacy projects, commemorative events, a community grants program, and producing communication and marketing activities to educate and engage communities both regional and metropolitan.

| Department of the Premier and Cabinet   | Notes | 2015-16 Target/Est. | 2015-16 Est. Actual | 2016-17 Target/Est. |
|---|-------|---------------------|---------------------|---------------------|
| <b>Service area: Government Services<sup>1</sup></b>  |       |                     |                     |                     |
| <b>Service standards</b>  |       |                     |                     |                     |
| <i>Effectiveness measure</i><br>Customer satisfaction with support and advice provided by Government Services | 2     | 85%                 | 96%                 | 85%                 |
| <i>Efficiency measure</i><br>Cost of Government Services as a percentage of departmental cost                 | 3     | 14%                 | 12%                 | 14%                 |

Notes:

1. The name of the service area has been amended and was previously named Government Executive Support in the 2015-16 *Service Delivery Statement*.
2. This service standard informs on overall satisfaction levels with quality, timeliness and support and is derived from an annual customer survey. Customers are Ministers, Directors-General and their agency's Cabinet Legislation and Liaison Officers and Senior Policy Officers.
3. This service standard informs on the overall cost of Government Services as a percentage of the total departmental budget.

## Arts Queensland

### Service area objective

To support Queenslanders' access to arts and cultural experiences to enable growth of the arts sector and a strong community of arts.

### Service area description

Arts Queensland manages investment programs that support individual artists and arts and cultural organisations; supports capital infrastructure that provides public spaces for arts production and engagement; maintains Queensland's premier cultural assets, and provides arts and cultural policy and strategy advice to the Queensland Government.

### Services

- Investment programs
- Facilities management

### 2016-17 service area highlights

In 2016-17, the service area will:

- commit \$28.3 million over four years to small to medium arts companies through the Organisations Fund 2017-2020
- provide recurrent funding of \$750,000 to the Playing Queensland Fund to ensure Queenslanders have access to quality live arts experiences within their own communities
- continue to implement the four year \$28 million critical infrastructure and maintenance upgrade of the Cultural Precinct, South Bank
- complete the business case for Brisbane's new performing arts venue for Government consideration
- invest \$2.3 million in the refurbishment of the Cremorne Theatre including redesign of staging and seating areas
- increase funding to the Queensland Ballet by \$1.2 million per annum to increase the size of the company and scope and scale of its artistic program.

| Department of the Premier and Cabinet   | Notes | 2015-16 Target/Est. | 2015-16 Est. Actual | 2016-17 Target/Est. |
|---|-------|---------------------|---------------------|---------------------|
| <b>Service area: Arts Queensland</b>  |       |                     |                     |                     |
| <b>Service: Investment programs</b>   |       |                     |                     |                     |
| <b>Service standards</b><br><i>Effectiveness measure</i><br>Customer satisfaction with Arts Queensland's service delivery | 1     | 90%                 | 88%                 | 90%                 |
| <i>Efficiency measure</i><br>Funding provided to arts and cultural sector as a proportion of arts operating budget        | 2     | New measure         | New measure         | 73%                 |
| <b>Service: Facilities management</b>   |       |                     |                     |                     |
| <b>Service standards</b><br><i>Effectiveness measure</i><br>Utilisation of State-owned arts and cultural facilities       | 3     | 5,500,000 visitors  | 5,472,000 visitors  | 5,500,000 visitors  |

| Department of the Premier and Cabinet  | Notes | 2015-16 Target/Est. | 2015-16 Est. Actual | 2016-17 Target/Est. |
|--|-------|---------------------|---------------------|---------------------|
| <i>Efficiency measure</i><br>Self-generated revenue as a percentage of total revenue | 4     | 16%                 | 18%                 | 17%                 |

Notes:

1. The method of calculating this measure is based on the Queensland Government's Performance Management Framework five-point survey guidelines, as well as the Better Practice Guidelines for Measuring Client Satisfaction published by the department. This is a measure of overall customer satisfaction with Arts Queensland service delivery. There has been a wording change to the measure. The previous wording of this measure was Level of client satisfaction with Arts Queensland's service delivery.
2. The measure has been introduced to provide an efficiency measure for Arts Queensland's material service Investment programs. The measure is an efficiency measure because it demonstrates the relationship between the results achieved (arts and culture funding provided to the public) for the resources used (costs of administering funding). The calculation takes Arts Queensland's total grants investment divided by Arts Queensland total allocation (excluding administered funding and property management costs).
3. This service standard is based on the total estimated attendance figures at the Cultural Precinct and the Judith Wright Centre of Contemporary Arts.
4. There has been a wording change only with this measure (no amendment to methodology). The previous wording of this measure was Commercial revenue as a percentage of total revenue. This service standard measures Arts Queensland's efficiency in leveraging government's investment in Queensland's premier cultural facilities through revenue generation that contributes to facilities management costs.

## Legislative Drafting and e-Publishing

### Service area objective

To draft and provide access to Queensland legislation of the highest standard.

### Service area description

Legislative Drafting and e-Publishing (LDeP), through the Office of the Queensland Parliamentary Counsel, provides drafting and e-Publishing services for Queensland legislation. This service supports the Queensland Government and democracy by drafting and e-publishing legislation of the highest quality for Queensland. The service enables the Government to implement its legislative agenda. LDeP 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.

### 2016-17 service area highlights

In 2016-17, the service area will:

- apply its drafting services in support of the Government's objectives for the community by timely delivery of the Government's legislative program
- apply its drafting services in support of democracy by drafting, on request, Bills and amendments of Bills for private members
- contribute to the drafting of national scheme legislation and the work of the Australian Parliamentary Counsel's Committee
- provide the authoritative source of Queensland legislation in a timely way through its public website: [www.legislation.qld.gov.au](http://www.legislation.qld.gov.au)
- transform public access to Queensland legislation and legislative information through public website enhancements; including implementing a saved search functionality, making legislation available in additional formats including eBooks, allowing browsing by user group interests/subject and the electronic publishing of pre-1991 legislation.

| Department of the Premier and Cabinet   | Notes | 2015-16 Target/Est. | 2015-16 Est. Actual | 2016-17 Target/Est. |
|---|-------|---------------------|---------------------|---------------------|
| <b>Service area: Legislative Drafting and e-Publishing</b>  |       |                     |                     |                     |
| <b>Service standards</b>  |       |                     |                     |                     |
| <i>Effectiveness measures</i>   |       |                     |                     |                     |
| Client satisfaction with legislative drafting services provided by the Office of the Queensland Parliamentary Counsel | 1     | 85%                 | 97%                 | 85%                 |
| Client satisfaction with the quality of the access to legislation available online                                    | 1     | 85%                 | 100%                | 85%                 |
| <i>Efficiency measures<sup>2</sup></i>  |       |                     |                     |                     |

Notes:

1. This service standard informs on overall satisfaction levels with the quality, timeliness and support provided by LDeP and is derived from an annual client survey. Clients are Ministers, Directors-General and their agencies, Cabinet Legislation and Liaison Officers and Senior Policy Officers.
2. An efficiency measure is being developed for this service area and will be included in a future *Service Delivery Statement*.

## Discontinued measures

Performance measures included in the 2015-16 *Service Delivery Statements* that have been discontinued or replaced are reported in the following table with estimated actual results.

| Department of the Premier and Cabinet  | Notes | 2015-16 Target/Est. | 2015-16 Est. Actual | 2016-17 Target/Est.  |
|--|-------|---------------------|---------------------|----------------------|
| <b>Service area: Corporate Services</b>                                      |       |                     |                     |                      |
| <b>Service standards</b>   |       |                     |                     |                      |
| Customer satisfaction with support and advice provided by Corporate Services | 1     | 85%                 | 98%                 | Discontinued measure |
| Cost of Corporate Services as a percentage of departmental cost              | 1     | 14%                 | 14%                 | Discontinued measure |

Note:

1. This service standard has been discontinued in response to the Auditor-General's Report No 18: Monitoring and reporting performance. Measures of corporate services are not considered appropriate for reporting in the *Service Delivery Statement* as they do not relate to frontline service delivery. These measures will continue to be reported in the department's Annual Report.

## Administered items

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

The Department of the Premier and Cabinet administers funds on behalf of the State which includes resourcing for 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 State
- 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 the Ministerial Services Branch within the Government Services service area.

During 2016-17, the following significant developments are planned to be undertaken:

- relocation of all Ministerial Offices to 1 William Street
- implementation of an electronic vehicle log book system.

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.

The department also administers funds on behalf of the State, which includes the Queensland Family and Child Commission, Queensland Art Gallery, Queensland Museum, Queensland Performing Arts Trust, Queensland Theatre Company and Screen Queensland.

Administered funding provided for each entity in 2016-17 is:

- \$12.2 million for Queensland Family and Child Commission
- \$32.2 million for Queensland Art Gallery
- \$30.3 million for Queensland Museum
- \$8 million for Queensland Performing Arts Trust
- \$2.6 million for Queensland Theatre Company
- \$19.8 million for Screen Queensland.

Financial statements and variance explanations for the Queensland Family and Child Commission, Queensland Art Gallery, the Queensland Museum, and the Queensland Performing Arts Trust are reported within the *Service Delivery Statement*.

## Ministerial Offices and Office of the Leader of the Opposition

This table shows a summary of staff by Office relating to Ministerial Offices and Office of the Leader of the Opposition

| Staff by Office   | Notes | 2015-16<br>Budget <sup>1,2</sup> | 2015-16<br>Est. Actual | 2016-17<br>Estimate |
|---|-------|----------------------------------|------------------------|---------------------|
| Premier and Minister for Arts   |       | 35                               | ..                     | ..                  |
| Deputy Premier, Minister for Transport, Minister for Infrastructure, Local Government and Planning and Minister for Trade       |       | 15                               | ..                     | ..                  |
| Treasurer, Minister for Employment and Industrial Relations and Minister for Aboriginal and Torres Strait Islander Partnerships |       | 14                               | ..                     | ..                  |
| Minister for Health and Minister for Ambulance Services   |       | 13                               | ..                     | ..                  |
| Minister for Education and Minister for Tourism, Major Events, Small Business and Commonwealth Games                            |       | 11                               | ..                     | ..                  |
| Minister for State Development and Minister for Natural Resources and Mines   |       | 10                               | ..                     | ..                  |
| Attorney-General and Minister for Justice and Minister for Training and Skills  |       | 11                               | ..                     | ..                  |
| Minister for Policy, Fire and Emergency Services and Minister for Corrective Services   |       | 11                               | ..                     | ..                  |
| Minister for Agriculture and Fisheries and Minister for Sport and Racing  |       | 9                                | ..                     | ..                  |
| Minister for Main Roads, Road Safety and Ports and Minister for Energy and Water Supply   |       | 10                               | ..                     | ..                  |
| Minister for Environment and Heritage Protection and Minister for National Parks and Great Barrier Reef                         |       | 9                                | ..                     | ..                  |
| Minister for Housing and Public Works and Minister for Science and Innovation   |       | 9                                | ..                     | ..                  |
| Minister for Communities, Women and Youth, Minister for Child Safety and Minister for Multicultural Affairs                     |       | 9                                | ..                     | ..                  |
| Minister for Disability Services, Minister for Seniors and Minister Assisting the Premier on North Queensland                   |       | 9                                | ..                     | ..                  |
| <b>Total for Ministerial Offices</b>  |       | <b>174</b>                       | <b>..</b>              | <b>..</b>           |
| Assistant Minister of State Assisting the Premier   |       | 2                                | ..                     | ..                  |
| <b>Total Assistant Ministers</b>  |       | <b>2</b>                         | <b>..</b>              | <b>..</b>           |
| <b>Total for Ministerial Offices and Assistant Ministers</b>  |       | <b>176</b>                       | <b>..</b>              | <b>..</b>           |
| Office of the Leader of the Opposition  |       | 22                               | ..                     | ..                  |
| <b>Total for Non-Government support</b>   |       | <b>22</b>                        | <b>..</b>              | <b>..</b>           |
| <b>Grand Total</b>  |       | <b>198</b>                       | <b>..</b>              | <b>..</b>           |

Notes:

- Figures may not sum to total due to rounding.
- Figures for previous portfolio structure up to 7 December 2015.



| Staff by Office  | Notes | 2015-16<br>Budget | 2015-16<br>Est.<br>Actual <sup>1,2</sup> | 2016-17<br>Estimate |
|--|-------|-------------------|--|---------------------|
| Premier and Minister for the Arts  |       | ..                | 35                                       | 35                  |
| Deputy Premier, Minister for Infrastructure, Local Government and Planning and Minister for Trade and Investment                     |       | ..                | 16                                       | 16                  |
| Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport                                    |       | ..                | 14                                       | 14                  |
| Minister for Health and Minister for Ambulance Services  |       | ..                | 13                                       | 13                  |
| Minister for Education and Minister for Tourism and Major Events   |       | ..                | 11                                       | 11                  |
| Minister for State Development and Minister for Natural Resources and Mines  |       | ..                | 10                                       | 10                  |
| Attorney-General and Minister for Justice and Minister for Training and Skills   |       | ..                | 11                                       | 11                  |
| Minister for Police, Fire and Emergency Services and Minister for Corrective Services  |       | ..                | 10                                       | 10                  |
| Minister for Transport and the Commonwealth Games  |       | ..                | 10                                       | 10                  |
| Minister for Main Roads, Road Safety and Ports and Minister for Energy, Biofuels and Water Supply                                    |       | ..                | 10                                       | 10                  |
| Minister for Environment and Heritage Protection and Minister for National Parks and the Great Barrier Reef                          |       | ..                | 9  | 9                   |
| Minister for Innovation, Science and the Digital Economy and Minister for Small Business   |       | ..                | 9  | 9                   |
| Minister for Communities, Women and Youth, Minister for Child Safety and Minister for the Prevention of Domestic and Family Violence |       | ..                | 9  | 9                   |
| Minister for Disability Services, Minister for Seniors and Minister Assisting the Premier on North Queensland                        |       | ..                | 9  | 9                   |
| Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs                         |       | ..                | 9  | 9                   |
| Minister for Housing and Public Works  |       | ..                | 9  | 9                   |
| Minister for Agriculture and Fisheries   |       | ..                | 9  | 9                   |
| <b>Total for Ministerial Offices</b>   |       | ..                | <b>202</b>                               | <b>202</b>          |
| <b>Total for Ministerial Offices and Assistant Ministers</b>   |       | ..                | <b>202</b>                               | <b>202</b>          |
| Office of the Leader of the Opposition   |       | ..                | 22                                       | 22                  |
| <b>Total for Non-Government Support</b>  |       | ..                | <b>22</b>                                | <b>22</b>           |
| <b>Grand Total</b>   |       | ..                | <b>224</b>                               | <b>224</b>          |

Notes:

1. Figures may not sum to total due to rounding.
2. Figures for current portfolio structure from 8 December 2015.

This table shows a summary of the budget by Office relating to Ministerial Offices and Office of the Leader of the Opposition. Financial statements and variance explanations in relation to administered items appear in the departmental financial statements.

| <b>Budget and Expenses by Office<sup>1</sup></b>  | <b>Notes</b> | <b>2015-16<br/>Budget<br/>\$'000</b> | <b>2015-16<br/>Est. Actual<br/>\$'000<sup>2</sup></b> | <b>2016-17<br/>Estimate<br/>\$'000</b> |
|---|--------------|--------------------------------------|---|--|
| Premier and Minister for the Arts   |              | 6,325                                | 2,771   | ..                                     |
| Deputy Premier, Minister for Transport, Minister for Infrastructure, Local Government and Planning and Minister for Trade       |              | 2,515                                | 1,027   | ..                                     |
| Treasurer, Minister for Employment and Industrial Relations and Minister for Aboriginal and Torres Strait Islander Partnerships |              | 2,275                                | 1,098   | ..                                     |
| Minister for Health and Minister for Ambulance Services   |              | 2,186                                | 868   | ..                                     |
| Minister for Education and Minister for Tourism, Major Events, Small Business and the Commonwealth Games                        |              | 1,789                                | 803   | ..                                     |
| Minister for State Development and Minister for Natural Resources and Mines   |              | 1,723                                | 726   | ..                                     |
| Attorney-General and Minister for Justice and Minister for Training and Skills  |              | 1,684                                | 619   | ..                                     |
| Minister for Police, Fire and Emergency Services and Minister for Corrective Services   |              | 1,690                                | 700   | ..                                     |
| Minister for Agriculture and Fisheries and Minister for Sport and Racing  |              | 1,659                                | 718   | ..                                     |
| Minister for Main Roads, Road Safety and Ports and Minister for Energy and Water Supply   |              | 1,619                                | 713   | ..                                     |
| Minister for Environment and Heritage Protection and Minister for National Parks and the Great Barrier Reef                     |              | 1,569                                | 672   | ..                                     |
| Minister for Housing and Public Works and Minister for Science and Innovation   |              | 1,457                                | 625   | ..                                     |
| Minister for Communities, Women and Youth, Minister for Child Safety and Minister for Multicultural Affairs                     |              | 1,523                                | 626   | ..                                     |
| Minister for Disability Services, Minister for Seniors and Minister Assisting the Premier on North Queensland                   |              | 1,545                                | 637   | ..                                     |
| <b>Total for Ministerial Offices</b>  |              | <b>29,559</b>                        | <b>12,603</b>   | <b>..</b>                              |
| Assistant Minister of State Assisting the Premier   |              | 225                                  | 102   | ..                                     |
| <b>Total Assistant Ministers</b>  |              | <b>225</b>                           | <b>102</b>  | <b>..</b>                              |
| <b>Total for Ministerial Offices and Assistant Ministers</b>  |              | <b>29,784</b>                        | <b>12,705</b>   | <b>..</b>                              |
| Office of the Leader of the Opposition  |              | 3,394                                | 1,548   | ..                                     |
| <b>Total for Non-Government Support</b>   |              | <b>3,394</b>                         | <b>1,548</b>  | <b>..</b>                              |
| Corporate Support   |              | 4,542                                | 763   | ..                                     |
| <b>Grand Total</b>  |              | <b>37,720</b>                        | <b>15,016</b>   | <b>..</b>                              |

Notes:

1. Figures may not sum to total due to rounding.
2. Figures for previous portfolio structure up to 7 December 2015.

| Budget and Expenses by Office  | Notes | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Actual<br>\$'000 <sup>1,2</sup> | 2016-17<br>Estimate<br>\$'000 |
|--|-------|-----------------------------|---|-------------------------------|
| Premier and Minister for the Arts  |       | ..                          | 2,815   | 7,047                         |
| Deputy Premier, Minister for Infrastructure, Local Government and Planning and Minister for Trade and Investment                     |       | ..                          | 1,107   | 2,919                         |
| Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport                                    |       | ..                          | 1,017   | 2,747                         |
| Minister for Health and Minister for Ambulance Services  |       | ..                          | 972   | 2,407                         |
| Minister for Education and Minister for Tourism and Major Events   |       | ..                          | 705   | 1,975                         |
| Minister for State Development and Minister for Natural Resources and Mines  |       | ..                          | 718   | 1,845                         |
| Attorney-General and Minister for Justice and Minister for Training and Skills   |       | ..                          | 658   | 1,979                         |
| Minister for Police, Fire and Emergency Services and Minister for Corrective Services  |       | ..                          | 679   | 1,841                         |
| Minister for Transport and the Commonwealth Games  |       | ..                          | 478   | 1,778                         |
| Minister for Main Roads, Road Safety and Ports and Minister for Energy, Biofuels and Water Supply                                    |       | ..                          | 670   | 1,833                         |
| Minister for Environment and Heritage Protection and Minister for National Parks and the Great Barrier Reef                          |       | ..                          | 739   | 1,773                         |
| Minister for Innovation, Science and the Digital Economy and Minister for Small Business   |       | ..                          | 609   | 1,669                         |
| Minister for Communities, Women and Youth, Minister for Child Safety and Minister for the Prevention of Domestic and Family Violence |       | ..                          | 689   | 1,674                         |
| Minister for Disability Services, Minister for Seniors and Minister Assisting the Premier on North Queensland                        |       | ..                          | 637   | 1,722                         |
| Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs                         |       | ..                          | 513   | 1,743                         |
| Minister for Housing and Public Works  |       | ..                          | 574   | 1,679                         |
| Minister for Agriculture and Fisheries   |       | ..                          | 714   | 1,663                         |
| <b>Total for Ministerial Offices</b>   |       | ..                          | <b>14,295</b>                                   | <b>38,296</b>                 |
| Assistant Minister of State Assisting the Premier  |       | ..                          | 8   | 61                            |
| Assistant Minister for Local Government  |       | ..                          | 7   | 61                            |
| <b>Total Assistant Ministers</b>   |       | ..                          | <b>15</b>                                       | <b>122</b>                    |
| <b>Total for Ministerial Offices and Assistant Ministers</b>   |       | ..                          | <b>14,310</b>                                   | <b>38,418</b>                 |
| Office of the Leader of the Opposition   |       | ..                          | 2,618   | 3,670                         |
| <b>Total for Non-Government Support</b>  |       | ..                          | <b>2,618</b>                                    | <b>3,670</b>                  |
| Corporate Support  |       | ..                          | 3,268   | 3,692                         |
| <b>Grand Total</b>   |       | ..                          | <b>20,195</b>                                   | <b>45,780</b>                 |

Notes:

- Figures may not sum to total due to rounding.
- Figures for current portfolio structure from 8 December 2015.

# Departmental budget summary

The table below shows the total resources available in 2016-17 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                   | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Actual<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|---|-----------------------------|----------------------------------|-----------------------------|
| <b>CONTROLLED</b>                                       |                             |                                  |                             |
| <b>Income</b>   |                             |                                  |                             |
| Appropriation revenue <sup>1</sup>                      |                             |                                  |                             |
| Deferred from previous year/s                           | 24,947                      | 15,535                           | 24,240                      |
| Balance of service appropriation                        | 190,653                     | 192,939                          | 183,401                     |
| Other revenue   | 32,348                      | 35,554                           | 36,208                      |
| <b>Total income<sup>2</sup></b>                         | <b>247,948</b>              | <b>244,028</b>                   | <b>243,849</b>              |
| <b>Expenses</b>   |                             |                                  |                             |
| Policy Advice, Coordination and Cabinet Support Service | 47,999                      | 47,753                           | 48,313                      |
| Government Services                                     | 58,811                      | 53,771                           | 50,861                      |
| Arts Queensland Service                                 | 117,021                     | 117,274                          | 120,351                     |
| Legislative Drafting and ePublishing Service            | 13,572                      | 13,107                           | 11,992                      |
| Corporate Services provided to other agencies           |                             |                                  |                             |
| Corporate Administration Agency                         | 8,876                       | 10,196                           | 10,360                      |
| Other   | 1,669                       | 1,927                            | 1,972                       |
| <b>Total expenses<sup>2</sup></b>                       | <b>247,948</b>              | <b>244,028</b>                   | <b>243,849</b>              |
| <b>Operating surplus/deficit</b>                        | <b>..</b>                   | <b>..</b>                        | <b>..</b>                   |
| <b>Net assets</b>                                       | <b>714,580</b>              | <b>657,311</b>                   | <b>665,731</b>              |
| <b>ADMINISTERED</b>                                     |                             |                                  |                             |
| <b>Revenue</b>  |                             |                                  |                             |
| Commonwealth revenue                                    | ..                          | ..                               | ..                          |
| Appropriation revenue                                   | 126,420                     | 131,082                          | 150,956                     |
| Other administered revenue                              | ..                          | ..                               | ..                          |
| <b>Total revenue</b>                                    | <b>126,420</b>              | <b>131,082</b>                   | <b>150,956</b>              |
| <b>Expenses</b>   |                             |                                  |                             |
| Transfers to government                                 | ..                          | ..                               | ..                          |
| Administered expenses                                   | 126,420                     | 131,082                          | 150,956                     |
| <b>Total expenses</b>                                   | <b>126,420</b>              | <b>131,082</b>                   | <b>150,956</b>              |
| <b>Net assets</b>                                       | <b>4,891</b>                | <b>4,917</b>                     | <b>4,917</b>                |

Notes:

1. Appropriation revenue includes State and Commonwealth funding.
2. Totals reconcile with the department's Reporting Entity Income Statement.

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

| Sources of revenue<br>2016-17 Budget                    |                      |                              |                                 |                            |                         |
|---|----------------------|------------------------------|---------------------------------|----------------------------|-------------------------|
| Department of the Premier and Cabinet                   | Total cost<br>\$'000 | State contribution<br>\$'000 | User charges and fees<br>\$'000 | C'wealth revenue<br>\$'000 | Other revenue<br>\$'000 |
| Policy Advice, Coordination and Cabinet Support Service | 48,313               | 48,313                       | ..                              | ..                         | ..                      |
| Government Services                                     | 50,861               | 47,277                       | 3,306                           | ..                         | 278                     |
| Arts Queensland Service                                 | 120,351              | 98,798                       | 21,232                          | ..                         | 321                     |
| Legislative Drafting and ePublishing Service            | 11,992               | 11,992                       | ..                              | ..                         | ..                      |
| <b>Total<sup>2</sup></b>                                | <b>231,517</b>       | <b>206,380</b>               | <b>24,538</b>                   | <b>..</b>                  | <b>599</b>              |

Notes:

1. Explanations of variances are provided in the financial statements.
2. The total sources of revenue does not equal the total income in the Departmental Budget Summary nor the Consolidated Income Statement as the department provides corporate services to the other agencies. This includes support provided by Corporate Administration Agency and other support provided to the Public Service Commission and the Office of the Governor.

## Budget measures summary

This table shows a summary of budget measures relating to the department since the 2015-16 State Budget. Further details are contained in *Budget Paper 4*.

| Department of the Premier and Cabinet | 2015-16<br>\$'000 | 2016-17<br>\$'000 | 2017-18<br>\$'000 | 2018-19<br>\$'000 | 2019-20<br>\$'000 |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Revenue measures</b>               |                   |                   |                   |                   |                   |
| Administered                          | ..                | ..                | ..                | ..                | ..                |
| Departmental                          | ..                | ..                | ..                | ..                | ..                |
| <b>Expense measures</b>               |                   |                   |                   |                   |                   |
| Administered                          | ..                | 13,254            | 11,125            | 9,753             | 8,975             |
| Departmental <sup>1</sup>             | 4,497             | 8,062             | 8,659             | 6,329             | 3,318             |
| <b>Capital measures</b>               |                   |                   |                   |                   |                   |
| Administered                          | ..                | ..                | ..                | ..                | ..                |
| Departmental                          | ..                | ..                | ..                | ..                | ..                |

Note:

- Figures reconcile with *Budget Paper 4*, including the whole-of-government expense measures 'Brisbane CBD office agency governmental rental impacts' and 'Reprioritisation allocations'.

## Departmental capital program

The department (including Ministerial Offices and the Leader of the Opposition) has a planned capital outlay of \$20.5 million in 2016-17. This involves the renewal and replacement of large critical infrastructure items at the South Bank Cultural Precinct, as well as the creation of a new permanent Anzac Legacy Gallery at the Queensland Museum as part of Queensland's Anzac Centenary commemoration program 2014-18. This figure also includes \$1.5 million that will be invested in upgrading ICT assets for Ministerial Offices as part of the co-location of all Ministers into 1 William Street.

## Capital budget

| Department of the Premier and Cabinet    | Notes | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Actual<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|--|-------|-----------------------------|----------------------------------|-----------------------------|
| <b>Capital purchases<sup>1</sup></b>     |       |                             |                                  |                             |
| Total land, buildings and infrastructure |       | 8,017                       | 6,436                            | 18,576                      |
| Total plant and equipment                |       | 1,049                       | 308                              | 1,500                       |
| Total other capital                      |       | 124                         | 154                              | 400                         |
| <b>Total capital purchases</b>           |       | <b>9,190</b>                | <b>6,898</b>                     | <b>20,476</b>               |

Note:

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

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

| Service areas   | Notes | 2015-16<br>Budget <sup>4,5</sup> | 2015-16<br>Est. Actual <sup>4,6</sup> | 2016-17<br>Budget <sup>5,6</sup> |
|---|-------|----------------------------------|---------------------------------------|----------------------------------|
| <b>Services<sup>3</sup></b>                                     |       |                                  |                                       |                                  |
| Policy Advice, Coordination and Cabinet Support Services        |       | 198                              | 229                                   | 261                              |
| Government Services   |       | 150                              | 146                                   | 145                              |
| Arts Queensland   |       | 137                              | 136                                   | 136                              |
| Legislative Drafting and ePublishing Services                   |       | 73                               | 65                                    | 67                               |
| <b>Administered</b>   |       |                                  |                                       |                                  |
| Ministerial Offices and Officer of the Leader of the Opposition | 7     | 198                              | 224                                   | 224                              |
| Corporate services provided to other agencies                   |       |                                  |                                       |                                  |
| Corporate Administration Agency                                 | 8     | 60                               | 65                                    | 65                               |
| Other   | 9     | 5                                | 5                                     | 5                                |
| <b>TOTAL</b>  |       | <b>821</b>                       | <b>870</b>                            | <b>903</b>                       |

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The 2015-16 Estimated Actual and 2016-17 Budget are calculated based on the Minimum Obligatory Human Resource Information (MOHRI) methodology (as per Queensland Treasury *Service Delivery Standard* standard). This has essentially transitioned the data from being presented based on capturing FTEs actively working for the department on 30 June to including all employees on the department's payroll on 30 June (regardless of whether the employee is seconded-out or on leave). The restated total 2015-16 Budget FTEs using MOHRI Data methodology is 855. The main driver for this increase is due to the Policy Futures Graduate program where graduates are employed by other agencies across the Public Service but are paid for by the department. Agencies subsequently reimburse the department for all employee cost incurred.
3. Corporate FTEs are allocated across the service to which they relate.
4. An increase from the 2015-16 Budget to the 2015-16 Estimated Actual is primarily due to the whole of government Policy Futures Graduate program (as described in note 2), the establishment of a Child Protection Program Office and Domestic and Family Violence Secretariat to address Domestic and family violence related matters in Queensland, as well as to facilitate new Corporate Administration Agency clients and ministerial offices.
5. An increase from the 2015-16 Budget to the 2016-17 Budget is primarily due to the ongoing expansion of a dedicated whole-of-government Policy Futures Graduate program and the establishment of a Domestic and Family Violence Secretariat, as well as to facilitate new Corporate Administration Agency clients and ministerial offices.
6. An increase from the 2015-16 Estimated Actual to the 2016-17 Budget is primarily due to the ongoing expansion of a dedicated whole-of-government Policy Futures Graduate program, the establishment of a Child Protection Program Office, and a Domestic and Family Violence Secretariat to address domestic and family violence related matters in Queensland. This has been partly offset by the net difference in expected vacant positions on 30 June 2016 and leave arrangements captured under MOHRI data.
7. The increase in three additional ministerial offices (26 additional FTEs in total) was as a result of the portfolio reshuffle of 8 December 2015.
8. Budgeted FTEs employed by the Corporate Administration Agency is 67 for 2015-16 Budget and 71 for both the 2015-16 Estimated Actual and 2016-17 Budget. However, corporate FTEs have been allocated across the service to which they relate, namely Arts Queensland.
9. General corporate support is provided to the Public Service Commission and the Office of the Governor.



# Budgeted financial statements

## Analysis of budgeted financial statements

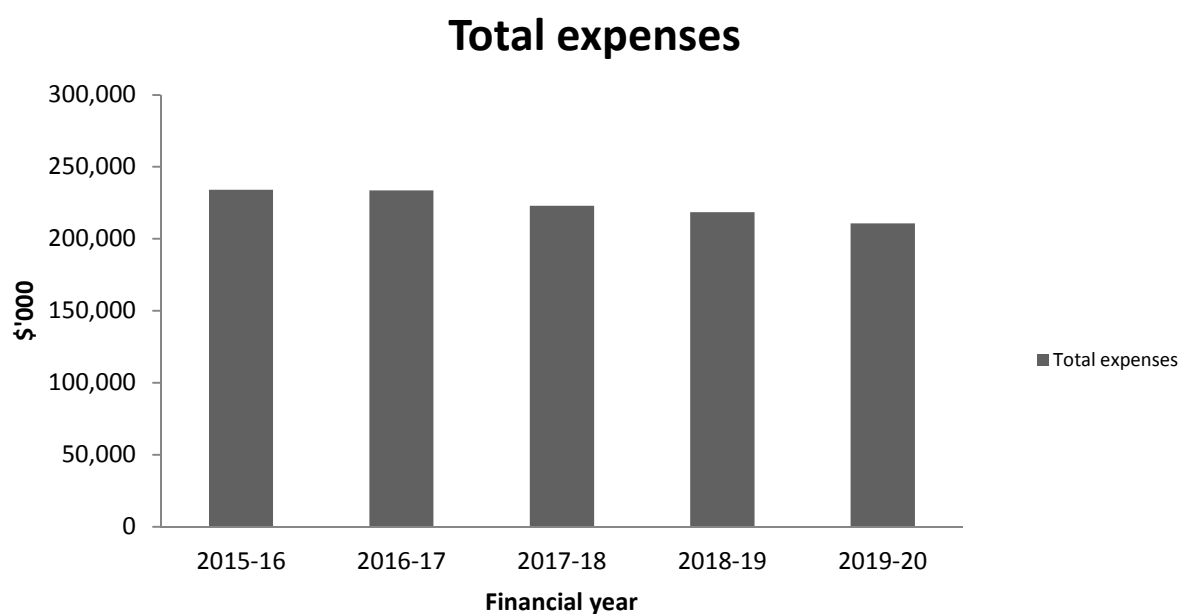
An analysis of the department's financial position, as reflected in the department's financial statements, is provided below.

### Departmental income statement

Total expenses are estimated to be \$233.6 million in 2016-17, a decrease of \$400,000 from the 2015-16 Estimated Actual. The decrease will occur primarily as a result of reduced Anzac Centenary Commemoration and State Coordination of Legal Representation activities. Furthermore, the reduction in expenditure is the result of a number of targeted strategic initiatives completed in 2015-16 including the North Queensland Economic Summit, the Advance Queensland Innovation and Investment Summit. The decrease will be partly offset by increased funding provided for the Queensland Social Cohesion taskforce, employee enterprise bargaining arrangements and the Boost to Touring element of the Playing Queensland Fund.

Total departmental expenses are planned to gradually reduce over the forward estimates period as a number of existing multi-year initiatives come to their conclusion including Anzac Centenary Commemoration and State Coordination of Legal Representation activities.

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



## Departmental balance sheet

The department's total asset holdings at the end of 30 June 2017 is projected to be \$675.8 million. The most significant asset holdings are land and buildings, most notably at the Brisbane Cultural Precinct, South Bank which represents approximately 95 per cent of total assets. The Brisbane Cultural Precinct received heritage listing status in the previous year, resulting in an unfavourable valuation on these assets, however, the decision has ensured that these buildings will continue to be preserved and available for use by the community for the long term.

In 2016-17, the department has allocated \$11.1 million for the upgrade or replacement of critical infrastructure at the Cultural Precinct. Key deliverables as part of this initiative include renewal of the central energy plant, improvements to electrical safety, precinct accessibility and mobility, replacement of building fabric, replacement of the vertical transportation system and general modernisation.

Total liabilities are \$14.6 million and include \$6.7 million associated with the Revolving Film Finance Fund.

Despite the devaluation of Cultural Precinct land and buildings, the department continues to maintain a strong net asset position, projected to be \$661.2 million on 30 June 2017.

# Controlled income statement

| Department of the Premier and Cabinet | Notes      | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|---------------------------------------|------------|-----------------------------|--------------------------------|-----------------------------|
| <b>INCOME</b>                         |            |                             |                                |                             |
| Appropriation revenue                 | 1,11,18    | 215,600                     | 208,474                        | 207,641                     |
| Taxes                                 |            | ..                          | ..                             | ..                          |
| User charges and fees                 | 2,12,19    | 23,247                      | 24,265                         | 25,384                      |
| Royalties and land rents              |            | ..                          | ..                             | ..                          |
| Grants and other contributions        | 3, 20      | 283                         | 1,053                          | 276                         |
| Interest                              | 4,13, 21   | ..                          | 138                            | 192                         |
| Other revenue                         | 5,14       | 217                         | 134                            | 132                         |
| Gains on sale/revaluation of assets   |            | ..                          | ..                             | ..                          |
| <b>Total income</b>                   |            | <b>239,347</b>              | <b>234,064</b>                 | <b>233,625</b>              |
| <b>EXPENSES</b>                       |            |                             |                                |                             |
| Employee expenses                     | 6,15, 22   | 67,574                      | 65,591                         | 65,039                      |
| Supplies and services                 | 7,16, 23   | 70,317                      | 72,145                         | 68,138                      |
| Grants and subsidies                  | 8, 24      | 66,551                      | 61,889                         | 64,473                      |
| Depreciation and amortisation         |            | 32,952                      | 33,020                         | 33,332                      |
| Finance/borrowing costs               | 9, 25      | 83                          | 138                            | 192                         |
| Other expenses                        | 10, 17, 26 | 1,870                       | 1,281                          | 2,451                       |
| Losses on sale/revaluation of assets  |            | ..                          | ..                             | ..                          |
| <b>Total expenses</b>                 |            | <b>239,347</b>              | <b>234,064</b>                 | <b>233,625</b>              |
| <b>OPERATING SURPLUS/(DEFICIT)</b>    |            | <b>..</b>                   | <b>..</b>                      | <b>..</b>                   |

# Controlled balance sheet

| Department of the Premier and Cabinet        | Notes      | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|--|------------|-----------------------------|--------------------------------|-----------------------------|
| <b>CURRENT ASSETS</b>                        |            |                             |                                |                             |
| Cash assets                                  |            | 11,460                      | 10,361                         | 9,764                       |
| Receivables                                  | 27, 35, 42 | 6,348                       | 5,122                          | 4,414                       |
| Other financial assets                       |            | ..                          | ..                             | ..                          |
| Inventories                                  |            | 38                          | 23                             | 23                          |
| Other  |            | 458                         | 738                            | 738                         |
| Non-financial assets held for sale           |            | ..                          | ..                             | ..                          |
| <b>Total current assets</b>                  |            | <b>18,304</b>               | <b>16,244</b>                  | <b>14,939</b>               |
| <b>NON-CURRENT ASSETS</b>                    |            |                             |                                |                             |
| Receivables                                  | 28, 36     | 130                         | 5,243                          | 5,399                       |
| Other financial assets                       |            | ..                          | ..                             | ..                          |
| Property, plant and equipment                | 29, 37, 43 | 699,675                     | 643,399                        | 652,721                     |
| Intangibles                                  | 30, 38     | 1,495                       | 2,742                          | 2,701                       |
| Other  |            | ..                          | ..                             | ..                          |
| <b>Total non-current assets</b>              |            | <b>701,300</b>              | <b>651,384</b>                 | <b>660,821</b>              |
| <b>TOTAL ASSETS</b>                          |            | <b>719,604</b>              | <b>667,628</b>                 | <b>675,760</b>              |
| <b>CURRENT LIABILITIES</b>                   |            |                             |                                |                             |
| Payables                                     | 31         | 5,432                       | 6,025                          | 5,364                       |
| Accrued employee benefits                    |            | 2,103                       | 2,327                          | 2,497                       |
| Interest bearing liabilities and derivatives | 32, 39     | 1,782                       | 1,253                          | 1,300                       |
| Provisions                                   |            | ..                          | ..                             | ..                          |
| Other  |            | ..                          | 45                             | 45                          |
| <b>Total current liabilities</b>             |            | <b>9,317</b>                | <b>9,650</b>                   | <b>9,206</b>                |
| <b>NON-CURRENT LIABILITIES</b>               |            |                             |                                |                             |
| Payables                                     |            | ..                          | ..                             | ..                          |
| Accrued employee benefits                    |            | ..                          | ..                             | ..                          |
| Interest bearing liabilities and derivatives | 33, 40     | 106                         | 5,243                          | 5,399                       |
| Provisions                                   |            | ..                          | ..                             | ..                          |
| Other  |            | ..                          | ..                             | ..                          |
| <b>Total non-current liabilities</b>         |            | <b>106</b>                  | <b>5,243</b>                   | <b>5,399</b>                |
| <b>TOTAL LIABILITIES</b>                     |            | <b>9,423</b>                | <b>14,893</b>                  | <b>14,605</b>               |
| <b>NET ASSETS/(LIABILITIES)</b>              |            | <b>710,181</b>              | <b>652,735</b>                 | <b>661,155</b>              |
| <b>EQUITY</b>                                |            |                             |                                |                             |
| <b>TOTAL EQUITY</b>                          | 34, 41, 44 | <b>710,181</b>              | <b>652,735</b>                 | <b>661,155</b>              |

# Controlled cash flow statement

| Department of the Premier and Cabinet                       | Notes      | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|---|------------|-----------------------------|--------------------------------|-----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |            |                             |                                |                             |
| <b>Inflows:</b>   |            |                             |                                |                             |
| Appropriation receipts                                      | 45, 59, 69 | 215,600                     | 206,019                        | 207,641                     |
| User charges and fees                                       | 46, 60, 70 | 23,625                      | 26,256                         | 27,476                      |
| Royalties and land rent receipts                            |            | ..                          | ..                             | ..                          |
| Grants and other contributions                              | 47, 71     | 283                         | 1,053                          | 276                         |
| Interest received   |            | ..                          | ..                             | ..                          |
| Taxes   |            | ..                          | ..                             | ..                          |
| Other   | 48, 61, 72 | 4,081                       | 6,060                          | 5,656                       |
| <b>Outflows:</b>  |            |                             |                                |                             |
| Employee costs  | 49, 62, 73 | (67,310)                    | (65,701)                       | (64,869)                    |
| Supplies and services                                       | 50, 63, 74 | (73,337)                    | (79,915)                       | (75,416)                    |
| Grants and subsidies  | 51, 64, 75 | (66,551)                    | (62,109)                       | (64,473)                    |
| Borrowing costs   |            | (83)                        | ..                             | ..                          |
| Other   | 52, 76     | (3,092)                     | (1,866)                        | (2,695)                     |
| <b>Net cash provided by or used in operating activities</b> |            | <b>33,216</b>               | <b>29,797</b>                  | <b>33,596</b>               |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |            |                             |                                |                             |
| <b>Inflows:</b>   |            |                             |                                |                             |
| Sales of non-financial assets                               |            | ..                          | ..                             | ..                          |
| Investments redeemed  |            | ..                          | ..                             | ..                          |
| Loans and advances redeemed                                 | 53, 77     | ..                          | 1,177                          | 138                         |
| <b>Outflows:</b>  |            |                             |                                |                             |
| Payments for non-financial assets                           | 54, 65, 78 | (8,901)                     | (6,609)                        | (18,976)                    |
| Payments for investments                                    |            | ..                          | ..                             | ..                          |
| Loans and advances made                                     | 55, 66, 79 | ..                          | (4,294)                        | (341)                       |
| <b>Net cash provided by or used in investing activities</b> |            | <b>(8,901)</b>              | <b>(9,726)</b>                 | <b>(19,179)</b>             |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |            |                             |                                |                             |
| <b>Inflows:</b>   |            |                             |                                |                             |
| Borrowings  | 56, 67, 80 | ..                          | 4,294                          | 341                         |
| Equity injections   | 57, 68, 81 | 8,423                       | 4,886                          | 17,576                      |
| <b>Outflows:</b>  |            |                             |                                |                             |
| Borrowing redemptions                                       | 58, 82     | (138)                       | (1,152)                        | (138)                       |
| Finance lease payments                                      |            | ..                          | ..                             | ..                          |
| Equity withdrawals  |            | (31,962)                    | (31,941)                       | (32,793)                    |
| <b>Net cash provided by or used in financing activities</b> |            | <b>(23,677)</b>             | <b>(23,913)</b>                | <b>(15,014)</b>             |
| <b>Net increase/(decrease) in cash held</b>                 |            | <b>638</b>                  | <b>(3,842)</b>                 | <b>(597)</b>                |
| <b>Cash at the beginning of financial year</b>              |            | <b>10,822</b>               | <b>14,203</b>                  | <b>10,361</b>               |
| Cash transfers from restructure                             |            | ..                          | ..                             | ..                          |
| <b>Cash at the end of financial year</b>                    |            | <b>11,460</b>               | <b>10,361</b>                  | <b>9,764</b>                |

# Administered income statement

| Department of the Premier and Cabinet           | Notes      | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|---|------------|-----------------------------|--------------------------------|-----------------------------|
| <b>INCOME</b>                                   |            |                             |                                |                             |
| Appropriation revenue                           | 83, 87, 92 | 126,420                     | 131,082                        | 150,956                     |
| Taxes   |            | ..                          | ..                             | ..                          |
| User charges and fees                           |            | ..                          | ..                             | ..                          |
| Royalties and land rents                        |            | ..                          | ..                             | ..                          |
| Grants and other contributions                  |            | ..                          | ..                             | ..                          |
| Interest  |            | ..                          | ..                             | ..                          |
| Other revenue                                   |            | ..                          | ..                             | ..                          |
| Gains on sale/revaluation of assets             |            | ..                          | ..                             | ..                          |
| <b>Total income</b>                             |            | <b>126,420</b>              | <b>131,082</b>                 | <b>150,956</b>              |
| <b>EXPENSES</b>                                 |            |                             |                                |                             |
| Employee expenses                               | 84, 88, 93 | 24,894                      | 24,602                         | 29,592                      |
| Supplies and services                           | 85, 89, 94 | 12,563                      | 10,400                         | 15,569                      |
| Grants and subsidies                            | 86, 90, 95 | 88,550                      | 95,721                         | 105,026                     |
| Depreciation and amortisation                   | 91, 96     | 308                         | 224                            | 646                         |
| Finance/borrowing costs                         |            | ..                          | ..                             | ..                          |
| Other expenses                                  |            | 105                         | 135                            | 123                         |
| Losses on sale/revaluation of assets            |            | ..                          | ..                             | ..                          |
| Transfers of Administered Revenue to Government |            | ..                          | ..                             | ..                          |
| <b>Total expenses</b>                           |            | <b>126,420</b>              | <b>131,082</b>                 | <b>150,956</b>              |
| <b>OPERATING SURPLUS/(DEFICIT)</b>              |            | <b>..</b>                   | <b>..</b>                      | <b>..</b>                   |

# Administered balance sheet

| Department of the Premier and Cabinet        | Notes        | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|--|--------------|-----------------------------|--------------------------------|-----------------------------|
| <b>CURRENT ASSETS</b>                        |              |                             |                                |                             |
| Cash assets                                  | 97, 99       | 6,884                       | 11,343                         | 11,513                      |
| Receivables                                  |              | 516                         | 414                            | 414                         |
| Other financial assets                       |              | ..                          | ..                             | ..                          |
| Inventories                                  |              | ..                          | ..                             | ..                          |
| Other  |              | 38                          | 23                             | 23                          |
| Non-financial assets held for sale           |              | ..                          | ..                             | ..                          |
| <b>Total current assets</b>                  |              | <b>7,438</b>                | <b>11,780</b>                  | <b>11,950</b>               |
| <b>NON-CURRENT ASSETS</b>                    |              |                             |                                |                             |
| Receivables                                  |              | ..                          | ..                             | ..                          |
| Other financial assets                       |              | ..                          | ..                             | ..                          |
| Property, plant and equipment                | 100, 102     | 738                         | 633                            | 1,162                       |
| Intangibles                                  |              | ..                          | ..                             | ..                          |
| Other  |              | ..                          | ..                             | ..                          |
| <b>Total non-current assets</b>              |              | <b>738</b>                  | <b>633</b>                     | <b>1,162</b>                |
| <b>TOTAL ASSETS</b>                          |              | <b>8,176</b>                | <b>12,413</b>                  | <b>13,112</b>               |
| <b>CURRENT LIABILITIES</b>                   |              |                             |                                |                             |
| Payables                                     |              | 662                         | 902                            | 902                         |
| Transfers to Government payable              |              | ..                          | ..                             | ..                          |
| Accrued employee benefits                    | 98, 101      | 838                         | 2,213                          | 2,212                       |
| Interest bearing liabilities and derivatives |              | ..                          | ..                             | ..                          |
| Provisions                                   |              | ..                          | ..                             | ..                          |
| Other  |              | ..                          | ..                             | ..                          |
| <b>Total current liabilities</b>             |              | <b>1,500</b>                | <b>3,115</b>                   | <b>3,114</b>                |
| <b>NON-CURRENT LIABILITIES</b>               |              |                             |                                |                             |
| Payables                                     |              | ..                          | ..                             | ..                          |
| Accrued employee benefits                    | 98, 101, 103 | 1,785                       | 4,381                          | 5,081                       |
| Interest bearing liabilities and derivatives |              | ..                          | ..                             | ..                          |
| Provisions                                   |              | ..                          | ..                             | ..                          |
| Other  |              | ..                          | ..                             | ..                          |
| <b>Total non-current liabilities</b>         |              | <b>1,785</b>                | <b>4,381</b>                   | <b>5,081</b>                |
| <b>TOTAL LIABILITIES</b>                     |              | <b>3,285</b>                | <b>7,496</b>                   | <b>8,195</b>                |
| <b>NET ASSETS/(LIABILITIES)</b>              |              | <b>4,891</b>                | <b>4,917</b>                   | <b>4,917</b>                |
| <b>EQUITY</b>                                |              |                             |                                |                             |
| <b>TOTAL EQUITY</b>                          |              | <b>4,891</b>                | <b>4,917</b>                   | <b>4,917</b>                |

# Administered cash flow statement

| Department of the Premier and Cabinet                       | Notes         | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|---|---------------|-----------------------------|--------------------------------|-----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |               |                             |                                |                             |
| <b>Inflows:</b>   |               |                             |                                |                             |
| Appropriation receipts                                      | 104, 108, 113 | 126,420                     | 134,158                        | 150,956                     |
| User charges and fees                                       |               | ..                          | ..                             | ..                          |
| Royalties and land rent receipts                            |               | ..                          | ..                             | ..                          |
| Grants and other contributions                              |               | ..                          | 61                             | ..                          |
| Interest received   |               | ..                          | ..                             | ..                          |
| Taxes   |               | ..                          | ..                             | ..                          |
| Other   |               | ..                          | ..                             | ..                          |
| <b>Outflows:</b>  |               |                             |                                |                             |
| Employee costs  | 105, 109, 114 | (24,195)                    | (22,803)                       | (28,893)                    |
| Supplies and services                                       | 106, 110, 115 | (12,563)                    | (10,400)                       | (15,569)                    |
| Grants and subsidies  | 107, 111, 116 | (88,550)                    | (95,721)                       | (105,026)                   |
| Borrowing costs   |               | ..                          | ..                             | ..                          |
| Other   |               | (105)                       | (135)                          | (123)                       |
| Transfers to Government                                     |               | ..                          | ..                             | ..                          |
| <b>Net cash provided by or used in operating activities</b> |               | <b>1,007</b>                | <b>5,160</b>                   | <b>1,345</b>                |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |               |                             |                                |                             |
| <b>Inflows:</b>   |               |                             |                                |                             |
| Sales of non-financial assets                               |               | ..                          | ..                             | 325                         |
| Investments redeemed  |               | ..                          | ..                             | ..                          |
| Loans and advances redeemed                                 |               | ..                          | ..                             | ..                          |
| <b>Outflows:</b>  |               |                             |                                |                             |
| Payments for non-financial assets                           | 112, 117      | (289)                       | (289)                          | (1,500)                     |
| Payments for investments                                    |               | ..                          | ..                             | ..                          |
| Loans and advances made                                     |               | ..                          | ..                             | ..                          |
| <b>Net cash provided by or used in investing activities</b> |               | <b>(289)</b>                | <b>(289)</b>                   | <b>(1,175)</b>              |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |               |                             |                                |                             |
| <b>Inflows:</b>   |               |                             |                                |                             |
| Borrowings  |               | ..                          | ..                             | ..                          |
| Equity injections   |               | ..                          | ..                             | ..                          |
| <b>Outflows:</b>  |               |                             |                                |                             |
| Borrowing redemptions                                       |               | ..                          | ..                             | ..                          |
| Finance lease payments                                      |               | ..                          | ..                             | ..                          |
| Equity withdrawals  |               | ..                          | ..                             | ..                          |
| <b>Net cash provided by or used in financing activities</b> |               | <b>..</b>                   | <b>..</b>                      | <b>..</b>                   |
| <b>Net increase/(decrease) in cash held</b>                 |               | <b>718</b>                  | <b>4,871</b>                   | <b>170</b>                  |
| <b>Cash at the beginning of financial year</b>              |               | <b>6,166</b>                | <b>6,472</b>                   | <b>11,343</b>               |
| Cash transfers from restructure                             |               | ..                          | ..                             | ..                          |
| <b>Cash at the end of financial year</b>                    |               | <b>6,884</b>                | <b>11,343</b>                  | <b>11,513</b>               |



# Explanation of variances in the financial statements

## Income statement

### Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. A decrease in appropriation revenue primarily due to the deferral of some Anzac Centenary Commemoration (ACC) and State Coordination of Legal Representation (SCoLR) activities that occurred post Budget formation. Furthermore, a balance sheet reclassification of funding occurred in relation to capital improvements on Cultural Precinct buildings also contributing to 2015-16 Estimated Actual income being less than the 2015-16 Budget. The decrease is partly offset by additional funding provided for activities associated with reducing Domestic and Family Violence, hosting the North Queensland Economic Summit, managing the Advance Queensland communications strategy and the expansion of the Queensland Ballet that also occurred post Budget formation.
2. An increase in user charges and fees primarily due to increased usage of the Brisbane Cultural Precinct car park and Advanced Queensland Innovation and Investment Summit (AQIIS) ticket sales.
3. An increase in grants and other contributions primarily due to activities associated with the AQIIS and funding of the Domestic and Family Violence Council Secretariat that occurred post Budget formation.
4. An increase in interest due to a reclassification of interest revenue previously recorded as other revenue.
5. A decrease in other revenue due to a reclassification of interest revenue previously recorded under this category.
6. A decrease in employee expenses due to a number of staff vacancies that were not filled during the first half of the financial year.
7. An increase in supplies and services primarily due to expenditure on the Advance Queensland communications strategy that occurred post Budget formation.
8. A decrease in grants and subsidies primarily due to the deferral of some ACC expenditure into next financial year.
9. An increase in finance/borrowing costs primarily due to a new Revolving Film Finance Fund (RFFF) loan agreement that commenced in 2015-16.
10. A decrease in other expenses primarily due to the deferral of some ACC sponsorship initiatives into next financial year.

### Major variations between 2015-16 Budget and 2016-17 Budget include:

11. A decrease in appropriation revenue primarily due to less funding to be received for multi-year limited life initiatives including ACC activities and SCoLR. In addition, the Grantham Commission of Inquiry was completed in 2015-16. This decrease is partly offset by increased appropriation due to employee enterprise bargaining agreements, activities associated with reducing Domestic and Family Violence and the Boost to Touring element of the Playing Queensland Fund.
12. An increase in user charges and fees primarily due to an adjustment for the Government's fees and charges indexation policy associated with the Brisbane Cultural Precinct car park entry fee.
13. An increase in interest due to a reclassification of interest revenue previously recorded as other revenue.
14. A decrease in other revenue due to a reclassification of interest revenue previously recorded under this category.
15. A decrease in employee expenses primarily due to reduced appropriation funding as well as the completion of the Grantham Floods Commission of Inquiry in 2015-16. This decrease is partly offset by increased appropriation for employee enterprise bargaining agreements.
16. A decrease in supplies and services primarily due to reduced expenditure in relation to multi-year limited life initiatives including SCoLR and the completion of the Grantham Floods Commission of Inquiry in 2015-16. This decrease is partly offset by additional expenditure for ACC activities, activities associated with reducing Domestic and Family Violence and the Queensland Social Cohesion taskforce.
17. An increase in other expenses primarily due to the deferral of some ACC sponsorship payments into next financial year and increased sponsorship of State events.

**Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:**

18. A decrease in appropriation revenue primarily due to less funding to be received for existing multi-year limited life initiatives including ACC activities, SCoLR and the Grantham Commission of Inquiry. This decrease has been partly offset by increased funding for the Queensland Social Cohesion taskforce, employee enterprise bargaining arrangements and the Boost to Touring element of the Playing Queensland Fund.
19. An increase in user charges and fees primarily due to the an adjustment for the Government's fees and charges indexation policy associated with the Brisbane Cultural Precinct car park entry fee.
20. A decrease in grants and other contributions primarily due to one-off contributions made to the AQIIS and Domestic & Family Violence Secretariat that occurred in 2015-16.
21. An increase in interest due to the reclassification of interest revenue previously recorded as other revenue.
22. A decrease in employee expenses primarily due to completion of the Advance Queensland Summit, North Queensland Economic Summit and Grantham Floods Commission of Inquiry in 2015-16.
23. A decrease in supplies and services primarily due to the completion of one-off initiatives occurring in 2015-16 including the AQIIS, the Advance Queensland communications strategy, North Queensland Economic Summit and the Grantham Floods Commission of Inquiry. Furthermore, reduced funding will be received for multi-year limited life initiatives including ACC and SCoLR activities. The decrease has been partly offset by increased funding for the Queensland Social Cohesion taskforce and one-off capital transfers for initiatives related to improvements on Cultural Centre buildings.
24. An increase in grants and subsidies primarily due to rephasing of the Queensland Social Cohesion taskforce initiative, new funding provided for priority Cultural Infrastructure and additional expenditure on the Boost to Touring element of the Playing Queensland Fund.
25. An increase in finance/borrowing costs primarily due to a new RFFF loan agreement that commenced in 2015-16.
26. An increase in other expenses primarily due to the deferral of some ACC sponsorship payments from prior financial year and increased sponsorship of State events.

## **Balance sheet**

**Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:**

27. A decrease in current receivables primarily due to repayment of RFFF loan agreements.
28. An increase in non-current receivables due to a new RFFF loan agreement that commenced in 2015-16.
29. A decrease in property, plant & equipment primarily due to the net effect of asset revaluations of land and buildings located at the Brisbane Cultural Precinct and the deferral of capital works in progress into 2016-17 associated with the Brisbane Cultural Precinct Critical Infrastructure Program. The decrease has been partly offset by the upgrade of the Cremorne Theatre and forecast increase in asset valuations at the end of 2015-16.
30. An increase in intangibles due to the deferred write-down of redundant information technology applications.
31. An increase in current payables primarily due to the Arts Queensland capital maintenance program.
32. A decrease in current interest bearing liabilities and derivatives due to repayment of RFFF loan agreements.
33. An increase in non-current interest bearing liabilities and derivatives due to a new RFFF loan agreement that commenced in 2015-16.
34. A decrease in total equity primarily due to the net effect of asset revaluations of land and buildings located at the Brisbane Cultural Precinct and the deferral of capital work in progress into 2016-17 associated with the Critical Infrastructure Program.

**Major variations between 2015-16 Budget and 2016-17 Budget include:**

35. A decrease in current receivables primarily due to repayment of RFFF loan agreements.
36. An increase in non-current receivables due to a new RFFF loan agreement that commenced in 2015-16.
37. A decrease in property, plant & equipment primarily due to the net effect of asset revaluations of land and buildings located at the Brisbane Cultural Precinct and the deferral of capital work in progress into 2016-17 associated with the Critical Infrastructure Program. The decrease has been partly offset by a forecast increase in asset valuations at the end of 2015-16.
38. An increase in intangibles due to the deferred write-down of redundant information technology applications.
39. A decrease in current interest bearing liabilities and derivatives due to repayment of RFFF loan agreements.

40. An increase in non-current interest bearing liabilities and derivatives due to a new RFFF loan agreement that commenced in 2015-16.
41. A decrease in total equity primarily due to the net effect of asset revaluations of land and buildings located at the Brisbane Cultural Precinct and the deferral of capital work in progress into 2016-17 associated with the Critical Infrastructure Program. This increase will be partly offset by an expected rise in asset valuation by 30 June 2017.

**Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:**

42. A decrease in current receivables primarily due to repayment of RFFF loan agreements.
43. The increase in property, plant & equipment is due to the Critical Infrastructure Works program and an increase in forecast asset valuations. This increase will be partly offset by accumulated depreciation on assets.
44. An increase in total equity due to a deferral of funds to the undertaking a Critical Infrastructure Program.

## Cash flow statement

**Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:**

45. A decrease in appropriation receipts primarily due to the deferral of some Anzac Centenary Commemoration (ACC) and State Coordination of Legal Representation (SCoLR) activities that occurred post Budget formation. Furthermore, a balance sheet reclassification of funding occurred in relation to capital improvements on Brisbane Cultural Precinct buildings also contributed to 2015-16 Estimated Actual income being less than the 2015-16 Budget. The decrease is partly offset by additional funding provided for activities associated with reducing Domestic and Family Violence, hosting the North Queensland Economic Summit, managing the Advance Queensland communications strategy and the expansion of the Queensland Ballet that also occurred post Budget.
46. An increase in user charges and fees primarily due to increased usage of the Brisbane Cultural Precinct car park and AQIS ticket sales.
47. An increase in grants and other contributions primarily due to activities associated with the AQIS and funding of the Domestic and Family Violence Council Secretariat that occurred post Budget formation.
48. An increase in other operating inflows primarily due to movements in goods and services tax (GST) collected.
49. A decrease in employee costs due to a number of staff vacancies that were not filled over the first half of the year.
50. An increase in supplies and services primarily due to the Advance Queensland communications strategy that occurred post Budget formation.
51. A decrease in grants and subsidies primarily due to a deferral of some ACC expenditure into next financial year.
52. A decrease in other operating outflows primarily due to the deferral of some ACC sponsorship payments into next financial year.
53. An increase in loans and advances redeemed primarily due to repayment of RFFF loan agreements.
54. A decrease in payments for non-financial assets primarily due to the deferral into 2016-17 of Brisbane Cultural Precinct Critical Infrastructure capital works in progress and the Anzac Legacy Gallery at the Queensland Museum. This decrease is partly offset by the upgrade of the Cremorne Theatre.
55. An increase in loans and advances made due to a new RFFF loan agreement that commenced in 2015-16.
56. An increase in borrowings due to a new RFFF loan agreement that commenced in 2015-16.
57. A decrease in equity injections due to deferral of some elements of the Brisbane Cultural Precinct Critical Infrastructure Program into next financial year.
58. An increase in borrowing redemptions due to planned RFFF loan repayments.

**Major variations between 2015-16 Budget and 2016-17 Budget include:**

59. A decrease in appropriation receipts primarily due to less funding to be received for multi-year limited life initiatives including ACC activities and SCoLR. In addition, the Grantham Commission of Inquiry was completed in 2015-16. This decrease is partly offset by increased appropriation due to employee enterprise bargaining agreements, activities associated with reducing Domestic and Family Violence and the Boost to Touring element of the Playing Queensland Fund.
60. An increase in user charges and fees primarily due to an adjustment for the Government's fees and charges indexation policy associated with the Brisbane Cultural Precinct car park entry fee.
61. An increase in other operating inflows primarily due to movements in GST collected.

62. A decrease in employee costs primarily due to reduced appropriation funding as well as the completion of the Grantham Floods Commission of Inquiry in 2015-16. This decrease is partly offset by increased appropriation for employee enterprise bargaining agreements.
63. A decrease in supplies and services primarily due to reduced expenditure in relation to multi-year limited life initiatives including SCoLR and the completion of the Grantham Floods Commission of Inquiry in 2015-16. This decrease is partly offset by additional expenditure for ACC activities, activities associated with reducing Domestic and Family Violence and the Queensland Social Cohesion taskforce.
64. A decrease in grants and subsidies primarily due to reduced cash in relation to the ACC initiatives in accordance with the multi-year funding schedule partly offset by additional cost for the Boost to Touring element of the Playing Queensland Fund.
65. An increase in payments for non-financial assets primarily due to the Brisbane Cultural Precinct Critical Infrastructure Program and the Anzac Legacy Gallery at the Queensland Museum.
66. An increase in loans and advances made as a result of a new RFFF loan agreement that commenced in 2015-16.
67. An increase in borrowings due to a new RFFF loan agreement that commenced in 2015-16.
68. An increase in equity injection primarily due to the deferral of some elements of the Brisbane Cultural Precinct Critical Infrastructure Program from the prior financial year and additional funding inflows for the Anzac Legacy Gallery at the Queensland Museum.

**Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:**

69. An increase in appropriation receipts primarily due to less funding to be received for existing multi-year limited life initiatives including ACC activities, SCoLR and the Grantham Commission of Inquiry. This decrease has been partly offset by increased funding for the Queensland Social Cohesion taskforce, employee enterprise bargaining arrangements and the Boost to Touring element of the Playing Queensland Fund.
70. An increase in user charges and fees primarily due to the an adjustment for the Government's fees and charges indexation policy associated with the Brisbane Cultural Precinct car park entry fee.
71. A decrease in grants and other contributions primarily due to one-off contributions made to the AQIIS and Domestic & Family Violence Secretariat that occurred in 2015-16.
72. A decrease in other operating inflows primarily due to movements in GST collected.
73. A decrease in employee costs primarily due to no significant new grants and other contributions planned for next financial year and one-off contributions made to the AQIIS and Domestic & Family Violence Secretariat that occurred in 2015-16.
74. A decrease in supplies and services primarily due to the completion of one-off initiatives occurring in 2015-16 including the AQIIS, the Advance Queensland communications strategy, North Queensland Economic Summit and the Grantham Floods Commission of Inquiry. Furthermore, reduced funding will be received for multi-year limited life initiatives including ACC and SCoLR activities. The decrease has been partly offset by increased funding for the Queensland Social Cohesion taskforce and one-off capital transfers for initiatives related to improvements on Brisbane Cultural Centre buildings.
75. An increase in grants and subsidies primarily due to rephasing of the Queensland Social Cohesion taskforce initiative, new funding provided for priority Brisbane Cultural Precinct Infrastructure and additional expenditure on the Boost to Touring element of the Playing Queensland Fund.
76. An increase in other operating outflows due to the deferral of some ACC sponsorship payments from 2015-16 and increased sponsorship payments of State run events.
77. A decrease in loans and advances redeemed due to the conclusion of some RFFF loan agreements.
78. An increase in payments for non-financial assets due to rephasing of cash flows in relation to the Brisbane Cultural Precinct Critical Infrastructure Program and Anzac Legacy Gallery at the Queensland Museum.
79. A decrease in loans and advances made primarily due to no significant new Loans and advances planned for next financial year.
80. A decrease in borrowings primarily due to no significant new borrowings planned for next financial year.
81. An increase in equity injections primarily due to the rephasing across four years of the Brisbane Cultural Precinct Critical Infrastructure Program to meet program requirements and the Anzac Legacy Gallery at the Queensland Museum.
82. A decrease in borrowing redemptions primarily due to no significant new borrowings planned for next financial year.

# Administered income statement

## Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

83. An increase in appropriation revenue primarily due to employee enterprise bargaining arrangements and transfer of funding for the Queensland Family Child Commission's (QFCC) Strengthening the Sector strategy. This increase has been partly offset by deferred QFCC funding into 2016-17 for the public education campaign, Phase 2 of the QFCC web redevelopment and priority research projects.
84. A decrease in employee expenses primarily due to Ministerial staff vacancies following the change of Government from July to December 2015. This decrease has been partly offset by the uptake of severance liability associated with Ministerial Office employees in accordance with standard employment conditions.
85. A decrease in supplies and services primarily due to Ministerial cost reductions in office expenditure.
86. An increase in grants and subsidies primarily due to employee enterprise bargaining arrangements and transfer of funding for QFCC's Strengthening the Sector strategy. This increase has been partly offset by deferred QFCC costs into 2016-17 for the public education campaign, Phase 2 of the QFCC web redevelopment and priority research projects.

## Major variations between 2015-16 Budget and 2016-17 Budget include:

87. An increase in appropriation revenue primarily due to additional exhibition and capital improvements at the Queensland Art Gallery, regional campus upgrades and permanent gallery renewal at the Queensland Museum and employee enterprise bargaining arrangements. In addition, the increase relates to QFCC funding deferrals from 2015-16 for a public education campaign, Strengthening the Sector Strategy, Phase 2 of the QFCC web redevelopment, priority research projects as well as for a review of the Supporting Families Changing Futures strategy and supporting the Indigenous 'closing the gap' action plan. This increase is partly offset by decreases due to biennial funding of the Out of the Box Festival at QPAC.
88. An increase in employee expenses primarily due to the creation of three new portfolios created in December 2015.
89. An increase in supplies and services primarily due to additional building services costs associated with co-locating all Ministerial Offices to 1 William Street.
90. An increase in grants and subsidies primarily due to additional exhibition and capital improvements at the Queensland Art Gallery, regional campus upgrades and permanent gallery renewal at the Queensland Museum and employee enterprise bargaining arrangements. In addition, the increase relates to QFCC funding deferrals from 2015-16 for a public education campaign, Strengthening the Sector Strategy, Phase 2 of the QFCC web redevelopment, priority research projects as well as for a review of the Supporting Families Changing Futures strategy and supporting the Indigenous 'closing the gap' action plan. This increase is partly offset by decreases due to biennial funding of the Out of the Box Festival at QPAC.
91. An increase in depreciation due to the anticipated purchase of additional Information Technology Assets for Ministerial staff following the move to 1 William Street and the changed ICT operating environment.

## Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

92. An increase in appropriation revenue primarily due to additional exhibition and capital improvements at the Queensland Art Gallery, regional campus upgrades and permanent gallery renewal at the Queensland Museum and employee enterprise bargaining arrangements. In addition, the increase relates to QFCC funding deferrals from 2015-16 for a public education campaign, Strengthening the Sector Strategy, Phase 2 of the QFCC web redevelopment, priority research projects as well as for a review of the Supporting Families Changing Futures strategy and supporting the Indigenous 'closing the gap' action plan. This increase is partly offset by decreases due to biennial funding of the Out of the Box Festival at QPAC.
93. An increase in employee expenses primarily due to full-year effect associated with the three new portfolios created in December 2015 as well as employee enterprise bargaining arrangements.
94. An increase in supplies and services primarily due to additional building services costs associated with co-locating all Ministerial Offices to 1 William Street as well as a reductions in office expenditure in 2015-16.
95. An increase in grants and subsidies primarily due to additional exhibition and capital improvements at the Queensland Art Gallery, regional campus upgrades and permanent gallery renewal at the Queensland Museum and employee enterprise bargaining arrangements. In addition, the increase relates to QFCC funding deferrals from 2015-16 for a public education campaign, Strengthening the Sector Strategy, Phase 2 of the QFCC web redevelopment, priority research projects as well as for a review of the Supporting Families Changing Futures strategy and supporting the Indigenous 'closing the gap' action plan. This increase is partly offset by decreases due to biennial funding of the Out of the Box Festival at QPAC.

96. An increase in depreciation is due to the replacement of Information Technology Infrastructure Assets (eg. servers) for Ministerial staff following the move to 1 William Street and the changed operating environment.

## Administered balance sheet

### Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

97. An increase in current cash assets primarily due to provisioning for employee liabilities for Ministerial Offices in accordance with standard employment conditions.
98. An increase in current and non-current accrued employee benefits primarily due to providing severance payments for Ministerial Office employees in accordance with standard employment conditions.

### Major variations between 2015-16 Budget and 2016-17 Budget include:

99. An increase in current cash assets primarily due to provisioning for employee liabilities for Ministerial Offices in accordance with standard employment conditions.
100. An increase in property, plant and equipment primarily due to the replacement of Information Technology infrastructure following the change in the operating environment as a result of the pending move to 1 William Street.
101. An increase in current and non-current accrued employee benefits primarily due to the provision of severance liability for Ministerial Office employees in accordance with standard employment conditions.

### Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

102. An increase in property, plant and equipment primarily due to the replacement of Information Technology infrastructure as a result of the pending move to 1 William Street.
103. An increase in current and non-current accrued employee benefits primarily due to the provision of severance liability for Ministerial Office employees in accordance with standard employment conditions.

## Administered cash flow statement

### Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

104. An increase in appropriation receipts primarily due to employee enterprise bargaining arrangements and transfer of funding for QFCC's Strengthening the Sector strategy. This increase has been partly offset by deferred QFCC funding into 2016-17 for the public education campaign, Phase 2 of the QFCC web redevelopment and priority research projects.
105. A decrease in employee costs primarily due to Ministerial staff vacancies following the change of Government from July to December 2015.
106. A decrease in supplies and services primarily due to Ministerial cost reductions in office expenditure.
107. An increase in grants and subsidies is primarily due to employee enterprise bargaining arrangements and transfer of funding for QFCC's Strengthening the Sector strategy. This increase has been partly offset by deferred QFCC costs into 2016-17 for the public education campaign, Phase 2 of the QFCC web redevelopment and priority research projects.

### Major variations between 2015-16 Budget and 2016-17 Budget include:

108. An increase in appropriation revenue primarily due to additional exhibition and capital improvements at the Queensland Art Gallery, regional campus upgrades and permanent gallery renewal at the Queensland Museum and employee enterprise bargaining arrangements. In addition, the increase relates to QFCC funding deferrals from 2015-16 for a public education campaign, Strengthening the Sector Strategy, Phase 2 of the QFCC web redevelopment, priority research projects as well as for a review of Supporting Families Changing Futures strategy and supporting the Indigenous 'closing the gap' action plan. This increase is partly offset by decreases due to biennial funding of the Out of the Box Festival at QPAC.
109. An increase in employee costs primarily due to the creation of three new portfolios created in December 2015.
110. An increase in supplies and services primarily due to additional building services costs associated with co-locating all Ministerial Offices to 1 William Street.

111. An increase in grants and subsidies primarily due to additional exhibition and capital improvements at the Queensland Art Gallery, regional campus upgrades and permanent gallery renewal at the Queensland Museum and employee enterprise bargaining arrangements. In addition, the increase relates to QFCC funding deferrals from 2015-16 for a public education campaign, Strengthening the Sector Strategy, Phase 2 of the QFCC web redevelopment, priority research projects as well as for a review of Supporting Families Changing Futures strategy and supporting the Indigenous 'closing the gap' action plan. This increase is partly offset by decreases due to biennial funding of the Out of the Box Festival at QPAC.
112. An increase in payments for non-financial assets primarily due to the replacement of Information Technology infrastructure as a result of the pending move to 1 William Street.

**Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:**

113. An increase in appropriation revenue primarily due to additional exhibition and capital improvements at the Queensland Art Gallery, regional campus upgrades and permanent gallery renewal at the Queensland Museum and employee enterprise bargaining arrangements. In addition, the increase relates to QFCC funding deferrals from 2015-16 for a public education campaign, Strengthening the Sector Strategy, Phase 2 of the QFCC web redevelopment, priority research projects as well as for a review of Supporting Families Changing Futures strategy and supporting the Indigenous 'closing the gap' action plan. This increase is partly offset by decreases due to biennial funding of the Out of the Box Festival at QPAC.
114. An increase in employee costs primarily due to the full-year effect associated with the three new portfolios created in December 2015 as well as employee enterprise bargaining arrangements.
115. An increase in supplies and services primarily due to additional building services costs associated with co-locating all Ministerial Offices to 1 William Street as well as a reductions in office expenditure in 2015-16.
116. An increase in grants and subsidies primarily due to additional exhibition and capital improvements at the Queensland Art Gallery, regional campus upgrades and permanent gallery renewal at the Queensland Museum and employee enterprise bargaining arrangements. In addition, the increase relates to QFCC funding deferrals from 2015-16 for a public education campaign, Strengthening the Sector Strategy, Phase 2 of the QFCC web redevelopment, priority research projects as well as for a review of the Supporting Families Changing Futures strategy and supporting the Indigenous 'closing the gap' action plan. This increase is partly offset by decreases due to biennial funding of the Out of the Box Festival at QPAC.
117. An increase in payments for non-financial assets primarily due to the replacement of Information Technology infrastructure as a result of the pending move to 1 William Street.

# Reporting Entity Financial Statements

Reporting Entity comprises:

- Department of the Premier and Cabinet (excluding Administered)
- Corporate Administration Agency.

Explanations of variances for each entity are included in the individual budget financial statements located in this *Service Delivery Statement*.

## Reporting entity income statement

| Department of the Premier and Cabinet | Notes | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|---------------------------------------|-------|-----------------------------|--------------------------------|-----------------------------|
| <b>INCOME</b>                         |       |                             |                                |                             |
| Appropriation revenue                 |       | 215,600                     | 208,474                        | 207,641                     |
| Taxes                                 |       | ..                          | ..                             | ..                          |
| User charges and fees                 |       | 31,756                      | 34,148                         | 35,527                      |
| Royalties and land rents              |       | ..                          | ..                             | ..                          |
| Grants and other contributions        |       | 364                         | 1,134                          | 357                         |
| Interest                              |       | ..                          | 138                            | 192                         |
| Other revenue                         |       | 228                         | 134                            | 132                         |
| Gains on sale/revaluation of assets   |       | ..                          | ..                             | ..                          |
| <b>Total income</b>                   |       | <b>247,948</b>              | <b>244,028</b>                 | <b>243,849</b>              |
| <b>EXPENSES</b>                       |       |                             |                                |                             |
| Employee expenses                     |       | 74,963                      | 72,849                         | 72,649                      |
| Supplies and services                 |       | 71,155                      | 74,481                         | 70,401                      |
| Grants and subsidies                  |       | 66,551                      | 61,889                         | 64,473                      |
| Depreciation and amortisation         |       | 33,101                      | 33,169                         | 33,450                      |
| Finance/borrowing costs               |       | 83                          | 138                            | 192                         |
| Other expenses                        |       | 2,095                       | 1,502                          | 2,684                       |
| Losses on sale/revaluation of assets  |       | ..                          | ..                             | ..                          |
| <b>Total expenses</b>                 |       | <b>247,948</b>              | <b>244,028</b>                 | <b>243,849</b>              |
| Income tax expense/revenue            |       | ..                          | ..                             | ..                          |
| <b>OPERATING SURPLUS/(DEFICIT)</b>    |       | <b>..</b>                   | <b>..</b>                      | <b>..</b>                   |



# Reporting entity balance sheet

| Department of the Premier and Cabinet        | Notes | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|--|-------|-----------------------------|--------------------------------|-----------------------------|
| <b>CURRENT ASSETS</b>                        |       |                             |                                |                             |
| Cash assets                                  |       | 15,120                      | 13,968                         | 13,414                      |
| Receivables                                  |       | 7,527                       | 6,250                          | 5,542                       |
| Other financial assets                       |       | ..                          | ..                             | ..                          |
| Inventories                                  |       | 38                          | 23                             | 23                          |
| Other  |       | 870                         | 1,721                          | 1,721                       |
| Non-financial assets held for sale           |       | ..                          | ..                             | ..                          |
| <b>Total current assets</b>                  |       | <b>23,555</b>               | <b>21,962</b>                  | <b>20,700</b>               |
| <b>NON-CURRENT ASSETS</b>                    |       |                             |                                |                             |
| Receivables                                  |       | 130                         | 5,243                          | 5,399                       |
| Other financial assets                       |       | ..                          | ..                             | ..                          |
| Property, plant and equipment                |       | 700,039                     | 643,643                        | 652,922                     |
| Deferred tax assets                          |       | ..                          | ..                             | ..                          |
| Intangibles                                  |       | 1,495                       | 2,797                          | 2,756                       |
| Other  |       | ..                          | ..                             | ..                          |
| <b>Total non-current assets</b>              |       | <b>701,664</b>              | <b>651,683</b>                 | <b>661,077</b>              |
| <b>TOTAL ASSETS</b>                          |       | <b>725,219</b>              | <b>673,645</b>                 | <b>681,777</b>              |
| <b>CURRENT LIABILITIES</b>                   |       |                             |                                |                             |
| Payables                                     |       | 6,171                       | 6,620                          | 5,959                       |
| Current tax liabilities                      |       | ..                          | ..                             | ..                          |
| Accrued employee benefits                    |       | 2,357                       | 2,578                          | 2,748                       |
| Interest bearing liabilities and derivatives |       | 1,782                       | 1,253                          | 1,300                       |
| Provisions                                   |       | ..                          | ..                             | ..                          |
| Other  |       | 223                         | 640                            | 640                         |
| <b>Total current liabilities</b>             |       | <b>10,533</b>               | <b>11,091</b>                  | <b>10,647</b>               |
| <b>NON-CURRENT LIABILITIES</b>               |       |                             |                                |                             |
| Payables                                     |       | ..                          | ..                             | ..                          |
| Deferred tax liabilities                     |       | ..                          | ..                             | ..                          |
| Accrued employee benefits                    |       | ..                          | ..                             | ..                          |
| Interest bearing liabilities and derivatives |       | 106                         | 5,243                          | 5,399                       |
| Provisions                                   |       | ..                          | ..                             | ..                          |
| Other  |       | ..                          | ..                             | ..                          |
| <b>Total non-current liabilities</b>         |       | <b>106</b>                  | <b>5,243</b>                   | <b>5,399</b>                |
| <b>TOTAL LIABILITIES</b>                     |       | <b>10,639</b>               | <b>16,334</b>                  | <b>16,046</b>               |
| <b>NET ASSETS/(LIABILITIES)</b>              |       | <b>714,580</b>              | <b>657,311</b>                 | <b>665,731</b>              |
| <b>EQUITY</b>                                |       |                             |                                |                             |
| <b>TOTAL EQUITY</b>                          |       | <b>714,580</b>              | <b>657,311</b>                 | <b>665,731</b>              |

# Reporting entity cash flow statement

| Department of the Premier and Cabinet                       | Notes | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|---|-------|-----------------------------|--------------------------------|-----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |       |                             |                                |                             |
| <b>Inflows:</b>   |       |                             |                                |                             |
| Appropriation receipts                                      |       | 215,600                     | 206,019                        | 207,641                     |
| User charges and fees                                       |       | 32,134                      | 36,139                         | 37,619                      |
| Royalties and land rent receipts                            |       | ..                          | ..                             | ..                          |
| Grants and other contributions                              |       | 364                         | 1,134                          | 357                         |
| Interest received   |       | ..                          | ..                             | ..                          |
| Taxes   |       | ..                          | ..                             | ..                          |
| Other   |       | 4,092                       | 6,060                          | 5,656                       |
| <b>Outflows:</b>  |       |                             |                                |                             |
| Employee costs  |       | (74,699)                    | (72,959)                       | (72,479)                    |
| Supplies and services                                       |       | (74,175)                    | (82,251)                       | (77,679)                    |
| Grants and subsidies  |       | (66,551)                    | (62,109)                       | (64,473)                    |
| Borrowing costs   |       | (83)                        | ..                             | ..                          |
| Taxation equivalents paid                                   |       | ..                          | ..                             | ..                          |
| Other   |       | (3,317)                     | (2,087)                        | (2,928)                     |
| <b>Net cash provided by or used in operating activities</b> |       | <b>33,365</b>               | <b>29,946</b>                  | <b>33,714</b>               |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |       |                             |                                |                             |
| <b>Inflows:</b>   |       |                             |                                |                             |
| Sales of non-financial assets                               |       | ..                          | ..                             | ..                          |
| Investments redeemed  |       | ..                          | ..                             | ..                          |
| Loans and advances redeemed                                 |       | ..                          | 1,177                          | 138                         |
| <b>Outflows:</b>  |       |                             |                                |                             |
| Payments for non-financial assets                           |       | (9,001)                     | (6,709)                        | (19,051)                    |
| Payments for investments                                    |       | ..                          | ..                             | ..                          |
| Loans and advances made                                     |       | ..                          | (4,294)                        | (341)                       |
| <b>Net cash provided by or used in investing activities</b> |       | <b>(9,001)</b>              | <b>(9,826)</b>                 | <b>(19,254)</b>             |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |       |                             |                                |                             |
| <b>Inflows:</b>   |       |                             |                                |                             |
| Borrowings  |       | ..                          | 4,294                          | 341                         |
| Equity injections   |       | 8,423                       | 4,886                          | 17,576                      |
| <b>Outflows:</b>  |       |                             |                                |                             |
| Borrowing redemptions                                       |       | (138)                       | (1,152)                        | (138)                       |
| Finance lease payments                                      |       | ..                          | ..                             | ..                          |
| Equity withdrawals  |       | (31,962)                    | (31,941)                       | (32,793)                    |
| Dividends paid  |       | ..                          | ..                             | ..                          |
| <b>Net cash provided by or used in financing activities</b> |       | <b>(23,677)</b>             | <b>(23,913)</b>                | <b>(15,014)</b>             |
| <b>Net increase/(decrease) in cash held</b>                 |       | <b>687</b>                  | <b>(3,793)</b>                 | <b>(554)</b>                |
| <b>Cash at the beginning of financial year</b>              |       | <b>14,433</b>               | <b>17,761</b>                  | <b>13,968</b>               |
| Cash transfers from restructure                             |       | ..                          | ..                             | ..                          |
| <b>Cash at the end of financial year</b>                    |       | <b>15,120</b>               | <b>13,968</b>                  | <b>13,414</b>               |

# Statutory bodies

## Queensland Family and Child Commission

### Overview

The Queensland Family and Child Commission's (QFCC) vision is that Queensland children and young people are safe, cared for and protected by capable and resilient families.

The QFCC's key objectives are to: support a high quality, evidence-based Queensland child protection and family support system; strengthen partnerships and collaboration between government and non-government organisations to achieve better outcomes for children and families, educate Queensland families and communities on their role in keeping children and young people safe in the home and informing them about the resources available to assist them.

The QFCC contributes to the Government's objectives for the community of building safe, caring and connected communities by promoting the safety, wellbeing and best interests of Queensland's children and young people and working with government and non-government agencies to improve the child protection system. This includes a strong focus on representing the interests of Aboriginal and Torres Strait Islander children, families and communities. The QFCC also provides information on the performance of the child protection system to Government and the Queensland community.

Key factors influencing the QFCC's mandate include: the complex nature of Queensland's child protection system and reform program; the overrepresentation of Aboriginal and Torres Strait Islander children and families in the system; parental capability and confidence, use of support services/parental education and programs, and the barriers for using support services.

### Service summary

In 2016-17, the QFCC will:

- oversee, evaluate and report on the performance of the Queensland child protection system and the Supporting Families Changing Futures reform program
- progress advocacy activities focused on three vulnerable cohorts: Aboriginal and Torres Strait Islander children and young people; children and young people with mental health issues; and young people in out-of-home care who are transitioning from the system
- facilitate continued implementation of the Strengthening the Sector strategy with sector partners including peak bodies, Government agencies and industry representative bodies
- undertake community education campaigns to increase the awareness and understanding of Queensland's child protection system and associated reform programs and encourage parents to access help to assist them in protecting and caring for their children
- provide additional functionality and further promote the 'oneplace' Community Services Directory, an easily accessible online directory of community services to help Queensland families to get to the right service at the right time
- work with the recently established Advisory Council who will guide the work of the QFCC by providing expert insights into the issues affecting children, families and the sector
- report on the performance of Queensland's child protection system in relation to State and national goals, comparisons to other jurisdictions, and reducing overrepresentation and improving outcomes for Aboriginal and Torres Strait Islander children and families
- in partnership with Griffith University, Government agencies and the non-government sector, progress a trial of a child friendly initiative to provide a measure of the wellbeing of primary school aged children
- deliver a project to increase awareness of and educate children, young people, families and communities on the prevalence and impacts of online child sexual offending and child exploitation material
- develop an online research and resource hub which enables the coordination, translation and dissemination of research in the child protection and family support sector.

# Service performance

## Performance statement

### Queensland Family and Child Commission (QFCC)

#### Service area objective

To promote the safety, wellbeing and best interests of children, promote and advocate the responsibility of families and communities to protect and care for children and to improve the child protection system.

#### Service area description

The QFCC promotes the safety and wellbeing of Queensland's children and young people and the role of families and communities in protecting and caring for them. The QFCC is required to hear the views of children and to respect and promote the needs of Aboriginal and Torres Strait Islander communities and service providers. The QFCC's services include:

- presenting evidence about whether the child protection system is working through evaluation and oversight of outcomes within the child protection and family support system (including through reporting on the performance of the Queensland child protection system in line with the National Framework for Protecting Australia's Children 2009-2020)
- informing the community about the services available to strengthen and support families
- supporting the development of strong partnerships between government and non-government service providers and academic experts aimed to improve the delivery of child protection services in Queensland
- promoting the responsibility of families and communities to protect and care for children and young people
- using evidence to inform and influence improvements for children and families through policy and advocacy
- enabling others to create and access research to inform system improvements and to prevent child deaths and injuries
- delivering a strategy to improve child protection and family support system culture, capability and capacity.

| Queensland Family and Child Commission                              | Notes | 2015-16<br>Target/Est. | 2015-16<br>Est. Actual | 2016-17<br>Target/Est. |
|---|-------|------------------------|------------------------|------------------------|
| <b>Service standards</b>  |       |                        |                        |                        |
| <i>Effectiveness measure</i>  |       |                        |                        |                        |
| Percentage increase in use of oneplace Community Services Directory | 1     | New measure            | New measure            | 5%                     |
| <i>Efficiency measures<sup>2</sup></i>                              |       |                        |                        |                        |

Notes:

1. This service standard reports on the number of sessions undertaken by people accessing the 'oneplace' Community Services Directory. The 'oneplace' Community Services Directory is an easily accessible directory of community services to help all Queensland families to get to the right service at the right time. In doing so it addresses a number of QFCC's statutory obligations, including by supporting families to take responsibility and care for children, informing and educating the community about services and analysing family support service availability.
2. An efficiency measure is being developed for this service and will be included in a future *Service Delivery Statement*.

## Discontinued measures

Performance measures included in the 2015-16 *Service Delivery Statements* that have been discontinued or replaced are reported in the following table with estimated actual results.

| Queensland Family and Child Commission                        | Notes | 2015-16<br>Target/Est. | 2015-16<br>Est. Actual | 2016-17<br>Target/Est. |
|---|-------|------------------------|------------------------|------------------------|
| <b>Service area: Queensland Family and Child Commission</b>   |       |                        |                        |                        |
| Public awareness of the Talking Families advertising campaign | 1     | 60%                    | 27%                    | Discontinued measure   |

Note:

1. This service standard has been discontinued as the Talking Families advertising campaign was not undertaken in 2015-16 and will not be conducted in future years. Funding has been reallocated to other public education campaigns. The 2015-16 Estimated Actual is based on residual awareness from the 2014-15 Talking Families campaign.

## Staffing<sup>1</sup>

| Queensland Family and Child Commission        | Notes   | 2015-16<br>Budget | 2015-16<br>Est. Actual | 2016-17<br>Budget |
|---|---------|-------------------|------------------------|-------------------|
| Queensland Family and Child Commission (QFCC) | 2, 3, 4 | 42                | 62.4                   | 59.8              |

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The increase in overall FTEs in 2015-16 was within Budget and targeted to identified risk areas including oversight of the child protection reforms, community education, Aboriginal and Torres Strait Islander issues and governance.
3. The increase from the 2015-16 Budget to the 2015-16 Estimated Actual and the 2016-17 Budget will enable the QFCC to progress fulfilling its legislative obligations.
4. The decrease from the 2015-16 Estimated Actual to the 2016-17 Budget figures is due to temporary positions that are no longer required that will conclude in 2016-17.

# Income statement

| Queensland Family and Child Commission | Notes  | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|--|--------|-----------------------------|--------------------------------|-----------------------------|
| <b>INCOME</b>                          |        |                             |                                |                             |
| Taxes                                  |        | ..                          | ..                             | ..                          |
| User charges and fees                  |        | ..                          | ..                             | ..                          |
| Grants and other contributions         | 1,5,9  | 11,722                      | 11,568                         | 12,188                      |
| Interest                               | 2,6,10 | 30                          | 58                             | 50                          |
| Other revenue                          |        | ..                          | ..                             | ..                          |
| Gains on sale/revaluation of assets    |        | ..                          | ..                             | ..                          |
| <b>Total income</b>                    |        | <b>11,752</b>               | <b>11,626</b>                  | <b>12,238</b>               |
| <b>EXPENSES</b>                        |        |                             |                                |                             |
| Employee expenses                      | 3,7,11 | 5,058                       | 6,106                          | 7,345                       |
| Supplies and services                  | 4,8,12 | 6,416                       | 5,093                          | 4,597                       |
| Grants and subsidies                   |        | ..                          | ..                             | ..                          |
| Depreciation and amortisation          |        | 257                         | 257                            | 275                         |
| Finance/borrowing costs                |        | ..                          | ..                             | ..                          |
| Other expenses                         |        | 21                          | 20                             | 21                          |
| Losses on sale/revaluation of assets   |        | ..                          | ..                             | ..                          |
| <b>Total expenses</b>                  |        | <b>11,752</b>               | <b>11,476</b>                  | <b>12,238</b>               |
| <b>OPERATING SURPLUS/(DEFICIT)</b>     |        | <b>..</b>                   | <b>150</b>                     | <b>..</b>                   |

# Balance sheet

| Queensland Family and Child Commission       | Notes    | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|--|----------|-----------------------------|--------------------------------|-----------------------------|
| <b>CURRENT ASSETS</b>                        |          |                             |                                |                             |
| Cash assets                                  | 15,19    | 678                         | 677                            | 958                         |
| Receivables                                  |          | 55                          | 135                            | 136                         |
| Other financial assets                       |          | ..                          | ..                             | ..                          |
| Inventories                                  |          | ..                          | ..                             | ..                          |
| Other  |          | ..                          | 5                              | 5                           |
| Non-financial assets held for sale           |          | ..                          | ..                             | ..                          |
| <b>Total current assets</b>                  |          | <b>733</b>                  | <b>817</b>                     | <b>1,099</b>                |
| <b>NON-CURRENT ASSETS</b>                    |          |                             |                                |                             |
| Receivables                                  |          | ..                          | ..                             | ..                          |
| Other financial assets                       |          | ..                          | ..                             | ..                          |
| Property, plant and equipment                | 13,16,20 | 221                         | 370                            | 325                         |
| Intangibles                                  | 17,21    | 972                         | 974                            | 744                         |
| Other  |          | ..                          | ..                             | ..                          |
| <b>Total non-current assets</b>              |          | <b>1,193</b>                | <b>1,344</b>                   | <b>1,069</b>                |
| <b>TOTAL ASSETS</b>                          |          | <b>1,926</b>                | <b>2,161</b>                   | <b>2,168</b>                |
| <b>CURRENT LIABILITIES</b>                   |          |                             |                                |                             |
| Payables                                     | 14,18    | 124                         | 294                            | 294                         |
| Accrued employee benefits                    |          | 176                         | 150                            | 157                         |
| Interest bearing liabilities and derivatives |          | ..                          | ..                             | ..                          |
| Provisions                                   |          | ..                          | ..                             | ..                          |
| Other  |          | ..                          | ..                             | ..                          |
| <b>Total current liabilities</b>             |          | <b>300</b>                  | <b>444</b>                     | <b>451</b>                  |
| <b>NON-CURRENT LIABILITIES</b>               |          |                             |                                |                             |
| Payables                                     |          | ..                          | ..                             | ..                          |
| Accrued employee benefits                    |          | ..                          | ..                             | ..                          |
| Interest bearing liabilities and derivatives |          | ..                          | ..                             | ..                          |
| Provisions                                   |          | ..                          | ..                             | ..                          |
| Other  |          | ..                          | ..                             | ..                          |
| <b>Total non-current liabilities</b>         |          | <b>..</b>                   | <b>..</b>                      | <b>..</b>                   |
| <b>TOTAL LIABILITIES</b>                     |          | <b>300</b>                  | <b>444</b>                     | <b>451</b>                  |
| <b>NET ASSETS/(LIABILITIES)</b>              |          | <b>1,626</b>                | <b>1,717</b>                   | <b>1,717</b>                |
| <b>EQUITY</b>                                |          |                             |                                |                             |
| <b>TOTAL EQUITY</b>                          |          | <b>1,626</b>                | <b>1,717</b>                   | <b>1,717</b>                |



# Cash flow statement

| Queensland Family and Child Commission                      | Notes    | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|---|----------|-----------------------------|--------------------------------|-----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>   |          |                             |                                |                             |
| User charges and fees                                       |          | ..                          | ..                             | ..                          |
| Grants and other contributions                              | 22,27,31 | 11,722                      | 11,568                         | 12,188                      |
| Interest received   | 23,28,32 | 30                          | 58                             | 50                          |
| Taxes   |          | ..                          | ..                             | ..                          |
| Other   |          | 325                         | 325                            | 326                         |
| <b>Outflows:</b>  |          |                             |                                |                             |
| Employee costs  | 24,29,33 | (5,051)                     | (6,099)                        | (7,338)                     |
| Supplies and services                                       | 25,30,34 | (6,740)                     | (5,417)                        | (4,924)                     |
| Grants and subsidies  |          | ..                          | ..                             | ..                          |
| Borrowing costs   |          | ..                          | ..                             | ..                          |
| Other   |          | (16)                        | (15)                           | (21)                        |
| <b>Net cash provided by or used in operating activities</b> |          | <b>270</b>                  | <b>420</b>                     | <b>281</b>                  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>   |          |                             |                                |                             |
| Sales of non-financial assets                               |          | ..                          | ..                             | ..                          |
| Investments redeemed  |          | ..                          | ..                             | ..                          |
| Loans and advances redeemed                                 |          | ..                          | ..                             | ..                          |
| <b>Outflows:</b>  |          |                             |                                |                             |
| Payments for non-financial assets                           | 26,35    | ..                          | (150)                          | ..                          |
| Payments for investments                                    |          | ..                          | ..                             | ..                          |
| Loans and advances made                                     |          | ..                          | ..                             | ..                          |
| <b>Net cash provided by or used in investing activities</b> |          | <b>..</b>                   | <b>(150)</b>                   | <b>..</b>                   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>   |          |                             |                                |                             |
| Borrowings  |          | ..                          | ..                             | ..                          |
| Equity injections   |          | ..                          | ..                             | ..                          |
| <b>Outflows:</b>  |          |                             |                                |                             |
| Borrowing redemptions                                       |          | ..                          | ..                             | ..                          |
| Finance lease payments                                      |          | ..                          | ..                             | ..                          |
| Equity withdrawals  |          | ..                          | ..                             | ..                          |
| <b>Net cash provided by or used in financing activities</b> |          | <b>..</b>                   | <b>..</b>                      | <b>..</b>                   |
| <b>Net increase/(decrease) in cash held</b>                 |          | <b>270</b>                  | <b>270</b>                     | <b>281</b>                  |
| <b>Cash at the beginning of financial year</b>              |          | <b>408</b>                  | <b>407</b>                     | <b>677</b>                  |
| Cash transfers from restructure                             |          | ..                          | ..                             | ..                          |
| <b>Cash at the end of financial year</b>                    |          | <b>678</b>                  | <b>677</b>                     | <b>958</b>                  |

# Explanation of variances in the financial statements

## Income statement

### Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. A decrease in grants and other contributions primarily due to the deferral of grant funding from 2015-16 to 2016-17, partially offset by increases from a transfer of funding from the Department of Communities, Child Safety and Disability Services for the Strengthening the Sector strategy and funding for enterprise bargaining arrangements.
2. An increase in interest reflects current returns on cash.
3. An increase in employee expenses due to additional positions not previously funded by the Queensland Family and Child Commission. This additional expenditure has been offset by a reduction in other supplies and services.
4. A decrease in supplies and services to offset an increase in employee expenses.

### Major variations between 2015-16 Budget and 2016-17 Budget include:

5. An increase in grants and other contributions primarily due to deferrals of funding from 2015-16 to 2016-17.
6. An increase in interest reflects future predicted returns on cash.
7. An increase in employee expenses due to additional positions not previously funded by the Queensland Family and Child Commission. This additional expenditure has been offset by a reduction in other supplies and services.
8. A decrease in supplies and services to offset an increase in employee expenses.

### Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

9. An increase in grants and other contributions primarily due to deferrals of funding from 2015-16 to 2016-17.
10. A decrease in interest reflects future predicted returns on cash.
11. An increase in employee expenses due to additional positions not previously funded by the Queensland Family and Child Commission. This additional expenditure has been offset by a reduction in other supplies and services.
12. A decrease in supplies and services to offset an increase in employee expenses and deferrals to be received in 2016-17.

## Balance sheet

### Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

13. An increase in property, plant and equipment due to unanticipated capital expenditure in 2015-16 for a minor office fit-out.
14. An increase in payables due to an increase in estimated creditors at the end of the 2015-16 financial year.

### Major variations between 2015-16 Budget and 2016-17 Budget include:

15. An increase in cash assets primarily due to expenditure of a non-cash nature for depreciation and amortisation in 2015-16.
16. An increase in property, plant and equipment due to capital expenditure incurred in 2015-16 offset by depreciation of non-current assets for 2015-16.
17. A decrease in intangibles due to the amortisation of intangible assets in 2015-16.
18. An increase in payables due to an increase in estimated creditors at the end of the 2015-16 financial year.

### Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

19. An increase in cash assets primarily due to expenditure of a non-cash nature for depreciation and amortisation in 2015-16.
20. An decrease in property, plant and equipment due to capital expenditure incurred in 2015-16 offset by depreciation of non-current assets for 2015-16.
21. A decrease in intangibles due to the amortisation of intangible assets in 2015-16.

# Cash flow statement

## Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

22. A decrease in grants and other contributions primarily due to the deferral of grant funding from 2015-16 to 2016-17, partially offset by increases from a transfer of funding from the Department of Communities, Child Safety and Disability Services for the Strengthening the Sector strategy and funding for enterprise bargaining arrangements.
23. An increase in interest received reflects current returns on cash.
24. An increase in employee costs due to additional positions not previously funded by the Queensland Family and Child Commission. This additional expenditure has been offset by a reduction in other supplies and services.
25. A decrease in supplies and services to offset an increase in employee expenses.
26. A cash outflow from investing activities to account for unanticipated capital expenditure in 2015-16 for a minor office fit-out.

## Major variations between 2015-16 Budget and 2016-17 Budget include:

27. An increase in grants and other contributions primarily due to deferrals of funding from 2015-16 to 2016-17.
28. An increase in interest received reflects future predicted returns on cash.
29. An increase in employee expenses due to additional positions not previously funded by the Queensland Family and Child Commission. This additional expenditure has been offset by a reduction in other supplies and services.
30. A decrease in supplies and services to offset an increase in employee expenses.

## Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

31. An increase in grants and other contributions primarily due to deferrals of funding from 2015-16 to 2016-17.
32. A decrease in interest received reflects future predicted returns on cash.
33. An increase in employee expenses due to additional positions not previously funded by the Queensland Family and Child Commission. This additional expenditure has been offset by a reduction in other supplies and services.
34. A decrease in supplies and services to offset an increase in employee expenses and deferrals to be received in 2016-17.
35. A decrease in cash outflows from investing activities in 2016-17 due to capital expenditure incurred in 2015-16.

# Queensland Art Gallery

## Overview

The Queensland Art Gallery | Gallery of Modern Art ('the Gallery', 'QAGOMA') contributes to the cultural, social and intellectual development of all Queenslanders and attracts well over a million people each year. The Gallery's vision is to be the leading institution for the contemporary art of Australia, Asia and the Pacific and its mission is to engage people with art and artists through memorable and transformative experiences onsite and online.

The Gallery's strategic objectives are to build Queensland's globally significant collection and deliver compelling exhibitions; connect people with the enduring power of art and ideas; and build our community of partners and organisational capability to deliver the best value for Queensland. The internationally renowned Asia-Pacific Triennial of Contemporary Art (APT) exhibition series, and the significant holdings of the contemporary art of the region built as a result of the APT, place the Gallery at the forefront of contemporary art in the Asia-Pacific region.

The Gallery contributes to Queensland Government's objectives for the community. The Gallery's exhibitions and events help build safe, caring and connected communities by providing diverse audiences with access to visual arts and cultural experiences, promoting Queensland art and artists (including Indigenous art), and encouraging arts-based educational outcomes for people of all ages. The Gallery's position as one of Queensland's cultural tourism destinations also contributes to creating jobs and a diverse economy.

Key priorities for the Gallery include continuing to develop sources of non-government revenue to ensure a sustainable organisation and capacity to secure major international exhibitions that can achieve flow-on economic benefits via cultural tourism, growth in visitation, revenue from commercial services and support from donors, benefactors and sponsors.

## Service summary

In 2016–17, the Gallery will:

- invest \$10.8 million over four years, \$2 million of which will be matched by funding from sponsorship support to secure blockbuster and major exhibitions
- invest \$1.5 million over two years to update and replace plant and equipment at the Gallery
- commission and unveil a public artwork by a Queensland Indigenous artist within the Cultural Precinct
- present GOMA Turns 10, celebrating the tenth anniversary of the Gallery of Modern Art through exhibitions and programs featuring major Collection gifts, Children's Art Centre programs, and community and regional engagement activities
- present a major exhibition of 20th-century American artist Georgia O'Keeffe in conjunction with Australian modernist artists Margaret Preston and Grace Cossington Smith
- showcase the art of Papua New Guinea in the exhibition: No.1 Neighbour: Art in Papua New Guinea 1966-2016
- tour two Gallery-curated exhibitions: Cindy Sherman and the retrospective of the late Mirdidingkingathi Juwarnda Sally Gabori, to an international and interstate venue respectively.

## Service performance

### Performance statement

#### Queensland Art Gallery

#### Service area objective

To strengthen Queensland's visual arts sector and contribute to the cultural, social and intellectual development of all Queenslanders.

## Service area description

The Queensland Art Gallery develops, conserves and presents the State art collection and delivers art and cultural experiences to Queenslanders and visitors through onsite and touring exhibitions, and onsite and online programs.

| Queensland Art Gallery                                  | Notes | 2015-16<br>Target/Est. | 2015-16<br>Est. Actual | 2016-17<br>Target/Est. |
|---|-------|------------------------|------------------------|------------------------|
| <b>Service standards</b>                                |       |                        |                        |                        |
| <i>Effectiveness measures</i>                           |       |                        |                        |                        |
| Audience satisfaction with onsite visit                 | 1     | 95%                    | 95%                    | 95%                    |
| Visits to QAGOMA onsite and at touring venues           | 2     | New measure            | New measure            | 1.3 million            |
| <i>Efficiency measure</i>                               |       |                        |                        |                        |
| Non-government revenue as a percentage of total revenue | 3     | 30%                    | 30%                    | 30%                    |

Notes:

1. This is a measure for overall satisfaction of audiences with their experiences of exhibitions, programs and other services delivered onsite at the Gallery.
2. In 2013-14, visits to QAGOMA onsite was discontinued as a service standard and reported under the heading Service performance. The number of visits onsite and at regional and other touring venues has been reinstated as it is considered the best available proxy measure for effectiveness of the service area objective, due to its ability to infer public value, relevance, community perception and international standing.
3. This measure demonstrates the efficient use of Government funding to leverage private investment and own-source revenue for the delivery of services.

## Staffing<sup>1</sup>

| Queensland Art Gallery               | Notes | 2015-16<br>Budget | 2015-16<br>Est. Actual <sup>2</sup> | 2016-17<br>Budget |
|--------------------------------------|-------|-------------------|-------------------------------------|-------------------|
| Queensland Art Gallery (the Gallery) | 2     | 260               | 280                                 | 280               |

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. FTEs for the Gallery vary significantly from month to month depending on the exhibition program. In 2015-16, the estimated FTEs were adjusted to better reflect the exhibition program in June 2016.

# Income statement

| Queensland Art Gallery               | Notes  | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|--------------------------------------|--------|-----------------------------|--------------------------------|-----------------------------|
| <b>INCOME</b>                        |        |                             |                                |                             |
| Taxes                                |        | ..                          | ..                             | ..                          |
| User charges and fees                |        | 8,250                       | 7,900                          | 7,900                       |
| Grants and other contributions       | 1,6,11 | 34,480                      | 36,690                         | 38,723                      |
| Interest                             |        | 600                         | 600                            | 600                         |
| Other revenue                        | 2,7    | 40                          | 450                            | 450                         |
| Gains on sale/revaluation of assets  | 3,12   | 1,500                       | ..                             | 1,500                       |
| <b>Total income</b>                  |        | <b>44,870</b>               | <b>45,640</b>                  | <b>49,173</b>               |
| <b>EXPENSES</b>                      |        |                             |                                |                             |
| Employee expenses                    | 4,8,13 | 25,590                      | 27,915                         | 26,904                      |
| Supplies and services                | 9,14   | 16,800                      | 16,570                         | 15,625                      |
| Grants and subsidies                 |        | ..                          | ..                             | ..                          |
| Depreciation and amortisation        |        | 580                         | 580                            | 580                         |
| Finance/borrowing costs              |        | ..                          | ..                             | ..                          |
| Other expenses                       | 5,10   | 450                         | 575                            | 575                         |
| Losses on sale/revaluation of assets |        | ..                          | ..                             | ..                          |
| <b>Total expenses</b>                |        | <b>43,420</b>               | <b>45,640</b>                  | <b>43,684</b>               |
| <b>OPERATING SURPLUS/(DEFICIT)</b>   |        | <b>1,450</b>                | <b>..</b>                      | <b>5,489</b>                |

# Balance sheet

| Queensland Art Gallery                       | Notes    | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|--|----------|-----------------------------|--------------------------------|-----------------------------|
| <b>CURRENT ASSETS</b>                        |          |                             |                                |                             |
| Cash assets                                  | 15,21    | 6,531                       | 8,905                          | 9,174                       |
| Receivables                                  |          | 597                         | 605                            | 605                         |
| Other financial assets                       |          | ..                          | ..                             | ..                          |
| Inventories                                  |          | 988                         | 1,000                          | 1,000                       |
| Other  |          | 216                         | 220                            | 220                         |
| Non-financial assets held for sale           |          | 59                          | ..                             | ..                          |
| <b>Total current assets</b>                  |          | <b>8,391</b>                | <b>10,730</b>                  | <b>10,999</b>               |
| <b>NON-CURRENT ASSETS</b>                    |          |                             |                                |                             |
| Receivables                                  |          | ..                          | ..                             | ..                          |
| Other financial assets                       | 16,22    | 28,450                      | 26,026                         | 26,026                      |
| Property, plant and equipment                | 17,23,27 | 343,300                     | 388,346                        | 398,566                     |
| Intangibles                                  |          | ..                          | ..                             | ..                          |
| Other  |          | ..                          | ..                             | ..                          |
| <b>Total non-current assets</b>              |          | <b>371,750</b>              | <b>414,372</b>                 | <b>424,592</b>              |
| <b>TOTAL ASSETS</b>                          |          | <b>380,141</b>              | <b>425,102</b>                 | <b>435,591</b>              |
| <b>CURRENT LIABILITIES</b>                   |          |                             |                                |                             |
| Payables                                     | 18,24    | 2,229                       | 1,403                          | 1,403                       |
| Accrued employee benefits                    |          | 2,260                       | 2,501                          | 2,501                       |
| Interest bearing liabilities and derivatives |          | ..                          | ..                             | ..                          |
| Provisions                                   |          | ..                          | ..                             | ..                          |
| Other  | 19,25    | 256                         | 2,057                          | 2,057                       |
| <b>Total current liabilities</b>             |          | <b>4,745</b>                | <b>5,961</b>                   | <b>5,961</b>                |
| <b>NON-CURRENT LIABILITIES</b>               |          |                             |                                |                             |
| Payables                                     |          | ..                          | ..                             | ..                          |
| Accrued employee benefits                    |          | ..                          | ..                             | ..                          |
| Interest bearing liabilities and derivatives |          | ..                          | ..                             | ..                          |
| Provisions                                   |          | ..                          | ..                             | ..                          |
| Other  |          | ..                          | ..                             | ..                          |
| <b>Total non-current liabilities</b>         |          | <b>..</b>                   | <b>..</b>                      | <b>..</b>                   |
| <b>TOTAL LIABILITIES</b>                     |          | <b>4,745</b>                | <b>5,961</b>                   | <b>5,961</b>                |
| <b>NET ASSETS/(LIABILITIES)</b>              |          | <b>375,396</b>              | <b>419,141</b>                 | <b>429,630</b>              |
| <b>EQUITY</b>                                |          |                             |                                |                             |
| <b>TOTAL EQUITY</b>                          | 20,26    | <b>375,396</b>              | <b>419,141</b>                 | <b>429,630</b>              |



# Cash flow statement

| Queensland Art Gallery                                      | Notes    | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|---|----------|-----------------------------|--------------------------------|-----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>   |          |                             |                                |                             |
| User charges and fees                                       |          | 8,250                       | 8,018                          | 7,900                       |
| Grants and other contributions                              | 28,34,41 | 31,980                      | 34,190                         | 36,223                      |
| Interest received   |          | 600                         | 600                            | 600                         |
| Taxes   |          | ..                          | ..                             | ..                          |
| Other   | 29,35    | 70                          | 480                            | 480                         |
| <b>Outflows:</b>  |          |                             |                                |                             |
| Employee costs  | 30,36,42 | (25,590)                    | (27,915)                       | (26,904)                    |
| Supplies and services                                       | 37,43    | (15,830)                    | (16,036)                       | (14,655)                    |
| Grants and subsidies  |          | ..                          | ..                             | ..                          |
| Borrowing costs   |          | ..                          | ..                             | ..                          |
| Other   | 31,38,44 | (450)                       | 156                            | (575)                       |
| <b>Net cash provided by or used in operating activities</b> |          | <b>(970)</b>                | <b>(507)</b>                   | <b>3,069</b>                |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>   |          |                             |                                |                             |
| Sales of non-financial assets                               |          | ..                          | ..                             | ..                          |
| Investments redeemed  | 32,39,45 | 1,050                       | 7,000                          | 1,500                       |
| Loans and advances redeemed                                 |          | ..                          | ..                             | ..                          |
| <b>Outflows:</b>  |          |                             |                                |                             |
| Payments for non-financial assets                           | 40       | (2,810)                     | (2,907)                        | (4,300)                     |
| Payments for investments                                    | 33,46    | ..                          | (6,200)                        | ..                          |
| Loans and advances made                                     |          | ..                          | ..                             | ..                          |
| <b>Net cash provided by or used in investing activities</b> |          | <b>(1,760)</b>              | <b>(2,107)</b>                 | <b>(2,800)</b>              |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>   |          |                             |                                |                             |
| Borrowings  |          | ..                          | ..                             | ..                          |
| Equity injections   |          | ..                          | ..                             | ..                          |
| <b>Outflows:</b>  |          |                             |                                |                             |
| Borrowing redemptions                                       |          | ..                          | ..                             | ..                          |
| Finance lease payments                                      |          | ..                          | ..                             | ..                          |
| Equity withdrawals  |          | ..                          | ..                             | ..                          |
| <b>Net cash provided by or used in financing activities</b> |          | <b>..</b>                   | <b>..</b>                      | <b>..</b>                   |
| <b>Net increase/(decrease) in cash held</b>                 |          | <b>(2,730)</b>              | <b>(2,614)</b>                 | <b>269</b>                  |
| <b>Cash at the beginning of financial year</b>              |          | <b>9,261</b>                | <b>11,519</b>                  | <b>8,905</b>                |
| Cash transfers from restructure                             |          | ..                          | ..                             | ..                          |
| <b>Cash at the end of financial year</b>                    |          | <b>6,531</b>                | <b>8,905</b>                   | <b>9,174</b>                |

# Explanation of variances in the financial statements

## Income statement

### Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. An increase in grants and other contributions primarily due to a one-off grant from Arts Queensland for the Gallery of Modern Art's (GOMA) 10th birthday celebrations and enterprise bargaining arrangements.
2. An increase in other revenue due to recovery of some catering expenses incurred on behalf of clients.
3. A decrease in gains on sale/revaluation of assets due to lower than expected returns on the Queensland Art Gallery and GOMA (QAGOMA) Foundation investments held with the Queensland Investment Corporation.
4. An increase in employee expenses primarily due to the staging in 2015-16 of the 8th Asia Pacific Triennial of Contemporary Art.
5. An increase in other expenses primarily due to reallocation of some costs from supplies and services.

### Major variations between 2015-16 Budget and 2016-17 Budget include:

6. An increase in grants and other contributions primarily due to increased funding for blockbuster exhibitions, plant and equipment replacement, enterprise bargaining arrangements and a one-off capital grant from Arts Queensland for an artwork acquisition.
7. An increase in other revenue due to recovery of some catering expenses incurred on behalf of clients.
8. An increase in employee expenses primarily due to increased funding for blockbuster exhibitions and enterprise bargaining arrangements.
9. A decrease in supplies and services due to the staging in 2015-16 of the 8th Asia Pacific Triennial of Contemporary Art.
10. An increase in other expenses primarily due to reallocation of some costs from supplies and services.

### Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

11. An increase in grants and other contributions primarily due to increased funding for blockbuster exhibitions, plant and equipment replacement, enterprise bargaining arrangements and a one-off capital grant from Arts Queensland for an artwork acquisition, offset by a one-off grant from Arts Queensland for GOMA's 10th birthday celebrations in 2015-16.
12. An increase in gains on sale/revaluation of assets due to expected gains on QAGOMA Foundation investments returning to historical average levels.
13. A decrease in employee expenses primarily due to the staging in 2015-16 of the 8th Asia Pacific Triennial of Contemporary Art.
14. A decrease in supplies and services primarily due to the staging in 2015-16 of the 8th Asia Pacific Triennial of Contemporary Art.

## Balance sheet

### Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

15. An increase in cash assets primarily due to greater than expected QAGOMA Foundation donations in 2014-15 and the carry forward of savings from 2014-15 into the 2015-16 exhibition program.
16. A decrease in other financial assets (non-current) due to lower than expected returns on QAGOMA Foundation investments.
17. An increase in property, plant and equipment due to acquisition of artworks and revaluation of the art Collection.
18. A decrease in payables due to a reduction in expected accruals for art works and other expenditure.
19. An increase in other liabilities primarily due to bequest monies held in trust pending receipt of legal advice.
20. An increase in total equity primarily due to greater than expected revaluation of the art Collection in 2014-15 and 2015-16.

**Major variations between 2015-16 Budget and 2016-17 Budget include:**

21. An increase in cash assets primarily due to greater than expected QAGOMA Foundation donations held with the Queensland Treasury Corporation and the carry forward of savings from 2015-16 into the 2016-17 exhibition program.
22. A decrease in other financial assets (non-current) due to lower than expected returns on QAGOMA Foundation investments in 2015-16.
23. An increase in property, plant and equipment primarily due to acquisition of artworks and revaluation of the art Collection.
24. A decrease in payables due to a reduction in expected accruals for art works and other expenditure.
25. An increase in other liabilities primarily due to bequest monies held in trust pending receipt of legal advice.
26. An increase in total equity primarily due to revaluation of the art Collection.

**Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:**

27. An increase in property, plant and equipment primarily due to acquisition of artworks and revaluation of the art Collection.

## Cash flow statement

**Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:**

28. An increase in grants and other contributions primarily due to a one-off grant from Arts Queensland for GOMA's 10th birthday celebrations and enterprise bargaining arrangements.
29. An increase in other inflows due to recovery of some catering expenses incurred on behalf of clients.
30. An increase in employee costs primarily due to the staging in 2015-16 of the 8th Asia Pacific Triennial of Contemporary Art.
31. A decrease in other outflows primarily due to an increase in other current liabilities as a result of bequest monies held in trust pending receipt of legal advice.
32. An increase in investments redeemed primarily due to the redemption of term deposits and re-investment with the Queensland Investment Corporation and with the Queensland Treasury Corporation.
33. An increase in payments for investments due to the redemption of term deposits and re-investment with the Queensland Investment Corporation.

**Major variations between 2015-16 Budget and 2016-17 Budget include:**

34. An increase in grants and other contributions primarily due to increased funding for blockbuster exhibitions, plant and equipment replacement, enterprise bargaining arrangements and a one-off capital grant from Arts Queensland for an artwork acquisition.
35. An increase in other inflows due to recovery of some catering expenses incurred on behalf of clients.
36. An increase in employee costs primarily due to increased funding for blockbuster exhibitions and enterprise bargaining arrangements.
37. A decrease in supplies and services due to the staging in 2015-16 of the 8th Asia Pacific Triennial of Contemporary Art.
38. An increase in other outflows primarily due to reallocation of some costs from supplies and services.
39. An increase in investments redeemed due to funding of artwork acquisitions.
40. An increase in payments for non financial assets primarily due to increased Government funding for plant and equipment replacement.

**Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:**

41. An increase in grants and other contributions primarily due to increased funding for blockbuster exhibitions, plant and equipment replacement, enterprise bargaining arrangements and a one-off capital grant from Arts Queensland for an artwork acquisition in 2016-17, offset by a one-off grant from Arts Queensland for GOMA's 10th birthday celebrations in 2015-16.
42. A decrease in employee costs primarily due to the staging in 2015-16 of the 8th Asia Pacific Triennial of Contemporary Art.

43. A decrease in supplies and services primarily due to the staging in 2015-16 of the 8th Asia Pacific Triennial of Contemporary Art.
44. An increase in other outflows primarily due to a one-off increase in other current liabilities in 2015-16 as a result of bequest monies held in trust pending receipt of legal advice.
45. A decrease in investments redeemed due to the reallocation of investments in 2015-16 from term deposits to the Queensland Investment Corporation.
46. A decrease in payments for investments due to the reallocation of investments in 2015-16 from term deposits to the Queensland Investment Corporation.

# Queensland Museum

## Overview

The strategic direction of the Queensland Museum (QM) is to be the premier museum in Australia, connecting real objects and contemporary research with communities, creating authentic and compelling experiences and stories that inspire, enrich and empower. QM does this through the activities of its network of seven public museums, and through outreach into Queensland communities.

QM's strategic objectives and investment priorities strive to ensure that it meets international standards in the care, growth and preservation of the collections; creates compelling experiences to ensure the greatest engagement by visitors (both real and virtual); develops high quality research capability; becomes a national leader in engagement in Science, Technology, Engineering, Maths (STEM) and the Arts; drives innovation in its business activities; invests in its people; and works in partnership with community, industry, government and other learning institutions to innovate in service development and delivery.

QM contributes to the Queensland Government's objectives for the community of creating jobs and a diverse economy by stimulating economic growth and innovation by enhancing engagement through cultural and scientific tourism, and by delivering international exhibitions, and iconic experiences including World Science Festival Brisbane; protecting the environment through the protection of our unique cultural and natural heritage, as custodians and researchers of the State's natural and cultural collections; and building safe, caring and connected community through an extensive network of regional facilities and resources.

QM also supports the Advance Queensland initiative through connecting the creative discovery process that is the foundation of STEM and the Arts with education. This will put Queensland at the forefront of a worldwide movement that integrates art and design, and creative critical thinking with science and technology to transform learning through innovation.

Key factors impacting on QM include maintaining a statewide broad and dynamic program, conservation and management of the collection, sustaining a core of scientific and technical expertise capable of addressing issues critical to Queensland's cultural and natural environment, and growing and diversifying income streams to ensure financial sustainability.

## Service summary

In 2016-17, QM will:

- invest \$7 million in additional funding over four years to maintain the State's collections and address critical maintenance at regional campuses and the storage facility at Hendra
- invest funding of \$4.5 million over four years with matched funding raised from sponsorship support to update and replace permanent exhibitions to ensure preservation of collections, increase attendance levels and provide compelling experiences for visitors
- present major exhibitions including *Hadron Collider* from the Science Museum London and *Dinosaur Discovery* and open the Wild State Gallery, in partnership with BHP Billiton Coal, to bring visitors face-to-face with Queensland's vast and varied biodiversity
- deliver the second World Science Festival Brisbane in March 2017, with engagement across Queensland
- implement three new partnerships with universities to enhance research capability
- support the Advance Queensland initiative which aims to support student literacy and numeracy by delivering new STEM projects across all campuses of the museum.

# Service performance

## Performance statement

### Queensland Museum (QM)

#### Service area objective

To care for and build the state collection, curate and create experiences that explore unique Queensland stories, the natural environment and cultural heritage.

#### Service area description

QM manages the State collection, offering public access to the collections and public programs through research, education, exhibition and loans to communities across the State and beyond. This is delivered on site in all campuses, in the community, in classrooms and online.

| Queensland Museum                                       | Notes | 2015-16<br>Target/Est. | 2015-16<br>Est. Actual | 2016-17<br>Target/Est. |
|---|-------|------------------------|------------------------|------------------------|
| <b>Service standards</b>                                |       |                        |                        |                        |
| <i>Effectiveness measures</i>                           |       |                        |                        |                        |
| Audience satisfaction with museum experiences           | 1     | 96%                    | 97%                    | 96%                    |
| Visits to QM network onsite and at touring venues       | 2     | New measure            | New measure            | 1.8m                   |
| <i>Efficiency measure</i>                               |       |                        |                        |                        |
| Self-generated revenue as a percentage of total revenue | 3, 4  | 39%                    | 39%                    | 39%                    |

#### Notes:

1. This measure provides an indication of QM's effectiveness in providing a compelling program of experiences across its campuses and online, helping to build Queensland's reputation as a cultural destination. The measure is of overall satisfaction of audiences with their QM network experiences and the survey is consistent with the Better Practice Guidelines for Measuring Clients Satisfaction published by the department.
2. In 2013-14, visits to QM onsite was discontinued as a service standard and instead, reported under the heading Service performance. The number of visits onsite and at regional and other touring venues has been reinstated as it is considered the best available proxy measure for effectiveness of the service area objective, due to its ability to infer public value, relevance, community perception and international standing.
3. There has been a wording change only with this measure (no amendment to methodology). The measure was previously worded 'Percentage of self-generated revenue to total revenue'.
4. This measure demonstrates the efficient use of Government funding in leveraging investment and building diverse revenue streams.

## Staffing<sup>1</sup>

| Queensland Museum | Notes | 2015-16<br>Budget | 2015-16<br>Est. Actual | 2016-17<br>Budget |
|-------------------|-------|-------------------|------------------------|-------------------|
| Queensland Museum | 2     | 239               | 250                    | 250               |

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Increase in the 2015-16 Estimated Actual and 2016-17 Target/Estimate is due to an increase in contract staff required for the delivery of the World Science Festival Brisbane and to support the increase in Visitor Service requirements to deal with increased visitation numbers.

# Income statement

| Queensland Museum                    | Notes   | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|--------------------------------------|---------|-----------------------------|--------------------------------|-----------------------------|
| <b>INCOME</b>                        |         |                             |                                |                             |
| Taxes                                |         | ..                          | ..                             | ..                          |
| User charges and fees                |         | 10,244                      | 10,431                         | 10,590                      |
| Grants and other contributions       | 1,7,11  | 32,983                      | 32,473                         | 38,546                      |
| Interest                             |         | 172                         | 150                            | 174                         |
| Other revenue                        |         | 471                         | 450                            | 383                         |
| Gains on sale/revaluation of assets  | 2       | 259                         | ..                             | 268                         |
| <b>Total income</b>                  |         | <b>44,129</b>               | <b>43,504</b>                  | <b>49,961</b>               |
| <b>EXPENSES</b>                      |         |                             |                                |                             |
| Employee expenses                    | 3,8,12  | 22,391                      | 23,844                         | 24,758                      |
| Supplies and services                | 4,9,13  | 16,275                      | 14,680                         | 20,074                      |
| Grants and subsidies                 |         | ..                          | 35                             | 35                          |
| Depreciation and amortisation        | 5,10,14 | 4,229                       | 4,429                          | 4,814                       |
| Finance/borrowing costs              |         | ..                          | ..                             | ..                          |
| Other expenses                       | 6,15    | 278                         | 416                            | 280                         |
| Losses on sale/revaluation of assets |         | ..                          | 100                            | ..                          |
| <b>Total expenses</b>                |         | <b>43,173</b>               | <b>43,504</b>                  | <b>49,961</b>               |
| <b>OPERATING SURPLUS/(DEFICIT)</b>   |         | <b>956</b>                  | <b>..</b>                      | <b>..</b>                   |



# Balance sheet

| Queensland Museum                            | Notes    | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|--|----------|-----------------------------|--------------------------------|-----------------------------|
| <b>CURRENT ASSETS</b>                        |          |                             |                                |                             |
| Cash assets                                  | 16,23    | 3,344                       | 4,459                          | 4,463                       |
| Receivables                                  | 17,24,29 | 835                         | 1,232                          | 1,396                       |
| Other financial assets                       |          | ..                          | ..                             | ..                          |
| Inventories                                  |          | 510                         | 588                            | 588                         |
| Other  |          | 14                          | 25                             | 25                          |
| Non-financial assets held for sale           |          | ..                          | ..                             | ..                          |
| <b>Total current assets</b>                  |          | <b>4,703</b>                | <b>6,304</b>                   | <b>6,472</b>                |
| <b>NON-CURRENT ASSETS</b>                    |          |                             |                                |                             |
| Receivables                                  |          | ..                          | ..                             | ..                          |
| Other financial assets                       | 18,30    | 3,459                       | 3,040                          | 3,307                       |
| Property, plant and equipment                | 19,25,31 | 556,596                     | 569,586                        | 583,427                     |
| Intangibles                                  | 26       | 881                         | 846                            | 758                         |
| Other  |          | ..                          | ..                             | ..                          |
| <b>Total non-current assets</b>              |          | <b>560,936</b>              | <b>573,472</b>                 | <b>587,492</b>              |
| <b>TOTAL ASSETS</b>                          |          | <b>565,639</b>              | <b>579,776</b>                 | <b>593,964</b>              |
| <b>CURRENT LIABILITIES</b>                   |          |                             |                                |                             |
| Payables                                     | 20,27,32 | 1,265                       | 1,443                          | 1,611                       |
| Accrued employee benefits                    | 21       | 1,898                       | 2,120                          | 2,120                       |
| Interest bearing liabilities and derivatives |          | ..                          | ..                             | ..                          |
| Provisions                                   |          | ..                          | ..                             | ..                          |
| Other  |          | ..                          | ..                             | ..                          |
| <b>Total current liabilities</b>             |          | <b>3,163</b>                | <b>3,563</b>                   | <b>3,731</b>                |
| <b>NON-CURRENT LIABILITIES</b>               |          |                             |                                |                             |
| Payables                                     |          | ..                          | ..                             | ..                          |
| Accrued employee benefits                    |          | ..                          | ..                             | ..                          |
| Interest bearing liabilities and derivatives |          | ..                          | ..                             | ..                          |
| Provisions                                   |          | ..                          | ..                             | ..                          |
| Other  |          | ..                          | ..                             | ..                          |
| <b>Total non-current liabilities</b>         |          | <b>..</b>                   | <b>..</b>                      | <b>..</b>                   |
| <b>TOTAL LIABILITIES</b>                     |          | <b>3,163</b>                | <b>3,563</b>                   | <b>3,731</b>                |
| <b>NET ASSETS/(LIABILITIES)</b>              |          | <b>562,476</b>              | <b>576,213</b>                 | <b>590,233</b>              |
| <b>EQUITY</b>                                |          |                             |                                |                             |
| <b>TOTAL EQUITY</b>                          | 22,28,33 | <b>562,476</b>              | <b>576,213</b>                 | <b>590,233</b>              |

# Cash flow statement

| Queensland Museum   | Notes    | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|---|----------|-----------------------------|--------------------------------|-----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>   |          |                             |                                |                             |
| User charges and fees                                       |          | 10,244                      | 10,431                         | 10,426                      |
| Grants and other contributions                              | 34,39,43 | 29,983                      | 29,473                         | 35,580                      |
| Interest received   |          | 172                         | 150                            | 174                         |
| Taxes   |          | ..                          | ..                             | ..                          |
| Other   |          | 471                         | 450                            | 383                         |
| <b>Outflows:</b>  |          |                             |                                |                             |
| Employee costs  | 35,40,44 | (22,391)                    | (23,844)                       | (24,758)                    |
| Supplies and services                                       | 36,41,45 | (16,275)                    | (14,680)                       | (19,905)                    |
| Grants and subsidies  |          | ..                          | (35)                           | (35)                        |
| Borrowing costs   |          | ..                          | ..                             | ..                          |
| Other   | 37       | (278)                       | (416)                          | (280)                       |
| <b>Net cash provided by or used in operating activities</b> |          | <b>1,926</b>                | <b>1,529</b>                   | <b>1,585</b>                |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>   |          |                             |                                |                             |
| Sales of non-financial assets                               |          | ..                          | ..                             | ..                          |
| Investments redeemed  |          | ..                          | ..                             | ..                          |
| Loans and advances redeemed                                 |          | ..                          | ..                             | ..                          |
| <b>Outflows:</b>  |          |                             |                                |                             |
| Payments for non-financial assets                           | 38,42,46 | (997)                       | (782)                          | (655)                       |
| Payments for investments                                    |          | ..                          | ..                             | ..                          |
| Loans and advances made                                     |          | ..                          | ..                             | ..                          |
| <b>Net cash provided by or used in investing activities</b> |          | <b>(997)</b>                | <b>(782)</b>                   | <b>(655)</b>                |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>   |          |                             |                                |                             |
| Borrowings  |          | ..                          | ..                             | ..                          |
| Equity injections   |          | ..                          | ..                             | ..                          |
| <b>Outflows:</b>  |          |                             |                                |                             |
| Borrowing redemptions                                       |          | ..                          | ..                             | ..                          |
| Finance lease payments                                      |          | ..                          | ..                             | ..                          |
| Equity withdrawals  |          | (926)                       | (926)                          | (926)                       |
| <b>Net cash provided by or used in financing activities</b> |          | <b>(926)</b>                | <b>(926)</b>                   | <b>(926)</b>                |
| <b>Net increase/(decrease) in cash held</b>                 |          | <b>3</b>                    | <b>(179)</b>                   | <b>4</b>                    |
| <b>Cash at the beginning of financial year</b>              |          | <b>3,341</b>                | <b>4,638</b>                   | <b>4,459</b>                |
| Cash transfers from restructure                             |          | ..                          | ..                             | ..                          |
| <b>Cash at the end of financial year</b>                    |          | <b>3,344</b>                | <b>4,459</b>                   | <b>4,463</b>                |

# Explanation of variances in the financial statements

## Income statement

### Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. A decrease in grants and other contributions is primarily due to lower than expected corporate support for exhibitions, event and programming activities.
2. A decrease in gains on sale/revaluation of assets is due to lower than expected performance of financial investments.
3. An increase in employee expenses is primarily due to enterprise bargaining arrangements and the filling of key vacancies to deliver operational programs, exhibitions and event activities.
4. A decrease in supplies and services is primarily due to a reduction in costs associated with programming, events and other efficiencies.
5. An increase in depreciation and amortisation is primarily due to higher than anticipated revaluation of building assets.
6. An increase in other expenses is primarily due to higher licence fees associated with programming and events.

### Major variations between 2015-16 Budget and 2016-17 Budget include:

7. An increase in grants and other contributions is primarily due to higher level of support for maintenance, exhibitions, events and programming activities.
8. An increase in employee expenses is primarily due to enterprise bargaining arrangements and the filling of key vacancies to deliver operational programs, exhibitions and event activities.
9. An increase in supplies and services is primarily due to higher level of maintenance, exhibitions, events and programming activities.
10. An increase in depreciation and amortisation is primarily due to anticipated upward revaluation of building assets.

### Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

11. An increase in grants and other contributions is primarily due to higher level of support for maintenance, exhibitions, events and programming activities.
12. An increase in employee expenses is primarily due to enterprise bargaining arrangements and the filling of key vacancies to deliver operational programs, exhibitions and event activities.
13. An increase in supplies and services is primarily due to higher level of maintenance, exhibitions, events and programming activities.
14. An increase in depreciation and amortisation is primarily due to anticipated upward revaluation of building assets.
15. A decrease in other expenses is primarily due to higher licence fees associated with the mix of programming and events in 2015-16 versus those planned in 2016-17.

## Balance sheet

### Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

16. An increase in cash assets is primarily due to a higher opening cash balance at the beginning of the year.
17. An increase in current receivables is due to timing differences in recoveries from customers.
18. A decrease in non-current other financial assets is due to lower than expected performance of financial investments.
19. An increase in property, plant and equipment is primarily due to the revaluation and acquisition of assets for the State Collection.
20. An increase in current payables is due to timing differences in the payment of creditors.
21. An increase in current accrued employee benefits is primarily due to higher level of employment associated with filling of key vacancies to deliver operational programs, exhibitions and event activities.
22. An increase in total equity is primarily due to the revaluation and acquisition of assets for the State Collection.

**Major variations between 2015-16 Budget and 2016-17 Budget include:**

- 23. An increase in cash assets is primarily due to a higher opening cash balance at the beginning of the year.
- 24. An increase in current receivables is due to higher level of maintenance, events and programing activities and timing differences in recoveries from customers.
- 25. An increase in property, plant and equipment is primarily due to the revaluation and acquisition of assets for the State Collection.
- 26. A decrease in intangibles is primarily due to continuing depreciation of intangible assets.
- 27. An increase in current payables is due to higher level of maintenance, events and programing activities and timing differences in the payment of creditors.
- 28. An increase in total equity is primarily due to the revaluation and acquisition of assets for the State Collection.

**Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:**

- 29. An increase in current receivables is due to higher level of maintenance, events and programing activities and timing differences in recoveries from customers.
- 30. An increase in non-current other financial assets is due to higher performance of financial investments being expected.
- 31. An increase in property, plant and equipment is primarily due to the revaluation and acquisition of assets for the State Collection.
- 32. An increase in current payables is due to higher level of maintenance, events and programing activities and timing differences in the payment of creditors.
- 33. An increase in total equity is primarily due to the revaluation and acquisition of assets for the State Collection.

## Cash flow statement

**Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:**

- 34. A decrease in grants and other contributions is primarily due to lower than expected corporate support for exhibitions, event and programming activities.
- 35. An increase in employee expenses is primarily due to enterprise bargaining arrangements and the filling of key vacancies to deliver operational programs, exhibitions and event activities.
- 36. A decrease in supplies and services is primarily due to a reduction in costs associated with programming, events and other efficiencies.
- 37. An increase in other expenses is primarily due to higher licence fees associated with programming and events.
- 38. A decrease in payments for non-financial assets is primarily due to the timing of motor vehicle replacements and systems implementation.

**Major variations between 2015-16 Budget and 2016-17 Budget include:**

- 39. An increase in grants and other contributions is primarily due to higher level of support for maintenance, exhibitions, events and programming activities.
- 40. An increase in employee expenses is primarily due to enterprise bargaining arrangements and the filling of key vacancies to deliver operational programs, exhibitions and event activities.
- 41. An increase in supplies and services is primarily due to higher level of maintenance, exhibitions, events and programming activities.
- 42. A decrease in payments for non-financial assets is primarily due to the timing of motor vehicle replacements and one off asset acquisition for events required in 2015-16 but not in 2016-17.

**Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:**

- 43. An increase in grants and other contributions is primarily due to higher level of support for maintenance, exhibitions, events and programming activities.
- 44. An increase in employee expenses is primarily due to enterprise bargaining arrangements and the filling of key vacancies to deliver operational programs, exhibitions and event activities.

45. An increase in supplies and services is primarily due to higher level of maintenance, exhibitions, events and programming activities.
46. A decrease in payments for non-financial assets is primarily due to one off asset acquisition for events required in 2015-16 but not in 2016-17.

# Queensland Performing Arts Trust

## Overview

The Queensland Performing Arts Trust (QPAT) manages Queensland's flagship performing arts venue - the Queensland Performing Arts Centre (QPAC).

QPAT's vision is for a world where the performing arts matter to everyone. Our purpose is to contribute to the social, cultural and intellectual development of Queenslanders.

QPAT's strategic direction is summarised by four objectives:

- curate a broad relevant program that offers high quality artistic experiences
- create multidimensional experiences which attract local, national and international visitors
- enhance arts learning with audiences and the public and demonstrate leadership in thinking and practice
- build financial and organisational resources that promote agility, vitality and responsiveness.

QPAT contributes to the Government's objective for the community by building safe, caring and connected communities by:

- promoting arts literacy through programs, content development and delivery and through collaboration with industry and learning partners
- engaging in public, industry and scholarly conversation on issues of live performance and culture
- demonstrating leadership in understanding, measuring and communicating the value of the arts
- growing cultural tourism through curated programs, marketing initiatives and partnerships
- improving facility infrastructure
- increasing venue utilisation
- collaborating with local arts companies to expand outcomes and build capacity.

QPAT is recognised as a cultural leader and delivers artistic, social, economic and cultural returns. QPAT's contribution to the growth of public value can be seen through its diverse programming which brings a range of exceptional experiences to wide audiences. QPAT's community engagement, education and participation programs help foster a community of the arts, and provides a breadth and depth of support to Queensland artists and arts companies.

QPAT's key challenge is to grow and diversify its programs as well as income streams in order to ensure financial sustainability and underpin the vitality of the organisation. Specifically, the challenge is to create private sector partnerships that enable QPAT to leverage greater economic and social return on its activity.

## Service summary

In 2016-17, QPAT will:

- present an exclusive season of France's Ballet *Preljocaj* as part of the QPAC International Series
- present four major musicals including Roald Dahl's *Matilda The Musical* and *We will Rock You*
- implement a new strategy to engage regional Queensland communities
- implement the Student Movement initiative to ensure students have the opportunity to experience the world class *Preljocaj*
- showcase the talent of emerging and established artists through the Green Jam program
- present two seasons in collaboration with State companies and multiple partnerships with Brisbane-based arts companies demonstrating QPAC's leadership and development role for Queensland's performing arts sector.

# Service performance

## Performance statement

### Queensland Performing Arts Trust (QPAT)

#### Service area objective

To strengthen Queensland's arts sector and contribute to the cultural, social and intellectual development of all Queenslanders.

#### Service area description

The Queensland Performing Arts Centre (QPAC) delivers exceptional live performance and learning experiences for Queenslanders and visitors. The venues within QPAC are managed for a positive commercial return. QPAC develops and presents live performance and learning programs throughout the year. QPAC curates an annual, mixed genre live performance program that includes QPAC variously as a producer, presenter, venue or investor and features production of local, national and international companies. QPAC delivers a specially tailored program that enhances lifelong learning through art. As well as these programming functions, QPAT is a commercial manager of its venues including managing and operating QPAC's four theatres - Lyric Theatre, Concert Hall, Playhouse and Cremorne Theatre.

| Queensland Performing Arts Trust                        | Notes | 2015-16<br>Target/Est. | 2015-16<br>Est. Actual | 2016-17<br>Target/Est. |
|---|-------|------------------------|------------------------|------------------------|
| <b>Service standards</b>                                |       |                        |                        |                        |
| <i>Effectiveness measures</i>                           |       |                        |                        |                        |
| Audience satisfaction with programming and facilities   | 1     | 95%                    | 95%                    | 95%                    |
| Visits to QPAC onsite                                   | 2     | New measure            | New measure            | 1.3 million            |
| <i>Efficiency measures</i>                              |       |                        |                        |                        |
| Venue utilisation                                       | 3     | 82%                    | 85%                    | 82%                    |
| Non-government revenue as a percentage of total revenue | 4     | New measure            | New measure            | 80%                    |

Notes:

1. There has been a wording change only with this measure (no amendment to methodology). Audience satisfaction measures the degree to which service delivery meets the expectations of users. The measure indicates overall audience satisfaction with programming and facilities. Audience satisfaction with dining is measured separately. The audience survey is based on the Better Practice Guidelines for Measuring Client Satisfaction published by the department.
2. In 2012-13 'visitation' was discontinued as a measure. 'Visits to QPAC onsite' has been reintroduced as it is considered the best available proxy measure for effectiveness of the service area objective, due to its ability to infer public value, relevance, community perception and international standing.
3. The measure is an indicator of the use being made of the four theatres. The measure is an indicator of QPAC's efficiency in venue management and ability to ensure supply to theatres.
4. This includes revenue earned through the operation of commercial services (venue hire, ticketing, food and beverage) and revenue contributed through sponsorship and philanthropic programs.

## Staffing<sup>1</sup>

| Queensland Performing Arts Trust | Notes | 2015-16<br>Budget | 2015-16<br>Est. Actual | 2016-17<br>Budget |
|----------------------------------|-------|-------------------|------------------------|-------------------|
| Queensland Performing Arts Trust |       | 340               | 340                    | 340               |

Note:

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



# Income statement

| Queensland Performing Arts Trust     | Notes  | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|--------------------------------------|--------|-----------------------------|--------------------------------|-----------------------------|
| <b>INCOME</b>                        |        |                             |                                |                             |
| Taxes                                |        | ..                          | ..                             | ..                          |
| User charges and fees                | 1,5,9  | 38,389                      | 40,690                         | 40,222                      |
| Grants and other contributions       | 6,10   | 9,330                       | 9,330                          | 7,997                       |
| Interest                             | 2,7,11 | 660                         | 749                            | 810                         |
| Other revenue                        | 3,8    | 262                         | 731                            | 750                         |
| Gains on sale/revaluation of assets  |        | ..                          | ..                             | ..                          |
| <b>Total income</b>                  |        | <b>48,641</b>               | <b>51,500</b>                  | <b>49,779</b>               |
| <b>EXPENSES</b>                      |        |                             |                                |                             |
| Employee expenses                    | 4,12   | 27,250                      | 29,683                         | 28,027                      |
| Supplies and services                |        | 20,074                      | 20,545                         | 20,444                      |
| Grants and subsidies                 |        | ..                          | ..                             | ..                          |
| Depreciation and amortisation        |        | 834                         | 874                            | 912                         |
| Finance/borrowing costs              |        | ..                          | ..                             | ..                          |
| Other expenses                       |        | 483                         | 398                            | 396                         |
| Losses on sale/revaluation of assets |        | ..                          | ..                             | ..                          |
| <b>Total expenses</b>                |        | <b>48,641</b>               | <b>51,500</b>                  | <b>49,779</b>               |
| <b>OPERATING SURPLUS/(DEFICIT)</b>   |        | <b>..</b>                   | <b>..</b>                      | <b>..</b>                   |

# Balance sheet

| Queensland Performing Arts Trust             | Notes | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|--|-------|-----------------------------|--------------------------------|-----------------------------|
| <b>CURRENT ASSETS</b>                        |       |                             |                                |                             |
| Cash assets                                  |       | 10,025                      | 10,121                         | 10,283                      |
| Receivables                                  |       | 3,798                       | 3,964                          | 3,889                       |
| Other financial assets                       |       | ..                          | ..                             | ..                          |
| Inventories                                  | 13,20 | 323                         | 273                            | 283                         |
| Other  | 14,21 | 764                         | 233                            | 238                         |
| Non-financial assets held for sale           |       | ..                          | ..                             | ..                          |
| <b>Total current assets</b>                  |       | <b>14,910</b>               | <b>14,591</b>                  | <b>14,693</b>               |
| <b>NON-CURRENT ASSETS</b>                    |       |                             |                                |                             |
| Receivables                                  |       | ..                          | ..                             | ..                          |
| Other financial assets                       |       | ..                          | ..                             | ..                          |
| Property, plant and equipment                | 15,22 | 9,517                       | 12,001                         | 12,089                      |
| Intangibles                                  |       | ..                          | ..                             | ..                          |
| Other  |       | ..                          | ..                             | ..                          |
| <b>Total non-current assets</b>              |       | <b>9,517</b>                | <b>12,001</b>                  | <b>12,089</b>               |
| <b>TOTAL ASSETS</b>                          |       | <b>24,427</b>               | <b>26,592</b>                  | <b>26,782</b>               |
| <b>CURRENT LIABILITIES</b>                   |       |                             |                                |                             |
| Payables                                     | 16,23 | 4,004                       | 5,267                          | 5,378                       |
| Accrued employee benefits                    | 17,24 | 1,580                       | 1,121                          | 1,111                       |
| Interest bearing liabilities and derivatives |       | ..                          | ..                             | ..                          |
| Provisions                                   |       | ..                          | ..                             | ..                          |
| Other  | 18,25 | 1,178                       | 178                            | 267                         |
| <b>Total current liabilities</b>             |       | <b>6,762</b>                | <b>6,566</b>                   | <b>6,756</b>                |
| <b>NON-CURRENT LIABILITIES</b>               |       |                             |                                |                             |
| Payables                                     |       | ..                          | ..                             | ..                          |
| Accrued employee benefits                    |       | ..                          | ..                             | ..                          |
| Interest bearing liabilities and derivatives |       | ..                          | ..                             | ..                          |
| Provisions                                   |       | ..                          | ..                             | ..                          |
| Other  |       | ..                          | ..                             | ..                          |
| <b>Total non-current liabilities</b>         |       | <b>..</b>                   | <b>..</b>                      | <b>..</b>                   |
| <b>TOTAL LIABILITIES</b>                     |       | <b>6,762</b>                | <b>6,566</b>                   | <b>6,756</b>                |
| <b>NET ASSETS/(LIABILITIES)</b>              |       | <b>17,665</b>               | <b>20,026</b>                  | <b>20,026</b>               |
| <b>EQUITY</b>                                |       |                             |                                |                             |
| <b>TOTAL EQUITY</b>                          | 19,26 | <b>17,665</b>               | <b>20,026</b>                  | <b>20,026</b>               |

# Cash flow statement

| Queensland Performing Arts Trust                            | Notes    | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|---|----------|-----------------------------|--------------------------------|-----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>   |          |                             |                                |                             |
| User charges and fees                                       | 27,34    | 38,443                      | 43,773                         | 43,699                      |
| Grants and other contributions                              | 35,41    | 9,330                       | 9,330                          | 7,997                       |
| Interest received   | 28,36    | 660                         | 749                            | 810                         |
| Taxes   |          | ..                          | ..                             | ..                          |
| Other   | 29,37,42 | 232                         | 2,277                          | 2,574                       |
| <b>Outflows:</b>  |          |                             |                                |                             |
| Employee costs  | 30,43    | (27,255)                    | (29,688)                       | (28,037)                    |
| Supplies and services                                       | 31,38    | (19,718)                    | (21,766)                       | (22,114)                    |
| Grants and subsidies  |          | ..                          | ..                             | ..                          |
| Borrowing costs   |          | ..                          | ..                             | ..                          |
| Other   | 32,39    | (608)                       | (3,551)                        | (3,767)                     |
| <b>Net cash provided by or used in operating activities</b> |          | <b>1,084</b>                | <b>1,124</b>                   | <b>1,162</b>                |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>   |          |                             |                                |                             |
| Sales of non-financial assets                               |          | ..                          | ..                             | ..                          |
| Investments redeemed  |          | ..                          | ..                             | ..                          |
| Loans and advances redeemed                                 |          | ..                          | ..                             | ..                          |
| <b>Outflows:</b>  |          |                             |                                |                             |
| Payments for non-financial assets                           | 33,40,44 | (1,400)                     | (750)                          | (1,000)                     |
| Payments for investments                                    |          | ..                          | ..                             | ..                          |
| Loans and advances made                                     |          | ..                          | ..                             | ..                          |
| <b>Net cash provided by or used in investing activities</b> |          | <b>(1,400)</b>              | <b>(750)</b>                   | <b>(1,000)</b>              |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>   |          |                             |                                |                             |
| Borrowings  |          | ..                          | ..                             | ..                          |
| Equity injections   |          | ..                          | ..                             | ..                          |
| <b>Outflows:</b>  |          |                             |                                |                             |
| Borrowing redemptions                                       |          | ..                          | ..                             | ..                          |
| Finance lease payments                                      |          | ..                          | ..                             | ..                          |
| Equity withdrawals  |          | ..                          | ..                             | ..                          |
| <b>Net cash provided by or used in financing activities</b> |          | <b>..</b>                   | <b>..</b>                      | <b>..</b>                   |
| <b>Net increase/(decrease) in cash held</b>                 |          | <b>(316)</b>                | <b>374</b>                     | <b>162</b>                  |
| <b>Cash at the beginning of financial year</b>              |          | <b>10,341</b>               | <b>9,747</b>                   | <b>10,121</b>               |
| Cash transfers from restructure                             |          | ..                          | ..                             | ..                          |
| <b>Cash at the end of financial year</b>                    |          | <b>10,025</b>               | <b>10,121</b>                  | <b>10,283</b>               |

# Explanation of variances in the financial statements

## Income statement

### Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. Increase in user charges and fees due to an increase in shows undertaken as co-productions, resulting in greater ticket sales recognised as revenue and higher food and beverage income.
2. Increase in interest received primarily due to the increase in co-productions generating a greater balance of ticket sales held in the trust account.
3. Increase in other revenue due to investments in theatre productions providing greater returns than expected and the new philanthropic program is also anticipated to generate extra revenue.
4. Increase in employee expenses due to the increase in shows undertaken as co-productions resulting in greater production costs recognised as expenses and greater than expected food and beverage operating hours.

### Major variations between 2015-16 Budget and 2016-17 Budget include:

5. Increase in user charges and fees due to an increase in commercial activity and co-productions resulting in greater ticket sales recognised as revenue and higher food and beverage income.
6. Decrease in grants and other contributions primarily due to biennial funding for the Out of the Box festival and the application of the whole-of-government reprioritisation measures.
7. Increase in interest received primarily due to the increase in co-productions generating a greater balance of ticket sales held in the trust account.
8. Increase in other revenue due to investments in theatre productions providing greater returns than expected and the new philanthropic program is also anticipated to generate extra revenue.

### Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

9. Decrease in user charges and fees due to the anticipated lower level of commercial activity than the previous year.
10. Decrease in grants and other contributions primarily due to biennial funding for the Out of the Box festival and the effect of the whole-of-government reprioritisation measures.
11. Increase in interest received primarily due to the increase in co-productions generating a greater balance of ticket sales held in trust accounts.
12. Decrease in employee expenses due to an expected decrease in the volume of performances, resulting in lower levels of staff working on shows and food and beverage outlets.

## Balance sheet

### Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

13. Decrease in inventories due to changes in stock management processes.
14. Decrease in other current assets primarily due to the expected prepayment of expenses relating to future programming productions being higher in the previous year.
15. Increase in property, plant and equipment due to the revaluation of real estate owned by the trust.
16. Increase in payables due to the increased level of commercial activity resulting in higher volumes of food and beverage purchases and accrued payments due to commercial co-producers.
17. Decrease in accrued employee benefits due to full-time staff taking more leave.
18. Decrease in other payables due to repayment to the funding party of project funding for a potential international event.
19. Increase in total equity due to the revaluation of real estate owned by the trust increasing the Asset Revaluation Reserve.

### Major variations between 2015-16 Budget and 2016-17 Budget include:

20. Decrease in inventories due to changes in stock management processes.

21. Decrease in other current assets primarily due to the expected prepayment of expenses relating to future programming productions being higher in the previous year.
22. Increase in property, plant and equipment due to the revaluation of real estate owned by the trust.
23. Increase in payables due to the increased level of commercial activity resulting in higher volumes of food and beverage purchases and accrued payments due to commercial co-producers.
24. Decrease in accrued employee benefits due to full-time staff taking more leave.
25. Decrease in other payables due to repayment to the funding party of project funding for a potential international event.
26. Increase in total equity due to the revaluation of real estate owned by the trust increasing the Asset Revaluation Reserve.

## Cash flow statement

### Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

27. Increase in user charges and fees inflows due to an increase in commercial activity and co-productions, resulting in greater ticket sales recognised as revenue and higher food and beverage income.
28. Increase in interest received inflows primarily due to the increase in co-productions generating a greater balance of ticket sales held in the trust account.
29. Increase in other revenue inflows due to the change in treatment for goods and services tax (GST) recovered from sales.
30. Increase in employee costs outflows due to the increase in shows undertaken as co-productions resulting in greater production costs recognised as expenses and greater than expected food and beverage operating hours.
31. Increase in supplies and services outflows due to increased commercial activity and co-productions resulting in greater project cost recognised as expenses and higher food and beverage purchases.
32. Increase in other operating outflows due to the change in treatment for GST paid on purchases.
33. Decrease in payments for non-financial assets outflows due to a lower than expected spend on capital purchases, property plant and equipment.

### Major variations between 2015-16 Budget and 2016-17 Budget include:

34. Increase in user charges and fees inflows due to an increase in commercial activity and co-productions resulting in greater ticket sales recognised as revenue and higher food and beverage income.
35. Decrease in grants and other contributions inflows primarily due to biennial funding for the Out of the Box festival and the application of the whole-of-government reprioritisation measures.
36. Increase in interest received inflows primarily due to the increase in co-productions generating a greater balance of ticket sales held in the trust account.
37. Increase in other revenue inflows due to the change in treatment for GST recovered from sales.
38. Increase in supplies and services outflows due to increased commercial activity and co-productions resulting in greater project cost recognised as expenses and higher food and beverage purchases.
39. Increase in other operating outflows due to the change in treatment for GST paid on purchases.
40. Decrease in payments for non-financial assets outflows due to a lower than expected spend on capital purchases, property, plant and equipment.

### Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

41. Decrease in grants and other contributions inflows primarily due to biennial funding for the Out of the Box festival and the application of the whole-of-government reprioritisation measures.
42. Increase in other operating inflows due to investments in theatre productions providing greater returns than expected and the new philanthropic program is also anticipated to generate extra revenue.
43. Decrease in employee costs outflows due to an expected decrease in the volume of performances resulting in lower levels of staff working on shows and food and beverage outlets.
44. Increase in payments for non-financial assets outflows due to a higher planned spend on capital purchases, property plant and equipment.

# Shared service provider

## Corporate Administration Agency

### Overview

The Corporate Administration Agency (CAA) provides corporate services under Service Level Agreements (SLAs) to Queensland public sector entities, principally statutory bodies.

CAA's key objective is to assist customers in the achievement of business goals by providing value for money and effective services. CAA's operational planning focuses on engagement with customers to identify innovations to improve the delivery and cost of services.

Key strategic drivers for CAA include continued business innovation and improvement. This is achieved through effective customer engagement, and strategic business alliances and partnerships that are supported by strong governance of business operations, products and services, and development of high performing specialist teams. The purchaser-provider relationship is assisted and developed beyond the SLAs through regular meetings of Heads of Corporate Services and provision and analysis of quarterly performance reports, user group forums, and annual satisfaction survey of customers.

Services provided by CAA include:

- human resource (HR) management and consulting
- payroll and recruitment services
- financial management and transactional services
- information management services including information technology and business systems.

CAA operates in a dynamic market, as machinery-of-government arrangements have significant and recurring impacts on the resourcing model.

### Service summary

CAA will continue to focus on implementing business improvements, in particular on providing self-service opportunities for our staff and customers. Expansion of CAA's customer base will be enabled by the achievement of improved automation and efficiencies.

In 2016-17, CAA will:

- provide value for money and enhanced services to customers, with a continued focus on innovation and automation of business processes and responsible fiscal and resource management
- develop and align business planning with the Government's strategic direction and objectives
- develop staff capability to enhance customer engagement and satisfaction through targeted internal leadership development and customer service training
- deliver better access to data and information for customers through the improved self-service and mobility facilities via mobile phone, tablets and the internet
- increase the functional capacity of the 'ServiceNow' application to improve the customer experience and productivity of service delivery
- address any outcomes of the 2016 Customer and Staff satisfaction survey
- review internal processes to further enhance the reduction of "red tape" to achieve further efficiencies.

# Service performance

## Corporate Administration Agency

### Service area objective

To meet our customers' corporate service requirements through the provision of services in accordance with agreed Service Level Agreements and easy and convenient access to business applications.

### Service area description

The Corporate Administration Agency (CAA) provides corporate services to Queensland public sector entities that are principally small to medium statutory bodies. CAA also provides ad hoc services to other government entities as requested. The CAA charges customers on a full cost recovery basis with fees to the customers being based upon their relative usage of the resources used by the CAA to deliver the service.

| Corporate Administration Agency   | Notes   | 2015-16<br>Target/Est. | 2015-16<br>Est. Actual | 2016-17<br>Target/Est. |
|---|---------|------------------------|------------------------|------------------------|
| <b>Service standards</b>  |         |                        |                        |                        |
| <i>Effectiveness measure</i>  |         |                        |                        |                        |
| Customer satisfaction with CAA Services   | 1       | 90%                    | 90%                    | 90%                    |
| <i>Efficiency measures</i>  |         |                        |                        |                        |
| CAA operating surplus/(deficit)   | 2       | break even             | break even             | break even             |
| CAA annual unit pricing does not exceed the greater of CPI or public service award increase | 3, 4, 5 | 90%                    | 70%                    | 90%                    |

Notes:

- Overall customer satisfaction is being obtained through the annual customer survey.
- This service standard indicates that CAA is managing its resources to provide economic pricing to customers.
- As 65 per cent of CAA costs are made up of salaries, the efficiency measure has been amended to cater for situations where a pay increase is greater than consumer price index (CPI).
- The 2015-16 performance result of 70 per cent is reflective of pricing not exceeding CPI. The remaining 30 per cent was impacted by Public Service award increases and Vendor price increases that has exceeded CPI.
- The efficiency measure of 'CAA annual unit pricing does not exceed the greater of CPI' is applicable to 2015-16 Target and Estimated Actual. The 90 per cent Target/Estimate for 2016-17 is to include "or public service award increase".

## Discontinued measures

Performance measures included in the 2015-16 *Service Delivery Statements* that have been discontinued or replaced are reported in the following table with estimated actual results.

| Corporate Administration Agency  | Notes | 2015-16<br>Target/Est. | 2015-16<br>Est. Actual | 2016-17<br>Target/Est. |
|--|-------|------------------------|------------------------|------------------------|
| Percentage of customer services delivered within agreed standards (time and costs) | 1     | 95%                    | 94%                    | Discontinued measure   |

Note:

1. This service standard is discontinued as it is an activity measure and does not measure the efficiency or effectiveness of the service. This measure is being reported in the Customer Quarterly report which is emailed to the customer's Head of Corporate Services or published on the customers extranet (a portal between Corporate Administration Agency and its customers).



## Staffing<sup>1</sup>

| Corporate Administration Agency | Notes | 2015-16<br>Budget | 2015-16<br>Est. Actual | 2016-17<br>Budget |
|---------------------------------|-------|-------------------|------------------------|-------------------|
| Corporate Administration Agency | 2, 3  | 67                | 71                     | 71                |

Notes:

1. Full-time equivalents (FTEs) as at 30 June. CAA FTEs may change if additional customers are added to the base.
2. Increase from 67 to 71 FTEs due to TAFE Queensland being added as a customer for financial transaction processing, with four FTEs required to meet demand.
3. CAA is in discussion with a number of potential customers. Should this result in further service delivery CAA would likely need to grow the FTE base to meet demand. Note that all expenses are recovered through fee for service arrangements with no impact on appropriation budget for the department.

# Income statement

| Corporate Administration Agency      | Notes  | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|--------------------------------------|--------|-----------------------------|--------------------------------|-----------------------------|
| <b>INCOME</b>                        |        |                             |                                |                             |
| User charges and fees                | 1,5,10 | 10,404                      | 11,758                         | 11,920                      |
| Grants and other contributions       |        | 81                          | 81                             | 81                          |
| Interest                             |        | ..                          | ..                             | ..                          |
| Other revenue                        | 2,6    | 11                          | ..                             | ..                          |
| Gains on sale/revaluation of assets  |        | ..                          | ..                             | ..                          |
| <b>Total income</b>                  |        | <b>10,496</b>               | <b>11,839</b>                  | <b>12,001</b>               |
| <b>EXPENSES</b>                      |        |                             |                                |                             |
| Employee expenses                    | 3,7,11 | 7,389                       | 7,258                          | 7,610                       |
| Supplies and services                | 4,8,12 | 2,733                       | 4,211                          | 4,040                       |
| Grants and subsidies                 |        | ..                          | ..                             | ..                          |
| Depreciation and amortisation        | 9,13   | 149                         | 149                            | 118                         |
| Finance/borrowing costs              |        | ..                          | ..                             | ..                          |
| Other expenses                       |        | 225                         | 221                            | 233                         |
| Losses on sale/revaluation of assets |        | ..                          | ..                             | ..                          |
| <b>Total expenses</b>                |        | <b>10,496</b>               | <b>11,839</b>                  | <b>12,001</b>               |
| <b>OPERATING SURPLUS/(DEFICIT)</b>   |        | <b>..</b>                   | <b>..</b>                      | <b>..</b>                   |

# Balance sheet

| Corporate Administration Agency              | Notes | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|--|-------|-----------------------------|--------------------------------|-----------------------------|
| <b>CURRENT ASSETS</b>                        |       |                             |                                |                             |
| Cash assets                                  |       | 3,660                       | 3,607                          | 3,650                       |
| Receivables                                  |       | 1,179                       | 1,128                          | 1,128                       |
| Other financial assets                       |       | ..                          | ..                             | ..                          |
| Inventories                                  |       | ..                          | ..                             | ..                          |
| Other  | 14,19 | 412                         | 983                            | 983                         |
| Non-financial assets held for sale           |       | ..                          | ..                             | ..                          |
| <b>Total current assets</b>                  |       | <b>5,251</b>                | <b>5,718</b>                   | <b>5,761</b>                |
| <b>NON-CURRENT ASSETS</b>                    |       |                             |                                |                             |
| Receivables                                  |       | ..                          | ..                             | ..                          |
| Other financial assets                       |       | ..                          | ..                             | ..                          |
| Property, plant and equipment                | 15,20 | 364                         | 244                            | 201                         |
| Intangibles                                  | 16,21 | ..                          | 55                             | 55                          |
| Other  |       | ..                          | ..                             | ..                          |
| <b>Total non-current assets</b>              |       | <b>364</b>                  | <b>299</b>                     | <b>256</b>                  |
| <b>TOTAL ASSETS</b>                          |       | <b>5,615</b>                | <b>6,017</b>                   | <b>6,017</b>                |
| <b>CURRENT LIABILITIES</b>                   |       |                             |                                |                             |
| Payables                                     | 17,22 | 739                         | 595                            | 595                         |
| Accrued employee benefits                    |       | 254                         | 251                            | 251                         |
| Interest bearing liabilities and derivatives |       | ..                          | ..                             | ..                          |
| Provisions                                   |       | ..                          | ..                             | ..                          |
| Other  | 18,23 | 223                         | 595                            | 595                         |
| <b>Total current liabilities</b>             |       | <b>1,216</b>                | <b>1,441</b>                   | <b>1,441</b>                |
| <b>NON-CURRENT LIABILITIES</b>               |       |                             |                                |                             |
| Payables                                     |       | ..                          | ..                             | ..                          |
| Accrued employee benefits                    |       | ..                          | ..                             | ..                          |
| Interest bearing liabilities and derivatives |       | ..                          | ..                             | ..                          |
| Provisions                                   |       | ..                          | ..                             | ..                          |
| Other  |       | ..                          | ..                             | ..                          |
| <b>Total non-current liabilities</b>         |       | <b>..</b>                   | <b>..</b>                      | <b>..</b>                   |
| <b>TOTAL LIABILITIES</b>                     |       | <b>1,216</b>                | <b>1,441</b>                   | <b>1,441</b>                |
| <b>NET ASSETS/(LIABILITIES)</b>              |       | <b>4,399</b>                | <b>4,576</b>                   | <b>4,576</b>                |
| <b>EQUITY</b>                                |       |                             |                                |                             |
| <b>TOTAL EQUITY</b>                          |       | <b>4,399</b>                | <b>4,576</b>                   | <b>4,576</b>                |

# Cash flow statement

| Corporate Administration Agency                             | Notes    | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|---|----------|-----------------------------|--------------------------------|-----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>   |          |                             |                                |                             |
| User charges and fees                                       | 24,28,32 | 10,404                      | 11,758                         | 11,920                      |
| Grants and other contributions                              |          | 81                          | 81                             | 81                          |
| Interest received   |          | ..                          | ..                             | ..                          |
| Other   | 25,29    | 11                          | ..                             | ..                          |
| <b>Outflows:</b>  |          |                             |                                |                             |
| Employee costs  | 26,30,33 | (7,389)                     | (7,258)                        | (7,610)                     |
| Supplies and services                                       | 27,31,34 | (2,733)                     | (4,211)                        | (4,040)                     |
| Grants and subsidies  |          | ..                          | ..                             | ..                          |
| Borrowing costs   |          | ..                          | ..                             | ..                          |
| Other   |          | (225)                       | (221)                          | (233)                       |
| <b>Net cash provided by or used in operating activities</b> |          | <b>149</b>                  | <b>149</b>                     | <b>118</b>                  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>   |          |                             |                                |                             |
| Sales of non-financial assets                               |          | ..                          | ..                             | ..                          |
| Investments redeemed  |          | ..                          | ..                             | ..                          |
| Loans and advances redeemed                                 |          | ..                          | ..                             | ..                          |
| <b>Outflows:</b>  |          |                             |                                |                             |
| Payments for non-financial assets                           |          | (100)                       | (100)                          | (75)                        |
| Payments for investments                                    |          | ..                          | ..                             | ..                          |
| Loans and advances made                                     |          | ..                          | ..                             | ..                          |
| <b>Net cash provided by or used in investing activities</b> |          | <b>(100)</b>                | <b>(100)</b>                   | <b>(75)</b>                 |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>   |          |                             |                                |                             |
| Borrowings  |          | ..                          | ..                             | ..                          |
| Equity injections   |          | ..                          | ..                             | ..                          |
| <b>Outflows:</b>  |          |                             |                                |                             |
| Borrowing redemptions                                       |          | ..                          | ..                             | ..                          |
| Finance lease payments                                      |          | ..                          | ..                             | ..                          |
| Equity withdrawals  |          | ..                          | ..                             | ..                          |
| <b>Net cash provided by or used in financing activities</b> |          | <b>..</b>                   | <b>..</b>                      | <b>..</b>                   |
| <b>Net increase/(decrease) in cash held</b>                 |          | <b>49</b>                   | <b>49</b>                      | <b>43</b>                   |
| <b>Cash at the beginning of financial year</b>              |          | <b>3,611</b>                | <b>3,558</b>                   | <b>3,607</b>                |
| Cash transfers from restructure                             |          | ..                          | ..                             | ..                          |
| <b>Cash at the end of financial year</b>                    |          | <b>3,660</b>                | <b>3,607</b>                   | <b>3,650</b>                |

# Explanation of variances in the financial statements

## Income statement

### Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. An increase in user charges is primarily due to the implementation of new customers and additional ad hoc project work.
2. A decrease in other revenue is primarily due to the recategorisation of this item into user charges.
3. A decrease in employee expenses is primarily due to staffing vacancies.
4. An increase in supplies and services is primarily attributable to expenses associated with the implementation of new customers and services.

### Major variations between 2015-16 Budget and 2016-17 Budget include:

5. An increase in user charges is primarily due to the implementation of new customers and additional ad hoc project work.
6. A decrease in other revenue is primarily due to the recategorisation of this item into user charges.
7. An increase in employee expenses is primarily due to the implementation of new customers predicted in 2016-17. This will result in the need to fill all positions in the establishment to cater for the increase in workload as a result of the new customers being onboard.
8. Increase in supplies and services is primarily attributable to expenses associated with the implementation of new customers and services.
9. A decrease in depreciation due to the end of useful lives of non-current assets being reached.

### Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

10. An increase in user charges is primarily due to the implementation of new customers and additional ad hoc project work.
11. An increase in employee expenses is primarily due to the implementation of new customers predicted in 2016-17. This will result in the need to fill all positions in the establishment to cater for the increase in workload as a result of the new customers being onboard.
12. An decrease in supplies and services is primarily attributable to efficiencies associated with processing being achieved.
13. A decrease in depreciation due to the end of useful lives of non-current assets being reached.

## Balance sheet

### Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

14. An increase in current assets other is as a result of an increase in prepaid expenses due to a change in software licensing agreements.
15. A decrease in plant and equipment due to the end of useful lives of non-current assets being reached.
16. An increase in intangibles due to software purchases.
17. A decrease in payables due to processing efficiencies.
18. An increase in other current liabilities due to unearned revenue for work in progress for customers.

### Major variations between 2015-16 Budget and 2016-17 Budget include:

19. An increase in current assets other is as a result of an increase in prepaid expenses due to a change in software licensing agreements.
20. A decrease in plant and equipment due to the end of useful lives of non-current assets being reached.
21. An increase in intangibles due to software purchases.
22. A decrease in payables due to processing efficiencies.
23. An increase in other current liabilities due to unearned revenue for work in progress for customers.

# Cash flow statement

## **Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:**

- 24. An increase in user charges is primarily due to the implementation of new customers and additional ad hoc project work.
- 25. A decrease in other inflows is primarily due to the recategorisation of this item into user charges.
- 26. A decrease in employee costs is primarily due to staffing vacancies.
- 27. An increase in supplies and services is primarily attributable to expenses associated with the implementation of new customers and services.

## **Major variations between 2015-16 Budget and 2016-17 Budget include:**

- 28. An increase in user charges is primarily due to the implementation of new customers and additional ad hoc project work.
- 29. A decrease in other inflows is primarily due to the recategorisation of this item into user charges.
- 30. An increase in employee expenses is primarily due to the implementation of new customers predicted in 2016-17. This results in the need to fill all positions in the establishment to cater for the increase in workload as a result of the new customers being onboard.
- 31. Increase in supplies and services is primarily attributable to expenses associated with the implementation of new customers and services.

## **Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:**

- 32. An increase in user charges is primarily due to the implementation of new customers and additional ad hoc project work.
- 33. An increase in employee costs is primarily due to the implementation of new customers predicted in 2016-17. This results in the need to fill all positions in the establishment to cater for the increase in workload as a result of the new customers being onboard.
- 34. An decrease in supplies and services is primarily attributable to a reduction of expenses associated with the implementation of new customers and services.



## **Office of the Governor**

# Departmental overview

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 all things that belong to the Governor's Office under any law. This will be the third year in office for His Excellency the Honourable Paul De Jersey AC.

While the Governor as the representative of Her Majesty 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 support of the Parliament.

As an independent entity, the Office of the Governor (the Office) provides executive, administrative, logistical and personal support that 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 the Government House Estate, in partnership with the Department of Housing and Public Works.

## Service performance

### Performance statement

#### Office of the Governor

#### Service area objective

Support to the Governor in order to enable His Excellency to exercise his statutory and constitutional, ceremonial, civic and social duties of the office.

#### Service area description

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

#### 2016-17 service area highlights

In 2016-17, the Office of the Governor will continue to:

- support the Governor's constitutional and legal responsibilities of office through high quality policy advice and executive support
- support the Governor's ceremonial responsibilities of office, in particular the Australian Honours and Awards System and other ceremonial parades and military ceremonies
- support the Governor's program of civic engagements at Government House within the community along with educating the community about the role of the Governor and promoting community organisations through His Excellency's patronage
- support the Governor's commitment to promote Queensland's produce, culture, trade and business initiatives
- supporting the hosting of significant visitors to Government House
- support the Governor and Acting or Deputy Governor at times when the Governor acts as Administrator of the Commonwealth
- provide efficient and effective stewardship of Government House and the Estate.



| Office of the Governor   | Notes | 2015-16<br>Target/Est. | 2015-16<br>Est. Actual | 2016-17<br>Target/Est. |
|--|-------|------------------------|------------------------|------------------------|
| <b>Service area: Office of the Governor<sup>1</sup></b>  |       |                        |                        |                        |
| <b>Service standards</b>   |       |                        |                        |                        |
| <i>Effectiveness measures</i>  |       |                        |                        |                        |
| Client satisfaction with support provided to the Governor on constitutional, legal and ceremonial duties of office | 2     | 90%                    | 100%                   | 90%                    |
| Visits to Queensland Regional Centres  | 3     | 45                     | 47                     | 45                     |
| Increase in the number of visitors to Government House   | 4     | 10%                    | 14%                    | 10%                    |
| Percentage of menu items featuring Queensland produce as its main element  | 5     | 80%                    | 90%                    | 80%                    |
| Client satisfaction with presentation of gardens and grounds   | 2     | 85%                    | 100%                   | 85%                    |
| <i>Efficiency measures<sup>6</sup></i>   |       |                        |                        |                        |

Notes:

1. The Office of the Governor has combined the previous two services (support to the Governor and Management of the Government House Estate) under this service area. Service standards remain unchanged.
2. This service standard includes overall satisfaction with the Office of the Governor's support to the Governor and management of the Government House Estate.
3. During 2015-16, the Governor also travelled to Hong Kong, the Republic of Korea and Papua New Guinea in support of Queensland trade and investment, and cultural endeavours.
4. 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 and other events open to the public, such as the Christmas lights display, open day and the Government House involvement in Open House.
5. The Office of the Governor seeks to promote Queensland and one means of doing so is through the promotion of Queensland products at Government House events.
6. An efficiency measure is being developed for this service and will be included in a future *Service Delivery Statement*.

## Staffing<sup>1</sup>

| Office of the Governor | Notes | 2015-16<br>Budget | 2015-16<br>Est. Actual | 2016-17<br>Budget |
|------------------------|-------|-------------------|------------------------|-------------------|
| Office of the Governor | 2     | 44                | 44                     | 44                |

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the service to which they relate.

# Budgeted financial statements

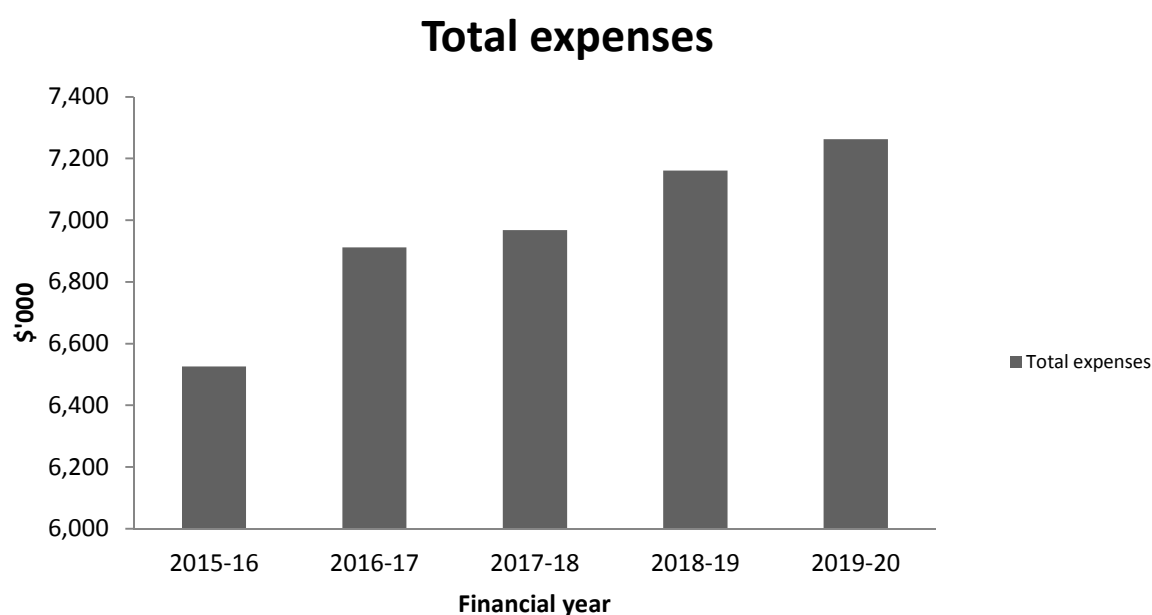
## Analysis of budgeted financial statements

An analysis of the Office of the Governor's (the Office) financial position, as reflected in the Office's financial statements, is provided below.

### Departmental income statement

Total expenses are estimated to be \$6.9 million in 2016-17, an increase of \$386,000 from the 2015-16 financial year. The increase is mainly due to the impact of enterprise bargaining arrangements and the cost of projects carried forward from the 2015-16 financial year.

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



### Departmental balance sheet

The Office's major assets in 2015-16 are in property, plant and equipment (\$1.65 million) - primarily the heritage and cultural collection - and intangible assets (\$101,000). These categories are expected to remain steady over the next three years. 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 | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|--------------------------------------|-------|-----------------------------|--------------------------------|-----------------------------|
| <b>INCOME</b>                        |       |                             |                                |                             |
| Appropriation revenue                | 1,4,6 | 6,575                       | 6,526                          | 6,912                       |
| Taxes                                |       | ..                          | ..                             | ..                          |
| User charges and fees                |       | ..                          | ..                             | ..                          |
| Royalties and land rents             |       | ..                          | ..                             | ..                          |
| Grants and other contributions       |       | ..                          | ..                             | ..                          |
| Interest                             |       | ..                          | ..                             | ..                          |
| Other revenue                        |       | ..                          | ..                             | ..                          |
| Gains on sale/revaluation of assets  |       | ..                          | ..                             | ..                          |
| <b>Total income</b>                  |       | <b>6,575</b>                | <b>6,526</b>                   | <b>6,912</b>                |
| <b>EXPENSES</b>                      |       |                             |                                |                             |
| Employee expenses                    | 2,5,7 | 4,662                       | 4,798                          | 4,982                       |
| Supplies and services                | 3,8   | 1,727                       | 1,542                          | 1,744                       |
| Grants and subsidies                 |       | ..                          | ..                             | ..                          |
| Depreciation and amortisation        |       | 162                         | 162                            | 162                         |
| Finance/borrowing costs              |       | ..                          | ..                             | ..                          |
| Other expenses                       |       | 24                          | 24                             | 24                          |
| Losses on sale/revaluation of assets |       | ..                          | ..                             | ..                          |
| <b>Total expenses</b>                |       | <b>6,575</b>                | <b>6,526</b>                   | <b>6,912</b>                |
| <b>OPERATING SURPLUS/(DEFICIT)</b>   |       | <b>..</b>                   | <b>..</b>                      | <b>..</b>                   |

# Controlled balance sheet

| Office of the Governor                       | Notes | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|--|-------|-----------------------------|--------------------------------|-----------------------------|
| <b>CURRENT ASSETS</b>                        |       |                             |                                |                             |
| Cash assets                                  |       | 728                         | 892                            | 937                         |
| Receivables                                  |       | 94                          | 91                             | 91                          |
| Other financial assets                       |       | ..                          | ..                             | ..                          |
| Inventories                                  |       | 28                          | 23                             | 23                          |
| Other  |       | ..                          | 16                             | 16                          |
| Non-financial assets held for sale           |       | ..                          | ..                             | ..                          |
| <b>Total current assets</b>                  |       | <b>850</b>                  | <b>1,022</b>                   | <b>1,067</b>                |
| <b>NON-CURRENT ASSETS</b>                    |       |                             |                                |                             |
| Receivables                                  |       | ..                          | ..                             | ..                          |
| Other financial assets                       |       | ..                          | ..                             | ..                          |
| Property, plant and equipment                |       | 1,597                       | 1,654                          | 1,649                       |
| Intangibles                                  | 10    | 179                         | 167                            | 101                         |
| Other  |       | ..                          | ..                             | ..                          |
| <b>Total non-current assets</b>              |       | <b>1,776</b>                | <b>1,821</b>                   | <b>1,750</b>                |
| <b>TOTAL ASSETS</b>                          |       | <b>2,626</b>                | <b>2,843</b>                   | <b>2,817</b>                |
| <b>CURRENT LIABILITIES</b>                   |       |                             |                                |                             |
| Payables                                     | 9,11  | 74                          | 109                            | 109                         |
| Accrued employee benefits                    |       | 125                         | 125                            | 125                         |
| Interest bearing liabilities and derivatives |       | ..                          | ..                             | ..                          |
| Provisions                                   |       | ..                          | ..                             | ..                          |
| Other  |       | ..                          | ..                             | ..                          |
| <b>Total current liabilities</b>             |       | <b>199</b>                  | <b>234</b>                     | <b>234</b>                  |
| <b>NON-CURRENT LIABILITIES</b>               |       |                             |                                |                             |
| Payables                                     |       | ..                          | ..                             | ..                          |
| Accrued employee benefits                    |       | ..                          | ..                             | ..                          |
| Interest bearing liabilities and derivatives |       | ..                          | ..                             | ..                          |
| Provisions                                   |       | ..                          | ..                             | ..                          |
| Other  |       | ..                          | ..                             | ..                          |
| <b>Total non-current liabilities</b>         |       | <b>..</b>                   | <b>..</b>                      | <b>..</b>                   |
| <b>TOTAL LIABILITIES</b>                     |       | <b>199</b>                  | <b>234</b>                     | <b>234</b>                  |
| <b>NET ASSETS/(LIABILITIES)</b>              |       | <b>2,427</b>                | <b>2,609</b>                   | <b>2,583</b>                |
| <b>EQUITY</b>                                |       |                             |                                |                             |
| <b>TOTAL EQUITY</b>                          |       | <b>2,427</b>                | <b>2,609</b>                   | <b>2,583</b>                |

# Controlled cash flow statement

| Office of the Governor                                      | Notes    | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|---|----------|-----------------------------|--------------------------------|-----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>   |          |                             |                                |                             |
| Appropriation receipts                                      | 12,17,19 | 6,575                       | 6,526                          | 6,912                       |
| User charges and fees                                       |          | ..                          | ..                             | ..                          |
| Royalties and land rent receipts                            |          | ..                          | ..                             | ..                          |
| Grants and other contributions                              |          | ..                          | ..                             | ..                          |
| Interest received   |          | ..                          | ..                             | ..                          |
| Taxes   |          | ..                          | ..                             | ..                          |
| Other   |          | ..                          | ..                             | ..                          |
| <b>Outflows:</b>  |          |                             |                                |                             |
| Employee costs  | 13,18,20 | (4,662)                     | (4,798)                        | (4,982)                     |
| Supplies and services                                       | 14,21    | (1,727)                     | (1,542)                        | (1,744)                     |
| Grants and subsidies  |          | ..                          | ..                             | ..                          |
| Borrowing costs   |          | ..                          | ..                             | ..                          |
| Other   |          | (24)                        | (24)                           | (24)                        |
| <b>Net cash provided by or used in operating activities</b> |          | <b>162</b>                  | <b>162</b>                     | <b>162</b>                  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>   |          |                             |                                |                             |
| Sales of non-financial assets                               |          | ..                          | ..                             | ..                          |
| Investments redeemed  |          | ..                          | ..                             | ..                          |
| Loans and advances redeemed                                 |          | ..                          | ..                             | ..                          |
| <b>Outflows:</b>  |          |                             |                                |                             |
| Payments for non-financial assets                           | 15       | (64)                        | (194)                          | (64)                        |
| Payments for investments                                    |          | ..                          | ..                             | ..                          |
| Loans and advances made                                     |          | ..                          | ..                             | ..                          |
| <b>Net cash provided by or used in investing activities</b> |          | <b>(64)</b>                 | <b>(194)</b>                   | <b>(64)</b>                 |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>   |          |                             |                                |                             |
| Borrowings  |          | ..                          | ..                             | ..                          |
| Equity injections   | 16,22    | ..                          | 130                            | ..                          |
| <b>Outflows:</b>  |          |                             |                                |                             |
| Borrowing redemptions                                       |          | ..                          | ..                             | ..                          |
| Finance lease payments                                      |          | ..                          | ..                             | ..                          |
| Equity withdrawals  |          | (53)                        | (53)                           | (53)                        |
| <b>Net cash provided by or used in financing activities</b> |          | <b>(53)</b>                 | <b>77</b>                      | <b>(53)</b>                 |
| <b>Net increase/(decrease) in cash held</b>                 |          | <b>45</b>                   | <b>45</b>                      | <b>45</b>                   |
| <b>Cash at the beginning of financial year</b>              |          | <b>683</b>                  | <b>847</b>                     | <b>892</b>                  |
| Cash transfers from restructure                             |          | ..                          | ..                             | ..                          |
| <b>Cash at the end of financial year</b>                    |          | <b>728</b>                  | <b>892</b>                     | <b>937</b>                  |

# Explanation of variances in the financial statements

## Income statement

### Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. A decrease in appropriation revenue as a result of funds carried forward to 2016-17 to fund existing projects along with funds transferred to equity to fund plant and equipment purchases.
2. An increase in employee expenses due to enterprise bargaining arrangements.
3. A decrease in supplies and services as a result of funds carried forward to 2016-17 to fund existing projects along with funds transferred to equity to fund plant and equipment purchases.

### Major variations between 2015-16 Budget and 2016-17 Budget include:

4. An increase in appropriation revenue as a result of funds carried forward to 2016-17 to fund existing projects along with enterprise bargaining arrangements.
5. An increase in employee expenses due to enterprise bargaining arrangements.

### Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

6. An increase in appropriation revenue as a result of funds carried forward to 2016-17 to fund existing projects along with enterprise bargaining arrangements.
7. An increase in employee expenses due to enterprise bargaining arrangements.
8. An increase in supplies and services due to expenditure on projects carried forward from 2015-16.

## Balance sheet

### Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

9. An increase in payables due to fluctuations in accrued expenses at year end.

### Major variations between 2015-16 Budget and 2016-17 Budget include:

10. A decrease in intangibles due to amortisation.
11. An increase in payables due to fluctuations in accrued expenses at year end.

## Cash flow statement

### Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

12. A decrease in appropriation revenue as a result of funds carried forward to 2016-17 to fund existing projects along with funds transferred to equity to fund plant and equipment purchases.
13. An increase in employee expenses due to enterprise bargaining arrangements.
14. A decrease in supplies and services as a result of funds carried forward to 2016-17 to fund existing projects along with funds transferred to equity to fund plant and equipment purchases.
15. An increase in payments for non-financial assets principally due to increased investment in plant and equipment.
16. An increase in equity injections to fund plant and equipment purchases.

### Major variations between 2015-16 Budget and 2016-17 Budget include:

17. An increase in appropriation revenue as a result of funds carried forward to 2016-17 to fund existing projects along with enterprise bargaining arrangements.
18. An increase in employee expenses due to enterprise bargaining arrangements.

### Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

19. An increase in appropriation revenue as a result of funds carried forward to 2016-17 to fund existing projects along with enterprise bargaining arrangements.
20. An increase in employee expenses due to enterprise bargaining arrangements.

21. An increase in supplies and services due to expenditure on projects carried forward from 2015-16.
22. An increase in equity injections to fund plant and equipment purchases.





## **Public Service Commission**

# Departmental overview

The Public Service Commission (PSC) is an independent central agency of government with key responsibilities for workforce policy, strategy, leadership and organisational performance across the Queensland public sector.

The PSC envisages an inclusive, diverse, agile and high performing public sector. The PSC will achieve this by partnering with agencies to build leadership capability, community-focused service design and delivery methods, and developing integrated service and programs.

The PSC contributes to the achievement of the Queensland Government's objectives for the community, particularly the supporting objective of integrity and accountability, by delivering on the following strategic objectives:

- leadership: develop public sector leaders to ensure a depth and pipeline of leadership talent, through our continued focus on executive and leadership capability development
- culture: empower our leaders to embed constructive workplace cultures and embrace innovation and collaboration, by encouraging healthy and supportive workplaces across the sector
- performance: strengthen our workforce with the right skills and capabilities to deliver quality services to the community. The PSC will achieve this by partnering with agencies to develop integrated services and programs informed by the needs of government and the community, and by a robust performance management system.

The PSC's key priorities for 2016-17 will be to continue embedding performance frameworks that support productive and constructive workplace cultures, as well as providing strategic, sector-wide advice on key reform priorities such as Inclusion and Diversity, Domestic and Family Violence and the National Disability Insurance Scheme.

Key initiatives include brokering high quality development programs that build on the sector's Leadership Talent Management Strategy, as well as strengthening performance and conduct management across the sector. A new initiative for 2016-17 will be to procure and implement a contemporary IT system that collects, validates and reports on strategic workforce data.

Environmental factors affecting the PSC's strategic objectives include the public sector's current environment of increasing complexity, fiscal restraint, digital transformation and changing community expectations.

The Integrity Commissioner is administratively included within the PSC 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 at least twice a year to the Finance and Administration Committee of the Parliament.

## Service performance

### Performance statement

#### Provision of Services for a High Performing Public Service

##### Service area objective

Deliver high quality, community-focused policies, strategies, programs and advice to government on workforce, leadership and organisational matters that support Queensland Government agencies to deliver on their strategic vision, purpose and objectives.

##### Service area description

The PSC collaborates with external stakeholders such as the tertiary education and development sector, industry, employer associations, unions, research institutes and other public sector jurisdictions, in the delivery of our services.

Key services include:

- chief and senior executive service recruitment, remuneration and contract management

- leadership development
- workforce strategy, planning and management
- workforce policy and legal advice
- strategic and tactical human resources capability development
- conduct and performance excellence
- community insight informing service innovation through co-design
- organisational design and capability reviews of agencies
- workforce performance analytics and employee opinion surveys.

## Services

- PSC brokered development programs
- Sector-wide human resource (HR) excellence
- High performing, productive workforce

## 2016-17 service area highlights

During 2016-17, the Public Service Commission will:

- partner with the CEO Leadership Board and Chief Human Resource Officers to:
  - embed performance frameworks that support productive and constructive workplaces
  - provide high performing/high potential executives with broader leadership experience
  - build strategic human resource capability through implementing a sector wide strategic HR development strategy
- provide sector-wide, strategic advice and deliver on government reform priority areas such as Inclusion and Diversity, Domestic and Family Violence and the National Disability Insurance Scheme
- support agencies to:
  - develop integrated services and programs that are informed by the needs of both government and the community
  - build capability in community-centred service design methods that deliver innovative solutions
- address Government objectives by enabling collaborative relationships across agencies, services providers and the community
- collect data on conduct and performance matters from agencies and report on:
  - sector-wide trends to the Leadership Board and the Chief Human Resource Officers Forum
  - agency work performance matters that exceed benchmarks, promoting continuous improvement of public sector practices regarding the handling and the optimal resolution of work performance matters
- develop and publish practical resources for public sector leaders and HR practitioners strengthening performance and conduct management across the public sector
- broker the delivery of fit-for-purpose, high quality development programs and thought leadership forums that build the sector's executives as part of the sector's Leadership Talent Management Strategy
- procure and design a People Leaders program, developing new modules on identified capability gaps, building the people management skills of the sectors program managers
- develop and pilot a Capability Review Program across the public sector to drive continuous improvement of government agencies
- support agencies by establishing a Standard Offer Arrangement for Executive Recruitment and Associated Services, in collaboration with the Queensland Government Chief Procurement Office
- lead the implementation of an equitable set of remuneration principles for a whole-of-sector approach to chief and senior executive remuneration and conditions, performance and termination
- implement recommendations made by the Industrial Relations Legislative Reform Reference Group to amend the *Public Service Act 2008* enhancing the processes for public service appeals and making of directives
- procure and implement a contemporary IT system to replace the current system that collects, validates and reports strategic workforce data

- implement the PSC Operating Model ensuring the PSC is strategically aligned to government commitments, supporting the human resource capability of executives and leaders across the sector, and operating efficiently and effectively.

| Public Service Commission   | Notes | 2015-16<br>Target/Est. | 2015-16<br>Est. Actual | 2016-17<br>Target/Est. |
|---|-------|------------------------|------------------------|------------------------|
| <b>Service area: Provision of Services for a High Performing Public Service</b>   |       |                        |                        |                        |
| <b>Service: PSC brokered development programs</b>   |       |                        |                        |                        |
| <b>Service standards</b><br><i>Effectiveness measure</i><br>Overall participant satisfaction with PSC leadership development offerings  | 1     | 80%                    | 90%                    | 80%                    |
| <i>Efficiency measure</i><br>Cost per participant at PSC leadership development offerings   | 2     | \$275                  | \$304                  | \$300                  |
| <b>Service: Sector-wide HR excellence</b>   |       |                        |                        |                        |
| <b>Service standards</b><br><i>Effectiveness measures</i><br>Satisfaction with executive leadership competencies  | 3, 4  | 70%                    | 70%                    | 70%                    |
| Client satisfaction with specialist human resource advice   | 5     | 75%                    | 83%                    | 75%                    |
| <i>Efficiency measure</i><br>Cost per employee of conducting annual sector-wide employee opinion survey   | 6     | \$1.40                 | \$1.24                 | \$1.40                 |
| <b>Service: High performing, productive workforce</b>   |       |                        |                        |                        |
| <b>Service standards</b><br><i>Effectiveness measure</i><br>Percentage of agencies that have team leaders or program managers participate in the Leaders Capability Assessment and the Development Initiative | 7     | 70%                    | 100%                   | 70%                    |
| <i>Efficiency measures<sup>8</sup></i>  |       |                        |                        |                        |

Notes:

- Overall satisfaction is measured across leadership development calendar offerings (using a 5-point Likert scale ranging from strongly agree to strongly disagree) covering three dimensions: The offering has given me a good understanding of the topic; I will use or adapt the ideas from the offering in my work and I would recommend the offering to my colleagues.
- Value for money is measured on the total number of attendees against the total cost of holding the leadership development calendar offerings. Total cost includes: venue hire, catering, facilitators, facilitator related costs such as travel and/or accommodation, and video production costs. The projected number of offerings in 2016-17 is expected to be similar to 2015-16.
- The wording of this measure has been amended to clarify that satisfaction is focused on the executive cohort and their leadership capabilities. The measure was previously worded Overall satisfaction with leadership capabilities.
- Building leadership capability across the sector is a core function of the PSC. Leadership capabilities are measured via the annual Working for Queensland Employee Opinion Survey. The target aims for 70 per cent of senior manager respondents to have positive views of the capability of the senior executive they report to, across all 13 executive capabilities. All 13 executive capabilities have scored a minimum of 70 per cent satisfaction, as recorded in the 2015 Working for Queensland Survey.
- Includes overall customer satisfaction with both the PSC Advisory Service and Conduct and Performance Excellence of 83 per cent positive feedback based on client survey results.

6. The cost per employee of the annual Working for Queensland employee opinion survey is based on the cost of the core elements of the survey (i.e. standard survey services that are funded by the PSC and provided to all participating agencies). Core costs are divided by the number of employees that are eligible to complete the survey. Eligibility to complete the survey is based primarily on an agency's participation in the Minimum Obligatory Human Resource Information workforce data collection.
7. The Leaders Capability Assessment and Development initiative is an independent assessment of leadership preferences targeted at team leaders and program managers as defined in the Qld Public Service Workforce Capability Success Profile. The 2015-16 Estimated Actual of 100 per cent has been achieved due to the Public Service Commission funding a small number of scholarships across the sector. In 2016-17, individual agencies will be required to fund their own scholarships.
8. An efficiency measure will be developed on a 'high performing, productive workforce' as trend data is established over the next two years.

## Discontinued measures

Performance measures included in the 2015-16 *Service Delivery Statements* that have been discontinued or replaced are reported in the following table with estimated actual results.

| Public Service Commission  | Notes | 2015-16<br>Target/Est. | 2015-16<br>Est. Actual | 2016-17<br>Target/Est. |
|--|-------|------------------------|------------------------|------------------------|
| <b>Service area: High performing Productive Workforce</b>                    |       |                        |                        |                        |
| Use of e-Plan in agencies to facilitate performance management of executives | 1, 2  | 70%                    | 65%                    | Discontinued measure   |

Notes:

1. This measure has been discontinued as it is not a measure of efficiency. An alternative efficiency measure will be developed on a 'high performing, productive workforce' as trend data is established over the next two years.
2. e-Plan is an online performance management tool designed to achieve efficiencies in managing the Chief Executive annual assessment process facilitated by the PSC. e-Plan also provides efficiencies in collating the executive performance scores of participants across the sector, supporting the identification of high performing, high potential executives. This measure is calculated based on 20 departments.

# Departmental budget summary

The table below shows the total resources available in 2016-17 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

| Public Service Commission                                  | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Actual<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|--|-----------------------------|----------------------------------|-----------------------------|
| <b>CONTROLLED</b>  |                             |                                  |                             |
| <b>Income</b>  |                             |                                  |                             |
| Appropriation revenue <sup>1</sup>                         |                             |                                  |                             |
| Deferred from previous year/s                              | 1,070                       | 1,212                            | 1,200                       |
| Balance of service appropriation                           | 16,331                      | 13,549                           | 13,084                      |
| Other revenue  | 361                         | 897                              | 338                         |
| <b>Total income</b>  | <b>17,762</b>               | <b>15,658</b>                    | <b>14,622</b>               |
| <b>Expenses</b>  |                             |                                  |                             |
| Provision of services for a high performing public service | 17,762                      | 15,658                           | 14,622                      |
| <b>Total expenses</b>                                      | <b>17,762</b>               | <b>15,658</b>                    | <b>14,622</b>               |
| <b>Operating surplus/deficit</b>                           | <b>..</b>                   | <b>..</b>                        | <b>..</b>                   |
| <b>Net assets</b>  | <b>936</b>                  | <b>936</b>                       | <b>497</b>                  |

Note:

1. Appropriation revenue includes State and Commonwealth funding.

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

| Sources of revenue<br>2016-17 Budget                       |                      |                                 |                                       |                               |                            |
|--|----------------------|---------------------------------|---------------------------------------|-------------------------------|----------------------------|
| Public Service Commission                                  | Total cost<br>\$'000 | State<br>contribution<br>\$'000 | User<br>charges<br>and fees<br>\$'000 | C'wealth<br>revenue<br>\$'000 | Other<br>revenue<br>\$'000 |
| Provision of services for a high performing public service | 14,622               | 14,284                          | 182                                   | 156                           | ..                         |
| <b>Total</b>   | <b>14,622</b>        | <b>14,284</b>                   | <b>182</b>                            | <b>156</b>                    | <b>..</b>                  |

Note:

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



## Budget measures summary

This table shows a summary of budget measures relating to the department since the 2015-16 State Budget. Further details are contained in *Budget Paper 4*.

| Public Service Commission | 2015-16<br>\$'000 | 2016-17<br>\$'000 | 2017-18<br>\$'000 | 2018-19<br>\$'000 | 2019-20<br>\$'000 |
|---------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Revenue measures</b>   |                   |                   |                   |                   |                   |
| Administered              | ..                | ..                | ..                | ..                | ..                |
| Departmental              | ..                | ..                | ..                | ..                | ..                |
| <b>Expense measures</b>   |                   |                   |                   |                   |                   |
| Administered              | ..                | ..                | ..                | ..                | ..                |
| Departmental              | ..                | 418               | (57)              | (72)              | (86)              |
| <b>Capital measures</b>   |                   |                   |                   |                   |                   |
| Administered              | ..                | ..                | ..                | ..                | ..                |
| Departmental              | ..                | ..                | ..                | ..                | ..                |

Note:

- Figures reconcile with *Budget Paper 4*, including the whole-of-government expense measure: 'Reprioritisation allocations'.

## Staffing<sup>1</sup>

| Public Service Commission | Notes | 2015-16<br>Budget | 2015-16<br>Est. Actual | 2016-17<br>Budget |
|---------------------------|-------|-------------------|------------------------|-------------------|
| Public Service Commission | 2     | 86                | 74                     | 73                |

Note:

1. Full-time equivalents (FTEs) as at 30 June.
2. The decrease in full-time equivalents (FTEs) as at 30 June 2016, and in the 2016-17 Budget, reflects the revision of the operating model for the Community Insights project and the reduction associated with the Public Sector Initiatives savings measure in the 2015-16 Budget.

# Budgeted financial statements

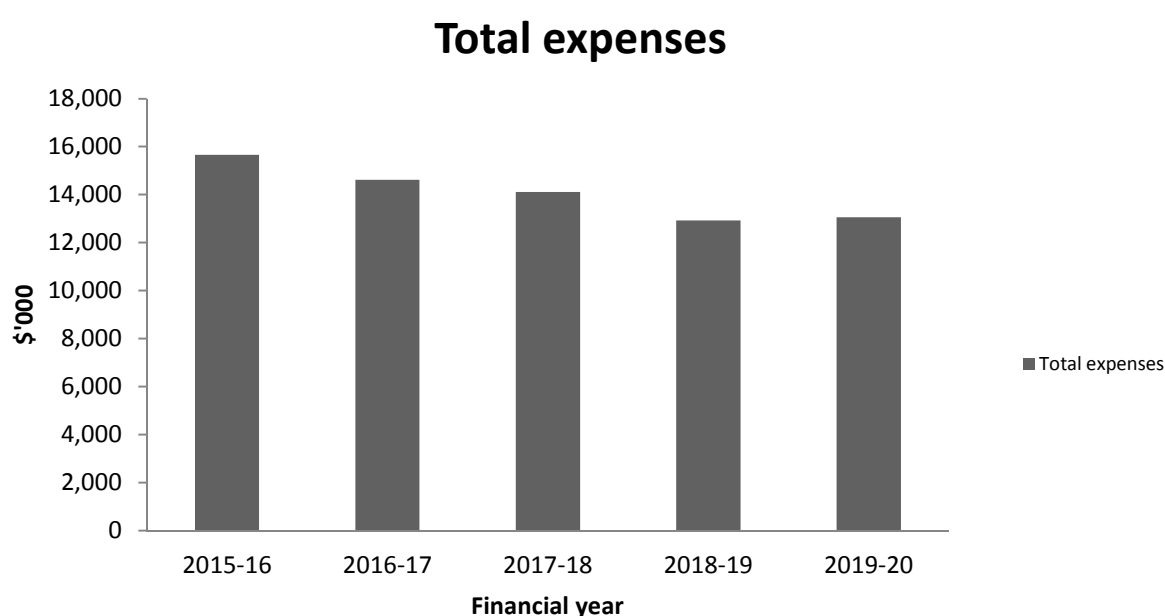
## Analysis of budgeted financial statements

An analysis of the Public Service Commission's (the Commission) financial position, as reflected in the Commission's financial statements, is provided below.

### Departmental income statement

Total expenses are estimated to be \$14.6 million in 2016-17, a decrease of \$1 million from the 2015-16 Estimated Actual. The decrease is due to a revision of the Commission's operating structure in co-ordinating whole-of-government leadership and development programs reducing operational expenditure. Part of the decrease reflects rephasing the funding for the Community Insights project over an additional two financial years whilst the project transitions to a fee for service operating model, and whole-of-government reprioritisation measures. The decrease is partly offset by new funding to replace the Workforce Analysis and Collection Application ICT solution, deferral of funding in relation to whole-of-government leadership and development programs and the impact of enterprise bargaining agreements.

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



### Departmental balance sheet

The Commission's assets in 2015-16 include property, plant and equipment with an estimated value of \$1.2 million. The major asset of the Commission is the leasehold improvements of the 53 Albert Street premises that are currently amortised in accordance with the lease term, with an expiry of 2023. As part of the whole-of-government Brisbane CBD office accommodation strategy the Commission will exit the 53 Albert Street premises in 2016-17 and transition to a fully serviced accommodation operating model at 1 William Street. As a result of this office move the Commission's assets will reduce by the value of the leasehold fitout and the liability for the fitout, the net effect representing the majority of the projected \$400,000 reduction in net assets on 30 June 2017.

# Controlled income statement

| Public Service Commission            | Notes  | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|--------------------------------------|--------|-----------------------------|--------------------------------|-----------------------------|
| <b>INCOME</b>                        |        |                             |                                |                             |
| Appropriation revenue                | 1,4    | 17,401                      | 14,761                         | 14,284                      |
| Taxes                                |        | ..                          | ..                             | ..                          |
| User charges and fees                | 5,10   | 241                         | 241                            | 182                         |
| Royalties and land rents             |        | ..                          | ..                             | ..                          |
| Grants and other contributions       | 2,6,11 | 120                         | 656                            | 156                         |
| Interest                             |        | ..                          | ..                             | ..                          |
| Other revenue                        |        | ..                          | ..                             | ..                          |
| Gains on sale/revaluation of assets  |        | ..                          | ..                             | ..                          |
| <b>Total income</b>                  |        | <b>17,762</b>               | <b>15,658</b>                  | <b>14,622</b>               |
| <b>EXPENSES</b>                      |        |                             |                                |                             |
| Employee expenses                    | 7,12   | 11,879                      | 11,575                         | 9,570                       |
| Supplies and services                | 3,8,13 | 5,653                       | 3,853                          | 4,946                       |
| Grants and subsidies                 |        | ..                          | ..                             | ..                          |
| Depreciation and amortisation        | 9,14   | 186                         | 186                            | 62                          |
| Finance/borrowing costs              |        | ..                          | ..                             | ..                          |
| Other expenses                       |        | 44                          | 44                             | 44                          |
| Losses on sale/revaluation of assets |        | ..                          | ..                             | ..                          |
| <b>Total expenses</b>                |        | <b>17,762</b>               | <b>15,658</b>                  | <b>14,622</b>               |
| <b>OPERATING SURPLUS/(DEFICIT)</b>   |        | <b>..</b>                   | <b>..</b>                      | <b>..</b>                   |

# Controlled balance sheet

| Public Service Commission                    | Notes    | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|--|----------|-----------------------------|--------------------------------|-----------------------------|
| <b>CURRENT ASSETS</b>                        |          |                             |                                |                             |
| Cash assets                                  | 15,20,28 | 597                         | 552                            | 892                         |
| Receivables                                  | 16,21,29 | 549                         | 693                            | 179                         |
| Other financial assets                       |          | ..                          | ..                             | ..                          |
| Inventories                                  |          | ..                          | ..                             | ..                          |
| Other  | 17,22,30 | 76                          | 59                             | 70                          |
| Non-financial assets held for sale           |          | ..                          | ..                             | ..                          |
| <b>Total current assets</b>                  |          | <b>1,222</b>                | <b>1,304</b>                   | <b>1,141</b>                |
| <b>NON-CURRENT ASSETS</b>                    |          |                             |                                |                             |
| Receivables                                  |          | ..                          | ..                             | ..                          |
| Other financial assets                       |          | ..                          | ..                             | ..                          |
| Property, plant and equipment                | 23,31    | 1,402                       | 1,226                          | ..                          |
| Intangibles                                  |          | ..                          | ..                             | ..                          |
| Other  |          | ..                          | ..                             | ..                          |
| <b>Total non-current assets</b>              |          | <b>1,402</b>                | <b>1,226</b>                   | <b>..</b>                   |
| <b>TOTAL ASSETS</b>                          |          | <b>2,624</b>                | <b>2,530</b>                   | <b>1,141</b>                |
| <b>CURRENT LIABILITIES</b>                   |          |                             |                                |                             |
| Payables                                     | 18,24,32 | 544                         | 297                            | 394                         |
| Accrued employee benefits                    | 19,25,33 | 354                         | 508                            | 250                         |
| Interest bearing liabilities and derivatives |          | ..                          | ..                             | ..                          |
| Provisions                                   |          | ..                          | ..                             | ..                          |
| Other  | 26,34    | 118                         | 118                            | ..                          |
| <b>Total current liabilities</b>             |          | <b>1,016</b>                | <b>923</b>                     | <b>644</b>                  |
| <b>NON-CURRENT LIABILITIES</b>               |          |                             |                                |                             |
| Payables                                     | 27,35    | 672                         | 671                            | ..                          |
| Accrued employee benefits                    |          | ..                          | ..                             | ..                          |
| Interest bearing liabilities and derivatives |          | ..                          | ..                             | ..                          |
| Provisions                                   |          | ..                          | ..                             | ..                          |
| Other  |          | ..                          | ..                             | ..                          |
| <b>Total non-current liabilities</b>         |          | <b>672</b>                  | <b>671</b>                     | <b>..</b>                   |
| <b>TOTAL LIABILITIES</b>                     |          | <b>1,688</b>                | <b>1,594</b>                   | <b>644</b>                  |
| <b>NET ASSETS/(LIABILITIES)</b>              |          | <b>936</b>                  | <b>936</b>                     | <b>497</b>                  |
| <b>EQUITY</b>                                |          |                             |                                |                             |
| <b>TOTAL EQUITY</b>                          |          | <b>936</b>                  | <b>936</b>                     | <b>497</b>                  |

# Controlled cash flow statement

| Public Service Commission                                   | Notes    | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|---|----------|-----------------------------|--------------------------------|-----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>   |          |                             |                                |                             |
| Appropriation receipts                                      | 36,42    | 17,401                      | 14,619                         | 14,284                      |
| User charges and fees                                       | 37,43,51 | 158                         | 995                            | 316                         |
| Royalties and land rent receipts                            |          | ..                          | ..                             | ..                          |
| Grants and other contributions                              | 38,44,52 | 120                         | 656                            | 156                         |
| Interest received   |          | ..                          | ..                             | ..                          |
| Taxes   |          | ..                          | ..                             | ..                          |
| Other   | 39,45    | ..                          | 380                            | 380                         |
| <b>Outflows:</b>  |          |                             |                                |                             |
| Employee costs  | 46,53    | (11,889)                    | (11,538)                       | (9,828)                     |
| Supplies and services                                       | 40,47,54 | (5,697)                     | (4,471)                        | (4,832)                     |
| Grants and subsidies  |          | ..                          | ..                             | ..                          |
| Borrowing costs   |          | ..                          | ..                             | ..                          |
| Other   | 41,48,55 | (162)                       | (216)                          | (861)                       |
| <b>Net cash provided by or used in operating activities</b> |          | <b>(69)</b>                 | <b>425</b>                     | <b>(385)</b>                |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>   |          |                             |                                |                             |
| Sales of non-financial assets                               | 49,56    | ..                          | 6                              | 1,216                       |
| Investments redeemed  |          | ..                          | ..                             | ..                          |
| Loans and advances redeemed                                 |          | ..                          | ..                             | ..                          |
| <b>Outflows:</b>  |          |                             |                                |                             |
| Payments for non-financial assets                           |          | (52)                        | (52)                           | (52)                        |
| Payments for investments                                    |          | ..                          | ..                             | ..                          |
| Loans and advances made                                     |          | ..                          | ..                             | ..                          |
| <b>Net cash provided by or used in investing activities</b> |          | <b>(52)</b>                 | <b>(46)</b>                    | <b>1,164</b>                |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>   |          |                             |                                |                             |
| Borrowings  |          | ..                          | ..                             | ..                          |
| Equity injections   |          | ..                          | ..                             | ..                          |
| <b>Outflows:</b>  |          |                             |                                |                             |
| Borrowing redemptions                                       |          | ..                          | ..                             | ..                          |
| Finance lease payments                                      |          | ..                          | ..                             | ..                          |
| Equity withdrawals  | 50,57    | ..                          | ..                             | (439)                       |
| <b>Net cash provided by or used in financing activities</b> |          | <b>..</b>                   | <b>..</b>                      | <b>(439)</b>                |
| <b>Net increase/(decrease) in cash held</b>                 |          | <b>(121)</b>                | <b>379</b>                     | <b>340</b>                  |
| <b>Cash at the beginning of financial year</b>              |          | <b>718</b>                  | <b>173</b>                     | <b>552</b>                  |
| Cash transfers from restructure                             |          | ..                          | ..                             | ..                          |
| <b>Cash at the end of financial year</b>                    |          | <b>597</b>                  | <b>552</b>                     | <b>892</b>                  |

# Explanation of variances in the financial statements

## Income statement

### Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. A decrease in appropriation income primarily due to the deferral of funding for the Community Insights project and for commitments for whole-of-government leadership and development programs into 2016-17. The decrease is partly offset by additional funding for enterprise bargaining agreements.
2. An increase in grants and other contributions from Queensland Government departments and agencies primarily to fund 2015-16 whole-of-government leadership and development programs co-ordinated by the Public Service Commission (the Commission).
3. A decrease in supplies and services primarily due to a revised operating model for the Community Insights project resulting in a reduced requirement to engage external service providers and savings achieved due to a rent reduction in the current operating premises.

### Major variations between 2015-16 Budget and 2016-17 Budget include:

4. A decrease in appropriation income primarily due to a decline in funding for the Community Insights project and whole-of-government leadership and development programs co-ordinated by the Commission, whole-of-government reprioritisation measures and cessation of temporary funding for the Conduct and Performance Excellence function. It is offset by additional funding provided for the replacement ICT solution for the Workforce Analysis and Collection Application (WACA) and enterprise bargaining.
5. A decrease in user charges and fees income due to lower contributions from Queensland Government departments and agencies and a reclassification of interstate jurisdiction contributions as grants and other contributions.
6. An increase in grants and other contributions for WACA billing arrangements due to a reclassification of interstate jurisdiction contributions previously recorded as user charges and fees.
7. A decrease in employee expenses due to a lower staffing requirement as a result of a revision of the Commission's operating structure in co-ordinating whole-of-government leadership and development programs and the Community Insights project.
8. A decrease in supplies and services primarily due to a revised operating model for the Community Insights project resulting in a reduced requirement to engage external service providers and offset by additional funding provided for the replacement ICT solution for the WACA.
9. A decrease in depreciation primarily due to the planned transition from the current office premises to 1 William Street.

### Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

10. A decrease in user charges and fees income due to lower contributions from Queensland Government departments and agencies and a reclassification of interstate jurisdiction contributions.
11. A decrease in grants and contributions to fund whole-of-government leadership and development programs from Queensland Government departments and agencies.
12. A decrease in employee expenses due to a lower staffing requirement as a result of a revision of the Commission's operating structure in co-ordinating whole-of-government leadership and development programs and the Community Insights project.
13. An increase in supplies and services primarily due to additional costs associated with the replacement ICT solution for the Workforce Analysis and Collection Application and higher rent costs associated with the relocation to 1 William Street.
14. A decrease in depreciation primarily due to the planned relocation from the current operating premises to 1 William Street.

## Balance sheet

### Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

15. A decrease in cash balances due to timing of receivables associated with the whole-of-government leadership program and a decrease in trade payables.

16. An increase in receivables due to the recovery from Queensland Government departments and agencies to fund whole-of-government leadership and development programs co-ordinated by the Commission.
17. A decrease in prepayments for operational ICT software arrangements.
18. A decrease in payables due to a reduced requirement to engage external service providers.
19. An increase in accrued employee benefits at year end due to the timing of payroll processing.

**Major variations between 2015-16 Budget and 2016-17 Budget include:**

20. An increase in cash balances due to the reduction in receivables held during the year.
21. A decrease in receivables due to a reduced requirement for contributions to support whole-of-government leadership and development programs co-ordinated by the Commission.
22. A decrease in prepayments for operational ICT software arrangements.
23. A decrease in fixed assets due the disposal of leasehold improvement assets as a result of the office relocation to 1 William Street in 2016-17.
24. A decrease in payables due to a reduced requirement to engage external service providers.
25. A decrease in accrued employee benefits at year end due to the timing of payroll processing.
26. A decrease in other liabilities due to the proposed termination of the 53 Albert Street lease incentive as a result of the office relocation to 1 William Street in 2016-17.
27. A decrease in other non-current liabilities due to the proposed termination of the 53 Albert Street lease incentive as a result of the office relocation to 1 William Street in 2016-17.

**Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:**

28. An increase in cash balances due to the reduction in receivables held during the year.
29. A decrease in receivables due to a reduced requirement for contributions to support whole-of-government leadership and development programs co-ordinated by the commission.
30. An increase in prepayments primarily for replacement ICT solution for the Workforce Analysis and Collection Application.
31. A decrease in fixed assets due the disposal of leasehold improvement assets as a result of the office relocation to 1 William Street in 2016-17.
32. An increase in payables due to a requirement to engage external service providers.
33. A decrease in accrued employee benefits at year end due to the timing of payroll processing.
34. A decrease in other liabilities due to the proposed termination of the 53 Albert Street lease incentive as a result of the office relocation to 1 William Street in 2016-17.
35. A decrease in other non-current liabilities due to the proposed termination of the 53 Albert Street lease incentive as a result of the office relocation to 1 William Street in 2016-17.

## Cash flow statement

**Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:**

36. A decrease in appropriation income primarily due to the deferral of funding for the Community Insights project, deferral of funding for commitments for whole-of-government leadership and development programs into 2016-17 and whole-of-government reprioritisation and savings measures. The decrease is partly offset by additional funding for enterprise bargaining agreements.
37. An increase in user charges and fees from Queensland Government departments and agencies primarily to recover expenses incurred on behalf of Queensland Government agencies.
38. An increase in grants and contributions from Queensland Government departments and agencies primarily to fund 2015-16 whole-of-government leadership and development programs co-ordinated by the Commission.
39. Represents the estimated goods and services tax (GST) credits received by the Commission which was not estimated as part of the previous Budget cycle but has been introduced to comply with financial reporting requirements.
40. A decrease in supplies and services primarily due to a revised operating model for the Community Insights project resulting in a reduced requirement to engage external service providers.



41. Represents the estimated GST remitted by the Commission which was not estimated as part of the previous budget cycle but has been introduced to comply with financial reporting requirements.

**Major variations between 2015-16 Budget and 2016-17 Budget include:**

42. A decrease in appropriation income primarily due to a decline in funding for the Community Insights project and whole-of-government leadership and development programs co-ordinated by the Commission, whole-of-government reprioritisation measures and cessation of temporary funding for the Conduct and Performance Excellence function. It is offset by additional funding provided for the replacement ICT solution for the Workforce Analysis and Collection Application (WACA) and enterprise bargaining.
43. An increase in user charges and fees to recover expenses incurred on behalf of Queensland Government agencies.
44. An increase in grants and other contributions for WACA billing arrangements due to a reclassification of interstate jurisdiction contributions from user charges and fees.
45. Represents the estimated GST credits received by the Commission which was not estimated as part of the previous budget cycle but has been introduced to comply with financial reporting requirements.
46. A decrease in employee expenses due to a revision of the Commission's operating structure in co-ordinating whole-of-government leadership and development programs.
47. A decrease in supplies and services primarily due to a revised operating model for the Community Insights project resulting in a reduced requirement to engage external service providers.
48. Represents the proposed termination of the lease incentive liability which will occur with the transition to 1 William Street and is subject to finalisation of the whole-of-government strategy accommodation strategy. It is expected that there will be no impact on the Commission's cash assets.
49. Represents the disposal of the leasehold fitout asset which will occur with the transition to 1 William Street and is subject to finalisation of the whole-of-government strategy accommodation strategy. It is expected that there will be no impact on the Commission's cash assets.
50. Represents an adjustment for the disposal of the leasehold fitout asset and extinguishment of the lease incentive liability, which will occur with the transition to 1 William Street and is subject to finalisation of the whole-of-government accommodation strategy. It is expected that there will be no impact on the Commission's cash assets.

**Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:**

51. A decrease in user charges and fees from Queensland Government departments and agencies primarily to fund 2015-16 whole-of-government leadership and development programs co-ordinated by the Commission and recovery of recruitment expenses incurred on behalf of Queensland government agencies.
52. A decrease in grants and contributions to fund whole-of-government leadership and development programs from Queensland Government departments and agencies.
53. A decrease in employee expenses due to a lower staffing requirement as a result of a revision of the Commission's operating structure in co-ordinating whole-of-government leadership and development programs and Community Insights project, and the payment of a termination payment for the former Commission Chief Executive.
54. An increase in expenses primarily due to additional costs associated with the replacement ICT solution for the Workforce Analysis and Collection Application and higher rent costs associated with the relocation to 1 William Street.
55. Represents the proposed termination of the lease incentive liability which will occur with the transition to 1 William Street and is subject to finalisation of the whole-of-government accommodation strategy. It is expected that there will be no impact on the Commission's cash assets.
56. Represents the disposal of the leasehold fitout asset which will occur with the transition to 1 William Street and is subject to finalisation of the whole-of-government accommodation strategy. It is expected that there will be no impact on the Commission's cash assets.
57. Represents an adjustment for the disposal of the leasehold fitout asset and extinguishment of the lease incentive liability, which will occur with the transition to 1 William Street and is subject to finalisation of the whole-of-government accommodation strategy. It is expected that there will be no impact on the Commission's cash assets.





## **Queensland Audit Office**

# Departmental overview

The Queensland Audit Office (QAO) is the independent auditor of the Queensland public sector.

QAO conducts financial audits and performance audits to provide public confidence in the reliability of public sector entity financial statements and operating performance. Through its audit work, QAO makes recommendations that promote accountability and transparency in government, and improvements in service efficiency and effectiveness.

QAO's unique position provides it with visibility across the entire public sector of matters that impact financial performance and its audit mandate provides it with access to the information it needs to develop an evidence-based understanding of operating performance.

QAO's vision is for better public services and it strives to use its unique position and mandate to achieve this vision.

QAO is working toward:

- its clients using the information it provides to improve accountability and performance
- its services being trusted and valued as independent, authoritative and timely
- its people being the best in their field, supported by efficient and effective operations.

QAO's financial audit services are paid for directly by public sector entities, while performance audit services are paid for by parliamentary funding. Each year, QAO invests responsibly to deliver the best value it can from its services, and it is currently developing world class approaches to:

- how it identifies and select performance audit topics
- how it conducts public sector financial and performance audits
- how it applies data analytics to improve audit services.

QAO's financial audit fees have fallen in real terms since 2011 because it has improved audit efficiency and effectiveness by adopting new technology and refining risk-based audit approaches. While parliamentary funding for performance audits has remain unchanged in real terms for a number of years, QAO has increased its outputs and its capacity to deliver more value from these audits.

## Service performance

### Performance statement

#### Independent Public Sector Auditing and Reporting

##### Service area objective

To provide independent assurance and unique insights about public sector performance, supporting better public services.

##### Service area description

QAO conducts financial audits and performance audits to provide public confidence in the reliability of public sector entity financial statements and operating performance. Each year, QAO develops plans about what audits it will conduct in future years. Then during each audit, QAO performs analysis, develops insights, and makes recommendations designed to promote accountability and transparency, and improve performance. QAO's reports provide important information to Parliament, public sector entities and members of the public. Each year, QAO follows up with public sector entities to identify to what extent its recommendations have been implemented.

## Services

- Reports and advice to the Parliament
- Reports and advice to the public sector

### 2016-17 service area highlights

In 2016-17, QAO will continue to:

- pursue opportunities to further strengthen QAO's independence
- strengthen QAO's stakeholder engagement through better targeted and tailored communication
- refine QAO's strategic audit planning process and audit approaches to produce greater value
- expand capability to extract data more efficiently from QAO's public sector clients and from other sources
- train QAO's workforce in data analysis tools and techniques
- make better use of new technology and standardising QAO's corporate processes to improve operations
- engage with staff to embed QAO's values of: engage, challenge, deliver and care.

| Queensland Audit Office  | Notes | 2015-16<br>Target/Est. | 2015-16<br>Est. Actual | 2016-17<br>Target/Est. |
|--|-------|------------------------|------------------------|------------------------|
| <b>Service area: Independent Public Sector Auditing</b>  |       |                        |                        |                        |
| <b>Service: Reports and advice to the Parliament</b>   |       |                        |                        |                        |
| <b>Service standards</b>   |       |                        |                        |                        |
| <i>Effectiveness measures</i>  |       |                        |                        |                        |
| Parliament's overall satisfaction with services (%)  | 1, 2  | 80%                    | ..                     | 80%                    |
| Audit entities' overall satisfaction with performance audit services (index points)                          | 1, 3  | 80                     | ..                     | 80                     |
| Percentage of performance audit recommendations implemented by audited entities (%)                          | 4     | 100%                   | ..                     | 100%                   |
| Benefits from performance audits (benefit-cost ratio)  | 5     | >1                     | ..                     | >1                     |
| <i>Efficiency measures</i>   |       |                        |                        |                        |
| Average costs of reports tabled - Results of financial audits (\$'000)                                       | 6     | 175                    | 172                    | 170                    |
| Average costs of reports tabled - Results of performance audits (\$'000)                                     | 6     | 390                    | 337                    | 360                    |
| Average time taken to produce reports - Results of financial audits – from applicable balance dates (months) | 7     | 5                      | 5.8                    | 5                      |
| Average time taken to produce reports - Results of performance audits - from initiation of audits (months)   | 7     | <8                     | 8.1                    | <8                     |

| Queensland Audit Office   | Notes | 2015-16<br>Target/Est. | 2015-16<br>Est. Actual | 2016-17<br>Target/Est. |
|---|-------|------------------------|------------------------|------------------------|
| <b>Service: Reports and advice to the public sector</b>                           |       |                        |                        |                        |
| <b>Service standards</b>  |       |                        |                        |                        |
| <i>Effectiveness measures</i>   |       |                        |                        |                        |
| Audit entities' overall satisfaction with financial audit services (index points) | 1, 8  | 80                     | 77.5                   | 80                     |
| Financial statement material error (%)  | 9     | <5%                    | 3.3%                   | <5%                    |
| <i>Efficiency measures</i>  |       |                        |                        |                        |
| Average cost of financial audits - State entities (\$'000)                        | 10    | 60                     | 78                     | 78                     |
| Average cost of financial audits - Local government entities (\$'000)             | 10    | 65                     | 69                     | 69                     |

Notes:

1. QAO's service area objective includes providing unique insights about public sector performance. Performance is considered to be effective when QAO's insights are valued by Members of Parliament and the entities that QAO audits. To measure this, independent surveys are conducted with these groups asking for responses about QAO services, including the value it provides. The results are reported here as part of 'overall satisfaction'.
2. This measure is based on a survey conducted in May 2016 by an independent external provider. The results will be available in June and included in the Annual Report.
3. This measure is based on surveys conducted throughout the year by an independent external provider. The results will be available in July and included in the Annual Report.
4. This measure is based on follow-up work QAO does with public sector entities to identify the implementation status of the recommendations that were included in reports to Parliament. Reports tabled during 2015-16 are excluded from this measure as, generally speaking, entities won't have had enough time to implement those recommendations. The results will be available in June and included in the Annual Report.
5. This is an outcome measure of service effectiveness. In addition to other non-financial benefits, some of QAO's recent performance audits have identified direct financial benefits related to improved performance. This measure increases the visibility of this outcome as a ratio of direct financial benefits versus the cost of performance audits. A Target/Estimate of >1 indicates that the financial benefits QAO identify are greater than the cost of delivering its performance audit program. The results will be included in the Annual Report.
6. QAO tracks the full life-cycle cost of each report it tables, including internal staff costs and overheads, consultants, and other direct costs. The cost of all reports that QAO tabled within the financial year are used for this measure.
7. QAO tracks the time it takes to produce each report. For performance audits, this is measured from audit initiation to the tabling date. For the reports on the results of its financial audits, QAO measures the time from financial year end to tabling date.
8. This measure is based on surveys conducted throughout the year by an independent external provider.
9. This measure tracks the number of adjustments required in this year's financial statements that relate to undetected material errors from prior years.
10. QAO tracks the full cost of each financial audit including internal staff costs and overheads, contractors and other direct costs. The full cost of all the financial audits completed within the financial year are included in this measure.

## Staffing<sup>1</sup>

| Queensland Audit Office | Notes | 2015-16<br>Budget | 2015-16<br>Est. Actual | 2016-17<br>Budget |
|-------------------------|-------|-------------------|------------------------|-------------------|
| Queensland Audit Office | 2     | 190               | 183                    | 184               |

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. As at 30 June 2016, the estimated actual permanent and temporary FTE is seven lower than budgeted. This is predominantly due to the difficulty QAO has experienced throughout the year in attracting and retaining people with the audit capabilities it requires. The department has responded to this issue by engaging suitable contract resources.

# Budgeted financial statements

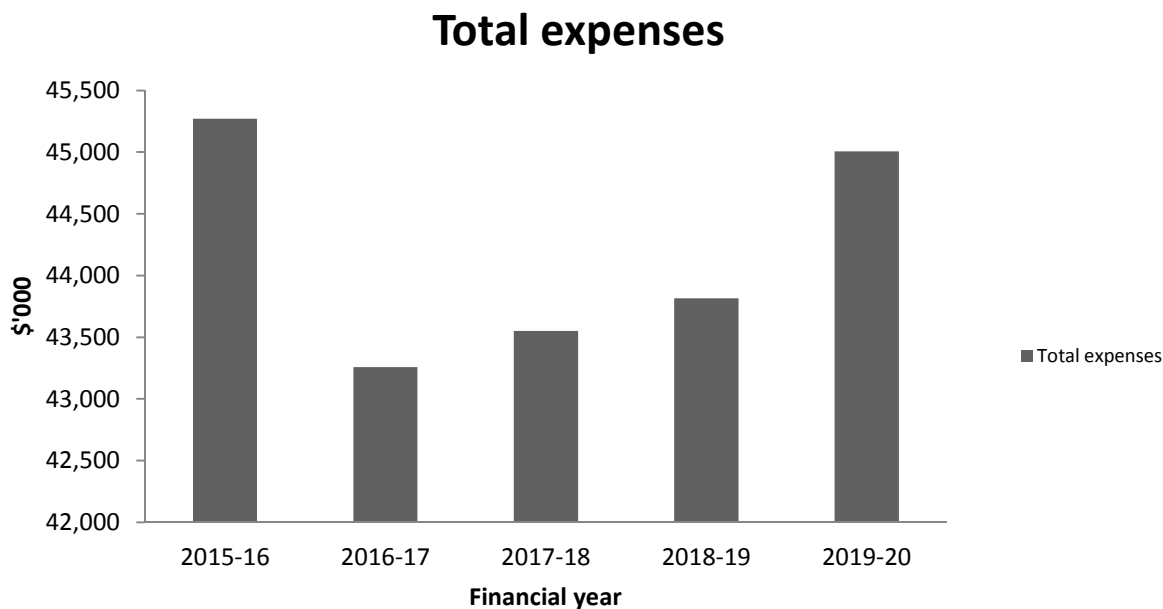
## Analysis of budgeted financial statements

An analysis of the Queensland Audit Office's (QAO) financial position, as reflected in QAO's financial statements, is provided below.

### Departmental income statement

Total expenses are estimated to be \$43.3 million in 2016-17, a decrease of \$2 million compared to the 2015-16 Estimated Actual of \$45.3 million, and \$500,000 higher than the 2015-16 Budget of \$42.7 million. The decrease against the 2015-16 Estimated Actual and the 2016-17 Budget is largely within supplies and services and is due to lower contracted-out auditing services, seasonal use of contracted-in auditors to supplement QAO's workforce in peak periods and other specialist contractors, in line with a smaller program of financial audit. The increase in budgeted employee expenses for the 2016-17 Budget against the 2015-16 Estimated Actual of \$700,000 is largely due to approved salary increases under the enterprise bargaining arrangements. Depreciation and amortisation are expected to increase for the 2016-17 Budget due to commencement of depreciation and amortisation of a newly implemented finance system and purchase of data analytics software.

Chart: Total departmental expenses across the Forward Estimates period



### Departmental balance sheet

QAO's major asset holdings in 2016-17 are cash \$3.1 million, receivables \$4.4 million and work-in-progress of \$2.5 million. Cash is expected to increase when compared to 2015-16 Estimated Actual as current payables will return to normal levels post the finance system implementation, and lower capital acquisitions. The balance sheet position remains sustainable over the forward estimates.



# Controlled income statement

| Queensland Audit Office              | Notes | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|--------------------------------------|-------|-----------------------------|--------------------------------|-----------------------------|
| <b>INCOME</b>                        |       |                             |                                |                             |
| Appropriation revenue                |       | 6,401                       | 6,422                          | 6,629                       |
| Taxes                                |       | ..                          | ..                             | ..                          |
| User charges and fees                | 1,4   | 34,825                      | 37,507                         | 35,274                      |
| Royalties and land rents             |       | ..                          | ..                             | ..                          |
| Grants and other contributions       |       | 275                         | 275                            | 269                         |
| Interest                             |       | ..                          | ..                             | ..                          |
| Other revenue                        |       | 455                         | 689                            | 423                         |
| Gains on sale/revaluation of assets  |       | ..                          | ..                             | ..                          |
| <b>Total income</b>                  |       | <b>41,956</b>               | <b>44,893</b>                  | <b>42,595</b>               |
| <b>EXPENSES</b>                      |       |                             |                                |                             |
| Employee expenses                    | 3,5   | 21,637                      | 21,580                         | 22,304                      |
| Supplies and services                | 2,6   | 20,385                      | 23,165                         | 20,159                      |
| Grants and subsidies                 |       | ..                          | ..                             | ..                          |
| Depreciation and amortisation        |       | 432                         | 300                            | 510                         |
| Finance/borrowing costs              |       | ..                          | ..                             | ..                          |
| Other expenses                       |       | 250                         | 226                            | 284                         |
| Losses on sale/revaluation of assets |       | ..                          | ..                             | ..                          |
| <b>Total expenses</b>                |       | <b>42,704</b>               | <b>45,271</b>                  | <b>43,257</b>               |
| <b>OPERATING SURPLUS/(DEFICIT)</b>   |       | <b>(748)</b>                | <b>(378)</b>                   | <b>(662)</b>                |

# Controlled balance sheet

| Queensland Audit Office                      | Notes   | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|--|---------|-----------------------------|--------------------------------|-----------------------------|
| <b>CURRENT ASSETS</b>                        |         |                             |                                |                             |
| Cash assets                                  | 7,11    | 3,109                       | 2,515                          | 3,123                       |
| Receivables                                  | 8       | 4,198                       | 4,642                          | 4,396                       |
| Other financial assets                       |         | ..                          | ..                             | ..                          |
| Inventories                                  |         | ..                          | ..                             | ..                          |
| Other  |         | 2,904                       | 2,887                          | 2,887                       |
| Non-financial assets held for sale           |         | ..                          | ..                             | ..                          |
| <b>Total current assets</b>                  |         | <b>10,211</b>               | <b>10,044</b>                  | <b>10,406</b>               |
| <b>NON-CURRENT ASSETS</b>                    |         |                             |                                |                             |
| Receivables                                  |         | ..                          | ..                             | ..                          |
| Other financial assets                       |         | ..                          | ..                             | ..                          |
| Property, plant and equipment                |         | 587                         | 561                            | 550                         |
| Intangibles                                  |         | 994                         | 914                            | 1,092                       |
| Other  |         | 10                          | 10                             | 10                          |
| <b>Total non-current assets</b>              |         | <b>1,591</b>                | <b>1,485</b>                   | <b>1,652</b>                |
| <b>TOTAL ASSETS</b>                          |         | <b>11,802</b>               | <b>11,529</b>                  | <b>12,058</b>               |
| <b>CURRENT LIABILITIES</b>                   |         |                             |                                |                             |
| Payables                                     | 9,10,12 | 1,840                       | 553                            | 1,532                       |
| Accrued employee benefits                    |         | 798                         | 793                            | 892                         |
| Interest bearing liabilities and derivatives |         | ..                          | ..                             | ..                          |
| Provisions                                   |         | ..                          | ..                             | ..                          |
| Other  |         | ..                          | ..                             | ..                          |
| <b>Total current liabilities</b>             |         | <b>2,638</b>                | <b>1,346</b>                   | <b>2,424</b>                |
| <b>NON-CURRENT LIABILITIES</b>               |         |                             |                                |                             |
| Payables                                     |         | ..                          | ..                             | ..                          |
| Accrued employee benefits                    |         | ..                          | ..                             | ..                          |
| Interest bearing liabilities and derivatives |         | ..                          | ..                             | ..                          |
| Provisions                                   |         | 531                         | 242                            | 355                         |
| Other  |         | ..                          | ..                             | ..                          |
| <b>Total non-current liabilities</b>         |         | <b>531</b>                  | <b>242</b>                     | <b>355</b>                  |
| <b>TOTAL LIABILITIES</b>                     |         | <b>3,169</b>                | <b>1,588</b>                   | <b>2,779</b>                |
| <b>NET ASSETS/(LIABILITIES)</b>              |         | <b>8,633</b>                | <b>9,941</b>                   | <b>9,279</b>                |
| <b>EQUITY</b>                                |         |                             |                                |                             |
| <b>TOTAL EQUITY</b>                          |         | <b>8,633</b>                | <b>9,941</b>                   | <b>9,279</b>                |

# Controlled cash flow statement

| Queensland Audit Office                                     | Notes    | 2015-16<br>Budget<br>\$'000 | 2015-16<br>Est. Act.<br>\$'000 | 2016-17<br>Budget<br>\$'000 |
|---|----------|-----------------------------|--------------------------------|-----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>   |          |                             |                                |                             |
| Appropriation receipts                                      |          | 6,401                       | 6,422                          | 6,629                       |
| User charges and fees                                       | 13,22    | 38,569                      | 41,019                         | 38,761                      |
| Royalties and land rent receipts                            |          | ..                          | ..                             | ..                          |
| Grants and other contributions                              |          | ..                          | ..                             | ..                          |
| Interest received   |          | ..                          | ..                             | ..                          |
| Taxes   |          | ..                          | ..                             | ..                          |
| Other   | 14,17    | 455                         | 2,919                          | 2,234                       |
| <b>Outflows:</b>  |          |                             |                                |                             |
| Employee costs  | 18,23    | (21,493)                    | (21,479)                       | (22,223)                    |
| Supplies and services                                       | 15,19,24 | (22,388)                    | (25,826)                       | (20,565)                    |
| Grants and subsidies  |          | ..                          | ..                             | ..                          |
| Borrowing costs   |          | ..                          | ..                             | ..                          |
| Other   | 16,20    | (1,767)                     | (3,928)                        | (3,551)                     |
| <b>Net cash provided by or used in operating activities</b> |          | <b>(223)</b>                | <b>(873)</b>                   | <b>1,285</b>                |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>   |          |                             |                                |                             |
| Sales of non-financial assets                               |          | ..                          | ..                             | ..                          |
| Investments redeemed  |          | ..                          | ..                             | ..                          |
| Loans and advances redeemed                                 |          | ..                          | ..                             | ..                          |
| <b>Outflows:</b>  |          |                             |                                |                             |
| Payments for non-financial assets                           | 21,25    | (1,396)                     | (1,220)                        | (677)                       |
| Payments for investments                                    |          | ..                          | ..                             | ..                          |
| Loans and advances made                                     |          | ..                          | ..                             | ..                          |
| <b>Net cash provided by or used in investing activities</b> |          | <b>(1,396)</b>              | <b>(1,220)</b>                 | <b>(677)</b>                |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |          |                             |                                |                             |
| <b>Inflows:</b>   |          |                             |                                |                             |
| Borrowings  |          | ..                          | ..                             | ..                          |
| Equity injections   |          | ..                          | ..                             | ..                          |
| <b>Outflows:</b>  |          |                             |                                |                             |
| Borrowing redemptions                                       |          | ..                          | ..                             | ..                          |
| Finance lease payments                                      |          | ..                          | ..                             | ..                          |
| Equity withdrawals  |          | ..                          | ..                             | ..                          |
| <b>Net cash provided by or used in financing activities</b> |          | <b>..</b>                   | <b>..</b>                      | <b>..</b>                   |
| <b>Net increase/(decrease) in cash held</b>                 |          | <b>(1,619)</b>              | <b>(2,093)</b>                 | <b>608</b>                  |
| <b>Cash at the beginning of financial year</b>              |          | <b>4,728</b>                | <b>4,608</b>                   | <b>2,515</b>                |
| Cash transfers from restructure                             |          | ..                          | ..                             | ..                          |
| <b>Cash at the end of financial year</b>                    |          | <b>3,109</b>                | <b>2,515</b>                   | <b>3,123</b>                |

# Explanation of variances in the financial statements

## Income statement

### Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

1. An increase in user charges and fees due to additional program of financial audit, work carried over from 2014-15 and higher staff utilisation than budgeted. Higher corresponding expenses for contracted-out auditing services are included in supplies and services. Refer to note 2.
2. An increase in supplies and services mainly due to higher contracted-out auditing services, additional seasonal use of contracted-in auditors and other specialist contractors, in line with a higher program of financial audit.

### Major variations between 2015-16 Budget and 2016-17 Budget include:

3. An increase in employee expenses mainly due to approved salary increases under the enterprise bargaining arrangements.

### Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

4. A decrease in user charges and fees due to relatively smaller program of financial audit through improvements in audit efficiency and staff utilisation. Lower corresponding expenses for contracted-out auditing services are included in supplies and services. Refer to note 6.
5. An increase in employee expenses mainly due to approved salary increases under the enterprise bargaining arrangements.
6. A decrease in supplies and services mainly due to lower contracted-out auditing services, seasonal use of contracted-in auditors and other specialist contractors, in line with a smaller program of financial audit.

## Balance sheet

### Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

7. A decrease in cash assets mainly due to expected reduction in creditor accounts at year end to prepare for implementation of a new finance system, partially offset by higher user charges and fees.
8. An increase in current receivables mainly due to higher user charges and fees.
9. A decrease in current payables due to expected reduction in creditor accounts at year end to prepare for implementation of a new finance system.

### Major variations between 2015-16 Budget and 2016-17 Budget include:

10. A decrease in current payables due to better management of creditor accounts.

### Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

11. An increase in cash assets due to higher current payables as creditor payments will return to normal terms of payment post the finance system implementation, and lower proposed capital acquisitions.
12. An increase in current payables due to higher creditor balances as normal terms of payment will be adopted post-implementation of a new finance system.

## Cash flow statement

### Major variations between 2015-16 Budget and 2015-16 Estimated Actual include:

13. An increase in user charges and fees due to additional program of financial audit, work carried over from 2014-15 and higher staff utilisation than budgeted. Higher corresponding expenses to contracted-out auditing services are included in supplies and services. Refer to note 15.
14. An increase in other cash inflows mainly due to change in goods and services tax (GST) methodology with GST input tax credits received from the Australian Taxation Office (ATO) and GST remitted to ATO disclosed separately. A corresponding impact of this change is included in other cash outflows. Refer to note 16.
15. An increase in supplies and services mainly due to higher contracted-out auditing services, additional seasonal use of contracted-in auditors and other specialist contractors, in line with a higher program of financial audit.

16. An increase in other cash outflows due to change in GST methodology with GST input tax credits received from ATO and GST remitted to ATO disclosed separately.

**Major variations between 2015-16 Budget and 2016-17 Budget include:**

17. An increase in other cash inflows mainly due to change in GST methodology with GST input tax credits received from ATO and GST remitted to ATO disclosed separately. A corresponding impact of this change is included in other cash outflows. Refer to note 20.
18. An increase in employee expenses mainly due to approved salary increases under the enterprise bargaining arrangements.
19. A decrease in supplies and services mainly due to lower contracted-out auditing services, seasonal use of contracted-in auditors and other specialist contractors, in line with a smaller program of financial audit. In addition, cyclical replacement of computer laptops occurred in 2015-16.
20. An increase in other cash outflows due to change in GST methodology with GST input tax credits received from ATO and GST remitted to ATO disclosed separately.
21. A decrease in payments for non-financial assets mainly due to a smaller proposed capital acquisitions program.

**Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:**

22. A decrease in user charges and fees due to relatively smaller program of financial audit through improvements in audit efficiency and staff utilisation. Lower corresponding expenses to contracted-out auditing services are included in supplies and services. Refer to note 24.
23. An increase in employee expenses mainly due to approved salary increases under the enterprise bargaining arrangements.
24. A decrease in supplies and services due to lower contracted-out auditing services, seasonal use of contracted-in auditors and other specialist contractors, in line with a smaller program of financial audit. In addition, cyclical replacement of computer laptops and one-off settlement of creditor accounts to prepare for implementation of a new finance system in 2015-16.
25. A decrease in payments for non-financial assets mainly due to a smaller proposed capital acquisitions program.

# Glossary of terms

|                            |  |
|----------------------------|--|
| <b>Accrual accounting</b>  | Recognition of economic events and other financial transactions involving revenue, expenses, assets, liabilities and equity as they occur and reporting in financial statements in the period to which they relate, rather than when a flow of cash occurs.  |
| <b>Administered items</b>  | Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.   |
| <b>Agency/entity</b>       | Used generically to refer to the various organisational units within Government that deliver services or otherwise service Government objectives. The term can include departments, commercialised business units, statutory bodies or other organisations established by Executive decision.                      |
| <b>Appropriation</b>       | Funds issued by the Treasurer, under Parliamentary authority, to agencies during a financial year for: <ul style="list-style-type: none"> <li>- delivery of agreed services</li> <li>- administered items</li> <li>- adjustment of the Government's equity in agencies, including acquiring of capital.</li> </ul> |
| <b>Balance sheet</b>       | A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.  |
| <b>Capital</b>             | A term used to refer to an entity's stock of assets and the capital grants it makes to other agencies. Assets include property, plant and equipment, intangible items and inventories that an entity owns/controls and uses in the delivery of services.   |
| <b>Cash Flow Statement</b> | A financial statement reporting the cash inflows and outflows for an entity's operating, investing and financing activities in a particular period.  |
| <b>Controlled Items</b>    | Assets, liabilities, revenues and expenses that are controlled by departments. These relate directly to the departmental operational objectives and arise at the discretion and direction of that department.  |
| <b>Depreciation</b>        | The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.   |
| <b>Equity</b>              | Equity is the residual interest in the assets of the entity after deduction of its liabilities. It usually comprises the entity's accumulated surpluses/losses, capital injections and any reserves.   |
| <b>Equity injection</b>    | An increase in the investment of the Government in a public sector agency.   |

|                             |  |
|-----------------------------|--|
| <b>Financial statements</b> | Collective description of the Income Statement, the Balance Sheet and the Cash Flow Statement for an entity's controlled and administered activities.  |
| <b>Income statement</b>     | A financial statement highlighting the accounting surplus or deficit of an entity. It provides an indication of whether the entity has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation. |
| <b>Outcomes</b>             | Whole of government outcomes are intended to cover all dimensions of community wellbeing. They express the current needs and future aspirations of communities, within a social, economic and environment context.                             |
| <b>Own-source revenue</b>   | Revenue that is generated by an agency, generally through the sale of goods and services, but it may also include some Commonwealth funding.   |
| <b>Priorities</b>           | Key policy areas that will be the focus of Government activity.  |
| <b>Services</b>             | The actions or activities (including policy development) of an agency which contribute to the achievement of the agency's objectives.  |
| <b>Service area</b>         | Related services grouped into a high level service area for communicating the broad types of services delivered by an agency.  |
| <b>Service standard</b>     | Define a level of performance that is expected to be achieved appropriate for the service area or service. Service standards are measures of efficiency or effectiveness.  |

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







