

Service Delivery Statements

Department of Transport and Main Roads

2014–15 State Budget Papers

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

Concessions Statement

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

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Service Delivery Statements

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Department of Transport and Main Roads

Summary of portfolio budgets

Page	Agency	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
2	Department of Transport and Main Roads - controlled	5,432,033	5,477,865	5,390,333
	Department of Transport and Main Roads - administered	2,122,576	2,165,720	2,232,617
36	RoadTek	547,890	713,985	481,423
54	Gold Coast Waterways Authority	8,395	8,698	9,581

Notes:

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

PORTFOLIO OVERVIEW

Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Minister for Transport and Main Roads:

Minister for Transport and Main Roads The Honourable Scott Emerson MP

Assistant Minister for Public Transport Steve Minnikin MP

Department of Transport and Main Roads Director-General: Neil Scales
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Service Area 1: Transport system investment planning and programming

Service Area 2: Transport infrastructure management and delivery

Service Area 3: Transport safety, regulation and customer service
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Service Area 4: Passenger transport services

Gold Coast Waterways Authority Chief Executive Officer: Hal Morris
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Objective: The Gold Coast Waterways Authority delivers the best possible management of the Gold Coast waterways at reasonable cost to the community and government, while keeping government regulation to a minimum.
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RoadTek

General Manager: William Lansbury
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Objective: RoadTek provides transport infrastructure solutions, including construction and maintenance services to enable the department to deliver on government priorities and community outcomes.

Additional information about these agencies can be sourced from www.tmr.qld.gov.au.

RESOURCES AND PERFORMANCE

DEPARTMENTAL OVERVIEW

Strategic direction

The goal of the Department of Transport and Main Roads is to provide a single integrated, reliable, efficient and safe transport system that connects Queensland. A well planned and managed transport system plays an essential role in the development of a healthy, robust and growing economy – connecting communities, providing access to services and supporting commerce and industry throughout the State. By economically and efficiently delivering its business objectives, the department contributes to all of the 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* and *Grow a four pillar economy*. 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 business objectives as stated in the *Transport and Main Roads Strategic Plan 2013-2017*:

- integrated transport system that supports the safe, efficient and reliable movement of people and goods
- safe and cost-effective transport infrastructure that meets the current and future needs of Queensland
- customer, safety and regulatory services that improve community safety and satisfaction
- integrated passenger transport services that are safe and accessible
- strategic corporate services that enable business outcomes.

While working to achieve its business objectives, Transport and Main Roads applies a robust risk management framework to manage strategic risks relating to the impact of factors affecting the department. The department focuses on the key strategic risk categories of:

- economic growth – meeting transport demand so that the economy can continue to grow
- funding prioritisation – using resources efficiently and prioritising investment in system operation and maintenance
- engaging with partners – working across government, industry and community to deliver and operate the transport system
- future disasters – managing disrupted transport infrastructure and services due to unforeseen or significant events
- changing demographics and transport patterns – addressing changes in population growth and distribution, mobility, safety and security
- workplace challenges – maintaining business systems and capability to meet operational needs.

Transport and Main Roads is currently revising its Strategic Plan for the 2014-2018 period to reflect current government and organisational priorities and commitments.

The department is also focused on revitalising our services to meet our customers' needs. To achieve the Government's renewal objectives the department is delivering a program of renewal activities which will increase productivity and deliver real savings that can be redirected towards better service delivery. The renewal activities included in the program strive to improve our services by:

- redesigning our processes to deliver more efficient services
- transforming TMR to become an enabler of services rather than a doer
- creating better partnerships with industry and the not-for-profit sector
- changing how we deliver services such as providing more customer services options online.

The department's capital program for transport infrastructure in 2014-15 demonstrates its commitment to planning, managing and delivering a transport system that connects Queensland. Transport and Main Roads will continue to make the best possible capital works investment decisions to optimise our roads, railways, busways and marine infrastructure and ensure that they meet the current and future needs of Queensland. The department will focus on the most cost effective measures to make it more efficient, reliable and safe to move around the State.

In support of the Government's commitments, the Department of Transport and Main Roads delivered the following achievements in 2013-14:

- improving road safety by developing the 'Join the Drive to Save Lives' social change strategy to reignite road safety as a priority for all Queenslanders through greater community ownership, engagement and action
- awarding the New Generation Rolling Stock Contract. This 32 year contract is for the design, finance, build and maintenance of 75 new six car train sets for south-east Queensland
- delivering \$2 billion of flood damaged reconstruction works under the Transport Network Reconstruction Program
- building a better public transport network in south-east Queensland by implementing the Bus Network Review, delivering 200 additional CityTrain services daily, opening the Springfield rail line extension and integrating Gold Coast Light Rail
- completed major road projects throughout the state, including:
 - grade separation works on the southern approach to Cairns;
 - intersection improvements at the Mains Road and Kessels Road intersection;
 - construction of a deviation to sealed standard at Cardwell Range north; and
 - construction of an interchange at the Bruce Highway - Dawson Highway at Calliope Crossroads.
- completing the Brisbane Underground Bus and Rail Project concept design and business case
- lowering the cost of living – halved the previous Government's scheduled 15% fare increase on TransLink services to deliver savings to commuters in south-east Queensland
- launching an action plan to improve accessibility of our network for people with a disability
- releasing the Moving Freight Strategy to improve the efficiency and effectiveness of Queensland's freight network
- the key rail crossing at Robinson Road, Geebung opened to traffic in March 2014 and the Telegraph Road, Bracken Ridge open level crossing project is nearing completion and will be open to traffic in late 2014
- performing the Emergency Vehicle Pilot on the Gold Coast leading to 20% travel time savings for 60% of ambulance trips
- leading the *Queensland Level Crossing Safety Strategy 2012-2021* and collaborating with Government, rail and road stakeholders on research, technology trials and projects to maintain and improve safety outcomes at level crossings

- undertaking a review of speed limits on Queensland's roads and implementing changes to improve safety and making speed limits easier for motorists to comply
- completing provision of infrastructure in the port of Gladstone to facilitate the first LNG shipment. This included new aids to navigation, commissioning of a new Vessel Traffic Services centre, the installation of additional vessel tracking and meteorological sensors
- improved processing lead times for learner log books from 21 days (in January 2012) to a current average of 3-5 days
- improved cyclist safety by requiring vehicles, when overtaking a cyclist, to stay one metre clear at speeds of 60 kmh or less and 1.5 metres clear for speeds over 60 kmh
- reduced the need for more than 37,000 P1 licence holders to visit customer service centres by allowing automatic upgrade to a P2 or open licence by conducting the hazard perception test and payment of the associated fee online
- reduced average wait times at TMR customer service centres (currently less than seven minutes) due to enhanced and streamlined services, committed and professional staff and the availability of convenient online services for customers.

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 2014-15 highlights to include:

- completing reconstruction of the State's damaged road network from natural disasters of 2010-11, 2011-12 and 2012-13 through the Transport Network Reconstruction Program
- developing the 2014-15 to 2018-19 National Partnership Agreement for the Infrastructure Investment Program, including resolution of an agreed program of federally-funded works as part of that Agreement
- continue the Moreton Bay Rail project to deliver a rail line between Petrie Station and Kippa-Ring Station
- commencing light rail passenger services on Stage 1 of the Gold Coast Rapid Transit project in mid-2014. Trams will stop at 16 stations between the Gold Coast University Hospital and Broadbeach every seven and a half minutes during peak hours and operate 24 hours during weekends
- completing the transport planning strategies for the Commonwealth Games, including input from Commonwealth Games Federation Coordination Commission and the operational learnings from Glasgow 2014
- delivery of additional public transport infrastructure including Browns Plains Bus Station, Victoria Point Jetty Bus Station, Warrigal Road Green Link, Kawana Bus Station and Nambour Park 'n' Ride
- implementing public transport plans for the G20 Leaders Summit
- implementing the findings of the Revenue Protection Taskforce to enhance public transport revenue protection
- finalising investment strategies for the Landsborough and Gore Highways and the Brisbane to Gold Coast Transport Corridor
- developing the Heavy Vehicle Action Plan as part of the implementation of the Moving Freight Strategy
- reducing red tape for customers with the removal of registration labels
- further enhancing motorcycle licensing to help novice riders develop critical riding skills under safe riding conditions
- introducing additional online services including a direct debit registration renewal scheme that allows customers to pay their registration renewals with regular direct debits
- commencement of the Toowoomba Second Range Crossing which will provide a gateway to the State's resource-rich Surat Basin.

Departmental Budget Summary

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

Department of Transport and Main Roads	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
CONTROLLED			
Income			
Appropriation revenue ¹			
Deferred from previous year/s	24,597	(28,864)	58,561
Balance of service appropriation	4,521,860	4,555,092	4,560,482
Other revenue	4,313,875	4,413,423	1,700,069
Total income	8,860,332	8,939,651	6,319,112
Expenses			
Transport system investment planning and programming	798,723	300,498	292,436
Transport infrastructure management and delivery	2,159,822	2,063,622	2,028,177
Transport safety, regulation and customer service	378,470	353,925	339,916
Passenger transport services	2,095,018	2,759,820	2,729,804
Total expenses	5,432,033	5,477,865	5,390,333
Operating surplus/deficit	3,428,299	3,461,786	928,779
Net assets	56,942,221	60,189,009	62,765,923
ADMINISTERED			
Revenue			
Commonwealth revenue	..	..	..
Appropriation revenue ¹	1,037	1,037	..
Other administered revenue	2,121,539	2,164,683	2,232,617
Total revenue	2,122,576	2,165,720	2,232,617
Expenses			
Transfers to government	2,121,539	2,164,683	2,232,617
Administered expenses	1,037	1,037	..
Total expenses	2,122,576	2,165,720	2,232,617
Net assets	82,240	81,508	81,508

Notes:

1. Includes State and Commonwealth funding.

Budget Measures Summary

The table shows a summary of Budget measures relating to the Department since the 2013-14 Budget. Further details are contained in Budget Paper No. 4¹.

Department of Transport and Main Roads	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Revenue measures					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
Expense measures					
Administered	..	..	..	..	..
Departmental	1,286	15,163	23,272	55,976	64,297
Capital measures					
Administered	..	..	..	..	..
Departmental	19,243	56,951	539,792	952,892	903,118

Notes:

1. Expense and capital measures do not reconcile with Budget Paper No. 4 (BP4) due to the Road Safety measure being reported wholly in the Department of Transport and Main Roads' section of BP4 whereas this measure is split into its individual departmental components (Queensland Police Service, Queensland Treasury and Trade and Queensland Health) within the Budget Measures Summary table.

Staffing^{1, 2}

Service Areas	Notes	2013-14	2013-14	2014-15
		Adjusted Budget	Est. Actual	Budget
Transport system investment planning and programming		680	712	712
Transport infrastructure management and delivery		2,441	2,441	2,441
Transport safety, regulation and customer service		2,507	2,420	2,420
Passenger transport services		531	550	567
TOTAL		6,159	6,123	6,140

Notes:

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

SERVICE PERFORMANCE

Services

The four Transport and Main Roads service areas map directly to the department's operational divisions and align with the business objectives in the *Transport and Main Roads Strategic Plan 2013 – 2017*. Through efficient and effective delivery of its services, Transport and Main Roads plays a vital role in helping the State realise the ambitions set down by Queenslanders in *The Queensland Plan: a 30-year vision for Queensland* (current working draft). The final plan will be released mid-2014.

The department's vision, as expressed in successive strategic plans, is *Connecting Queensland - delivering transport for prosperity*.

Our service areas are:

Transport system investment planning and programming

The objective of this service area is to develop policy frameworks for the future development of the transport system and to plan and prioritise strategic investment in effective, efficient and sustainable 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. This is achieved through developing and implementing:

- the State Planning Program to coordinate and prioritise planning across all modes of transport
- asset management plans for maintenance, preservation and operation of the State-controlled road and busway network
- a 10-year transport infrastructure investment strategy that identifies and prioritises transport system investments and predicted investment benefits
- the Queensland Transport and Roads Investment Program (QTRIP), a four-year rolling program of priority transport infrastructure works which is published annually
- funding submissions to the Australian Government for nationally-significant transport infrastructure and investment strategies for key priority routes that support resource development areas
- major transport infrastructure project evaluation and assurance to ensure projects are delivered on a value-for-money basis.

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.

Transport infrastructure management and delivery

The objective of this service area is to construct, maintain, manage and operate an integrated transport network accessible to all. Works and management activities are delivered using cost effective safe and fit-for-purpose engineering solutions and innovative delivery mechanisms to achieve value for money.

Activities undertaken in this service area relate to stewardship of the State road network and include:

- delivering, managing and maintaining transport infrastructure
- managing road operations, including traffic incidents, heavy vehicle operations and traveller and traffic information
- managing use of the road corridor including environmental preservation and third party road access

- controlling access to and recovering the road network during and following emergency events.

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

Transport safety, regulation and customer service

The objective of this service area is to improve customer service and to manage and regulate the transport system safely, economically and sustainably and without imposing unnecessary red tape. Safety of transport networks is critical to supporting Queensland's future growth. A safe, secure and resilient transport system aims to protect the lives and property of everyone who interacts with the network for business, employment and leisure.

Regulatory and safety related activities undertaken in this service area include:

- managing the movement of vessels using Queensland's waterways and marine safety activities for commercial and recreational vessels, pilotage and hydrographic services, and supporting safe port development
- developing and implementing rail safety initiatives and legislation
- conducting regulatory activities including audits, inspections, accreditation, investigation and education programs
- regulating vehicle safety in accordance with best practice and national vehicle standards
- developing and implementing road safety programs and initiatives that deliver safer roads and support safer road use and safer speeds
- developing and implementing emergency preparedness, response, and evaluation capacity for maritime transport
- delivering vehicle and vessel registration, driver and marine licensing and accreditation services.

Passenger transport services

The objective of this service area is to lead and shape Queensland's overall passenger transport system. The department facilitates passenger transport systems across the State and provides a single integrated transport system allowing fair access to everyone.

Key passenger transport focus areas include:

- providing funding for fair access to public transport to deliver economic, social and community benefits for Queenslanders
- effectively managing and regulating industry to provide safe and accessible transport services
- enhancing customer experience by improving service integration, passenger information and ticketing products
- driving efficiencies through network optimisation and next generation service contracts
- supporting increasing public transport patronage by maximising our service offering, extending the network and delivering innovative ticketing products
- overseeing and funding the School Transport Assistance Scheme.

Red tape reduction

In 2013-14, the department's contribution to the Government's commitment to red tape reduction included:

- introducing legislation that makes it an offence for an unaccredited passenger service operator to advertise or otherwise offer a public passenger service. This enabled the removal of a number of more specific legislative requirements related to taxi and limousine services only
- releasing a discussion paper for public consultation canvassing options to reduce regulatory requirements that apply to the use of vehicles as limousines and special purpose limousines
- progressing the Queensland Government's Planning Reform Agenda including the integration of a one stop shop for state development assessment. This is a Department of State Development, Infrastructure and Planning led initiative that TMR has been heavily involved in implementing. TMR has adapted its processes to support the State Assessment and Referral Agency one stop shop and reviewed, rationalised and codified transport requirements to streamline development assessment for the development industry
- developing a policy to enable industry to fund geometric route assessments for High Productivity Vehicles (HPV) and simplifying the route assessment guidelines to reflect the Performance Based Standards (PBS) Scheme standards. The PBS Class B Route Assessment Policy has reduced red tape by enabling industry to participate in the PBS route assessment process for heavy vehicles. The policy is improving the HPV route assessment model and provides the transport industry with more options. The policy ensures faster turnaround times on heavy vehicles access applications and use of less resources on geometric route assessments
- publishing road materials test method equivalencies between TMR methods and Austroads test methods to reduce red tape and increase competition
- implementing a range of reforms to the driver licensing system including allowing provisional licences to be upgraded automatically without the customer having to attend a customer service centre (benefitting more than 37,000 licence holders each year), waiving fees for replacement driver licences and learner log books that are lost or damaged in a natural disaster, removing the requirement to hold a class UD licence to drive a specially constructed vehicle (e.g. agricultural equipment), and assisting farmers and other employers through a targeted relaxation of the high powered vehicle restrictions
- simplifying the approval process for vehicle modifications for drivers with a disability, driving schools and the owners of individually constructed vehicles
- introducing legislation to harmonise and modernise legislative provisions to better facilitate and streamline the delivery and management of transport infrastructure. These amendments will strategically develop a flexible and resilient framework to meet future multimodal transport demands and support private sector investment by providing commercially robust mechanisms, reducing risk and providing more financial surety for transport infrastructure projects.

Overall, 39 key red tape reduction initiatives were progressed in 2013-14 with 37 reviews finalised. Significant achievements include:

- facilitating the integration of the Southern Moreton Bay Islands (SMBI) ferry service into the integrated mass transit network, allowing for the integration of these services with the TransLink go card network
- establishing Q-Ride as the primary motorbike licensing practical test with access to the Q-Safe test only available to those who live more than 100km from a Q-Ride provider
- adopting national model legislation under the Australian Vehicle Standards Rules Amendments, harmonising legislation and reducing red tape
- review of the development referral triggers for the property and construction industry prior to their development applications being approved - by reducing the types of triggers requiring departmental approval, significant savings will be realised for the department and developers.

Transport and Main Roads is continuing to identify potential red tape reductions and regulatory reforms. The department is currently finalising an action plan which will prioritise significant proposals for the period 2014 - 2018. Significant reforms are already underway for transport infrastructure legislation which will reduce red tape, extensively streamline legislation and realise significant cost savings for both government and industry.

2014-15 Service Summary¹

Service area	Sources of Revenue				
	Total cost \$'000	State Contribution \$'000	User Charges and Fees \$'000	C'wealth Revenue \$'000	Other Revenue \$'000
Transport system investment planning and programming	292,436	194,568	83,565	..	14,303
Transport infrastructure management and delivery	2,028,177	1,892,012	49,790	108,853	906,301
Transport safety, regulation and customer service	339,916	155,399	135,485	..	49,032
Passenger transport services	2,729,804	2,268,211	455,130	350	6,113
TOTAL	5,390,333	4,510,190	723,970	109,203	975,749

Notes:

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

Performance Statement

Transport and Main Roads	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
Service Area: Transport system investment planning and programming				
Service standards				
Percentage of projects in the State Planning Program:				
<ul style="list-style-type: none"> commencing no later than four months after the programmed commencement date 		90	100	90
<ul style="list-style-type: none"> completed no more than 10% after the programmed period 	1	80	74	80
<ul style="list-style-type: none"> costing less than 10% over the programmed estimate 		80	87	80
Road system seal age (percentage of the State-controlled road network exceeding the optimal seal age)				
		29	29	31
Road system condition (the percentage of urban and rural State-controlled roads with condition better than the specified benchmark)				
<ul style="list-style-type: none"> Urban 		97 – 99	97 – 99	97 – 99
<ul style="list-style-type: none"> Rural 		95 – 97	95 – 97	95 – 97
State contribution (\$000)		752,968	219,949	194,568
Other revenue (\$000)		45,755	80,549	97,868
Total cost (\$000)		798,723	300,498	292,436

Service Area: Transport infrastructure management and delivery

Service standards

Percentage of QTRIP projects >\$5 million:

<ul style="list-style-type: none"> commencing no later than four months after the programmed commencement date 	2	New measure	90	90
<ul style="list-style-type: none"> completed no more than 10% after the programmed construction period 		90	90	90
<ul style="list-style-type: none"> costing less than 10% over the published QTRIP figure 		90	90	90

Transport and Main Roads	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
Road network efficiency - Average travel time per 10km				
• AM peak		10.9	10.9	10.9
• Off peak		9.5	9.7	9.6
• PM peak		11.2	11.0	11.2
Road network reliability - Percentage of the road network with reliable travel times	3			
• AM peak		85	83	85
• Off peak		96	92	96
• PM peak		82	79	82
Road network productivity - Percentage of the road network with good productivity	4			
• AM peak		74	73	74
• Off peak		79	78	79
• PM peak		72	73	72
Arterial intersection performance – Percentage of intersections congested less than 20 minutes per hour	5			
• AM peak		New measure	87	87
• Off peak		New measure	94	94
• PM peak		New measure	83	83
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
State contribution (\$000)		1,895,921	1,788,645	1,892,012
Other revenue (\$000)		3,692,200	3,736,763	1,064,945
Total cost (\$000)		2,159,822	2,063,622	2,028,177
Service Area: Transport safety regulation and customer service				
Service standards				
Marine fatalities per 100,000 registered vessels		5.40	5.40	4.80

Transport and Main Roads	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
Rail fatalities per 100,000 population		0.10	0.07	0.10
Hospitalised rail casualties per 100,000 population		0.40	0.40	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		3.40	3.17	3.35
Road fatalities per 100,000 population		5.90	5.30	5.80
Hospitalised road casualties per 100,000 population	6	135	155.2	135
Percentage of vessel movements without serious incidents				
• Pilotage areas		99.8	100	100
• ReefVTS area		99.8	100	100
Average wait time in Customer Service Centres (minutes)		10min	8min	8min
Percentage of call centre calls answered within three minutes	7	80	39	80
Overall customer satisfaction with transactional services (on a scale of 1 to 10)	8	New measure	8	8
State contribution (\$000)		205,612	177,022	155,399
Other revenue (\$000)		172,858	176,903	184,517
Total cost (\$000)		378,470	353,925	339,916

Service Area: Passenger transport services

Service standards

Wheelchair accessible taxi response times compared to conventional taxi fleet response times

Peak

- Percentage within 18 minutes
 - Conventional
 - Wheelchair

85	95	85
85	87	85

Transport and Main Roads	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
<ul style="list-style-type: none"> Percentage within 30 minutes - Conventional - Wheelchair 		95 95	98 95	95 95
Off peak				
<ul style="list-style-type: none"> Percentage within 10 minutes - Conventional - Wheelchair 	9	85 85	87 73	85 85
<ul style="list-style-type: none"> Percentage within 20 minutes - Conventional - Wheelchair 	9	95 95	97 90	95 95
Average subsidy per trip provided through the Taxi Subsidy Scheme	10	\$8.18	\$7.80	\$7.88
Average subsidy per passenger on Government contracted services				
<ul style="list-style-type: none"> Regional air Long distance bus Regional urban bus TravelTrain 	11 12 13 14	\$23.46 \$25.35 \$3.08 \$474.92	\$18.39 \$37.31 \$3.17 \$401.12	\$22.74 \$38.38 \$3.36 \$462.77
Average cost of subsidy per passenger trip in SEQ – bus, rail, light rail and ferry	15	\$6.40	\$6.58	\$7.10
Patronage on Government contracted services (millions)				
South-east Queensland		176.4	176.72	180.48
<ul style="list-style-type: none"> Bus Rail 	16 16, 17	118.4 51.07	119.02 49.72	117.69 49.52
		New		
<ul style="list-style-type: none"> Light rail Ferry 	18 19	measure 7.0	0.30 7.68	5.70 7.57
Rest of Queensland		12.8	12.42	12.35
<ul style="list-style-type: none"> Regional air Long distance bus Regional urban bus TravelTrain 	20 21	0.4 0.1 11.8 0.4	0.48 0.11 11.45 0.38	0.40 0.12 11.45 0.37
Customer satisfaction ratings of public transport by service type (using a 0 - 100 index – 100 being excellent)				
Whole of Queensland				
<ul style="list-style-type: none"> Taxi 	22	≥70	66	≥69

Transport and Main Roads	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
South-east Queensland				
• Bus		≥70	70	≥70
• Rail		≥70	70	≥70
• Ferry		≥70	77	≥70
Rest of Queensland				
• Regional urban bus		≥70	72	≥70
Customer service complaints in SEQ per 10,000 trips	23	New measure	3.18	<4
Average on-time running performance in peak times – CityTrain	24	95%	98%	95%
Percentage of scheduled services delivered – CityTrain		>99.9	99.87	99.87
State contribution (\$000)		1,656,021	2,319,343	2,268,211
Other revenue (\$000)		438,996	440,477	461,593
Total cost (\$000)		2,095,018	2,759,820	2,729,804

Notes:

1. Significant re-prioritisation of planning projects due to the diversion of resources to emerging higher priorities, has resulted in the 2013-14 estimated actual figure falling below target.
2. This element of the service standard has been added to complete the suite of QTRIP measures.
3. The 2014-15 target/est. has been revised based on available data on the measure.
4. Good road network productivity occurs under two scenarios of performance: (1) speeds are in excess of a bench-mark value (e.g. 80 km/h for motorways) irrespective of traffic flow; or (2) traffic flow is relatively high (e.g. 2,000 vehicles/hour/lane for motorways) in combination with moderately degraded speeds.
5. This new service standard has been introduced to indicate the percentage of sampled arterial intersection approaches with congested minutes less than 20 per hour. Twenty minutes per hour (or less) is a benchmark used to indicate an acceptable level of congestion.
6. A higher than average number of hospitalised casualties occurred during the months of June, July and August 2013 when compared with the previous year which has resulted in a higher than expected estimated actual for hospitalised casualties per 100,000 population for 2013-14.
7. Variations between the est. actual and the target/est. were due to a number of factors – 2013 saw a period of higher than normal training of new staff and this has coincided with system integration issues and additional call numbers.
8. Customer satisfaction with transactional service has been included as a new measure as an indicator of quality of customer service interaction across multiple channels.
9. Response times for wheelchair accessible jobs are longer than response times for conventional taxis. This may be due to drivers not prioritising wheelchair work or because they are engaged in providing other services under a contract with other entities such as Department of Veteran Affairs.
10. The reduced target/estimate indicates that members are taking shorter trips. This may be due to a range of factors including proximity to services and affordability of taxi fares.
11. The estimated actual for regional air average subsidy is below target due to increasing patronage growth on the Brisbane-Roma-Charleville corridor.
12. The estimated actual for long distance bus average subsidy is above target due to approximately 20,000 fewer passenger trips than budgeted and additional payments for Emergency Service Contracts to ensure continuity of service on three routes.
13. The estimated actual for regional urban bus average subsidy is above target due to lower than expected patronage.

14. The estimated actual for TravelTrain average subsidy is below target due to \$30.2 million in efficiency savings applied to the Transport Service Contract with Queensland Rail. The 2014-15 target/est. has been revised to include additional depreciation costs associated with the delivery of new and refurbished assets under the Sunlander Rolling Stock Project.
15. The estimated actual for average subsidy per passenger trip in SEQ has increased following the integration of TransLink Transit Authority (TTA) into the department which resulted in changes to the calculation methodology for this service standard. The 2014-15 target/estimate has increased due to the introduction of a new operator for the Gold Coast Light Rail network.
16. The patronage target/est. for 2014-15 has been revised to factor in the G20 Leaders Summit which will impact on passenger transport services in the Brisbane area.
17. The 2013-14 rail patronage target/est. included 0.3 million for light rail patronage for June 2014. Light rail patronage is now shown as a new service standard.
18. Light rail vehicle (LRV) operation on the Gold Coast is expected to commence from mid-2014.
19. The increase in the 2014-15 target/est. for ferry is due to patronage growth on the free City Hopper services, and on the Southern Moreton Bay Islands ferry service.
20. The estimated actual for regional air patronage is above target as a direct result of increased demand on the Brisbane-Roma-Charleville corridor.
21. The estimated actual for regional urban bus patronage is below target due to a drop off in mining activity in regional Queensland.
22. Customer satisfaction ratings for taxis remain stable. Satisfaction with affordability and information continue to remain comparatively low and impact on overall satisfaction.
23. This new service standard was introduced to better illustrate customer satisfaction with passenger transport services. It replaces the discontinued "Customer complaints on go card per 10,000 trips" and "Customer service complaints in SEQ (other than go card) per 10,000 trips."
24. Average on-time running performance in peak times for CityTrain services is adjusted to exclude force majeure, including natural disasters, third party, emergency or police incidents.

Administered Items

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

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.

Recent achievements

Major administered revenue items for 2013-14 were:

- | | |
|------------------------------|-----------------|
| • Vehicle Registration | \$1.538 billion |
| • Transport and Traffic Fees | \$356.5 million |

Future developments

Major administered revenue items for 2014-15 are:

- | | |
|------------------------------|-----------------|
| • Vehicle Registration | \$1.585 billion |
| • Transport and Traffic Fees | \$370.0 million |

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 is committed to maintaining safe and cost-efficient transport infrastructure that meets the current needs of Queenslanders, and to deliver new infrastructure in the areas of greatest need.

Delivering transport solutions that support the growing Queensland population, as well as supporting our four pillar economy (including tourism, agriculture, resources and construction), continues to be a focus of government. Ensuring that these projects are cost effective and provide the best value for money is a paramount consideration when developing new projects.

\$25.4 million will be provided in 2014-15 for the New Generation Rolling Stock project which will see a significant increase to the train fleet to meet the growing demand for passenger rail services in South East Queensland. The 32 year multi-billion dollar contract will deliver 75 new six car sets. The project includes construction of a purpose built maintenance facility at Wulkuraka in Ipswich West. The contract will deliver new rolling stock over the next five years and maintenance for a 32 year operational period. Arrival and testing of the new trains will begin in late 2015.

\$374 million will be provided in 2014-15 for the \$988 million Moreton Bay Rail Link. The Moreton Bay Rail Link is a dual-track passenger rail line from Petrie Station to Kippa-Ring Station. The new line will include stations at Kallangur, Murrumba Downs, Mango Hill, Mango Hill East, Rothwell and Kippa-Ring. This is a large infrastructure project involving complex design solutions. The project is already forecasting substantial savings and the Department of Transport and Main Roads continues to look for opportunities to improve the project design and obtain better value for money as the project moves into the construction phase.

\$143.5 million in 2014-15 has been provided by the Australian Government as part of their \$929.6 million contribution, for the \$1.162 billion upgrade of the Gateway Motorway between Nudgee and Bracken Ridge (Gateway Upgrade North), which is due for completion in 2018-19.

\$130 million in 2014-15 towards the \$150 million capital recovery and restoration works program resulting from natural disaster events throughout the State in early 2014. The Queensland Government has committed \$37.5 million (25%), it is anticipated that the Australian Government will fund the balance under Natural Disaster Relief and Recovery Arrangements (NDRRA).

\$41.1 million will be provided towards the \$41.8 million, six-laning of a section of the Centenary Motorway, in conjunction with the Legacy Way tunnel project and the Moggill Road interchange upgrade. Increasing the capacity of the Centenary Motorway means less congestion for motorists. The project will be completed in time for the Legacy Way tunnel opening next year. This is another example of the Government's commitment to achieving economies of scale by undertaking complementary projects at the one time.

2014-15 sees the commencement of a new National Partnership Agreement with the Australian Government for infrastructure investment in Queensland. \$8.0 billion of Australian Government funding (excluding payments direct to local governments) is committed for the next five-year programme from 2014-15 to 2018-19.

The Australian Government's Infrastructure Investment Programme will deliver significant safety and efficiency improvements to the National Land Transport Network (NLTN), supporting economic growth and productivity. Key programs and projects are outlined below.

- The lynchpin of the new agreement is the commitment of both the Australian and Queensland Governments to 'Fix the Bruce'. This includes an Australian Government commitment of \$6.7 billion over 10 years (2013-14 to 2022-23), towards a total program of \$8.5 billion. Key projects funded in 2014-15 include:
 - \$177.3 million for the \$590 million upgrade of the Cooroy to Curra section of the Bruce Highway between the Cooroy Southern Interchange and Sankeys Road (Section A), which is due for completion in 2016-17;
 - \$80.4 million for the \$200 million Townsville Ring Road Stage 4, which is due for completion in October 2016;
 - \$66 million for the \$137.5 million duplication of the Bruce Highway to provide four-lane capacity between Vantassel Street and Stuart Drive in Townsville, which is due for completion in May 2015;
 - \$47 million for the \$296 million elevated crossing of the Bruce Highway across the Yeppen Floodplain, which is due for completion in November 2016;
 - \$24.5 million to commence Stage 1 (\$341 million) of the \$1.134 billion Caloundra Road to Sunshine Motorway Bruce Highway upgrade;
 - \$14.5 million to progress the \$560 million Mackay Ring Road, Stage 1; and
 - \$8.5 million to progress the \$58 million six-laning extension between Robert Road and Foster Road (Cairns Southern Access Corridor Stage 2).
- The \$635 million program to upgrade the Warrego Highway between Toowoomba and Miles will contribute to the nation's productivity by increasing the efficiency, safety and reliability of the transport network essential to the Surat basin's economic growth and traditional agriculture and tourism industries and improve the highway to an acceptable standard as a key link in the National Road Network. The program of works will deliver safety, capacity and infrastructure regeneration and renewal upgrades at various locations of the highway. The first section of the Warrego Highway to be duplicated under this program is from Nugents Pinch Road to west of Charlton (Toowoomba to Dalby). This \$110 million project has \$18.6 million allocated in 2014-15.
- \$30.4 million will be provided in 2014-15 for the \$1.606 billion Toowoomba Second Range Crossing project, which is due for completion in 2017-18. The project will deliver a bypass route to the north of Toowoomba, approximately 41km in length, running from the Warrego Highway at Helidon to the Gore Highway at Athol via Charlton.

Capital budget statement

Department of Transport and Main Roads	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
Capital Purchases¹				
Total land, buildings and infrastructure		4,338,906	3,967,640	3,874,183
Total plant and equipment		18,180	25,965	27,439
Total other capital		11,621	11,402	11,402
Total Capital Purchases		4,368,707	4,005,007	3,913,024

Notes:

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

BUDGETED FINANCIAL STATEMENTS

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

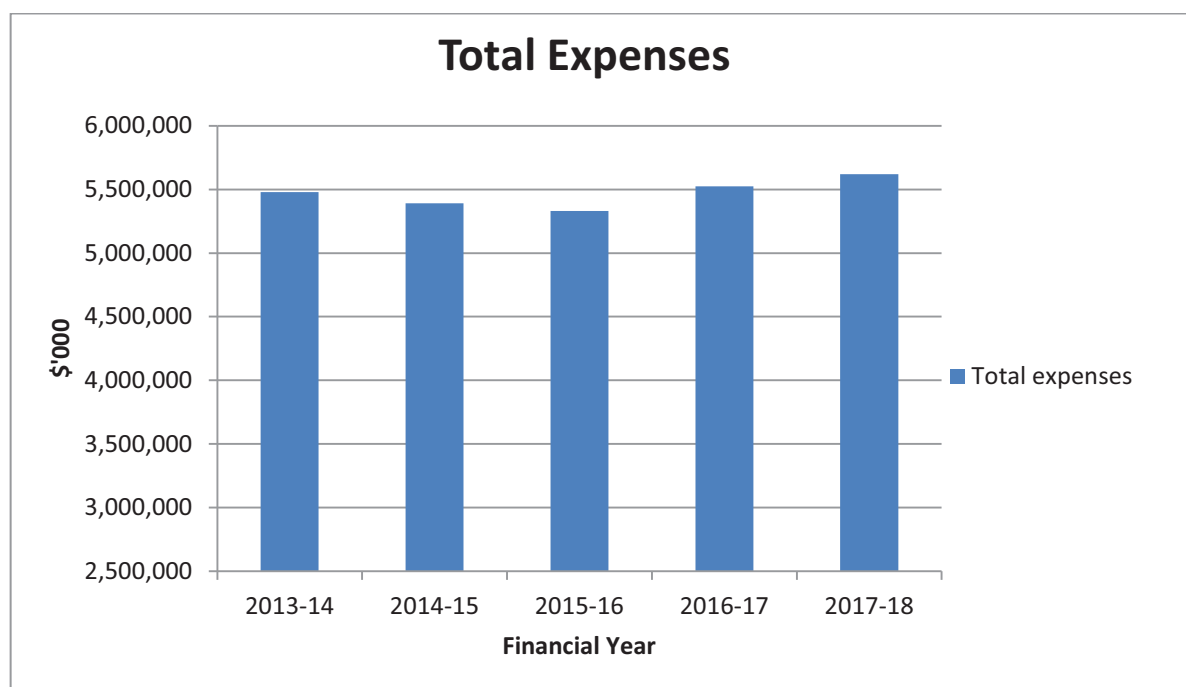
An analysis of the department's budgeted financial statements, as reflected in the department's financial statements, is provided below.

Departmental income statement

Total expenses are estimated to be \$5.390 billion in 2014-15, a decrease of \$87.5 million from the 2013-14 financial year. The decrease is mainly due to a lower volume of work to be undertaken on National Disaster Relief and Recovery (NDRRA) works and reduced Transport Service Contract payments offset by increased expenditure for road maintenance, grant payments under the Roads to Resources and "A Flying Start for Queensland Children" programs and payments for light rail services on the Gold Coast.

The chart below shows the total expenses for TMR over the forward estimates period.

Chart: Total departmental expenses across the Forward Estimates period



The variations in expenses over the forward estimates are the result of:

- in 2015-16, decrease is primarily due to the completion of the freight component of the Regional Freight and Livestock Transport Services Contract in 2014-15 with expenditure from 2015-16 dependent on negotiations for a new contract, a grant payment to Brisbane City Council in 2014-15 for the construction of a road over the rail crossing at Robinson Road, Geebung that will not recur in 2015-16, reduced grant payments under the Roads to Resources program offset by additional expenditure on maintenance activities and Transport Service Contract payments
- in 2016-17 and 2017-18, increase is primarily due to increased payments for Transport Service Contract for CityTrain, TravelTrain and Rail Infrastructure, forecast additional expenses for road maintenance, corridor and structures management and traffic operations funded from registration revenue and new generation rolling stock.

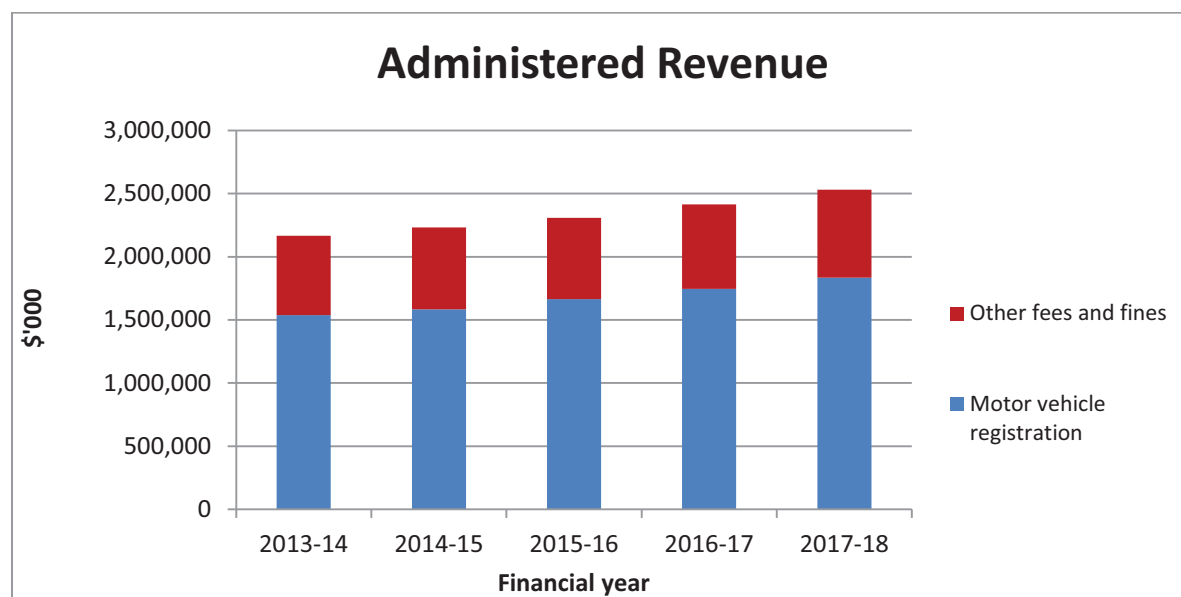
Administered income statement

The department collects significant amounts of revenue on behalf of the government.

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



Departmental balance sheet

The department's major assets are in infrastructure (includes roads, bridges and busways) (\$61.343 billion in 2014-15) and land (\$2.424 billion value in 2014-15) and are expected to increase by 9.1% and 10.6% respectively over the next three years.

The department's main liabilities relate to payables (\$1.371 billion) and debt (\$1.225 billion). Payables are expected to remain at about the same level over the next three years while debt is expected to reduce to \$953 million by 2017-18.

CONTROLLED INCOME STATEMENT

Department of Transport and Main Roads	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Income				
Appropriation revenue	1, 8, 16	4,546,457	4,526,228	4,619,043
Taxes		..	..	..
User charges and fees	2, 9	650,538	714,448	723,970
Royalties and land rents		..	..	..
Grants and other contributions	3, 10, 17	2,056,564	2,078,907	859,552
Interest		2,645	1,690	1,648
Other revenue	4, 18	111,628	125,878	112,399
Gains on sale/revaluation of assets	11, 19	1,492,500	1,492,500	2,500
Total income		8,860,332	8,939,651	6,319,112
Expenses				
Employee expenses	5, 12	449,442	433,654	438,960
Supplies and services:				
- Outsourced service delivery	6, 13, 20	..	2,669,441	2,716,229
- Other supplies and services	6, 13, 21	1,505,180	584,874	379,178
Grants and subsidies	7, 14, 22	2,075,411	389,506	430,049
Depreciation and amortisation		1,167,628	1,167,628	1,169,278
Finance/borrowing costs	15, 23	65,461	69,731	92,443
Other expenses		23,364	17,574	18,649
Losses on sale/revaluation assets		145,547	145,547	145,547
Total expenses		5,432,033	5,477,865	5,390,333
OPERATING SURPLUS/(DEFICIT)		3,428,299	3,461,786	928,779

CONTROLLED STATEMENT OF CHANGES IN EQUITY

Department of Transport and Main Roads	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		..	..	..
Surplus/(deficit) for the period	24, 26, 29	3,428,299	3,461,786	928,779
Total recognised income and expense for the period		3,428,299	3,461,786	928,779
Equity injection/(withdrawal)	25, 27, 30	1,129,348	895,398	1,679,022
Equity adjustments (inc. MoG transfers)	28, 31	..	2,180	(30,887)
Total movement in equity for period		4,557,647	4,359,364	2,576,914

CONTROLLED BALANCE SHEET

Department of Transport and Main Roads	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CURRENT ASSETS				
Cash assets	32, 42, 52	187,775	392,163	376,295
Receivables	33, 43	259,711	195,218	198,255
Other financial assets		..	..	..
Inventories		11,371	9,562	9,696
Other	34, 44	27,033	16,128	16,157
Non-financial assets held for sale	35, 45	..	10,114	10,114
Total current assets		485,890	623,185	610,517
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	601	601
Property, plant and equipment	36, 46, 53	58,384,098	62,206,978	64,733,961
Intangibles	54	103,793	109,877	94,440
Other		..	1,080	1,080
Total non-current assets		58,487,891	62,318,536	64,830,082
TOTAL ASSETS		58,973,781	62,941,721	65,440,599
CURRENT LIABILITIES				
Payables	37, 47	1,003,750	1,368,167	1,371,360
Accrued employee benefits		18,891	20,583	20,684
Interest-bearing liabilities and derivatives		77,940	76,947	82,379
Provisions		..	..	..
Other		50,410	49,785	51,989
Total current liabilities		1,150,991	1,515,482	1,526,412
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		6,132	5,931	5,931
Interest-bearing liabilities and derivatives	38, 48, 55	875,861	1,231,477	1,142,689
Provisions		..	..	..
Other		(1,424)	(178)	(356)
Total non-current liabilities		880,569	1,237,230	1,148,264
TOTAL LIABILITIES		2,031,560	2,752,712	2,674,676
NET ASSETS/(LIABILITIES)		56,942,221	60,189,009	62,765,923
EQUITY				
Capital/contributed equity	39, 49, 56	53,352,568	52,793,766	54,441,901
Accumulated surplus/(accumulated deficit)	40, 50, 57	3,589,653	5,168,790	6,097,569
Reserves:				
- Asset revaluation surplus	41, 51	..	2,226,453	2,226,453
- Other		..	..	..
TOTAL EQUITY		56,942,221	60,189,009	62,765,923

CONTROLLED CASH FLOW STATEMENT

Department of Transport and Main Roads	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows				
Appropriation receipts	58, 67, 78	4,546,457	4,988,083	4,619,043
User charges and fees	59, 68, 79	658,603	853,664	863,777
Royalties and land rent receipts		..	..	..
Grants and other contributions	69, 80	2,055,385	2,048,109	859,552
Interest received		2,645	1,690	1,648
Taxes		..	..	..
Other	59, 68, 81	449,132	621,452	608,198
Outflows				
Employee costs	60, 70, 82	(449,344)	(433,556)	(438,859)
Supplies and services	61, 71, 83	(1,853,370)	(3,745,350)	(3,586,423)
Grants and subsidies	62, 72, 84	(2,075,411)	(389,506)	(430,049)
Borrowing costs	73, 85	(65,582)	(69,852)	(92,564)
Other	63, 74	(24,685)	(159,830)	(160,924)
Net cash provided by/(used in) operating activities		3,243,830	3,714,904	2,243,399
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows				
Sales of non-financial assets	64, 75, 86	43,015	68,500	57,500
Investments redeemed		..	..	..
Loans and advances redeemed	65, 87	..	10,000	..
Outflows				
Payments for non-financial assets	66, 76, 88	(4,369,446)	(4,102,858)	(3,912,433)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(4,326,431)	(4,024,358)	(3,854,933)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows				
Borrowings		..	..	..
Equity injections	66, 77, 89	1,959,746	1,646,787	2,501,604
Outflows				
Borrowing redemptions		(68,836)	(70,300)	(74,422)
Finance lease payments		..	(158)	(8,934)
Equity withdrawals		(830,398)	(830,398)	(822,582)
Net cash provided by/(used in) financing activities		1,060,512	745,931	1,595,666
Net increase/(decrease) in cash held		(22,089)	436,477	(15,868)
Cash at the beginning of financial year		209,864	(44,314)	392,163
Cash transfers from restructure		..	..	..
Cash at the end of financial year		187,775	392,163	376,295

ADMINISTERED INCOME STATEMENT

Department of Transport and Main Roads	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Income				
Appropriation revenue		1,037	1,037	..
Taxes		..	..	..
User charges and fees	90, 92, 94	1,980,496	2,010,871	2,076,486
Royalties and land rents		..	..	..
Grants and other contributions		..	..	..
Interest		48	48	49
Other revenue	91, 93	140,995	153,764	156,082
Gains on sale/revaluation of assets		..	..	..
Total income		2,122,576	2,165,720	2,232,617
Expenses				
Employee expenses		..	..	..
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services		..	..	..
Grants and subsidies		1,037	1,037	..
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses		..	..	..
Losses on sale/revaluation assets		..	..	..
Transfers of Administered Revenue to Government		2,121,539	2,164,683	2,232,617
Total expenses		2,122,576	2,165,720	2,232,617
OPERATING SURPLUS/(DEFICIT)		..	..	..

ADMINISTERED BALANCE SHEET

Department of Transport and Main Roads	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CURRENT ASSETS				
Cash assets		67,206	61,097	61,188
Receivables		41,419	50,241	50,342
Other financial assets	
Inventories	
Other	
Non-financial assets held for sale	
Total current assets		108,625	111,338	111,530
NON-CURRENT ASSETS				
Receivables	
Other financial assets	
Property, plant and equipment		82,006	81,274	81,274
Intangibles	
Other	
Total non-current assets		82,006	81,274	81,274
TOTAL ASSETS		190,631	192,612	192,804
CURRENT LIABILITIES				
Payables		42,951	50,842	50,850
Transfers to Government Payable		60,121	54,890	55,010
Accrued employee benefits	
Interest-bearing liabilities and derivatives	
Provisions	
Other		5,319	5,372	5,436
Total current liabilities		108,391	111,104	111,296
NON-CURRENT LIABILITIES				
Payables	
Accrued employee benefits	
Interest-bearing liabilities and derivatives	
Provisions	
Other	
Total non-current liabilities	
TOTAL LIABILITIES		108,391	111,104	111,296
NET ASSETS/(LIABILITIES)		82,240	81,508	81,508
EQUITY				
Capital/contributed equity		38,691	38,691	38,691
Accumulated surplus/(accumulated deficit)	
Reserves:				
- Asset revaluation surplus		43,549	42,817	42,817
- Other	
TOTAL EQUITY		82,240	81,508	81,508

ADMINISTERED CASH FLOW STATEMENT

Department of Transport and Main Roads	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows				
Appropriation receipts		1,037	1,037	..
User charges and fees	95, 98, 101	1,982,959	2,013,334	2,078,949
Royalties and land rent receipts		..	..	..
Grants and other contributions		..	..	..
Interest received		48	48	49
Taxes		..	..	..
Other	96, 99	140,975	153,744	156,062
Outflows				
Employee costs		..	..	..
Supplies and services		20	20	20
Grants and subsidies		(1,037)	(1,037)	..
Borrowing costs		..	..	..
Other		(2,492)	(2,492)	(2,492)
Transfers to Government		(2,121,419)	(2,164,563)	(2,232,497)
Net cash provided by/(used in) operating activities		91	91	91
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows				
Payments for non-financial assets		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		..	..	..
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows				
Borrowings		..	..	..
Equity injections	97, 100	77,000	..	..
Outflows				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	97, 100	(77,000)	..	..
Net cash provided by/(used in) financing activities		..	..	..
Net increase/(decrease) in cash held		91	91	91
Cash at the beginning of financial year		67,115	61,006	61,097
Cash transfers from restructure		..	..	..
Cash at the end of financial year		67,206	61,097	61,188

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

From 1 July 2014 departments (excluding commercialised business units) will no longer be liable for payroll tax. To provide comparable cost forecasts across all periods, the 2013-14 Adjusted budget and the 2013-14 Estimated actual have been recast to reflect the removal of payroll tax from Employee expenses and an associated reduction has been made to Appropriation revenue. The 2013-14 Adjusted budget Appropriation revenue and Employee expenses have been reduced by \$25.533 million. The 2013-14 Estimated actual Appropriation revenue and Employee expenses have been reduced by \$26.043 million.

Income statement

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

1. The conditions outlined in the notes below have impacted on the amount of appropriation revenue received by the department.
2. Variance is mainly due to higher than anticipated recoveries revenue from RoadTek due to a higher volume of work undertaken and increased revenue from recoverable works.
3. Variance reflects increased funding from QRA for the natural disaster damage in April 2014.
4. Increase primarily reflects higher than anticipated revenue received from developers' contributions.
5. Decrease primarily reflects the transfer of pilotage services to Port Corporations from November 2013.
6. The reclassification of Supplies & Services to either "Outsourced Service Delivery" or "Other Supplies and Services" has been provided for greater transparency in the 2013-14 Estimated actual and 2014-15 Budget. The 2013-14 Adjusted budget has not been recast for this change.
7. The reclassification of expenditure is due to the introduction of the new Guideline "Distinction between Grants and Service Procurement Payments". Supplies and Services (including some items that were previously classified as Grants) have been reclassified as either "Outsourced Service Delivery" or "Other Supplies and Services". Outsourced Service Delivery includes contracts with external parties to the department to provide "front line" services to the community.

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

8. The conditions outlined in the notes below have impacted on the amount of appropriation revenue received by the department.
9. Variance is mainly due to an increase in public transport fare revenue including revenue from Gold Coast Light Rail which is to commence in mid-2014 and increased revenue from recoverable works.
10. Variance primarily relates to decreased funding from Queensland Reconstruction Authority (QRA) for expenditure on NDRRA works as a result of a lower volume of work to be undertaken in 2014-15.
11. Decrease reflects a revaluation decrement reversal in 2013-14 related to the completion of repairs to the road network from previous natural disasters which will not recur in 2014-15.
12. Decrease primarily relates to the transfer of pilotage services to Port Corporations partially offset by an enterprise bargaining increase.
13. The reclassification of Supplies & Services to either "Outsourced Service Delivery" or "Other Supplies and Services" has been provided for greater transparency in the 2013-14 Estimated actual and 2014-15 Budget. The 2013-14 Adjusted budget has not been recast for this change.
14. The reclassification of expenditure is due to the introduction of the new Guideline "Distinction between Grants and Service Procurement Payments". Supplies and Services (including some items that were previously classified as Grants) have been reclassified as either "Outsourced Service Delivery" or "Other Supplies and Services". Outsourced Service Delivery includes contracts with external parties to the department to provide "front line" services to the community.
15. Increase primarily relates to the finance lease interest cost for Gold Coast Rapid Transit in 2014-15.

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

16. The conditions outlined in the notes below have impacted on the amount of appropriation revenue received by the department.
17. Variance reflects decreased funding from QRA for expenditure on NDRRA works as a result of a lower volume of work to be undertaken in 2014-15 and reduced contributions from Gold Coast City Council for Gold Coast Rapid Transit which was completed in 2013-14.
18. Variance is mainly due to reduced RoadTek dividend in 2014-15 due to a lower volume of work undertaken.
19. Decrease reflects a revaluation decrement reversal in 2013-14 related to the completion of repairs to the road network from previous natural disasters which will not recur in 2014-15.

20. Variance is mainly due to increased expenditure for roads maintenance and service payments for Gold Coast Rapid Transit project offset by decreased expenditure under Transport Service Contracts with Queensland Rail in 2014-15.
21. Decrease primarily reflects reduced expenditure as a result of completion of repairs to the road network from natural disasters in previous years.
22. Variance is mainly due to deferral of funding for Roads to Resources program from 2013-14 to 2014-15 and additional funding for "A Flying Start for Queensland Children" program commencing in 2014-15.
23. Increase is mainly due to the full year impact of finance lease interest cost for the Gold Coast Rapid Transit project in 2014-15.

Statement of Changes in Equity

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

24. Increase is mainly due to deferred contribution from Gold Coast City Council for the Gold Coast Rapid Transit from 2012-13 to 2013-14.
25. Decrease is mainly due to deferral of funding from 2013-14 to 2014-15 partially offset by the refund of monies previously paid for land associated with Townsville Eastern Access Corridor and additional funding for New Generation Rolling Stock.

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

26. Variance primarily reflects a revaluation decrement reversal in 2013-14 which will not recur in 2014-15 and decreased funding from QRA for expenditure on NDRRA works as a result of completion of repairs to the road network from natural disasters in 2014-15.
27. Variance is mainly due to increased capital funding for investment in transport infrastructure partially offset by reduced expenditure for Gold Coast Rapid Transit which was completed in 2013-14.
28. Variance reflects an asset transfer for employee housing to the Department of Housing and Public Works as part of the GEH Centralisation project in 2014-15.

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

29. Variance primarily reflects a revaluation decrement reversal in 2013-14 which will not recur in 2014-15 and decreased funding from QRA for expenditure on NDRRA works as a result of completion of repairs to the road network from natural disasters.
30. Variance is mainly due to increased capital funding for investment in transport infrastructure partially offset by reduced expenditure for Gold Coast Rapid Transit which was completed in 2013-14.
31. Variance reflects an asset transfer for employee housing to the Department of Housing and Public Works as part of the GEH Centralisation project in 2014-15 offset by pilotage services transfers to Port Corporations.

Balance sheet

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

32. Movement is mainly due to payment yet to be made for an increased volume of infrastructure related works, NDRRA works and accrued community service obligation payments and higher than anticipated revenue received from developers' contributions.
33. Variance is mainly due to improved debt management.
34. Decrease is predominately due to a reduction in the prepaid insurance premium for NDRRA work.
35. Variance is primarily due to the recognition of multiple parcels of land that are surplus to requirements that are to be sold.
36. Movement is due to revaluation of infrastructure assets, the recognition of Gold Coast Rapid Transit lease assets and additional capital investment in transport infrastructure.
37. Increase is mainly due to an increased volume of infrastructure related works, NDRRA works and accrued community service obligation payments.
38. Variance is primarily due to the recognition of the Gold Coast Rapid Transit prepaid lease.
39. Decrease is mainly due to deferral of funding from 2013-14 to 2014-15 partially offset by the refund of monies previously paid for land associated with Townsville Eastern Access Corridor and additional funding for New Generation Rolling Stock.
40. Variance primarily reflects the reversal of an infrastructure revaluation decrement in 2012-13.
41. Increase reflects a revaluation of infrastructure in 2012-13.

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

42. Movement is mainly due to payment yet to be made for an increased volume of infrastructure related works, NDRRA works and accrued community service obligation payments.
43. Variance is mainly due to improved debt management.
44. Decrease is predominately due to a reduction in prepaid insurance premium for NDRRA work.
45. Variance is primarily due to the recognition of multiple parcels of land that are surplus to requirements that are to be sold.
46. Movement is due to revaluation of infrastructure assets, the recognition of Gold Coast Rapid Transit lease assets and additional capital investment in transport infrastructure.
47. Increase is mainly due to an increased volume of infrastructure related works, NDRRA works and accrued community service obligation payments.
48. Variance primarily reflects the recognition of the Gold Coast Rapid Transit prepaid lease.
49. Variance is mainly due to deferral of funding from 2013-14 and increased capital funding for investment in transport infrastructure partially offset by reduced expenditure for Gold Coast Rapid Transit which was completed in 2013-14 and an asset transfer for employee housing to the Department of Housing and Public Works as part of the GEH Centralisation project in 2014-15.
50. Variance primarily reflects the reversal of an infrastructure revaluation decrement in 2012-13 and additional QRA grant funding for capital expenditure associated with restoration of the road network.
51. Increase reflects a revaluation of infrastructure in 2012-13.

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

52. Decrease is mainly due to developers' contributions received in earlier years being spent in 2014-15.
53. Increase reflects the continued investment in transport infrastructure partially offset by reduced expenditure for Gold Coast Rapid Transit which was completed in 2013-14.
54. Decrease reflects the reduction in the value of intangibles through amortisation.
55. Decrease reflects the repayment of loans and reduction in the Gold Coast Rapid Transit prepaid lease.
56. Increase reflects deferral of funding from 2013-14 and increased investment in transport infrastructure partially offset by reduced expenditure for Gold Coast Rapid Transit which was completed in 2013-14 and an asset transfer for employee housing to the Department of Housing and Public Works as part of the GEH Centralisation project in 2014-15.
57. Variance primarily reflects QRA funding for capital expenditure associated with restoration of the road network from damage caused by natural disasters in prior years.

Cash flow statement

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

58. The conditions outlined in the notes below have impacted on the amount of appropriation received by the department.
59. Variance primarily reflects an adjustment to estimates to more closely reflect the anticipated gross GST inflows.
60. Movement primarily reflects the transfer of pilotage services to Port Corporations from November 2013.
61. The reclassification of Supplies & Services to either "Outsourced Service Delivery" or "Other Supplies and Services" has been provided for greater transparency in the 2013-14 Estimated actual and 2014-15 Budget. The 2013-14 Adjusted budget has not been recast for this change.
62. The reclassification of expenditure is due to the introduction of the new Guideline "Distinction between Grants and Service Procurement Payments". Supplies and Services (including some items that were previously classified as Grants) have been reclassified as either "Outsourced Service Delivery" or "Other Supplies and Services". Outsourced Service Delivery includes contracts with external parties to the Department to provide "front line" services to the community.
63. Variance reflects an adjustment to estimates to more closely reflect the anticipated gross GST outflows.
64. Variance is due to higher than anticipated revenue received from sales of surplus property and land.
65. Increase reflects the receipt of a loan repayment from RoadTek.
66. Decrease is mainly due to deferral of funding from 2013-14 to 2014-15 partially offset by the refund of monies previously paid for land associated with Townsville Eastern Access Corridor and additional funding for New Generation Rolling Stock.

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

67. The conditions outlined in the notes below have impacted on the amount of appropriation received by the department.
68. Variance primarily reflects an adjustment to estimates to more closely reflect the anticipated gross GST inflows.
69. Variance primarily reflects reduced funding from QRA for expenditure on NDRRA works as a result of a lower volume of work to be undertaken in 2014-15 as the program is completed.
70. Movement primarily relates to the transfer of pilotage services to Port Corporations partially offset by an enterprise bargaining increase.
71. The reclassification of Supplies & Services to either "Outsourced Service Delivery" or "Other Supplies and Services" has been provided for greater transparency in the 2013-14 Estimated actual and 2014-15 Budget. The 2013-14 Adjusted budget has not been recast for this change.
72. The reclassification of expenditure is due to the introduction of the new Guideline "Distinction between Grants and Service Procurement Payments". Supplies and Services (including some items that were previously classified as Grants) have been reclassified as either "Outsourced Service Delivery" or "Other Supplies and Services". Outsourced Service Delivery includes contracts with external parties to the department to provide "front line" services to the community.
73. Variance primarily relates to finance lease interest cost for Gold Coast Repaid Transit in 2014-15.
74. Variance primarily reflects an adjustment to estimates to more closely reflect the anticipated gross GST outflows.
75. Variance is due to higher than anticipated revenue received from sales of surplus property and land.
76. Movement primarily reflects reduced expenditure for Gold Coast Rapid Transit project and road restoration works following completion of repairs to the road network from previous natural disasters offset by deferral of funding from 2013-14.
77. Variance is mainly due to deferral of funding from 2013-14 and increased capital funding for investment in transport infrastructure partially offset by reduced expenditure for Gold Coast Rapid Transit which was completed in 2013-14.

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

78. The conditions outlined in the notes below have impacted on the amount of appropriation received by the department.
79. Variance is primarily due to an increase in public transport revenue including revenue from Gold Coast Light Rail which is to commence in mid-2014 partially offset by reduced revenue from recoverable works.
80. Variance reflects decreased funding from QRA for expenditure on NDRRA works as a result of the completion of repairs to the road network from previous natural disasters in 2014-15.
81. Variance is mainly due to reduced RoadTek dividend in 2014-15 due to a lower volume of work undertaken.
82. Decrease primarily relates to the full year impact of the transfer of the pilotage services to Port Corporations partially offset by an enterprise bargaining increase.
83. Decrease primarily reflects reduced expenditure as a result of completion of repairs to the road network from previous natural disasters and Transport Service Contracts with Queensland Rail partially offset by increased service payments for Gold Coast Rapid Transit in 2014-15.
84. Variance is mainly due to deferral of funding for Roads to Resources program from 2013-14 to 2014-15 and additional funding for "A Flying Start for Queensland Children" program commencing in 2014-15.
85. Variance is mainly due to the full year impact of the finance lease interest cost for Gold Coast Rapid Transit in 2014-15.
86. Variance is due to higher than anticipated sales of surplus property and land in 2013-14 which will not recur in 2014-15.
87. Movement reflects a receipt of loan repayment from RoadTek in 2013-14 which will not recur in 2014-15.
88. Movement primarily reflects reduced expenditure for Gold Coast Rapid Transit project and road restoration works following completion of repairs to the road network from previous natural disasters offset by deferral of funding from 2013-14.
89. Variance is mainly due to deferral of funding from 2013-14 and increased capital funding for investment in transport infrastructure partially offset by reduced expenditure for Gold Coast Rapid Transit which was completed in 2013-14.

Administered income statement

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

90. The increased revenue primarily reflects the effect of increases 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.
91. The increased revenue is mainly due to higher than anticipated volume of infringement notices being issued.

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

92. The increased revenue primarily reflects the effect of increases 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.
93. The increased revenue is mainly due to higher than anticipated volume of infringement notices being issued.

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

94. The increased revenue reflects the effect of increases 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.

Administered cash flow statement

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

95. The increased revenue primarily reflects the effect of increases 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.
96. The increased revenue is mainly due to higher than anticipated volume of infringement notices being issued.
97. Variance reflects the New Generation Rolling Stock project transferred to Transport and Main Roads from Queensland Rail.

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

98. The increased revenue primarily reflects the effect of increases 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.
99. The increased revenue is mainly due to higher than anticipated volume of infringement notices being issued.
100. Variance reflects the New Generation Rolling Stock project transferred to Transport and Main Roads from Queensland Rail.

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

101. The increased revenue reflects the effect of increases 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.

COMMERCIALISED BUSINESS UNIT

ROADTEK

OVERVIEW

Strategic direction

As a commercial business within the Department of Transport and Main Roads (TMR), RoadTek is instrumental in the delivery of numerous projects on the State's extensive road and bridge network. This includes emergency response and related activities as well as the delivery of projects that restore infrastructure and services after natural disasters.

RoadTek, together with local government and the private sector, delivers transport infrastructure contracts that comprise the TMR capital and maintenance programs. The Commission of Audit recommendations regarding RoadTek are being implemented by TMR. RoadTek have progressed action on optimising labour and plant utilisation in its delivery operations. TMR is developing a Strategic Infrastructure Procurement Program to detail the methodology for successful delivery of the Queensland Transport Infrastructure and Roads Investment Program (QTRIP). RoadTek has aligned its business direction to focus on delivering transport infrastructure projects for Queensland (contributing to the delivery of the QTRIP) and retaining a significant presence in regional and rural Queensland.

Following the release of the Road Asset Management Contract across South East Queensland (SEQ) in November 2013, RoadTek ceased routine road maintenance works on the State-controlled road network in SEQ.

RoadTek continues to specialise in delivering technically difficult and hard-to-scope projects for state and local governments in regional and remote areas. RoadTek's range of services includes civil, structures, electrical and line marking, supported by an in house construction fleet. In this context, RoadTek's business is about:

- providing transport infrastructure solutions
- providing specialist construction services across Queensland, particularly in regional and rural areas
- providing infrastructure services to support other state and local government agencies as required or requested
- providing on the ground support to regional and remote communities in times of need (for example, incident and emergency response)
- being positioned to mobilise immediately and respond to incidents, emergencies and natural disasters anywhere in the state
- developing specialist technical and construction skills
- providing a cost and performance benchmark for the department to compare best value with industry suppliers
- providing end-to-end management of transport solutions through a number of integrated business streams.

RESOURCES AND PERFORMANCE

RoadTek continues to perform strongly, delivering value to our customers and quality infrastructure solutions for the community. Over the last three years, RoadTek has:

- delivered programs of works for state and local governments as well as the private sector, returning a financial return/dividend to TMR of \$28.6 million in 2010-11, \$56.1 million in 2011-12, \$54.6 million in 2012-13, and forecasting \$32 million in 2013-14
- delivered \$314 million in 2010-11, \$374 million in 2011-12, \$393 million in 2012-13, and forecasting \$388 million in 2013-14 of the Transport Network Reconstruction Program for both state and local governments
- improved its safety performance and reduced the number of Lost Time Injuries from 41 in 2010-11, to forecasting 24 in 2013-14
- continued to maintain third party accreditations to national and international standards enabling national prequalification
- continued to respond to community and emergency disasters both natural and man-made in regional and remote areas.

RoadTek continues to deliver on a number of reform elements in line with the new TMR direction, including:

- completed a workforce reduction from 1,826 to 1,221 FTEs
- completed the transition of Pavements, Performance and Investigation operations unit to the Australian Road Research Board (ARRB)
- made significant progress in the Labour Efficiency and Optimisation Project and the Fleet Optimisation Project aligned to the Commission of Audit Recommendation number 33.

RoadTek's priorities for the 2014-15 year are:

- demonstrating value to our customers
- delivering quality projects and transport solutions
- continuing to embed the Zero Harm philosophy
- embedding consistent processes for sole offer engagements (including cost benchmarking).

STATEMENTS

Staffing¹

RoadTek	Notes	2013-14 Adjusted Budget	2013-14 Est. Actual	2014-15 Budget
		1,221	1,150	1,150

Notes:

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

Performance Statement

RoadTek	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
Service standards				
Long term debt / equity	1	15.4%	9.1%	10.1%
Long term debt / total assets	1	11.4%	6.6%	7.3%
Return on equity	2	12.9%	19.2%	6.6%
Return on revenue (after tax)	3	4.2%	5.2%	2.5%
Profit margin (earnings before income tax / user charges)	4	5.9%	7.4%	3.6%
Lost time injury frequency rate		<10	9	<10
Customers' and stakeholders' value of RoadTek (on a scale of 1 to 5)		>4	4.3	>4

Notes:

1. Reduction in target is due to \$10 million reduction in RoadTek debt.
2. Return on equity has increased substantially for 2013-14 due to a higher than expected amount of work being undertaken.
3. Return on revenue (after tax) for 2013-14 is higher than expected due to a higher than expected amount of work being undertaken.
4. Profit margin for 2013-14 is higher than expected due to a higher than expected amount of work being undertaken.

INCOME STATEMENT

RoadTek	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Income				
User charges and fees	1, 10, 18	579,605	766,833	495,685
Grants and other contributions		..	..	..
Interest	2, 11, 19	651	1,845	1,190
Other revenue		1,153	1,062	1,179
Gains on sale/revaluation of assets		1,332	1,357	1,312
Total income		582,741	771,097	499,366
Expenses				
Employee expenses	3, 12, 20	119,583	125,342	116,609
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services	4, 13, 21	396,585	559,848	341,075
Grants and subsidies		125	97	95
Depreciation and amortisation	5, 14, 22	22,552	20,309	16,629
Finance/borrowing costs	6, 15	2,645	1,690	1,648
Other expenses	7, 16	4,818	3,993	3,827
Losses on sale/revaluation of assets	8, 23	1,582	2,706	1,540
Total expenses		547,890	713,985	481,423
Surplus or deficit before related income tax		34,851	57,112	17,943
Income tax expense/revenue	9, 17, 24	10,455	17,133	5,382
OPERATING SURPLUS/(DEFICIT) after related income tax		24,396	39,979	12,561

STATEMENT OF CHANGES IN EQUITY

RoadTek	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve	
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity	
Surplus/(deficit) for the period		24,396	39,979	12,561
Total recognised income and expense for the period		24,396	39,979	12,561
Equity injection/(withdrawal)	
Equity adjustments (inc. MoG transfers)	
Dividends paid or provided		(37,360)	(54,633)	(31,983)
Total movement in equity for period		(12,964)	(14,654)	(19,422)

BALANCE SHEET

RoadTek	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CURRENT ASSETS				
Cash assets	25, 36, 44	20,572	53,384	40,175
Receivables	26, 45	81,236	107,595	101,353
Other financial assets		..	..	..
Inventories	27, 37	51,691	39,617	39,673
Other	28, 38	1,336	798	798
Non-financial assets held for sale		..	..	..
Total current assets		154,835	201,394	181,999
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	29, 39, 46	96,157	81,041	72,412
Deferred tax assets	30, 40	4,497	5,088	5,088
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		100,654	86,129	77,500
TOTAL ASSETS		255,489	287,523	259,499
CURRENT LIABILITIES				
Payables	31, 47	35,563	45,446	39,782
Current tax liabilities	32, 41, 48	117	9,807	6,869
Accrued employee benefits	33, 42	2,173	4,826	4,826
Interest-bearing liabilities and derivatives	34, 43	29,000	19,000	19,000
Provisions		..	..	..
Other		..	..	..
Total current liabilities		66,853	79,079	70,477
NON-CURRENT LIABILITIES				
Payables		..	..	..
Deferred tax liabilities		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		66,853	79,079	70,477
NET ASSETS/(LIABILITIES)		188,636	208,444	189,022
EQUITY				
Capital/contributed equity		113,214	113,214	113,214
Accumulated surplus/(accumulated deficit)	35, 49	75,422	95,230	75,808
Reserves:				
- Asset revaluation surplus		..	..	..
- Other		..	..	..
TOTAL EQUITY		188,636	208,444	189,022

CASH FLOW STATEMENT

RoadTek	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows				
User charges and fees	50, 60, 67	591,189	784,919	506,827
Grants and other contributions		..	..	..
Interest received		651	1,845	1,190
Other		31,153	31,062	31,179
Outflows	51, 61, 68			
Employee costs	52, 62, 69	(119,583)	(125,342)	(116,609)
Supplies and services		(436,562)	(599,825)	(381,795)
Grants and subsidies	53, 63	(125)	(97)	(95)
Borrowing costs	54, 64, 70	(2,645)	(1,690)	(1,648)
Taxation equivalents paid	55, 65	(12,844)	(20,189)	(8,320)
Other		(4,818)	(3,993)	(3,827)
Net cash provided by/(used in) operating activities		46,416	66,690	26,902
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows	56, 71			
Sales of non-financial assets		1,850	7,769	1,872
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows	57, 72			
Payments for non-financial assets		(10,000)	(5,000)	(10,000)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(8,150)	2,769	(8,128)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows	58, 73			
Borrowing redemptions		..	(10,000)	..
Finance lease payments		..	..	..
Equity withdrawals	59, 66, 74	..	..	..
Dividends paid	50, 60, 67	(37,360)	(54,633)	(31,983)
Net cash provided by/(used in) financing activities		(37,360)	(64,633)	(31,983)
Net increase/(decrease) in cash held		906	4,826	(13,209)
Cash at the beginning of financial year		19,666	48,558	53,384
Cash transfers from restructure		..	..	..
Cash at the end of financial year		20,572	53,384	40,175

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

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

1. The increase in user charges is due to extensive flood damage emergent and recovery work across Queensland from flood events that have occurred in 2011, 2012 and 2013.
2. The increase in interest is due to an improved balance in cash assets.
3. The increase in employee expenses is due to voluntary separation payments made which were not budgeted.
4. The increase in supplies and services – other supplies and services is due to the increased program of work.
5. The decrease in depreciation and amortisation costs is due to an increased focus on disposal of plant and equipment and major reduction in acquisition of new plant and equipment.
6. The decrease in finance/borrowing costs is due to \$10 million reduction in term loan.
7. The decrease in other expenses is due to reduced insurance costs.
8. The increase in losses on sale/revaluation of assets is due to disposal of an increased number of plant and equipment items with a resulting loss on sale against book value.
9. The increase in income tax expenses is due to an increased surplus from trading.

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

10. The decrease in user charges and fees is due to a reduced program of works and completion of flood damage projects.
11. The increase in interest is due an improved balance of cash assets.
12. The decrease in employee expenses is due to reduced staff numbers.
13. The decrease in supplies and services – other supplies and services is due to a reduced program of works and completion of flood damage projects.
14. The decrease in depreciation and amortisation is due to an increased focus on disposal of plant and equipment and major reduction in acquisition of new plant and equipment.
15. The decrease in finance/borrowing costs is due to \$10 million reduction in term loan.
16. The decrease in other expenses is due to reduced insurance costs.
17. The decrease in income tax expense is due to an expected reduced surplus.

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

18. The decrease in user charges and fees is due to a reduced program of works and completion of flood damage projects.
19. The decrease in interest is an expected reduction in the cash asset as the program of work reduces.
20. The decrease in employee expenses is due to reduced staff numbers.
21. The decrease in supplies and services – other supplies and services is due to the reduced program of work.
22. The decrease in depreciation and amortisation costs is due to an increased focus on disposal of plant and equipment and major reduction in acquisition of new plant and equipment.
23. The decrease in losses on sale/revaluation of assets is due to a reduced number of plant and equipment items going to market.
24. The decrease in income tax expense is due to an expected reduction in surplus from trading.

Balance sheet

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

25. The increase in cash assets is due to profitable trading and solid program of work.
26. The increase in receivables is due to increased revenue as a result of a larger than expected program of works.
27. The decrease in inventories is due to strategy to reduce work in progress across RoadTek.
28. The decrease in other is due to a reduction in prepayments.
29. The decrease in property, plant and equipment is due to an increased disposal program and a reduced purchase replacement program.
30. The increase in deferred tax assets is due to an accelerated book depreciation rate.
31. The increase in payables is due to a higher program of works than expected.
32. The increase in current tax liabilities is due to increased surplus from trading and increased tax instalment rate.
33. The increase in accrued employee benefits is due to wage accrual timing difference.

34. The decrease in interest bearing liabilities and derivatives is due to a reduction in the term loan of \$10 million.
35. The increase in accumulated surplus is due to profitable trading for 2013-14.

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

36. The increase in cash assets is due to profitable trading and solid program of work.
37. The decrease in inventories is due to strategy to reduce inventory holdings across RoadTek.
38. The decrease in other is due to a reduction in prepayments.
39. The decrease in property, plant and equipment is due to an increased disposal program and a reduced purchase replacement program.
40. The increase in deferred tax assets is due to an accelerated book depreciation rate.
41. The increase in current tax liabilities is due to increased surplus from trading and increased tax instalment rate.
42. The increase in accrued employee benefits is due to wage accrual timing difference.
43. The decrease in interest bearing liabilities and derivatives is due to a reduction in the term loan of \$10 million.

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

44. The decrease in cash assets is due to a reduction in the program and tighter margins.
45. The decrease in receivables is due to a reduction in the works program.
46. The decrease in property, plant and equipment is due to a continuing disposal program and a reduced purchase replacement program.
47. The decrease in payables is due to a reduced works program.
48. The decrease in current tax liabilities is due to correction of tax instalment rate which has now been reduced.
49. The decrease in retained surplus is due to an expected reduction in workload and reduced margin.

Cash flow statement

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

50. The increase in user charges and fees is due to extensive flood damage emergent and recovery work across Queensland from flood events that have occurred in 2011, 2012 and 2013.
51. The increase in employee costs is due to voluntary separation payments made which were not budgeted.
52. The increase in supplies and services is due to increased workload as a result of flood damage works.
53. The decrease in borrowing costs is due to a reduction in the term loan debt of \$10 million.
54. The increase in taxation equivalents paid is due to better than budgeted trading surplus.
55. The decrease in other is due to reduced insurance costs.
56. The increase in sales of non-financial assets is due to the increased disposal of construction plant and equipment.
57. The decrease in payments for property plant and equipment is due to a planned reduction in purchase of construction plant and equipment.
58. The increase in borrowing redemptions is the reduction of a term loan debt.
59. The increase in dividends paid is due to profitable trading and an increased margin.

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

60. The decrease in user charges and fees is due to a reduction in the works program.
61. The decrease in employee costs is due to reduced staff numbers.
62. The decrease in supplies and services is due to a reduction in the works program.
63. The decrease in borrowing costs is due to a reduction in the term loan debt of \$10 million.
64. The decrease in taxation equivalents paid is due to a budgeted reduction in trading profit.
65. The decrease in other is due to reduced insurance costs.
66. The decrease in dividends paid is due to a budgeted reduction in trading profit.

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

67. The decrease in user charges is due to an expected reduced workload.
68. The decrease in employee costs is due to reduced staff numbers.
69. The decrease in supplies and services is due to a reduction in the works program.
70. The decrease in taxation equivalents paid is due to an expected reduction in profit as workload reduces.
71. The decrease in sales of non-financial assets is due to lesser items being put to market for disposal.

- 72. The increase in payments for non-financial assets is due to a strategy to replace some construction plant and equipment.
- 73. The decrease is due to no planned reduction in debt in 2014-15.
- 74. The decrease in dividends paid is due to an expected reduction in workload and reduced margin.

DEPARTMENT OF TRANSPORT AND MAIN ROADS REPORTING ENTITY FINANCIAL STATEMENTS

Reporting Entity comprises:

- Department of Transport and Main Roads (excluding administered); and
- RoadTek.

REPORTING ENTITY INCOME STATEMENT

Department of Transport and Main Roads	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Income				
Appropriation revenue	1, 7, 16	4,546,457	4,526,228	4,619,043
Taxes		..	..	..
User charges and fees	2, 8	687,874	740,786	741,085
Royalties and land rents		..	..	..
Grants and other contributions	3, 9, 17	2,056,564	2,078,907	859,552
Interest		..	..	..
Other revenue	10	62,312	70,732	79,919
Gains on sale/revaluation of assets	11, 18	1,493,832	1,493,857	3,812
Total income		8,847,039	8,910,510	6,303,441
Expenses				
Employee expenses	4, 12	569,025	558,996	555,569
Supplies and services:				
- Outsourced service delivery	5, 13, 19	..	2,669,441	2,716,229
- Other supplies and services	5, 13, 20	1,346,624	402,839	240,340
Grants and subsidies	6, 14, 21	2,075,536	389,603	430,144
Depreciation and amortisation		1,190,180	1,187,937	1,185,907
Finance/borrowing costs	15, 22	64,810	67,886	91,253
Other expenses		27,945	21,290	22,143
Losses on sale/revaluation of assets		147,129	148,253	147,087
Total expenses		5,421,249	5,446,265	5,388,672
Surplus or deficit before related income tax		3,425,790	3,464,265	914,739
Income tax expense/revenue	23	10,455	17,133	5,382
OPERATING SURPLUS/(DEFICIT)		3,415,335	3,447,132	909,357

REPORTING ENTITY STATEMENT OF CHANGES IN EQUITY

Department of Transport and Main Roads	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		..	..	..
Surplus/(deficit) for the period	24, 26, 29	3,415,335	3,447,132	909,357
Total recognised income and expense for the period		3,415,335	3,447,132	909,357
Equity injection/(withdrawal)	25, 27, 30	1,129,348	895,398	1,679,022
Equity adjustments (inc. MoG transfers)	28, 31	..	2,180	(30,887)
Dividends paid or provided		..	..	..
Total movement in equity for period		4,544,683	4,344,710	2,557,492

REPORTING ENTITY BALANCE SHEET

Department of Transport and Main Roads	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CURRENT ASSETS				
Cash assets	32, 43, 54	208,347	445,547	416,470
Receivables	33, 44	231,397	184,445	181,150
Other financial assets		..	..	..
Inventories	34, 45	63,062	17,684	17,874
Other	35, 46	28,369	16,926	16,955
Non-financial assets held for sale	36, 47	..	10,114	10,114
Total current assets		531,175	674,716	642,563
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	601	601
Property, plant and equipment	37, 48, 55	58,480,255	62,288,019	64,806,373
Deferred tax assets		4,497	5,088	5,088
Intangibles	56	103,793	109,877	94,440
Other		..	1,080	1,080
Total non-current assets		58,588,545	62,404,665	64,907,582
TOTAL ASSETS		59,119,720	63,079,381	65,550,145
CURRENT LIABILITIES				
Payables	38, 49	958,763	1,282,750	1,280,189
Current tax liabilities		117	9,807	6,869
Accrued employee benefits		21,064	25,409	25,510
Interest-bearing liabilities and derivatives		77,940	76,947	82,379
Provisions		..	..	..
Other		50,410	49,785	51,989
Total current liabilities		1,108,294	1,444,698	1,446,936
NON-CURRENT LIABILITIES				
Payables		..	..	..
Deferred tax liabilities		..	..	..
Accrued employee benefits		6,132	5,931	5,931
Interest-bearing liabilities and derivatives	39, 50, 57	875,861	1,231,477	1,142,689
Provisions		..	..	..
Other		(1,424)	(178)	(356)
Total non-current liabilities		880,569	1,237,230	1,148,264
TOTAL LIABILITIES		1,988,863	2,681,928	2,595,200
NET ASSETS/(LIABILITIES)		57,130,857	60,397,453	62,954,945
EQUITY				
Capital/contributed equity	40, 51, 58	53,465,782	52,906,980	54,555,115
Accumulated surplus/(accumulated deficit)	41, 52, 59	3,665,075	5,264,020	6,173,377
Reserves:				
- Asset revaluation surplus	42, 53	..	2,226,453	2,226,453
- Other		..	..	..
TOTAL EQUITY		57,130,857	60,397,453	62,954,945

REPORTING ENTITY CASH FLOW STATEMENT

Department of Transport and Main Roads	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows				
Appropriation receipts	60, 68, 79	4,546,457	4,988,083	4,619,043
User charges and fees	61, 69	707,613	898,178	892,124
Royalties and land rent receipts		..	..	..
Grants and other contributions	70, 80	2,055,385	2,048,109	859,552
Interest received		..	..	..
Taxes		..	..	..
Other	61, 69	429,816	596,306	605,718
Outflows				
Employee costs	62, 71	(568,927)	(558,898)	(555,468)
Supplies and services	63, 72, 81	(1,734,791)	(3,603,382)	(3,488,305)
Grants and subsidies	64, 73, 82	(2,075,536)	(389,603)	(430,144)
Borrowing costs	74, 83	(64,931)	(68,007)	(91,374)
Taxation equivalents paid	84	(12,844)	(20,189)	(8,320)
Other	65, 75	(29,266)	(163,546)	(164,418)
Net cash provided by/(used in) operating activities		3,252,976	3,727,051	2,238,408
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows				
Sales of non-financial assets	66, 76, 85	44,865	76,269	59,372
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows				
Payments for non-financial assets	67, 77, 86	(4,379,536)	(4,107,948)	(3,922,523)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(4,334,671)	(4,031,679)	(3,863,151)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows				
Borrowings		..	..	..
Equity injections	67, 78, 87	1,959,746	1,646,787	2,501,604
Outflows				
Borrowing redemptions		(68,836)	(70,300)	(74,422)
Finance lease payments		..	(158)	(8,934)
Equity withdrawals		(830,398)	(830,398)	(822,582)
Dividends paid		..	..	..
Net cash provided by/(used in) financing activities		1,060,512	745,931	1,595,666
Net increase/(decrease) in cash held		(21,183)	441,303	(29,077)
Cash at the beginning of financial year		229,530	4,244	445,547
Cash transfers from restructure		..	..	..
Cash at the end of financial year		208,347	445,547	416,470

EXPLANATION OF VARIANCES IN THE REPORTING ENTITY FINANCIAL STATEMENTS

From 1 July 2014 departments (excluding commercialised business units) will no longer be liable for payroll tax. To provide comparable cost forecasts across all periods, the 2013-14 Adjusted budget and the 2013-14 Estimated actual have been recast to reflect the removal of payroll tax from Employee expenses and an associated reduction has been made to Appropriation revenue. The 2013-14 Adjusted budget Appropriation revenue and Employee expenses have been reduced by \$25.533 million. The 2013-14 Estimated actual Appropriation revenue and Employee expenses have been reduced by \$26.043 million.

Income statement

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

1. The conditions outlined in the notes below have impacted on the amount of appropriation revenue received by the department.
2. Variance is mainly due to increased revenue from recoverable works and other fees and charges.
3. Variance reflects increased funding from QRA for the natural disaster damage in April 2014.
4. Decrease primarily reflects the transfer of pilotage services to Port Corporations from November 2013.
5. The reclassification of Supplies & Services to either "Outsourced Service Delivery" or "Other Supplies and Services" has been provided for greater transparency in the 2013-14 Estimated actual and 2014-15 Budget. The 2013-14 Adjusted budget has not been recast for this change.
6. The reclassification of expenditure is due to the introduction of the new Guideline "Distinction between Grants and Service Procurement Payments". Supplies and Services (including some items that were previously classified as Grants) have been reclassified as either "Outsourced Service Delivery" or "Other Supplies and Services". Outsourced Service Delivery includes contracts with external parties to the department to provide "front line" services to the community.

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

7. The conditions outlined in the notes below have impacted on the amount of appropriation revenue received by the department.
8. Variance is mainly due to an increase in public transport fare revenue including revenue from Gold Coast Light Rail which is to commence in mid-2014 and increased revenue from works performed for external parties.
9. Variance primarily relates to decreased funding from Queensland Reconstruction Authority (QRA) for expenditure on NDRRA works as a result of a lower volume of work to be undertaken in 2014-15.
10. Increase is mainly due to the planned increase in revenue from roadside advertising and developers' contributions in 2014-15.
11. Decrease reflects a revaluation decrement reversal in 2013-14 related to the completion of repairs to the road network from previous natural disasters which will not recur in 2014-15.
12. Decrease primarily relates to the transfer of pilotage services to Port Corporations partially offset by an enterprise bargaining increase.
13. The reclassification of Supplies & Services to either "Outsourced Service Delivery" or "Other Supplies and Services" has been provided for greater transparency in the 2013-14 Estimated actual and 2014-15 Budget. The 2013-14 Adjusted budget has not been recast for this change.
14. The reclassification of expenditure is due to the introduction of the new Guideline "Distinction between Grants and Service Procurement Payments". Supplies and Services (including some items that were previously classified as Grants) have been reclassified as either "Outsourced Service Delivery" or "Other Supplies and Services". Outsourced Service Delivery includes contracts with external parties to the department to provide "front line" services to the community.
15. Increase primarily relates to the finance lease interest cost for Gold Coast Rapid Transit in 2014-15.

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

16. The conditions outlined in the notes below have impacted on the amount of appropriation revenue received by the department.
17. Variance reflects decreased funding from QRA for expenditure on NDRRA works as a result of a lower volume of work to be undertaken in 2014-15 and reduced contributions from Gold Coast City Council for Gold Coast Rapid Transit which was completed in 2013-14.

18. Decrease reflects a revaluation decrement reversal in 2013-14 related to the completion of repairs to the road network from previous natural disasters which will not recur in 2014-15.
19. Variance is mainly due to increased expenditure for road maintenance and service payments for Gold Coast Rapid Transit project offset by decreased expenditure under Transport Service Contracts with Queensland Rail in 2014-15.
20. Decrease primarily reflects reduced expenditure as a result of completion of repairs to the road network from natural disasters in previous years.
21. Variance is mainly due to deferral of funding for Roads to Resources program from 2013-14 to 2014-15 and additional funding for "A Flying Start for Queensland Children" program commencing in 2014-15.
22. Increase is mainly due to the full year impact of finance lease interest cost for the Gold Coast Rapid Transit project in 2014-15.
23. The decrease in income tax expense is due to an expected reduction in surplus from trading.

Statement of Changes in Equity

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

24. Increase is mainly due to deferred contribution from Gold Coast City Council for the Gold Coast Rapid Transit from 2012-13 to 2013-14.
25. Decrease is mainly due to deferral of funding from 2013-14 to 2014-15 partially offset by the refund of monies previously paid for land associated with Townsville Eastern Access Corridor and additional funding for New Generation Rolling Stock.

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

26. Variance primarily reflects a revaluation decrement reversal in 2013-14 which will not recur in 2014-15 and decreased funding from QRA for expenditure on NDRRA works as a result of completion of repairs to the road network from natural disasters in 2014-15.
27. Variance is mainly due to increased capital funding for investment in transport infrastructure partially offset by reduced expenditure for Gold Coast Rapid Transit which was completed in 2013-14.
28. Variance reflects an asset transfer for employee housing to the Department of Housing and Public Works as part of the GEH Centralisation project in 2014-15.

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

29. Variance primarily reflects a revaluation decrement reversal in 2013-14 which will not recur in 2014-15 and decreased funding from QRA for expenditure on NDRRA works as a result of completion of repairs to the road network from natural disasters.
30. Variance is mainly due to increased capital funding for investment in transport infrastructure partially offset by reduced expenditure for Gold Coast Rapid Transit which was completed in 2013-14.
31. Variance reflects an asset transfer for employee housing to the Department of Housing and Public Works as part of the GEH Centralisation project in 2014-15 offset by pilotage services transfers to Port Corporations.

Balance sheet

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

32. Movement is mainly due to payment yet to be made for an increased volume of infrastructure related works, NDRRA works and accrued community service obligation payments and higher than anticipated revenue received from developers' contributions.
33. Decrease is mainly due to improved debt management offset by increased receivable due to a higher than anticipated amount of work performed for external parties.
34. Decrease is due to reduced inventory holdings as a result of a decreased works program.
35. Decrease is predominately due to a reduction in the prepaid insurance premium for NDRRA work.
36. Variance is primarily due to the recognition of multiple parcels of land that are surplus to requirements that are to be sold.
37. Movement is due to revaluation of infrastructure assets, the recognition of Gold Coast Rapid Transit lease assets and additional capital investment in transport infrastructure.
38. Increase is mainly due to an increased volume of infrastructure related works, NDRRA works and accrued community service obligation payments.
39. Variance is primarily due to the recognition of the Gold Coast Rapid Transit prepaid lease.

40. Decrease is mainly due to deferral of funding from 2013-14 to 2014-15 partially offset by the refund of monies previously paid for land associated with Townsville Eastern Access Corridor and additional funding for New Generation Rolling Stock.
41. Variance primarily reflects the reversal of an infrastructure revaluation decrement in 2012-13.
42. Increase reflects a revaluation of infrastructure in 2012-13.

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

43. Movement is mainly due to payment yet to be made for an increased volume of infrastructure related works, NDRRA works and accrued community service obligation payments.
44. Decrease is mainly due to improved debt management offset by increased receivable due to a higher than anticipated amount of work performed for external parties.
45. Decrease is due to reduced inventory holdings as a result of a decreased works program.
46. Decrease is predominately due to a reduction in prepaid insurance premium for NDRRA work.
47. Variance is primarily due to the recognition of multiple parcels of land that are surplus to requirements that are to be sold.
48. Movement is due to revaluation of infrastructure assets, the recognition of Gold Coast Rapid Transit lease assets and additional capital investment in transport infrastructure.
49. Increase is mainly due to an increased volume of infrastructure related works, NDRRA works and accrued community service obligation payments.
50. Variance primarily reflects the recognition of the Gold Coast Rapid Transit prepaid lease.
51. Variance is mainly due to deferral of funding from 2013-14 and increased capital funding for investment in transport infrastructure partially offset by reduced expenditure for Gold Coast Rapid Transit which was completed in 2013-14 and an asset transfer for employee housing to the Department of Housing and Public Works as part of the GEH Centralisation project in 2014-15.
52. Variance primarily reflects the reversal of an infrastructure revaluation decrement in 2012-13 and additional QRA grant funding for capital expenditure associated with restoration of the road network.
53. Increase reflects a revaluation of infrastructure in 2012-13.

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

54. Decrease is mainly due to developers' contributions received in earlier years being spent in 2014-15.
55. Increase reflects deferral of funding from 2013-14 and increased investment in transport infrastructure partially offset by reduced expenditure for Gold Coast Rapid Transit which was completed in 2013-14.
56. Decrease reflects the reduction in the value of intangibles through amortisation.
57. Decrease reflects the repayment of loans and reduction in the Gold Coast Rapid Transit prepaid lease.
58. Increase reflects the continued investment in transport infrastructure partially offset by reduced expenditure for Gold Coast Rapid Transit which was completed in 2013-14 and an asset transfer for employee housing to the Department of Housing and Public Works as part of the GEH Centralisation project in 2014-15.
59. Variance primarily reflects QRA funding for capital expenditure associated with restoration of the road network from damage caused by natural disasters in prior years.

Cash flow statement

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

60. The conditions outlined in the notes below have impacted on the amount of appropriation received by the department.
61. Variance primarily reflects an adjustment to estimates to more closely reflect the anticipated gross GST inflows.
62. Movement primarily reflects the transfer of pilotage services to Port Corporations from November 2013.
63. The reclassification of Supplies & Services to either "Outsourced Service Delivery" or "Other Supplies and Services" has been provided for greater transparency in the 2013-14 Estimated actual and 2014-15 Budget. The 2013-14 Adjusted budget has not been recast for this change.
64. The reclassification of expenditure is due to the introduction of the new Guideline "Distinction between Grants and Service Procurement Payments". Supplies and Services (including some items that were previously classified as Grants) have been reclassified as either "Outsourced Service Delivery" or "Other Supplies and Services". Outsourced Service Delivery includes contracts with external parties to the Department to provide "front line" services to the community.

65. Variance reflects an adjustment to estimates to more closely reflect the anticipated gross GST outflows.
66. Variance is due to higher than anticipated revenue received from sales of surplus property and land.
67. Decrease is mainly due to deferral of funding from 2013-14 to 2014-15 partially offset by the refund of monies previously paid for land associated with Townsville Eastern Access Corridor and additional funding for New Generation Rolling Stock.

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

68. The conditions outlined in the notes below have impacted on the amount of appropriation received by the department.
69. Variance primarily reflects an adjustment to estimates to more closely reflect the anticipated gross GST inflows.
70. Variance primarily reflects reduced funding from QRA for expenditure on NDRRA works as a result of a lower volume of work to be undertaken in 2014-15 as the program is completed.
71. Movement primarily relates to the transfer of pilotage services to Port Corporations partially offset by an enterprise bargaining increase.
72. The reclassification of Supplies & Services to either "Outsourced Service Delivery" or "Other Supplies and Services" has been provided for greater transparency in the 2013-14 Estimated actual and 2014-15 Budget. The 2013-14 Adjusted budget has not been recast for this change.
73. The reclassification of expenditure is due to the introduction of the new Guideline "Distinction between Grants and Service Procurement Payments". Supplies and Services (including some items that were previously classified as Grants) have been reclassified as either "Outsourced Service Delivery" or "Other Supplies and Services". Outsourced Service Delivery includes contracts with external parties to the department to provide "front line" services to the community.
74. Variance primarily relates to finance lease interest cost for Gold Coast Repaid Transit in 2014-15.
75. Variance reflects an adjustment to estimates to more closely reflect the anticipated gross GST outflows.
76. Variance is due to higher than anticipated revenue received from sales of surplus property and land.
77. Movement primarily reflects reduced expenditure for Gold Coast Rapid Transit project and road restoration works following completion of repairs to the road network from previous natural disasters offset by deferral of funding from 2013-14.
78. Variance is mainly due to deferral of funding from 2013-14 and increased capital funding for investment in transport infrastructure partially offset by reduced expenditure for Gold Coast Rapid Transit which was completed in 2013-14.

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

79. The conditions outlined in the notes below have impacted on the amount of appropriation received by the department.
80. Variance reflects decreased funding from QRA for expenditure on NDRRA works as a result of the completion of repairs to the road network from previous natural disasters in 2014-15.
81. Decrease primarily reflects reduced expenditure as a result of completion of repairs to the road network from previous natural disasters and Transport Service Contracts with Queensland Rail partially offset by increased service payments for Gold Coast Rapid Transit in 2014-15.
82. Variance is mainly due to deferral of funding for Roads to Resources program from 2013-14 to 2014-15 and additional funding for "A Flying Start for Queensland Children" program commencing in 2014-15.
83. Variance is mainly due to the full year impact of the finance lease interest cost for Gold Coast Rapid Transit in 2014-15.
84. Decrease is due to an expected reduction in profit as workload reduces.
85. Variance is due to higher than anticipated sales of surplus property and land in 2013-14 which will not recur in 2014-15.
86. Movement primarily reflects reduced expenditure for Gold Coast Rapid Transit project and road restoration works following completion of repairs to the road network from previous natural disasters offset by deferral of funding from 2013-14.
87. Variance is mainly due to deferral of funding from 2013-14 and increased capital funding for investment in transport infrastructure partially offset by reduced expenditure for Gold Coast Rapid Transit which was completed in 2013-14.

STATUTORY BODY

GOLD COAST WATERWAYS AUTHORITY

AGENCY OVERVIEW

The Gold Coast Waterways Authority (the Authority) was established on 1 December 2012 under the *Gold Coast Waterways Authority Act 2012*.

The Authority's function is to deliver the best possible management of, and access to, the Gold Coast waterways at reasonable cost to the community and Government, while minimising regulation.

Strategic direction

On 5 March 2014, the 10 year Gold Coast Waterways Management Strategy 2014 – 2023 was released. This strategy sets out a vision and objectives to sustain, enhance and promote the waterways.

Better waterways management is delivered with development and planning approvals, authorisation of events, management of speed and behaviour, research and promotion of the value of the waterways to Gold Coast residents, visitors and businesses.

Better access to the waterways is delivered with dredging of channels, maintenance and development of boating and navigational facilities and support for individuals and businesses using the waterways.

Waterways are at the heart of lifestyle on the Gold Coast and the Authority was created to manage the complex and contentious waterways issues in a way that ensures:

- decisions are driven by the needs of the Gold Coast
- a coordinated approach between departments and levels of government on waterways issues
- promotion of the Gold Coast waterways.

By delivering the outcomes of the Strategy, the Authority will contribute towards the Government's objectives for the community, with a key focus in the following areas:

- grow a four pillar economy based on tourism, agriculture, resources and construction
- deliver better infrastructure and better planning
- restore accountability in government.

RESOURCES AND PERFORMANCE

Following consultation with residents, visitors and businesses of the Gold Coast, the Authority has developed the Gold Coast Waterways Management Strategy, along with the supporting Waterways Management Program, which is a 1 + 3 year rolling investment plan. The objectives focus on:

Improved management of the waterways:

- coordination of waterways management addressing “hotspot” issues for speed and congestion
- review of policy and regulation of speed limits and buoy mooring arrangements in Gold Coast waterways
- augmentation of enforcement capability through trialling of on-water cameras
- streamlining the approval process for tidal works applications and aquatic events.

Providing better access to the waterways:

- improving navigational access by dredging channels, maintaining and improving navigational aids and providing public waterways access facilities, anchorages and destinations
- ensuring that navigational access is maintained at the entrance to the Gold Coast Seaway through the efficient operation of the Sand Bypass System.

In 2014-15, the Gold Coast Waterways Authority will continue to deliver the Waterways Management Strategy and Program objectives, including:

- dredging projects in the Labrador Channel, Tipplers Passage, Biggera Creek and the Main Channel South/Pimpama River Entrance
- maintaining and improving boating infrastructure including construction of boat ramps and pontoons at the Southport Broadwater Parklands, Tallebudgera Creek, Hollywell and the Surfers Paradise Riverfront
- development of a mapping and information management system to improve the approval process for tidal works applications
- implementing the outcomes of the speed limit and buoy mooring reviews.

Funding for the Authority has been confirmed until 2015-16 and for Department of Transport and Main Roads to seek ongoing funding for the Authority in the 2015-16 Budget cycle following completion of a review of the Authority’s performance and operations.

STATEMENTS

Staffing¹

Gold Coast Waterways Authority	Notes	2013-14 Adjusted Budget	2013-14 Est. Actual	2014-15 Budget
	2	18	22	23

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. On establishment, Gold Coast Waterways Authority was transferred 17 staff from the Department of Transport and Main Roads and a Chief Executive Officer was also recruited. The variance between the 2013-14 Est. Actual and the 2014-15 Budget is a result of increasing scope and quantity of work, primarily attributed to the delivery of the capital program.

Performance Statement

Gold Coast Waterways Authority (GCWA)	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
Service standards				
Percentage of GCWA Waterways Management Program commitments completed on time and on budget	1, 2	New Measure	New Measure	80%
Percentage of client enquiries actioned within service standards	1, 2	New Measure	New Measure	80%
Percentage of community satisfaction with GCWA's implementation of 10 year Waterways Management Strategy	1, 2	New Measure	New Measure	80%

Notes:

1. The 2014-15 service standards and associated Target/est. have been designed to improve performance reporting for the Gold Coast Waterways Authority, which was established in December 2012. As Gold Coast Waterways Authority continues to refine its services and operations, it is anticipated that further enhancements to performance reporting will be introduced.
2. Represents a new service standard for Gold Coast Waterways Authority in 2014-15.

INCOME STATEMENT

Gold Coast Waterways Authority	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Income				
User charges and fees	1, 6, 12	1,079	8,547	9,431
Grants and other contributions	2, 7	7,316	..	..
Interest	3, 8	..	151	150
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
Total income		8,395	8,698	9,581
Expenses				
Employee expenses	9, 13	1,794	1,794	1,848
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services	4, 14	3,881	3,251	3,896
Grants and subsidies		..	..	..
Depreciation and amortisation	10, 15	2,704	2,704	2,888
Finance/borrowing costs		..	..	..
Other expenses	5, 11	16	940	949
Losses on sale/revaluation of assets		..	9	..
Total expenses		8,395	8,698	9,581
OPERATING SURPLUS/(DEFICIT)		..	..	..

STATEMENT OF CHANGES IN EQUITY

Gold Coast Waterways Authority	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve	
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity	
Surplus/(deficit) for the period	
Total recognised income and expense for the period	
Equity injection/(withdrawal)		6,197	6,197	2,809
Equity adjustments (inc. MoG transfers)	
Total movement in equity for period		6,197	6,197	2,809

BALANCE SHEET

Gold Coast Waterways Authority	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CURRENT ASSETS				
Cash assets	16, 21, 25	133	4,175	2,175
Receivables	17, 22	..	376	376
Other financial assets		..	..	..
Inventories		126	130	130
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		259	4,681	2,681
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	18, 26	170,597	166,082	170,891
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		170,597	166,082	170,891
TOTAL ASSETS		170,856	170,763	173,572
CURRENT LIABILITIES				
Payables	19, 23	160	767	767
Accrued employee benefits		133	116	116
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	20	20
Total current liabilities		293	903	903
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	84	84
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	84	84
TOTAL LIABILITIES		293	987	987
NET ASSETS/(LIABILITIES)		170,563	169,776	172,585
EQUITY				
Capital/contributed equity		170,563	170,547	173,356
Accumulated surplus/(accumulated deficit)	20, 24	..	(771)	(771)
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		170,563	169,776	172,585

CASH FLOW STATEMENT

Gold Coast Waterways Authority	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows				
User charges and fees	27, 34, 42	1,079	9,292	9,431
Grants and other contributions	28, 35	7,316	..	..
Interest received	29, 36	..	151	150
Taxes		..	..	..
Other		..	..	..
Outflows				
Employee costs	37, 43	(1,794)	(1,794)	(1,848)
Supplies and services	30, 44	(3,881)	(3,251)	(3,896)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other	31, 38	(16)	(940)	(949)
Net cash provided by/(used in) operating activities		2,704	3,458	2,888
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows				
Sales of non-financial assets		..	(9)	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows				
Payments for non-financial assets	39, 45	(8,901)	(8,901)	(7,697)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(8,901)	(8,910)	(7,697)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows				
Borrowings		..	..	..
Equity injections	32, 40, 46	6,197	8,901	5,697
Outflows				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	32, 40, 46	..	(2,704)	(2,888)
Net cash provided by/(used in) financing activities		6,197	6,197	2,809
Net increase/(decrease) in cash held		..	745	(2,000)
Cash at the beginning of financial year	33, 41, 47	133	3,430	4,175
Cash transfers from restructure		..	..	..
Cash at the end of financial year		133	4,175	2,175

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

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

1. Variance is due to the reclassification of funding received as "Grants and other contributions" to "User charges and fees".
2. Funding which was previously classified as "Grants and other contributions" has now been reclassified as "User charges and fees".
3. Reflects projected interest to be earned on bank account.
4. Decrease is to offset loss of revenue associated with a budgeted \$1 million contribution from the Gold Coast City Council which was not made.
5. Increase relates to transfer of administered revenue collected by Gold Coast Waterways Authority to Consolidated Fund.

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

6. Variance is due to the reclassification of funding received as "Grants and other contributions" to "User charges and fees".
7. Funding which was previously represented as "Grants and other contributions" has been reclassified as "User charges and fees".
8. Reflects projected interest to be earned on bank account.
9. Projected variance associated with increase in full time equivalents resulting from growth in scope and quantity of services/works to be performed by the Authority.
10. The increase in depreciation is based on adjustments made for prior years projected capital investments.
11. Increase relates to transfer of administered revenue collected by Gold Coast Waterways Authority to Consolidated Fund.

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

12. Variance is due to additional funding being provided to the Authority to meet operational requirements.
13. Projected variance associated with increase in FTE resulting from growth in scope and quantity of services/works.
14. The increase reflects increased growth in services.
15. The increase in depreciation is based on adjustments made for prior years projected capital investments.

Balance sheet

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

16. The increased bank balance is a result of 2012-13 capital program carryover funding.
17. The increase in receivables is aligned to timing of GST collections.
18. A decrease in property, plant and equipment is aligned to associated depreciation on capital program.
19. The increase is in relation to projected higher level of trade creditors and accrued expenses.
20. Represents accumulated deficit from 2012-13 financial year.

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

21. The increased bank balance is a result of capital program carryover funding.
22. The increase in receivables is aligned to timing of GST collections.
23. The increase is in relation to projected higher level of trade creditors and accrued expenses.
24. Represents accumulated deficit from 2012-13 financial year.

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

25. The decrease in cash is associated with planned capital program purchases.
26. The increase in property, plant and equipment is due to projected capital purchases in 2014-15 financial year less depreciation.

Cash flow statement

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

27. Variance is due to the reclassification of funding received as "Grants and other contributions" to "User charges and fees".
28. Funding which was previously classified as "Grants and other contributions" has now been reclassified as "User charges and fees".
29. Reflects projected interest to be earned on bank account.
30. The decrease in Supplies and Services is to offset loss of revenue associated with \$1 million contribution which is no longer available.
31. Increase relates to return of administered type revenue to Consolidated Fund until approved regulatory amendment change occurs which will allow the Authority to retain this revenue.
32. Equity injection amount shown in 2013-14 Adjusted budget is netted off amount whereas 2013-14 Estimated actual and 2014-15 Budget shows Equity Injection as full amount with Equity Withdrawals (depreciation value) shown separately.
33. Increased cash is a result of 2012-13 capital program carryover funding.

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

34. Variance is due to the reclassification of funding received as "Grants and other contributions" to "User charges and fees".
35. Funding which was previously classified as "Grants and other contributions" has been reclassified as "User charges and fees".
36. Reflects projected interest to be earned on bank account.
37. Projected variance associated with increase in FTE resulting from growth in scope and quantity of services/works to be performed by the Authority.
38. Increase relates to return of administered type revenue to Consolidated Fund until approved regulatory amendment change occurs which will allow the Authority to retain this revenue.
39. At time of the establishment of the Authority equity funding provided for 2013-14 was higher than that provided for the future years.
40. Equity injection amount shown in 2013-14 Adjusted budget is netted off amount whereas 2013-14 Estimated actual and 2014-15 Budget shows Equity Injection as full amount with Equity Withdrawals (depreciation value) shown separately.
41. Increased cash is a result of capital program carryover funding.

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

42. Variance is due to additional funding being provided to the Authority to meet operational requirements.
43. Projected variance associated with increase in FTE resulting from growth in scope and quantity of services/works to be performed by the Authority.
44. The increase is aligned to the approved additional funding associated with administered revenue collected by the Authority.
45. At time of establishment of the Authority equity funding provided for 2013-14 was higher than that provided for the future years.
46. Equity injection amount shown in 2013-14 Adjusted budget is netted off amount whereas 2013-14 Estimated actual and 2014-15 Budget shows Equity Injection as full amount with Equity Withdrawals (depreciation value) shown separately.
47. Increased cash is a result of capital program carryover funding.

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.
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Administered Items	— Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.
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Agency/Entity	— Used generically to refer to the various organisational units within Government that deliver services or otherwise service Government objectives. The term can include departments, commercialised business units, statutory bodies or other organisations established by Executive decision.
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Appropriation	— Funds issued by the Treasurer, under Parliamentary authority, to agencies during a financial year for: <ul style="list-style-type: none">– delivery of agreed services– administered items– adjustment of the Government's equity in agencies, including acquiring of capital.
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Balance Sheet	— A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.
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Capital	— A term used to refer to an entity's stock of assets and the capital grants it makes to other agencies. Assets include property, plant and equipment, intangible items and inventories that an entity owns/controls and uses in the delivery of services.
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Cash Flow Statement	— A financial statement reporting the cash inflows and outflows for an entity's operating, investing and financing activities in a particular period.
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Controlled Items	— Assets, liabilities, revenues and expenses that are controlled by departments. These relate directly to the departmental operational objectives and arise at the discretion and direction of that department.
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Depreciation	— The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.
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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.

