

PART 19

Treasury Department

Summary of departmental portfolio budgets

Page	Agency	2009-10 Adjusted Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
3-188	Queensland Treasury - controlled	146,370	213,863	271,001
	Queensland Treasury - administered	4,040,487	4,426,277	4,763,334
3-209	Motor Accident Insurance Commission/ Nominal Defendant	9,773 60,513	10,179 4,306	10,529 59,129
3-220	Queensland Future Growth Corporation	1,881	693	..

Note:

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

DEPARTMENTAL OVERVIEW

MINISTERIAL RESPONSIBILITY

The Treasurer and Minister for Employment and Economic Development, the Honourable Andrew Fraser MP, has ministerial responsibility for the Treasury Department.

STRATEGIC ISSUES

The role of Treasury portfolio is to build the State's economic growth and ensure that Government resources improve quality of life for Queenslanders and achieve value for money.

To do this, Treasury provides:

- sound and timely advice to the Government to manage the State's finances in a sustainable way
- leadership in financial and economic management to the public sector.

Treasury contributes to the Government's *Toward Q2: Tomorrow's Queensland* Strong ambition – *creating a diverse economy powered by bright ideas* – by:

- delivering financial and economic policy, providing advice to foster State-wide infrastructure development and implementing whole-of-Government fiscal and economic strategies
- maximising the value of the Government's investment in Government-owned corporations (GOCs) to the State
- providing timely and comprehensive advice and information to the Treasurer and other key stakeholders on the State's economy
- taking a targeted and proactive approach to the State's financial and revenue management systems and practices, and developing its people to support innovative business practices.

Treasury's objectives are:

- to restore the State's financial position by meeting the Government's revised fiscal principles while managing the continuing effects of the global financial crisis
- to continue structural, infrastructure and other reforms to increase the productivity of the Queensland economy and raise living standards in a challenging external environment
- to ensure that Government resources achieve value for money, are directed to services that improve quality of life and are delivered efficiently and equitably
- to secure good outcomes for Queensland in the Australian Government's reform agendas and the Commonwealth Grants Commission review processes.

In measuring our performance in these objectives, Treasury will seek:

- transparent and high quality reporting on the achievement of fiscal principles
- achievement of the asset sales program according to the specified timeframes and with value for money to Government
- a demonstrated reduction in the cost of regulation to business
- a forward schedule of statistical releases met and published within agreed timeframes
- an increase in the percentage of service transactions conducted through e-business
- to meet increasing levels of voluntary compliance with state revenue obligations
- to maximise the number of Nominal Defendant claims finalised and paid within 60 days of settlement date

- the setting of compulsory third party premium bands and levies within legislated timeframes.

2010-11 HIGHLIGHTS

Treasury will implement or continue with the following major initiatives in 2010-11:

- manage and coordinate the State Budget process in accordance with the *Charter of Fiscal Responsibility*
- continue the Smart Regulation Reform Agenda aimed at reducing unnecessary regulation and legislation and lead Queensland's involvement in the Seamless National Economy reforms
- continue to manage the asset sales processes
- identify and progress opportunities for structural reform with a particular focus on electricity generation and water businesses to raise living standards and the productivity of the Queensland economy
- recommend amendments to the *Queensland Competition Authority Act 1997* to strengthen the State's third party access regime
- assist in the establishment of the new Government-owned corporation Queensland Rail, and then monitor and support its early development
- implement a State-wide campaign to promote the 2011 national Census of Population and Housing to encourage participation by all Queenslanders, and work with the Australian Bureau of Statistics to improve the number of respondents in Queensland
- produce the Queensland Government population projections to 2031 to inform government, private and community sector planning, policy and resource allocation
- further leverage investment in the Office of State Revenue's (OSR) revenue management system (RMS) by implementing this solution in other Government agencies to improve services to clients, reduce costs and enhance the level of information available
- implement an instalment payment option for land tax to help businesses and investors manage cashflow
- progress reform to the compulsory third party scheme to deliver better value for Queensland motorists.

RECENT ACHIEVEMENTS

In 2009-10 Treasury's key achievements included:

- managing and coordinating the State Budget process, in accordance with the *Charter of Fiscal Responsibility*
- managing and coordinating the Government's contribution to the Council of Australian Governments (COAG) Business Regulation and Competition reform agenda and other relevant national activities
- attaining agreement with Hancock Plantations Queensland for the sale of a 99 year licence for Forestry Plantations Queensland with proceeds exceeding expectations
- actively working with all GOCs to assist them in meeting their commercial performance and customer service objectives as agreed with the shareholders through their Statement of Corporate Intent
- enhancing governance arrangements for GOCs by revising existing and developing new GOC policies
- developing whole-of-Government grants administration capability in OSR's RMS and implementing this capability in the Department of Employment, Economic Development and Innovation's Office of Liquor and Gaming Regulation
- expanding OSR's e-business capabilities (including self assessment) and continuing to deliver revenue services to clients.

DEPARTMENTAL SERVICES

The Government's Performance Management Framework is being progressively implemented. The Framework no longer uses the concepts of 'outputs' and 'performance measures' that were previously used in Service Delivery Statements. They are replaced with 'services' and 'service standards'. These terms are defined in the Budget Readers' Guide. Together, they begin to provide information about how efficiently and effectively agencies deliver services within their approved Budget.

All agencies reviewed their service structures and service standards as part of this transition year. Approved changes are included in this year's Service Delivery Statement. Results against measures that have been discontinued are included in Appendix A (Book 5 of the Service Delivery Statements) for this year only. A key aspect of improving performance information is reviewing performance data. As such, each year agencies will continue to review and improve their service standards to provide better information on the effectiveness and efficiency of their services.

Machinery-of-Government changes resulted in the transfer of the Department of Infrastructure and Planning's Planning Information and Forecasting Unit to Treasury's Office of Economic and Statistical Research (OESR) on 1 August 2009. Current departmental services are detailed in the following pages.

Financial and economic policy

Treasury Office provides policies, strategies and advice at a whole-of-Government level to promote value-for-money service delivery, manage the State's finances in accordance with the *Charter of Fiscal Responsibility*, and advance the performance of the Queensland economy to support growth and employment.

Treasury Office achieves this by undertaking a range of key activities including:

- developing and monitoring the State Budget
- promoting Queensland's position in negotiations with the Australian Government and other states and territories
- providing financial advice to foster State-wide infrastructure development
- advocating Queensland's regulatory reform objectives and achievements to business, community and government
- delivering financial advice to foster quality financial reporting and decision making
- providing advice on and undertaking commercial transactions on behalf of Government.

Government-owned corporations performance and governance

The Office of Government Owned Corporations (OGOC) advises and supports shareholding Ministers in managing the Government's shareholding in GOCs. These corporations operate in open and competitive markets in a competitively neutral manner. The office takes a strategic approach to policy development for GOCs, monitoring their performance and ensuring they comply with relevant legislation.

OGOC undertakes activities that support and assist the GOC sector in delivering competitive, cost-effective and timely infrastructure and services. The office also aims to build shareholder value and establish appropriate principles of strategic governance.

Economic and statistical research

OESR provides whole-of-Government statistical, economic and demographic services including statistics, modelling and data management.

OESR achieves this by undertaking a range of key activities including:

- supporting Treasury's analytical capabilities to inform advice on economic reform issues (including climate change)
- coordinating the activities of key statistics providers to establish and maintain an integrated statistical service across governments
- working with other jurisdictions and Queensland agencies to reform statistical policies and processes
- providing a broad range of statistical services to support stakeholders' evidence base for policy evaluation and performance
- providing data, information and analysis for population dynamics and forecasts, residential dwelling activities and urban land supply
- maintaining and enhancing rigorous economic and social research agendas to advance the State
- enhancing and expanding official surveys and methodology capabilities.

Revenue management

The Office of State Revenue (OSR) delivers and administers revenue management services for Queensland taxes (duties, payroll tax, land tax, Community Ambulance Cover and gambling taxes) and grants. OSR also conducts revenue compliance and debt recovery activities, provides legislative and policy advice to the Government to maintain and improve the State's revenue system, and contributes to revenue forecasting and trend analysis to secure Queensland's future revenue base.

OSR works towards this by:

- positioning itself as a leading e-business agency with excellent client support and firm and fair enforcement
- providing responsive and ongoing legislation and revenue policy advice services to the State Government
- further developing RMS to support innovative business practices.

STAFFING¹

Service	Notes	2009-10 Adjusted Budget	2009-10 Est. actual	2010-11 Estimate
Services²				
Financial and economic policy	3	287	305	297
GOC performance and governance		38	37	37
Economic and statistical research	4	148	135	135
Revenue management	5	515	467	466
Total services		988	944	935
Corporate services provided to other agencies	6	11	19	10
Total		999	963	945

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the services to which they relate.
3. The increase in the 2009-10 Estimated actual is due to the establishment of the Commercial Transactions Team which has been set up to manage the process associated with the Government's infrastructure asset sale process and the transition of Internal Audit staff from the Shared Service Agency (SSA) to Treasury. Also contributing to this variance is the transfer of staff and functions from Economic and Statistical Research.
4. The decrease in the 2009-10 Estimated actual is due to the transfer of staff and functions from Economic and statistical research to Financial and economic policy.
5. The decrease in the 2009-10 Estimated actual is due to a realignment of business requirements, the abolition of the Fuel Subsidy Scheme and a number of full time positions being filled by part time employees.
6. Includes staff providing corporate support to the Motor Accident Insurance Commission and Nominal Defendant. Some minor corporate support was provided to CorpTech and the Office of Liquor and Gaming Regulation in 2009-10.

2010-11 SERVICE SUMMARY¹

Service area	Total cost \$'000	Sources of revenue			
		State Contribution \$'000	User charges \$'000	C'wealth revenue \$'000	Other revenue \$'000
Financial and economic policy	172,152	168,895	3,257	..	..
GOC performance and governance	6,410	5,797	613	..	..
Economic and statistical research	19,493	14,143	5,350	..	..
Revenue management	74,315	72,367	1,948	..	..
Departmental	272,370	261,202	11,168	..	..
Other²	2,118	1,882	236	..	..
Reconciliation adjustment to the Income Statement³	(3,487)	..	(3,487)	..	..
Total⁴	271,001	263,084	7,917	..	..

Notes:

1. Explanations of variances are provided in the financial statements.
2. The total revenue sources do not equal the "Total income" in the 'Departmental financial statements' as the department provides corporate services to non-departmental services (Motor Accident Insurance Commission and Nominal Defendant).
3. This line represents the eliminations upon consolidation for internal trading between services.
4. This line reconciles to the Income Statement where total cost is represented by total expenses.

ADMINISTERED ITEMS

Administered activities are those undertaken by the department on behalf of the whole-of-Government.

DESCRIPTION

Treasury is responsible for overseeing significant administered revenues and expenses. Treasury receives a large proportion of the State's taxation and Australian Government revenue which is used to fund Government priorities.

In addition, Treasury administers major grants and subsidies including the First Home Owner Grant and the Australian Government's First Home Owners Boost.

Since 1 July 2000, the Queensland Government, administered through Treasury, has provided a \$7,000 grant – the First Home Owner Grant – to eligible persons to help offset the cost of purchasing a first home. The total cost of this First Home Owner Grant Scheme, including the new \$4,000 Regional First Home Owner Grant Boost, discussed below, is estimated at \$194.6 million in 2009-10 and \$170.6 million in 2010-11. In addition, Treasury administers the Australian Government's First Home Owners Boost, with estimated payments of \$187 million in 2009-10, decreasing to \$13.3 million in 2010-11 following the expiry of the scheme on 31 December 2009.

In its capacity as the Government's financial manager, Treasury also manages the Government's cash balances and financing requirements.

POLICY DECISIONS SINCE THE 2009-10 BUDGET

First Home Owner Grant eligibility cap

Eligibility for the First Home Owner Grant scheme has been restricted to homes valued at less than \$750,000 for all contracts entered into from 31 March 2010. This lowering of the cap from the previous \$1 million threshold provides greater targeting of the grant to first home buyers requiring assistance to enter the property market. Savings from this initiative are assisting in funding the Regional First Home Owners Grant Boost.

Land tax relief for supported accommodation providers

The Government will provide a land tax exemption for "Level 3" supported accommodation facilities. A Level 3 facility is defined under the *Residential Services (Accreditation) Act 2002* and provides both accommodation and personal care support such as assistance with meals, hygiene and medication. The provision of the exemption aligns the land tax treatment to that applied to aged care facilities.

Payroll tax rebate for apprentices and trainees

The wages of apprentices and trainees are exempt from payroll tax. In addition to this employment incentive, the Government has decided to extend the 25% payroll tax rebate on the wages of each apprentice and trainee employed until 30 June 2011. The rebate will be offset against the tax payable on the wages of other employees.

Regional First Home Owner Grant boost

The Government will provide additional funding of \$7.8 million in 2010-11 to introduce a \$4,000 boost to the First Home Owner Grant for people building or buying newly constructed homes outside South East Queensland. This incentive, to apply from 1 June 2010 until 30 June 2011, is designed to encourage overseas and interstate migrants, as well as the resident population, to settle in regional areas and will assist in managing Queensland's population growth.

Transfer duty exemption for Special Disability Trusts

The Government has introduced an exemption from transfer duty on the acquisition of property used as the principal residence of a person with a disability under a Special Disability Trust, with the meaning given in the *Social Security Act 1991* (Commonwealth). The exemption is currently being provided under an administrative arrangement, pending legislative amendment.

DEPARTMENTAL STATEMENTS

PERFORMANCE STATEMENT

Service standards	Notes	2009-10 Adjusted Target/est.	2009-10 Est. actual	2010-11 Target/est.
Service: Financial and economic policy				
Quarterly report on financial position within six weeks of quarter end		4	4	4
Number of written pieces of portfolio resource allocation advice provided		1,600	1,600	1,600
Number of written pieces of economic and inter-governmental relations advice provided		450	470	450
Number of written pieces of fiscal, taxation policy and financial management advice provided	1	650	450	450
Number of written pieces of infrastructure policy advice provided		500	540	540
Adherence to fiscal objectives as described in the Charter of Fiscal Responsibility	2	Partial	100%	Partial
Compliance with the Uniform Presentation Framework requirements and relevant Australian Accounting Standards for whole-of-government financial reporting		100%	100%	100%
Achievement of key milestones in the Budget process		100%	100%	100%
Achievement of key milestones in the Report on State Finances process		100%	100%	100%
Data provision to the Commonwealth Grants Commission and Australian Bureau of Statistics within agreed timeframes		100%	100%	100%
Cost of portfolio resource allocation advice		\$6.5 million	\$6.8 million	\$6.3 million
Cost of economic and inter-governmental relations advice	3	\$0.9 million	\$0.9 million	\$0.7 million
Cost of fiscal, taxation policy and financial management advice		\$5.2 million	\$5.2 million	\$5 million
Cost of infrastructure policy advice	4	\$5.1 million	\$5 million	\$4.2 million
State contribution (\$000)	5	41,097	106,409	168,895
Other revenue (\$000)	6	3,998	3,879	3,257
Total cost (\$000)		45,095	110,288	172,152

Service standards	Notes	2009-10 Adjusted Target/est.	2009-10 Est. actual	2010-11 Target/est.
Service: GOC performance and governance				
Number of GOC Statements of Corporate Intent (SCI) completed	7	16	15	15
Number of performance monitoring reports completed	7	64	61	57
Percentage of SCIs received and reviewed within the scheduled timeframe		95%	95%	95%
Cost of monitoring and governance per GOC	8	\$0.2 million	\$0.3 million	\$0.3 million
State contribution (\$000)	9	5,569	5,574	5,797
Other revenue (\$000)	10	677	153	613
Total cost (\$000)		6,246	5,727	6,410
Service: Economic and statistical research				
Responses to requests for information	11	3,200	4,900	5,600
Formal products and services delivered to Treasury Office	12	250	130	150
Formal products and services delivered to other government agencies	13	350	300	400
Stakeholder and client satisfaction with outputs (rated satisfied or very satisfied)		95%	95%	95%
Delivery of outputs within timeframes agreed with clients (excludes internet services)		90%	90%	90%
Revenue from fee-for-service outputs	14	\$5.4 million	\$5.5 million	\$4.9 million
State contribution (\$000)	15	13,651	12,686	14,143
Other revenue (\$000)	16	6,944	6,124	5,350
Total cost (\$000)		20,595	18,810	19,493
Service: Revenue Management				
Amount of revenue, grants and subsidies administered		\$8.4 billion	\$8.8 billion	\$9 billion
Number of First Home Owner Grant (FHOG) applications paid	17	31,400	27,850	23,570
FHOG applications processed within service standards		95%	95%	95%
Percentage of investigations performed within standards		90%	90%	90%
Client satisfaction with services provided		70%	70%	70%
Total revenue dollars administered per dollar expended – accrual		\$148	\$151	\$154

Service standards	Notes	2009-10 Adjusted Target/est.	2009-10 Est. actual	2010-11 Target/est.
Percentage of lodgements and payments received electronically	18	New measure	New measure	70%
Average overdue debt as a percentage of total revenue collected	19	New measure	New measure	3%
Legislative program, revenue policy advice, briefings and ministerial correspondence within deadline	20	New measure	New measure	90%
State contribution (\$000)		71,739	71,006	72,367
Other revenue (\$000)	21	3,034	3,091	1,948
Total cost (\$000)		74,773	74,097	74,315

Notes:

1. The decrease in the 2009-10 Estimated actual is due to fewer enquiries and submissions following the implementation of the *Financial Accountability Act 2009* effective 1 July 2009 and the reduction in the number of departments following the recent machinery-of-Government (MoG) changes, which achieved efficiencies in notifications and advice on policy changes.
2. 2010-11 represents partial achievement, with own-source expenditure slightly exceeding real per capita growth. This is primarily due to provisions set aside for restoration and remediation works in 2010-11 associated with the February and March floods.
3. The decrease in the 2010-11 Target/estimate is due to staff attrition following the Commonwealth Grants Commission's five yearly review. This trend is part of the normal cycle.
4. The decrease in the 2010-11 Target/estimate is due to an internal restructure.
5. The increase in the 2009-10 Estimated actual is primarily due to the commencement of the Commercial Transactions Team (CTT) with funding for services provided by commercial, legal, accounting, tax and other technical advisors. Also contribution is funding carried over from 2008-09 for the Sale of Wind and Gas Assets project. The increase in the 2010-11 Target/estimate is mainly due to increased funding for the CTT which includes costs associated with the Queensland Rail Initial Public Offering.
6. The decrease in the 2010-11 Target/estimate is due to a one off receipt for the Wiggins Island Project in 2009-10, partially offset by an increase in corporate support allocation reflecting services provided to the CTT.
7. The decreases in the 2009-10 Estimated actual and 2010-11 Target/estimate are due to the number of Government-owned corporations reducing in 2009-10 as a result of Mackay Ports Limited and Ports Corporation of Queensland becoming wholly owned subsidiaries of North Queensland Bulk Ports Corporation Limited. Mackay Ports Limited submitted its June 2009 quarterly report in July prior to the merger. Through the course of the year, it is expected that Port of Brisbane Corporation Limited and Forestry Plantations Queensland will no longer be required to submit Quarterly Performance Reports on account of completion of their sales under the *Renewing Queensland Plan*, leading to a reduction in the expected number of completed reports.
8. The increases in the 2009-10 Estimated actual and 2010-11 Target/estimate are due to a reduction in the number of Government-owned corporations as listed in note 7 above.
9. The increase in the 2010-11 Target/estimate reflects increased funding for the Enterprise Bargaining Agreement.
10. The decrease in the 2009-10 Estimated actual and subsequent increase in the 2010-11 Target/estimate is due to reimbursable consultancies not undertaken in 2009-10.
11. The increase in the 2009-10 Estimated actual and further increase in the 2010-11 Target/estimate is due to the MoG transfer of the Planning and Information Forecast Unit (PIFU) from the Department of Infrastructure and Planning (DIP) on 1 August 2009.
12. The decrease in the 2009-10 Estimated actual is due to the transfer of the Macroeconomics team to Financial and economic policy. The subsequent increase in the 2010-11 Target/estimate is due to the impact of the PIFU MoG transfer from DIP on 1 August 2009.
13. The decrease in the 2009-10 Estimated actual is due to reduced survey work. The subsequent increase in the 2010-11 Target/estimate is due to the impact of the PIFU MoG transfer from DIP on 1 August 2009.
14. The decrease in the 2010-11 Estimate is due to reduced survey activity.
15. The decrease in the 2009-10 Estimated actual reflects the transfer of the macroeconomics team to Financial and economic policy. The increase in the 2010-11 Target/estimate is due to increased funding for the Enterprise Bargaining Agreement and the 2011 census awareness campaign.
16. The decrease in the 2009-10 Estimated actual and further decrease in the 2010-11 Target/estimate is due to reduced survey activities.
17. The decrease in the 2009-10 Estimated actual is due to a greater than expected reduction in the number of First Home Owner Grant applications following the decrease in the Australian Government First Home Owner Boost from 1 October 2009. The further decrease in the 2010-11 Target/estimate is due to the finalisation of the Australian Government funded First Home Owner Boost payments during 2009-10.
18. This is a new measure for 2010-11 and measures only those lodgements and payments that can be provided electronically.
19. This is a new measure for 2010-11 and measures collectable overdue debt.
20. This is a new measure for 2010-11 and combines three measures previously provided separately.
21. The decrease in the 2010-11 Target/estimate is primarily due to a decrease in funding for the Standard Business Reporting program.

INCOME STATEMENT

Treasury Department	Notes	2009-10 Adjusted Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
Income				
Service revenue	1	133,564	196,742	263,084
User charges	2	12,806	17,121	7,917
Grants and other contributions		..	..	..
Other revenue		..	..	..
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		146,370	213,863	271,001
Expenses				
Employee expenses	3	88,156	95,075	98,451
Supplies and services	4	42,858	98,510	151,571
Grants and subsidies	5	..	1,667	..
Depreciation and amortisation	6	10,844	10,393	11,916
Finance/borrowing costs		..	..	..
Other expenses	7	4,512	8,218	9,063
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		146,370	213,863	271,001
OPERATING SURPLUS/(DEFICIT)		..	..	..

STATEMENT OF CHANGES IN EQUITY

Treasury Department	Notes	2009-10 Adjusted Budget \$'000	2009-10 Est. act. \$'000	2010-11 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)	8	(3,095)	(1,495)	(9,094)
Equity adjustments (MoG transfers)	9	45	45	..
Total movement in equity for period		(3,050)	(1,450)	(9,094)

BALANCE SHEET

Treasury Department	Notes	2009-10 Adjusted Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
CURRENT ASSETS				
Cash assets	10	7,929	13,052	10,499
Receivables		5,607	5,823	5,823
Other financial assets		..	..	..
Inventories		..	..	..
Other		2,024	2,127	2,193
Non-financial assets held for sale		..	..	..
Total current assets		15,560	21,002	18,515
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	11	18,381	12,675	13,662
Intangibles	12	43,079	43,852	36,258
Other		..	..	..
Total non-current assets		61,460	56,527	49,920
TOTAL ASSETS		77,020	77,529	68,435
CURRENT LIABILITIES				
Payables		3,590	3,752	3,752
Accrued employee benefits		5,160	5,129	5,129
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		542	507	507
Total current liabilities		9,292	9,388	9,388
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		9,292	9,388	9,388
NET ASSETS/(LIABILITIES)		67,728	68,141	59,047
EQUITY				
Capital/contributed equity	13	33,202	33,952	24,858
Retained surplus/(accumulated deficit)	14	34,526	34,189	34,189
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		67,728	68,141	59,047

CASH FLOW STATEMENT

Treasury Department	Notes	2009-10 Adjusted Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Service receipts	15	133,564	197,242	263,084
User charges	16	12,806	19,391	7,917
Grants and other contributions		..	..	..
Other		..	..	..
Outflows:				
Employee costs	17	(88,156)	(95,675)	(98,451)
Supplies and services	18	(42,924)	(116,524)	(151,637)
Grants and subsidies	19	..	(1,667)	..
Borrowing costs		..	..	..
Other	20	(4,512)	(7,418)	(9,063)
Net cash provided by/(used in) operating activities		10,778	(4,651)	11,850
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	21	(12,267)	(9,345)	(5,309)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(12,267)	(9,345)	(5,309)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	22	5,100	6,700	417
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	23	(8,195)	(8,195)	(9,511)
Net cash provided by/(used in) financing activities		(3,095)	(1,495)	(9,094)
Net increase/(decrease) in cash held		(4,584)	(15,491)	(2,553)
Cash at the beginning of financial year		12,499	28,529	13,052
Cash transfers from restructure	24	14	14	..
Cash at the end of financial year		7,929	13,052	10,499

ADMINISTERED INCOME STATEMENT

Treasury Department	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
Revenues				
Commonwealth grants	25	15,657,445	17,021,888	15,703,914
Taxes, fees and fines	26	8,000,962	8,414,530	8,832,436
Health Services Levy	27	43,848	33,000	34,000
Royalties, property income and other territorial revenue	28	174,933	139,035	192,668
Interest	29	4,912	9,615	3,409
Administered revenue	30	4,004,887	4,363,280	4,736,334
Other	31	3,221	9,158	4,397
Total revenues		27,890,208	29,990,506	29,507,158
Expenses				
Supplies and services		131,855	131,855	132,106
Depreciation and amortisation		..	..	..
Grants and subsidies	32	579,160	652,489	374,496
Benefit payments		..	..	..
Borrowing costs	33	718,128	676,735	1,104,736
Other	34	2,611,344	2,965,198	3,151,996
Total expenses		4,040,487	4,426,277	4,763,334
Net surplus or deficit before transfers to Government		23,849,721	25,564,229	24,743,824
Transfers of administered revenue to Government	35	23,862,821	25,620,676	24,762,526
OPERATING SURPLUS/(DEFICIT)	36	(13,100)	(56,447)	(18,702)

ADMINISTERED BALANCE SHEET

Treasury Department	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
CURRENT ASSETS				
Cash assets	37	(65,481)	274,949	259,264
Receivables	38	378,579	418,987	420,153
Inventories		..	..	..
Other	39	40,133	1,924	2,925
Non-financial assets held for sale		..	..	..
Total current assets		353,231	695,860	682,342
NON-CURRENT ASSETS				
Receivables		140,847	146,644	138,554
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		140,847	146,644	138,554
TOTAL ADMINISTERED ASSETS		494,078	842,504	820,896
CURRENT LIABILITIES				
Payables		36,120	34,484	34,484
Transfers to Government payable		37,035	162,322	161,983
Interest-bearing liabilities		4,043	10,425	10,787
Other		23,168	22,036	21,706
Total current liabilities		100,366	229,267	228,960
NON-CURRENT LIABILITIES				
Payables		1	..	..
Interest-bearing liabilities	40	15,807,941	12,861,840	20,370,509
Other		..	..	..
Total non-current liabilities		15,807,942	12,861,840	20,370,509
TOTAL ADMINISTERED LIABILITIES		15,908,308	13,091,107	20,599,469
ADMINISTERED NET ASSETS/(LIABILITIES)		(15,414,230)	(12,248,603)	(19,778,573)
EQUITY				
Capital/Contributed equity	41	(15,459,630)	(12,254,698)	(19,765,966)
Retained surplus/(Accumulated deficit)	42	45,400	6,095	(12,607)
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL ADMINISTERED EQUITY		(15,414,230)	(12,248,603)	(19,778,573)

ADMINISTERED CASH FLOW STATEMENT

Treasury Department	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Administered item receipts	43	4,004,887	4,273,893	4,736,334
Grants and other contributions	44	15,659,945	17,025,680	15,706,414
Taxes, fees and fines	45	8,000,962	8,364,531	8,813,578
Health Services Levy	46	43,848	33,000	34,000
Royalties, property income and other territorial revenues	47	174,933	139,035	192,668
Other		4,015	14,990	5,315
Outflows:				
Transfers to Government	48	(23,863,160)	(25,621,015)	(24,762,865)
Grants and subsidies	49	(579,160)	(652,489)	(374,496)
Supplies and services		(132,856)	(127,356)	(133,107)
Borrowing costs	50	(718,128)	(676,735)	(1,104,736)
Other	51	(2,609,717)	(2,911,699)	(3,133,138)
Net cash provided by/(used in) operating activities		(14,431)	(138,165)	(20,033)
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		7,123	7,123	7,123
Outflows:				
Payments for property, plant and equipment and intangibles		..	..	..
Payments for investments		..	..	..
Loans and advances made		517	652	785
Net cash provided by/(used in) investing activities		7,640	7,775	7,908
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	52	7,900,132	5,190,132	7,511,132
Equity injections	53	440,105	823,605	436,086
Outflows:				
Borrowing redemptions		(3,424)	(3,424)	(3,424)
Finance lease payments		..	..	..
Equity withdrawals	54	(8,340,105)	(6,013,740)	(7,947,354)
Net cash provided by/(used in) financing activities		(3,292)	(3,427)	(3,560)
Net increase/(decrease) in cash held		(10,083)	(133,817)	(15,685)
Administered cash at beginning of financial year		(55,398)	408,766	274,949
Cash transfers from restructure		..	..	..
Administered cash at end of financial year		(65,481)	274,949	259,264

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

1. The increase in the 2009-10 Estimated actual is due to the commencement of the Commercial Transactions Team (CTT) and funding for Queensland's contribution toward the establishment of a national e-conveyancing body. The further increase in the 2010-11 Estimate is due to funding for the CTT and for employee expenses associated with the Enterprise Bargaining Agreement. This is partially offset by one-off funding in 2009-10 for Queensland's contribution toward the establishment of a National e-Conveyancing Body and an additional efficiency dividend.
2. The increase in the 2009-10 Estimated actual is due to corporate support revenue from CorpTech and revenue relating to reimbursements of costs incurred on behalf of the Office of Liquor and Gaming Regulation (OLGR) and Office of Racing. The subsequent decrease in the 2010-11 Estimate is due to the cessation of corporate support revenue from CorpTech and the cessation of cost reimbursements from OLGR and the Office of Racing.
3. The increase in the 2009-10 Estimated actual is due to costs associated with CTT employees and costs incurred on behalf of OLGR and Office of Racing. The further increase in the 2010-11 Estimate is due to costs associated with the Enterprise Bargaining Agreement, partially offset by the cessation of costs incurred on behalf of OLGR and the Office of Racing.
4. The increase in the 2009-10 Estimated actual is primarily in CTT, including costs for services provided by commercial, legal, accounting, tax and other technical advisors. Also contributing is costs associated with various other projects. The further increase in the 2010-11 Estimate is due to increased costs in CTT, primarily associated with the Queensland Rail Initial Public Offering. This increase is partially offset by the completion of other projects.
5. The increase in the 2009-10 Estimated actual and the subsequent decrease in the 2010-11 Estimate reflects Queensland's contribution toward the establishment of a national e-conveyancing body in 2009-10.
6. The decrease in the 2009-10 Estimated actual is primarily due to delays in corporate ICT projects, resulting in delays in incurring depreciation. The subsequent increase in the 2010-11 Estimate is a result of depreciation and amortisation on additional capital expenditure on the Revenue Management System (RMS) and corporate ICT projects.
7. The increase in the 2009-10 Estimated actual primarily relates to advertising costs incurred by the CTT. The further increase in the 2010-11 Estimate is due to advertising costs relating to the CTT and the 2011 census awareness campaign.

Statement of changes in equity

4. The movements in the equity injection/(withdrawal) in the 2009-10 Adjusted Budget, the 2009-10 Estimated actual and the 2010-11 Estimate primarily reflect equity adjustments relating to the RMS program of work.
5. The equity adjustments MoG transfers in the 2009-10 Adjusted Budget and the 2009-10 Estimated actual represent the MoG transfer of the Planning and Information Forecasting Unit (PIFU) from the Department of Infrastructure and Planning (DIP) on 1 August 2009.

Balance sheet

10. The increase in the 2009-10 Estimated actual is mainly due to delays in capital expenditure on corporate ICT projects and leasehold improvement work. The decrease in the 2010-11 Estimate is primarily due to cash reserves being used to fund capital expenditure.
11. The decrease in the 2009-10 Estimated actual is due to delays in corporate ICT projects and delays in undertaking leasehold improvement work. The subsequent increase in the 2010-11 Estimate reflects corporate ICT projects and leasehold improvement work planned for 2010-11.
12. The decrease in the 2010-11 Estimate is primarily due to amortisation on the RMS, partially offset by additional capital expenditure on the RMS.
13. The increase in the 2009-10 Estimated actual reflects a reclassification between the Capital/contributed equity and Retained surplus/(accumulated deficit) identified in the 2008-09 financial statements. The decrease in the 2010-11 Estimate is mainly due to equity adjustments relating to the RMS program of work.
14. The decrease in the 2009-10 Estimated actual reflects a reclassification between Capital/contributed equity and Retained surplus/(accumulated deficit), partially offset by a higher opening balance as a result of the 2008-09 operating surplus.

Cash flow statement

15. The increase in the 2009-10 Estimated actual is due to the commencement of the Commercial Transactions Team (CTT) and funding for Queensland's contribution toward the establishment of a national e-conveyancing body. The further increase in the 2010-11 Estimate is due to funding for the CTT and for employee costs associated with the Enterprise Bargaining Agreement. This is partially offset by one-off funding in 2009-10 for Queensland's contribution toward the establishment of a National e-Conveyancing Body and an additional efficiency dividend.
16. The increase in the 2009-10 Estimated actual is due to user charges from CorpTech and inflows relating to reimbursements of costs incurred on behalf of OLGR and Office of Racing. The subsequent decrease in the 2010-11 Estimate is due to the cessation of user charges from CorpTech and the cessation of cost reimbursements from OLGR and Office of Racing.
17. The increase in the 2009-10 Estimated actual is due to costs associated with CTT employees and costs incurred on behalf of OLGR and Office of Racing. The further increase in the 2010-11 Estimate is due to costs associated with the Enterprise Bargaining Agreement, partially offset by the cessation of costs incurred on behalf of OLGR and Office of Racing.
18. The increase in the 2009-10 Estimated actual is primarily in CTT, including costs for services provided by commercial, legal, accounting, tax and other technical advisors. Also contributing is costs associated with various other projects and costs incurred on behalf of OLGR and Office of Racing. The further increase in the 2010-11 Estimate is due to increased costs in CTT, primarily associated with the Queensland Rail Initial Public Offering. This is partially offset by the completion of other projects and the cessation of costs incurred on behalf of OLGR and Office of Racing.
19. The increase in the 2009-10 Estimated actual and the subsequent decrease in the 2010-11 Estimate reflects Queensland's contribution toward the establishment of a national e-conveyancing body in 2009-10.

20. The increase in the 2009-10 Estimated actual primarily relates to advertising costs relating to the CTT. The further increase in the 2010-11 Estimate is due to advertising costs incurred by CTT and the 2011 census awareness campaign.
21. The decrease in the 2009-10 Estimated actual is due to delays in corporate ICT projects and leasehold improvement work from 2009-10 to 2010-11. The further decrease in the 2010-11 Estimate is due to a reduction in capital expenditure on RMS development, partially offset by the corporate ICT projects and leasehold improvement work deferred from 2009-10 to 2010-11.
22. Equity injections primarily reflect the level of investments by the State in the development of the RMS.
23. Equity withdrawals mainly relate to the return of amortisation funding on the RMS.
24. Cash transfers from restructure in 2009-10 represents the cash transferred from DIP as a result of the MoG transfer of the PIFU on 1 August 2009.

Administered income statement

25. The increase in the 2009-10 Estimated actual is primarily due to an increase in the Australian Government's estimate of the 2009-10 GST pool and additional road funding. The decrease in the 2010-11 Estimate reflects the winding down of Australian Government funding for Economic Stimulus Measures.
26. The increase in the 2009-10 Estimated actual is largely due to increased property market activity, resulting in increased taxation revenue from transfer duty. The increase in the 2010-11 Estimate is the result of the forecast continued recovery from the economic downturn which is expected to increase taxation revenue from property and motor vehicle transfers and payroll tax.
27. The lower Health Services Levy revenue in the 2009-10 Estimated actual reflects lower than expected gaming machine activity in hotels.
28. These amounts reflect Competitive Neutrality Fees (CNF) charged on lending by Queensland Treasury Corporation to Government owned corporations. The decrease in the 2009-10 Estimated actual reflects both a reduction in credit margins and the deduction provided to Government owned corporations to offset the fee applicable on the Australian Government guarantee of State borrowings. The increase in the 2010-11 Estimate predominantly relates to the resetting of CNF margins on energy distributors following Australian Energy Regulator determination outcomes.
29. The increase in the 2009-10 Estimated actual and subsequent decrease in the 2010-11 Estimate is due to higher than usual earnings in 2009-10 relating to the Treasurer's Unclaimed Moneys Fund investment and State working capital facility.
30. Administered appropriation is received from the Consolidated Fund to fund administered expenses. Material changes in administered expenses are outlined in Notes 32 to 34.
31. The increase in the 2009-10 Estimated actual is due to higher than forecast receipts of monies remaining unclaimed after two years from Treasurer's Unclaimed Moneys Fund and for receipts under the *Criminal Proceeds Confiscation Act 2002*.
32. The increase in the 2009-10 Estimated actual mainly relates to South East Queensland (SEQ) Water Grid Manager grants and Community Investment Fund (CIF) grants as well as higher than expected Australian Government funded First Home Owners Boost payments, partially offset by lower than expected State funded First Home Owner grants payments, lower than expected Queensland Fuel Subsidy Scheme payments and revised funding estimates for Natural Disaster Relief Rural Assistance payments to the Queensland Rural Adjustment Authority. The subsequent decrease in the 2010-11 Estimate is due to the finalisation of the Australian Government funded First Home Owner Boost payments during 2009-10, lower expected State funded First Home Owner Grant payments, a decrease in grants to SEQ Water Grid Manager (the 2009-10 payments include amounts from 2008-09), and reduced CIF grants following a change to the funding source of a number of grants.
33. The decrease in the 2009-10 Estimated actual primarily relates to higher revenues from Australian Government grants and other revenue sources during 2009-10 reducing the requirement for borrowings. The subsequent increase in 2010-11 mainly relates to expected borrowings in support of the Government's capital works program.
34. The increase in the 2009-10 Estimated actual mainly relates to an increase in the State's share of superannuation beneficiary payments and transfer duty payments in accordance with legislative provisions. The subsequent increase in the 2010-11 Estimate is due to a further increase in the State's share of superannuation beneficiary payments and an increase in Annual Leave Central Scheme payments.
35. This represents revenues collected on behalf of the Queensland Government which are transferred to the Consolidated Fund. Material changes in administered revenues are outlined in Notes 25 to 29 and Note 31.
36. Revised estimated timing of Government gaming machine licence sales and a general reduction in gambling and casino taxes have resulted in lower expected revenue to the CIF in both 2009-10 and 2010-11. This has resulted in Treasury Administered operating deficits in both years.

Administered balance sheet

37. Treasury, in its capacity as the manager of the State's finances, operates a bank account facility, including an overdraft, offset by departmental cash holdings.
38. The increase in the 2009-10 Estimated actual predominantly reflects higher than budgeted levels of State taxation revenue.
39. The 2009-10 Budget included an amount of prepayments relating to the Queensland Fuel Subsidy Scheme. This Scheme was abolished from 1 July 2009.
40. The decrease in the 2009-10 Estimated actual primarily relates to higher revenues from Australian Government Grants and Taxes, Fees and Fines during 2009-10 reducing the requirement for borrowings. The subsequent increase in 2010-11 mainly relates to borrowings in support of the Government's capital works program.
41. Contributed equity primarily represents the transfer to the Consolidated Fund of proceeds of borrowings.
42. The decrease in the 2009-10 Estimated actual and the further decrease in the 2010-11 Estimate reflect the 2009-10 and 2010-11 operating deficits as discussed in Note 36.

Administered cash flow statement

43. Administered appropriation is received from the Consolidated Fund to fund administered expenses. Material changes in administered expenses are outlined in Notes 49 to 51.
44. The increase in the 2009-10 Estimated actual is primarily due to an increase in the Australian Government's estimate of the 2009-10 GST pool and additional road funding. The decrease in the 2010-11 Estimate reflects the winding down of Australian Government funding for Economic Stimulus Measures.
45. The increase in the 2009-10 Estimated actual is largely due to increased property market activity, resulting in increased taxation revenue from transfer duty. The increase in the 2010-11 Estimate is the result of the forecast continued recovery from the economic downturn which is expected to increase taxation revenue from property and motor vehicle transfers and payroll tax.
46. The lower Health Services Levy revenue in the 2009-10 Estimated actual reflects lower than expected gaming machine activity in hotels.
47. These amounts reflect Competitive Neutrality Fees (CNF) charged on lending by Queensland Treasury Corporation to Government owned corporations. The decrease in the 2009-10 Estimated actual reflects both a reduction in credit margins and the deduction provided to Government owned corporations to offset the fee applicable on the Australian Government guarantee of State borrowings. The increase in the 2010-11 Estimate predominantly relates to the resetting of CNF margins on energy distributors following Australian Energy Regulator determination outcomes.
48. This represents revenues collected on behalf of the Queensland Government which are transferred to the Consolidated Fund. Material changes in administered revenues are outlined in Notes 44 to 47.
49. The increase in the 2009-10 Estimated actual mainly relates to South East Queensland (SEQ) Water Grid Manager grants and Community Investment Fund (CIF) grants as well as higher than expected Australian Government funded First Home Owners Boost payments, partially offset by lower than expected State funded First Home Owner grants payments, lower than expected Queensland Fuel Subsidy Scheme payments and revised funding estimates for Natural Disaster Relief Rural Assistance payments to the Queensland Rural Adjustment Authority. The subsequent decrease in the 2010-11 Estimate is due to the finalisation of the Australian Government funded First Home Owner Boost payments during 2009-10, lower expected State funded First Home Owner Grant payments, a decrease in grants to SEQ Water Grid Manager (the 2009-10 payments include amounts from 2008-09), and reduced CIF grants following a change to the funding source of a number of grants.
50. The decrease in the 2009-10 Estimated actual primarily relates to higher revenues from Australian Government grants and other revenue sources during 2009-10 reducing the requirement for borrowings. The subsequent increase in 2010-11 mainly relates to borrowings in support of the Government's capital works program.
51. The increase in the 2009-10 Estimated actual mainly relates to an increase in the State's share of superannuation beneficiary payments and transfer duty payments in accordance with legislative provisions. The subsequent increase in the 2010-11 Estimate is due to a further increase in the State's share of superannuation beneficiary payments and an increase in Annual Leave Central Scheme payments.
52. In its capacity as manager of the State's finances, Treasury expects to borrow \$5.190 billion in 2009-10 and \$7.511 billion in 2010-11 in support of the Government's capital works program.
53. The increase in the 2009-10 Estimated actual relates to the transfer of funds from the Queensland Future Growth Fund to the Queensland Manufactured Water Authority (WaterSecure) and Queensland Water Infrastructure. As the administering department, drawdowns from the Queensland Future Growth Fund pass through Treasury Administered as an equity injection and a subsequent equity withdrawal. The reduction in 2010-11 relates to a lower level of expected transfers from the Queensland Future Growth Fund.
54. This reflects the sum of the expected transfers from the Queensland Future Growth Fund as outlined in note 53 and the transfer of expected whole of Government borrowings requirements as outlined in Note 52.

Statutory Bodies

Motor Accident Insurance Commission/ Nominal Defendant

OVERVIEW

The Motor Accident Insurance Commission (MAIC) and the Nominal Defendant statutory bodies contribute to the motor accident insurance administration service. MAIC regulates the Queensland compulsory third party (CTP) insurance scheme and manages the Nominal Defendant fund.

A key focus of this service is to maintain a viable CTP insurance scheme that is affordable to motor vehicle owners with the backing of a fully funded Nominal Defendant scheme for uninsured or unidentified motor vehicles.

MAIC, including the Nominal Defendant, contributes to the Government's *Toward Q2: Tomorrow's Queensland* Fair ambition – *Supporting safe and caring communities* – by maintaining a viable CTP scheme balanced with reasonable and appropriate compensation to the injured. It also contributes to the Smart ambition – *Delivering world class education and training* by providing funds for research and education in injury prevention and rehabilitation, and a Healthy Queensland by investing in research to improve road safety interventions and service delivery for people injured in motor vehicle accidents.

MAIC and the Nominal Defendant achieve these ambitions by:

- licensing, supervising and monitoring the financial strength of insurers' CTP operations
- setting premium bands and recommending scheme levies based on research and independent actuarial analyses
- promoting, assessing and, where appropriate, funding education and research activities to minimise injuries, mitigate the effects of motor vehicle accidents and monitor the provision of rehabilitation services.

The Nominal Defendant acts as a CTP insurer where damages are claimed for personal injury arising from the liability of unidentified and/or uninsured motor vehicles and meeting the cost of claims of an insolvent CTP insurer.

REVIEW OF PERFORMANCE

The Government's Performance Management Framework is being progressively implemented. The Framework no longer uses the concepts of 'outputs' and 'performance measures' that were previously used in Service Delivery Statements. They are replaced with 'services' and 'service standards'. These terms are defined in the Budget Readers' Guide. Together, they begin to provide information about how efficiently and effectively agencies deliver services within their approved Budget.

All agencies reviewed their service structures and service standards as part of this transition year. Approved changes are included in this year's Service Delivery Statement. Results against measures that have been discontinued are included in Appendix A (Book 5 of the Service Delivery Statements) for this year only. A key aspect of improving performance information is reviewing performance data. As such, each year agencies will continue to review and improve their service standards to provide better information on the effectiveness and efficiency of their services.

Recent achievements

Significant recent achievements include:

- monitoring the impact of recent claim trends on premium rates, resulting in recommendations for scheme improvements
- completing further actuarial analysis associated with the cost of a no-fault lifetime care and support scheme.

Future developments

In 2010-11, MAIC will focus on the following major initiatives:

- using the results of actuarial analyses to consider the feasibility of a lifetime care and support scheme in CTP
- implementation of changes to enhance the CTP scheme.

STATEMENTS

PERFORMANCE STATEMENT

Service standards	Notes	2009-10 Target/est.	2009-10 Est. actual	2010-11 Target/est.
Setting of premium bands within legislated timeframes	1	100%	100%	100%
Recommendation to the Treasurer of annual CTP levies by legislated timeframes	2	100%	100%	100%
Funds expended on grants per registered vehicle	3	\$0.50	\$0.37	\$0.52
Number of Nominal Defendant claims finalised as a percentage of total outstanding claims		50%	50%	50%
Percentage of Nominal Defendant claims settled within two years of compliance	4	New measure	45%	50%
Percentage of Nominal Defendant claims with General Damages paid within 60 days of the settlement date	4	New measure	95%	95%
State contribution (\$'000)		..	..	..
Other revenue (\$'000)	5	83,319	142,011	113,397
Total cost (\$'000)	6	70,286	14,485	69,658

Notes:

1. This service standard description has been amended since the publication of the 2009-10 Service Delivery Statement to better reflect the functions of the *Motor Accident Insurance Act 1994*.
2. This service standard description has been amended since the publication of the 2009-10 Service Delivery Statement to make the measure clearer and more accurate.
3. The decrease in the 2009-10 Estimated actual is primarily due to an increase in the Commission's operating expenses and a decrease in the estimated number of registered vehicles for 2009-10.
4. These service standard descriptions have been amended since publication of the 2009-10 Service Delivery Statement to be more consistent with industry benchmarks.
5. The increase in the 2009-10 Estimated actual is due to higher than expected returns on Queensland Investment Corporation (QIC) investments. The subsequent decrease in the 2010-11 Target/estimate is due to the expected return to average rates of return estimated by QIC.
6. The decrease in the 2009-10 Estimated actual is due to the receipt of FAI-Tail dividends. The subsequent increase in the 2010-11 Target/Estimate is due to no FAI-Tail dividends forecast to be received.

INCOME STATEMENT

Motor Accident Insurance Commission	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
Income				
User charges		..	..	..
Grants and other contributions		..	..	..
Other revenue	1	11,261	16,394	14,283
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		11,261	16,394	14,283
Expenses				
Employee expenses		2,556	2,344	2,540
Supplies and services	2	1,615	2,216	1,813
Grants and subsidies	3	5,400	5,400	6,000
Depreciation and amortisation		62	62	40
Finance/borrowing costs		..	..	..
Other expenses		140	157	136
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		9,773	10,179	10,529
OPERATING SURPLUS/(DEFICIT)	4	1,488	6,215	3,754

STATEMENT OF CHANGES IN EQUITY

Motor Accident Insurance Commission	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 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		1,488	6,215	3,754
Total recognised income and expense for the period		1,488	6,215	3,754
Equity injection/(withdrawal)	
Equity adjustments (MoG transfers)	
Total movement in equity for period		1,488	6,215	3,754

BALANCE SHEET

Motor Accident Insurance Commission	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
CURRENT ASSETS				
Cash assets		952	1,000	1,000
Receivables		599	232	232
Other financial assets	5	27,763	36,327	40,086
Inventories		..	..	..
Other		3	..	..
Non-financial assets held for sale		..	..	..
Total current assets		29,317	37,559	41,318
NON-CURRENT ASSETS				
Receivables	6	500	..	..
Other financial assets		10,500	10,500	10,500
Property, plant and equipment		8	52	99
Intangibles		32	32	..
Other		..	..	..
Total non-current assets		11,040	10,584	10,599
TOTAL ASSETS		40,357	48,143	51,917
CURRENT LIABILITIES				
Payables		582	494	513
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		582	494	513
NON-CURRENT LIABILITIES				
Payables		46	52	53
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		46	52	53
TOTAL LIABILITIES		628	546	566
NET ASSETS/(LIABILITIES)		39,729	47,597	51,351
EQUITY				
Capital/contributed equity	7	164	..	..
Retained surplus/(accumulated deficit)	8	23,690	31,697	35,451
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (Income maintenance & grants reserve)		15,875	15,900	15,900
TOTAL EQUITY		39,729	47,597	51,351

CASH FLOW STATEMENT

Motor Accident Insurance Commission	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges		..	..	..
Grants and other contributions		..	..	..
Other	9	11,247	16,392	14,283
Outflows:				
Employee costs		(2,544)	(2,332)	(2,527)
Supplies and services	10	(1,616)	(2,188)	(1,806)
Grants and subsidies	11	(5,400)	(5,400)	(6,000)
Borrowing costs		..	..	..
Other		(140)	(157)	(136)
Net cash provided by/(used in) operating activities		1,547	6,315	3,814
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed	12	..	500	..
Outflows:				
Payments for property, plant and equipment and intangibles		..	(44)	(55)
Payments for investments	13	(1,547)	(6,141)	(3,759)
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(1,547)	(5,685)	(3,814)
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		..	630	..
Cash at the beginning of financial year		952	370	1,000
Cash transfers from restructure		..	..	..
Cash at the end of financial year		952	1,000	1,000

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

1. The increase in the 2009-10 Estimated actual is due to a higher than expected rate of return on Queensland Investment Corporation (QIC) investments
2. The increase in the 2009-10 Estimated actual is due to the engagement of consultants to undertake the Compulsory Third Party (CTP) scheme review. The decrease in the 2010-11 Estimate is due to completion of consultancies for the CTP scheme review.
3. The increase in the 2010-11 Estimate is the result of a higher funding agreement with the University of Queensland for the Centre of National Research on Disability and Rehabilitation Medicine.
4. The increase in the 2009-10 Estimated actual is due to higher than expected rates of return on QIC investments.

Balance sheet

5. The increase in the 2009-10 Estimated actual and 2010-11 Estimate reflects returns on QIC investments.
6. The decrease in the 2009-10 Estimated actual is due to a grant loan receivable being written-off.
7. The decrease in the 2009-10 Estimated actual is due to a reclassification required in the 2008-09 audited financial statements.
8. The increase in the 2009-10 Estimated actual and 2010-11 Estimate reflects positive returns on QIC investments.

Cash flow statement

9. The increase in the 2009-10 Estimated actual is due to a higher than expected rate of return on QIC investments.
10. The increase in the 2009-10 Estimated actual is due to the engagement of consultants to undertake the CTP scheme review. The decrease in the 2010-11 Estimate is due to the completion of consultancies for the CTP scheme review.
11. The increase in the 2010-11 Estimate is the result of a higher funding agreement with the University of Queensland for the Centre of National Research on Disability and Rehabilitation Medicine.
12. The increase in the 2009-10 Estimated actual and decrease in the 2010-11 Estimate is due to a grant loan receivable being written off.
13. The increase in the 2009-10 Estimated actual is due to higher than expected returns from QIC investments.

INCOME STATEMENT

Nominal Defendant	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
Income				
User charges		..	..	..
Grants and other contributions		..	..	..
Other revenue	1	72,058	125,617	99,114
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		72,058	125,617	99,114
Expenses				
Employee expenses		1,193	1,025	1,140
Supplies and services		59,253	59,194	57,957
Grants and subsidies		..	..	..
Depreciation and amortisation		40	44	4
Finance/borrowing costs		..	..	..
Other expenses	2	27	(55,957)	28
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		60,513	4,306	59,129
OPERATING SURPLUS/(DEFICIT)	3	11,545	121,311	39,985

STATEMENT OF CHANGES IN EQUITY

Nominal Defendant	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 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		11,545	121,311	39,985
Total recognised income and expense for the period		11,545	121,311	39,985
Equity injection/(withdrawal)	4	..	(16,583)	..
Equity adjustments (MoG transfers)		..	..	..
Total movement in equity for period		11,545	104,728	39,985

BALANCE SHEET

Nominal Defendant	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
CURRENT ASSETS				
Cash assets		2,021	2,000	2,000
Receivables		1,845	197	197
Other financial assets	5	76,336	77,665	87,665
Inventories		..	..	..
Other		4	..	..
Non-financial assets held for sale		..	..	..
Total current assets		80,206	79,862	89,862
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets	6	264,717	385,696	433,167
Property, plant and equipment		12	23	39
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		264,729	385,719	433,206
TOTAL ASSETS		344,935	465,581	523,068
CURRENT LIABILITIES				
Payables		454	455	461
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions	7	47,775	41,384	44,704
Other		31,984	29,812	30,707
Total current liabilities		80,213	71,651	75,872
NON-CURRENT LIABILITIES				
Payables		10	17	18
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		176,627	165,536	178,816
Other		..	..	..
Total non-current liabilities		176,637	165,553	178,834
TOTAL LIABILITIES		256,850	237,204	254,706
NET ASSETS/(LIABILITIES)		88,085	228,377	268,362
EQUITY				
Capital/contributed equity	8	78,476	58,037	58,037
Retained surplus/(accumulated deficit)	9	9,609	170,340	210,325
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		88,085	228,377	268,362

CASH FLOW STATEMENT

Nominal Defendant	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges		..	..	..
Grants and other contributions		..	..	..
Other	10	72,990	146,402	100,009
Outflows:				
Employee costs		(1,189)	(1,021)	(1,135)
Supplies and services		(59,242)	(59,102)	(57,955)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other	11	20,121	55,320	16,572
Net cash provided by/(used in) operating activities		32,680	141,599	57,491
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles		..	(16)	(20)
Payments for investments	12	(32,680)	(125,166)	(57,471)
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(32,680)	(125,182)	(57,491)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	13	..	(16,583)	..
Net cash provided by/(used in) financing activities		..	(16,583)	..
Net increase/(decrease) in cash held		..	(166)	..
Cash at the beginning of financial year		2,021	2,166	2,000
Cash transfers from restructure		..	..	..
Cash at the end of financial year		2,021	2,000	2,000

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

1. The increase in the 2009-10 Estimated actual is due to a higher than expected rate of return on Queensland Investment Corporation (QIC) investments.
2. The decrease in the 2009-10 Estimated actual is a result of FAI-Tail dividends received and partly reimbursed to Government. The increase in the 2010-11 Estimate is due to nil FAI-Tail dividends forecast to be received in 2010-11.
3. The increase in the 2009-10 Estimated actual is due to higher than expected rates of return on QIC investments and unbudgeted FAI-Tail dividends.

Statement of changes in equity

4. The decrease in the 2009-10 Estimated actual is a result of reimbursement to Government for the FAI-Tail dividends. The increase in the 2010-11 Estimate is a result of no projected reimbursements to Government from FAI-Tail dividends.

Balance sheet

5. The increase in the 2010-11 Estimate reflects expected positive returns on QIC investments.
6. The increase in the 2009-10 Estimated actual and the 2010-11 Estimate is a result of higher than expected investment earnings from QIC and reclassification of the current/non-current investments to align with the apportionment of the Nominal Defendant outstanding claims provision as per actuarial calculation.
7. The decrease in the 2009-10 Estimated actual is a result of the audited opening balance of non-current outstanding claim provision.
8. The decrease in the 2009-10 Estimated actual reflects FAI-Tail dividends received and reimbursed to Government through non-appropriated equity withdrawals.
9. The increase in the 2009-10 Estimated actual is due to higher than expected rates of return on QIC investments and unbudgeted FAI-Tail dividends.

Cash flow statement

10. The increase in the 2009-10 Estimated actual is due to a higher than expected rate of return on QIC investments.
11. The increase in the 2009-10 Estimated actual is a result of FAI-Tail dividends received and partly reimbursed to Government. The decrease in the 2010-11 Estimate is due to nil forecast for reimbursement to Government from FAI-Tail dividends.
12. The increase in the 2009-10 Estimated actual is due to higher than expected returns from QIC investments.
13. The increase in the 2009-10 Estimated actual is a result of a reimbursement to Government for FAI-Tail dividends. The decrease in the 2010-11 Estimate is a result of a nil projected reimbursement to Government from FAI-Tail dividends.

Queensland Future Growth Corporation

OVERVIEW

The Queensland Future Growth Corporation was created as a corporation sole under the *Future Growth Fund Act 2006* to administer the Queensland Future Growth Fund (the Fund).

The Fund supports initiatives and infrastructure benefiting Queensland by:

- implementing strategies to secure water supply and providing funding for water infrastructure
- providing funding for infrastructure projects that support the State's growth, particularly in the areas of transport, housing and commercial infrastructure
- supplying funds to research and develop innovative technologies that address climate change and proactively advance the State's environmental sustainability.

The Fund directly contributes to the Government's *Toward Q2: Tomorrow's Queensland* Strong ambition – *Creating a diverse economy powered by bright ideas*.

REVIEW OF PERFORMANCE

The Government's Performance Management Framework is being progressively implemented. The Framework no longer uses the concepts of 'outputs' and 'performance measures' that were previously used in Service Delivery Statements. They are replaced with 'services' and 'service standards'. These terms are defined in the Budget Readers' Guide. Together, they begin to provide information about how efficiently and effectively agencies deliver services within their approved Budget.

All agencies reviewed their service structures and service standards as part of this transition year. Approved changes are included in this year's Service Delivery Statement. Results against measures that have been discontinued are included in Appendix A (Book 5 of the Service Delivery Statements) for this year only. A key aspect of improving performance information is reviewing performance data. As such, each year agencies will continue to review and improve their service standards to provide better information on the effectiveness and efficiency of their services.

Recent achievements

Significant recent achievements include allocation of an estimated \$658.8 million toward transport and water infrastructure, clean coal technology, climate change and Smart State projects, commercial infrastructure and social housing stock in 2009-10. The Fund also benefited from reinjecting interest earnings on the fund balance.

Future developments

The Fund will continue to contribute to the following key priorities with an estimated \$362.6 million allocated to projects in 2010-11:

- constructing water and transport infrastructure
- funding for clean coal technology that will make a proactive and positive contribution to the science and technology of reducing carbon emissions
- funding for climate change initiatives such as the Solar Hot Water Rebate Scheme energy conservation and demand management measures to reduce peak electricity demand in Queensland and grants for a range of renewable energy projects

- contributing further towards Smart State projects, including the Innovation Building Fund. The 2010-11 allocation also provides funding towards the Life Sciences Partnership Fund – a venture capital fund between the Government, global biopharmaceutical company Eli Lilly and other strategic investors that will be based in Brisbane and help make Queensland a key biotechnology hub
- funding for priority works on the Mount Isa rail line to facilitate capacity growth and develop the North West Minerals Province
- continuing to provide funding to expand the State's social housing stock.

The Fund will also continue to benefit from the reinjection of interest earnings on the Fund balance.

Queensland Future Growth Fund projects	Total allocation \$'000	2006-07 Actual \$'000	2007-08 Actual \$'000	2008-09 Actual \$'000	2009-10 Budget \$'000	2009-10 Est. Act. \$'000	2010-11 Estimate \$'000
Transport infrastructure	500,000	..	149,300	153,600	135,100	125,600	3,700
Water infrastructure	1,000,000	..	..	557,200	14,800	278,700	73,400
Clean coal technology	300,000	29,600	22,400	46,900	19,000	16,600	4,700
Climate change projects	100,000	..	..	3,000	43,200	26,200	43,200
Smart State projects	128,100	..	6,800	20,000	23,200	700	80,900 ¹
Commercial infrastructure including Government-owned corporations	600,000	400,000	..	50,000	50,000	71,000	66,700
Social housing stock	500,000	..	85,000	125,000	140,000	140,000	90,000
Total	3,128,100	429,600	263,500	955,700	425,300	658,800	362,600

Note:

1. Allocation includes the forecast conversion of US\$25 million to A\$ relating to funding towards the Life Sciences Partnership Fund. The actual drawdown amount from the Queensland Future Growth Fund will be based on the conversion of US\$ to A\$ on the day of the drawdown and therefore, will differ from the forecast allocation.

STATEMENTS

PERFORMANCE STATEMENT

Service standards	Notes	2009-10 Target/est.	2009-10 Est. actual	2010-11 Target/est.
Fund administered in accordance with government guidelines		100%	100%	100%
Allocation of funds to projects within the intended scope of the Fund		100%	100%	100%
Provision of funding in accordance with project cash flow		100%	100%	100%
State contribution (\$'000)		..	..	..
Other revenue (\$'000)	1	57,367	49,034	38,391
Total cost (\$'000)	2	1,881	693	..

Notes:

1. Other revenue reflects forecast interest earnings on the Fund balance. The decrease in interest earnings is due to a reduced fund balance in 2010-11 as funds are allocated to projects.
2. Total cost largely reflects administration charges payable to the Queensland Treasury Corporation (QTC) to manage the Fund's investments. The decrease in total costs reflects the Fund's cash balances now being held in an at call facility with a commercial bank.

INCOME STATEMENT

Queensland Future Growth Corporation	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
Income				
User charges		..	..	..
Grants and other contributions		..	..	..
Other revenue	1	57,367	49,034	38,391
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		57,367	49,034	38,391
Expenses				
Employee expenses		..	..	..
Supplies and services	2	1,881	693	..
Grants and subsidies		..	..	..
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses		..	..	..
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		1,881	693	..
OPERATING SURPLUS/(DEFICIT)		55,486	48,341	38,391

STATEMENT OF CHANGES IN EQUITY

Queensland Future Growth Corporation	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 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		55,486	48,341	38,391
Total recognised income and expense for the period		55,486	48,341	38,391
Equity injection/(withdrawal)		(425,291)	(658,791)	(362,637)
Equity adjustments (MoG transfers)	
Total movement in equity for period		(369,805)	(610,450)	(324,246)

BALANCE SHEET

Queensland Future Growth Corporation	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
CURRENT ASSETS				
Cash assets		1,316,546	1,107,626	783,380
Receivables		..	..	..
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		1,316,546	1,107,626	783,380
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		..	..	..
TOTAL ASSETS		1,316,546	1,107,626	783,380
CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		..	..	..
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		..	..	..
NET ASSETS/(LIABILITIES)		1,316,546	1,107,626	783,380
EQUITY				
Capital/contributed equity	3	1,000,029	766,529	403,892
Retained surplus/(accumulated deficit)		316,517	341,097	379,488
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		1,316,546	1,107,626	783,380

CASH FLOW STATEMENT

Queensland Future Growth Corporation	Notes	2009-10 Budget \$'000	2009-10 Est. act. \$'000	2010-11 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges		..	..	..
Grants and other contributions		..	..	..
Other	4	57,367	49,034	38,391
Outflows:				
Employee costs		..	..	..
Supplies and services	5	(1,881)	(712)	..
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		..	..	..
Net cash provided by/(used in) operating activities		55,486	48,322	38,391
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed	6	150,000	150,000	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		150,000	150,000	..
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	7	(425,291)	(658,791)	(362,637)
Net cash provided by/(used in) financing activities		(425,291)	(658,791)	(362,637)
Net increase/(decrease) in cash held		(219,805)	(460,469)	(324,246)
Cash at the beginning of financial year		1,536,351	1,568,095	1,107,626
Cash transfers from restructure		..	..	..
Cash at the end of financial year		1,316,546	1,107,626	783,380

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

1. This reflects forecast interest earnings on the Fund balance. The decrease in interest earnings is due to a reduced fund balance in 2010-11 as funds are allocated to projects.
2. This primarily reflects administration charges payable to manage the Fund's investments.

Balance sheet

3. The decrease reflects the drawdown of funds provided to agencies for expenditure on Queensland Future Growth Fund projects.

Cash flow statement

4. This reflects forecast interest earnings on the Fund balance. The decrease in interest earnings is due to a reduced fund balance in 2010-11 as funds are allocated to projects.
5. This primarily reflects administration charges payable to QTC to manage the Fund's investments
6. This reflects investments in fixed rate deposits with QTC that matured in 2009-10.
7. This reflects the drawdown of funds provided to agencies for expenditure on Queensland Future Growth Fund projects.