



State Budget 2012-13

Service Delivery Statements

Department of Science, Information Technology,
Innovation and the Arts



2012–13 State Budget Papers

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

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

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

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

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Service Delivery Statements

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Department of Science, Information Technology, Innovation and the Arts

Summary of portfolio budgets

Page	Agency	2011-12 Adjusted Budget \$'000	2011-12 Est. Actual \$'000	2012-13 Estimate \$'000
5	Department of Science, Information Technology, Innovation and the Arts - controlled	129,142	134,505	437,167
	Department of Science, Information Technology, Innovation and the Arts - administered	41,453	38,138	158,746
33	CITEC	205,947	226,679	179,710
43	Queensland Shared Services	260,736	269,429	279,181
51	Corporate Administration Agency	10,938	9,937	10,068
57	Library Board of Queensland	57,776	58,346	58,821
66	Queensland Art Gallery	43,612	50,584	48,371
73	Queensland Museum	32,769	37,189	35,572
81	Queensland Performing Arts Trust	36,213	45,705	45,487

Note:

1. Explanations of variances are provided in the financial statements

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PORTFOLIO OVERVIEW

Ministerial and portfolio responsibilities

The Department of Science, Information Technology, Innovation and the Arts (DSITIA) carries responsibility for science policy; strategy and investment in relation to science; digital economy; innovation policy; environmental and resources research coordination; international collaborations; administration of Crown copyright and intellectual property; government information and communication technology services and delivery; Queensland State Archives (QSA), Smart Service Queensland (SSQ), CITEC, Queensland Shared Services (QSS) and Arts Queensland including the Corporate Administration Agency (CAA).

Within the broader portfolio there are several specific entities, statutory bodies and companies. The two entities are the Queensland Government Chief Information Office (QGCIO) and the Office of the Queensland Chief Scientist. There are five Arts statutory bodies including Queensland Art Gallery/Gallery of Modern Art, Queensland Museum, Queensland Performing Arts Trust (QPAT), Queensland Theatre Company and the State Library of Queensland. The Arts portfolio also supports four companies; the Aboriginal Centre for Performing Arts, Major Brisbane Festival, Screen Queensland and the Queensland Music Festival.

The DSITIA portfolio benefits Queenslanders by providing the following services:

- *Science Delivery Services*: provides information to support Government policy, regulation and decision making
- *Innovation and Science Development Services*: provides innovation, intellectual property and science policy leadership across Government
- *Queensland Government Information and Communication Technology Services (QGICT)*: provides information and communication technology (ICT) services to Queensland Government agencies and delivery of Queensland Government information and services to the public via Smart Service Queensland and Queensland State Archives. Within QGICT Services, CITEC, the primary technology service provider for Queensland Government, delivers whole-of-Government and agency specific ICT services
- *Arts and Culture Services*: builds a strong arts and cultural sector by providing advice and support in setting the Government's strategic policy direction for arts and culture in Queensland, facilitating delivery of the Government's arts and cultural priorities, overseeing the Government's investment in arts and culture to ensure the best use of public funds and managing the State's arts and cultural assets. Within Arts Queensland, the CAA provides corporate services including HR consultancy, payroll and recruitment, financial management, procurement and information management for the Arts and Culture Services and its statutory bodies.

In addition, through QSS, DSITIA facilitates finance, procurement, human resource management/payroll, facilities management and mail support services for Government Departments and statutory authorities.

Further information regarding the department can be obtained at www.qld.gov.au/dsitia. Additional information is available regarding the Office of the Chief Scientist (www.chiefscientist.qld.gov.au) and the functions of the QGCIO (www.qgcio.qld.gov.au), Smart Service Queensland (<http://www.hpw.qld.gov.au/ICT/Pages/SmartServiceQueensland.aspx>) and Queensland State Archives (www.archives.qld.gov.au). Information on the statutory authorities of the portfolio can be found at the State Library of Queensland (www.slq.qld.gov.au), Queensland Art Gallery (www.qagoma.qld.gov.au), Queensland Museum (www.qm.qld.gov.au) and Queensland Performing Arts Trust (www.qpac.com.au) websites.

Portfolio Structure and Services

Minister for Science, Information Technology, Innovation and the Arts The Honourable Ros Bates MP

Department of Science, Information Technology, Innovation and the Arts

Director-General: Philip Reed

Service Area 1: Science Delivery Services

Service Area 2: Innovation and Science Development Services

Service Area 3: Queensland Government Information and Communication Technology Services

Service Area 4: Arts and Culture Services

CITEC

Acting General Manager: Dallas Stower

Objective: To deliver consolidated data centre, network and information technology infrastructure services, including solutions integration services for the whole of Government. CITEC also delivers information brokerage services through CITEC Confirm.

Queensland Shared Services

General Manager: Margaret Berenyi

Objective: To facilitate a range of corporate services including finance, procurement, human resource management, facilities management, and mail support services to enable agencies to concentrate on their core business of providing essential frontline services.

Corporate Administration Agency

Executive Director: Evan Hill

Objective: To support the delivery of effective corporate services to 25 Queensland public sector entities including the Arts Statutory Bodies, companies and other government agencies, allowing government agencies to focus on their respective core business, service delivery options and ensure effective and transparent governance of their corporate systems.

State Library of Queensland

State Librarian: Janette Wright

Objective: The Library Board of Queensland manages the State Library of Queensland as a vibrant and innovative 21st century library, whose mission is to engage people with information, knowledge and community.

Queensland Art Gallery

Acting Director: Suhanya Raffel

Objective: The Queensland Art Gallery incorporating the Gallery of Modern Art expands, exhibits, publishes on and cares for the Queensland Art Gallery Collection; develops and presents exhibitions (including travelling exhibitions), innovative public programs, events, screenings, and educational programs, services, and resources to enrich visitor experiences.

Queensland Museum

Chief Executive Officer: Dr Ian Galloway

Objective: Queensland Museum is the keeping place of the State's natural and cultural heritage and creates compelling experiences that bring objects and stories to life through research, exhibitions, contemporary collection development, online engagement and partnerships with Queensland's diverse communities.

Queensland Performing Arts Trust

Chief Executive Officer: John Kotzas

Objective: The Queensland Performing Arts Trust manages Queensland's flagship performing arts venue – the Queensland Performing Arts Centre (QPAC). QPAC presents and produces high-quality performing arts productions, providing audiences with memorable experiences while creating opportunities for artists to work together with some of the best local, national and international companies.

RESOURCES AND PERFORMANCE

DEPARTMENTAL OVERVIEW

Strategic direction

DSITIA will support a globally competitive Queensland economy driven by knowledge and creativity. Activity within the department is focussed on delivering on six broad objectives:

- better informed government decision-making through science
- increasing productivity through an increase in innovation activity
- strengthened cultural and economic outcomes for Queenslanders through an innovative and creative arts and cultural sector
- supporting high performing Queensland Government agencies through the facilitation of efficient standardised shared services
- strengthening ICT and information management through high quality services and capability
- connecting Queenslanders to their Government through development of a one-stop-shop.

These activities confirm DSITIA's commitment to meet the *Getting Queensland Back on Track* pledges of growing a four pillar economy, lowering the cost of living, investing in better infrastructure and using better planning, revitalising front-line services and restoring accountability in Government.

The department's primary focus is on facilitating quality services to the community and to other agencies, and identifying cost efficiencies and value-for-money delivery models. Significant risks, issues and opportunities facing the department include:

- Continuing to successfully compete to provide fee-for-service activities to other agencies
- Maintaining an appropriately skilled workforce to support service delivery
- Providing services in ways that meet the community's expectations for cost-effective service delivery and a high standard of accountability, transparency and integrity
- Reducing costs and red-tape to support Government's commitment to rebuild the State's financial position.

2011-2012 Achievements

During 2011-12 the business units of the department achieved the following:

- Supported innovative scientific research by investing in projects collaborating with national and international partners, and in fellowships to attract high quality researchers to Queensland
- Provided commercial evaluation for a range of government funding programs designed to promote economic and regional development, innovation and increased productivity
- Provided financial assistance for the Queensland Institute of Medical Research, which specialises in clinical research programs, vaccine development, cancer research, and new areas of tropical disease, mental health and bio-security research
- Launched the second stage of new web franchises (www.qld.gov.au), providing Queenslanders with streamlined, customer-centric online access to government services and information
- The return of CITEC to a financially viable position, through product rationalisation including the conclusion of the Identity, Directory and Email Service (IDES)
- Delivered quality frontline services to the public by providing access to the archival collection of government records and continued the maintenance of the collection for future use
- Delivered whole-of-Government skills-building programs, including the ICT Career Graduate Program and the In-demand Roles Program

- Supported the growth of a strong and diverse arts and cultural sector through funding of individual artists, arts workers and arts and cultural organisations, and celebrated 20 years of supporting regional arts and culture through the Regional Arts Development Fund and facilitated strong sector partnerships through hosting events such as *Artspoken: Queensland Regional Arts and Culture Conference* in Bundaberg
- Developed the First Great Barrier Reef Report Card (Baseline Report) jointly with the Department of Natural Resources and Mines (DNRM) for the Queensland and Australian Governments as part of Reef Plan.

In 2011-12, the Office of the Chief Scientist completed both the Queensland Government Research and Development Expenditure Report 2010-11 and the Queensland Chief Scientist Annual Report. The Office of the Chief Scientist also undertook a comprehensive review of science and technology pertaining to floods – Understanding Floods, in support of the Queensland Flood Commission of Inquiry. The QGCIO delivered a number of significant policy initiatives in 2011-12, including managing the Queensland Government Enterprise Architecture Framework 2.0.

2012-2013 Highlights

During 2012 -13 the department will:

- Coordinate reef science for projects undertaken by DSITIA, the Department of Environment and Heritage Protection (EHP), and DNRM to monitor and evaluate land management practices and water quality impacts on the Great Barrier Reef
- Undertake mapping, assessment and monitoring of ground cover, cropping patterns, tree clearing, regional ecosystems, species, wetlands, remnant vegetation and land management
- Develop and maintain online information systems, databases and websites that inform government, industry and the community
- Strengthen Queensland's tropical health defences through supporting the establishment of the Australian Institute for Tropical Health and Medicine
- Extend and build collaboration between industry, research and education, and innovation within Government
- Lead a whole-of-Government approach to digital archiving, including developing strategies to support a move towards an online service delivery model and improving access to the archival collection
- Plan the one-stop shop for the Queensland public, providing easy and convenient access to Queensland Government information and services on-line, over the phone and face-to-face
- Continue to build on the State's growing reputation as a cultural hub through implementation of the Arts for All Queenslanders initiatives including the SuperStar Fund and boosting Queensland touring funds
- Develop a strategy to grow the arts sector by encouraging commercial approaches and fostering a community for the arts
- Establish an Arts Grants Advisory Board to improve access to grants, simplifying categories and streamlining application processes
- Continue to implement standardised finance and HR processes and services across all client departments to achieve sustainable cost reductions and avoid waste
- Explore innovative opportunities to develop new shared service delivery models (including outsourcing) that improve efficiency and reduce costs both from a whole-of-Government and departmental perspective.

The Office of the Chief Scientist will foster a more active role by departments in research and development planning. It will also undertake an annual collection and analysis of the State's research and development investment. QGCIO will conduct an audit of all current government IT systems, applications and support services and implement a strategy to ensure those endorsed systems are able to operate efficiently and effectively.

Departmental Budget Summary

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

Department of Science, Information Technology, Innovation and the Arts	2011-12 Adjusted Budget \$'000	2011-12 Budget \$'000	2012-13 Estimate \$'000
CONTROLLED			
Income			
Appropriation for services			
Deferred from previous year/s	..	..	57,808
Balance of service appropriation	121,335	103,309	313,845
Other revenue	7,971	20,390	65,514
Total income	129,306	123,699	437,167
Expenses			
Science delivery services	16,459	14,019	67,196
Innovation and science development services	55,346	44,384	125,707
Queensland government information and communication technology services	31,691	31,217	119,507
Arts and culture services	25,646	44,886	124,757
Total expenses	129,142	134,505	437,167
Operating surplus/deficit	164	(10,806)	..
Net assets	881,651	857,046	802,149
ADMINISTERED			
Revenue			
Commonwealth revenue	..	..	..
Appropriation of administered items	41,421	38,103	158,713
Other administered revenue	917	920	2,710
Total revenue	42,338	39,023	161,423
Expenses			
Transfers to government	..	..	..
Administered expenses	41,453	38,138	158,746
Total expenses	41,453	38,138	158,746
Net assets	55,808	58,267	59,973
APPROPRIATIONS			
Controlled Items			
Departmental services ¹	..	90,051	382,639
Equity adjustment	..	15,664	(67,740)
Administered items	..	27,111	153,418
VOTE TOTAL¹	..	132,826	468,317

Note:

- As represented in the 2012-13 Appropriation Bills.

Budget Measures Summary

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

Department of Science, Information Technology, Innovation and the Arts	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
Revenue measures					
Up to and including 2011-12 MYR					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
2012-13 Budget					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
Total revenue measures					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
Expense measures					
Up to and including 2011-12 MYR					
Administered	..	..	..	..	..
Departmental	..	26,586	18,356	12,363	..
2012-13 Budget					
Administered	..	..	..	..	..
Departmental	(8,488)	(52,827)	(34,004)	(15,222)	7,302
Total expense measures¹					
Administered	..	..	..	..	..
Departmental	(8,488)	(26,241)	(15,648)	(2,859)	7,302
Capital measures					
Up to and including 2011-12 MYR					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
2012-13 Budget					
Administered	..	..	..	..	..
Departmental	(6,774)	(5,100)	..	..	..
Total capital measures¹					
Administered	..	..	..	..	..
Departmental	(6,774)	(5,100)	..	..	..

Note:

1. The total for 2012-13 reconciles with Budget Paper 4.

Staffing¹

Department of Science, Information Technology, Innovation and the Arts	Notes	2011-12 Adjusted Budget	2011-12 Est. Actual	2012-13 Estimate
		1,561	1,392	1,284

Note:

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

2012-13 Service Summary

Service area	Sources of Revenue				
	Total cost \$'000	State Contribution \$'000	User Charges \$0'000	C'wealth Revenue \$'000	Other Revenue \$'000
Science Delivery Services	67,196	54,830	1,697	..	10,669
Innovation and Science Development Services	125,707	123,572	1,382	..	753
Queensland Government Information and Communication Technology Services	119,507	84,435	34,513	346	213
Arts and Culture Services	124,757	108,816	14,368	..	1,573
Total	437,167	371,653	51,960	346	13,208

Note:

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

SERVICE PERFORMANCE

The service area structure presented in this document reflects the machinery-of-Government changes announced by the Premier on 3 April 2012 under which DSITIA was created. Our service areas are:

Science Delivery Services

Science Delivery provides a scientific evidence base to underpin legislative responsibilities across several Queensland Government departments. This scientific evidence base contributes to Queensland Government policy and planning related to legislation, ensuring that government decision-making is founded on sound, practical science. The work of Science Delivery supports planning and management processes in other Government departments.

Innovation and Science Development Services

Innovation and Science Development aims to increase productivity by enabling businesses and government to operate competitively in a global environment by encouraging and supporting innovation. The area also provides strategic oversight and evaluation of government investment in science.

Queensland Government Information and Communication Technology Services

QGICT facilitates information and communication technology services to Queensland Government agencies and the public through Smart Service Queensland, Queensland State Archives and CITEC. The Group maintains a centre of excellence for ICT skills and technologies and provides quality ICT services to assist the Government to operate effectively and efficiently. Through these services, and in close cooperation with the Queensland Government Chief Information Officer, the Government ICT group ensures a consistent approach to IT systems and applications across Government thus enabling effective and efficient delivery of frontline services by DSITIA and other departments.

Arts and Culture Services

Arts Queensland's objective is to strengthen cultural and economic outcomes for Queensland through an innovative and creative arts and cultural sector. Arts Queensland will enable access to arts and culture, grow the arts and cultural sector and build Queensland's cultural reputation to maximise cultural tourism. Arts Queensland is implementing the Government's 'Arts for All Queenslanders' policy by supporting local companies to present world class performances with internationally renowned artists through the Arts SuperStar Fund, increasing opportunities for regional Queenslanders to enjoy quality arts experiences by boosting Queensland touring and reviewing the long-term needs for performing arts venues in Brisbane. Arts Queensland is also supporting the Government's Tourism Strategy through engagement in the Tourism Interdepartmental Committee, leading the development of a Cultural Precinct Strategy and investing in innovative and exciting arts and cultural events and programs to maximise cultural tourism opportunities. Arts Queensland supports the delivery of effective corporate services to the arts statutory bodies, companies and other government agencies.

In addition, through QSS, DSITIA facilitates a range of corporate services to the majority of Queensland Government agencies and six statutory authorities. It also supports the Department of Education Training and Employment finance system solution and Training HR system solution, the Queensland Health finance system solution and Queensland Health HR rostering and payroll solution.

Performance Statement

	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Service Area: Science Delivery Services				
Service standard				
Average time taken to upload air quality monitoring data to the EHP website	1	2 hours	59.25 minutes	1 hour
Other measure				
Annual increase of the number of hectares of vegetation communities and ecosystems mapped to support key policy programs		5,000,000	5,000,000	5,000,000
State contribution (\$000)		15,895	12,056	54,830
Other revenue (\$000)		610	1,962	12,366
Total cost (\$000)		16,459	14,019	67,196
Service Area: Innovation & Science Development Services				
Service standard				
Proportion of stakeholders who have a high level of satisfaction with consultative and engagement processes	2,3	75%	92%	80%
State contribution (\$000)		55,440	43,802	123,572
Other revenue (\$000)		24	641	2,135
Total cost (\$000)		55,346	44,384	125,707
Service Area: Queensland Government Information and Communication Technology Services (Excluding CITEC)				
Service standards				
<i>Governance</i>				
Client satisfaction				
• Queensland State Archives	4	...	92%	90%
• Smart Service Queensland		...	68%	65%
• ICT Strategic Procurement	5	...	...	65%
<i>Accessibility</i>				
Customer satisfaction with the services delivered by Smart Service Queensland				
	6	≥ 80%	87%	≥ 80%
Customer satisfaction with historical record services	7,8,9	...	93%	93%
<i>Capability</i>				
Agency alignment to whole-of-Government ICT policies, positions and targets				
		≥ 85%	86%	85%

	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Other measures				
<i>Accessibility</i>				
Volume of interactions with Smart Service Queensland service delivery channels:				
• telephone		≥ 3,500,000	3,535,348	≥ 3,500,000
• online	10	≥ 9,500,000	14,400,000	≥14,000,000
• face-to-face	11	≥350,000	430,000	≥425,000
• processing (including cards and concessions)	12	≥1,015,000	1,160,000	≥1,015,000
Number of public customers accessing government records				
• online	13,14	≥ 460,000	450,000	380,000
• walk-in		≥ 6,300	6,742	6,700
State contribution (\$000)		30,167	24,850	84,435
Other revenue (\$000)		1,524	6,417	35,072
Total cost (\$000)		31,691	31,217	119,507

Service Area: Arts and Culture Services

Service standard

Level of client satisfaction with Arts Queensland's funding programs and services

85% 84% 85%

Other measures

Level of attendance and participation in subsidised arts sector events.

15 4,100,000 4,309,490 4,100,000

Percentage of grant funding informed by industry peer assessment

95% 97% 95%

Percentage of grant approvals processed within required timeframes

95% 99% 95%

Percentage of grant acquittals processed within required timeframes

90% 90% 90%

Percentage of funding provided to people from target groups
Proportion of funding allocated to artists, arts workers and non-government arts and cultural organisations

40% 43% 40%

16 78% 72% 76%

	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Utilisation of state-owned arts and cultural facilities	17	4,085,000	4,823,504	4,425,000
State contribution (\$000)		19,833	22,602	108,816
Other revenue (\$000)		5,813	11,370	15,941
Total cost (\$000)		25,646	44,886	124,757

Notes:

1. The department's air quality monitoring program informs both internal and external stakeholders with the timeliness of the data being uploaded to the Department of Environment and Heritage Protection (EHP) website being considered critical.
2. This performance measure was previously presented under both the Employment and Economic Development service area and Science, Agriculture, Food and Regional Services service area of the former Department of Employment, Economic Development and Innovation (DEEDI). The 2011-12 Target/estimate presented represents the proportion attributable to Innovation and Science Development business areas only.
3. A small number of events with a high number of stakeholder participants who rated their satisfaction level very highly contribute to an increased 2011-12 estimated actual.
4. The measure "Client Satisfaction" was introduced in the 2011-12 Budget as a new measure. The measure is broken down to report the performance achieved by the three business areas under the service area.
5. ICT Strategic Procurement is a recently established business area and as a result a client satisfaction survey was not completed in 2011-12 for this business area. Data will be reported for this business area from 2012-13.
6. 2012-13 Target/estimate remains at 80% as this is a 5 year target.
7. The baseline for this new measure was not established by the former Department of Public Works.
8. This is the result from Queensland State Archive's biennial customer satisfaction survey conducted in September 2011.
9. This figure will not change until a new survey is conducted in the following reporting year.
10. The 2011-12 Estimated actual result has exceeded the 2011-12 Target/estimate due to the November 2011 redevelopment of www.qld.gov.au website, one of the outcomes of which was to incorporate the Queensland Government job search web tools within the www.qld.gov.au website. Therefore, the use of these job search tools is now included in Smart Service Queensland's online interactions total, resulting in the increase.
11. The 2011-12 Target/estimate was calculated prior to the go-lives of the Cairns and Maroochydhore Queensland Government Service Centres in March 2011 and July 2011 respectively, meaning that the projected target could not accurately allow for the transaction volume that would be processed at these sites. As a result of these additional transactions, the 2011-12 Estimated actual result therefore exceeds the 2011-12 Target/estimate. A slightly reduced target has been set for 2012-13 due to the impact of the loss of the Business Names service on anticipated counter transaction volumes. Business Names processing transitioned at the end of 2011-12 to Commonwealth processing.
12. The 2012-13 Target/estimate remains unchanged as high-volume processing services such as Register of Encumbered Vehicles (REVS) are now handled by the Commonwealth, and Business Names processing similarly transitioned at the end of 2011-12, thereby reducing processing volumes. Card and Concessions totals are anticipated to remain stable.
13. A redesigned website was launched in March 2012 with a new statistical data collection tool which only collected partial statistics. New processes for harvesting statistical data are under investigation. The 2011-12 Estimated Actual is based on an extrapolation of data collected prior to March 2012.
14. A redesigned website was launched in March 2012 with a new statistical data collection tool which only collected partial statistics. New processes for harvesting statistical data are under investigation. The 2012-13 Target is based on data collected between April and June 2012 and additional sources.
15. Target exceeded as the biennial Queensland Music Festival attendances are reported in 2011-12.

16. 2011-12 Estimated actual is lower due to deferral of some grant programs to 2012-13.
17. The 2011-12 Target Estimate was exceeded due to higher than expected attendances at popular programs delivered by the Queensland Art Gallery, Queensland Museum and State Library of Queensland.

Discontinued Measures

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

	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Service Area: Innovation & Science Development Services ¹				
Proportion of assisted firms reporting improved performance following DEEDI funded innovation and capacity development activities	2	55%	28%	Discontinued measure
Estimated value of additional capital attracted to Queensland as a result of DEEDI investment and business development	3	\$5 million	\$48.8 million	Discontinued measure
Value of new exports generated by businesses assisted by DEEDI	4	\$115 million	\$131.4 million	Discontinued measure
Estimated value of efficiency savings or new business generated by businesses assisted by DEEDI	5,6	\$56 million	\$480 million	Discontinued measure
Value of private and public sector investment in 'soft' R&D infrastructure derived from DEEDI activities (Human capital, skills, software etc.)	7	\$201 million	\$175 million	Discontinued measure
Funding leveraged from other sources supporting Queensland Government funding of 'soft' R & D infrastructure	8	\$116 million	\$122 million	Discontinued measure
The number of structured programs/activities helping businesses build their capacity, improve their performance and/or access opportunities	9	265	278	Discontinued measure
Number of targeted and qualified leads for Queensland businesses generated through DEEDI overseas trade missions and other trade and export development activities	10	50	50	Discontinued measure
Percentage of Queensland businesses innovating	11	39-41%	46%	Discontinued measure

	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Achievement of major project milestones on strategic projects	12	12	14	Discontinued measure
Pieces of legislation and regulatory frameworks reviewed and reformed	13	1	2	Discontinued measure
Number of businesses assisted to export or expand market share	14	600	705	Discontinued measure
Client businesses implementing new or improved practices, processes, systems, products and technologies as a result of innovation and capacity development activities	15	70%	90%	Discontinued measure
Consultative and engagement forums held with industry and community stakeholders	15	47	64	Discontinued measure
The number of business participants in structured development activities	15	4,220	5,481	Discontinued measure
Significant one-on-one business consultations undertaken	15	1,768	1,592	Discontinued measure
Number of businesses involved in alliances, partnerships, industry networks, supply chains, clusters etc facilitated by Innovation and Science Development	15	325	452	Discontinued measure
Information transactions and packages provided to business	16	39,000	24,100	Discontinued measure

Notes:

1. All measures discontinued under the Innovation and Science Development service area were presented in 2011-12 under the Employment and Economic Development service area and the Science, Agriculture, Food and Regional Services service area in the former Department of Employment, Economic Development and Innovation (DEEDI).
2. This measure was previously presented under the Employment and Economic Development service area of the former DEEDI and is shared with the Department of State Development, Infrastructure and Planning. This performance measure is discontinued due to reductions and substantial changes in relevant program activity in 2012-13 financial year. The proportion of this measure that relates to DSITIA is no longer relevant.

3. This measure was previously presented under the Employment and Economic Development service area and the Science, Agriculture, Food and Regional Services service area of the former DEEDI. This performance measure is discontinued due to reductions and substantial changes in relevant program activity in 2012-13 financial year. Accordingly the proportion of this measure that relates to DSITIA is no longer relevant.
4. This performance measure is discontinued due to reductions and substantial changes in relevant program activity in 2012-13 financial year. The agency is now unable to extract statistics previously garnered through agreed contracting and reporting.
5. This performance measure is discontinued due to reductions and substantial changes in relevant program activity in 2012-13 financial year. Accordingly the proportion of this measure that relates to DSITIA is no longer relevant.
6. The increase in the 2011-12 Estimated actual was primarily contributed to the large number of applications approved for the reporting period that had a stronger than anticipated focus on domestic sales.
7. This measure was previously presented under the Employment and Economic Development service area and the Science, Agriculture, Food and Regional Services service area of the former DEEDI. This performance measure is discontinued due to reductions and substantial changes in relevant program activity in 2012-13 financial year. Accordingly the proportion of this measure that relates to DSITIA is no longer relevant.
8. This measure was previously presented under the Employment and Economic Development service area and the Science, Agriculture, Food and Regional Services service area of the former DEEDI. This performance measure is discontinued due to reductions and substantial changes in relevant program activity in 2012-13 financial year. Accordingly this measure is no longer relevant.
9. This measure was previously presented under the Employment and Economic Development service area of the former DEEDI and is shared with the Department of State Development, Infrastructure and Planning, the Department of Tourism, Small Business, Major Events and the Commonwealth Games, and Queensland Treasury and Trade. This performance measure is discontinued due to reductions and substantial changes in relevant program activity in 2012-13 financial year. Accordingly the proportion of this measure that relates to DSITIA is no longer relevant.
10. This performance measure is discontinued due to reductions and substantial changes in relevant program activity in 2012-13 financial year. Accordingly this measure that relates to DSITIA is no longer relevant.
11. This performance measure is discontinued due to a change in government policy.
12. This measure was previously presented under the Employment and Economic Development service area and the Science, Agriculture, Food and Regional Services service area of the former DEEDI. This performance measure is discontinued due to reductions and substantial changes in relevant program activity in 2012-13 financial year. Accordingly the proportion of this measure that relates to DSITIA is no longer relevant.
13. This measure was previously presented under the Science, Agriculture, Food and Regional Services service area of the former DEEDI. This performance measure is discontinued due to machinery-of-Government changes effective 1 May 2012. Reporting on this measure was appropriate within the former DEEDI as regulatory streamlining was a core function of the department. Due to the machinery-of-Government change the proportion of this measure that relates to DSITIA is no longer relevant.
14. This performance measure is discontinued due to reductions and substantial changes in relevant program activity in the 2012-13 financial year. Accordingly this measure is no longer relevant.
15. This performance measure is discontinued due to a change in Government policy.
16. The 2011-12 Actual decreased as the collection of data was not reported for the last quarter in 2011-12 due to machinery-of- Government changes. This measure was previously presented under the Employment and Economic Development service area of the former DEEDI. This performance measure is discontinued due to this agency being unable to extract statistics garnered through the Business and Industry Franchise website and call centres which are now managed by other departments.

Administered Items

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

DSITIA administers funds on behalf of the State for the Arts statutory bodies including the Library Board of Queensland, the Queensland Art Gallery, the Queensland Museum, QPAT, Queensland Theatre Company and Screen Queensland.

The department administers funds for CITEC and QSS. CITEC is the primary technology provider to Queensland Government, delivering agency-specific information and communication technology, including data centres, networks and infrastructure. QSS provides a range of corporate services, and the associated human resources, payroll and finance technology systems, to the majority of Queensland Government departments.

The department administers the Smart State Research Facilities Fund (SSRF), which supports the establishment of world-class science and technology infrastructure in Queensland. SSRF funding is provided through a 30 year interest free loan and the recipients are primarily Queensland universities and research organisations. The \$170 million fund has been fully committed at 30 June 2012.

The annual amount of administered funding provided for each entity in 2012-13 is:

- \$54.7 million for State Library of Queensland
- \$21.5 million for Queensland Museum
- \$31.7 million for Queensland Art Gallery
- \$8.0 million for QPAT
- \$2.6 million for Queensland Theatre Company
- \$9.8 million for Screen Queensland
- \$12.4 million for CITEC
- \$18.0 million for Queensland Shared Services.

The financial statements and variance notes for the Library Board of Queensland, Queensland Art Gallery, Queensland Museum, QPAT, CITEC and QSS are separately reported within the Service Delivery Statement.

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

CAPITAL

Capital program

The capital program for 2012-13 for DSITIA (excluding its statutory bodies, commercialised business unit and shared service providers) is \$7.1 million.

The capital program focuses on maintaining the State's art and cultural assets, its science research facilities and equipment, and providing reliable information systems, technologies and infrastructure to support service delivery across Government and to the community.

The main expenditures to be undertaken in 2012-13 include:

- \$1.1 million to complete \$7.2 million in infrastructure upgrades for the Smart Services Queensland Contact Centre at Zillmere
- \$0.5 million to complete the three year \$12.5 million program of works at the Queensland Museum South Bank, to provide the museum with greater capacity to upgrade exhibition spaces and attract international exhibitions to the South Bank campus
- \$2.0 million for the replacement of essential scientific equipment used for environmental and natural resources research undertaken by the department for a wide range of Queensland Government departments.

Capital budget statement

Department of Science, Information Technology, Innovation and the Arts	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. Actual \$'000	2012-13 Estimate \$'000
Capital Purchases¹				
Total land, buildings and infrastructure		423	3,623	..
Total plant and equipment		4,923	899	6,637
Total other capital		..	415	502
Total Capital Purchases		5,346	4,937	7,139

Note:

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

BUDGETED FINANCIAL STATEMENTS

Analysis of budgeted financial statements

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

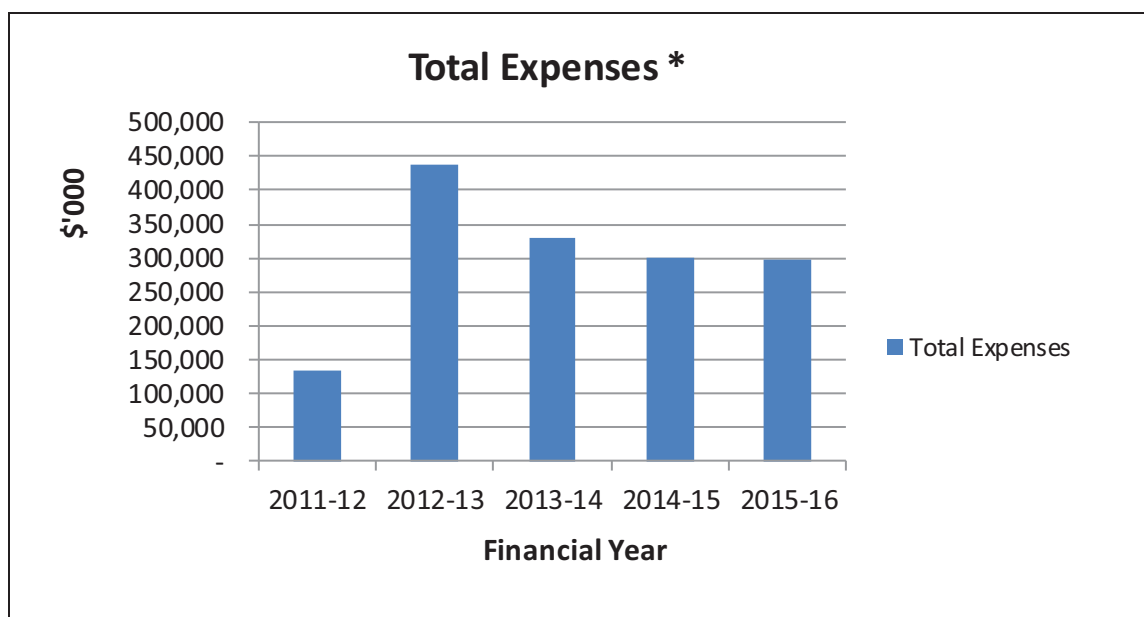
Departmental income statement

Total expenses are estimated to be \$437 million in 2012-13, an increase of \$303 million from the 2011-12 financial year which is mainly attributable to the establishment of the department as part of the machinery-of-Government change effective 3 April 2012.

Other variations in the 2011-12 budget in comparison to the 2012-13 estimate is attributable to the net of deferral of funding from 2011-12, cessation of limited life funding items and savings. The decrease in expenses beyond 2012-13 is a result of further cessation of limited life funding and savings.

The department is estimating an operating deficit of approximately \$11 million for 2011-12 which is mainly due to the downward asset revaluation of buildings relating to Arts Queensland.

Chart: Total departmental expenses across the Forward Estimates period



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

Departmental balance sheet

The department's major assets are in buildings (\$495 million) and land (\$215 million) with the value of buildings expected to decrease by 11% and land expected to marginally increase over the next three years.

INCOME STATEMENT

Department of Science, Information Technology, Innovation and the Arts	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. Act. \$'000	2012-13 Estimate \$'000
Income				
Service revenue	1,11,20	121,335	103,309	371,999
User charges	2,12,21	3,861	12,338	51,960
Grants and other contributions	3,13,22	4,032	6,025	11,134
Other revenue	4,14,23	78	2,027	2,074
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		129,306	123,699	437,167
Expenses				
Employee expenses	15,24	26,993	24,918	122,823
Supplies and services	5,16,25	30,345	25,336	117,308
Grants and subsidies	6,17,26	48,783	55,872	129,074
Depreciation and amortisation		8,169	8,108	49,921
Finance/borrowing costs	7	11,572	7,897	16,112
Other expenses	8,18	835	1,460	1,929
Losses on sale/revaluation of property, plant and equipment and investments	9,19,27	2,445	10,914	..
Total expenses		129,142	134,505	437,167
OPERATING SURPLUS/(DEFICIT)	10,28	164	(10,806)	..

STATEMENT OF CHANGES IN EQUITY

Department of Science, Information Technology, Innovation and the Arts	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	29,32	17,910	9,919	8,474
Net amount of all revenue and expense adjustments direct to equity not disclosed above	30,33	(15,397)	..	..
Net income recognised directly in equity		2,513	9,919	8,474
Surplus/(deficit) for the period		164	(10,806)	..
Total recognised income and expense for the period		2,677	(887)	8,474
Equity injection/(withdrawal)	31,34,36	(26,709)	(8,244)	(60,704)
Equity adjustments (MoG transfers)	35,37	161,566	140,850	(2,667)
Total movement in equity for period		137,534	131,719	(54,897)

BALANCE SHEET

Department of Science, Information Technology, Innovation and the Arts	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets	38,54	38,717	98,472	33,811
Receivables	39,47,55	49,852	34,982	18,652
Other financial assets		..	..	..
Inventories		149	..	..
Other	40	1,911	678	678
Non-financial assets held for sale		..	..	..
Total current assets		90,629	134,132	53,141
NON-CURRENT ASSETS				
Receivables	41,48,56	(16)	23,498	34,952
Other financial assets		..	..	..
Property, plant and equipment		800,850	782,853	748,337
Intangibles		15,997	14,460	14,652
Other	42,49	13,737	..	..
Total non-current assets		830,568	820,811	797,941
TOTAL ASSETS		921,197	954,943	851,082
CURRENT LIABILITIES				
Payables	43,50,57	32,979	87,385	38,488
Accrued employee benefits		4,305	4,054	4,054
Interest-bearing liabilities and derivatives	44,51	604	3,502	3,435
Provisions		..	..	..
Other		77	..	..
Total current liabilities		37,965	94,941	45,977
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives	45,52	1,581	2,956	2,956
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		1,581	2,956	2,956
TOTAL LIABILITIES		39,546	97,897	48,933
NET ASSETS/(LIABILITIES)		881,651	857,046	802,149
EQUITY				
Capital/contributed equity		896,483	894,232	830,861
Accumulated surplus/(accumulated deficit)		(51,173)	(47,105)	(47,105)
Reserves:				
- Asset revaluation surplus	46,53,58	36,341	9,919	18,393
- Other (specify)		..	..	..
TOTAL EQUITY		881,651	857,046	802,149

CASH FLOW STATEMENT

Department of Science, Information Technology, Innovation and the Arts	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Service receipts	59,69,79	122,835	90,051	382,639
User charges	60,70,80	3,862	17,938	51,960
Grants and other contributions	61,71,81	2,532	6,025	11,134
Other	62,72,82	(61)	2,867	1,322
Outflows:				
Employee costs	73,83	(26,993)	(25,611)	(122,823)
Supplies and services	63,74,84	(30,345)	(22,395)	(117,308)
Grants and subsidies	64,75,85	(48,783)	(55,872)	(129,074)
Borrowing costs		(15)	(456)	(83)
Other	65,76,86	(832)	55,170	(38,100)
Net cash provided by/(used in) operating activities		22,200	67,717	39,667
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	16
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles		(5,953)	(4,937)	(7,139)
Payments for investments		..	..	..
Loans and advances made	66,77,87	..	(10,455)	(25,979)
Net cash provided by/(used in) investing activities		(5,953)	(15,392)	(33,102)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	67,88	3,187	33,634	9,489
Outflows:				
Borrowing redemptions		..	..	533
Finance lease payments		..	..	..
Equity withdrawals	68,78,89	(7,794)	(17,970)	(77,229)
Net cash provided by/(used in) financing activities		(4,607)	15,664	(67,207)
Net increase/(decrease) in cash held		11,640	67,989	(60,642)
Cash at the beginning of financial year		9,756	12,533	98,472
Cash transfers from restructure		17,321	17,950	(4,019)
Cash at the end of financial year		38,717	98,472	33,811

ADMINISTERED INCOME STATEMENT

Department of Science, Information Technology, Innovation and the Arts	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Revenues				
Commonwealth grants		..	..	..
Taxes, fees and fines		..	..	..
Royalties, property income and other territorial Revenue		..	..	..
Interest		32	35	33
Administered revenue	90,94	41,421	38,103	158,713
Other	91,95	885	885	2,677
Total revenues		42,338	39,023	161,423
Expenses				
Supplies and services	92,96	2,601	3,444	14,382
Depreciation and amortisation		..	..	..
Grants and subsidies	93,97	38,820	34,659	144,331
Benefit payments		..	..	..
Borrowing costs		32	35	33
Other		..	..	..
Total expenses		41,453	38,138	158,746
Net surplus or deficit before transfers to Government		885	885	2,677
Transfers of administered revenue to Government		..	..	..
OPERATING SURPLUS/(DEFICIT)		885	885	2,677

ADMINISTERED BALANCE SHEET

Department of Science, Information Technology, Innovation and the Arts	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets	98,102	261	3,711	752
Receivables	100,103	4,371	4,661	141
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		4,632	8,372	893
NON-CURRENT ASSETS				
Receivables		54,739	56,403	59,080
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		54,739	56,403	59,080
TOTAL ADMINISTERED ASSETS		59,371	64,775	59,973
CURRENT LIABILITIES				
Payables	99,104	..	3,088	..
Transfers to Government payable		..	..	..
Interest-bearing liabilities	101,105	3,271	3,420	..
Other		..	..	..
Total current liabilities		3,271	6,508	..
NON-CURRENT LIABILITIES				
Payables		292	..	..
Interest-bearing liabilities		..	..	..
Other		..	..	..
Total non-current liabilities		292	..	..
TOTAL ADMINISTERED LIABILITIES		3,563	6,508	..
ADMINISTERED NET ASSETS/(LIABILITIES)		55,808	58,267	59,973
EQUITY				
Capital/Contributed equity		50,612	57,382	56,411
Accumulated surplus/(Accumulated deficit)		5,196	885	3,562
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL ADMINISTERED EQUITY		55,808	58,267	59,973

ADMINISTERED CASHFLOW STATEMENT

Department of Science, Information Technology, Innovation and the Arts	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Administered item receipts	110,115	41,421	41,191	155,625
Grants and other contributions		..	..	..
Taxes, fees and fines		..	..	..
Royalties, property income and other territorial revenues		..	..	..
Other		32	..	..
Outflows:				
Transfers to Government		..	..	..
Grants and subsidies	111,116	(38,820)	(34,659)	(144,331)
Supplies and services	112,117	(2,601)	(3,444)	(14,382)
Borrowing costs		(32)	..	..
Other		..	..	..
Net cash provided by/(used in) operating activities		..	3,088	(3,088)
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed	106,113,118	..	1,100	4,553
Outflows:				
Payments for property, plant and equipment and intangibles		..	..	..
Payments for investments		..	..	..
Loans and advances made	107,119	..	(1,241)	..
Net cash provided by/(used in) investing activities		..	(141)	4,553
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	108,120	10,175	15,987	9,737
Outflows:				
Borrowing redemptions	114,121	..	..	(3,453)
Finance lease payments		..	..	..
Equity withdrawals	109,122	(10,175)	(15,975)	(10,708)
Net cash provided by/(used in) financing activities		..	12	(4,424)
Net increase/(decrease) in cash held		..	2,959	(2,959)
Administered cash at beginning of financial year		..	..	3,711
Cash transfers from restructure		261	752	..
Administered cash at end of financial year		261	3,711	752

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

DSITIA was created in April 2012 as a result of machinery-of-Government changes. Consequently, the 2011-12 Adjusted budget and 2011-12 Estimated actual in the department's financial statements reflect two months of activities whilst the 2012-13 Estimate contains a full year's budget. The two months of activities do not represent an even proportion of full year costs due to reduced expenditure during the caretaker period and implementation of machinery-of-Government changes.

Income statement

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

1. The decrease is mainly due to the deferral of funding to 2012-13 and savings identified in the 2011-12 year.
2. The increase mainly relates to growth in revenue for SSQ in relation to interactions and Contact Centre services and better than expected revenue from the Queensland Cultural Centre (QCC) car parks and QCC utility cost recoveries from Arts statutory bodies.
3. The increase is mainly due to grants and contributions received in Arts Queensland in relation to a contribution by the Queensland Museum towards capital works and additional contributions from other government bodies for cultural activities.
4. The increase relates to interest received by Arts Queensland on loans and other sundry income collected by the department.
5. The decrease mainly relates to the deferral of funding to 2012-13.
6. The increase is mainly due to the timing of grant payments to Major Performing Arts Organisations and Touring companies (calendar versus financial year variations).
7. The decrease is due to lower than forecast loans provided under the Innovation Building Fund.
8. The increase is due to additional costs relating to the floods.
9. The increase is due to the revaluation of buildings relating to Arts Queensland.
10. The decrease is mainly due to the revaluation of buildings relating to Arts Queensland.

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

11. The increase is due to machinery-of-Government changes offset by the cessation of limited life funding items and savings.
12. The increase is due to machinery-of-Government changes and increased revenue for SSQ in relation to interactions and Contact Centre services.
13. The increase is mainly due to machinery-of-Government changes.
14. The increase is due to machinery-of-Government changes, sundry income collected by the department and QCC utility cost recoveries from Arts statutory bodies.
15. The increase is due to machinery-of-Government changes offset by position vacancies and employee separations in line with the Employment Management Program (EMP).
16. The increase is due to machinery-of-Government changes offset by the cessation of limited life funding items and savings.
17. The increase is due to machinery-of-Government changes offset by the cessation of limited life funding items and savings.
18. The increase is due to machinery-of-Government changes and higher provisioning for bank charges and sundry expenses.
19. The decrease is due to no downward revaluation of assets for 2012-13.

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

20. The increase is due to machinery-of-Government changes offset by the cessation of limited life funding items and savings.
21. The increase is due to machinery-of-Government changes and increased revenue for SSQ in relation to interactions and Contact Centre services and higher than expected revenue from the QCC car parks in 2011-12.
22. The increase is mainly due to machinery-of-Government changes.
23. The increase is due to machinery-of-Government changes, sundry income collected by the department and QCC utility cost recoveries from Arts statutory bodies.
24. The increase is due to machinery-of-Government changes offset by position vacancies and employee separations in line with the EMP.

25. The increase is due to machinery-of-Government changes offset by the cessation of limited life funding items and savings.
26. The increase is due to machinery-of-Government changes offset by the cessation of limited life funding items and savings.
27. The decrease is due to no downward revaluation of assets for 2012-13.
28. The increase is due to no downward revaluation of assets for 2012-13.

Statement of changes in equity

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

29. The decrease in the asset revaluation reserve is due to the revaluation of land and buildings relating to Arts Queensland.
30. The decrease is due to machinery-of-Government adjustments in relation to the original transfer of assets and liabilities.
31. The decrease relates to the Innovation Building Fund.

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

32. The decrease in the asset revaluation reserve for land and buildings is due to the expected change in indexed valuations in 2012-13.
33. The decrease is due to machinery-of-Government adjustments in relation to the original transfer of assets and liabilities.
34. The increase relates to the Innovation Building Fund.
35. The decrease is due to machinery-of-Government adjustments in relation to the original transfer of assets and liabilities.

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

36. The increase relates to the Innovation Building Fund.
37. The decrease is due to machinery-of-Government adjustments in relation to the transfer of assets and liabilities.

Balance sheet

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

38. The increase in cash assets reflects amounts owed to transferring departments for the processing of payments and payroll. In addition, a cash injection was received for the Innovation Building Fund loans to be paid in 2012-13.
39. The decrease is due to the balance of receivables from transferring departments that were incorrectly classified between current and non-current.
40. The decrease relates to prepayments incorrectly included in the machinery-of-Government transfer.
41. The increase is due to the balance of receivables from transferring department not being correctly classified between current and non-current in relation to the Innovation Building Fund.
42. The decrease relates to prepayments from transferring department being overstated.
43. The increase in payables reflects amounts owed to transferring departments for the processing of payments.
44. The increase is for loans from Queensland Treasury Corporation for the Revolving Film Finance Fund.
45. The increase is for loans from Queensland Treasury Corporation for the Revolving Film Finance Fund.
46. The decrease in the asset revaluation reserve is due to revaluation of land and buildings relating to Arts Queensland.

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

47. The decrease is reflective of a return to usual operating balances following the establishment of the new department.
48. The increase is due to additional loans being provided from the Innovation Building Fund in 2012-13.
49. The decrease relates to prepayments from transferring department being overstated.
50. The increase is reflective of a return to usual operating balances due to the establishment of systems to enable the department to process on its own behalf.
51. The increase is for loans with Queensland Treasury Corporation for the Revolving Film Finance Fund.

52. The increase is for loans with Queensland Treasury Corporation for the Revolving Film Finance Fund.
53. The decrease in asset revaluation reserve reflects the net decrement to asset values recognised in 2011-12 relating to Arts Queensland.

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

54. The decrease in cash assets reflects the payment of amounts owed to the transferring departments for processing of payments and payroll on behalf of the department in 2011-12.
55. The decrease is reflective of a return to usual operating balances following the establishment of the new department.
56. The increase is due to additional loans being provided from the Innovation Building Fund in 2012-13.
57. The decrease is reflective of a return to usual operating balances following the establishment of systems to enable the department to process on its own behalf.
58. The increase in the asset revaluation reserve for land and buildings is due to the expected increase in indexed valuations in 2012-13.

Cash flow statement

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

59. The decrease is due to the cessation of limited life funding items and savings.
60. The increase is due to revenue for SSQ in relation to interactions and Contact Centre services.
61. The increase is mainly due to grants and contributions received in Arts Queensland in relation to a contribution by the Queensland Museum towards capital works and additional contributions from other government bodies for cultural activities.
62. The increase relates to interest received by Arts Queensland on loans and other sundry income collected by the department.
63. The decrease mainly relates to the deferral of funding to 2012-13.
64. The increase is mainly due to the timing of grant payments to Major Performing Arts Organisations and Touring companies (calendar versus financial year variations).
65. The decrease reflects amounts owed to transferring departments for the processing of payments.
66. The increase is due to additional loans being provided from the Innovation Building Fund in 2012-13.
67. The increase relates to the Innovation Building Fund.
68. The increase relates to the Innovation Building Fund.

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

69. The increase is due to machinery-of-Government changes offset by the cessation of limited life funding items and savings.
70. The increase is due to machinery-of-Government changes and increased revenue for SSQ in relation to interactions and Contact Centre services.
71. The increase is due to machinery-of-Government changes.
72. The increase is due to machinery-of-Government changes, sundry income collected by the department and QCC utility cost recoveries from Arts Statutory Bodies.
73. The increase is due to machinery-of-Government changes offset by position vacancies and employee separations in line with the Employment Management Program (EMP).
74. The increase is due to machinery-of-Government changes offset by the cessation of limited life funding items and savings.
75. The increase is due to machinery-of-Government changes offset by the cessation of limited life funding items and savings.
76. The increase is reflective of a return to usual operating balances following the establishment of systems to enable the department to process on its own behalf.
77. The increase is due to additional loans being provided from the Innovation Building Fund in 2012-13.
78. The increase is primarily due to equity withdrawals from Arts Queensland and savings on capital projects in the department in 2012-13.

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

79. The increase is due to machinery-of-Government changes offset by the cessation of limited life funding items and savings.

80. The increase is due to machinery-of-Government changes and increased revenue for SSQ in relation to interactions and Contact Centre services and higher than expected revenue from the QCC car parks in 2011-12.
81. The increase is mainly due to machinery-of-Government changes.
82. The increase is due to machinery-of-Government changes, sundry income collected by the department and QCC utility cost recoveries from Arts Statutory Bodies.
83. The increase is due to machinery-of-Government changes offset by position vacancies and employee separations in line with the EMP.
84. The increase is due to machinery-of-Government changes offset by the cessation of limited life funding items and savings.
85. The increase is due to machinery-of-Government changes offset by the cessation of limited life funding items and savings.
86. The increase is reflective of a return to usual operating balances due to the establishment of systems to enable the department to process on its own behalf.
87. The increase is due to additional loans being provided from the Innovation Building Fund in 2012-13.
88. The increase reflects the reduced loans from the Innovation Building Fund in 2012-13.
89. The increase is primarily due to equity withdrawals from Arts Queensland and savings on capital projects in the department in 2012-13.

Administered income statement

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

90. The increase is due to machinery-of-Government changes and the deferral of grants from 2011-12 for Queensland Shared Services, reduced grants to CITEC and one-off funding for the Queensland Art Gallery Blockbuster Exhibition.
91. The increase is due to machinery-of-Government changes and accrued capitalised interest income on loans provided by the Smart State Research Facilities Fund.
92. The increase is due to machinery-of-Government changes offset by a decrease in grants payable to CITEC.
93. The increase is due to machinery-of-Government changes and the deferral of grants from 2011-12 for Queensland Shared Services and one-off funding for the Queensland Art Gallery Blockbuster Exhibition.

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

94. The increase is due to machinery-of-Government changes and the deferral of grants from 2011-12 for Queensland Shared Services, reduced grants to CITEC and one-off funding for the Queensland Art Gallery Blockbuster Exhibition.
95. The increase is due to machinery-of-Government changes and accrued capitalised interest income on loans provided by Smart State Research Facilities Fund.
96. The increase is due to machinery-of-Government changes offset by a decrease in grants payable to CITEC.
97. The increase is due to machinery-of-Government changes and the deferral of grants from 2011-12 for Queensland Shared Services and one-off funding for Queensland Art Gallery Blockbuster Exhibition.

Administered balance sheet

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

98. The increase is mainly due to the deferral of grants from 2011-12 to 2012-13.
99. The increase is due to the deferral of grants from 2011-12 to 2012-13.

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

100. The decrease relates to the final repayment on a Revolving Film Finance Fund loan in 2012-13.
101. The decrease relates to the final repayment on a Revolving Film Finance Fund loan in 2012-13.

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

102. The decrease is due to the deferral of grants from 2011-12 to 2012-13.
103. The decrease relates to the final repayment on a Revolving Film Finance Fund loan in 2012-13.
104. The decrease is due to a reduction in grants payable due to the deferral of grants from 2011-12 to 2012-13.
105. The decrease relates to the final repayment on a Revolving Film Finance Fund loan in 2012-13.

Administered cash flow statement

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

- 106. The increase relates to the Smart State Research Facilities Fund.
- 107. The increase relates to the Smart State Research Facilities Fund.
- 108. The increase relates to the Corporate Solution program of works in Queensland Shared Services.
- 109. The increase relates to the Corporate Solution program of works in Queensland Shared Services.

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

- 110. The increase is due to machinery-of-Government changes and the deferral of grants from 2011-12 for Queensland Shared Services, reduced grants to CITEC and one-off funding for the Queensland Art Gallery Blockbuster Exhibition.
- 111. The increase is due to machinery-of-Government changes offset by a decrease in grants payable to CITEC.
- 112. The increase is due to machinery-of-Government changes and accrued capitalised interest income on loans provided by Smart State Research Facilities Fund.
- 113. The increase is due to final repayment on a Revolving Film Finance Fund loan in 2012-13.
- 114. The increase is due to final repayment on a Revolving Film Finance Fund loan in 2012-13.

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

- 115. The increase is due to machinery-of-Government changes and the deferral of grants from 2011-12 for Queensland Shared Services, reduced grants to CITEC and one-off funding for the Queensland Art Gallery Blockbuster Exhibition.
- 116. The increase is due to machinery-of-Government changes and the deferral of grants from 2011-12 for Queensland Shared Services and one-off funding for the Queensland Art Gallery Blockbuster Exhibition.
- 117. The increase is due to machinery-of-Government changes offset by a decrease in grants payable to CITEC.
- 118. The increase is mainly due to final repayment on a Revolving Film Finance Fund loan in 2012-13.
- 119. The decrease is due to no further loans being provided under the Smart State Research Facilities Fund.
- 120. The decrease relates to the Corporate Solution program of works in Queensland Shared Services.
- 121. The increase is due to final repayment on a Revolving Film Finance Fund loan in 2012-13.
- 122. The decrease relates to the Corporate Solution program of works in Queensland Shared Services.

COMMERCIALISED BUSINESS UNIT

CITEC

OVERVIEW

Strategic direction

CITEC is the primary technology service provider for the Queensland Government, delivering whole-of-Government and agency specific information and communication technology (ICT) services. CITEC's core business is to deliver consolidated data centre, network and ICT infrastructure services, including solutions integration services, for the whole-of-Government. CITEC also delivers information brokerage services through CITEC Confirm.

In the coming year CITEC will continue to develop managed services in partnership with the ICT industry to deliver cost effective products to support frontline services. These services will focus on realising low cost solutions through consolidation, standardisation and economies of scale. The immediate imperative will be to leverage Government investment in core ICT infrastructure services and capability and exploit the whole-of-Government infrastructure services platform.

Other factors impacting on CITEC include:

- an audit into ICT systems, applications and support services that will determine the nature of whole-of-Government ICT and CITEC's role in delivering those services, and
- investigations into opportunities for cloud and managed services with industry.

RESOURCES AND PERFORMANCE

CITEC's operating revenue has increased by approximately 5.5% over the past year, driven by an increased uptake of CITEC services by Queensland Government agencies. Operating expenses have been impacted by a considerable increase in depreciation associated with the Identity, Directory and Email Service (IDES) and ICT Consolidation (ICTC) programs of work resulting in a significant deficit in 2011-12. The Government decision to cancel IDES will be a primary factor in returning CITEC to profitability in 2012-13, along with reviews of ICTC and other products to identify additional opportunities to gain efficiencies, reduce waste and ensure better value for money.

CITEC continues to exit from commercial lines of business to focus on the needs of Government agencies.

CITEC Confirm, within CITEC, is a provider of market leading information solutions that streamline the business processes involved in court electronic document filing, property conveyancing, asset discovery, debt recovery, business start-up, insurance claim processing and loan processing. CITEC Confirm delivers around five million information transactions per annum, with access to more than five hundred government and commercial information products. CITEC Confirm has realised 2.5% growth from 2010-11 and continues to be profitable.

STATEMENTS

Staffing¹

CITEC	Notes	2011-12 Budget	2011-12 Est. actual	2012-13 Estimate
		720	611	611

Note:

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

Performance Statement

CITEC	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/Est.
Service standards				
Client satisfaction	1	...	61%	80%
<i>Financial measures</i>				
Current ratio	2,3	1.39:1	1.26:1	1.26:1
Earnings before interest and tax (EBIT) (\$'000)	4,5	(22,307)	(41,987)	643
Return on net assets	6,7	(23.1%)	(73.3%)	1.2%
Gearing level	8,9	78.7%	24.7%	7.3%
Other measures				
Service availability	10	≥99.8%	99.97%	≥99.9%
Whole-of-Government programs percentage complete	11	≥50%	90%	100%
Number of Information Technology graduates, trainees and cooperative students employed each year		≥12	14	12

Notes:

1. This is a new measure and is included as a primary measure of effectiveness. A baseline client satisfaction measure was established in 2011-12. The survey includes elements of timeliness, ease of access, staff knowledge and outcome/quality of service to determine client satisfaction.
2. The decrease in the 2011-12 Estimated actual from the 2011-12 Target/estimate for current ratio is a result of an improvement in trade collections compared to original budget.
3. The 2012-13 Target/estimate from the 2011-12 Estimated actual for current ratio has remained stable due to consistent cash assets as a result of business operations continuing in current form and returning to a financially viable position in 2012-13.
4. The increase in the loss in the 2011-12 Estimated actual from the 2011-12 Target/estimate for Earnings Before Interest and Tax (EBIT) is due to the novation of the debt associated with the IDES Loan Facility, as well as severance and incentive payments made under the Voluntary Separation Program (VSP) and an impairment loss as a result of the discontinuation of IDES from 30 June 2012. Both these activities will contribute to a return to a financially viable position in 2012-13.
5. The increase in the 2012-13 Target/estimate from the 2011-12 Estimated actual for Earnings Before Interest and Tax (EBIT) represents CITEC returning to a financially viable position from 2012-13.

6. The decrease in the 2011-12 Estimated actual from the 2011-12 Target/estimate for return on net assets is due to the novation of the debt associated with the IDES Loan Facility, as well as severance and incentive payments made under the Voluntary Separation Program (VSP) and an impairment loss as a result of the discontinuation of IDES from 30 June 2012. Both these activities will contribute to a return to a financially viable position in 2012-13.
7. The increase in the 2012-13 Target/estimate from the 2011-12 Estimated actual for return on net assets is due to CITEC returning to a financially viable position.
8. The decrease in the 2011-12 Estimated actual gearing level is due to the reduction in borrowings associated with IDES as a result of the novation of the debt associated with the IDES Loan Facility of \$45.3 million in March 2012.
9. The decrease in the 2012-13 Target/estimate gearing level is due to reduced borrowing requirements in respect of CITEC's internal ICT capital program and the effect of the novation of the IDES loan.
10. This measure of service availability reflects the percentage of availability of services to clients within agreed service levels.
11. This measure of whole-of-Government programs percentage completed reflects the progress of significant whole-of-Government infrastructure programs.

INCOME STATEMENT

CITEC	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Income				
User charges		178,138	181,201	177,956
Grants and other contributions		..	..	..
Other revenue	1,6,11	1,400	1,225	2,139
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		179,538	182,426	180,095
Expenses				
Employee expenses	2,7,12	70,648	73,278	60,255
Supplies and services		108,670	111,688	100,295
Grants and subsidies		..	..	..
Depreciation and amortisation		20,132	18,976	17,189
Finance/borrowing costs	3,8,13	5,297	3,066	1,042
Other expenses		1,187	1,229	920
Losses on sale/revaluation of property, plant and equipment and investments	4,9,14	13	18,442	9
Total expenses		205,947	226,679	179,710
Surplus or deficit before related income tax	5,10,15	(26,409)	(44,253)	385
Income tax expense/revenue		(7,923)	(6,250)	115
OPERATING SURPLUS/(DEFICIT) after related income tax		(18,486)	(38,003)	270

STATEMENT OF CHANGES IN EQUITY

CITEC	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		..	..	..
Surplus/(deficit) for the period		(18,486)	(38,003)	270
Total recognised income and expense for the period		(18,486)	(38,003)	270
Equity injection/(withdrawal)	17,18	4,551	4,094	8,335
Equity adjustments (MoG transfers)	16,19	..	45,591	..
Total movement in equity for period		(13,935)	11,682	8,605

BALANCE SHEET

CITEC	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets	20,30	3,479	7,747	8,707
Receivables	21,31	27,882	22,032	22,774
Other financial assets		..	..	..
Inventories		139	..	..
Other	22,32	7,473	4,573	3,866
Non-financial assets held for sale		..	..	..
Total current assets		38,973	34,352	35,347
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	23,33,41	38,265	31,345	25,714
Deferred tax assets	34,42	19,298	16,401	16,286
Intangibles	24,35,43	37,353	10,880	16,245
Other		1,615	1,670	2,551
Total non-current assets		96,531	60,296	60,796
TOTAL ASSETS		135,504	94,648	96,143
CURRENT LIABILITIES				
Payables	25,36,44	12,131	11,612	16,237
Interest-bearing liabilities and derivatives	26,37,45	11,046	9,425	6,180
Current tax liabilities		..	..	..
Accrued employee benefits		1,723	2,056	1,913
Provisions		..	..	..
Other		3,090	4,080	3,772
Total current liabilities		27,990	27,173	28,102
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities and derivatives	27,38,46	82,916	15,376	7,337
Deferred tax liabilities		68	15	15
Accrued employee benefits		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		82,984	15,391	7,352
TOTAL LIABILITIES		110,974	42,564	35,454
NET ASSETS/(LIABILITIES)		24,530	52,084	60,689
EQUITY				
Capital/contributed equity	28,39,47	45,749	90,089	98,424
Accumulated surplus/(accumulated deficit)	29,40,48	(21,219)	(38,005)	(37,735)
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		24,530	52,084	60,689

CASH FLOW STATEMENT

CITEC	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges		195,167	193,460	196,770
Grants and other contributions		..	..	..
Other		10,509	8,378	12,415
Outflows:				
Employee costs	49,55,63	(71,755)	(72,848)	(60,531)
Supplies and services	50,56,64	(118,628)	(115,276)	(108,962)
Grants and subsidies		..	..	..
Borrowing costs	51,57,65	(5,046)	(2,888)	(916)
Taxation equivalents paid		..	..	..
Other		(16,114)	(15,108)	(17,945)
Net cash provided by/(used in) operating activities		(5,867)	(4,282)	20,831
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	232
Investments redeemed	58,66	500	500	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	52,59,67	(22,658)	(15,092)	(17,154)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(22,158)	(14,592)	(16,922)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	53,60,68	32,633	16,796	..
Equity injections	61,69	4,551	5,607	8,335
Outflows:				
Dividends paid		..	..	..
Borrowing redemptions	54,62,70	(11,433)	(6,871)	(10,228)
Finance lease payments		(1,662)	(1,239)	(1,056)
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		24,089	14,293	(2,949)
Net increase/(decrease) in cash held		(3,936)	(4,581)	960
Cash at the beginning of financial year		7,415	12,328	7,747
Cash transfers from restructure		..	..	..
Cash at the end of financial year		3,479	7,747	8,707

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

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

1. The decrease is due to reduced interest revenue reflective of the lower than anticipated cash balance.
2. The increase is due to severance and incentive payments made under the Voluntary Separation Program (VSP) which were not included in the original budget.
3. The decrease is due to the novation of the debt associated with the IDES Loan Facility from CITEC to the Consolidated Fund in March 2012 and the subsequent reduction in interest expense.
4. The increase is due to the write down of the disposal of the IDES capital infrastructure as a result of the discontinuation of the IDES service offering as at 30 June 2012.
5. Due to the discontinuation of the IDES service offering and disposal of IDES capital infrastructure, CITEC anticipates it will return to a financially viable position in 2012-13.

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

6. The increase is due to supplier rebate payments as a result of whole-of-Government ICT Procurement activity.
7. The decrease is due to the reduction in resourcing to support service delivery for whole-of-Government ICT services.
8. The decrease is due to the novation of the debt associated with the IDES Loan Facility from CITEC to the Consolidated Fund in March 2012 and the subsequent reduction in interest expense.
9. The decrease is due to the write-off of assets associated with the IDES service in 2011-12.
10. Due to the discontinuation of the IDES service offering and disposal of IDES capital infrastructure, CITEC anticipates it will return to a financially viable position in 2012-13.

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

11. The increase is due to supplier rebate payments as a result of increased whole-of-Government ICT procurement activity.
12. The decrease is due to the reduction in resourcing to support additional volumes of service delivery for whole-of-Government ICT services.
13. The decrease is due to the novation of the debt associated with the IDES Loan Facility and reduced borrowing requirements in respect to CITEC's internal ICT capital program.
14. The decrease is due to the write-off of assets associated with the IDES service in 2011-12.
15. Due to the discontinuation of the IDES service offering and disposal of IDES capital infrastructure, CITEC anticipates it will return to a financially viable position in 2012-13.

Statement of changes in equity

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

16. The increase is due to the novation of the debt associated with the IDES Loan Facility from CITEC to the Consolidated Fund in March 2012 funded by an equity injection.

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

17. The decrease is a result of the timing differences in the delivery of the ICTC Program. The associated equity injections to fund the repayment of these borrowings have been deferred to 2012-13.

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

18. The increase is a result of the timing differences in the delivery of the ICTC Program. The associated equity injections to fund the repayment of these borrowings have been deferred to 2012-13.
19. The decrease is due to the novation of the debt associated with the IDES Loan Facility from CITEC to the Consolidated Fund in March 2012 funded by an equity injection.

Balance sheet

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

20. The increase in cash assets is due to lower than anticipated expenditure related to timing delays of the ICTC and IDES programs.

21. The decrease is due to an improvement in trade collections during 2011-12 compared to original budget.
22. The decrease is a result of reduced prepaid services recognised as a result of the discontinuation of the IDES service offering.
23. The decrease reflects the reduced capital investment program in preparation for the closure of the IDES and ICTC Programs during 2012-13.
24. The decrease is due to the discontinuation of the IDES service offering as at 30 June 2012 and the disposal of the IDES capital infrastructure.
25. The decrease is due to reduced service delivery expenditure due to the discontinuation of the IDES service offering.
26. The decrease is due to reduced borrowing requirements in respect to CITEC's internal ICT capital program.
27. The decrease is due to the novation of the debt associated with the IDES Loan Facility from CITEC to the Consolidated Fund in March 2012 and reduced borrowing requirements in respect to CITEC's internal ICT capital program.
28. The increase is due to the novation of the debt associated with the IDES Loan Facility from CITEC to the Consolidated Fund in March 2012 funded by an equity injection.
29. Higher than anticipated losses due to the discontinuation of the IDES service offering and disposal of IDES capital infrastructure.

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

30. The increase is mainly due to the cash impact of decreased employee costs and the anticipated return to financial viability following the discontinuation of the IDES service offering.
31. The decrease is mainly due to an anticipated improvement in trade collections based upon the current level of receivables reflected in the 2011-12 Estimated actual.
32. The decrease is due to reduced prepaid services recognised as a result of the discontinuation of the IDES service offering.
33. The decrease reflects the reduced capital investment program following the closure of the IDES and ICTC Programs.
34. The decrease is due to reduced carried forward tax losses as a result of CITEC returning to a financially viable position in 2012-13.
35. The decrease is due to the discontinuation of the IDES service offering as at 30 June 2012 and the disposal of the IDES capital infrastructure.
36. The increase is due to timing differences in supplier payments based upon estimated payment terms compared with 2011-12 which were considerably lower than current estimates.
37. The decrease is due to reduced borrowing requirements which reflect the reduced internal ICT capital program to be undertaken by CITEC in 2012-13.
38. The decrease is due to the novation of the debt associated with the IDES Loan Facility from CITEC to the Consolidated Fund in March 2012 and reduced borrowing requirements in respect to CITEC's internal ICT capital program.
39. The increase is mainly due to the novation of the debt associated with the IDES Loan Facility from CITEC to the Consolidated Fund in March 2012 funded by an equity injection and increased borrowing repayments during 2012-13 as a result of the timing differences in the delivery of the ICTC Program.
40. Due to the discontinuation of the IDES service offering and disposal of IDES capital infrastructure, CITEC anticipates it will return to a financially viable position in 2012-13.

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

41. The decrease reflects the reduced capital investment program following the closure of the IDES and ICTC Programs during 2012-13.
42. The decrease is due to reduced carried forward tax losses as a result of CITEC returning to a financially viable position in 2012-13.
43. The increase is due to timing differences in the delivery of the ICTC Program and related capital acquisitions delayed until 2012-13.
44. The increase is due to timing differences in supplier payments based upon estimated payment terms compared with 2011-12 which were considerably lower than current estimates.

45. The decrease is due to reduced borrowing requirements in respect to CITEC's internal ICT capital program during 2012-13.
46. The decrease is due to reduced borrowing requirements which reflect the reduced internal ICT capital program to be undertaken by CITEC in 2012-13.
47. The increase is due to increased borrowing repayments during 2012-13 as a result of deferred capital procurement from 2011-12 related to the delivery of the ICTC Program.
48. Due to the discontinuation of the IDES service offering and disposal of IDES capital infrastructure, CITEC anticipates a return to a financially viable position in 2012-13.

Cash flow statement

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

49. The increase is due to severance and incentive payments made under the Voluntary Separation Program (VSP) which were not included in the original budget.
50. The decrease reflects the discontinuation of the IDES service offering in 2011-12.
51. The decrease is due to the novation of the debt associated with the IDES Loan Facility from CITEC to the Consolidated Fund in March 2012 and the subsequent reduction in interest expense.
52. The decrease is due to the reduced asset acquisitions following the closure of the IDES and ICTC programs during 2012-13.
53. The decrease is due to the reduction in borrowings associated with IDES due to the novation of the debt associated with the IDES Loan Facility from CITEC to the Consolidated Fund in March 2012.
54. The decrease is due to the reduction in borrowing repayments associated with IDES due to the novation of the debt associated with the IDES Loan Facility from CITEC to the Consolidated Fund in March 2012 and the prepayment of borrowing repayments in 2010-2011 which were due during 2011-2012 in respect to CITEC's internal ICT capital program to minimise interest expense.

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

55. The decrease is due to the deferral of additional resource requirements to support increased volumes of service delivery for whole-of-Government ICT services in 2012-13.
56. The decrease is due to the reduction in service delivery expenditure as a result of the discontinuation of the IDES service offering in 2011-12.
57. The decrease is due to the novation of the debt associated with the IDES Loan Facility from CITEC to the Consolidated Fund in March 2012 and the subsequent reduction in interest expense.
58. The decrease reflects the redemption of the shareholding held in CITEC's subsidiary, CSI Holdings Pty Ltd upon wind up of the company consistent with the Government's direction from the review of Queensland Government Boards, Committees and Statutory Authorities.
59. The decrease reflects the reduced capital investment program following closure of the IDES and ICTC programs during 2012-13.
60. The decrease is due to the reduction in borrowings associated with IDES due to the novation of the debt associated with the IDES Loan Facility from CITEC to the Consolidated Fund in March 2012.
61. The increase is a result of the deferred capital procurement from 2011-12 related to the delivery of the ICTC Program. The associated equity injections to fund the repayment of these borrowings have been deferred to 2012-2013.
62. The decrease is due to the reduction in borrowing repayments associated with IDES due to the novation of the debt associated with the IDES Loan Facility from CITEC to the Consolidated Fund in March 2012.

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

63. The decrease is due to the deferral of additional resource requirements to support additional volumes of service delivery for whole-of-Government ICT services and incentive payments recognised in 2011-12.
64. The decrease is due to the reduction in service delivery expenditure as a result of the discontinuation of the IDES service offering.
65. The decrease is due to the novation of the debt associated with the IDES Loan Facility and reduced borrowing requirements which reflect the reduced internal ICT capital program to be undertaken by CITEC in 2012-13.
66. The decrease reflects the redemption of the shareholding held in CITEC's subsidiary, CSI Holdings Pty Ltd upon wind up of the company.
67. The increase is due to timing differences in the delivery of the ICTC Program and related capital acquisitions delayed until 2012-13.

68. The decrease is due to the reduction in borrowing requirements which reflect the reduced internal ICT capital program to be undertaken by CITEC in 2012-13.
69. The increase is a result of the timing differences in the delivery of the ICTC Program. The associated equity injections to fund the repayment of these borrowings have been deferred to 2012-2013.
70. The increase is due to the prepayment of borrowings repayments in 2010-2011 (which were due during 2011-2012) in respect to CITEC's internal ICT capital program to minimise interest expense.

SHARED SERVICE PROVIDERS

QUEENSLAND SHARED SERVICES

OVERVIEW

Strategic direction

QSS was established as a rest-of-Government shared service provider on 1 July 2011. QSS facilitates a range of corporate services including finance, procurement, human resource (HR) management, facilities management, and mail support services to the majority of Queensland Government agencies (excluding Queensland Health (QH) and the Department of Education, Training and Employment (DETE)) and five statutory authorities. QSS also supports the DETE finance system solution and Training HR system solution, the QH finance system solution and QH HR rostering and payroll technology solution. Currently, QSS delivers payroll to around 160 000 public servants each fortnight.

QSS' key objectives are as follows:

- QSS will operate a business model that provides value for money services to its clients that are quantifiable and measurable
- QSS will consolidate, standardise and improve its business processes and systems to meet whole-of-Government shared services objectives.

Key factors impacting on QSS include:

- managing risks associated with legacy systems no longer covered by mainstream vendor support
- the need to consistently maintain and upgrade a range of different systems and software versions to manage the human resource, payroll and financial management systems.

RESOURCES AND PERFORMANCE

Recent achievements for QSS are:

- implementation of the Paid Parental Leave Scheme, a priority Australian Government legislative initiative, which required changes to all payroll systems across the sector
- implementation of the Commonwealth Bank of Australia's new format for payment files, requiring changes to all payroll and finance systems
- implementation of the Department of Housing and Public Works SAP ECC5 Finance system
- completion of the rationalisation of the Department of Transport and Main Roads HR and finance systems into a single HR and finance solution.

In 2012-13 QSS will:

- explore opportunities to develop new innovative service delivery models that improve efficiency and reduce costs both from a government and departmental perspective.

STATEMENTS

Staffing¹

Queensland Shared Services	Notes	2011-12 Budget	2011-12 Est. actual	2012-13 Estimate
		1,641	1,594	1,594

Note:

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

Performance Statement

Queensland Shared Services	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Service standards				
Client satisfaction	1	...	63.5%	≥65%
Labour as a percentage of total costs	2	New Measure	55%	52%
Overheads as a percentage of total costs	3	New Measure	8%	≤10%
Successful completion of priority projects as a percentage:				
- on time		100%	100%	100%
- on budget		100%	100%	100%
Other measures				
Delivery of services within agreed standards		≥95%	99.19%	≥95%
Percentage of priority one incidences resolved within agreed timeframes		≥90%	90.91%	≥90%
Percentage of system availability of Finance and Human Resource System		≥98%	99.95%	≥98%

Notes:

1. A client satisfaction survey was conducted in March 2012. The survey's results established a baseline for overall client satisfaction. Surveys will be performed on an annual basis. A target of 65% has been set for 2012-13.
2. This measure replaces the measure Net cost reduction achieved (financial, HR and mail services) as this previous measure is no longer measurable given the service model change in June 2011 following the formation of QSS from the merger of CorpTech and Shared Service Agency.
3. This measure replaces the measure Net cost reduction achieved (financial, HR and mail services) as this previous measure is no longer measurable given the service model change in June 2011 following the formation of QSS from the merger of CorpTech and Shared Service Agency.

Discontinued Measures

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

	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Queensland Shared Services				
Service standard				
Net cost reduction achieved (financial, HR and mail services)	1	≥3.5%	..	Discontinued measure

Note:

1. Net cost reduction achieved (financial, HR and mail services) is a quantitative measure comparing the overall costs from the previous financial year excluding those associated with CorpTech. This service standard and the methodology supporting it is not measurable and will be replaced by two new measures being labour as a percentage of total costs and overheads as a percentage of total costs.

INCOME STATEMENT

Queensland Shared Services	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Income				
User charges		248,990	258,397	261,155
Grants and other contributions	1,8,13	11,192	5,213	17,472
Other revenue	2,14	554	7,574	554
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		260,736	271,184	279,181
Expenses				
Employee expenses	3,9	142,972	148,537	145,230
Supplies and services	4,10,15	100,833	107,415	117,888
Grants and subsidies		..	..	..
Depreciation and amortisation	11,16	12,230	11,589	10,374
Finance/borrowing costs		..	..	..
Other expenses	5,12,17	4,701	1,928	5,689
Losses on sale/revaluation of property, plant and equipment and investments	6,18	..	(40)	..
Total expenses		260,736	269,429	279,181
OPERATING SURPLUS/(DEFICIT)	7	..	1,755	..

STATEMENT OF CHANGES IN EQUITY

Queensland Shared Services	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		..	..	..
Surplus/(deficit) for the period		..	1,755	..
Total recognised income and expense for the period		..	1,755	..
Equity injection/(withdrawal)	19,20	(14,875)	(14,875)	(9,347)
Equity adjustments (MoG transfers)		..	(2,981)	..
Total movement in equity for period		(14,875)	(16,101)	(9,347)

BALANCE SHEET

Queensland Shared Services	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets	21	35,525	41,317	38,214
Receivables	22,24	33,915	28,624	28,536
Other financial assets		..	..	..
Inventories		..	..	..
Other		2,315	2,307	2,431
Non-financial assets held for sale		..	..	..
Total current assets		71,755	72,248	69,181
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	25,28	5,379	4,907	4,059
Intangibles	26	98,592	95,459	89,214
Other		..	..	..
Total non-current assets		103,971	100,366	93,273
TOTAL ASSETS		175,726	172,614	162,454
CURRENT LIABILITIES				
Payables		18,946	20,442	19,649
Accrued employee benefits		3,963	3,715	3,695
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	23,27	4,381	..	..
Total current liabilities		27,290	24,157	23,344
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		27,290	24,157	23,344
NET ASSETS/(LIABILITIES)		148,436	148,457	139,110
Capital/contributed equity		177,674	174,692	165,345
Accumulated surplus/(accumulated deficit)		(29,238)	(26,235)	(26,235)
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		148,436	148,457	139,110

CASH FLOW STATEMENT

Queensland Shared Services	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges		281,566	276,059	287,359
Grants and other contributions	29,35,41	11,192	4,464	17,472
Other	36,42	16,301	15,993	12,405
Outflows:				
Employee costs	30,37	(142,972)	(147,767)	(145,250)
Supplies and services	31,38,43	(115,858)	(107,626)	(130,656)
Grants and subsidies		..	(50)	..
Borrowing costs		..	..	..
Other	31,39,44	(37,788)	(23,772)	(31,805)
Net cash provided by/ (used in) operating activities		12,441	17,301	9,525
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment	33,45	..	(119)	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	1	..
Outflows:				
Payments for property, plant and equipment and intangibles	34,46	(2,321)	(1,563)	(3,281)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(2,321)	(1,681)	(3,281)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	40,47	(14,875)	(14,875)	(9,347)
Net cash provided by/(used in) financing activities		(14,875)	(14,875)	(9,347)
Net increase/(decrease) in cash held		(4,755)	745	(3,103)
Cash at the beginning of financial year		40,280	40,572	41,317
Cash transfers from restructure		..	..	..
Cash at the end of financial year		35,525	41,317	38,214

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

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

1. The decrease is due to the deferral of grants relating to business improvement and capability projects from 2011-12 to 2012-13 and a reduction to the subsidy of annual charges in 2011-12.
2. The increase is mainly due to funding provided for severance and incentive payments made under the Voluntary Separation Program (VSP).
3. The increase is mainly due to severance and incentive payments made under the VSP.
4. The increase is due to additional costs for accommodation, ICT network, contractors, processing charges, software licences and maintenance costs.
5. The decrease is due to a reclassification of software licence expenses to supplies and services.
6. The decrease is due to a reduction in the provision for doubtful debts.
7. The increase is mainly due to savings as a result of the Employment Management Program (EMP) and business improvements as well as an overall increase in service demand from clients.

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

8. The increase is due to funding for the Corporate Solutions program of work and business improvement and capability projects.
9. The increase is mainly due to enterprise bargaining costs.
10. The increase is due to additional costs for accommodation, ICT network, contractors, processing charges, software licences and maintenance costs.
11. The decrease is due to changes in useful life assumptions for assets, asset disposals and reduced asset replacement.
12. The increase is due to a proposed efficiency levy to be remitted to the department offset by a reduction in software licence expenses that have been reclassified to supplies and services.

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

13. The increase is due to funding for the Corporate Solutions program of work and business improvement and capability projects and an increase in the subsidy of annual charges in comparison to 2011-12.
14. The decrease is due to the reduction in funding provided for severance and incentive payments made under the VSP.
15. The increase is due to additional costs for accommodation, ICT network, contractors, processing charges, software licence and maintenance costs.
16. The decrease is due to changes in useful life assumptions for assets, asset disposals and reduced asset replacement.
17. The increase is mainly due to an efficiency levy to be remitted to the department.
18. The decrease is due to a reduction in the provision for doubtful debts.

Statement of changes in equity

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

19. The decrease is due to the equity to operating funding swap for the Corporate Solutions program of work.

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

20. The decrease is due to the equity to operating funding swap for the Corporate Solutions program of work.

Balance sheet

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

21. The increase is mainly due to a reduction in accounts payable and unearned revenue.
22. The decrease is due to improved timing of debtor payments.
23. The decrease is due to a reduction in unearned revenue.

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

24. The decrease is due to improved timing of debtor payments.
25. The decrease is mainly due to depreciation on assets, asset disposals and limited asset replacement.
26. The decrease is due to changes in useful life, asset disposals and limited asset replacement.
27. The decrease is due to a reduction in unearned revenue.

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

28. The decrease is mainly due to depreciation on assets, asset disposals and reduced asset replacement.

Cash flow statement

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

29. The decrease is due to the deferral of grants relating to business improvement and capability projects and a reduction to the subsidy of annual charges in 2011-12.
30. The increase is mainly due to severance and incentive payments made under the Voluntary Separation Program (VSP).
31. The decrease is mainly due to the timing of vendor payments.
32. The decrease is due to a reclassification of some Goods and Services Tax (GST) related transactions.
33. The decrease is due to the disposal and write off of plant and equipment and computer software.
34. The decrease is due to a lower than anticipated capitalisation of system costs.

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

35. The increase is due to funding for the Corporate Solutions program of work and business improvement and capability projects.
36. The decrease is due to the reduction in funding provided for severance and incentive payments made under the VSP.
37. The increase is mainly due to enterprise bargaining costs.
38. The increase is due to additional costs for accommodation, ICT network, contractors, processing charges, software licences and maintenance costs.
39. The decrease is due to a reclassification of some GST related transactions.
40. The decrease is due to the equity to operating funding swap for the Corporate Solutions program of work.

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

41. The increase is due to funding for the Corporate Solutions program of work and business improvement and capability projects and an increase in the subsidy of annual charges for 2012-13.
42. The decrease is due to the reduction in funding provided for severance and incentive payments made under the VSP.
43. The increase is due to additional costs for accommodation, ICT network, contractors, processing charges, software licences and maintenance costs.
44. The increase is mainly attributable to an efficiency levy to be remitted to the department.
45. The decrease is due to the disposal and write off of plant and equipment and computer software.
46. The increase is mainly due to the Corporate Solutions program of work.
47. The decrease is due to the equity to operating funding swap for the Corporate Solutions program of work.

CORPORATE ADMINISTRATION AGENCY

OVERVIEW

Strategic direction

The CAA provides corporate services, under Service Level Agreements (SLA), to 25 Queensland public sector entities which are principally small to medium statutory bodies. Services provided by the CAA include human resource (HR) management and HR consulting, payroll and recruitment, financial transaction services and information management including information technology (IT), business systems and document and records management.

The CAA operates in a dynamic environment as clients can choose to purchase separate components on an annual retainer or project basis depending on their specific business needs. The business environment requires that the CAA is actively planning to maintain cost effectiveness and innovation for its clients, thereby supporting the reduction of duplication and waste.

Key strategic directions include continued business innovation and improvement through effective client engagement and strategic business alliances and partnerships, which are supported by strong governance of business operations, products and services and development of high performing teams. The purchaser-provider relationship is assisted and developed beyond the SLA through regular meetings of Heads of Corporate Services and quarterly performance reports, user group forums and annual satisfaction survey of clients.

RESOURCES AND PERFORMANCE

In 2011-12 CAA has:

- reviewed business processes to support continued service improvement:
 - implemented virtual desktop technology for client remote sites, and
 - improved financial reconciliation processes by adding HR Ledgers to the system
- increased provision of 'hot desking' for IT services clients in their place of business
- developed an extranet, which is in final user testing mode, to make data and service information more accessible for clients
- applied a version upgrade to the financial business system
- developed and implemented an online Code of Conduct training program.

In 2012-13 CAA will:

- deploy the extranet to provide cost-effective and timely information channels to clients.
- focus on continued business improvement and innovation through a client engagement strategy.

STATEMENTS

Staffing¹

Corporate Administration Agency	Notes	2011-12 Budget	2011-12 Est. actual	2012-13 Estimate
		70	62	62

Note:

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

Performance Statement

Corporate Administration Agency	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Service standards				
Operating surplus/(deficit) (\$)	1	..	..	..
Labour costs as a percentage of total expenses	2	69%	69%	74%

Notes:

1. The Corporate Administration Agency's objective is achieving a balanced end of year position.
2. The 2012-13 Estimate is higher than Estimated Actual due to a decrease in non-labour expenses.

INCOME STATEMENT

Corporate Administration Agency	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Income				
User charges	1,3	10,744	9,743	9,874
Grants and other contributions		183	183	183
Other revenue		11	11	11
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		10,938	9,937	10,068
Expenses				
Employee expenses	2	7,591	6,862	7,445
Supplies and services	4,7	2,745	2,517	2,147
Grants and subsidies		..	..	..
Depreciation and amortisation	5,8	432	388	267
Finance/borrowing costs		..	..	..
Other expenses	6,9	170	170	209
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		10,938	9,937	10,068
OPERATING SURPLUS/(DEFICIT)		..	..	..

STATEMENT OF CHANGES IN EQUITY

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

BALANCE SHEET

Corporate Administration Agency	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets		2,737	2,674	2,591
Receivables	10,12	662	1,002	1,002
Other financial assets		..	..	..
Inventories		..	..	..
Other		481	489	489
Non-financial assets held for sale		..	..	..
Total current assets		3,880	4,165	4,082
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	13,15	539	571	738
Intangibles	14,16	330	331	247
Other		..	..	..
Total non-current assets		869	902	985
TOTAL ASSETS		4,749	5,067	5,067
CURRENT LIABILITIES				
Payables	11	283	428	428
Accrued employee benefits		192	202	202
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		475	630	630
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		475	630	630
NET ASSETS/(LIABILITIES)		4,274	4,437	4,437
EQUITY				
Capital/contributed equity		786	786	786
Accumulated surplus/(accumulated deficit)		3,488	3,651	3,651
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		4,274	4,437	4,437

CASH FLOW STATEMENT

Corporate Administration Agency	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	17,19	10,744	9,037	9,874
Grants and other contributions		183	183	183
Other		11	11	11
Outflows:				
Employee costs	18	(7,591)	(6,862)	(7,445)
Supplies and services	20,23	(2,745)	(2,517)	(2,147)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other	21,24	(170)	(170)	(209)
Net cash provided by/ (used in) operating activities		432	(318)	267
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	(200)
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	22,25	(100)	(100)	(150)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(100)	(100)	(350)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		..	..	..
Net increase/(decrease) in cash held		332	(418)	(83)
Cash at the beginning of financial year		2,405	3,092	2,674
Cash transfers from restructure		..	..	..
Cash at the end of financial year		2,737	2,674	2,591

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

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

1. The decrease reflects the cessation of services to two medium sized clients during 2011-12.
2. The decrease is mainly due to the cessation of positions and not filling other positions in the latter months of the financial year.

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

3. The decrease reflects the cessation of services to two medium sized clients during 2011-12.
4. The decrease mainly relates to the cessation of IT charges associated with providing services to a former client.
5. The decrease reflects the rationalisation in the Storage Area Network assets and operating licences.
6. The increase is principally related to the estimate for external audit fees.

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

7. The decrease principally reflects estimated operational savings on IT expenses, contractors and vehicle costs.
8. The decrease reflects the further rationalisation in the Storage Area Network assets.
9. The increase is principally related to the estimate for external audit fees.

Balance sheet

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

10. The increase is related to the timing of the cash payment of outstanding invoices at balance date.
11. The increase is related to the timing of the recognition of accrued payables at balance date.

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

12. The increase is related to the timing of the cash payment of outstanding invoices at balance date.
13. The increase reflects the forecast replacement of part of the IT infrastructure.
14. The decrease reflects the write off of certain operating licences through the income statement.

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

15. The increase reflects the forecast replacement of part of IT infrastructure.
16. The decrease reflects the write off of certain operating licenses through the income statement.

Cash flow statement

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

17. The decrease reflects the cessation of provision of services to two medium sized clients during 2011-12 and an estimated increase in receivables at balance date.
18. The decrease is mainly due to the cessation of positions and not filling other positions in the latter months of the financial year.

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

19. The decrease reflects the cessation of provision of services to two medium sized clients during 2011-12.
20. The decrease mainly relates to the cessation of IT charges associated with providing services for a former client.
21. The increase is principally related to the estimate for external audit fees.
22. The increase reflects an estimate for the forecast replacement of part of the IT infrastructure.

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

23. The decrease principally reflects estimated operational savings on IT expenses, contractors and vehicle costs.
24. The increase is principally related to the estimate for external audit fees.
25. The increase reflects an estimate for the forecast replacement of part of the IT infrastructure.

STATUTORY BODIES

LIBRARY BOARD OF QUEENSLAND

AGENCY OVERVIEW

Strategic direction

The State Library of Queensland is a vibrant and innovative 21st century library, supporting a Statewide network of 340 public libraries and Indigenous Knowledge Centres. The State Library collaborates with a diverse range of sectors, institutions and corporate partners, and builds the capacity of regional public libraries. Queenslanders have demonstrated strong interest and support for their public libraries, with 45 percent holding public library membership and over 20.7 million visits to Queensland public libraries in 2010-11. The State Library contributes to the Government's objective to 'revitalise frontline services for families' through its focus on improving access to library services and resources and extending the reach of its learning and creative programs for all Queenslanders.

The State's population is growing, with Queensland's cultural heritage and communities becoming increasingly diverse. The State Library has an established century-long role as a trusted collector and preserver of memory. It continues to develop new ways to share this knowledge bank and maintain these vital community resources. As a physical and virtual place/space for sharing, learning, collaborating and creating, State Library meets its legislative priorities of contributing to the cultural, social and intellectual development of all Queenslanders.

RESOURCES AND PERFORMANCE

During 2011-12, the State Library of Queensland:

- presented major initiatives including Floodlines, featuring exhibitions, collection development and showcasing community content around the 2011 Queensland flood event and Strait Home, an exhibition of significant unique archival material as part of The Torres Strait Islands: a celebration delivered in collaboration with cultural precinct partners
- undertook major regional programs, investing \$21.4 million in public library collections and services, developing a State-wide online library management system connecting remote communities with real time catalogue access to ebooks, online subscriptions and self-service and establishing new Indigenous Knowledge Centres in Umagico and Bamaga bringing library services and programs to these remote communities for the first time
- initiated skills development and strategic collaborations, including Design Online, a learning resource for design teaching and digital literacy training for library staff State-wide and enabled the Asia-Pacific Design Library and The Edge to showcase emerging arts-design-science-technology-enterprise skills programs and industry innovations.

In 2012-13 the State Library of Queensland will:

- extend learning programs to increase the focus on contemporary Queensland Memory collecting with an emphasis on born-digital content and social media tools and support learning/skills outcomes for families by enhancing early and adult literacy programs and resources

- support regional development by extending the reach of public library collections and electronic resources through local libraries, Indigenous Knowledge Centres, regional touring public programs, online databases and digital collection access via Rural Libraries Queensland
- engage in skills development and strategic collaborations to assess the impacts of digital library developments including how families can access digital literacy and resources and training for Aboriginal and Torres Strait Islander editors.

STATEMENTS

Staffing¹

Library Board of Queensland	Notes	2011-12 Budget	2011-12 Est. actual	2012-13 Estimate
	1	265	267	267
Volunteers	2	140	108	140

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Number of Volunteers regularly assisting, variance between 2011-12 Target and Estimated actual is due to a reduction in large scale public programs requiring volunteer support.

Performance Statement

Library Board of Queensland	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/Est.
Service standards				
Client satisfaction with services and programs		95%	99%	95%
Other measures	1			
Growth of the State collection		42,000	43,045	40,000
Visits to the State Library – Onsite		1,350,000	1,441,827	1,350,000
Visits to the State Library - Online		2,040,000	2,026,400	2,500,000
Usage of the State collection and subscription databases	2	1,652,200	3,368,895	2,800,000
Usage of the Queensland public libraries lending collection	3	215,000	176,936	170,000
Participants in public programs		330,000	389,259	330,000
Total borrowing from public libraries		40,500,000	40,511,975	40,500,000
Percentage of grants to regional Queensland		61%	61%	61%
Percentage of Indigenous communities with a library service	4	72%	66%	71%

Notes:

1. 2012-13 Target estimates are indicative and to be revised according to the Library Board of Queensland's 2012-13 State Budget status (September 2012).
2. Over achievement of 2011-12 Target is due to library system improvements and popularity of some new databases.

3. Reduction in 2011-12 Estimate and 2012-13 Target is due to decentralisation of collection distribution with implementation of the Rural Libraries Queensland service.
4. The 2011-12 Actual represents 23 communities, no net increase from 2010-11. Indigenous Knowledge Centres (IKCs) opened on Bamaga Island and at Umagico in 2011-12. However the Cherbourg IKC and the Country Lending Service library at Yarrabah were inactive due to infrastructure issues and are not included in the result. The 2012-13 Target is based on IKCs opening at Yarrabah and Warraber Island.

INCOME STATEMENT

Library Board of Queensland	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Income				
User charges	1,3	1,701	2,030	2,164
Grants and other contributions	4	55,044	55,418	56,086
Other revenue		1,031	1,160	1,001
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		57,776	58,608	59,251
Expenses				
Employee expenses	5, 8	24,795	24,805	26,453
Supplies and services	6, 9	14,242	13,995	12,907
Grants and subsidies	7	17,832	17,903	18,488
Depreciation and amortisation		717	741	741
Finance/borrowing costs		..	..	..
Other expenses	2, 10	160	865	195
Losses on sale/revaluation of property, plant and equipment and investments		30	37	37
Total expenses		57,776	58,346	58,821
OPERATING SURPLUS/(DEFICIT)	11	..	262	430

STATEMENT OF CHANGES IN EQUITY

Library Board of Queensland	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	12, 13	2,379	361	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		2,379	361	..
Surplus/(deficit) for the period		..	262	430
Total recognised income and expense for the period		2,379	623	430
Equity injection/(withdrawal)		..	..	..
Equity adjustments (MoG transfers)		..	..	..
Total movement in equity for period		2,379	623	430

BALANCE SHEET

Library Board of Queensland	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets	14, 20	9,955	11,851	11,355
Receivables		1,156	1,298	1,298
Other financial assets		..	..	..
Inventories		141	197	197
Other	15, 21	506	832	832
Non-financial assets held for sale		..	..	..
Total current assets		11,758	14,178	13,682
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	16, 22, 26	94,142	90,773	91,858
Intangibles		362	334	175
Other		..	..	..
Total non-current assets		94,504	91,107	92,033
TOTAL ASSETS		106,262	105,285	105,715
CURRENT LIABILITIES				
Payables	17, 23	1,154	1,783	1,783
Accrued employee benefits		1,602	1,521	1,521
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		49	41	41
Total current liabilities		2,805	3,345	3,345
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		336	336	336
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		336	336	336
TOTAL LIABILITIES		3,141	3,681	3,681
NET ASSETS/(LIABILITIES)		103,121	101,604	102,034
EQUITY				
Capital/contributed equity		1,465	1,465	1,465
Accumulated surplus/(accumulated deficit)	18, 24	54,575	56,293	56,723
Reserves:				
- Asset revaluation surplus	19, 25	47,081	43,846	43,846
- Other (specify)		..	..	..
TOTAL EQUITY		103,121	101,604	102,034

CASH FLOW STATEMENT

Library Board of Queensland	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	27, 32	2,124	2,453	2,587
Grants and other contributions		55,044	55,110	55,936
Other		1,347	1,537	1,336
Outflows:				
Employee costs	29, 33	(24,795)	(25,079)	(26,453)
Supplies and services	30, 34	(14,242)	(13,688)	(12,757)
Grants and subsidies	31, 35	(17,832)	(17,903)	(18,488)
Borrowing costs		..	..	..
Other	28, 36	(899)	(1,634)	(953)
Net cash provided by/(used in) operating activities		747	796	1,208
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		(30)	(37)	(37)
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles		(1,718)	(1,564)	(1,667)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(1,748)	(1,601)	(1,704)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		..	..	..
Net increase/(decrease) in cash held		(1,001)	(805)	(496)
Cash at the beginning of financial year		10,956	12,656	11,851
Cash transfers from restructure		..	..	..
Cash at the end of financial year		9,955	11,851	11,355

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

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

1. An increase in user charges is principally due to increased cost recovery services from activities including venue hire and the Library Shop and Cafe lease income following the flood in 2011.
2. An increase in other expenses is caused by the repayment of unapproved National Disaster Recovery and Relief Arrangements funding from the January 2011 flood.

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

3. An increase in user charges is principally due to increased cost recovery services from activities including venue hire and the Library Shop and Cafe lease income following the flood in 2011.
4. An increase in grants and other contributions is due to funding for enterprise bargaining arrangements, population growth funding for public library grants and Commonwealth funded grants to support Indigenous projects.
5. An increase to employee expenses is principally due to enterprise bargaining arrangements and additional project staff to work on externally funded projects during the financial year.
6. A decrease to supplies and services is due to reduced use of contractors and professional services.
7. An increase to grants and subsidies is due to population growth funding for public library grants.

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

8. An increase to employee expenses is principally due to enterprise bargaining arrangements and additional project staff to work on externally funded projects during the financial year.
9. A decrease to supplies and services is due to reduced use of contractors and professional services.
10. A decrease in other expenses is caused by the one-off repayment of unapproved National Disaster Recovery and Relief Arrangements funding from the January 2011 flood in 2011-12.
11. An increase in the Queensland Library Foundation operating surplus is anticipated for 2012-13, principally due to increased donations and bequests.

Statement of changes in equity

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

12. A decrease in the asset revaluation reserve adjustment is due to the collections valuation being lower in 2011-12 than anticipated.

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

13. A decrease in the asset revaluation reserve adjustment is due to the collections valuation being lower in 2011-12 than anticipated and is not expected to increase in 2012-13.

Balance sheet

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

14. An increase in cash assets reflects a higher than anticipated 2010-11 cash surplus resulting from delays to projects and capital spending.
15. An increase in other current assets is due to higher year-end collection subscription prepayments than planned.
16. A decrease in property, plant and equipment is principally due to the lower than anticipated asset revaluation of the reference collection.
17. An increase in payables is due to increased year-end accrued expenses.
18. An increase in the accumulated surplus is due to a higher than expected surplus in 2010-11 resulting from delays to projects and capital spending.
19. A decrease in the asset revaluation reserve is due to the lower than expected estimate of the collection in 2010-11 and 2011-12.

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

20. An increase in cash assets reflects a higher than anticipated 2010-11 cash surplus resulting from delays to projects and capital spending.

21. An increase in other current assets is due to higher year-end collection subscription prepayments than budgeted in 2011-12.
22. A decrease in property, plant and equipment is principally due to the lower than anticipated asset revaluation of the reference collection.
23. An increase in payables is due to increased year-end accrued expenses.
24. An increase in the accumulated surplus is due to a higher than expected surplus in 2010-11 resulting from delays to projects and capital spending.
25. A decrease in the asset revaluation reserve is due to the lower than expected estimate of the collection valuation in 2010-11 and 2011-12 and not expected to increase in 2012-13.

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

26. An increase property, plant and equipment is principally due to collection and replacement plant and equipment purchases in 2012-13.

Cash flow statement

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

27. An increase in user charges is principally for cost recovery services from activities including venue hire and the Library Shop and Cafe lease income following the flood in 2011.
28. An increase in other expenses is caused by the repayment of unapproved National Disaster Recovery and Relief Arrangements funding from the January 2011 flood.

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

29. An increase to employee expenses is principally due to new enterprise bargaining arrangements and additional project staff to work on externally funded projects during the financial year.
30. A decrease to supplies and services is due to reduced use of contractors and professional services.
31. An increase to grants and subsidies is due to population growth funding for public library grants.

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

32. An increase in user charges is principally due to increased cost recovery services provided to clients.
33. An increase to employee expenses is principally due to enterprise bargaining arrangements and additional project staff to work on externally funded projects during the financial year.
34. A decrease to supplies and services is due to reduced use of contractors and professional services.
35. An increase to grants and subsidies is due to population growth funding for public library grants.
36. A decrease in other expenses is caused by the one-off repayment in 2011-12 of unapproved National Disaster Recovery and Relief Arrangements funding related to the January 2011 flood.

QUEENSLAND ART GALLERY

AGENCY OVERVIEW

Strategic direction

The Queensland Art Gallery (the Gallery) is a two-site institution incorporating the Gallery of Modern Art (GOMA), and is governed by the *Queensland Art Gallery Act 1987*. The Gallery's motivating philosophy is to connect art and people. The Gallery's goals are to expand, exhibit, publish on and care for the Queensland Art Gallery Collection; develop and present a dynamic range of exhibitions (including travelling exhibitions) and displays to reach new audiences; provide a broad and engaging range of innovative public programs, events, screenings, Children's Art Centre projects and educational programs, services, and resources to enrich visitor experiences. The Gallery is the only state gallery to provide dedicated services to regional and remote Queensland communities.

The Gallery will continue to provide arts services, in line with its Strategic Plan 2012-17. By doing so, the Gallery contributes to the Government's objective of providing 'Arts for all Queenslanders', working to make art and artists accessible to an ever widening audience throughout Queensland, including families, young people, seniors, school and university students, and audiences of diverse cultural backgrounds.

The Gallery will provide an economic benefit to Queensland through the presentation of major exhibitions.

The Gallery will contribute to the Government's objective of 'Returning Queensland's tourism industry to number 1', by collaborating with tourism sector partners, to raise Queensland's profile as a cultural hub and tourism destination.

RESOURCES AND PERFORMANCE

During 2011-12, the Gallery:

- presented several major exhibitions, including Land, Sea and Sky: Contemporary Art of the Torres Strait Islands, and Contemporary Australia: Woman
- celebrated GOMA's fifth anniversary and the Gallery's thirtieth anniversary with several exhibitions including Matisse: Drawing Life.

In 2012-13, the Gallery will:

- present Portrait of Spain: Masterpieces from the Prado, the first ever collection of work from Madrid's esteemed Museo Nacional del Prado to visit Australia
- develop and present The Seventh Asia Pacific Triennial of Contemporary Art (APT7), celebrating the 20th anniversary of the APT
- present Quilts 1700-1945, a major, exclusive, touring exhibition from the Victoria & Albert Museum, London
- develop and present a major exhibition of contemporary Aboriginal and Torres Strait Islander art from the Collection
- tour two exhibitions, Lloyd Rees: Light and Life and The Moderns: Highlights from the Queensland Art Gallery Collection, to regional Queensland venues.

STATEMENTS

Staffing¹

Queensland Art Gallery	Notes	2011-12 Budget	2011-12 Est. actual	2012-13 Estimate
	2	260	295	270

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The increase in the 2011-12 Estimated actual from 2011-12 Budget is due to the Gallery's decision to self-manage its cafes and restaurant, which was not planned when the 2011-12 Budget Estimates were set.

Performance Statement

Queensland Art Gallery	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/Est.
Service standard				
Audience satisfaction with exhibitions and programs		90%	96%	90%
Other measures				
Number of exhibitions presented	1	28	41	25
Total attendance at Queensland Art Gallery and Gallery of Modern Art	2	1,150,000	1,562,911	1,200,000
Number of website user sessions		1,600,000	2,375,966	1,800,000
Number of regional locations receiving exhibitions, programs, education, interpretative, and information services	3	35	67	45

Notes:

1. The definition of this service standard includes all exhibitions presented, regardless of type or location. The increase in the actual number of exhibitions presented in 2011-12 reflects additional exhibition opportunities provided for GOMA's 5th anniversary and the Gallery's 30th anniversary. The number of exhibitions includes four regional Queensland touring exhibitions.
2. The 2011-12 Estimated actual reflects stronger than anticipated average attendances across the Gallery's exhibition and public programs for the year.
3. This service standard refers to the number of individual locations serviced in regional Queensland. The 2011-12 Estimated actual reflects the provision of an additional program, Surrealism for Kids on Tour, which had not originally been planned. Uptake by regional venues of the Gallery's Surrealism for Kids on Tour and Drawing Life for Kids on Tour programs was also stronger than anticipated.

INCOME STATEMENT

Queensland Art Gallery	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Income				
User charges	1, 8, 11	7,260	9,495	10,284
Grants and other contributions	2, 12	37,964	46,241	38,037
Other revenue	3	820	1,260	920
Gains on sale/revaluation of property, plant and equipment and investments	4, 13	1,000	..	1,000
Total income		47,044	56,996	50,241
Expenses				
Employee expenses	5, 9	22,607	26,906	26,100
Supplies and services	6, 10	19,985	22,064	21,251
Grants and subsidies		..	..	..
Depreciation and amortisation		850	850	850
Finance/borrowing costs		..	..	..
Other expenses		170	284	170
Losses on sale/revaluation of property, plant and equipment and investments	7	..	480	..
Total expenses		43,612	50,584	48,371
OPERATING SURPLUS/(DEFICIT)		3,432	6,412	1,870

STATEMENT OF CHANGES IN EQUITY

Queensland Art Gallery	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	14	5,000	3,500	5,000
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		5,000	3,500	5,000
Surplus/(deficit) for the period		3,432	6,412	1,870
Total recognised income and expense for the period		8,432	9,912	6,870
Equity injection/(withdrawal)		..	..	..
Equity adjustments (MoG transfers)		..	..	..
Total movement in equity for period		8,432	9,912	6,870

BALANCE SHEET

Queensland Art Gallery	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets	15, 21	3,882	5,216	5,236
Receivables		916	990	990
Other financial assets	16, 22, 27	6,053	9,000	7,500
Inventories		803	1,117	1,117
Other		156	213	213
Non-financial assets held for sale		53	..	..
Total current assets		11,863	16,536	15,056
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets	17, 23, 28	14,315	9,372	10,372
Property, plant and equipment	18, 24, 29	302,774	307,258	314,608
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		317,089	316,630	324,980
TOTAL ASSETS		328,952	333,166	340,036
CURRENT LIABILITIES				
Payables		2,427	2,392	2,392
Accrued employee benefits		1,138	1,210	1,210
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		10	5	5
Total current liabilities		3,575	3,607	3,607
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		785	667	667
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		785	667	667
TOTAL LIABILITIES		4,360	4,274	4,274
NET ASSETS/(LIABILITIES)		324,592	328,892	335,762
EQUITY				
Capital/contributed equity		721	721	721
Accumulated surplus/(accumulated deficit)	19, 25, 30	163,472	169,648	171,518
Reserves:				
- Asset revaluation surplus	20, 26, 31	160,399	158,523	163,523
- Other (specify)		..	..	..
TOTAL EQUITY		324,592	328,892	335,762

CASH FLOW STATEMENT

Queensland Art Gallery	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	32, 39	7,260	9,895	10,284
Grants and other contributions	33, 43	36,164	39,144	35,537
Other	34, 44	850	2,601	950
Outflows:				
Employee costs	35, 40	(22,607)	(26,906)	(26,100)
Supplies and services	36, 41	(19,843)	(22,027)	(21,281)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(170)	(284)	(170)
Net cash provided by/(used in) operating activities		1,654	2,423	(780)
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed	37, 45	1,000	5,039	1,500
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	38, 42, 46	(2,300)	(3,600)	(700)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(1,300)	1,439	800
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		..	..	..
Net increase/(decrease) in cash held		354	3,862	20
Cash at the beginning of financial year		3,528	1,354	5,216
Cash transfers from restructure		..	..	..
Cash at the end of financial year		3,882	5,216	5,236

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

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

1. An increase in user charges is due to the Gallery's decision to self-manage its own cafes and restaurants.
2. An increase in grants and other contributions is due to greater than expected donations of artwork and exhibition sponsorship.
3. An increase in other revenue is due to greater than expected interest earnings.
4. A decrease in gains on sale/revaluation of property, plant and equipment and investments is due to a fall in the value of managed fund investments in line with a downturn in the domestic share market.
5. An increase in employee expenses is due to the Gallery's decision to self-manage its own cafes and restaurants and an expansion in the Gallery's exhibition program.
6. An increase in supplies and services is due to the Gallery's decision to self-manage its own cafes and restaurants.
7. An increase in losses on sale/revaluation of property, plant and equipment and investments is due to a fall in the value of managed fund investments.

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

8. An increase in user charges is due to the Gallery's decision to self-manage its own cafes and restaurants partially offset by a reduction in the number of ticketed exhibitions.
9. An increase in employee expenses is due to the Gallery's decision to self-manage its own cafes and restaurants and enterprise bargaining arrangements.
10. An increase in supplies and services is due to the Gallery's decision to self-manage its own cafes and restaurants.

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

11. An increase in user charges is due to the full-year effect of the Gallery's decision to self-manage its own cafes and restaurants partially offset by a reduction in the number of ticketed exhibitions.
12. A decrease in grants and other contributions is due to the ending of a one-off Queensland government grant provided in 2011-12 for the Gallery's exhibition program and a return of sponsorship revenue and artwork donations to more normal levels.
13. An increase in gains on sale/revaluation of property, plant and equipment and investments is due to an expected increase in the value of managed funds.

Statement of changes in equity

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

14. A decrease in the movement of the asset revaluation reserve is due to a smaller than expected increase in the valuation of the collection.

Balance sheet

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

15. An increase in cash assets is due to a rebalancing between cash and other financial assets.
16. An increase in other financial assets (current) is due to a rebalancing between cash and other financial assets.
17. A decrease in other financial assets (non-current) is due to a rebalancing between cash and other financial assets; the funding of art acquisitions; and a decrease in the valuation of managed funds.
18. An increase in property, plant and equipment is due to greater than expected donations and the purchase of artworks, offset by a smaller than expected increase in the valuation of the collection.
19. An increase in accumulated surpluses is due to greater than expected surpluses at the end of 2010-11 and 2011-12, mainly due to higher donations of artwork.
20. A decrease in the asset revaluation reserve is due to a smaller than expected increase in the valuation of the collection.

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

21. An increase in cash assets is due to a rebalancing between cash and other financial assets.
22. An increase in other financial assets (current) is due to a rebalancing between cash and other financial assets.
23. A decrease in other financial assets (non-current) is due to sale of managed funds, and a decrease in valuation of managed funds.
24. An increase in property, plant and equipment is due to the purchase, donation and revaluation of artworks.
25. An increase in accumulated surpluses is due to greater than expected surpluses at the end of 2011-12 (due mainly to greater than expected donations of art work), and retained earnings generated in 2012-13.
26. An increase in the asset revaluation reserve is due to expected increases in the valuation of artwork.

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

27. A decrease in other financial assets (current) is as a result of the maturing of term deposits in order to fund expenditure in 2012-13.
28. An increase in other financial assets (non-current) is due to an expected increase in the valuation of managed funds.
29. An increase in property, plant and equipment is due to the purchase, donations and revaluation of artworks.
30. An increase in accumulated surpluses is due to the expected operational surplus in 2012-13.
31. An increase in the asset revaluation reserve is due to expected increases in the valuation of artwork.

Cash flow statement

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

32. An increase in user charges is due to the Gallery's decision to self-manage its own cafes and restaurants.
33. An increase in grants and other contributions is due to greater than expected exhibition sponsorship.
34. An increase in other revenue is due to greater than expected interest revenue and the movement in other financial assets.
35. An increase in employee expenses is due to the Gallery's decision to self-manage its own cafes and restaurants, and an expansion in the Gallery's exhibition program.
36. An increase in supplies and services is due to the Gallery's decision to self-manage its own cafes and restaurants.
37. An increase in investments redeemed is due to redemption of term deposits to meet cash flow needs of the Gallery.
38. An increase in payments for property, plant and equipment is due to greater than expected expenditure on art acquisitions.

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

39. An increase in user charges is due to the Gallery's decision to self-manage its own cafes and restaurants offset by a reduction in the number of ticketed exhibitions.
40. An increase in employee expenses is due to the Gallery's decision to self-manage its own cafes and restaurants and enterprise bargaining arrangements.
41. An increase in supplies and services is due to the Gallery's decision to self-manage its own cafes and restaurants.
42. A decrease in payments for property, plant and equipment is due to a reduction in art acquisitions.

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

43. A decrease in grants and other contributions is due to the ending of a one-off Queensland government grant provided in 2011-12 for the Gallery's exhibition program and a return of sponsorship revenue and artwork donations to more normal levels.
44. A decrease in other inflows is due to movements in receivables across the years.
45. A decrease in investments redeemed is due to a higher than normal level of investments redeemed in 2011-12.
46. A decrease in payments for property, plant and equipment is due to an expected reduction in art acquisitions.

QUEENSLAND MUSEUM

AGENCY OVERVIEW

Strategic direction

Queensland Museum inspires Queenslanders to discover, celebrate and value the State's distinctive cultural and natural environment through museum services delivered through a State-wide network including five museum tourism attractions.

In 2012, Queensland Museum celebrated 150 years as the keeping place of the State's natural and cultural treasures, bringing these objects and stories to life. Queensland Museum achieved this through research into critical issues, contemporary collection development, online engagement, active partnering and co-creating museum experiences with diverse communities.

By delivering an active program of museum experiences and services across the State, the Museum network will help build Queensland's reputation as a cultural hub by providing accessible and compelling experiences.

As an entrepreneurial organisation that actively generates commercial revenue, Queensland Museum also partners to ensure greater business sustainability and tourism.

RESOURCES AND PERFORMANCE

In 2011-12, the Queensland Museum:

- attracted record visitors to its network of public museums, surpassing one million onsite visitors for the first time in its 150 year history
- increased admissions revenue including catering and retail revenues to over \$6.2 million
- reopened a revitalised Queensland Museum and Sciencentre on 20 January 2012 enabling better visitor access, enhanced exhibits, refurbished café and new retail shop
- staged the Australian exclusive – Mummy: Secrets of the Tomb – from the British Museum attracted record visitors (over 100 000 in the first three months) to become the most successful touring exhibition in the Museum's history.

In 2012-13, Queensland Museum will:

- enliven our visitor spaces through a program of activities and events that raise revenue and provide innovative access to research and collections relevant to contemporary life
- renew major permanent exhibition experiences, including the Aboriginal and Torres Strait Islander centre Dandiiri Maiwar, Queensland Stories, Ancient Queensland and Unique Animals and Habitats
- continue leadership in science communication including opening the Energy for Life Discovery Centre at Cobb+Co Museum Toowoomba, specifically designed to support the new national science curricula
- enhance revenue and tourism opportunities in regional Queensland through the expansion of the Day Out With Thomas summer holiday experience at the Workshops Rail Museum, Ipswich and a new reef-themed experience at the Museum of Tropical Queensland, Townsville that draws on its world-class corals collection and research.

STATEMENTS

Staffing¹

Queensland Museum	Notes	2011-12 Budget	2011-12 Est. actual	2012-13 Estimate
		232	242	220

Note:

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

Performance Statement

Queensland Museum	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/Est.
Service standard				
Satisfaction of audiences with collection-based displays and activities in public galleries		96%	96%	96%
Other measures				
Number of physical items added to the State Collection		10,000	10,867	10,000
Number of digital items added to State collection		8,000	9,750	8,000
Total physical campus visits	1	808,000	1,003,016	1,122,000
School children visiting campuses		65,000	61,507	65,000
Online visits	1	560,000	838,539	620,000
New displays (sq metres of exhibitions)		6,410	7,674	6,500
Lectures, public talks, workshops and outreach programs delivered	2	9,500	6,957	9,500
Number of research papers published	3	80	103	70
Number of Queensland Museum collection objects accessed for research, education, exhibition and cultural purposes	2	85,000	75,248	85,000
Participants in lectures, public talks, workshops and outreach programs	2	237,060	194,750	230,000
Number of popular research publications sold and distributed		13,500	12,925	13,500

Queensland Museum	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/Est.
Percentage of the collection that is stored to a national benchmark standard	4	96%	98%	96%
Percentage of Local Government Authorities receiving Queensland Museum services		100%	100%	100%

Notes:

1. The increase in 2011-12 Estimated Actual reflects the success of Mummy: Secrets of the Tomb and the re-development of the Queensland Museum and Sciencentre.
2. The decrease in the 2011-12 Estimated actual is due to fewer lectures, talks, workshops and outreach programs delivered because of the temporary closure of the Queensland Museum and Sciencentre from October to January due to refurbishment.
3. The 2012-13 Target Estimate is less than the 2011-12 Target estimate because there will be fewer Queensland Museum scientific staff available due to retirement and research grant-funded FTEs finishing in 2013.
4. Measure is calculated based on a rating scale reflecting the adequate and museum standard benchmark for collection volume storage.

INCOME STATEMENT

Queensland Museum	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Income				
User charges		6,088	5,894	6,314
Grants and other contributions	1, 4, 6	28,918	30,191	27,528
Other revenue		691	884	580
Gains on sale/revaluation of property, plant and equipment and investments		20	20	50
Total income		35,717	36,989	34,472
Expenses				
Employee expenses	2, 5, 7	18,481	20,581	21,094
Supplies and services	3, 8	10,695	12,686	10,672
Grants and subsidies		14	14	14
Depreciation and amortisation		3,317	3,307	3,299
Finance/borrowing costs		..	..	..
Other expenses		262	601	493
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		32,769	37,189	35,572
OPERATING SURPLUS/(DEFICIT)		2,948	(200)	(1,100)

STATEMENT OF CHANGES IN EQUITY

Queensland Museum	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve		4,193	4,900	4,153
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity		4,193	4,900	4,153
Surplus/(deficit) for the period		2,948	(200)	(1,100)
Total recognised income and expense for the period		7,141	4,700	3,053
Equity injection/(withdrawal)		(926)	(926)	(926)
Equity adjustments (MoG transfers)	
Total movement in equity for period		6,215	3,774	2,127

BALANCE SHEET

Queensland Museum	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets	9, 12, 15	8,740	6,377	4,826
Receivables		889	1,088	1,233
Other financial assets		..	..	..
Inventories		565	519	519
Other		157	68	68
Non-financial assets held for sale		..	..	..
Total current assets		10,351	8,052	6,646
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	10, 13, 16	476,895	476,054	479,718
Intangibles		794	883	762
Other		..	..	..
Total non-current assets		477,689	476,937	480,480
TOTAL ASSETS		488,040	484,989	487,126
CURRENT LIABILITIES				
Payables		578	975	975
Accrued employee benefits		1,211	1,309	1,309
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		1,789	2,284	2,284
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		310	371	381
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		310	371	381
TOTAL LIABILITIES		2,099	2,655	2,665
NET ASSETS/(LIABILITIES)		485,941	482,334	484,461
EQUITY				
Capital/contributed equity		(4,159)	(4,159)	(5,085)
Accumulated surplus/(accumulated deficit)		143,955	143,164	142,064
Reserves:				
- Asset revaluation surplus	11, 14, 17	346,145	343,329	347,482
- Other (specify)		..	..	..
TOTAL EQUITY		485,941	482,334	484,461

CASH FLOW STATEMENT

Queensland Museum	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges		6,088	5,894	6,314
Grants and other contributions	21, 24	28,918	28,691	25,528
Other		2,004	1,083	1,643
Outflows:				
Employee costs	18, 22	(18,221)	(20,525)	(21,084)
Supplies and services	19, 25	(10,695)	(12,886)	(10,672)
Grants and subsidies		(14)	(14)	(14)
Borrowing costs		..	..	..
Other		(1,628)	(1,005)	(1,691)
Net cash provided by/(used in) operating activities		6,452	1,238	24
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		20	20	50
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	20, 23, 26	(4,770)	(3,737)	(699)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(4,750)	(3,717)	(649)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(926)	(926)	(926)
Net cash provided by/(used in) financing activities		(926)	(926)	(926)
Net increase/(decrease) in cash held		776	(3,405)	(1,551)
Cash at the beginning of financial year		7,964	9,782	6,377
Cash transfers from restructure		..	..	..
Cash at the end of financial year		8,740	6,377	4,826

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

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

1. An increase in grants and other contributions revenue is due to increased donated assets and external grants and contributions.
2. An increase in employee expenses is due to increased investment in the reorientation project (a project encompassing exhibition renewal, organisational change and business re-engineering) and Mummy: Secrets of the Tomb exhibition at Queensland Museum and Sciencentre.
3. An increase in supplies and services expenses is due to the reorientation project and Mummy: Secrets of the Tomb exhibition.

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

4. A decrease in grants and other contributions revenue is due to decreased grant funding from Arts Queensland for the reorientation project.
5. An increase in employee expenses is due to organisational realignment and Mummy: Secrets of the Tomb exhibition.

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

6. A decrease in grants and other contributions revenue is due to decreased grant funding from Arts Queensland for the reorientation project.
7. An increase in employee expenses is due to organisational realignment and Mummy: Secrets of the Tomb exhibition.
8. A decrease in supplies and services is due to a decrease in project expenses associated with the reorientation project.

Balance sheet

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

9. A decrease in cash is due to continuing investment in the reorientation project.
10. A decrease in property, plant and equipment is due to asset valuations and reduced capital outlay.
11. A decrease in the asset revaluation surplus is due to the estimated value of additions to the State Collection.

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

12. A decrease in cash is due to investment in new compelling experiences and community engagement with reduced grant income.
13. An increase in property, plant and equipment is due to asset revaluations and capitalisation of new exhibitions.
14. An increase in the asset revaluation surplus is due to asset revaluations of the State Collection.

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

15. A decrease in cash is due to continuing investment in new compelling experiences and community engagement.
16. An increase in property, plant and equipment is due to asset revaluations and capitalisation of new exhibitions.
17. An increase in the asset revaluation surplus is due to asset revaluations of the State Collection.

Cash flow statement

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

18. An increase in employee expenses is due to the increased investment in the reorientation project and Mummy: Secrets of the Tomb exhibition at Queensland Museum and Sciencentre.
19. An increase in supplies and services expenses is due to the reorientation project and Mummy: Secrets of the Tomb exhibition.
20. A decrease in payments for property, plant and equipment reflects a reduction in investment in capital assets.

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

21. A decrease in grants and other contributions revenue is due to decreased grant funding from Arts Queensland for the reorientation project.
22. An increase in employee expenses is due to the organisational realignment and Mummy: Secrets of the Tomb exhibition.
23. A decrease in payments for property, plant and equipment reflects a one off grant for investment in capital assets in 2011-12.

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

24. A decrease in grants and other contributions revenue is due to decreased grant funding from Arts Queensland for the reorientation project.
25. A decrease in supplies and services expenses is due to a decrease in project expenses associated with the reorientation project.
26. A decrease in payments for property, plant and equipment reflects a one off grant for investment in capital assets in 2011-12.

QUEENSLAND PERFORMING ARTS TRUST

AGENCY OVERVIEW

Strategic direction

The QPAT manages the Queensland Performing Arts Centre (QPAC). QPAC's vision is to be Queensland's entertainment destination and the leading presenter of performing arts in the Asia Pacific region. QPAC's strategic direction focuses on its dual functions as a presenter and a producer of high-quality performing arts productions. QPAC responds proactively to the commercial challenges of growing and diversifying its activity within a volatile industry.

QPAC contributes to Queensland's cultural and economic development and is well positioned to deliver on a range of Government priorities under the 'Arts for all Queenslanders' vision. QPAC supports growing a four pillar economy through presenting performances that attract international and national visitors, supporting cultural tourism and positioning Queensland as a significant force in the events industry.

QPAC engages with national and international companies and artists to work with local companies and artists to build capacity in the local community. QPAC helps to foster a 'Community of the Arts' through its community engagement, education and participation programs.

RESOURCES AND PERFORMANCE

In 2011-12, QPAC:

- presented two performances of leading world orchestra the Vienna Philharmonic Orchestra under the German conductor/pianist Christoph Eschenbach as part of a three city Australian tour
- presented live simulcasts of the Vienna Philharmonic Orchestra at Gladstone, Mount Isa, Townsville, Mackay, Rockhampton, Brisbane and Cairns
- presented four musicals including Dr Zhivago as part of a world premiere Australia tour and Mary Poppins – QPAC's highest selling show in over a decade
- co-produced and presented projects as part of the Cultural Centre project The Torres Strait Islands: a Celebration including the 2012 Mabo Oration (with the Anti-Discrimination Commission Queensland) and Belong (Bangarra Dance Theatre).

In 2012-13, QPAC will:

- present exclusive seasons of the Hamburg Philharmonic Orchestra, Hamburg Ballet and Hamburg State Opera as part of the QPAC International Series in 2012, a four year collaboration with Events Queensland
- simulcast a performance by the Hamburg Philharmonic Orchestra and State Opera to regional Queensland venues
- engage local artists through forming the Brisbane Mahler Chorus to work with the Hamburg Philharmonic Orchestra and State Opera and facilitating auditions for extra dancers to perform in the Hamburg Ballet's A Midsummer Night's Dream
- present popular musical theatre works including JERSEY BOYS – The Story of Frankie Valli and the Four Seasons.

STATEMENTS

Staffing¹

Queensland Performing Arts Trust	Notes	2011-12 Budget	2011-12 Est. actual	2012-13 Estimate
	2	300	337	340

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The increase in 2012-13 Estimated Actual is due to increased casual employment to support forward schedule of events

Performance Statement

Queensland Performing Arts Trust	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/Est.
Service standards				
Venue utilisation	1	75%	85%	76%
• Lyric Theatre		70%	95%	72%
• Concert Hall		70%	65%	70%
• Playhouse		90%	96%	90%
• Cremorne Theatre		75%	82%	75%
Level of audience satisfaction		90%	97%	90%
Level of hirer satisfaction		95%	88%	95%
Other measures				
Visitation		1,000,000	1,053,178	1,000,000
Attendance at paid events	2	800,000	918,391	800,000
Attendance at unpaid events	3	200,000	134,787	200,000
Presentations				
Number of performances		950	1,427	970
Number of seasons		230	255	240
Number of regional venues receiving QPAC programming	4	12	6	14
Number of programs hosted by regional venues	4	4	1	5

Notes:

1. The increase in 2011-12 Estimated actual is due to securing additional unbudgeted hires throughout the year, including some at short notice.
2. The increase in 2011-12 Estimated actual is due to increased venue utilisation and ticket sales in major seasons including Mary Poppins, driving higher attendance at paid events.
3. The decrease in 2011-12 Estimated actual is due to weather affected outdoor events.
4. The decrease in 2011-12 Estimated actual is due to deferred Opera Australia simulcast in 2012-13.

INCOME STATEMENT

Queensland Performing Arts Trust	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Income				
User charges	1, 6	27,012	35,717	36,426
Grants and other contributions	2, 7, 10	8,289	8,900	8,006
Other revenue	3, 11	912	1,280	1,055
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		36,213	45,897	45,487
Expenses				
Employee expenses	4, 8	20,059	25,284	25,511
Supplies and services	5, 9	15,397	19,666	19,062
Grants and subsidies		..	..	..
Depreciation and amortisation		757	633	686
Finance/borrowing costs		..	..	..
Other expenses		..	122	228
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		36,213	45,705	45,487
OPERATING SURPLUS/(DEFICIT)		..	192	..

STATEMENT OF CHANGES IN EQUITY

Queensland Performing Arts Trust	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve		..	406	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity		..	406	..
Surplus/(deficit) for the period		..	192	..
Total recognised income and expense for the period		..	598	..
Equity injection/(withdrawal)	
Equity adjustments (MoG transfers)	
Total movement in equity for period		..	598	..

BALANCE SHEET

Queensland Performing Arts Trust	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets	12, 17	6,009	12,159	12,268
Receivables	13, 18	5,558	2,634	2,634
Other financial assets		..	..	..
Inventories		199	241	241
Other	14, 19	728	141	141
Non-financial assets held for sale		..	..	..
Total current assets		12,494	15,175	15,284
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		7,894	7,745	7,809
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		7,894	7,745	7,809
TOTAL ASSETS		20,388	22,920	23,093
CURRENT LIABILITIES				
Payables		3,321	3,789	3,942
Accrued employee benefits		845	1,065	1,065
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		706	867	887
Total current liabilities		4,872	5,721	5,894
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		4,872	5,721	5,894
NET ASSETS/(LIABILITIES)		15,516	17,199	17,199
EQUITY				
Capital/contributed equity		1,033	1,033	1,033
Accumulated surplus/(accumulated deficit)		3,541	3,566	3,435
Reserves:				
- Asset revaluation surplus	15, 20	3,174	3,580	3,580
- Other (specify)	16, 21	7,768	9,020	9,151
TOTAL EQUITY		15,516	17,199	17,199

CASH FLOW STATEMENT

Queensland Performing Arts Trust	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	22, 28	26,992	36,684	36,446
Grants and other contributions	23, 29	8,289	8,900	8,006
Other	24	912	1,060	1,055
Outflows:				
Employee costs	25, 30	(20,059)	(25,152)	(25,511)
Supplies and services	26, 31	(15,152)	(17,854)	(18,844)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(65)	(187)	(293)
Net cash provided by/(used in) operating activities		917	3,451	859
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment	27	(80)	18	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles		(750)	(384)	(750)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(830)	(366)	(750)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		..	..	..
Net increase/(decrease) in cash held		87	3,085	109
Cash at the beginning of financial year		5,922	9,074	12,159
Cash transfers from restructure		..	..	..
Cash at the end of financial year		6,009	12,159	12,268

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

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

1. An increase in user charges is due to an increase in business activities from major musicals.
2. An increase in grants is due to increased funding for biennial Out of the Box festival, which ran in 2012 and enterprise bargaining agreement supplementation.
3. An increase in other revenue is due to interest earned on higher cash assets as a result of increased business activities.
4. An increase in employee expenses is due to the payment of Voluntary Separation Program (VSP), new enterprise bargaining agreement and increased casual staff as a result of increase in performance numbers.
5. An increase in supplies and services is due to project costs associated with Grand le Cirque.

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

6. An increase in user charges is due to increased ticket sales from more shows.
7. A decrease in grants is as a result of bringing forward funding from 2012-13 to 2011-12 to fund the Out of the Box festival which is a biennial event.
8. An increase in employee expenses is due to the payment of new enterprise bargaining agreement and increased casual staff as a result of increase in performance numbers.
9. An increase in supplies and services is due to the increase in business activity.

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

10. A decrease in grants is as a result of bringing forward funding from 2012-13 to 2011-12 to fund the Out of the Box festival which is a biennial event.
11. A decrease in other revenue is due to a slight reduction in interest earnings on cash assets.

Balance sheet

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

12. An increase in cash assets is due to an increase in business activities from major musicals including recovery of receivables.
13. A decrease in receivables is due to the settlement of major musicals.
14. A decrease in other assets is due to loans redeemed on investments in theatrical productions.
15. An increase in asset revaluation surplus is due to the net revaluation increment from independent valuation of land and building and heritage cultural assets.
16. An increase in other reserves is due to the transfer of 2010-11 and 2011-12 profits from Accumulated Reserve to provide major investments in commercial productions and to ensure availability for urgent capital requirements.

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

17. An increase in cash assets is due to an increase in business activities from major musicals including recovery of receivables.
18. A decrease in receivables is due to the settlement of major musicals.
19. A decrease in other assets is due to loans redeemed on investments in theatrical productions.
20. An increase in asset revaluation surplus is due to the net revaluation increment from independent valuation of land and building and heritage cultural assets.
21. An increase in other reserves is due to the transfer of 2010-11 and 2011-12 profits from Accumulated Reserve to provide major investments in commercial productions and to ensure availability for urgent capital requirements.

Cash flow statement

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

22. An increase in user charges is due to an increase in business activities from major musicals.
23. An increase in grants is due to increased funding for biennial Out of the Box Festival, which ran in 2012, and enterprise bargaining agreement supplementation.
24. An increase in other revenue is due to interest earned on higher cash assets as a result of increased business activities.

25. An increase in employee expenses is due to payment of Voluntary Separation Program (VSP), new enterprise bargaining agreement and increased casual staff as a result of increase in performance numbers.
26. An increase in supplies and services is due to project costs associated with Grand le Cirque.
27. An increase in the inflow in sales of property, plant and equipment is due to disposal of assets.

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

28. An increase in user charges is due to increased ticket sales.
29. A decrease in grants is as a result of advancing funds from 2012-13 to the 2011-12 to fund the Out of the Box festival which is a biennial event.
30. An increase in employee expenses is due to the payment of new enterprise bargaining agreement and increased casual staff as a result of increase in performance numbers.
31. An increase in supplies and services is due to the increase in business activity.

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GLOSSARY OF TERMS

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

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

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

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

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

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

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

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

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

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

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

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

For a more detailed Glossary of Terms, please refer to the Reader's Guide available on the Budget website at www.budget.qld.gov.au.

