

## Service Delivery Statements

Queensland Police Service

Queensland Fire and Emergency Services

Public Safety Business Agency

Office of Inspector-General Emergency Management

# **2014–15 State Budget Papers**

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

**Concessions Statement**

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

The Budget Papers are available online at [www.budget.qld.gov.au](http://www.budget.qld.gov.au)

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**Service Delivery Statements**

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### Summary of portfolio budgets

Page	Agency	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
4	Queensland Police Service - controlled	1,931,124	1,974,084	2,070,324
	Queensland Police Service - administered	9,717	9,717	9,293
28	Queensland Fire and Emergency Services - controlled	411,747	404,969	620,024
48	Public Safety Business Agency - controlled	699,426	674,092	610,265
68	Office of Inspector-General Emergency Management - controlled	..	..	4,495

Notes:

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

# PORTFOLIO OVERVIEW

## Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Minister for Police, Fire and Emergency Services.

<b>Minister for Police, Fire and Emergency Services</b> The Honourable Jack Dempsey MP
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<b>Assistant Minister for Emergency Volunteers</b> Ted Malone MP
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<b>Queensland Police Service</b> Commissioner: Ian Stewart
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Service Area 1: Crime and Public Order
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Service Area 2: Road Safety
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<b>Queensland Fire and Emergency Services</b> Commissioner: Lee Johnson
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Service Area 1: Fire and Emergency Services
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<b>Public Safety Business Agency</b> Chief Executive Officer: Kelvin Anderson
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Service Area 1: Executive, Corporate and Business Services
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<b>The Office of the Inspector-General Emergency Management</b> Inspector-General: Iain MacKenzie
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Service Area 1: Independent Assurance and Advice to Improve Emergency Management
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Additional information about these agencies can be sourced from [www.police.qld.gov.au](http://www.police.qld.gov.au), [www.fire.qld.gov.au](http://www.fire.qld.gov.au) and [www.igem.qld.gov.au](http://www.igem.qld.gov.au).

# PORTFOLIO OVERVIEW

## Strategic direction

In November 2012 the Government commissioned the Police and Community Safety Review (PACSR) to look at how the Queensland Police Service and the Department of Community Safety delivered their services.

The Review report was released in August 2013. It recommended the establishment of a new public safety portfolio under the Minister for Police, Fire and Emergency Services. This replaced the previous police and community safety portfolio, with the Queensland Ambulance Service moving to Queensland Health and Queensland Corrective Services and the Prostitution Licensing Authority moving to the Department of Justice and Attorney-General. The resulting public safety portfolio consists of the Queensland Police Service, Queensland Fire and Emergency Services, the Public Safety Business Agency and the Office of the Inspector-General Emergency Management.

The Queensland Police Service upholds the law by working with the community to stop crime and make Queensland safer. The QPS is responsible for service delivery 24 hours-7 day a week, focussed on preserving peace and good order, protecting the community, preventing and detecting crime, administering the law fairly and efficiently and bringing offenders to justice. This is achieved by using technology and innovative strategies to enable a mobile, flexible and agile delivery of services to address community needs.

Queensland Fire and Emergency Services was established on 1 November 2013 to enhance community safety by minimising the impact of fire and emergency incidents on the people, environment and the economy of Queensland. This new department incorporates parts of two divisions of the former Department of Community Safety—the Queensland Fire and Rescue Service and Emergency Management Queensland.

The Public Safety Business Agency was established on 1 November 2013 to provide strategic and corporate services to public safety agencies in Queensland allowing them to concentrate on frontline service delivery. It also performs operational functions including the Queensland Government Air Service, State Government Security, and Blue Cards (Working with Children suitability checks).

The Office of the Inspector-General Emergency Management (IGEM) will be established as a separate entity under amendments to the *Disaster Management Act 2003* on 1 July 2014 to provide assurance and advice that enables confidence in Queensland's emergency management arrangements. The Office of the IGEM's responsibilities and activities are being undertaken within Queensland Fire and Emergency Services in 2013-14.





# Queensland Police Service

# RESOURCES AND PERFORMANCE

## DEPARTMENTAL OVERVIEW

### Strategic direction

The Queensland Police Service (QPS) fulfils its role throughout the State, 24 hours a day. It upholds the law and provides assistance to the community when necessary, including in times of emergency, disaster and crisis.

The QPS mission is to stop crime, make the community safer and build relations with the community. The QPS will achieve this by:

- reducing and preventing the incidence of crime, public disorder and road trauma
- delivering its services with fairness and integrity
- collaborating with all sectors of the community to deliver a problem solving approach to crime reduction
- using technology and innovative strategies to be more mobile, flexible and capable of working across boundaries to deliver services the community needs
- focussing its resources to identify and deliver efficient services that maximise public safety
- taking a leading role to prepare the community for managing major events and disasters
- implementing an environment of continuous improvement based on learning, development and empowered leadership
- implementing a proactive intelligence led integrated service delivery model.

The QPS 2014-18 Strategic Plan highlights key focus areas to drive agency renewal and frontline policing, including:

- frontline services - implement an integrated service delivery model, underpinned with improved intelligence capabilities and expanded options for the community to engage with police
- culture - manage a program of cultural renewal to improve transparency and trust, devolve authority to the frontline and embed a value based culture of innovation and accountability
- people - strategies include ensuring safe delivery of services, improving community engagement, enhancing social media monitoring, increasing diversity, implementing contemporary performance measures and continuing officer development and training capability
- processes - improve job allocation, reduce process complexity, implement mobile device technology to the frontline, utilise assets to full potential, enhance procurement, improve organisational reporting and alignment of the QPS with the Public Safety Business Agency (PSBA), and enhance cross agency collaboration
- systems - implement strategies to improve data management and maximise intelligence analytics capabilities.

The QPS strategies support the Government's objective for the community of revitalising frontline services.

The key challenges and strategic risks that may impact on the QPS during 2014-15 are:

- addressing the incidence of existing crime and the emergence of new criminal methodologies and techniques
- the extensive resource commitment to special events such as G20 Leaders' Summit in 2014
- effectively managing the integration with the PSBA
- continuing the delivery of the renewal and transformation programs.



In 2014-15, the QPS will also continue implementing relevant recommendations from the Police and Community Safety Review (PACSR) and the Commission of Audit, and continue the QPS agency renewal agenda. Key recommendations to be implemented in 2014-15 include:

- commencing a new integrated service delivery model, including trialling hub policing, to enable the QPS to most effectively focus its resources on 'hot spots'
- reforming the complaints handling process to deliver more timely outcomes.

The 2014-15 Budget of \$2.07 billion in operating and \$24.2 million in capital provides funding for frontline policing services. Key measures include:

**More frontline officers**

- \$109.4 million for the additional 567 police officers already recruited in 2012-13 and 2013-14, and a further 267 officers in 2014-15, for the third year of the \$358.3 million commitment to provide an extra 1,100 police officers over four years
- moving the third tranche of 50 existing police positions from behind desks back to the front line as part of the Government's commitment to return 200 police officers to the front line over four years
- \$0.92 million towards the cost of operating a policing hub on the Gold Coast and to commence a trial of a policing hub in Townsville. The hubs are designed to provide agile, highly visible policing resources with the flexibility to focus on problem places, cases and crime types

**Better equipment**

- \$3 million to continue delivering police helicopter services as part of the Government's commitment of \$18 million over four years to deliver police helicopter services on the Gold Coast and in South East Queensland
- \$3 million for a second police helicopter based in Brisbane at Archerfield
- \$27.2 million in additional operating and \$1 million in additional capital funding to support the continued deployment of speed and red light cameras throughout Queensland to reduce road trauma and improve road safety

**Safe communities**

- \$4.3 million to continue the crackdown on dismantling and eliminating criminal motorcycle gangs across the State
- \$2.1 million to support the Government's Safe Night Out Strategy to address alcohol and drug related violence that will restore responsible behaviour and provide a safer community
- \$1 million for the third year of the Government commitment to provide \$4 million over four years to revitalise Neighbourhood Watch and Crime Stoppers.

In 2014-15 the QPS will also:

- work in partnership with other portfolio agencies to ensure a coordinated and effective public safety response capability
- implement policing strategies to ensure security and public safety during the 2014 G20 Leaders' summit
- enforce more stringent reporting conditions for offenders under changes to the *Child Protection (Offender Reporting) Act 2004*
- participate in a review to streamline the Working with Children (Blue Card) suitability checks scheme in accordance with recommendations from the *Queensland Child Protection Commission of Inquiry (Carmody) Report*.

QPS achievements in 2013-14 included:

**More frontline officers**

- funding 267 additional police as part of the Government's four-year plan to provide 1,100 extra police officers to the frontline
- moving 50 existing police positions from behind desks back to the front line as part of the Government's commitment to return 200 police officers to the front line

- appointing a Station Community Crime Reduction officer in every police station
- training 100 officers to perform duties in the State Disaster Coordination Centre to enhance Queensland's preparedness and capacity to respond to disasters
- creating Police Liaison Officer positions in Aurukun, Bamaga, Hopevale, Innisfail, Kowanyama, Lockhart River and Wujal Wujal to provide further policing resources for the people in Indigenous communities
- running the first Indigenous Cadetship Program at the QPS Academy—14 people completed the course. The program will assist Indigenous people gain entry to the police recruit training program
- appointing 31 Torres Strait Island Police Support Officers. These officers support state police in the delivery of a range of policing activities aimed at stopping crime and enhancing safety in the Torres Strait
- establishing an Ipswich Railway Squad Outpost to promote passenger safety

#### **Better equipment**

- delivering new modular police watchhouses at Burketown and Richmond, a closed circuit cameras (CCTV) upgrade at Beenleigh watchhouse, upgraded facilities at Boondall and Broadbeach stations and a replacement police station at West End
- commencing operational trials of Segways on the Sunshine Coast, the Gold Coast, at Southbank and in Cairns to investigate their potential as a tool for frontline police
- outfitting hangar space and office accommodation for the new police helicopter and officers at Archerfield

#### **Better technology**

- implementing mobile services to enhance officer and community safety by providing real time access to information for officers in the field and freeing up officer capacity to respond to demands for service. This includes rolling out 1,250 mobile devices to be used during the G20 Leaders' summit
- providing 450 QLite information systems to frontline police officers. Initial data indicates use of these devices will provide a 5% increase in enforcement action and a 4% reduction in administrative processes
- developing an enhanced intelligence capability which enables a federated search and analysis function across multiple QPS information holdings
- adopting the Zebedee scanner, developed by the CSIRO, to enable police to walk through a crime scene and capture data to generate a 3D map. Queensland police are the first in the world to use this technology in law enforcement
- supporting the launch of Neighbourhood Watch online blogs, designed to keep communities up to date with crime prevention strategies in their areas. The blogs also provide another channel for the Queensland Police Service to engage with the community
- releasing 15 myPolice blogs, bringing to 25 the total number of myPolice blogs providing State-wide coverage. These blogs enable police to swap information with the public quickly and easily
- delivering weapons licensing efficiencies resulting from the introduction of an online application portal and other systems and process improvements

#### **Safe communities**

- implementing agency renewal initiatives to ensure the QPS remains positioned to cope with increasing and more complex demands for service, including:
  - creating four new Commands—Road Policing; Community Contact; Strategy and Business Review; and Intelligence, Counter-Terrorism and Major Events;
  - increasing the flexibility, agility and mobility of service delivery to ensure resources can be directed to where they're most needed including streamlining the reporting structure and reducing the number of regions and districts; and
  - investigating how technology can enable more effective and efficient service delivery, including providing more options for the public to communicate with police

- arresting over 900 criminal motorcycle gang participants on more than 2,100 charges. Additionally, over 260 warrants were executed and over 210 traffic infringement notices were issued as part of the Government's ongoing crackdown on organised crime
- impounding or immobilising over 6,700 vehicles under Australia's toughest vehicle impoundment laws targeted at 'hooning' behaviour
- developing strategies to address the following issues:
  - unacceptable behaviour at out-of-control parties;
  - anti-hooning and road safety; and
  - public safety and security during the upcoming G20 Leaders' Summit in November 2014.

## Departmental Budget Summary

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

Queensland Police Service	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
<b>CONTROLLED</b>			
<b>Income</b>			
Appropriation revenue <sup>1</sup>			
Deferred from previous year/s	37,625	44,776	3,600
Balance of service appropriation	1,813,785	1,851,901	1,701,304
Other revenue	79,714	77,407	365,420
<b>Total income</b>	<b>1,931,124</b>	<b>1,974,084</b>	<b>2,070,324</b>
<b>Expenses</b>			
Crime and public order	1,532,902	1,571,790	1,656,156
Road safety	398,222	402,294	414,168
<b>Total expenses</b>	<b>1,931,124</b>	<b>1,974,084</b>	<b>2,070,324</b>
<b>Operating surplus/deficit</b>	<b>..</b>	<b>..</b>	<b>..</b>
<b>Net assets</b>	<b>1,969,395</b>	<b>1,899,205</b>	<b>133,713</b>
<b>ADMINISTERED</b>			
<b>Revenue</b>			
Commonwealth revenue	..	..	..
Appropriation revenue	708	708	..
Other administered revenue	9,009	9,009	9,293
<b>Total revenue</b>	<b>9,717</b>	<b>9,717</b>	<b>9,293</b>
<b>Expenses</b>			
Transfers to government	9,009	9,009	9,293
Administered expenses	708	708	..
<b>Total expenses</b>	<b>9,717</b>	<b>9,717</b>	<b>9,293</b>
<b>Net assets</b>	<b>..</b>	<b>..</b>	<b>..</b>

Notes:

1. Includes State and Commonwealth funding.

## Budget Measures Summary

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

Queensland Police Service	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Revenue measures<sup>1</sup></b>					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
<b>Expense measures<sup>1</sup></b>					
Administered	..	..	..	..	..
Departmental	37,009	98,965	28,260	28,260	28,260
<b>Capital measures<sup>1</sup></b>					
Administered	..	..	..	..	..
Departmental	13,943	2,037	..	..	..

Notes:

- Expense and capital measures do not reconcile with Budget Paper No. 4 (BP4) due to the Road Safety measures being reported in the Department of Transport and Main Roads' section of BP4.

## Staffing<sup>1,2,3,4</sup>

Service Areas	Notes	2013-14 Adjusted Budget <sup>5</sup>	2013-14 Est. Actual	2014-15 Budget
Crime and Public Order		12,040	12,088	11,136
Road Safety		3,128	3,141	2,893
<b>TOTAL</b>		<b>15,168</b>	<b>15,229</b>	<b>14,029</b>

Notes:

- Full-time equivalents (FTEs) as at 30 June.
- Corporate FTEs are allocated across the service to which they relate.
- Changes between the 2013-14 Est. Actual and 2014-15 Budget figures reflect the movement of FTEs resulting from machinery-of-Government changes associated with the Police and Community Safety Review.
- Frontline police numbers continue to increase in line with the Government's commitment to provide an additional 1,100 police over four years.
- The 2013-14 Adjusted budget has been recast to reflect the full scope of departmental FTEs as temporary staff are now included; offset by the transfer of FTEs associated with the transfer of the Police Airwing from QPS to the PSBA from 1 November 2013.

## SERVICE PERFORMANCE

The QPS has two services—Crime and Public Order and Road Safety.

Police services also include a range of activities designed to promote ethical behaviour, discipline and professional practice.

### Crime and Public Order

Crime and Public Order services:

- protect personal safety and prevent and detect related offences including homicide, assault, sexual assault and robbery
- protect property and prevent and detect related offences including unlawful entry, other property damage, motor vehicle theft, and other theft (excluding unlawful entry)
- maintain public order and safety during major events and natural disasters—from planning to recovery; address public space enjoyment, street and nuisance offences, and liquor licensing issues; and environmental design to reduce crime including alcohol fuelled violence.

### Road Safety

Road safety services enforce traffic law and reduce road trauma including through the prevention and detection of speeding, red light offences, driving under the influence of alcohol or drugs, driving while fatigued and not wearing seatbelts.

## Red tape reduction

Significant red tape reduction initiatives implemented in 2013-14 included:

- reducing the 'wide load permit' applications from multiple forms to one
- simplifying the process for members of the public to acquire a permit under the *Peaceful Assembly Act 1992*
- installing automated public enquiry devices (touch screens) at selected police shopfronts around Brisbane
- making police operational procedures available on the QPS internet site
- improvements in the processes for managing, issuing and monitoring weapons licences.

Identifying further opportunities to reduce red tape will be a focus of the QPS in 2014-15. This is consistent with the QPS's objectives, which include improving the way members of the community contact police (entry channels), and the way police respond to calls for service. The QPS will devolve authority to enable frontline police to make decisions and take action. The QPS will also promote a culture of innovation.

## 2014-15 Service Summary<sup>1</sup>

	Sources of Revenue				
Service area	Total cost \$'000	State Contribution \$'000	User Charges and Fees \$'000	C'wealth Revenue \$'000	Other Revenue \$'000
Crime and Public Order	1,656,156	1,304,188	48,329	62,035	241,604
Road Safety	414,168	338,841	12,556	..	62,771
<b>TOTAL</b>	<b>2,070,324</b>	<b>1,643,029</b>	<b>60,885</b>	<b>62,035</b>	<b>304,375</b>

Note:

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

## Performance Statement

In line with the recommendations from Police and Community Safety Review, the Public Safety Business Agency is working in partnership with the QPS, Queensland Fire and Emergency Services and the Office of the Inspector- General Emergency Management to develop portfolio-wide key performance measures.

Queensland Police Service	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
<b>Service Area: Police Services</b>				
<b>Service standards</b>				
Rate of complaints against police per 100 sworn (operational) staff	1	≤16.7	12.8	≤12.8
Public perception of police professionalism and image:	2,3			
• Police perform their job professionally		≥85%	88%	≥85%
• Police treat people fairly and equally		≥75%	78%	≥75%
• Police are honest		≥75%	76%	≥75%
• I do have confidence in the police		≥85%	87%	≥85%
Satisfaction of members of the public who had contact with police in the last twelve months	2,3	≥85%	81%	≥85%
Cost of policing services per person	4	≤\$443	\$431	≤\$441
Percentage of prosecutions where costs were awarded against the police	5	New measure	0.01%	≤0.05%
<b>Service Area: Crime and Public Order</b>				
<b>Service standards</b>				
Rate (per 100,000 people) of personal safety offences reported:	6,7			
• Homicide		2-4	4	2-4
• Assault		420-480	404	400-500
• Sexual assault		100-150	109	100-125
• Robbery		30-50	35	30-38
• Total personal safety		660-770	620	600-750
Percentage of personal safety offences cleared within 30 days	6,7			
• Homicide		70-75%	88%	70-88%
• Assault		55-60%	60%	55-69%
• Sexual assault	8	55-60%	53%	55-69%
• Robbery		45-50%	48%	45-56%
• Total personal safety		55-60%	57%	55-69%



Queensland Police Service	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
Rate (per 100,000 people) of property security offences reported:	6,9			
• Unlawful entry		900-1,150	776	750-938
• Other property damage		900-1,100	785	750-938
• Motor vehicle theft		230-300	220	200-250
• Other theft (excluding unlawful entry)		2,200-2,500	2,084	2,000-2,500
• Total property security		4,400-5,400	4,345	4,300-5,375
Percentage of property security offences cleared within 30 days:	6,9			
• Unlawful entry		10-15%	16%	14-18%
• Other property damage		20-25%	27%	24-30%
• Motor vehicle theft		20-25%	31%	25-31%
• Other theft (excluding unlawful entry)		20-25%	24%	20-25%
• Total property security		20-25%	26%	20-25%
Rate (per 100,000 people) of good order offences detected	10	1,000-1,200	1,197	1,000-1,250
Percentage of good order offences cleared within 30 days	10	85-90%	87%	85-100%
Public satisfaction with police dealing with public order problems	2,3	≥65%	70.3%	≥65%
Public satisfaction with police dealing with disasters and major events	3,11	≥85%	89.9%	≥85%
<b>State contribution (\$000)</b>		<b>1,469,594</b>	<b>1,487,101</b>	<b>1,304,188</b>
<b>Other revenue (\$000)</b>		<b>63,308</b>	<b>84,689</b>	<b>351,968</b>
<b>Total cost (\$000)</b>		<b>1,532,902</b>	<b>1,571,790</b>	<b>1,656,156</b>
<b>Service Area: Road Safety</b>				
<b>Service standards</b>				
Rate (per 100,000 people) of road crash fatalities	12	5.9	5.0	5.8
Rate (per 100,000 people) of people hospitalised following a road crash	13	135	155.2	135
<b>State contribution (\$000)</b>		<b>381,816</b>	<b>386,363</b>	<b>338,841</b>
<b>Other revenue (\$000)</b>		<b>16,406</b>	<b>15,931</b>	<b>75,327</b>
<b>Total cost (\$000)</b>		<b>398,222</b>	<b>402,294</b>	<b>414,168</b>

Notes:

1. The 2014-15 target estimate is to be less than the 2013-14 Estimated actual figure. The number of operational sworn staff was calculated based on projected police officer FTEs for 1 July 2014 including police defined as 'operational' who are seconded to the PSBA and the Crime and Misconduct Commission, effective 1 July 2014 (as at 9 April 2014).
2. The 2013-14 Estimated actual is derived from the *National Survey of Community Satisfaction with Policing* for the period 1 July 2013 to 31 March 2014. The 2013-14 actual year data will be reported in the *QPS Annual Report 2013-14*.
3. The QPS sets its performance targets based on a suite of factors including previous QPS and national average performance data where available. Data on national average performance is published annually in the Productivity Commission's *Report on Government Services* (ROGS).
4. The 2014-15 target is projected by increasing the 2012-13 national average (from 2014 ROGS) of \$415 by 3.1% in 2013-14 and 3.1% in 2014-15 in line with the Consumer Price Index for Brisbane (March 2013 quarter to March 2014 quarter).
5. This new service standard is an efficiency measure currently reported in the annual ROGS.
6. The 2013-14 Estimated actual figure is based on an extrapolation of July 2013 to March 2014 data. Performance is reported against a 'range' rather than a single figure. The target range for 2014-15 takes into account recent results and any known factors that are likely to have an impact in the forthcoming 12 months. The range is standardised so that the upper end of the range is consistently 25% higher than the lower end.
7. The offence categories reported separately are those classified as 'violent' crimes and are the most significant personal safety offence categories in terms of their impact on the community. The 'total personal safety' offences figure also includes the offence categories of extortion, kidnapping, abduction and deprivation of liberty and other offences against the person. Homicide includes the offence categories of murder, attempted murder and conspiracy to murder.
8. Investigating sexual assault offences often involves a high level of complexity, which can affect clear up rates. This is exacerbated in the case of historical offences. Consequently, the percentage of sexual offences cleared within 30 days can vary from year to year.
9. The offence categories reported separately are considered high volume property security offences. The total property security offences figure also includes arson, fraud and handling stolen goods.
10. Good order offences include offences relating to public nuisance, obstructing police and other offences against good order.
11. The QPS sets its performance targets based on a suite of factors including previous QPS performance.
12. Road crash casualty data was sourced from the Department of Transport and Main Roads (DTMR) on 14 March 2014 and should be viewed as preliminary and subject to change. The preliminary 2014-15 target estimate, developed in consultation with the DTMR, included consideration of recent trends, economic indicators and the potential effects of road safety initiatives. Rates per 100,000 population are only reported in 12 month periods. As such, the fatality rate for 2013-14 Estimated actual represents April 2013 to March 2014.
13. Hospitalised casualty data was sourced from DTMR on 14 March 2014 and is for the period December 2012 to November 2013. A three month time lag is necessary to process data. Data should be viewed as preliminary and subject to change. The 2014-15 target estimate, developed in consultation with DTMR, included consideration of recent trends, economic indicators and the potential effects of road safety initiatives.

## CAPITAL

### Capital program

Most new and ongoing capital initiatives to support the QPS' operational capability will be delivered by the Public Safety Business Agency from 1 July 2014. This includes police accommodation facilities, motor vehicles, vessels, and information technology.

QPS continues to be responsible for delivering specific operational equipment. In 2014-15, QPS will invest \$24.2 million in capital purchases. Program highlights include:

- \$1 million for information and communication technology for the G20 meetings in Cairns (September 2014) and Brisbane (November 2014);
- \$1 million in additional capital funding for the Legacy Way tunnel as part of the Camera Detected Offence Program to reduce road trauma and improve road safety; and
- \$22.2 million for operational equipment replacements, communications centres, Camera Detected Offence Program equipment and mobile police facilities.

### Capital budget statement

Queensland Police Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
<b>Capital Purchases<sup>1</sup></b>				
Total land, buildings and infrastructure	..	17,674	22,279	..
Total plant and equipment	..	92,904	73,297	24,218
Total other capital	..	..	4,365	..
<b>Total Capital Purchases</b>	..	<b>110,578</b>	<b>99,941</b>	<b>24,218</b>

Notes:

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

# BUDGETED FINANCIAL STATEMENTS

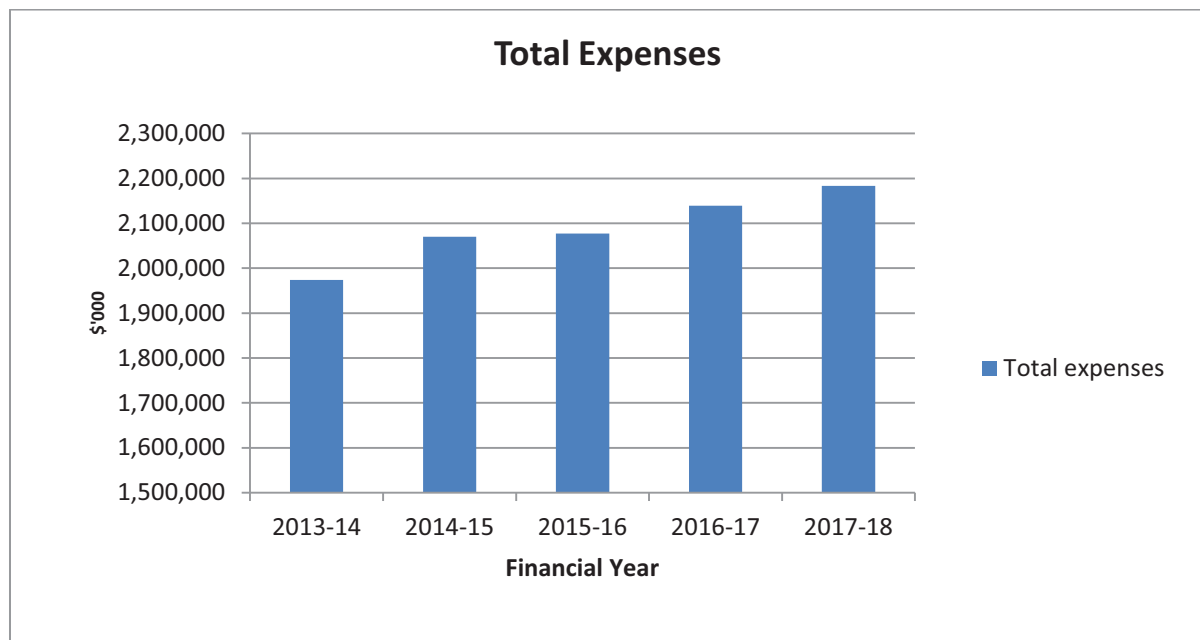
## ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of the 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 \$2.070 billion in 2014-15, an increase of \$96.2 million from the 2013-14 financial year. The increase is mainly due to the impact of enterprise bargaining arrangements, police growth and Australian Government funding for G20. The increase over the remainder of the forward estimates is a result of enterprise bargaining arrangements and police growth.

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



### Departmental balance sheet

The department's major assets are in plant and equipment (\$118.6 million). The department's main liabilities relate to payables (\$50 million) and accrued employee benefits (\$53.4 million).

## CONTROLLED INCOME STATEMENT

Queensland Police Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
Appropriation revenue	1,4,11	1,851,410	1,896,677	1,704,904
Taxes		..	..	..
User charges and fees		61,136	59,069	60,885
Royalties and land rents		..	..	..
Grants and other contributions	5,12	13,481	13,241	301,764
Interest		550	550	550
Other revenue		2,547	2,547	2,221
Gains on sale/revaluation of assets	6,13	2,000	2,000	..
<b>Total income</b>		<b>1,931,124</b>	<b>1,974,084</b>	<b>2,070,324</b>
<b>Expenses</b>				
Employee expenses	2,14	1,493,925	1,518,418	1,494,162
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services	3,7,15	327,597	347,269	253,006
Grants and subsidies		5,682	4,477	4,026
Depreciation and amortisation	8,16	89,155	89,155	18,061
Finance/borrowing costs		..	..	..
Other expenses	9,17	12,765	12,765	301,069
Losses on sale/revaluation assets	10,18	2,000	2,000	..
<b>Total expenses</b>		<b>1,931,124</b>	<b>1,974,084</b>	<b>2,070,324</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## CONTROLLED STATEMENT OF CHANGES IN EQUITY

Queensland Police Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		63,944	63,944	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>63,944</b>	<b>63,944</b>	<b>..</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>63,944</b>	<b>63,944</b>	<b>..</b>
Equity injection/(withdrawal)		(3,369)	(6,506)	6,157
Equity adjustments (inc. MOG transfers)		(9,718)	(9,718)	(1,771,649)
<b>Total movement in equity for period</b>		<b>50,857</b>	<b>47,720</b>	<b>(1,765,492)</b>

## CONTROLLED BALANCE SHEET

Queensland Police Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		25,550	41,092	38,290
Receivables		60,886	71,349	66,438
Other financial assets		..	..	..
Inventories		5,030	4,422	4,422
Other		12,951	11,429	10,645
Non-financial assets held for sale	21,26	2,338	5,992	..
<b>Total current assets</b>		<b>106,755</b>	<b>134,284</b>	<b>119,795</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	19,22,27	1,909,815	1,811,961	118,606
Intangibles	23,28	63,399	65,351	..
Other		..	..	..
<b>Total non-current assets</b>		<b>1,973,214</b>	<b>1,877,312</b>	<b>118,606</b>
<b>TOTAL ASSETS</b>		<b>2,079,969</b>	<b>2,011,596</b>	<b>238,401</b>
<b>CURRENT LIABILITIES</b>				
Payables		54,415	53,626	49,952
Accrued employee benefits		52,749	57,374	53,440
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		3,410	1,391	1,296
<b>Total current liabilities</b>		<b>110,574</b>	<b>112,391</b>	<b>104,688</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>110,574</b>	<b>112,391</b>	<b>104,688</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>1,969,395</b>	<b>1,899,205</b>	<b>133,713</b>
<b>EQUITY</b>				
Capital/contributed equity	24,29	707,974	704,837	(1,060,655)
Accumulated surplus/(accumulated deficit)		394,214	396,348	396,348
Reserves:				
- Asset revaluation surplus	20,25	867,207	798,020	798,020
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>1,969,395</b>	<b>1,899,205</b>	<b>133,713</b>

## CONTROLLED CASH FLOW STATEMENT

Queensland Police Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
Appropriation receipts	30,35,40	1,851,410	1,918,812	1,704,904
User charges and fees		61,136	59,069	60,885
Royalties and land rent receipts		..	..	..
Grants and other contributions		3,787	3,547	3,547
Interest received		550	550	550
Taxes		..	..	..
Other		2,547	2,547	2,221
<b>Outflows</b>				
Employee costs	31,41	(1,493,925)	(1,518,418)	(1,494,162)
Supplies and services	32,36,42	(328,006)	(366,301)	(253,411)
Grants and subsidies		(5,682)	(4,477)	(4,026)
Borrowing costs		..	..	..
Other		(2,662)	(2,662)	(2,447)
<b>Net cash provided by/(used in) operating activities</b>		<b>89,155</b>	<b>92,667</b>	<b>18,061</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets	33,37,43	24,792	17,292	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets	34,38,44	(110,578)	(99,941)	(24,218)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(85,786)</b>	<b>(82,649)</b>	<b>(24,218)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections	39,45	50,982	47,845	11,736
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(54,351)	(54,351)	(5,579)
<b>Net cash provided by/(used in) financing activities</b>		<b>(3,369)</b>	<b>(6,506)</b>	<b>6,157</b>
<b>Net increase/(decrease) in cash held</b>		<b>..</b>	<b>3,512</b>	<b>..</b>
<b>Cash at the beginning of financial year</b>		<b>25,550</b>	<b>37,580</b>	<b>41,092</b>
Cash transfers from restructure		..	..	(2,802)
<b>Cash at the end of financial year</b>		<b>25,550</b>	<b>41,092</b>	<b>38,290</b>



## ADMINISTERED INCOME STATEMENT

Queensland Police Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
Appropriation revenue	46,49	708	708	..
Taxes		..	..	..
User charges and fees	47,50	8,132	8,132	8,416
Royalties and land rents		..	..	..
Grants and other contributions		..	..	..
Interest		..	..	..
Other revenue		877	877	877
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>9,717</b>	<b>9,717</b>	<b>9,293</b>
<b>Expenses</b>				
Employee expenses		..	..	..
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services		..	..	..
Grants and subsidies	48,51	708	708	..
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses		..	..	..
Losses on sale/revaluation assets		..	..	..
Transfers of Administered Revenue to Government		9,009	9,009	9,293
<b>Total expenses</b>		<b>9,717</b>	<b>9,717</b>	<b>9,293</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## ADMINISTERED BALANCE SHEET

Queensland Police Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		1,397	1,469	1,469
Receivables		(8)	(5)	(5)
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>1,389</b>	<b>1,464</b>	<b>1,464</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL ASSETS</b>		<b>1,389</b>	<b>1,464</b>	<b>1,464</b>
<b>CURRENT LIABILITIES</b>				
Payables		599	866	866
Transfers to Government Payable		776	596	596
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		14	2	2
<b>Total current liabilities</b>		<b>1,389</b>	<b>1,464</b>	<b>1,464</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>1,389</b>	<b>1,464</b>	<b>1,464</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>EQUITY</b>				
Capital/contributed equity		..	..	..
Accumulated surplus/(accumulated deficit)		..	..	..
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>..</b>	<b>..</b>	<b>..</b>

## ADMINISTERED CASH FLOW STATEMENT

Queensland Police Service	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
Appropriation receipts	52,55	708	708	..
User charges and fees	53,56	8,132	8,132	8,416
Royalties and land rent receipts		..	..	..
Grants and other contributions		..	..	..
Interest received		..	..	..
Taxes		..	..	..
Other		877	877	877
<b>Outflows</b>				
Employee costs		..	..	..
Supplies and services		..	..	..
Grants and subsidies	54,57	(708)	(708)	..
Borrowing costs		..	..	..
Other		..	..	..
Transfers to Government		(9,009)	(9,009)	(9,293)
<b>Net cash provided by/(used in) operating activities</b>		..	..	..
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		..	..	..
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by/(used in) financing activities</b>		..	..	..
<b>Net increase/(decrease) in cash held</b>		..	..	..
<b>Cash at the beginning of financial year</b>		<b>1,397</b>	<b>1,469</b>	<b>1,469</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>1,397</b>	<b>1,469</b>	<b>1,469</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

In the Explanation Notes provided below the following matters are to be referred to:

- machinery-of-Government (MOG) changes including:
  - the transfer of the Queensland Police Service's (QPS) corporate and business support functions to the Public Safety Business Agency (PSBA) effective 1 July 2014 (referred to as the PSBA MOG);
  - the transfer of the Police Air Wing to the PSBA effective 1 November 2013 (referred to as the PAW MOG); and
  - the transfer of the Prostitution Licensing Authority (PLA) to the Department of Justice and Attorney-General effective 1 November 2014 (referred to as the PLA MOG).
- from 1 July 2014 departments (excluding commercialised business units) will no longer be liable for payroll tax. To provide comparable cost forecasts across all periods, the 2013-14 Adjusted budget and the 2013-14 Estimated actual have been recast to reflect the removal of payroll tax from Employee expenses and an associated reduction has been made to Appropriation revenue. The 2013-14 Adjusted budget Appropriation revenue and Employee expenses have been reduced by \$16.3 million. The 2013-14 Estimated actual Appropriation revenue and Employee expenses have been reduced by \$15.9 million.

### Income statement

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

1. The appropriation revenue increase is mainly due to additional funding for the QPS operational response to criminal motorcycle gangs throughout Queensland and Australian Government funding for G20.
2. The employee expenses increase is mainly due to additional funding for the QPS operational response to criminal motorcycle gangs throughout Queensland, Australian Government funding for G20 and the permanent staffing arrangement for policing in the Torres Strait.
3. The other supplies and services increase is mainly due to additional funding for the QPS operational response to criminal motorcycle gangs throughout Queensland and Commonwealth funding for G20.

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

4. The appropriation revenue decrease is mainly due to the PSBA and PAW MOG, partially offset by additional funding for police growth, enterprise bargaining arrangements and the Safe Night Out Strategy.
5. The grants and other contributions increase is due to the recognition of service provision by the PSBA as a result of the PSBA and PAW MOG change.
6. The gains on sale/revaluation of assets decrease is due to the transfer of assets related to the PSBA and PAW MOG change.
7. The other supplies and services decrease is due to the MOG change relating to the PSBA and PAW MOG change, partially offset by additional funding for the Safe Night Out Strategy.
8. The depreciation and amortisation decrease is due to the transfer of assets related to the PSBA and PAW MOG change.
9. The other expenses increase is due to the recognition of service provision by the PSBA as a result of the PSBA and PAW MOG change.
10. The losses on sale/revaluation of assets decrease is due to the transfer of assets related to the PSBA and PAW MOG change.

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

11. The appropriation revenue decrease is mainly due to the PSBA and PAW MOG change, partially offset by additional funding for police growth, enterprise bargaining arrangements and the Safe Night Out Strategy.
12. The grants and other contributions increase is due to the recognition of service provision by the PSBA as a result of the PSBA and PAW MOG change.
13. The gains on sale/revaluation of assets decrease is due to the transfer of assets related to the PSBA and PAW MOG change.
14. The employee expenses decrease is mainly due to the PSBA and PAW MOG change, partially offset by additional funding for police growth and enterprise bargaining arrangements.
15. The other supplies and services decrease is due to the PSBA and PAW MOG change, partially offset by additional funding for the Safe Night Out Strategy.

16. The depreciation and amortisation decrease is due to the transfer of assets related to the PSBA and PAW MOG change.
17. The other expenses increase is due to the recognition of service provision by the PSBA as a result of the PSBA and PAW MOG change.
18. The losses on sale/revaluation of assets decrease is due to the transfer of assets related to the PSBA and PAW MOG change.

## Balance sheet

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

19. The property, plant and equipment decrease is due to delays with the delivery of police housing at Bamaga, communications centres, mobile police facilities, the refurbishment of Police Headquarters, motor vehicles, and the Camera Detected Offence Program, and forecast revaluation outcomes.
20. The asset revaluation surplus decrease is a result of forecast revaluation outcomes.

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

21. The non-financial assets held for sale decrease is due to the PSBA and PAW MOG change which transferred QPS assets and the sale of these assets to the PSBA.
22. The property, plant and equipment decrease is due to the transfer of assets related to the PSBA and PAW MOG change.
23. The intangibles decrease is due to the transfer of assets related to the PSBA and PAW MOG change.
24. The capital/contributed equity decrease is due to the transfer of assets related to the PSBA and PAW MOG change.
25. The asset revaluation surplus decrease is due to the transfer of assets related to the PSBA and PAW MOG change.

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

26. The non-financial assets held for sale decrease is due to the PSBA and PAW MOG change which transferred QPS assets and the sale of these assets to the PSBA.
27. The property, plant and equipment decrease is due to the transfer of assets related to the PSBA and PAW MOG change, partially offset by rescheduling of communications centres, mobile police facilities and the Camera Detected Offence Program.
28. The intangibles decrease is due to the transfer of assets related to the PSBA and PAW MOG change.
29. The capital/contributed equity decrease is due to the transfer of assets related to the PSBA and PAW MOG change, partially offset by rescheduling of communications centres, mobile police facilities and the Camera Detected Offence Program.

## Cash flow statement

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

30. The appropriation receipts increase is mainly due to additional funding for the QPS operational response to criminal motorcycle gangs throughout Queensland and Australian Government funding for G20.
31. The employee costs increase is mainly due to additional funding for the QPS operational response to criminal motorcycle gangs throughout Queensland Australian Government funding for G20 and the permanent staffing arrangement for policing in the Torres Strait.
32. The supplies and services increase is mainly due to additional funding for the QPS operational response to criminal motorcycle gangs throughout Queensland and Australian Government funding for G20.
33. The sales of non-financial assets decrease is due to a reduction in motor vehicle sales (and purchases).
34. The payments for non-financial assets decrease is mainly due to the delays with the delivery of police housing at Bamaga, communications centres, mobile police facilities, refurbishment of Police Headquarters, motor vehicles, and the Camera Detected Offence Program.

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

35. The appropriation receipts decrease is mainly due to the PSBA and PAW MOG change, partially offset by additional funding for police growth, enterprise bargaining arrangements and the Safe Night Out Strategy.
36. The supplies and services decrease is due to the PSBA and PAW MOG change, partially offset by additional funding for the Safe Night Out Strategy.
37. The sales of non-financial assets decrease is due to the PSBA and PAW MOG change which transferred QPS assets and the sale of these assets to the PSBA.

38. The decrease is due to the PSBA and PAW MOG change, whereby most capital initiatives to support the QPS' operational capability will be delivered by the PSBA. QPS will continue to be responsible for delivering specific operational equipment.
39. The equity injections decrease is due to the PSBA and PAW MOG change, whereby most capital initiatives to support the QPS' operational capability will be delivered by the PSBA. QPS will continue to be responsible for delivering specific operational equipment.

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

40. The appropriation receipts decrease is mainly due to the PSBA and PAW MOG change, partially offset by additional funding for police growth, enterprise bargaining arrangements and the Safe Night Out Strategy.
41. The employee costs decrease is due to the PSBA and PAW MOG change, partially offset by additional funding for police growth and enterprise bargaining arrangements.
42. The supplies and services decrease is due to the PSBA and PAW MOG change, partially offset by additional funding for the Safe Night Out Strategy.
43. The sales of non-financial assets decrease is due to the PSBA and PAW MOG change which transferred QPS assets and the sale of these assets to the PSBA.
44. The payments for non-financial assets decrease is due to the PSBA and PAW MOG change, whereby most capital initiatives to support the QPS' operational capability will be delivered by the PSBA. QPS will continue to be responsible for delivering specific operational equipment. This decrease is partially offset by rescheduling of communications centres, mobile police facilities and the Camera Detected Offence Program.
45. The equity injections decrease is due to the PSBA and PAW MOG change, whereby most capital initiatives to support the QPS' operational capability will be delivered by the PSBA. QPS will continue to be responsible for delivering specific operational equipment. This decrease is partially offset by rescheduling of communications centres, mobile police facilities and the Camera Detected Offence Program.

### **Administered income statement**

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

46. The appropriation revenue decrease is due to the PLA MOG change.
47. The user charges and fees increase is mainly due to indexation applied to licenses and permits revenue.
48. The grants and subsidies decrease is due to the PLA MOG change.

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

49. The appropriation revenue decrease is due to the PLA MOG change.
50. The user charges and fees increase is mainly due to indexation applied to licenses and permits revenue.
51. The grants and subsidies decrease is due to the PLA MOG change.

### **Administered cash flow statement**

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

52. The appropriation receipts decrease is due to the PLA MOG change.
53. The user charges and fees increase is mainly due to indexation applied to licenses and permits revenue.
54. The grants and subsidies decrease is due to the PLA MOG change.

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

55. The appropriation receipts decrease is due to the PLA MOG change.
56. The user charges and fees increase is mainly due to indexation applied to licenses and permits revenue.
57. The grants and subsidies decrease is due to the PLA MOG change.



# Queensland Fire and Emergency Services

# RESOURCES AND PERFORMANCE

## DEPARTMENTAL OVERVIEW

### Strategic direction

Queensland Fire and Emergency Services was established on 1 November 2013 to provide fire and emergency services in partnership with the community and enhance community safety by minimising the impact of fire and emergency incidents on the people, environment and economy of Queensland. This new department incorporates parts of two divisions of the former Department of Community Safety—the Queensland Fire and Rescue Service and Emergency Management Queensland.

The objectives from the Queensland Fire and Emergency Services (QFES) 2014-18 Strategic Plan are:

- responsive fire and emergency services to reduce the impact of incidents
- emergency management support to local government and other agencies
- communities and individuals to take action in partnership with QFES volunteers and staff to mitigate risk and build resilience
- a business and safety environment that provides for good governance, safe work, resource efficiency and effectiveness and value to the community.

During 2014-15 the department will work towards its objectives through a range of strategies that support the Government's objective for the community of revitalising frontline services for families. These strategies include:

- providing flexible service delivery models
- enhancing interoperability with agencies which have emergency or disaster management responsibilities
- increasing support to develop local solutions to local issues
- developing a unified approach to formalise Fire Management Groups and embed a statewide hazard mitigation operational period
- implementing recommendations from the Police and Community Safety Review (PACSR) and the Malone Review into Rural Fire Services in Queensland, and progressing the Renewal Agenda
- enhancing capability by broadening and strengthening the role of volunteers.

Strategic challenges for the department during 2014-15 comprise:

- maintaining levels of preparedness
- service capacity versus community expectations and operational response
- increasing demand for services as the population grows, ages and becomes more diverse with higher expectations
- maintaining community confidence with public safety agencies
- effective communication and information technology systems for frontline services
- workforce sustainability
- achieving seamless interoperability.

In response to these issues, the department will continue to focus on frontline service delivery and building the capacity and capability of communities to prepare for, and respond to, emergencies and disasters.

The Office of the IGEM's responsibilities and activities are being undertaken within QFES in 2013-14. From 1 July 2014 the Office of the IGEM will be established as a separate entity.



In 2014-15, a budget of \$620 million is provided for Queensland Fire and Emergency Services. Key measures include:

**Safe communities**

- continuing to implement relevant recommendations from PACSR and the Malone Review. Key recommendations to be implemented in 2014-15 include:
  - appointing the Deputy Commissioner with responsibility for Rural Fire Service Queensland, the State Emergency Service and other volunteer workforces;
  - fitting out all rural brigade trucks with red and blue flashing lights;
  - providing fully funded essential firefighting equipment and training needs, including protective clothing and communication equipment to Rural Fire Service Queensland volunteers (RFSQ); and
  - engaging with volunteers in policy and procedure development.

**Better equipment**

- \$3.1 million for minor works
- \$4.4 million for operational equipment.

Achievements in 2013-14 included:

**Safe communities**

- implementing the PACSR recommendation to merge the Queensland Fire and Rescue Service with Emergency Management Queensland to form QFES
- continued implementation of recommendations from the Malone Review, resulting in greater efficiency and support for emergency service volunteers
- introducing the Emergency Management, Fire and Rescue Levy on 1 January 2014 to ensure a sustainable funding base for emergency services. The levy replaced the Urban Fire Levy that only applied to properties within the urban areas. The new E Class component of the levy includes all properties, urban and rural, recognising that all Queenslanders are at risk from emergencies including floods, cyclones, storms as well as fire and accidents. The E Class of the levy is capped and the maximum levy payable by an E Class property owner for the period 1 January to 30 June 2014 is \$657.80. The Government has also approved an amendment to the Regulation to exempt specified community organisations including churches, showgrounds, libraries, small tourist attractions and community halls from the E Class levy. The Emergency Management, Fire and Rescue Fund has been renamed the Emergency Management Fund to properly reflect that the fund supports a broad emergency response across Queensland
- delivering a community campaign, in partnership with the Department of Local Government, Community Recovery and Resilience, to improve community actions to prepare for disasters, supporting the Queensland Floods Commission of Inquiry recommendations relating to community education and building household resilience

**Resilient communities**

- implementing the PACSR recommendation to establish the Office of the Inspector-General Emergency Management (IGEM). IGEM has:
  - researched and developed an assurance framework in consultation with stakeholders that will deliver outcomes based standards and enable confidence in Queensland's emergency management arrangements;
  - coordinated a review of aviation tasking and prioritisation procedures during significant events, such as the 2013 Bundaberg floods;
  - been involved in the operational reviews of the Stradbroke Island fires, the response to Tropical Cyclone (TC) Dylan, and the preparations for TCs Gillian and Hadi;
  - conducted a survey of stakeholders to uncover data sets that may be of value to both disaster management agencies and the wider community. This survey has revealed information potentially of use during disasters and supports the PACSR recommendation that agencies should as far as possible share data sets;
  - finalised the Queensland Community Preparedness Survey May 2013 and provided a report on the results to Queensland Fire and Emergency Services for distribution to Local and District Disaster Management Groups;

- developed a suite of resources to support local government management of evacuation centres in partnership with the Australian Red Cross;
- actively engaged in industry specific research through the Bush Fire and Natural Hazard Collaborative Research Centre that will provide tangible and innovative solutions to enhance community outcomes during disaster events;
- developed a comprehensive Stakeholder Engagement Framework and Communication and Engagement Strategy; and
- reviewed the Strategic Policy Framework for disaster management in Queensland.

**Better equipment**

- providing \$3.3 million for minor works including demountable classrooms and training facilities for the Queensland College of Emergency Services northern campus at Woodlands, breathing apparatus and safety equipment facilities at Cairns and Beaudesert, minor upgrades to Crows Nest and Laidley stations and a marine training simulation facility in Cairns;
- providing \$3.4 million for operational equipment, including a replacement mass decontamination tent, purchase of 96 thermal imaging cameras and related equipment, video monitors for the State Operations Centre, replacement of Raman spectrometers, nine emergency power generators at stations and three remote application road crash rescue kits; and
- providing \$2.7 million for capital grants in support of State Emergency Service Units.

## Departmental Budget Summary

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

Queensland Fire and Emergency Services	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
<b>CONTROLLED</b>			
<b>Income</b>			
Appropriation revenue <sup>1</sup>			
Deferred from previous year/s	..	..	..
Balance of service appropriation	47,133	46,281	79,158
Other revenue	371,558	364,017	541,541
<b>Total income</b>	<b>418,691</b>	<b>410,298</b>	<b>620,699</b>
<b>Expenses</b>			
Fire and Emergency Services	411,747	404,969	620,024
<b>Total expenses</b>	<b>411,747</b>	<b>404,969</b>	<b>620,024</b>
<b>Operating surplus/deficit</b>	<b>6,944</b>	<b>5,329</b>	<b>675</b>
<b>Net assets</b>	<b>55,388</b>	<b>53,025</b>	<b>53,700</b>

Notes:

1. Includes State and Australian Government funding.

## Budget Measures Summary

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

<b>Queensland Fire and Emergency Services</b>	<b>2013-14 \$'000</b>	<b>2014-15 \$'000</b>	<b>2015-16 \$'000</b>	<b>2016-17 \$'000</b>	<b>2017-18 \$'000</b>
<b>Revenue measures<sup>1</sup></b>					
Administered	..	..	..	..	..
Departmental	(1,446)	(2,992)	(3,097)	(3,205)	(3,318)
<b>Expense measures</b>					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
<b>Capital measures</b>					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..

Notes:

1. The totals reconcile to Budget Paper No 4.

## Staffing<sup>1,2,3</sup>

Service Areas	Notes	2013-14	2013-14	2014-15
		Adjusted Budget	Est. Actual	Budget
Fire and Emergency Services		2,960	2,962	2,941
<b>TOTAL</b>		<b>2,960</b>	<b>2,962</b>	<b>2,941</b>

### Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The 2013-14 Estimated actual FTEs includes an adjustment for two temporary FTEs associated with G20 and the Queensland Natural Disaster Risk Register project. These positions are temporary until November 2014.
3. The difference between the 2013-14 Estimated actual and the 2014-15 Budget staffing numbers reflects the transfer of 21 FTEs on 1 July 2014 to The Office of the Inspector-General Emergency Management.

## SERVICE PERFORMANCE

Queensland Fire and Emergency Services has one service area. The service area has been renamed to align with the new department name (previously the service area was called 'Emergency Management, Fire and Rescue').

### Service

#### Fire and Emergency Services

Fire and Emergency Services contribute to safer and sustainable communities through disaster management, community assistance, responses to structure and landscape fires, and rescue across all hazards. It includes the State Emergency Service, enhancing community resilience and mitigating risk through community safety programs.

### Red tape reduction

Red tape reduction initiatives in 2013-14 included:

- continued implementation of recommendations from the Malone Review. As at 14 March 2014, 43 of the 91 recommendations were addressed, resulting in greater efficiency and support for emergency service volunteers
- enabling industry to lodge building development applications on-line from July 2013 to reduce the time and effort required by industry to lodge applications
- reviewing the *Building Fire Safety Regulation 2008* to identify options to simplify requirements placed on occupiers and owners of buildings
- reviewing smoke alarm and fire warden provisions in the *Fire and Rescue Service Act 1990*. The review of smoke alarm provisions is assessing effectiveness from a safety and compliance perspective, and may reduce maintenance obligations for lessors. The review of fire warden provisions may streamline the appointment processes for certain categories of Fire Wardens.

Red tape reduction initiatives expected to be progressed in 2014-15 include finalising the above mentioned reviews, and implementing the identified opportunities to reduce red tape.

## Performance Statement

Queensland Fire and Emergency Services	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
<b>Service Area: Fire and Emergency Services</b>	1			
<b>Service standards</b>				
Rate of accidental residential structure fires reported (per 100,000 households)	2	New measure	New measure	<60
Response times to structure fires including call taking time:				
• 50th percentile		<7.6 minutes	7.9 minutes	<7.6 minutes
• 90th percentile	3	<14 minutes	12.4 minutes	<14 minutes
Percentage of building and other structure fires confined to room/object of origin	3,4	>80%	85%	>80%
Estimated percentage of households with smoke alarm/detector installed	5	New measure	New measure	95%
Percentage of building premises inspected and deemed compliant at first inspection	6	50%	41%	50%
Rate of system initiated false alarms per Alarm Signalling Equipment	7	New measure	New measure	4
Fire and emergency services expenditure per person	8	New measure	New measure	\$128
Percentage of identified disaster management training capability delivered	9	75%	60%	75%
Percentage of local governments with a current disaster management plan reviewed for effectiveness	10,11	100%	100%	100%
<b>State contribution (\$000)</b>		<b>45,250</b>	<b>44,398</b>	<b>76,235</b>
<b>Other revenue (\$000)</b>		<b>373,441</b>	<b>365,900</b>	<b>544,464</b>
<b>Total cost (\$000)</b>	12	<b>411,747</b>	<b>404,969</b>	<b>620,024</b>

### Notes:

1. Service area has been renamed to align with department name (previously the service area was called 'Emergency Management, Fire and Rescue').
2. New service standard. Accidental residential structure fires are defined as those fires in a residential structure that are not deliberately lit and with effective educational programs can be reduced or prevented from occurring. This service standard reflects the preventative/educative role. It also facilitates comparability because the data is included in the *Report on Government Services* (table 9A.16 in the 2014 report).

3. Structure fires are fires in housing and other buildings. Only structure fires occurring within the Urban Service Administrative Areas are included. Excluded are non-emergency calls and those where QFES experienced delays due to either extreme weather conditions or where the initial response was by another agency or brigade. Only primary exposure incidents are included.
4. Only structure fires where the confinement has been determined are included in the calculations.
5. This new service standard is a *Report on Government Services* measure (table 9A.25 in the 2014 report). It replaces the service standard 'Estimated percentage of households with a smoke alarm/detector that is operational/has been tested'.
6. This service standard reports the percentage of building premises inspected and deemed compliant with building fire safety regulations (*Fire and Rescue Service Act 1990*, *Building Act 1975* and *Building Fire Safety Regulation 2008*) and fire safety procedures on first inspection.
7. This measure has been introduced because of the efficiencies to be gained by reducing the rate of system initiated false alarms. The Police and Community Safety Review identified the high rate of system initiated false alarms as a major current inefficiency. According to the Review, about 30 per cent of Queensland Fire and Rescue Service (QFRS) activity was spent in this area, and while there was a fee charged for 'unwanted alarms' it only represented 2.5 per cent of total budget. QFES, in accordance with additional jurisdiction under Schedule 8 of the *Sustainable Planning Regulation 2009*, is proactively working with industry to provide advice on new buildings to mitigate unwanted alarms. In accordance with the *Fire and Emergency Services Act 1990* Section 104DA(2), the number of unwanted alarms signalled from a monitored system is unacceptable if the number signalled since the end of the last financial year is more than 4. In relation to existing buildings, the 2013-14 Est. Actual figure (2.47) is confirmation that QFES is continuing to work successfully with owner occupiers to mitigate unwanted alarms.
8. A new service standard has been introduced because QFES provides a wide range of disaster and emergency services under an integrated management structure. This service standard is included in the *Report on Government Services* (RoGs) (table 9A.30 in the 2014 report). This measure reports the fire and emergency services expenditure (as per the RoGs calculation method) divided by the estimated population of Queensland.
9. The *Disaster Management Act 2003* requires people performing functions under the Act in relation to disaster operations to be appropriately trained. The *Queensland Disaster Management Training Framework* outlines the core training requirements relevant to key disaster management stakeholders. This measure provides the percentage of disaster management training courses completed by identified stakeholders relative to the total number of courses planned to be delivered. For the purpose of reporting this measure: identified disaster management stakeholders are Local Disaster Coordinators, Local Disaster Management Group Chairs, District Disaster Coordinators, and District Disaster Management Group Executive Officers. Some training courses were not achieved due to operational commitments and response to disaster events. The availability of participants to undertake training was a significant factor in reducing levels of completion.
10. It is a requirement under Section 59 of the *Disaster Management Act 2003* that local governments review the effectiveness of their disaster management plan at least once a year. Each local government disaster management plan undergoes an external assessment annually, to ensure the plan is compliant with the *Disaster Management Act 2003* and meets the needs of the local area. The QPS and QFES are responsible for undertaking the external assessment using a standardised 'traffic light' assessment tool.
11. For the purpose of disaster management there are 78 local government areas - this includes 77 local governments and 1 town authority (Weipa). From 1 January 2014 there will be 78 local governments as a result of de-amalgamations. Douglas Shire Council, Livingstone Shire Council, Noosa Shire Council and Mareeba Shire Council are de-amalgamating from Cairns Regional Council, Rockhampton Regional Council, Sunshine Coast Regional Council and Tablelands Regional Council respectively. The Mareeba Shire Council, Douglas Shire Council and Livingstone Shire. Councils have all completed and implemented disaster management plans. For 2013-2014 reporting purposes, the Noosa Shire Council and Sunshine Coast Regional Council are operating under a joint disaster management plan.
12. From 1 July 2014 departments (excluding commercialised business units) will no longer be liable for payroll tax. To provide comparable cost forecasts across all periods, the 2013-14 Adjusted budget and the 2013-14 Estimated actual have been recast to reflect the removal of payroll tax from Employee expenses and an associated reduction has been made to Appropriation revenue. The 2013-14 Adjusted budget Appropriation revenue and Employee expenses have been reduced by \$9.6 million. The 2013-14 Estimated actual Appropriation revenue and Employee expenses have been reduced by \$9.6 million.



## CAPITAL

### Capital program

Most new and ongoing capital initiatives to support QFES operational capability are now delivered by the Public Safety Business Agency.

QFES continues to be responsible for delivering minor works and operational equipment.

In 2014-15, QFES will invest \$8.6 million in capital purchases and \$0.8 million in capital grants.

Program highlights include:

- \$3.1 million for minor works
- \$4.4 million for operational equipment, including portable mass decontamination equipment, a gas detection system, replacement breathing apparatus refilling compressors at stations and replacement of large capacity servers, monitors and plan printers to support building fire safety services.

### Capital budget statement

Queensland Fire and Emergency Services	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
<b>Capital Purchases<sup>1</sup></b>				
Total land, buildings and infrastructure	2	3,312	3,312	3,080
Total plant and equipment	2	3,754	3,754	5,529
Total other capital	3	2,892	2,892	777
<b>Total Capital Purchases</b>	<b>2</b>	<b>9,958</b>	<b>9,958</b>	<b>9,386</b>

Notes:

1. For more detail on the agency's capital acquisitions please refer to Budget Paper No. 3.
2. The 2013-14 Budget for QFES represents a part-year effect being for the period 1 November 2013 to 30 June 2014 to reflect the establishment of Queensland Fire and Emergency Services from 1 November 2013.
3. The decrease in total other capital is principally due to the completion of Flood Commission of Inquiry funding initiatives during 2013-14.

# BUDGETED FINANCIAL STATEMENTS

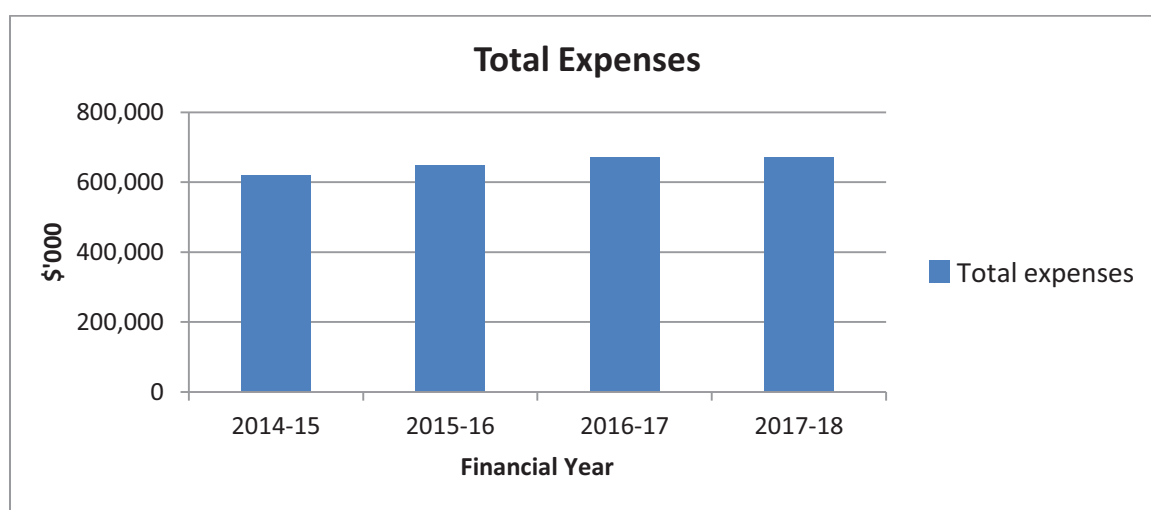
## ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

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 \$620 million in 2014-15. It should be noted the 2013-14 Budget for QFES represents a part-year effect being for the period 1 November 2013 to 30 June 2014 to reflect the establishment of Queensland Fire and Emergency Services from 1 November 2013. The increase over the forward estimates is mainly due to the provision for wage increases.

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



Data for 2013-14 is not provided given the significant MOG changes which took place in that year.

### Departmental balance sheet

The department's major assets are in receivables, valued at \$39.8 million and property, plant and equipment, valued at \$26.9 million. Total assets are expected to increase in value by 20% over the next three years, mainly as a result of property, plant and equipment purchases. The department's main liabilities relate to payables and accrued employee benefits with the value of these estimated to remain at current levels through to 2017-18.

## CONTROLLED INCOME STATEMENT

Queensland Fire and Emergency Services	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
Appropriation revenue	4,11	47,133	46,281	79,158
Taxes	1,5,12	262,403	259,295	436,130
User charges and fees		32,284	32,284	49,740
Royalties and land rents		..	..	..
Grants and other contributions	2,6,13	75,782	71,349	53,403
Interest		904	904	1,523
Other revenue		185	185	745
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>418,691</b>	<b>410,298</b>	<b>620,699</b>
<b>Expenses</b>				
Employee expenses	7	214,363	214,237	314,462
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services	3,8,14	80,561	76,727	116,331
Grants and subsidies	9,15	42,622	42,622	135,788
Depreciation and amortisation		2,248	2,248	3,453
Finance/borrowing costs		..	..	..
Other expenses	10,16	71,640	68,822	49,472
Losses on sale/revaluation assets		313	313	518
<b>Total expenses</b>		<b>411,747</b>	<b>404,969</b>	<b>620,024</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>6,944</b>	<b>5,329</b>	<b>675</b>

## CONTROLLED STATEMENT OF CHANGES IN EQUITY

Queensland Fire and Emergency Services	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		..	..	..
Surplus/(deficit) for the period		6,944	5,329	675
<b>Total recognised income and expense for the period</b>		<b>6,944</b>	<b>5,329</b>	<b>675</b>
Equity injection/(withdrawal)		..	..	..
Equity adjustments (inc. MOG transfers)		48,444	47,696	..
<b>Total movement in equity for period</b>		<b>55,388</b>	<b>53,025</b>	<b>675</b>

## CONTROLLED BALANCE SHEET

Queensland Fire and Emergency Services	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	17,19	15,499	13,884	9,403
Receivables		39,822	39,812	39,812
Other financial assets		..	..	..
Inventories		2,471	1,821	1,821
Other		1,229	1,141	1,141
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>59,021</b>	<b>56,658</b>	<b>52,177</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	18,20	21,240	21,240	26,855
Intangibles		16,719	16,719	16,260
Other		..	..	..
<b>Total non-current assets</b>		<b>37,959</b>	<b>37,959</b>	<b>43,115</b>
<b>TOTAL ASSETS</b>		<b>96,980</b>	<b>94,617</b>	<b>95,292</b>
<b>CURRENT LIABILITIES</b>				
Payables		24,304	24,304	24,304
Accrued employee benefits		17,284	17,284	17,284
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		4	4	4
<b>Total current liabilities</b>		<b>41,592</b>	<b>41,592</b>	<b>41,592</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>41,592</b>	<b>41,592</b>	<b>41,592</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>55,388</b>	<b>53,025</b>	<b>53,700</b>
<b>EQUITY</b>				
Capital/contributed equity		48,444	47,696	47,696
Accumulated surplus/(accumulated deficit)		6,944	5,329	6,004
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>55,388</b>	<b>53,025</b>	<b>53,700</b>

## CONTROLLED CASH FLOW STATEMENT

Queensland Fire and Emergency Services	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
Appropriation receipts	23,29	47,133	46,281	79,158
User charges and fees	24,30	17,935	17,935	49,222
Royalties and land rent receipts		..	..	..
Grants and other contributions		4,314	2,699	5,344
Interest received		904	904	1,523
Taxes	21,25,31	262,949	259,841	436,130
Other		(838)	(838)	745
<b>Outflows</b>				
Employee costs	32	(208,215)	(208,089)	(314,462)
Supplies and services	22,26,32	(72,205)	(68,371)	(116,496)
Grants and subsidies	27,34	(42,622)	(42,622)	(135,788)
Borrowing costs		..	..	..
Other		146	146	(1,248)
<b>Net cash provided by/(used in) operating activities</b>		<b>9,501</b>	<b>7,886</b>	<b>4,128</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets	28,35	(315)	(315)	(8,609)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(315)</b>	<b>(315)</b>	<b>(8,609)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by/(used in) financing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>9,186</b>	<b>7,571</b>	<b>(4,481)</b>
<b>Cash at the beginning of financial year</b>		<b>..</b>	<b>..</b>	<b>13,884</b>
Cash transfers from restructure		6,313	6,313	..
<b>Cash at the end of financial year</b>		<b>15,499</b>	<b>13,884</b>	<b>9,403</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

In the explanatory notes provided below, the following matters are referred to:

- machinery-of-Government (MOG) change refers to the multiple financial changes which have occurred resulting in the transfer of parts of two divisions of the former Department of Community Safety—the Queensland Fire and Rescue Service and Emergency Management Queensland to Queensland Fire and Emergency Services (QFES), the establishment of the Public Safety Business Agency (PSBA) to deliver a range of services to enable QFES and the Queensland Police Service to focus on the delivery of frontline services, and establishment of The Office of the Inspector-General Emergency Management to oversight the delivery of emergency services by the portfolio
- as a result, the 2013-14 Adjusted budget and Estimated actual for QFES, represent a part-year effect being for the period 1 November 2013 to 30 June 2014, to reflect the establishment of QFES from 1 November 2013
- from 1 July 2014 departments (excluding commercialised business units) will no longer be liable for payroll tax. To provide comparable cost forecasts across all periods, the 2013-14 Adjusted budget and the 2013-14 Estimated actual have been recast to reflect the removal of payroll tax from Employee expenses and an associated reduction has been made to Appropriation revenue. The 2013-14 Adjusted budget Appropriation revenue and Employee expenses have been reduced by \$9.6 million. The 2013-14 Estimated actual Appropriation revenue and Employee expenses have been reduced by \$9.6 million.

### Income statement

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

1. The decrease in taxes is due mainly to a reduction to the Emergency Management, Fire and Rescue Levy (EMFRL) due to the capping of the E Class levy.
2. The decrease in grants and other contributions is due mainly to lower revenue from the Motor Accident Insurance Commission, for the costs of services provided at road crashes.
3. The decrease in other supplies and services is mainly due to one off savings including lower than estimated implementation costs for the Malone Review recommendations.

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

4. The increase in appropriation revenue is mainly due to the full-year impact of the MOGs. It also reflects an adjustment to the PSBA's funding mix from QFES (between appropriation and grant revenue) which has resulted in QFES retaining a relatively larger share of appropriation in 2014-15 when compared with 2013-14. Other factors impacting the variation are supplementation for salary increases and an increase in the one-seventh statutory contribution as a result of growth in the EMFRL.
5. The increase in taxes is due mainly to the part-year effect of the establishment of QFES during 2013-14, and the estimated annual growth in levied properties of 2.2% and a 3.5% increase in levies effective 1 July 2014.
6. The decrease in grants and other contributions is due mainly to the full-year impact of the movement in the fair value recognition of cost of services received by QFES from PSBA. Fair value figures were calculated net of the QFES grant to the PSBA which is expected to be a larger proportion of the contribution in 2014-15 than in 2013-14.
7. The increase in employee expenses is due mainly to the part-year effect of the 2013-14 MOG changes and provision for wage increases, partially offset by a reduction due to the establishment of The Office of the Inspector-General Emergency Management as a separate entity from 1 July 2014.
8. The increase in other supplies and services is due mainly to the part-year effect for the period 1 November 2013 to 30 June 2014 to reflect the establishment of QFES from 1 November 2013, the forecast full-year costs associated with implementing the recommendations of the Malone Review of Rural Fire Services in Queensland.
9. The increase in grants and subsidies is due mainly to the full year effect of the establishment of QFES, the increase in the grant provided to the PSBA to fund the services and capital program it will provide on behalf of QFES, partially offset by a decrease in State Emergency Service grants due to the completion of Queensland Flood Commission of Inquiry initiatives during 2013-14.
10. The decrease in other expenses is due mainly to movement in the fair value recognition of cost of services received by QFES from the PSBA. Fair value figures were calculated net of the QFES grant to the PSBA which is expected to be a larger proportion of the contribution in 2014-15 than in 2013-14.

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

11. The increase in appropriation revenue is due to the full-year impact of MOG changes and an adjustment to the PSBA's funding mix from QFES (between appropriation and grant revenue) which has resulted in QFES retaining a relatively larger share of appropriation in 2014-15 when compared with 2013-14. Other factors impacting the variation are supplementation for salary increases and an increase in the one-seventh statutory contribution as a result of growth in the EMFRL.
12. The increase in taxes is due mainly to the part-year effect of the establishment of QFES during 2013-14, estimated annual growth in levied properties of 2.2% and a 3.5% increase in levies effective 1 July 2014.
13. The decrease in grants and other contributions is due mainly to the movement in the fair value recognition of the cost of goods and services received by QFES from the PSBA. Fair value figures were calculated net of the QFES grant to the PSBA which is expected to be a larger proportion of the contribution in 2014-15 than in 2013-14.
14. The increase in other supplies and services is due mainly to the part-year effect for the period 1 November 2013 to 30 June 2014 to reflect the establishment of QFES from 1 November 2013, the estimated full-year impact of implementing the recommendations of the Malone Review of Rural Fire Services in Queensland.
15. The increase in grants and subsidies is due mainly to the part-year effect for the period 1 November 2013 to 30 June 2014 to reflect the establishment of QFES from 1 November 2013, the increase in the grant provided to the PSBA to fund the services and capital program it will provide to QFES, partially offset by a decrease in State Emergency Services grants due to the completion of Queensland Flood Commission of Inquiry initiatives during 2013-14.
16. The decrease in other expenses is due mainly to the movement in the fair value recognition of the cost of goods and services received by QFES from the PSBA. Fair value figures were calculated net of the QFES grant to the PSBA which is expected to be a larger proportion of the contribution in 2014-15 than in 2013-14.

## Balance sheet

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

17. The decrease in cash assets is due mainly to cash being applied towards the QFES capital program.
18. The increase in property, plant and equipment is due mainly to minor works projects and operational asset purchases.

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

19. The decrease in cash assets is due mainly to cash being applied towards the QFES capital program.
20. The increase in property, plant and equipment is due mainly to minor works projects and operational asset purchases.

## Cash flow statement

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

21. The decrease in taxes is due mainly to a reduction to the EMFRL due to the capping of the E Class levy.
22. The decrease in supplies and services is mainly due to one off savings including lower than estimated implementation costs for the Malone Review recommendations.

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

23. The increase in appropriation receipts is due to the full-year impact of the MOG changes and an adjustment to the PSBA's funding mix from QFES (between appropriation and grant revenue) which has resulted in QFES retaining a relatively larger share of appropriation in 2014-15 when compared with 2013-14. Other factors are partial supplementation for salary increases and an increase in the one-seventh statutory contribution as a result of growth in the EMFRL.
24. The increase in user charges and fees is due mainly to the part-year effect for the period 1 November 2013 to 30 June 2014 to reflect the establishment of QFES from 1 November 2013, and the indexation of charges and fees by 3.5% from 1 July 2014.
25. The increase in taxes is due mainly to the part-year effect of the establishment of QFES during 2013-14, estimated annual growth in levied properties of 2.2% and a 3.5% increase in levies effective 1 July 2014.
26. The increase in other supplies and services is due mainly to the part-year effect for the period 1 November 2013 to 30 June 2014 to reflect the establishment of QFES from 1 November 2013 and the estimated full-year impact of implementing the recommendations of the Malone Review of Rural Fire Services in Queensland.



27. The increase in grants and subsidies is due mainly to the part-year effect of the MOG changes, the increase in the grant provided to PSBA to fund the services and capital program it will provide on behalf of QFES in 2014-15, partially offset by a decrease in State Emergency Services grants due to the completion of Queensland Flood Commission of Inquiry initiatives during 2013-14.
28. The increase in payments for non-financial assets is due mainly to 2014-15 QFES capital acquisitions.

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

29. The increase in appropriation receipts is due to the full-year impact of MOG changes and an adjustment to the PSBA's funding mix from QFES (between appropriation and grant revenue) which has resulted in QFES retaining a relatively larger share of appropriation in 2014-15 when compared with 2013-14. Other factors are partial supplementation for salary increases and an increase in the one-seventh statutory contribution as a result of growth in the EMFRL.
30. The increase in user charges and fees is due mainly to the part-year effect of the establishment of QFES from 1 November 2013 and the indexation of charges and fees by 3.5% from 1 July 2014.
31. The increase in taxes is due mainly to the part-year effect of the establishment of QFES during 2013-14, estimated annual growth in levied properties of 2.2% and a 3.5% increase in levies effective 1 July 2014.
32. The increase in employee expenses is due mainly to the part-year effect of the establishment of QFES from 1 November 2013 and to an increase in salaries and wages, partially offset by the establishment of The Office of the Inspector-General Emergency Management as a separate entity from 1 July 2014.
33. The increase in other supplies and services is due mainly to the part-year effect of the establishment of QFES from 1 November 2013 and the estimated full-year impact of implementing the recommendations of the Malone Review of Rural Fire Services in Queensland.
34. The increase in grants and subsidies is due mainly to the part-year effect of the establishment of QFES from 1 November 2013, the increase in the grant provided to PSBA to fund the services and capital program it will provide on behalf of QFES, partially offset by a decrease in State Emergency Services grants due to the completion of Queensland Flood Commission of Inquiry initiatives during 2013-14.
35. The increase in payments for non-financial assets is due mainly to 2014-15 QFES capital acquisitions.





# Public Safety Business Agency

# RESOURCES AND PERFORMANCE

## DEPARTMENTAL OVERVIEW

### Strategic direction

The Public Safety Business Agency (PSBA) was established on 1 November 2013 to provide strategic and corporate services to the Queensland Police Service (QPS), Queensland Fire and Emergency Services (QFES) and the Office of Inspector-General Emergency Management (IGEM), allowing them to concentrate on frontline service delivery. It also performs operational functions including Queensland Government Air Service, State Government Security, and Blue Cards (Working with Children suitability checks).

The PSBA's objectives, as outlined in its 2014-18 Strategic Plan, are to:

- ensure a more effective and sustainable approach to delivering public safety outcomes
- allow frontline staff to focus on delivering professional public safety services to the community
- enhance the Queensland community's ability to access public safety services, when and where they need them
- ensure Queenslanders get the best quality public safety services
- improve the portfolio's efficiency to ensure Queenslanders get value-for-money public safety services
- increase interoperability and eliminate duplication and waste, within and between the public safety agencies
- provide transparency and accountability to government and the community
- promote innovation and cultural change.

The PSBA delivers these objectives through the following strategies designed to support the Government's objectives for the community of revitalising frontline services for families, including:

- using evidence to align resources to relative need
- delivering high quality corporate and business support services
- enhancing access to services and information through the One-Stop-Shop approach
- developing a robust performance management system
- facilitating renewal
- integrating systems and processes across the portfolio
- linking resource data with services provided and outcomes achieved, to show how value is created
- fostering innovation through the Ideas, Decisions, Actions system and undertaking a program of cultural renewal.

The key challenge for the PSBA in 2014-15 is ensuring services are effective, sustainable and affordable in light of demand and resource pressures that include:

- a growing and ageing population
- community expectations
- the ongoing possibility of natural disasters in Queensland.

During 2014-15, the PSBA will continue to progress recommendations from the Commission of Audit and the Police and Community Safety Review (PACSR). Key recommendations include:

- maintaining emphasis on providing and improving the performance and efficiency of a broad range of corporate services
- embedding renewal and innovation within a new governance model that facilitates open engagement and works closely with portfolio partners to understand, align and develop strategic direction and action plans
- supporting workforce modernisation and more flexible and efficient planning, and the allocation of resources within the portfolio, including developing cost attribution and resourcing models
- participating in whole-of-Government activities aimed at consolidating capital stock and assets as well as planning forward for infrastructure and asset requirements.

From 1 July 2014 the PSBA will own and undertake asset procurement and management for the QPS, in addition to the support it provides to QFES, to facilitate these agencies focussing on frontline service delivery. The 2014-15 Budget provides \$610.3 million in operating and \$140.7 million in capital to create safe and resilient communities by supporting frontline officers, and providing better equipment and new technology. Key measures include:

**More frontline officers**

- providing training to police recruits in support of the Government's commitment to deliver an extra 1,100 police officers over four years

**Better equipment**

- \$20.2 million for replacement or upgraded police and fire and rescue stations across the State
- \$3.1 million to deliver three replacement water police catamarans at Cairns, Townsville and Whitsunday at a total project cost of \$12.7 million
- \$60.9 million for new and replacement police, fire and emergency service vehicles

**New technology**

- Funding to deliver a range of information and technology initiatives across the public safety portfolio to help officers work smarter and safer including:
  - \$30 million for the third year of a \$100 million project to replace the existing human resource and payroll systems for the PSBA, QFES, Queensland Ambulance Service and Queensland Corrective Services with an integrated human resource, payroll and human capital management solution. This solution will provide sustainable and supported human resource and payroll services. It will also provide managers with strategic human resource capability to support workforce development, performance and safety; and
  - \$18.5 million to continue the delivery of a mobile service capability and expand the mobile device fleet during the upcoming G20 Leaders' Summit in November 2014. The mobile devices will enhance officer and community safety by providing real time access to information for officers in the field and free up officer capacity to respond to demands for service

**Safe communities**

- allocating resources to support the delivery of security and public safety services for the 2014 G20 World Leaders' summit
- progressing legislative amendments to the *Child Protection (Offender Reporting) Act 2004* to ensure more stringent reporting conditions for offenders
- leading a review, in partnership with the Queensland Police Service, to streamline the Working with Children (Blue Card) suitability checks scheme in line with recommendations from the *Queensland Child Protection Commission of Inquiry (Carmody) Report*.

Public Safety Business Agency achievements in 2013-14 included:

**Resilient communities**

- delivering the Regional College of Disaster Management through partnership with the Australian Emergency Management Institute. This arrangement will provide specialised training both online and at venues in Cairns, Townsville, Brisbane and Rockhampton

**Better equipment**

- completing 24 urban and 47 rural fire fighting appliances, including the new Scientific Branch appliance—delivering a significant boost in operational support resources for hazardous materials emergencies
- consolidating Government emergency helicopters, police and fixed wing aircraft under one combined service to form the Queensland Government Air Service (QGAS). QGAS also manages the contractual arrangements with community helicopter providers and the contracted helicopter service in the Torres Strait
- completing a new State Emergency Services (SES) Headquarters in Cairns in partnership with Cairns Regional Council
- delivering a new fire and rescue station at Brassall, replacement auxiliary fire and rescue stations at Clifton and Millaa Millaa, and a replacement permanent auxiliary fire and rescue station at Mareeba

**New technology**

- commencing a trial of the Emergency Vehicle Priority project on the Gold Coast that implements traffic light technology to enable emergency vehicles to reach house fires, car crashes and other emergencies more quickly and safely
- developing SES and Policelink Apps to make it easier for community members to access police and emergency services.

## Departmental Budget Summary

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

Public Service Business Agency	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
<b>CONTROLLED</b>			
<b>Income</b>			
Appropriation revenue <sup>1, 2</sup>			
Deferred from previous year/s	13,652	4,173	1,410
Balance of service appropriation	430,220	405,955	360,877
Other revenue	250,980	265,892	256,159
<b>Total income</b>	<b>694,852</b>	<b>676,020</b>	<b>618,446</b>
<b>Expenses</b>			
Executive, corporate and business services	699,426	674,092	610,265
<b>Total expenses</b>	<b>699,426</b>	<b>674,092</b>	<b>610,265</b>
<b>Operating surplus/deficit</b>	<b>(4,574)</b>	<b>1,928</b>	<b>8,181</b>
<b>Net assets</b>	<b>821,968</b>	<b>743,140</b>	<b>2,493,065</b>

Notes:

1. Includes State and Australian Government funding.

## Budget Measures Summary

The PSBA has no new Budget measures relating to 2014-15 and the outyears.

## Staffing<sup>1,2,3</sup>

Service Areas	Notes	2013-14	2013-14	2014-15
		Adjusted Budget	Est. Actual	Budget
Executive, Corporate and Business Services		905	881	2,435
<b>TOTAL</b>		<b>905</b>	<b>881</b>	<b>2,435</b>

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The decrease in FTEs from the 2013-14 Adjusted budget to the 2013-14 Estimated actual reflects a change in the delivery of State Government security services in 2013-14.
3. Changes between the 2013-14 Estimated actual and 2014-15 Budget figures reflect the movement of FTEs resulting from machinery-of-Government changes associated with the Police and Community Safety Review.



## **SERVICE PERFORMANCE**

### **Services**

The PSBA delivers executive, corporate and business services to the public safety portfolio agencies—QPS, QFES and IGEM. The provision of these services enables the other members of the portfolio to concentrate on delivering essential frontline public safety services.

### **Red tape reduction**

Identifying any opportunities to reduce red tape will be a focus of the PSBA in 2014-15. In particular, the PSBA will examine options to achieve red tape reductions in the Blue Card application process while still maintaining safeguards for children and young people.

## Performance Statement

In line with the recommendations from PACSR, the PSBA is working in partnership with the QPS, QFES and IGEM to develop performance measures across the portfolio. These are being addressed in a staged approach.

Public Safety Business Agency	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
<b>Service Area: Executive, Corporate and Business Services</b>	1			
<b>Service standards</b>		New	New	
Client satisfaction	2	measure	measure	≥50%
Average processing times (days) of blue card applications where there is no criminal history	3			14
Cost of Public Safety Business Agency services per person	4	New measure	\$145	\$130
<b>State contribution (\$000)</b>		<b>442,871</b>	<b>409,127</b>	<b>362,287</b>
<b>Other revenue (\$000)</b>		<b>251,981</b>	<b>266,893</b>	<b>256,159</b>
<b>Total cost (\$000)</b>		<b>699,426</b>	<b>674,092</b>	<b>610,265</b>

### Notes:

1. The Service Area 'Executive, corporate and business services' provides specialised and skilled support to improve the capacity and capability of Queensland's public safety agencies, as well as a range of business services. The public safety agencies comprise the QPS, QFES, the PSBA and IGEM.
2. This service standard will be measured as part of an annual client survey of PSBA clients—QPS, QFES and IGEM. This measure represents the proportion of staff of the client agencies who had contact with the PSBA and were satisfied or very satisfied.
3. On 1 July 2014, administration of blue cards will be transferred from the Commission for Children and Young People and Child Guardian to the PSBA. The 2013-14 Estimated actual is reported in the Department of Communities, Child Safety and Disability Services Service Delivery Statement. The 2014-15 Estimated actual average processing time is based on expected volumes of applications and anticipated staffing levels.
4. This service standard measures the cost of delivering PSBA corporate and strategic services for 2014-15 by dividing PSBA recurrent expenditure by the population of Queensland (as detailed in the *Australian Bureau of Statistics catalogue 3101.0*).

## CAPITAL

### Capital program

The 2014-15 Public Safety Business Agency capital program provides an investment of \$140.7 million in capital purchases to support the delivery of revitalised frontline services and safe and resilient communities.

This investment will fund capital works, information technology and other essential equipment for the Queensland Fire and Emergency Services, the Queensland Police Service and the Office of the Inspector-General Emergency Management.

Program highlights include the delivery of the following initiatives:

#### Queensland Fire and Emergency Services

- \$46.3 million is provided for fire and emergency services facilities, urban and rural fire appliances and communications equipment including:
  - \$6.8 million to deliver replacement auxiliary fire and rescue stations at Ingham, Pomona and Pittsworth; and commence replacement of permanent fire and rescue stations at Bundaberg and Petrie;
  - \$0.5 million to commence permanent fire and rescue station upgrades at Bundamba and Burleigh;
  - \$7.5 million for strategic land acquisitions and Rural Operations land purchases; and
  - \$23 million for replacement and new urban and rural fire appliances.

#### Queensland Police Service

- \$81.9 million is provided for Queensland Police Service facilities, information and communication technology and other essential equipment including:
  - \$8.1 million to commence upgrades to the Forensic Service facility in Brisbane, and Nanango and Kingaroy police stations; and the relocation of Coolumb police station;
  - \$4.9 million to deliver upgraded facilities at Thursday Island, Laidley and Chinchilla police stations; and the Brisbane City and Redland Bay Water Police;
  - \$2 million to provide upgraded closed circuit cameras (CCTV) at Brisbane City, Bundaberg, Rockhampton and Townsville watchhouses;
  - \$1.5 million to provide additional police housing in Bamaga;
  - \$15.7 million for a range of information and communication technology initiatives including mobile services, the Public Safety Network and the technology and communication equipment refresh program;
  - \$37.9 million for new and replacement police service vehicles; and
  - \$3.1 million to deliver replacement police catamarans at Cairns, Whitsunday and Townsville.

#### Other departmental Capital

- \$12.5 million to fund information systems development and other plant and equipment.

## Capital budget statement

Public Safety Business Agency	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
<b>Capital Purchases<sup>1</sup></b>				
Total land, buildings and infrastructure	..	19,580	13,216	40,320
Total plant and equipment	..	43,051	41,278	100,368
Total other capital	..	1,555	1,147	0
<b>Total Capital Purchases</b>	..	<b>64,186</b>	<b>55,641</b>	<b>140,688</b>

Notes:

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

# BUDGETED FINANCIAL STATEMENTS

## ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

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

### Departmental income statement

Total expenses are estimated to be \$610.3 million in 2014-15, a decrease of \$63.8 million from the 2013-14 financial year. The decrease is principally due to:

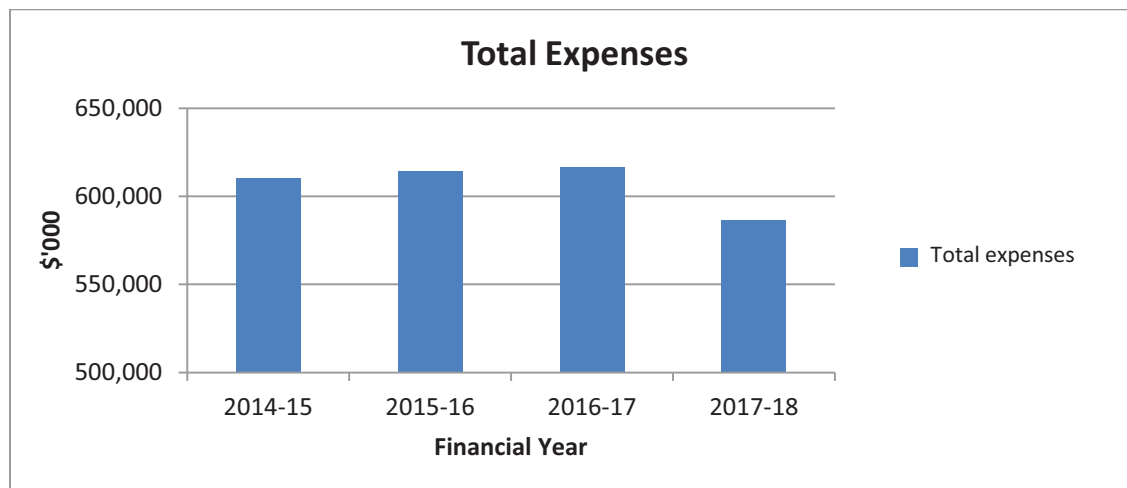
- the part-year effect in 2013-14 of the machinery-of-Government changes transferring:
  - Queensland Ambulance Service from the former Department of Community Safety to Queensland Health effective 1 October 2013;
  - Queensland Corrective Services from the PSBA to the Department of Justice and Attorney-General effective 1 November 2013;
  - parts of two divisions of the former Department of Community Safety – the Queensland Fire and Rescue Service and Emergency Management Queensland - to the Queensland Fire and Emergency Services (QFES) on 1 November 2013;
  - the transfer of responsibilities for the administration of the Natural Disaster Resilience Program (NDRP) from the PSBA to the Department of Local Government, Community Recovery and Resilience (DLGCRR) effective 1 November 2013; and
  - the transfer of responsibilities for the administration of the Natural Disaster Relief and Recovery Arrangements to DLGCRR effective 1 November 2013.

The decrease is partly offset by:

- machinery-of-Government arrangements transferring:
  - corporate and business support functions of the Queensland Police Service (QPS) into the PSBA effective 1 July 2014;
  - the Queensland Government Air Service from the Department of the Premier and Cabinet into the PSBA effective 1 November 2013;
  - the Police Airwing from QPS into the PSBA effective 1 November 2013;
  - State Government Security from the Department of Housing and Public Works into the PSBA effective 1 January 2014; and
  - Blue Card Services from the Commission for Children and Young People and Child Guardian to the PSBA effective 1 July 2014.
- provision for wage increases
- PSBA taking over responsibility for the continued delivery of a mobile service capability for QPS
- the deferral of funding from 2013-14 and reallocation to 2016-17 for the human resource and payroll systems replacement project. Funding of \$30 million is provided in 2014-15 for this project
- the full year effect of the contribution from QFES to the PSBA towards funding the services and capital program it will provide on behalf of QFES
- the fair value recognition of cost of services provided by QPS to the PSBA from 1 July 2014 and the full year effect of the fair value recognition of cost of services provided by QFES to the PSBA.

The reduction in 2017-18 is principally due to the expected completion in 2016-17 of the human resource and payroll systems replacement project.

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



Data for 2013-14 is not provided given the significant MOG changes which took place in that year.

### **Departmental balance sheet**

The department's major assets are in property, plant and equipment (\$2.379 billion) and intangibles (\$76.4 million). Property, plant and equipment is expected to increase by 8.5% over the next three years, principally due to anticipated acquisition levels over the period. The department's main liabilities relate to payables (\$22.4 million) with the value of payables estimated to remain at current levels through to 2017-18.

## CONTROLLED INCOME STATEMENT

Public Safety Business Agency	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
Appropriation revenue	1,5,13	443,872	410,128	362,287
Taxes	6,14	131,924	130,370	..
User charges and fees	2,7,15	65,715	78,013	58,751
Royalties and land rents		..	..	..
Grants and other contributions	8,16	48,127	51,389	194,847
Interest		479	452	..
Other revenue		4,735	5,498	561
Gains on sale/revaluation of assets	9,17	..	170	2,000
<b>Total income</b>		<b>694,852</b>	<b>676,020</b>	<b>618,446</b>
<b>Expenses</b>				
Employee expenses	18	362,502	370,265	205,635
Supplies and services:				
- Outsourced service delivery	3,19	..	22,578	..
- Other supplies and services	4,20	216,751	159,063	214,179
Grants and subsidies	10,21	11,810	13,804	172
Depreciation and amortisation		96,913	97,678	122,834
Finance/borrowing costs		536	536	646
Other expenses	11,22	9,813	9,725	64,799
Losses on sale/revaluation assets	12,23	1,101	443	2,000
<b>Total expenses</b>		<b>699,426</b>	<b>674,092</b>	<b>610,265</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>(4,574)</b>	<b>1,928</b>	<b>8,181</b>

## CONTROLLED STATEMENT OF CHANGES IN EQUITY

Public Safety Business Agency	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		(77,367)	(13,633)	72,749
Net amount of all revenue and expense adjustments direct to equity not disclosed above		(45,752)	(45,752)	..
<b>Net income recognised directly in equity</b>		<b>(123,119)</b>	<b>(59,385)</b>	<b>72,749</b>
Surplus/(deficit) for the period		(4,574)	1,928	8,181
<b>Total recognised income and expense for the period</b>		<b>(127,693)</b>	<b>(57,457)</b>	<b>80,930</b>
Equity injection/(withdrawal)		(11,450)	(15,173)	(15,949)
Equity adjustments (inc. MOG transfers)		(2,563,622)	(2,643,735)	1,684,944
<b>Total movement in equity for period</b>		<b>(2,702,765)</b>	<b>(2,716,365)</b>	<b>1,749,925</b>



## CONTROLLED BALANCE SHEET

Public Safety Business Agency	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	24,29	(6,326)	51,637	54,628
Receivables	25,30	(883)	7,188	12,199
Other financial assets		..	..	..
Inventories		1,121	99	99
Other	26,31	12,382	2,782	3,666
Non-financial assets held for sale		(2,065)	256	5,992
<b>Total current assets</b>		<b>4,229</b>	<b>61,962</b>	<b>76,584</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	27,32,34	813,556	701,172	2,379,449
Intangibles		10,512	11,068	76,354
Other		93	..	..
<b>Total non-current assets</b>		<b>824,161</b>	<b>712,240</b>	<b>2,455,803</b>
<b>TOTAL ASSETS</b>		<b>828,390</b>	<b>774,202</b>	<b>2,532,387</b>
<b>CURRENT LIABILITIES</b>				
Payables	28,33	(6,153)	18,703	22,377
Accrued employee benefits		1,221	1,153	5,087
Interest-bearing liabilities and derivatives		1,386	1,382	1,382
Provisions		..	..	..
Other		144	..	815
<b>Total current liabilities</b>		<b>(3,402)</b>	<b>21,238</b>	<b>29,661</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	1,000
Interest-bearing liabilities and derivatives		9,824	9,824	8,661
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>9,824</b>	<b>9,824</b>	<b>9,661</b>
<b>TOTAL LIABILITIES</b>		<b>6,422</b>	<b>31,062</b>	<b>39,322</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>821,968</b>	<b>743,140</b>	<b>2,493,065</b>
<b>EQUITY</b>				
Capital/contributed equity		810,067	723,549	2,392,544
Accumulated surplus/(accumulated deficit)		(3,333)	4,357	12,538
Reserves:				
- Asset revaluation surplus		15,234	15,234	87,983
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>821,968</b>	<b>743,140</b>	<b>2,493,065</b>

## CONTROLLED CASH FLOW STATEMENT

Public Safety Business Agency	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
Appropriation receipts	35,37,43	443,872	508,279	362,287
User charges and fees	38,43	106,778	100,180	58,751
Royalties and land rent receipts		..	..	..
Grants and other contributions	39,44	43,604	45,369	131,630
Interest received		479	452	..
Taxes	40,45	131,378	129,824	..
Other		29,044	9,132	561
<b>Outflows</b>				
Employee costs	41,43	(378,341)	(386,104)	(205,635)
Supplies and services	36,41,43	(261,526)	(205,708)	(214,186)
Grants and subsidies	42,46	(11,810)	(13,804)	(172)
Borrowing costs		(536)	(536)	(646)
Other		(24,293)	(4,257)	(1,575)
<b>Net cash provided by/(used in) operating activities</b>		<b>78,649</b>	<b>182,827</b>	<b>131,015</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		1,826	2,401	22,430
Investments redeemed		(262)	(262)	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets	41,43	(85,949)	(77,812)	(140,688)
Payments for investments		24	24	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(84,361)</b>	<b>(75,649)</b>	<b>(118,258)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections	41,43	28,080	24,080	44,561
<b>Outflows</b>				
Borrowing redemptions		(960)	(960)	(1,163)
Finance lease payments		..	..	..
Equity withdrawals	41,43	(39,530)	(39,530)	(60,510)
<b>Net cash provided by/(used in) financing activities</b>		<b>(12,410)</b>	<b>(16,410)</b>	<b>(17,112)</b>
<b>Net increase/(decrease) in cash held</b>		<b>(18,122)</b>	<b>90,768</b>	<b>(4,355)</b>
<b>Cash at the beginning of financial year</b>		<b>69,402</b>	<b>18,790</b>	<b>51,637</b>
Cash transfers from restructure		(57,606)	(57,921)	7,346
<b>Cash at the end of financial year</b>		<b>(6,326)</b>	<b>51,637</b>	<b>54,628</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

In the Explanation Notes provided below the following matters are referred to:

- machinery-of-Government (MOG) changes including:
  - the transfer of Queensland Ambulance Service (QAS) from the former Department of Community Safety (DCS), now renamed the Public Safety Business Agency (PSBA), to Queensland Health (QH) effective 1 October 2013 (referred to as the QAS MOG);
  - the transfer of Queensland Corrective Services (QCS) from the Public Safety Business Agency (PSBA) to the Department of Justice and Attorney-General (DJAG) effective 1 November 2013 (referred to as the QCS MOG);
  - the transfer of parts of two divisions of the former Department of Community Safety– the Queensland Fire and Rescue Service and Emergency Management Queensland to the Queensland Fire and Emergency Services (QFES) which was established on 1 November 2013 (referred to as the QFES MOG);
  - the transfer of responsibilities for the administration of the Natural Disaster Resilience Program (NDRP) from the PSBA to the Department of Local Government, Community Recovery and Resilience (DLGCRR) effective 1 November 2013 (referred to as the NDRP MOG);
  - the transfer of responsibilities for the administration of the Natural Disaster Relief and Recovery Arrangements to DLGCRR effective 1 November 2013 (referred to as NDRRA MOG);
  - the transfer of corporate and business support functions for Queensland Police Service to the PSBA effective 1 July 2014 (referred to as the QPS MOG);
  - the transfer of Blue Card Services from the Commission for Children and Young People and Child Guardian to the PSBA effective 1 July 2014 (referred to as the Blue Card MOG);
  - the transfer of the Queensland Government Air Service from the Department of the Premier and Cabinet and the Police Air Wing into the PSBA effective 1 November 2013; and
  - the transfer of State Government Security (SGS) from the Department of Housing and Public Works (DHPW) to the PSBA effective 1 January 2014 (referred to as SGS MOG).
- the reclassification of expenditure in Supplies and Services to either “Outsourced Service Delivery” or “Other Supplies and Services” has been provided for greater transparency in the 2013-14 Estimated actual and 2014-15 Budget. The 2013-14 Adjusted budget has not been re-cast for this change.
- from 1 July 2014 departments (excluding commercialised business units) will no longer be liable for payroll tax. To provide comparable cost forecasts across all periods, the 2013-14 Adjusted budget and the 2013-14 Estimated actual have been recast to reflect the removal of payroll tax from Employee expenses and an associated reduction has been made to Appropriation revenue. The 2013-14 Adjusted budget Appropriation revenue and Employee expenses have been reduced by \$16.3 million. The 2013-14 Estimated actual Appropriation revenue and Employee expenses have been reduced by \$15.9 million.

### Income statement

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

1. The decrease in appropriation revenue is due principally to deferrals for the human resource and payroll systems replacement project and the Regional College of Disaster Management.
2. The increase in user charges and fees is due to funding provided by QAS for Information and Communication Technology (ICT) services provided to it by the PSBA.
3. The increase in outsourced service delivery is due to the reclassification of expenditure relating to services provided to QCS by parties external to the department and of services provided to QAS by QH prior to the QCS and QAS MOGs.
4. The decrease in other supplies and services is principally due to delays in implementing various projects including the human resource and payroll systems replacement project; and reclassification of expenditure (refer Note 3).

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

5. The decrease in appropriation revenue is due principally to the part-year effect in 2013-14 of the QAS MOG, the QCS MOG and the QFES MOG; partly offset by provision for wage increases and the QPS MOG. The QPS MOG includes additional funding to continue the delivery of a mobile service capability.
6. The decrease in taxes is due to the Emergency Management, Fire and Rescue Levy transferring to QFES from 1 November 2013 as a result of the QFES MOG.

7. The decrease in user charges and fees is due to the part-year effect in 2013-14 of the QAS MOG and QCS MOG; partly offset by the transfer into the PSBA of user charges and fees as part of the SGS MOG.
8. The increase in grants and other contributions relates to the full-year effect of: fair value recognition of cost of services provided by QPS and QFES to the PSBA; the contribution from QFES to the PSBA towards funding the services and capital program it will provide on behalf of QFES; and funding provided by QAS to be applied by the PSBA towards ICT capital.
9. The increase in gains on sale/revaluation of assets relates to the sale of transferred QPS assets [i.e. fleet motor vehicles] to the PSBA as part of the QPS MOG.
10. The decrease in grants and subsidies is due to the NDRP MOG and transferred grant components (including State Emergency Service and Volunteer Marine Rescue) of Emergency Management Queensland (EMQ) from the PSBA to QFES as part of the QFES MOG.
11. The increase in other expenses is due to the fair value recognition of cost of services provided by QPS to the PSBA from 1 July 2014 and the full year effect of the fair value recognition of cost of services provided by QFES to PSBA.
12. The increase in losses on sale/revaluation of assets relates to the sale of transferred QPS assets [i.e. fleet motor vehicles] to the PSBA as part of the QPS MOG.

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

13. The decrease in appropriation revenue is due to the part-year effect in 2013-14 of the QAS MOG, the QCS MOG and the QFES MOG; partly offset by provision for wage increases and the QPS MOG. The QPS MOG includes additional funding to continue the delivery of a mobile service capability.
14. The decrease in taxes is due to the Emergency Management, Fire and Rescue Levy transferring to QFES during 2013-14 as a result of the QFES MOG.
15. The decrease in user charges and fees is due to the part-year effect in 2013-14 of the QAS MOG and the QCS MOG; partly offset by the transfer into the PSBA of user charges and fees as part of the SGS MOG.
16. The increase in grants and other contributions relates to the full-year effect of: fair value recognition of cost of services provided by QPS and QFES to the PSBA; contribution from QFES to the PSBA towards funding the services and capital program it will provide on behalf of QFES; and funding provided by QAS to be applied by the PSBA towards ICT capital.
17. The increase in gains on sale/revaluation of assets relates to the sale of transferred QPS assets [i.e. fleet motor vehicles] to the PSBA as part of the QPS MOG.
18. The decrease in employee expenses is due to the part-year effect in 2013-14 of the QAS MOG, the QCS MOG and the QFES MOG; partly offset by provision for wage increases and the QPS MOG.
19. The decrease in outsourced service delivery is due to outsourced services provided to QCS that have transferred to the DJAG during 2013-14 per the QCS MOG and outsourced services provided to QAS that have transferred to QH as per the QAS MOG.
20. The increase in other supplies and services is due to incoming MOGs to the PSBA, in particular the QPS MOG, which includes additional funding to continue the delivery of a mobile service capability; partly offset by the part-year effect in 2013-14 of the QAS MOG, QCS MOG and the QFES MOG.
21. The decrease in grants and subsidies is due to the NDRP MOG, and transferred grant components (including State Emergency Service and Volunteer Marine Rescue) of EMQ from the PSBA to QFES as part of the QFES MOG.
22. The increase in other expenses is due to the fair value recognition of cost of services provided by QPS to the PSBA and the full year effect of the fair value recognition of cost of services provided by QFES to the PSBA.
23. The increase in losses on sale/revaluation of assets relates to the sale of transferred QPS assets [i.e. fleet motor vehicles] to the PSBA as part of the QPS MOG.

## Balance sheet

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

24. The increase in cash assets reflects the timing of capital payments in 2013-14.
25. The increase in receivables is principally due to the higher than estimated opening balance in 2013-14, due to the timing of receipts from trade debtors.
26. The decrease in other current assets is principally a result of lower than estimated prepaid expenses.
27. Property, plant and equipment decreased principally due to lower than estimated capital expenditure in 2012-13 and the timing of capital acquisitions in 2013-14.
28. The increase in payables reflects the timing of capital payments in 2013-14.

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

29. The increase in cash assets reflects the timing of capital payments in 2013-14.
30. The increase in receivables is principally due to the higher than estimated opening balance in 2013-14 and the effect in 2014-15 of the SGS MOG.
31. The decrease in other current assets is principally a result of lower than estimated prepaid expenses.
32. The increase in property, plant and equipment is due to MOG arrangements which resulted in the transfer from QPS to the PSBA of significant assets to support QPS operational capability. The increase is partly offset by the part-year effect of the QAS MOG and the QCS MOG.
33. The increase in payables reflects the timing of capital payments in 2013-14.

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

34. The increase in property, plant and equipment is due to MOG arrangements which resulted in the transfer from QPS to the PSBA of significant assets to support QPS operational capability. The increase is partly offset by the part-year effect of the QAS MOG and the QCS MOG.

## Cash flow statement

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

35. The increase in appropriation receipts is a result of cash management processes.
36. The decrease in supplies and services is principally due to delays in implementing various projects including the human resource and payroll systems replacement project.

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

37. The decrease in appropriation receipts is due to the part-year effect in 2013-14 of the QAS MOG, the QCS MOG and the PSBA to QFES MOG; partly offset by provision for wage increases and the QPS MOG. The QPS MOG includes additional funding to continue the delivery of a mobile service capability.
38. The decrease in user charges and fees is due to the part-year effect in 2013-14 of the QAS MOG and QCS MOG; partly offset by the transfer into the PSBA of user charges and fees as part of the SGS MOG.
39. The increase in grants and other contributions relates to the full-year effect of the contribution from QFES to the PSBA towards funding the services and capital program the PSBA will provide on behalf of QFES; and funding provided by QAS to be applied by the PSBA towards information and communication technology capital.
40. The decrease in taxes is due to the Emergency Management, Fire and Rescue Levy transferring to QFES during 2013-14 as a result of the QFES MOG.
41. The movement is due to the net effect of: the part-year impact in 2013-14 of the QAS MOG, QCS MOG and the PSBA to QFES MOG and the full year impact in 2014-15 of incoming MOGs to the PSBA, in particular the QPS MOG.
42. The decrease in grants and subsidies is due to NDRP MOG, and transferred grant components (including State Emergency Service and Volunteer Marine Rescue) of EMQ from the PSBA to QFES as part of the QFES MOG.

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

43. The movement is due principally to the net effect of: the part-year impact in 2013-14 of the QAS MOG, QCS MOG and the PSBA to QFES MOG; and the full-year impact in 2014-15 of incoming MOGs to the PSBA, in particular the QPS MOG.
44. The increase in grants and other contributions relates to the full-year effect of the contribution from QFES to the PSBA towards funding the services and capital program it will provide on behalf of QFES; and funding provided by QAS to be applied by the PSBA towards information and communication technology capital.
45. The decrease in taxes is due to the Emergency Management, Fire and Rescue Levy transferring to QFES during 2013-14 as a result of the QFES MOG.
46. The decrease in grants and subsidies is due to the NDRP MOG, and transferred grant components (including State Emergency Service and Volunteer Marine Rescue) of EMQ from the PSBA to QFES as part of the PSBA to QFES MOG.





# The Office of the Inspector- General Emergency Management



# RESOURCES AND PERFORMANCE

## DEPARTMENTAL OVERVIEW

The Office of the Inspector-General Emergency Management (IGEM) will be established under amendments to the *Disaster Management Act 2003* on 1 July 2014 to provide assurance and advice that enables confidence in Queensland's emergency management arrangements.

The Office of the IGEM's strategic objectives, as identified in its 2014-18 Strategic Plan, are to:

- provide independent assurance and advice about emergency management arrangements in Queensland
- provide authoritative reporting that is used by the emergency management sector to fulfil accountabilities and improve outcomes for the community
- drive a culture of excellence across the emergency management sector by connecting stakeholders, creating partnerships and marshalling expertise
- sustain a highly motivated, competent office that embraces change and is committed to delivering continuous improvement.

In 2014-15, the Office of the IGEM will progress a range of strategies to continue implementing relevant Police and Community Safety Review (PACSR) recommendations. These strategies, as identified in the Office of the IGEM Strategic Plan 2014-18, will support the Government's objectives of revitalising frontline services for families and restoring accountability in government. The strategies include:

- developing, implementing and validating outcome based standards across emergency prevention, preparedness, response and recovery in collaboration with stakeholders
- providing rigorous oversight that maps and clearly defines accountabilities and shared responsibilities across emergency management
- providing independent, evidence based advice about emergency management issues
- setting a forward program of work to provide clear direction on areas of focus for stakeholders
- designing and implementing a suite of assurance activities, tools and processes that are valued by stakeholders and enable transparent monitoring, evaluation and reporting against the emergency management assurance framework
- undertaking targeted reviews and system analysis that identify risks and gaps, and prioritise improvements on the basis of community outcomes
- collaborating with agencies to facilitate solutions and drive a culture of continuous improvement and excellence in emergency management
- establishing trusted partnerships that promote innovation, interoperability and knowledge transfer across the emergency management sector
- developing common language and platforms for engagement that connect stakeholders and enable timely and open communication
- ensuring lessons identified, research and good practice are contextualised for Queensland and integrated into emergency management standards and practice.



The Office of the IGEM has identified the following strategic risks and challenges for the office during 2014-15 and into the future:

- reducing bureaucracy for local governments, state agencies and other partners across prevention, preparedness, response and recovery
- ensuring performance is measured against outcomes
- gaining acceptance and support for shared responsibilities balanced with clear accountabilities
- ensuring clear expectations of leadership across the emergency management sector
- providing valued services to key stakeholders
- ensuring all stakeholders understand their risks and are taking action to mitigate these risks
- ensuring the broader disaster management framework remains contemporary.

The 2013-14 recent achievements for the Office of the IGEM are reported in the QFES Service Delivery Statements. From 1 July 2014 the Office of the IGEM will be a separate entity.

## Departmental Budget Summary

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

The Office of the Inspector-General Emergency Management	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
<b>CONTROLLED</b>			
<b>Income</b>			
Appropriation revenue			
Deferred from previous year/s	..	..	..
Balance of service appropriation	..	..	3,780
Other revenue	..	..	715
<b>Total income</b>	..	..	<b>4,495</b>
<b>Expenses</b>			
Independent Assurance and Advice to Improve Emergency Management	..	..	4,495
<b>Total expenses</b>	..	..	<b>4,495</b>
<b>Operating surplus/deficit</b>	..	..	..
<b>Net assets</b>	..	..	<b>14</b>

From 1 July 2014 the Office of the IGEM will be a separate entity with budgeted financial information reported separately. The 2013-14 financial data for the Office of the IGEM is included within the QFES Budget Summary and Budgeted Financial Statements.

## Budget Measures Summary

The Office of the IGEM has no new Budget measures relating to 2014-15 and the outyears.

### Staffing<sup>1</sup>

Service Areas	Notes	2013-14 Adjusted Budget	2013-14 Est. Actual	2014-15 Budget
Independent Assurance and Advice to Improve Emergency Management		..	..	21
<b>TOTAL</b>		..	..	<b>21</b>

Notes:

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

## SERVICE PERFORMANCE

### Service

#### Independent Assurance and Advice to Improve Emergency Management

The Office of the IGEM will provide independent assurance and advice about emergency management arrangements in Queensland and authoritative reporting that is used by the emergency management sector to fulfil accountabilities and improve outcomes for the community. The Office of the IGEM will drive a culture of excellence across the emergency management sector by connecting stakeholders, creating partnerships and marshalling expertise.

### Red tape reduction

The Office of the IGEM will be formally established under legislation in mid 2014.

Red tape reduction will be a focus for the Office of the IGEM 2014-15. One of the key strategic challenges identified by the Office of the IGEM is to reduce bureaucracy for local governments, state agencies and other partners across Queensland's emergency management arrangements.

### Performance Statement

The Office of the Inspector-General Emergency Management	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
<b>Service Area: Independent Assurance and Advice to Improve Emergency Management</b>				
<b>Service standards</b>		New	New	
Client satisfaction	1	measure	measure	80%
Proportion of recommendations agreed to by audited or reviewed entities	2	New measure	New measure	80%
<b>State contribution (\$000)</b>		..	..	<b>3,780</b>
<b>Other revenue (\$000)</b>		..	..	<b>715</b>
<b>Total cost (\$000)</b>		..	..	<b>4,495</b>

#### Notes:

1. This new service standard will be measured as part of an annual client survey which will be conducted for the first time in 2014-15. The 'clients' include the Minister responsible for the public safety portfolio, State Disaster Management Group members, local government and other stakeholders with a role in disaster and emergency management.
2. This new service standard will measure the proportion of recommendations made by the Office of the IGEM that have been agreed to by the entity that has been audited or reviewed.

# BUDGETED FINANCIAL STATEMENTS

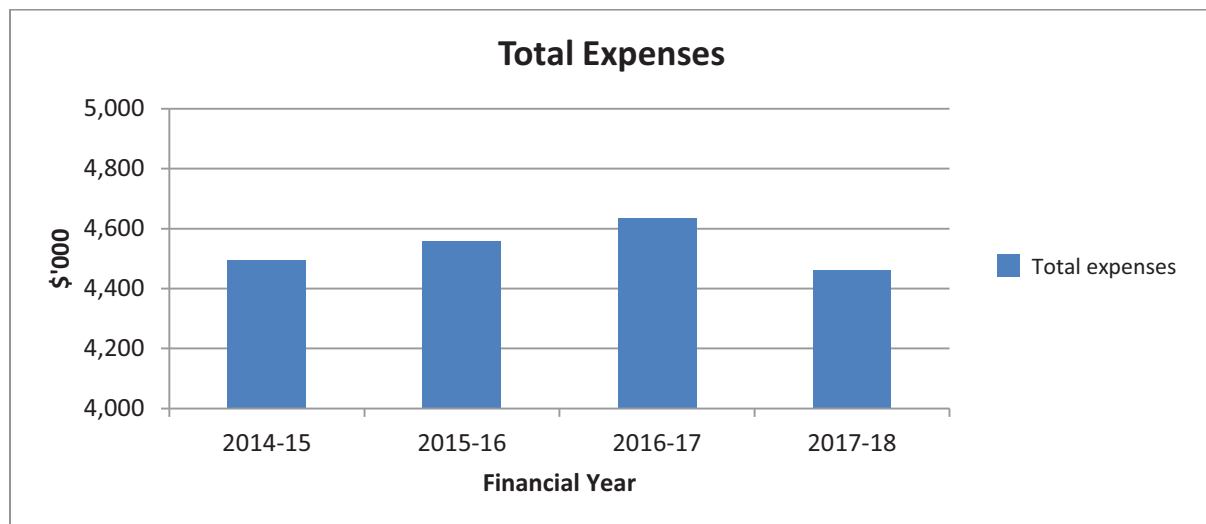
## ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

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 \$4.495 million in 2014-15. The increase over the forward estimates relates to the provision for wage increases. The reduction in 2017-18 reflects movement in fair value recognition of cost of services provided by the Public Safety Business Agency to IGEM and is principally due to the expected completion in 2016-17 of the human resource and payroll systems replacement project.

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



## CONTROLLED INCOME STATEMENT

The Office of the Inspector-General Emergency Management	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>	1,2			
Appropriation revenue		..	..	3,780
Taxes		..	..	..
User charges and fees		..	..	..
Royalties and land rents		..	..	..
Grants and other contributions		..	..	715
Interest		..	..	..
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		..	..	<b>4,495</b>
<b>Expenses</b>				
Employee expenses		..	..	2,678
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services		..	..	1,077
Grants and subsidies		..	..	..
Depreciation and amortisation		..	..	3
Finance/borrowing costs		..	..	..
Other expenses		..	..	737
Losses on sale/revaluation assets		..	..	..
<b>Total expenses</b>		..	..	<b>4,495</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		..	..	..

## CONTROLLED STATEMENT OF CHANGES IN EQUITY

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

## CONTROLLED BALANCE SHEET

The Office of the Inspector-General Emergency Management	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		..	..	3
Receivables		..	..	..
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		..	..	<b>3</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		..	..	11
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		..	..	<b>11</b>
<b>TOTAL ASSETS</b>		..	..	<b>14</b>
<b>CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		..	..	..
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		..	..	..
<b>TOTAL LIABILITIES</b>		..	..	..
<b>NET ASSETS/(LIABILITIES)</b>		..	..	<b>14</b>
<b>EQUITY</b>				
Capital/contributed equity		..	..	14
Accumulated surplus/(accumulated deficit)		..	..	..
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		..	..	<b>14</b>

## CONTROLLED CASH FLOW STATEMENT

The Office of the Inspector-General Emergency Management	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
Appropriation receipts		..	..	3,780
User charges and fees		..	..	..
Royalties and land rent receipts		..	..	..
Grants and other contributions		..	..	..
Interest received		..	..	..
Taxes		..	..	..
Other		..	..	..
<b>Outflows</b>				
Employee costs		..	..	(2,678)
Supplies and services		..	..	(1,077)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		..	..	(22)
<b>Net cash provided by/(used in) operating activities</b>		..	..	<b>3</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		..	..	..
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by/(used in) financing activities</b>		..	..	..
<b>Net increase/(decrease) in cash held</b>		..	..	<b>3</b>
<b>Cash at the beginning of financial year</b>		..	..	..
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		..	..	<b>3</b>



## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

From 1 July 2014 the Office of the IGEM will be a separate entity with budgeted financial information reported separately. The 2013-14 financial data for the Office of the IGEM is included within the QFES Budget Summary and Budgeted Financial Statements.

### Income statement

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

1. Grants and other contributions revenue relates to fair value recognition of cost of services provided by the Public Safety Business Agency to the Office of the IGEM.

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

2. Grants and other contributions revenue relates to fair value recognition of cost of services provided by the Public Safety Business Agency to the Office of the IGEM.

# GLOSSARY OF TERMS

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**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.

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

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**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.

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**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.

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

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**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.

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**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.

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**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.

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**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.

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

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



