



State Budget 2012-13

Service Delivery Statements

Department of Transport and Main Roads



2012–13 State Budget Papers

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

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

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

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

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

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Service Delivery Statements

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Department of Transport and Main Roads

Summary of portfolio budgets¹

Page	Agency	2011-12 Adjusted Budget \$'000	2011-12 Est. Actual \$'000	2012-13 Estimate \$'000
3	Department of Transport and Main Roads - controlled ²	4,479,009	4,060,568	4,073,278
	Department of Transport and Main Roads - administered	1,071,422	1,137,890	1,177,246
38	RoadTek	688,999	942,117	548,620
46	TransLink Transit Authority ³	1,514,129	1,531,653	1,634,231

Notes:

1. Explanations of variances are provided in the financial statements.
2. It is anticipated that the creation of the Gold Coast Waterways Authority will be finalised in December 2012. Funding is held by the department until the Authority is established
3. The TransLink Transit Authority will merge with the Department of Transport and Main Roads. It is anticipated that the change will be finalised in December 2012.

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PORTFOLIO OVERVIEW

Ministerial and portfolio responsibilities

The Minister for Transport and Main Roads is responsible for outcomes delivered by the Department of Transport and Main Roads. The department, its commercialised business unit and statutory body work together to deliver a safe, efficient and integrated transport system connecting Queensland. It plans, delivers and manages Queensland's integrated transport environment to achieve sustainable solutions for road, rail, air and sea transport.

Department of Transport and Main Roads:

- *Transport system planning:* plans the effective, efficient and sustainable delivery of integrated transport infrastructure, systems and services.
- *Investment and program development:* ensures that the department invests strategically and effectively in transport infrastructure and delivers works efficiently to achieve value for money from cost-effective engineering solutions, using innovative delivery mechanisms.
- *Transport infrastructure delivery:* delivers transport infrastructure projects that provide a safe, efficient and reliable transport system while ensuring value for money.
- *Transport system management, operation and regulation:* improves public transport and to manage, operate and regulate the transport system safely, economically and sustainably.
- *Transport safety:* provides policies, education programs, compliance activity, engineering treatments and funding support that promote and influence safe, efficient and sustainable use of the transport system.

TransLink Transit Authority:

- The TransLink Transit Authority coordinates and delivers bus, train and ferry services across South East Queensland (one of the largest public transport networks in the world) with a focus on improving affordability, reliability and frequency. It is responsible for providing customer information, ticketing and public transport infrastructure.
- The TransLink Transit Authority will merge with the Department of Transport and Main Roads. It is anticipated that this change will be finalised in December 2012.

RoadTek:

- RoadTek is a major provider of transport infrastructure solutions primarily in regional and remote areas of Queensland, providing civil construction, maintenance works and related services.

Additional information about the Department of Transport and Main Roads is available at www.tmr.qld.gov.au.

Portfolio Structure and Services

Minister for Transport and Main Roads
The Honourable Scott Emerson MP

Assistant Minister for Public Transport
Mr Steve Minnikin MP

Department of Transport and Main Roads
Director-General: Michael Caltabiano

Service Area 1: Transport system planning

Service Area 2: Investment and program development

Service Area 3: Transport infrastructure delivery

Service Area 4: Transport system management, operation and regulation

Service Area 5: Transport safety

TransLink Transit Authority
Chief Executive Officer: Neil Scales

Objective: The TransLink Transit Authority coordinates and delivers bus, train and ferry services across South East Queensland - one of the largest public transport networks in the world. It is responsible for providing customer information, ticketing and public transport infrastructure.

RoadTek
General Manager: Clinton Huff

Objective: RoadTek is a major provider of transport infrastructure solutions primarily in regional and remote areas of Queensland, providing civil construction, maintenance works and related services.

RESOURCES AND PERFORMANCE

DEPARTMENTAL OVERVIEW

Strategic direction

The purpose of the Department of Transport and Main Roads is to plan, deliver and manage a transport system that connects Queensland. A well-developed, integrated transport system is essential to the continued growth and maintenance of a healthy robust economy – connecting communities, providing access to services and supporting the conduct of commerce and industry throughout the State. Through economically and efficiently delivering its planned outcomes, the department contributes to all of the Queensland Government's objectives for the community:

- Grow a four pillar economy based on tourism, agriculture, resources and construction
- Lower the cost of living for families by cutting waste
- Deliver better infrastructure and better planning
- Revitalise frontline services
- Restore accountability in government.

While the department contributes to all five objectives for the community, it has a key role to *Deliver better infrastructure and better planning*.

To deliver its planned outcomes and contribute to the achievement of the government's objectives for the community Transport and Main Roads focuses on the following objectives as stated in the *Transport and Main Roads Strategic Plan 2012-2016*:

- Plan an integrated, reliable and cost-effective transport system
- Deliver transport infrastructure that supports economic growth and provides access to services for the community
- Manage the transport system to improve safety, useability and customer service
- Ensure a sustainable and capable workforce with effective processes and systems that enable better delivery of transport outcomes.

While working to achieve these objectives, the department applies a robust risk management framework to manage strategic risks relating to the impact of factors affecting the department including:

- Economic growth – meeting the demands placed on the transport system by industry
- Funding prioritisation – maintaining and operating the transport system within funding
- Global forces – providing environmentally and financially sustainable transport infrastructure
- Identifying transport needs – working across government, industry and the community
- Future disasters and failures – disrupted transport infrastructure and services due to significant events
- Population growth – addressing changes in transport accessibility, mobility, safety, security and pollution
- Workplace challenges – maintaining business systems and capability to meet operational needs.

Transport and Main Roads is committed to addressing the following priorities:

- Focus on core business – better public transport and transport infrastructure
- Deliver cost-effective programs and services efficiently

- Make investment decisions that support government priorities and ensure the best use of available resources
- Address impacts on our natural, cultural and built environments in project delivery
- Create opportunities to partner with our customers and the business community in policy development through to service delivery
- Ensure the safety and security of the transport system, its users and our workforce.

The department's capital program for transport and roads infrastructure in 2012-13 demonstrates our commitment to delivering and managing a transport system that connects Queensland. The department will continue to invest significant dollars for capital works into our roads, railways, busways and marine infrastructure to make it more efficient, more reliable and safer to get around the state. The capital program for 2012-13 also includes a significant investment for natural disaster work to undertake restoration activities required to rebuild our network better, safer and more resilient.

In support of the government's commitments, the Department of Transport and Main Roads moved quickly to deliver achievements in 2011-12 including:

- Lowering the cost of living – Froze registration fees for three years from 1 July 2012 for more than 2.5 million family vehicles
- Realigning the investment program – Reviewed projects listed in the Queensland Transport and Roads Investment Program (QTRIP) and realigned the program to fit with the new Queensland Government investment priorities
- Developing a Bruce Highway Crisis Action Plan – Established the Bruce Highway Crisis Management Group and started an engineering based 10-year Crisis Action Plan, in consultation with the Department of State Development, Infrastructure and Planning, to address remediation of the Bruce Highway
- Improving access to waterways – Re-establish the Gold Coast Waterways Authority which will oversee the management of, and improve access to, Gold Coast waterways, canals and rivers
- Supporting Queensland's resources boom – Established the Roads to Resources Program and the framework for identifying priority road projects as part of our Royalties for the Regions funding package
- Delivering better roads for the regions – Started updating the business case for the Toowoomba Second Range Crossing and finalised a strategy for the upgrade of the Warrego Highway.

The department will build on the achievements listed above and continue its focus on delivering the government's commitments for the people of Queensland, with 2012-13 highlights to include:

- Supporting agriculture – Prioritising investment in major transport routes to ensure access to heavy transport options for agricultural industries and ensuring provision of appropriate rail access for the transport of grain and cattle for processing and export
- Upgrading key rail crossings – Working with the Brisbane City Council to build rail crossing flyovers at Telegraph Road, Bracken Ridge and Robinson Road, Geebung
- Improving School Safety Zones – Improve the visibility of speed limit signs in school zones by commencing installation of flashing speed limit signs outside around 75 Queensland schools per year. Priority will be given to schools with a significant crash history, a high level of car and pedestrian traffic, higher speed limits or visibility problems
- \$6.5 million in 2012-13 as part of a \$30 million commitment over four years to deepen the Gold Coast Broadwater and nearby waterways
- \$11 million in 2012-13 as part of a \$50 million commitment over four years for the construction of new marine infrastructure such as boat ramps, pontoons and fishing platforms.

Departmental Budget Summary

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

Department of Transport and Main Roads	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CONTROLLED			
Income			
Appropriation for services ^{1, 2}			
Deferred from previous year/s	35,660	18,924	15,601
Balance of service appropriation	3,684,234	3,531,748	3,532,328
Other revenue	1,278,168	1,376,295	2,286,408
Total income	4,998,062	4,926,967	5,834,337
Expenses			
Transport system planning	137,843	135,102	131,311
Investment and program development	59,450	59,356	57,532
Transport infrastructure delivery	3,025,559	2,551,031	2,602,564
Transport system management, operation and regulation	1,090,162	1,150,209	1,121,680
Transport safety	165,995	164,870	160,191
Total expenses	4,479,009	4,060,568	4,073,278
Operating surplus/(deficit)	519,053	866,399	1,761,059
Net assets	48,215,760	46,604,179	50,369,103
ADMINISTERED			
Revenue			
Commonwealth revenue	2,000	2,000	2,000
Appropriation of administered items	1,069,422	1,135,890	1,175,246
Other administered revenue	1,891,622	1,915,577	2,050,162
Total revenue	2,963,044	3,053,467	3,227,408
Expenses			
Transfers to government	1,891,622	1,915,577	2,050,162
Administered expenses	1,071,422	1,137,890	1,177,246
Total expenses	2,963,044	3,053,467	3,227,408
Net assets	41,452	83,923	83,923
APPROPRIATIONS			
Controlled Items			
Departmental services ¹	3,719,801	3,569,736	3,509,579
Equity adjustment	2,108,831	2,373,141	2,007,707
Administered items	1,524,814	1,426,540	1,483,771
VOTE TOTAL³	7,353,446	7,369,417	7,001,057

Notes:

1. Appropriation for services does not match appropriation for departmental services due to:

2011-12 Adjusted Budget	The movement in Appropriation payable of \$0.093 million
2011-12 Est.act.	The movement in Appropriation receivable of \$39.732 million and appropriation payable of \$20.668 million
2012-13 Estimate	The movement in Appropriation payable of \$38.350 million

2. Includes State and Commonwealth funding.
3. As represented in the 2012-2013 Appropriation Bill, except for the 2011-2012 Adjusted Budget, which does not agree with the Bill due to machinery-of-government changes during 2011-12.

Budget Measures Summary

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

Department of Transport and Main Roads	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
Revenue measures					
Up to and including 2011-12 MYR					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
2012-13 Budget					
Administered	..	11,016	(33,316)	(64,682)	(67,897)
Departmental	..	2,000	8,500	13,500	13,500
Total revenue measures					
Administered	..	11,016	(33,316)	(64,682)	(67,897)
Departmental	..	2,000	8,500	13,500	13,500
Expense measures					
Up to and including 2011-12 MYR					
Administered	43,312	78,279	96,151	119,698	191,575
Departmental	76,597	47,767	62,317	60,485	58,810
2012-13 Budget					
Administered	..	(2,185)	(7,005)	(1,557)	(6,205)
Departmental	(45,550)	(82,969)	(331,331)	(258,665)	(369,171)
Total expense measures					
Administered	43,312	76,094	89,146	118,141	185,370
Departmental	31,047	(35,202)	(269,014)	(198,180)	(310,361)
Capital measures					
Up to and including 2011-12 MYR					
Administered	(119,242)	227,928	..	(487,932)	(738,234)
Departmental	..	..	(20,000)	(45,078)	(2,642)
2012-13 Budget					
Administered	..	(173,279)	(170,811)	(500)	(500)
Departmental	4,075	(191,328)	(207,240)	(222,509)	(282,175)
Total capital measures					
Administered	(119,242)	54,649	(170,811)	(488,432)	(738,734)
Departmental	4,075	(191,328)	(227,240)	(267,587)	(284,817)

Staffing¹

	Notes	2011-12 Adjusted Budget	2011-12 Est. Actual	2012-13 Estimate
TOTAL	2	7,151	7,075	6,139

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The 2011-12 budget for the TMR Services did not include the grow back growth in staff numbers associated with the former Government's Voluntary Separation Program. The total staff reduction for TMR Services is estimated to be 1,300 FTEs.

SERVICE PERFORMANCE

Our service areas are:

Transport system planning

The objective of this service area is to plan the effective, efficient and sustainable delivery of integrated transport infrastructure, systems and services. Responsible transport system planning ensures that Queensland's long-term road, rail, maritime and air transport needs are met in the most cost-effective way and that other development impacts are managed. The activities of the department delivered under this service area support:

- growing communities and the rapidly increasing freight task
- continued economic development opportunities across the state
- appropriate responses to long-term demand drivers relevant to the transport system.

This service area contributes to the Queensland Government objectives for the community:

- Grow a four pillar economy based on tourism, agriculture, resources and construction
- Deliver better infrastructure and better planning
- Lower the cost of living for families by cutting waste
- Restore accountability in government.

Investment and program development

The objective of this service area is to ensure that the department invests strategically and effectively in transport infrastructure and delivers works efficiently to get value for money from cost-effective engineering solutions, using innovative delivery mechanisms. This is achieved through the development and implementation of:

- 20-year investment strategies for key priority routes
- asset management plans for maintenance, preservation and operation of the state-controlled road and busway network
- a 10-year Transport Infrastructure Portfolio Strategy that identifies and prioritises transport system investments and predicted investment benefits
- the QTRIP, a four-year rolling program of priority transport infrastructure works which is published annually.

This work is underpinned with technical expertise that mitigates risk and provides sustained performance from the transport system.

This service area contributes to the Queensland Government objectives for the community:

- Grow a four pillar economy based on tourism, agriculture, resources and construction
- Deliver better infrastructure and better planning
- Lower the cost of living for families by cutting waste
- Restore accountability in government.

Transport infrastructure delivery

The objective of this service area is to deliver transport infrastructure projects that provide a safe, efficient and reliable transport system while ensuring value for money. It includes delivery of infrastructure maintenance activities and the four-year program of overall works outlined in the QTRIP.

This service area contributes to the Queensland Government objectives for the community:

- Grow a four pillar economy based on tourism, agriculture, resources and construction
- Deliver better infrastructure and better planning
- Lower the cost of living for families by cutting waste
- Restore accountability in government.

Transport system management, operation and regulation

The objective of this service area is to improve public transport and to manage, operate and regulate the transport system safely, economically and sustainably by:

- regulating transport providers and markets
- delivering licensing, registration and accreditation services
- providing subsidies for fair access to public transport
- supporting increasing public transport patronage
- managing the movement of vessels using Queensland's waterways
- managing traffic operations, traffic and traveller information, traffic incidents, heavy vehicles, third party road corridor access, and the environment in the road corridor
- regulating toll roads.

This service area contributes to the Queensland Government objectives for the community:

- Grow a four pillar economy based on tourism, agriculture, resources and construction
- Lower the cost of living for families by cutting waste
- Revitalise frontline services
- Restore accountability in government.

Transport safety

The objective of this service area is to provide policies, education programs, compliance activity, engineering treatments and funding support that promote and influence safe, efficient and sustainable use of the transport system.

This service area contributes to the Queensland Government objectives for the community:

- Grow a four pillar economy based on tourism, agriculture, resources and construction
- Deliver better infrastructure and better planning
- Revitalise frontline services
- Restore accountability in government.

2012-13 Service Summary

Service area	Sources of Revenue				
	Total cost \$'000	State Contribution \$'000	User Charges \$0'000	C'wealth Revenue \$'000	Other Revenue \$'000
Transport system planning	131,311	117,309	12,966	..	1,036
Investment and program delivery	57,532	38,408	6,593	..	12,531
Transport infrastructure delivery	2,602,564	2,276,787	153,275	54,886	1,878,676
Transport system management, operation and regulation	1,121,680	907,130	62,461	16,360	135,729
Transport safety	160,191	137,048	21,147	..	1,996
Total	4,073,278	3,476,682	256,442	71,246	2,029,968

Note:

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

Performance Statement

	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Service Area: Transport system planning				
Measures				
Percentage of integrated transport planning projects meeting milestones	1	90	73	80
State contribution (\$000)		124,826	121,120	117,310
Other revenue (\$000)		13,017	13,982	14,001
Total cost (\$000)		137,843	135,102	131,311
Service Area: Investment and program development				
Service standards				
Road system seal age (percentage of the State-controlled road network exceeding the optimal seal age)	2,3	20	23	28
Road system condition (the percentage of urban and rural state-controlled roads with condition better than the specified benchmark)				
• urban		98	98	97 – 99
• rural		95	96	95 – 97
State contribution (\$000)		39,052	39,678	38,408
Other revenue (\$000)		20,398	19,678	19,124
Total cost (\$000)		59,450	59,356	57,532
Service Area: Transport infrastructure delivery				
Service standards				
Percentage of major construction projects (road):	4			
• for which construction commenced no later than four months after the programmed commencement date		90	90	90
• completed no more than 10% after the programmed construction period		90	80	90
• costing less than 10% over the programmed estimate		90	90	90

	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Other measures				
Number of significant environmental incidents at road projects investigated by regulatory agencies	5	0	11	0
Bikeways – kilometres completed	6	45	20	35
State contribution (\$000)		2,393,123	2,256,879	2,276,787
Other revenue (\$000)		1,151,489	1,160,551	2,086,836
Total cost (\$000)		3,025,559	2,551,031	2,602,564
Service Area: Transport safety				
Service standards				
Road transport greenhouse gas emissions (CO ₂ eq tonnes per capita)		3.85	3.67	3.67
Road network efficiency – Average travel time (minutes per 10km)	7			
• AM peak		11.2	10.9	11.2
• Off peak		9.7	9.5	9.7
• PM peak		11.5	11.2	11.5
Road network reliability - Percentage of the road network with reliable travel times	7,8			
• AM peak		83	85	83
• Off peak		97	96	97
• PM peak		80	82	80
Road network productivity - Percentage of the road network with good productivity				
• AM peak	7,9	76	73	74
• Off peak		82	79	79
• PM peak		74	72	72
Percentage of vessel movements without serious incidents				
• pilotage areas		99.8	100	99.8
• ReefVTS area		99.8	100	99.8

	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Wheelchair accessible taxi response times compared to conventional taxi fleet response times				
Peak				
• Percentage within 18 minutes				
- Conventional		85	95	85
- Wheelchair		85	82	85
• Percentage within 30 minutes				
- Conventional		95	98	95
- Wheelchair		95	94	95
Off peak				
• Percentage within 10 minutes				
- Conventional		85	89	85
- Wheelchair	10	85	71	85
• Percentage within 20 minutes				
- Conventional		95	98	95
- Wheelchair		95	90	95
Average subsidy per trip provided through the Taxi Subsidy Scheme		\$8.23	\$8.20	\$8.25
User satisfaction ratings for public transport by service type (on a 1-100 scale)				
• regional urban bus (government contracted)		70	72	73
• taxi		70	63	70
Average subsidy per passenger on Government contracted:				
• regional air services		\$32.02	\$25.06	\$23.47
• long distance bus services	11	\$30.00	\$25.01	\$25.09
• regional urban bus services	11,13	\$2.43	\$2.77	\$2.99
• Traveltrain services	14	\$325.20	\$365.06	\$397.25
Average wait time in Customer Service Centres	15	10min	11min 38sec	10min
Other measures				
Percentage of call centre calls answered within three minutes	16	80	50	80
Officer hours preparing for ship- sourced pollution incidents		10,000	11,125	10,000
Percentage of time international standards for Aids to Navigation are met		95	93	95

	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Percentage of commercial and fishing ship applications responded to within statutory requirement	17			
• licensing		100	91	100
• registration		100	95	100
Percentage of commercial vessels rated in need of very high monitoring priority	18	0.5	0.6	0.7
Patronage on Government contracted:				
• regional air services	19	288,500	332,328	358,000
• long distance bus services	20	114,000	135,582	140,000
• regional urban bus services	21	12,700,000	11,808,212	11,800,000
• Traveltrain services		435,000	449,187	468,519
State contribution (\$000)		919,012	946,535	907,130
Other revenue (\$000)		171,150	203,674	214,550
Total cost (\$000)		1,090,162	1,150,209	1,121,680

Service Area: Transport safety

Service standards

Marine fatalities per 100,000 registered vessels	6.06	3.25	5.70
Rail fatalities per 100,000 population	0.10	0.18	0.10
Hospitalised rail casualties per 100,000 population	0.40	0.53	0.40
Number of level crossing collision occurrences per 1,000,000 train kilometres travelled	0.45	0.33	0.45
Fatalities per 100,000 population on state-controlled roads	3.54	3.66	3.40
Number of fatal crashes on state-controlled roads per 100 million vehicle kilometres travelled where the road condition was likely to be a contributing factor	0.05	0.05	0.05
Road fatalities per 100,000 population	6.25	6.16	5.90

	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Hospitalised road casualties per 100,000 population		150	137.89	130
Percentage of people in target audience who have high-level awareness of road safety campaigns	22	90	..	90
State contribution (\$000)		143,227	142,128	137,048
Other revenue (\$000)		22,768	22,742	23,143
Total cost (\$000)		165,995	164,870	160,191

Notes:

1. The State Planning Program (SPP) was reviewed in early 2012 with a sharper focus on value for money and delivering better planning in line with the new government priorities. Significant re-prioritisation of planning projects has resulted in the 2011-12 estimated actual figure falling below target. Only a cross section of projects in the program has been measured in the past due to limitations in the application of scheduling governance and business rules. A consistent state-wide approach to program delivery reporting is being implemented to enable milestone reporting for all SPP projects. The adjusted 2012-13 target/estimate is reflective of the continued refinement of the measure which may be further refined once the state-wide approach to program delivery reporting is adopted.
2. The 2011-12 estimated actual result shows that the resealing program was well down on previous years with priority directed to restoration work following severe flood events across the state.
3. The 2012-13 target/estimate allows for the assumption that the reseal program will continue to be impacted while resources remain focussed on flood restoration work, and more of the network moves beyond its optimal seal age.
4. Queensland Transport and Roads Investment Program construction has been affected by the prioritisation of restoration works resulting from wet weather and flooding events.
5. Zero environmental incidents is an aspirational target. During 2011-12 there were a large number of road projects and diverse contractor experience and environments in which these incidents have occurred. The types of incidents range from minor pollution events to vegetation clearing and occurred right across the State. The department will continue to aim to achieve zero environmental incidents. None of the incidents resulted in further action by any of the investigating agencies which reflects their understanding of the department's improving environmental performance.
6. Weather events during 2011 and 2012 diverted resources of local governments to restoration works rather than bikeway construction.
7. The wording of this measure has been amended to clarify understanding. The calculation methodology has not changed. "Road network" refers to a representative set of state-controlled roads in the built up areas of Brisbane, Redland and Logan. The wording of this service standard has been amended to clarify understanding. The calculation methodology has not changed.
8. The wording of this measure has been amended to clarify understanding. The calculation methodology has not changed. Travel on a specified road section is considered reliable if time taken for most trips (95% of trips) is no more than 20% greater than the average travel time.
9. The wording of this measure has been amended to clarify understanding. The calculation methodology has not changed. The 2011-12 target/estimate values for this measure were based on the previous Austroads calculation methodology. The 2011-12 estimated actual results have been calculated in line with the revised Austroads methodology and in real terms represent a slight improvement in productivity.
10. Response times for wheelchair accessible jobs are typically longer than response times for conventional taxis, particularly during off-peak periods. This may be due to fewer wheelchair accessible taxis being on the road, drivers not prioritising wheelchair work or because they are engaged providing services for school students, veterans or others under contract with other entities.
11. The 2011-12 estimated actual subsidy decrease is due to increased patronage on services.

12. The 2011-12 estimated actual subsidy increase is a result of the phased introduction of the 3G contracts combined with lower than anticipated patronage growth.
13. The 2012-13 target/estimate subsidy increase reflects higher costs of services under the new 3G contracts.
14. The higher than originally forecast 2011-12 estimated actual and 2012-13 target/estimate figures are attributed to an increase in the number of Traveltrain services and a revised and increased capital program which resulted in an increase to the annual Transport Service Contract prices.
15. The average wait time in customer service centres increased in 2011-12 primarily as a result of the implementation of new systems and processes. A number of strategies were implemented across the service delivery network throughout the year, to address increases in wait time. These actions have resulted in a steady drop each quarter, from over 15 minutes in Q1 to below 9 minutes in Q4.
16. The reduction in the 2011-12 estimated actual figure is primarily as a result of the implementation of new systems and processes. A number of strategies were implemented across the department's Call Centres to address the decrease in the proportion of customers served within the target wait time. This action resulted in significant performance improvement over the last two quarters of 2011-12.
17. Commitment of resources to Queensland Reconstruction Authority and Gladstone LNG Project has seen the 2011-12 estimated actual results fall below target.
18. The department is in the process of introducing a new risk rating tool in the commercial ship registration system which will automatically elevate a ship's risk to urgent or very high when a ship has not been monitored within the required timeframe.
19. The 2011-12 estimated actual result is 15% higher than the 2011-12 target/estimate primarily due to an increase in fly in/fly out workers from the expanding resource sector in regional Queensland and an increase in patronage on the Horn Island - Cairns service which is now operating with larger, faster and more efficient aircraft.
20. The 2011-12 target/estimate for patronage was conservative given that long distance bus services had been affected by flooding and cyclones for two consecutive years.
21. The 2011-12 target/estimate was over-estimated as trend data was used to estimate this target. The trend of strong patronage was a result of the qconnect fare equalisation where fares were reduced in regional networks. Patronage has subsequently stabilised and the 2011-12 estimated actual now reflects actual patronage on the regional urban bus network.
22. The target audience survey was not conducted in 2011-12 pending work reprioritisation deliberations. It is intended that the road safety campaign awareness survey will recommence in 2012-13.

Discontinued Measures

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

	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Service Area: Transport system management, operation and regulation				
Number of compliance actions taken for maritime breaches	1	11,000	8,543	Discontinued measure

Note:

1. Due to the move of Queensland Boating and Fisheries Patrol to the Department of Agriculture, Forestry and Fisheries, the transfer of prosecution functions and a refocussing of compliance activities, this performance measure is no longer a relevant indicator of Transport and Main Roads' performance.

Administered Items

The Department of Transport and Main Roads administers funds on behalf of the State which include the State-wide driver licensing system, marine licensing system and vehicle and vessel registration systems. The aim of these activities is to manage access to, and use of, the transport network including protection of the network from misuse. In addition, government funding to support the TransLink Transit Authority is injected via an administered expense item.

Recent achievements and emerging issues

Major Revenue Items

Major administered revenue items for 2011-12 were:

- Vehicle Registration \$1.404 billion
- Transport and Traffic Fees \$287 million

Major Expense Items

The major administered expense item for 2011-12 was:

- TransLink Recurrent Grants \$1.108 billion

Future developments

Major Revenue Items

Major administered revenue items for 2012-13 are:

- Vehicle Registration \$1.466 billion
- Transport and Traffic Fees \$340 million

Major Expense Items

The major administered expense item for 2012-13 is:

- TransLink Recurrent Grants \$1.173 billion

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

CAPITAL

Capital program

The Department of Transport and Main Roads (TMR) is committed to enhancing and maintaining infrastructure that supports the safe and efficient movement of people and goods and services throughout the state.

One major focus of the infrastructure program is the upgrade of the Bruce Highway. In collaboration with the Australian Government, TMR will deliver priority projects which will see highway duplication, interchange upgrades, overtaking opportunities, and other valuable flood and safety improvement works on the Bruce Highway.

In addition, as part of the state government's \$1 billion commitment over the next ten years to "Fix the Bruce Highway", subject to matching extra commitment from the Australian Government over and above its current level of investment on this highway, the state has committed \$200 million in the next four years for additional works on the Bruce Highway. In the meantime, the following projects are scheduled for delivery in 2012-13:

- \$25 million is provided in 2012-13, for the \$50 million project to construct a new alignment from Sandy Corner to Collinsons Lagoon on the Ayr to Townsville section of the highway
- \$16 million is provided in 2012-13, for the \$152 million project to construct an interchange on the Dawson Highway on the Benaraby to Rockhampton section of the highway
- \$60.6 million is provided in 2012-13, for the \$513 million project to construct, to a new four-lane standard, between Sankeys Road and Traveston Road (Section B), on the Brisbane to Gympie section of the highway
- \$59.1 million is provided in 2012-13, for the \$150.2 million upgrade on the southern approach to Cairns, on the Innisfail to Cairns section of the highway
- \$20 million is provided in 2012-13, for the \$46.3 million duplication, from two to four lanes, between Temples Lane and Farrellys Lane on the St Lawrence to Mackay section of the highway
- \$11.1 million is provided in 2012-13, for the \$12 million project to widen the bridge over Wright Creek on the Innisfail to Cairns section of the highway
- \$17.6 million is provided in 2012-13, for the \$50 million construction of a new alignment at Back Creek Range on the Gin Gin to Benaraby section of the highway.

There is considerable economic activity in rural and remote regions of the state, particularly in the mining and agricultural sectors, which require the road network to be maintained to ensure safety and reliability of the network. The following projects on the Warrego Highway are contributing to this objective:

- \$55.1 million is provided in 2012-13, for the \$93.4 million intersection improvements on the Brisbane Valley Highway on the Ipswich to Toowoomba section of the highway
- \$21.6 million is provided in 2012-13, for the \$56 million upgrade of the highway between Roma and Mitchell
- \$4 million is provided in 2012-13, for the \$10 million construction of overtaking lanes on various sections of the highway between Toowoomba to Dalby.

As we move closer to the Commonwealth Games on the Gold Coast, transport infrastructure will require enhancement to deal with an anticipated increase in the level of activity. Delivery of the Gold Coast Rapid Transit project from Southport to Broadbeach will form an integral part of the transport facilities to support the movement of competitors and tourists during the Games. \$278.8 million will be provided in 2012-13 to continue the \$1.296 billion light rail project, which is scheduled for completion in late 2014.

Work currently being undertaken on the Pacific Motorway will also contribute to improving transport infrastructure for the Commonwealth Games. Some current projects on the Pacific Motorway include:

- \$12.8 million is provided in 2012-13 for the \$35 million construction of an additional lane between Fitzgerald Avenue and Aranda Street
- \$10 million is provided in 2012-13, for the \$95.5 million widening from four to six lanes between Worongary and Mudgeeraba
- \$7.1 million is provided in 2012-13, for the \$86 million interchange upgrades at Somerset Drive and Reedy Creek Road.

Cairns and Townsville are major tourism destinations and port infrastructure plays an integral part in ensuring that facilities are available to support the tourism industry. Some current ports projects in the north include:

- \$39.6 million is provided in 2012-13 for the \$85 million lengthening and deepening of the Berth 10 facility at the Townsville Ocean Terminal to accommodate Royal Australian Navy and cruise vessels
- \$10.5 million is provided in 2012-13 for the \$23.3 million foreshore development at the Port of Cairns
- \$17.1 million is provided in 2012-13 for the \$33 million upgrade of facilities at Berth 8, in order to relocate facilities from Berth 7, at the Townsville Ocean Terminal at the Townsville Ocean Terminal.

Over the last few years, TMR has focused on the job of rebuilding transport infrastructure throughout the state in response to natural disaster events. A further \$1.978 billion in capital funding and \$225 million in operational funding will be provided in 2012-13 to continue the reconstruction effort to restore transport infrastructure to ensure the safety of Queenslanders as they travel around the state.

Capital budget statement

Department of Transport and Main Roads	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. Actual \$'000	2012-13 Estimate \$'000
Capital Purchases¹				
Total land, buildings and infrastructure		3,798,750	4,128,288	4,885,906
Total plant and equipment		19,149	19,149	18,365
Total other capital		10,671	10,671	11,017
Total Capital Purchases	1	3,828,570	4,158,108	4,915,288

Note:

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

BUDGETED FINANCIAL STATEMENTS

Analysis of budgeted financial statements

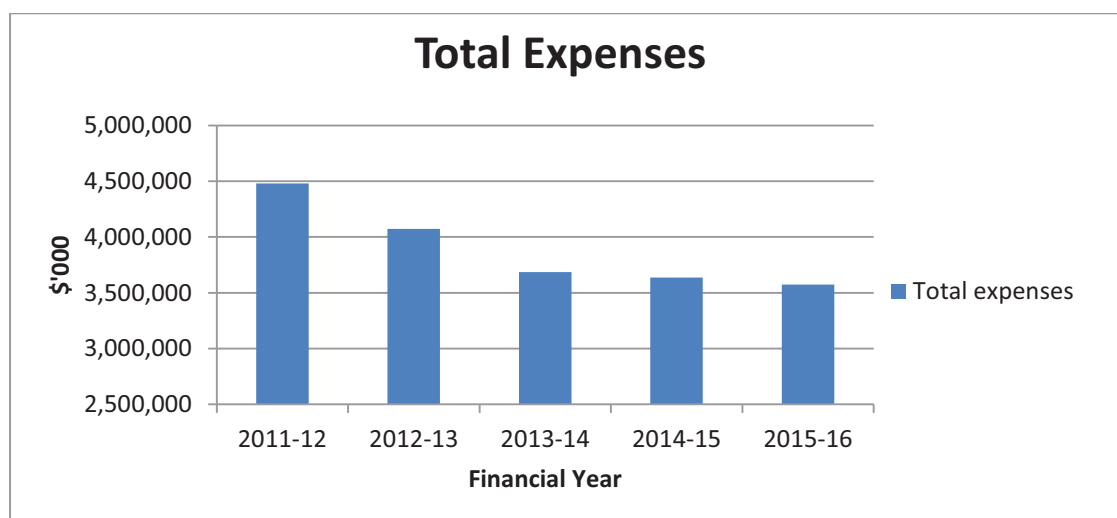
An analysis of the Department's budgeted financial statements, as reflected in the Department's financial statements, is provided below.

Departmental income statement

Total expenses are estimated to be \$4.073 billion in 2012-13, an decrease of \$405.7 million from the 2011-12 budget. The decrease is mainly due to reduced employee expenses (\$65.5 million) reflecting the reduced number of employees, supplies and services expenditure (\$446.5 million) due to the majority of the NDRRA program being classified as capital works compared to operating expenditure and savings in advertising, consultants, travel and contractor expenses offset by increased depreciation (\$81.7 million as a result of additional investment and revaluation of the road network) and increased grants and subsidies (\$38 million mainly as a result of a contribution to Brisbane City Council for the construction of a road over the rail line at Telegraph Road, Bracken Ridge).

Over the forward estimates period total departmental expenses are expected to decrease as illustrated in the chart below.

Chart: Total departmental expenses across the Forward Estimates period



Note: Direct comparison cannot be made between expenses in the 2011-2012 year and expenses in the 2012-2013 year and subsequent years because of machinery-of-government changes which took place in 2011-2012.

The decrease over the next few years is a result of:

- In 2013-14:
 - reduced employee expenses of \$35.7 million as a result of the full year effect of staff reductions in 2012-13
 - a reduction in the amount of NDRRA works (\$67 million) and a change in the classification of NDRRA works from operating to capital works (\$45 million)
 - an increase in departmental savings (\$57.5 million)

- a reduction in grants and subsidies of \$169 million (payment to Brisbane City Council for the construction of a road over the rail crossing at Telegraph Road, Bracken Ridge will not recur in 2013-14, a reduction in payments to Queensland Rail for Transport Service Contracts, and a reduced estimate for payments under the current Regional Freight and Livestock Transport Service Contract compared to 2012-13 because the level of services to be provided under the contract have not yet been negotiated)
 - a reduction in interest expense on borrowings of \$5.2 million.
- In 2014-15:
 - a reduction in contractor and other supplies and services expenses of \$133.7 million comprising reduced program of NDRRA works (\$54.8 million) and reduced national highway maintenance pending negotiation of funding with the Australian Government for 2013-14 and beyond (\$89 million)
 - reduced interest payments of \$5.2 million
 - offset by increased grants and subsidies for a contribution to Brisbane City Council (\$81.5 million) for the construction of a road over the rail crossing at Robinson Road, Geebung.
 - In 2015-16 primarily due to a reduction in grants and subsidies as the payment made to Brisbane City Council in 2014-15 above will not recur in this year.

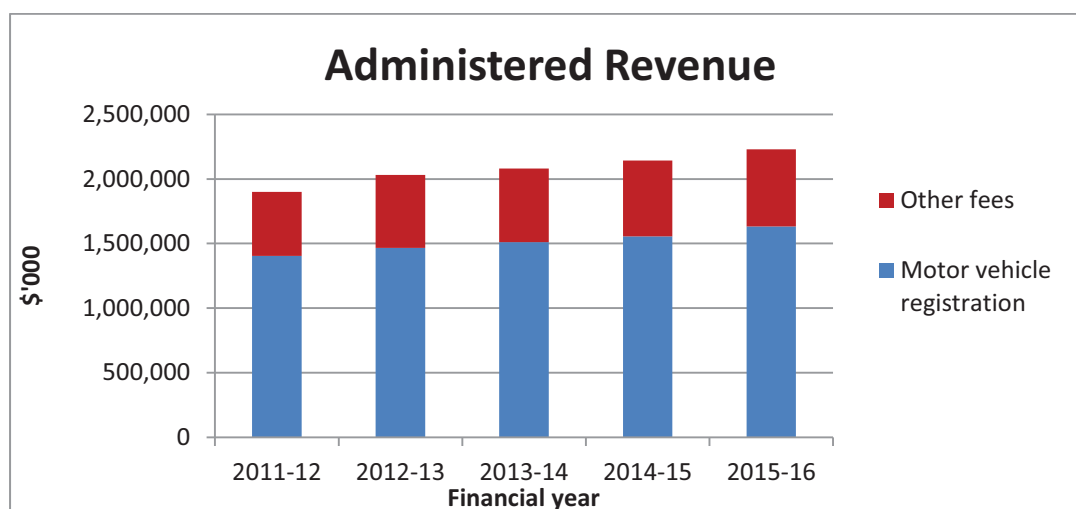
Administered income statement

The Department collects significant amounts of revenue on behalf of the government and also has significant administered expenses.

The primary revenue collection relates to motor vehicle registration. Significant other fees are collected for traffic improvement, licences, conservancy, recreational ship registration and speed camera and other traffic fines.

The chart below shows the estimated revenue to be collected. The estimates below reflect the government's commitment to freeze registration fees for family vehicles for three years to 2014-15.

Chart: Total administered revenue collection across the Forward Estimates period



Administered expenses primarily relate to funding by the government for the costs of TransLink services after taking into account fare revenue.

Departmental balance sheet

The Department's major assets are in infrastructure (includes roads, bridges and busways) (\$49 billion) and land (\$2.368 billion) and are expected to increase by 9.0% and 5.0% respectively over the next three years. The Department's main liabilities relate to payables (\$1.106 billion) and debt (\$1.023 billion). Payables are expected to remain at about the same level over the next three years while debt is expected to reduce to \$798.6 million by 2015-16.

INCOME STATEMENT

Department of Transport and Main Roads	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. Act. \$'000	2012-13 Estimate \$'000
Income				
Service revenue	1, 9, 18	3,719,894	3,550,672	3,547,929
User charges	2, 10, 19	188,875	300,309	256,444
Grants and other contributions	3, 11, 20	950,929	887,218	1,851,995
Other revenue	4, 12, 21	135,864	186,268	175,469
Gains on sale/revaluation of property, plant and equipment and investments		2,500	2,500	2,500
Total income		4,998,062	4,926,967	5,834,337
Expenses				
Employee expenses	5, 13, 22	562,679	624,154	497,145
Supplies and services	6, 14, 23	1,497,213	966,151	1,050,760
Grants and subsidies	7, 15, 24	1,018,666	1,080,002	1,056,692
Depreciation and amortisation	16, 25	984,987	984,987	1,066,733
Finance/borrowing costs		74,709	75,743	71,285
Other expenses	8, 17	195,208	183,984	185,116
Losses on sale/revaluation of property, plant and equipment and investments		145,547	145,547	145,547
Total expenses		4,479,009	4,060,568	4,073,278
OPERATING SURPLUS/(DEFICIT)		519,053	866,399	1,761,059

STATEMENT OF CHANGES IN EQUITY

Department of Transport and Main Roads	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		..	..	..
Surplus/(deficit) for the period	26, 28,30	519,053	866,399	1,761,059
Total recognised income and expense for the period		519,053	866,399	1,761,059
Equity injection/(withdrawal)	27, 29, 31	2,108,831	2,373,149	2,003,865
Equity adjustments (MoG transfers)		1,063	1,063	..
Total movement in equity for period		2,628,947	3,240,611	3,764,924

BALANCE SHEET

Department of Transport and Main Roads	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets	32, 44, 56	114,593	542,797	158,018
Receivables	33, 45	223,346	430,617	439,156
Other financial assets		..	..	..
Inventories		15,416	9,421	9,541
Other	34, 46	29,057	15,026	15,026
Non-financial assets held for sale		..	..	..
Total current assets		382,412	997,861	621,741
NON-CURRENT ASSETS				
Receivables		2	..	..
Other financial assets	35, 47	235,421	30,421	30,421
Property, plant and equipment	36, 48, 57	49,450,009	48,020,026	51,724,119
Intangibles	49, 58	190,367	183,659	170,279
Other		3	3	3
Total non-current assets		49,875,802	48,234,109	51,924,822
TOTAL ASSETS		50,258,214	49,231,970	52,546,563
CURRENT LIABILITIES				
Payables	37, 50, 59	881,697	1,489,001	1,106,285
Accrued employee benefits		24,514	31,151	31,151
Interest-bearing liabilities and derivatives		67,765	70,545	72,931
Provisions	38, 51	1,596	..	..
Other	39	6,483	10,929	10,929
Total current liabilities		982,055	1,601,626	1,221,296
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		6,241	6,249	6,249
Interest-bearing liabilities and derivatives	40, 52, 60	1,054,158	1,019,916	949,915
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		1,060,399	1,026,165	956,164
TOTAL LIABILITIES		2,042,454	2,627,791	2,177,460
NET ASSETS/(LIABILITIES)		48,215,760	46,604,179	50,369,103
EQUITY				
Capital/contributed equity	41, 53, 61	50,599,672	50,740,530	52,744,395
Accumulated surplus/(accumulated deficit)	42, 54, 62	(2,404,830)	(4,136,383)	(2,375,324)
Reserves:				
- Asset revaluation surplus	43, 55	20,918	32	32
- Other		..	..	..
TOTAL EQUITY		48,215,760	46,604,179	50,369,103

CASH FLOW STATEMENT

Department of Transport and Main Roads	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Service receipts	63, 74, 86	3,719,801	3,569,736	3,509,579
User charges	64, 75, 87	195,261	309,456	263,995
Grants and other contributions	65, 76, 88	950,929	877,267	1,843,362
Other	66, 77, 89	474,335	524,739	513,940
Outflows:				
Employee costs	67, 78, 90	(562,679)	(624,154)	(497,145)
Supplies and services	68, 79, 91	(2,024,265)	(1,483,387)	(1,665,375)
Grants and subsidies	69, 80, 92	(1,018,666)	(1,119,734)	(1,056,692)
Borrowing costs		(74,830)	(75,864)	(71,406)
Other		(19,324)	(20,361)	(20,751)
Net cash provided by/(used in) operating activities		1,640,562	1,957,698	2,819,507
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment	81, 93	6,255	8,700	21,744
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	70, 82, 94	(3,825,570)	(4,155,108)	(5,162,288)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(3,819,315)	(4,146,408)	(5,140,544)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	71, 83, 95	129,583	99,583	..
Equity injections	72, 84, 96	3,687,768	3,122,350	2,746,961
Outflows:				
Borrowing redemptions		(60,527)	(61,836)	(67,615)
Finance lease payments		..	..	..
Equity withdrawals	73, 85	(1,578,937)	(749,209)	(743,088)
Net cash provided by/(used in) financing activities		2,177,887	2,410,888	1,936,258
Net increase/(decrease) in cash held		(866)	222,178	(384,779)
Cash at the beginning of financial year		115,300	320,460	542,797
Cash transfers from restructure		159	159	..
Cash at the end of financial year		114,593	542,797	158,018

ADMINISTERED INCOME STATEMENT

Department of Transport and Main Roads	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Revenues				
Commonwealth grants		..	..	..
Taxes, fees and fines	97, 100, 103	1,885,498	1,898,800	2,031,534
Royalties, property income and other territorial Revenue		..	..	..
Interest		26	45	46
Administered revenue	98, 101, 104	1,071,422	1,137,890	1,177,246
Other	99, 102	6,098	16,732	18,582
Total revenues		2,963,044	3,053,467	3,227,408
Expenses				
Supplies and services		..	..	..
Depreciation and amortisation		..	..	..
Grants and subsidies	98, 101, 104	1,071,422	1,137,890	1,177,246
Benefit payments		..	..	..
Borrowing costs		..	..	..
Other		..	..	..
Total expenses		1,071,422	1,137,890	1,177,246
Net surplus or deficit before transfers to Government		1,891,622	1,915,577	2,050,162
Transfers of administered revenue to Government		1,891,622	1,915,577	2,050,162
OPERATING SURPLUS/(DEFICIT)		..	..	..

ADMINISTERED BALANCE SHEET

Department of Transport and Main Roads	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets	105, 108	27,913	43,308	43,399
Receivables		37,298	40,134	40,235
Inventories				
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		65,211	83,442	83,634
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	106, 109	41,218	83,689	83,689
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		41,218	83,689	83,689
TOTAL ADMINISTERED ASSETS		106,429	167,131	167,323
CURRENT LIABILITIES				
Payables		16,745	20,130	20,138
Transfers to Government payable	107, 110	43,660	58,014	58,134
Interest-bearing liabilities		..	..	..
Other		4,572	5,064	5,128
Total current liabilities		64,977	83,208	83,400
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL ADMINISTERED LIABILITIES		64,977	83,208	83,400
ADMINISTERED NET ASSETS/(LIABILITIES)		41,452	83,923	83,923
EQUITY				
Capital/Contributed equity		38,691	38,691	38,691
Accumulated surplus/(Accumulated deficit)		..	..	..
Reserves:		..	..	..
- Asset revaluation surplus	106, 109	2,761	45,232	45,232
- Other		..	..	..
TOTAL ADMINISTERED EQUITY		41,452	83,923	83,923

ADMINISTERED CASH FLOW STATEMENT

Department of Transport and Main Roads	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Administered item receipts	111, 116, 120	1,071,422	1,137,890	1,177,246
Grants and other contributions		..	..	..
Taxes, fees and fines	112, 117, 121	1,885,498	1,898,800	2,031,534
Royalties, property income and other territorial revenues		..	..	..
Other	113, 118	8,567	19,220	21,071
Outflows:				
Transfers to Government	114, 117, 121	(1,891,502)	(1,915,457)	(2,050,042)
Grants and subsidies	111, 116, 120	(1,071,422)	(1,137,890)	(1,177,246)
Supplies and services		20	20	20
Borrowing costs		..	..	..
Other		(2,492)	(2,492)	(2,492)
Net cash provided by/(used in) operating activities		91	91	91
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		..	..	..
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	115, 119, 122	453,392	288,650	306,525
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments				
Equity withdrawals	115, 119, 122	(453,392)	(288,650)	(306,525)
Net cash provided by/(used in) financing activities		..	..	..
Net increase/(decrease) in cash held		91	91	91
Administered cash at beginning of financial year		27,822	43,217	43,308
Cash transfers from restructure		..	..	..
Administered cash at end of financial year		27,913	43,308	43,399

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

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

1. The conditions outlined in the notes below have impacted on the amount of service revenue received by the department.
2. Increase reflects additional revenue from recoverable works, local government Natural Disaster Relief and Recovery Arrangements (NDRRA) recoverable works and increased payments from TransLink Transit Authority for works associated with the TransLink Station Upgrade Program.
3. Decrease reflects less funding from the Queensland Reconstruction Authority (QRA) as a result of actual NDRRA expenditure being less than budget.
4. Variance reflects increased revenue for pilotage due to higher than anticipated growth in services particularly in Gladstone, administration fees received from compulsory third party insurers as a result of higher than budgeted vehicle growth, registration fee surcharge and other transport and traffic fees.
5. Increase primarily relates to separation costs associated with the Voluntary Separation Program (VSP).
6. Decrease primarily reflects that a larger proportion of NDRRA expenditure was capitalised rather than expensed compared to the budget. Movement also includes savings from reduced travel, advertising and consultancy expenditure and the cessation of some climate smart initiatives.
7. Movement is mainly due to additional expenditure for QML reimbursement of Gateway Upgrade Project costs and Transport Infrastructure Development Scheme grants.
8. Decrease is primarily due to lower than anticipated payments associated with the School Transport Assistance Scheme.

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

9. The conditions outlined in the notes below have impacted on the amount of service revenue received by the department.
10. Increase primarily reflects additional revenue from recoverable works and increased payments from TransLink Transit Authority for works associated with the TransLink Station Upgrade Program.
11. Variance primarily reflects funding from QRA for increased expenditure under NDRRA following severe flooding events.
12. Variance reflects increased revenue for pilotage, administration fees received from compulsory third party insurers as a result of higher than budgeted vehicle growth, registration fee surcharge and other transport and traffic fees partially offset by reduced dividend revenue from RoadTek as a result of reduced work that is to be undertaken.
13. Decrease primarily relates to reduction in staff numbers in 2012-13 partially offset by the impacts of enterprise bargaining increases in 2012-13.
14. Decrease primarily reflects that a larger proportion of NDRRA expenditure was capitalised rather than expensed compared to the budget.
15. Increase mainly relates to the provision of additional funding for upgrading the rail crossing at Telegraph Road, Bracken Ridge.
16. Increase reflects the increased value of the road infrastructure as a result of continued investment and revaluation of the asset.
17. Decrease is primarily due to lower than anticipated payments associated with the School Transport Assistance Scheme.

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

18. The conditions outlined in the notes below have impacted on the amount of service revenue received by the department.
19. Decrease reflects a reduction in the amount of recoverable works and local government NDRRA recoverable works in 2012-13.
20. Variance primarily reflects increased funding from QRA for the increased expenditure under NDRRA following severe flooding events.
21. Reduction is due to reduced dividend revenue from RoadTek as a result of reduced work that is to be undertaken.
22. Decrease primarily relates to reduction in staff numbers in 2012-13.
23. Increase reflects additional expenditure for repairs to the road network following the natural disasters in 2010 and 2011.

24. Decrease primarily reflects that payments made to QML for reimbursement for Gateway Upgrade Project costs will not recur in 2012-13.
25. Increase reflects the increased value of the road infrastructure as a result of continued investment and revaluation of the asset.

Statement of changes in equity

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

26. Increase reflects grants funding from QRA to meet capital expenditure for road restoration works following recent flooding events and additional funding for recoverable works.
27. Increase mainly due to re-alignment of Australian Government funding to match anticipated expenditure partially offset by the deferral of Airport Link Payment.

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

28. Increase reflects grants funding from QRA to meet additional capital expenditure for road restoration works following recent flooding events.
29. Movement reflects savings in the capital program offset by additional Australian Government funding for projects on national highways.

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

30. Increase reflects grants funding from QRA to meet additional capital expenditure for road restoration works following recent flooding events.
31. Decrease mainly due to savings in the capital program and reduced expenditure on Australian Government funded projects.

Balance sheet

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

32. Movement is mainly due to payments yet to be made for an increased volume of infrastructure related works, NDRRA works and accrued rail service costs.
33. Increase is mainly due to the recognition of grant revenue to be received from QRA for reimbursement of expenditure on NDRRA works.
34. Variance reflects the prepayment to Urban Land Development Authority for early works on part of the Northern busway in 2009-10.
35. Decrease is predominately due to derecognition of Queensland Motorways Limited in 2010-11.
36. Reduction reflects impairment of the road network in 2010-11 due to the effect of natural disasters.
37. Movement is mainly due to an increased volume of infrastructure related works, NDRRA works and accrued rail service costs.
38. Variance reflects dredging for the Scarborough, Manly and Cabbage Tree Creek boat harbours being reclassified from current to non-current.
39. Variance represents unearned revenue received in advance of works being undertaken.
40. Decrease reflects the withdrawal of the loan requirement for the laboratory and office complex.
41. Increase is mainly due to national highways funding received from the Australian Government earlier than anticipated.
42. Variation reflects impairment of the road network in 2010-11 due to the effect of natural disasters.
43. Decrease primarily reflects the reduction in the valuation of infrastructure assets in 2010-11 as a result of the natural disasters in 2010 and 2011.

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

44. Movement is mainly due to payments yet to be made for an increased volume of infrastructure related works, NDRRA works and accrued rail service costs.
45. Increase is mainly due to the recognition of revenue to be received from QRA in 2011-12.
46. Variance reflects the prepayment to Urban Land Development Authority for early works on part of the Northern busway in 2009-10 which will not recur in 2012-13.
47. Decrease is predominately due to the sale of Queensland Motorways Limited in 2010-11.
48. Increase reflects the continued investment in road infrastructure and the effect of the revaluation of the infrastructure.
49. Decrease reflects the reduction in the value of intangibles through amortisation.

50. Movement is mainly due to an increased volume of infrastructure related works, NDRRA works and accrued rail service costs.
51. Variance reflects dredging for the Scarborough, Manly and Cabbage Tree Creek boat harbours being reclassified from current to non-current.
52. Decrease reflects the withdrawal of the loan requirement for the laboratory and office complex and the repayment of debt.
53. Increase mainly due to additional capital funding for road restoration works following flooding events, investment in road infrastructure, Gold Coast Rapid Transit project and Moreton Bay Rail Link.
54. Variance reflects the impairment of the road network due to the effect of natural disasters partially offset by QRA funding for capital expenditure associated with restoration of the road network.
55. Decrease reflects the reduction in the valuation of infrastructure assets in 2010-11 as a result of the natural disasters in 2010 and 2011.

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

56. Reduction is due to an estimated reduction in payables as a result of reduction in outstanding claims for NDRRA work.
57. Increase reflects NDRRA expenditure associated with restoration of the road network and investment in the road network.
58. Decrease reflects the reduction in the value of intangibles through amortisation.
59. Reduction is due to a reduced amount of outstanding claims for NDRRA work.
60. Decrease reflects the withdrawal of the loan requirement for the laboratory and office complex.
61. Increase mainly due to additional capital funding for road restoration works following flooding events, investment in road infrastructure, Gold Coast Rapid Transit project and Moreton Bay Rail Link
62. Movement reflects the QRA grant funding that is received for capital expenditure associated with restoration of the road network.

Cash flow statement

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

63. The conditions outlined in the notes below have impacted on the amount of service revenue received by the department.
64. Increase reflects additional revenue from recoverable works, local government Natural Disaster Relief and Recovery Arrangements (NDRRA) recoverable works and increased recoveries from TransLink Transit Authority for works associated with the TransLink Station Upgrade Program.
65. Decrease reflects less funding from the Queensland Reconstruction Authority (QRA) as a result of actual NDRRA expenditure being less than budget.
66. Variance reflects increased revenue for pilotage, administration fees received from compulsory third party insurers as a result of higher than budgeted vehicle growth, registration fee surcharge and other transport and traffic fees.
67. Increase primarily relates to separation costs associated with the Voluntary Separation Program (VSP).
68. Decrease primarily reflects that a larger proportion of NDRRA expenditure was capitalised rather than expensed compared to the budget. Movement also includes savings from reduced travel, advertising and consultancy expenditure and the cessation of some climate smart initiatives.
69. Movement is mainly due to additional funding for QML reimbursement of Gateway Upgrade Project costs and Transport Infrastructure Development Scheme grants.
70. Movement reflects increased capital expenditure associated with restoration of the road network and national highways projects.
71. Decrease reflects the withdrawal of the loan requirement for the laboratory and office complex.
72. Decrease reflects re-alignment of capital project funding between equity injections and equity withdrawals and deferral of capital expenditure that will now occur in 2012-13.
73. Variance reflects re-alignment of capital project funding between equity injections and equity withdrawals.

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

74. The conditions outlined in the notes below have impacted on the amount of service revenue received by the department.
75. Increase primarily reflects additional revenue from recoverable works and increased payments from TransLink Transit Authority for works associated with the TransLink Station Upgrade Program.

76. Variance primarily reflects funding from QRA for expenditure under NDRRA following severe flooding events.
77. Variance reflects increased revenue for pilotage, administration fees received from compulsory third party insurers as a result of higher than budgeted vehicle growth, registration fee surcharge and other transport and traffic fees.
78. Decrease primarily relates to the reduction in staff numbers in 2012-13 partially offset by the impacts of enterprise bargaining increases in 2012-13.
79. Decrease primarily reflects that a larger proportion of NDRRA expenditure was capitalised rather than expensed compared to the budget.
80. Increase mainly relates to the provision of additional funding for upgrading the rail crossing at Telegraph Road Bracken Ridge.
81. Variance is due to an increase in sales of surplus property.
82. Movement primarily reflects increased capital expenditure associated with restoration of the road network and on national highways.
83. Decrease reflects that no loan drawdowns will be made in 2012-13.
84. Decrease reflects re-alignment of capital project funding between equity injections and equity withdrawals, re-alignment of Australian Government funding to match anticipated expenditure, reallocation of NDRRA funding to capital partially offset by additional capital expenditure for road restoration works following flooding events, Gold Coast Rapid Transit project, Moreton Bay Rail Link and deferred expenditure from 2011-12.
85. Variance reflects re-alignment of capital project funding between equity injections and equity withdrawals.

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

86. The conditions outlined in the notes below have impacted on the amount of service revenue received by the department.
87. Decrease reflects lower expected revenue from recoverable works and local government NDRRA recoverable works in 2012-13.
88. Variance primarily reflects funding from QRA for increased expenditure in 2012-13 under NDRRA following severe flooding events.
89. Reduction is due to reduced dividend revenue from RoadTek as a result of reduced work to be undertaken.
90. Decrease primarily relates to reductions in staff numbers in 2012-13.
91. Increase reflects additional expenditure for repairs to the road network following the natural disasters in 2010 and 2011
92. Decrease mainly relates to expenditure for QML reimbursement for Gateway Upgrade Project costs which will not recur in 2012-13 and funding for upgrading the rail at Telegraph Road, Bracken Ridge in 2012-13.
93. Variance is due to an increase in sales of surplus property.
94. Movement primarily reflects increased capital expenditure associated with restoration of the road network and on national highways.
95. Decrease reflects that no loan drawdowns will be made in 2012-13.
96. Decrease mainly due to a reallocation of funding for NDRRA works from equity injection to capital grants.

Administered income statement

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

97. Variance primarily reflects an increase in revenue from motor vehicle registrations as a result of higher than anticipated growth in the number of vehicles.
98. Increase is due to additional funding for Port of Townsville and the CityTrain Transport Service Contract administered by the TransLink Transit Authority.
99. Increase is mainly due to fees associated with the increased usage of the new Queensland drivers licence.

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

100. The increased revenue reflects the effect of the CPI increase applied to vehicle registration and transport and traffic fees (excluding those vehicles for which registration and the traffic improvement fee is frozen) and growth in the number of vehicles.
101. Increase is due to additional funding for Port of Townsville, CityTrain Transport Service Contract, TransLink Network Plan and the compensation for the fare revenue forgone as a result of the introduction of free trips once usage limits had been reached.
102. Increase is mainly due to fees associated with the increased usage of the new Queensland drivers licence.

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

103. The increased revenue reflects the effect of the CPI increase applied to vehicle registration and transport and traffic fees (excluding those vehicles for which registration and the traffic improvement fee is frozen) and growth in the number of vehicles.
104. Increase is due to additional funding for Port of Townsville, CityTrain Transport Service Contract, TransLink Network Plan and the compensation for the fare revenue forgone as a result of the introduction of free trips once usage limits had been reached.

Administered balance sheet

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

105. Increase is mainly due to higher registration, licensing and traffic fine revenue at the end of the year which had not been transferred to the Consolidated Fund by 30 June 2012.
106. Increase reflects the comprehensive revaluation for the non-rail corridor land.
107. Increase reflects a higher year end accrual for revenue from registration, licensing and traffic fines.

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

108. Increase is mainly due to higher registration, licensing and traffic fine revenue at the end of the year which had not been transferred to the Consolidated Fund by 30 June 2012.
109. Increase reflects the comprehensive revaluation for the non-rail corridor land.
110. Increase reflects a higher year end accrual for revenue from registration, licensing and traffic fines.

Administered cash flow statement

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

111. Increase is due to additional funding for Port of Townsville and the CityTrain Transport Service Contract administered by the TransLink Transit Authority.
112. Variance primarily reflects an increase in revenue from motor vehicle registrations from increased growth in the number of vehicles.
113. Increase is mainly due to fees associated with the increased usage of the new Queensland drivers licence.
114. Variance primarily reflects an increase in estimated revenue for motor vehicle registrations and fees associated with the increased usage of the new Queensland drivers licence.
115. Variance is mainly due to a reassessment of the equity injection required for Queensland Rail as a result of a capital structure review.

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

116. Increase is due to additional funding for Port of Townsville, CityTrain Transport Service Contract, TransLink Network Plan and the compensation for the fare revenue forgone as a result of the introduction of free trips once usage limits had been reached.
117. The increased revenue reflects the effect of the CPI increase applied to vehicle registration and transport and traffic fees (excluding any increase relating to vehicles for which registration and the traffic improvement fee is frozen) and growth in the number of vehicles.
118. Increase is mainly due to fees associated with the increased usage of the new Queensland drivers licence.
119. Variance is mainly due to a reassessment of the equity injection required for Queensland Rail as a result of a capital structure review and the transfer of funding from Queensland Rail to the department for Moreton Bay rail link project.

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

120. Increase is due to additional funding for Port of Townsville, CityTrain Transport Service Contract, TransLink Network Plan and the compensation for the fare revenue forgone as a result of the introduction of free trips once usage limits had been reached.
121. The increased revenue reflects the effect of the CPI increase applied to vehicle registration and transport and traffic fees (excluding any increase relating to vehicles for which registration and the traffic improvement fee is frozen) and growth in the number of vehicles.
122. Variance is mainly due to a reassessment of the equity injection required for Queensland Rail as a result of a capital structure review and the transfer of funding from Queensland Rail to the department for Moreton Bay rail link project.

COMMERCIALISED BUSINESS UNIT

ROADTEK

OVERVIEW

Strategic direction

RoadTek is a major provider of transport infrastructure solutions primarily through regional and remote areas of Queensland, with civil construction and engineering services, structures management, electrical construction and maintenance, fleet management and related services. RoadTek continues to support the Queensland community through provision of emergency response work during and after natural disaster events. Supporting this delivery are systems and practices certified to Australian and international standards in quality, safety, environment and customer service. In delivering a large, diverse program of works, our focus is on improving safety for both road workers and road users and contributing to the development of a strong Queensland economy through a safe and efficient transport network.

RoadTek's priorities for 2012-13 are:

- Continuing the Zero Harm Culture journey
- Developing our technical and professional capability and capacity
- Demonstrating effective leadership and driving accountability at all levels
- Delivering transport solutions to regional and remote Queensland
- Building the one RoadTek approach
- Drive compliance with our systems and processes.

RESOURCES AND PERFORMANCE

During the 2011-12 financial year, RoadTek has:

- Provided emergency and recovery response to communities across the state including restoring damaged roads and bridges, and removing debris following major storms and flood events across Queensland.
- Delivered in excess of \$300 million in disaster reconstruction works through the Transport Network Reconstruction Program (TNRP) for both state and local governments.
- Enhanced the safety capability of our workforce through the provision of safety leadership training across our teams, safe environments to learn construction and electrical skills through both our RoadTek Training Centre at Townsville and our Electrical Training Centre in Nerang.
- Delivered numerous projects for our customers across the state, including the substantial improvement in the structures inspection program, delivering the Queensland Transport and Roads Investment Program (QTRIP) and the construction and upgrading marine infrastructure such as boat ramps, jetties and marine signals.
- Exceeded our targets for revenue and delivered a positive financial return to government.

Following the change of government in March 2012, RoadTek has responded to the challenges facing the State in reviewing its operations and focusing on what is critical to supporting Transport and Main Roads and the delivery of both the TNRP and QTRIP projects in the 2012-13 financial year.

This process, “RoadTek Version 2”, will transition RoadTek into a scalable operation, continuing our focus on delivering programs and projects in line with technical and engineering standards. Coupled with this will be the continued focus in developing our people in construction, technical and engineering skills and competencies.

STATEMENTS

Staffing¹

RoadTek	Notes	2011-12 Budget	2011-12 Est. actual	2012-13 Estimate
		1,867	1,776	1,221

Note:

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

Performance Statement

RoadTek	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/Est.
Service standards				
Long term debt / equity	1	16.2%	14.6%	15.1%
Long term debt / total assets	2	11.3%	9.8%	10.4%
Return on equity	3	20.5%	23.4%	11.4%
Return on revenue (after tax)	4	5.0%	4.5%	3.8%
Profit margin (earnings before income tax / user charges)	5	7.1%	8.1%	5.4%
Lost time injury frequency rate	6	<20	8	<10
Customers and stakeholders value of RoadTek (on a scale of 1 to 5)		>4	4	>4
Other measures				
Plant utilisation (Plant Hire Services)		80%	88%	80%

Notes:

- Long term debt is stable, with equity movements relating to profitable trading and dividend distribution.
- Long term debt is stable, with the total asset position expected to decline slightly in 2012-13 due to fewer planned construction plant and equipment purchases.
- The 2011-12 estimated actual has exceeded expectations with an increased margin over an increased equity position. The 2012-13 target/estimate margin has been reduced due to an expected tightening in construction margins.
- Return on revenue (after tax) has been impacted by increased taxation payments for the 2011-12 estimated actual. The 2012-13 target/estimate margin has been reduced due to an expected tightening in construction margins.
- Profit margin (earnings before income tax/user charges) has resulted in an improvement over the 2011-12 budget, particularly due to increased revenue from the Natural Disaster Relief and Recovery Arrangements (NDRRA) work. The 2012-13 target/estimate margin has been reduced due to an expected tightening in construction margins.
- The reduction in Lost Time Injury Frequency Rate to less than 10 for the coming financial year is to bring RoadTek's targets in line with the Transport & Main Roads Workplace Health and Safety Improvement Plan 2011-12.

INCOME STATEMENT

RoadTek	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Income				
User charges	1, 8, 16	739,852	1,019,440	575,366
Grants and other contributions		32	..	..
Other revenue	2, 9, 17	1,438	5,136	3,453
Gains on sale/revaluation of property, plant and equipment and investments	3, 10	274	973	980
Total income		741,596	1,025,549	579,799
Expenses				
Employee expenses	4, 11, 18	176,667	188,506	142,714
Supplies and services	5, 12, 19	482,337	723,805	376,443
Grants and subsidies		191	115	120
Depreciation and amortisation	13	20,708	20,081	19,823
Finance/borrowing costs	6, 14	2,966	3,785	3,695
Other expenses		5,679	5,171	5,089
Losses on sale/revaluation of property, plant and equipment and investments		451	654	736
Total expenses		688,999	942,117	548,620
Surplus or (deficit) before related income tax		52,597	83,432	31,179
Income tax expense/revenue	7, 15, 20	15,779	36,914	9,354
OPERATING SURPLUS/(DEFICIT) after related income tax		36,818	46,518	21,825

STATEMENT OF CHANGES IN EQUITY

RoadTek	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve	
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity	
Surplus/(deficit) for the period		36,818	46,518	21,825
Total recognised income and expense for the period		36,818	46,518	21,825
Equity injection/(withdrawal)	
Equity adjustments (MoG transfers)	
Dividends paid or provided		19,510	28,626	29,374
Total movement in equity for period		17,308	17,892	(7,549)

BALANCE SHEET

RoadTek	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets	25, 29	25,060	14,331	5,308
Receivables	21, 26, 30	77,078	99,361	96,477
Other financial assets		..	..	..
Inventories	22, 26	27,179	50,916	50,667
Other		650	503	503
Non-financial assets held for sale		..	..	..
Total current assets		129,967	165,111	152,955
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		125,221	127,968	123,906
Deferred tax assets		..	..	..
Intangibles		1	..	..
Other		538	1,784	1,784
Total non-current assets		125,760	129,752	125,690
TOTAL ASSETS		255,727	294,863	278,645
CURRENT LIABILITIES				
Payables		39,197	42,126	40,347
Interest-bearing liabilities and derivatives		29,000	29,000	29,000
Current tax liabilities	23, 27	7,539	18,208	11,318
Accrued employee benefits		641	6,482	6,482
Provisions		..	..	..
Other		..	..	..
Total current liabilities		76,377	95,816	87,147
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Deferred tax liabilities		..	..	..
Accrued employee benefits		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		76,377	95,816	87,147
NET ASSETS/(LIABILITIES)		179,350	199,047	191,498
EQUITY				
Capital/contributed equity	24	47,826	113,214	113,214
Accumulated surplus/(accumulated deficit)	24, 28	131,524	85,816	78,267
Reserves:				
- Asset revaluation surplus		..	17	17
- Other		..	..	..
TOTAL EQUITY		179,350	199,047	191,498

CASH FLOW STATEMENT

RoadTek	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	31, 38	735,946	1,084,850	576,358
Grants and other contributions		32	..	..
Other		31,438	35,136	33,453
Outflows:				
Employee costs	32, 35,39	(175,957)	(187,796)	(142,714)
Supplies and services	33, 38	(517,560)	(780,812)	(406,194)
Grants and subsidies		(191)	(115)	(120)
Borrowing costs		(2,966)	(3,785)	(3,695)
Taxation equivalents paid	34, 40	(16,014)	(32,655)	(16,244)
Other		(5,598)	(5,122)	(4,919)
Net cash provided by/(used in) operating activities		49,130	109,701	35,925
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		3,823	3,294	3,187
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	36, 41	(34,256)	(36,057)	(18,761)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(30,433)	(32,763)	(15,574)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Dividends paid	34, 37, 42	(19,510)	(28,626)	(29,374)
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		(19,510)	(28,626)	(29,374)
Net increase/(decrease) in cash held		(813)	48,312	(9,023)
Cash at the beginning of financial year		25,873	(33,981)	14,331
Cash transfers from restructure		..	..	..
Cash at the end of financial year		25,060	14,331	5,308

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

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

1. The increase is due to extensive flood damage emergent and recovery work across Queensland from flood events that have occurred in 2010, 2011 and 2012.
2. The increase is due to increased interest earnings and an increase in the claims made through the insurance scheme.
3. The increase is due to an increased number of items put to the disposal market with some increased gains on sale against book value.
4. The increase is due to payments made under the voluntary separation scheme.
5. The increase is due to the increased NDRRA works associated with the restoration of the road network as a result of flood damage.
6. The increase is due to increased interest payments as a result of a change in the claim process in relation to disaster recovery works.
7. The increase is due to an increased trading surplus.

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

8. The decrease is due to a reduction in the scale of operations.
9. The increase is due to increased interest earnings and expected insurance claim recoveries.
10. The increase is due to a higher number of plant and equipment items put to the disposal market as a result of reducing the scale of operations of RoadTek.
11. The decrease is due to reduced staff numbers as a result of reducing the scale of operations of RoadTek.
12. The decrease is due to the reduction in the scale of operations of RoadTek.
13. The decrease is due to a reduction in purchase of construction plant and equipment as a result of a reduced scale of operations.
14. The increase is due to an expected increased overdraft position due to slow down in workload and increased dividend payment arrangements.
15. The decrease is due to a decreased surplus resulting from a reduction in the scale of operations of RoadTek.

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

16. The decrease is due to a reduction in the scale of operations.
17. The decrease is due to the reduced scale of operations.
18. The decrease is due to reduced staff numbers.
19. The decrease is due to the reduction in the scale of operations of RoadTek.
20. The decrease is due to a reduced trading surplus.

Balance sheet

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

21. The increase is due to the increased volume of work being carried out.
22. The increase is due to the increased volume of work undertaken.
23. The increase is due to the increased surplus.
24. The increase is due the transfer of retained earnings to contributed capital as a result of the machinery of government change that combined the Departments of Transport and Main Roads.

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

25. The decrease is due to a reduction in the scale of operations and an increased dividend payment.
26. The increase is due to an increase in the volume of work undertaken.
27. The decrease is due to a reduced surplus.
28. The decrease is due the transfer of retained earnings to contributed capital as a result of the machinery of government change that combined the Departments of Transport and Main Roads.

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

29. The decrease is due to a reduction in the scale of operations and an increased dividend payment.
30. The decrease is due to the reduction in workload.

Cash flow statement

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

31. The increase is due to extensive flood damage emergent and recovery work across Queensland from flood events that have occurred in 2010, 2011 and 2012.
32. The increase is due to payments made under the voluntary separation scheme.
33. The increase is due to the increased NDRRA works associated with the restoration of the road network as a result of flood damage.
34. The increase is due to an increased trading surplus.

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

35. The decrease is due to a reduction in staff numbers.
36. The decrease is due to a reduction in the scale of operations of RoadTek.
37. The increase is due to an increased trading surplus.

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

38. The decrease is due to a reduction in the scale of operations.
39. The decrease is due to reduced staff numbers as a result of reducing the scale of operations of RoadTek.
40. The decrease is due to an expected reduction in trading surplus as the scale of operations is reduced.
41. The decrease is due to a reduction in the scale of operations of RoadTek.
42. The increase is due to an increase in the rate of dividend to be paid.

STATUTORY BODY

TRANSLINK TRANSIT AUTHORITY

AGENCY OVERVIEW

The TransLink Transit Authority (TransLink) was established by the State Government under the *Transport Operations (TransLink Transit Authority) Act 2008* to provide South East Queensland with the best possible public transport services at a reasonable cost to the community and Government.

TransLink's contribution to the Queensland Government's objectives for the community:

- Grow a four-pillar economy: supporting strong economic growth by improving access to jobs, housing, education and health through public transport services
- Lower the cost of living: Improving the affordability of public transport while ensuring the value-for-money delivery of our services
- Deliver better infrastructure and use better planning: Working closely with industry and our local government partners to deliver more cost-efficient, better integrated public transport solutions
- Revitalise front-line services: Delivering quality front-line customer service across the network
- Restore accountability in government: Achieving business excellence through good governance and effective financial stewardship.

TransLink will merge with the Department of Transport and Main Roads. This is anticipated to occur in December 2012.

RESOURCES AND PERFORMANCE

TransLink's vision is to make travel easy by delivering a single integrated public transport network that is accessible to all. Over the past 12 months, achievements included:

- Provided fare relief for a targeted 100,000 *go* card customers each week, through new free travel incentives for *go* card customers who make more than 9 journeys in a week
- Implementation of \$28.7 million of new bus services and \$965,000 of new train services providing an extra 383,554 seats per week for customers
- Reached more than 80% *go* card take up across the network making it Australia's most widely used public transport smartcard
- Completed major restructures of the Northern and Eastern bus networks to improve efficiency and on-time running for customers
- Launched a \$4.6 million package of new bus services for Brisbane to coincide with the opening of Stage 2 of the Eastern Busway in August 2011
- Rolled out TransLink's largest ever bus service improvement package with more than \$10 million invested in services for the opening of the new Northern Busway in June 2012
- Opened the award-winning \$10 million Noosa Junction Bus Station in August 2011, funded in partnership with the Sunshine Coast Regional Council and the Australian Government
- Upgrades completed to UQ Lakes Bus Station (\$4 million), Redbank Plaza Bus Station (\$2 million), Oxley Station Upgrade (\$2.3 million) and Toowong Station Upgrade (\$3 million)
- More than \$4.5 million of upgrades to bus stop infrastructure across South East Queensland funded in partnership with local councils
- Piloted a world-class real-time customer information system on-board the entire Clarks Logan City Bus Service fleet

- Launched TransLink's new online and mobile journey planner, with better service integration and map functions to better meet customer needs.

Future initiatives and investments across the network include:

- Managing the expansion of the role of TransLink, as a new division of the Department of Transport and Main Roads, to manage all passenger transport services across Queensland – including urban bus, train and ferry public transport services, regional air, taxis, long-distance coaches, the *qconnect* bus network, TravelTrain services and school bus services, along with subsidised regional airline, coach and ferry services
- Undertaking a full productivity review of all 462 urban bus routes in South East Queensland to improve affordability, reliability and frequency
- Commencement of a two year trial of 15 minute off-peak rail services on the Ferny Grove line
- Completion of new and improved park 'n' ride facilities in Capalaba, Slacks Creek and The Gap (Enoggera Reservoir)
- Opening of the new Logan Central and North Lakes Bus Stations
- Rollout of the next phase of the real-time customer information pilot across the Brisbane Transport CityGlider bus fleet.

STATEMENTS

Staffing

TransLink Transit Authority	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
	1, 2	358	354	284

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Reduction in FTEs for 2012-13 reflects Whole-of-Government efficiency objectives.

Performance Statement

TransLink Transit Authority	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Service standards				
Patronage on TransLink services (millions)	1	186.1	178.3	181.5
• bus		125.4	120.3	123.9
• rail		55.1	52.8	52.5
• ferry		5.6	5.2	5.1
User satisfaction ratings of public transport by service type (<i>using a 0 - 100 index – 100 being excellent</i>)	1			
• bus		>70	70	>70
• rail		>70	68	>70
• ferry		>70	79	>70
Customer complaints on <i>go</i> card per 10,000 trips	2	<4	3.5	<4
Customer service complaints (other than <i>go</i> card) per 10,000 trips	3	<4	1	<4
Percentage of unscheduled cancellations – Citytrain	4	<0.26	0.22	<0.13
Average on-time running performance in peak times – Citytrain	4	93.7%	92.5%	94.5%
Average cost of subsidy per passenger trip – bus, rail and ferry	5,6	\$5.92	\$6.43	\$6.77

Notes:

1. TransLink undertakes quarterly customer satisfaction surveys to measure and compare changes in the opinions of public transport users across South East Queensland. Scores are out of a possible 100 – levels of 75 and above are classed 'best practice' while 60 and above is considered 'satisfactory'.
2. This service standard is to measure the performance of the *go* card system and represents the number of complaints per 10,000 passenger trips. 2011-12 Est. actual is calculated using an average of the monthly results.
3. This service standard is to measure the performance of non-*go* card related activity and represents the number of complaints per 10,000 passenger trips. 2011-12 Est. actual is calculated using an average of the monthly results.
4. The 2011-12 and 2012-13 Target est. are based on benchmarks set within the existing service contract between TransLink and Queensland Rail.
5. The subsidy per passenger service standard is calculated by dividing the overall State Government contribution by the total number of passenger trips.
6. Variation from 2011-12 Target est. to 2011-12 Est. actual is a result of increased State Government funding provided to Queensland Rail to meet increased costs of the CityTrain service and lower than anticipated patronage consistent with note 1 above.

INCOME STATEMENT

TransLink Transit Authority	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Income				
User charges	1, 9	432,646	410,061	437,452
Grants and other contributions	2, 10	1,072,552	1,113,691	1,186,445
Other revenue	3	8,931	10,777	10,334
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		1,514,129	1,534,529	1,634,231
Expenses				
Employee expenses	4, 11	38,839	41,821	39,224
Supplies and services	5, 12	727,086	772,883	833,125
Grants and subsidies	5, 13	723,476	684,093	737,055
Depreciation and amortisation	6, 14	23,135	20,487	22,904
Finance/borrowing costs		..	11	..
Other expenses	7	1,593	1,800	1,923
Losses on sale/revaluation of property, plant and equipment and investments	8	..	10,558	..
Total expenses		1,514,129	1,531,653	1,634,231
OPERATING SURPLUS/(DEFICIT)		..	2,876	..

STATEMENT OF CHANGES IN EQUITY

TransLink Transit Authority	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	15	..	9,966	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		..	9,966	..
Surplus/(deficit) for the period		..	2,876	..
Total recognised income and expense for the period		..	12,842	..
Equity injection/(withdrawal)	16	29,139	33,639	25,075
Equity adjustments (MoG transfers)		..	(2,346)	..
Total movement in equity for period		29,139	44,135	25,075

BALANCE SHEET

TransLink Transit Authority	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets	17	50,398	100,725	102,182
Receivables	18	27,673	33,419	31,937
Other financial assets		..	..	..
Inventories		906	431	437
Other		615	911	923
Non-financial assets held for sale		..	..	..
Total current assets		79,592	135,486	135,479
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	19, 23	240,451	227,387	251,700
Intangibles	20	8,313	4,489	7,923
Other				
Total non-current assets		248,764	231,876	259,623
TOTAL ASSETS		328,356	367,362	395,102
CURRENT LIABILITIES				
Payables	21	33,752	77,126	78,204
Accrued employee benefits		3,297	3,839	3,935
Interest-bearing liabilities and derivatives	22	506	..	..
Provisions		..	..	..
Other		24,092	24,221	25,890
Total current liabilities		61,647	105,186	108,029
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives	22	5,169	..	..
Provisions		..	..	..
Other		..	712	534
Total non-current liabilities		5,169	712	534
TOTAL LIABILITIES		66,816	105,898	108,563
NET ASSETS/(LIABILITIES)		261,540	261,464	286,539
EQUITY				
Capital/contributed equity	19, 24	264,133	256,629	281,704
Accumulated surplus/(accumulated deficit)		(2,821)	(5,131)	(5,131)
Reserves:				
- Asset revaluation surplus	15	228	9,966	9,966
- Other		..	..	..
TOTAL EQUITY		261,540	261,464	286,539

CASH FLOW STATEMENT

TransLink Transit Authority	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	25, 30	435,223	412,889	435,703
Grants and other contributions	26, 31	1,072,552	1,113,691	1,186,445
Other		7,852	14,564	15,234
Outflows:				
Employee costs	27, 32	(38,652)	(40,962)	(39,128)
Supplies and services	28, 33	(726,705)	(769,666)	(832,488)
Grants and subsidies	28, 34	(723,476)	(684,568)	(737,055)
Borrowing costs		..	(11)	..
Other		(511)	(843)	(940)
Net cash provided by/(used in) operating activities		26,283	45,094	27,771
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed	29	1,100,000	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles		(45,186)	(46,846)	(51,389)
Payments for investments	29	(1,100,00)	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(45,186)	(46,846)	(51,389)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	16	29,139	33,639	25,075
Outflows:				
Borrowing redemptions	22	(480)	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		28,659	33,639	25,075
Net increase/(decrease) in cash held		9,756	31,887	1,457
Cash at the beginning of financial year		40,642	68,838	100,725
Cash transfers from restructure		..	..	..
Cash at the end of financial year		50,398	100,725	102,182

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

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

1. Decrease mainly attributable to the introduction of free passenger travel after ten trips each week, lower than anticipated patronage growth as a result of contractions in passenger demand due to fare increases and changes to implementation timeframes for major service packages.
2. Variance due to increased Government funding provided for to Queensland Rail to meet increased costs of CityTrain services and foregone fare revenues as a result of introduction of free passenger travel after ten trips each week.
3. Increase due to higher than expected average interest rates over the financial year and effective cash management by the TransLink.
4. Increase predominately attributable to Voluntary Separation Program payments.
5. Large increase in Supplies and services offset by corresponding decrease in Grants and subsidies to reflect a reclassification of payments to Queensland Rail for the CityTrain service.
6. Decrease primarily due to lower depreciation and amortisation as a result of prior year revaluation decrements to the Smartcard technology.
7. Variance due to an increase in bank charges relating to increased use of *go* card.
8. Amount primarily attributable to asset decrements on Smartcard technology and land assets as a result of external valuations.

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

9. Variance reflects the full year impact of the 15% fare increase in January 2012 increase along with the part-year effect of the planned 7.5% January 2013 fare increase.
10. Increase due to additional Government funding to enable the TransLink to meet increased costs of public transport services including the full year impact of network growth during 2011-12.
11. Decrease due to completion of Voluntary Separation Program payments offset by anticipated increases for Enterprise Bargaining Agreements and expected reduction in full time equivalents in alignment with whole-of-Government efficiency objectives.
12. Increase due to increased costs of public transport services including the full year impact of network growth during 2011-12.
13. Variance reflects increase in State Government Community Service Obligation contribution for the Queensland Rail CityTrain service.
14. Increase reflects the full year effect of assets constructed during 2011-12.

Statement of changes in equity

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

15. Amount attributable to asset increments across the infrastructure asset class as a result of external valuations.
16. Increase due to end of year deferrals from 2010-11 year relating to TransLink Station Upgrade Program and Real Time Passenger Information trial.

Balance sheet

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

17. Variance primarily due to increased end-of-year-payables and accruals on capital expenditure and higher level of passenger deposits held following the increased take up of *go* card.
18. Higher balance primarily relates to timing of cleared *go* card receipts held by operators at end of June 2012.
19. Decrease primarily due to prior year revaluation decrements to the Smartcard technology and the deferral of various projects within the TransLink Station Upgrade Program.
20. Variance due to change in timing associated with finalising capitalisation of Real Time Passenger Information trial asset.
21. Variance primarily due to increased end-of-year-payables and accruals on capital expenditure and higher level of passenger deposits held following the increased take up of *go* card.
22. Variance due to repayment of outstanding debt facility through use of available funds from 2010-11 financial year.

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

23. Increase due to expected roll out of 2012-13 capital programs.
24. Increase due to expected equity contribution from Government relating to the roll out of the 2012-13 capital programs.

Cash flow statement

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

25. Decrease mainly attributable to the introduction of free passenger travel after ten trips each week, lower than anticipated patronage growth as a result of contractions in passenger demand due to fare increases and changes to implementation timeframes for major service packages.
26. Variance due to increased Government funding provided for to Queensland Rail to meet increased costs of CityTrain services and foregone fare revenues as a result of introduction of free passenger travel after ten trips each week.
27. Increase predominately attributable to Voluntary Separation Program payments.
28. Large increase in Supplies and services offset by corresponding decrease in Grants and subsidies to reflect a reclassification of payments to Queensland Rail for the CityTrain service.
29. Variance due to short term and at call investments reclassified as 'cash assets' during 2011-12.

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

30. Variance reflects the full year impact of the 15% fare increase in January 2012 increase along with the part-year effect of the planned 7.5% January 2013 fare increase.
31. Increase due to additional Government funding to enable the TransLink to meet increased costs of public transport services including the full year impact of network growth during 2011-12.
32. Decrease due to completion of Voluntary Separation Program payments offset by anticipated increases for Enterprise Bargaining Agreements and expected reduction in full time equivalents in alignment with Whole of Government efficiency objectives.
33. Increase due to increased costs of public transport services including the full year impact of network growth during 2011-12.
34. Variance reflects increase in State Government Community Service Obligation contribution for the Queensland Rail CityTrain service.

GLOSSARY OF TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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