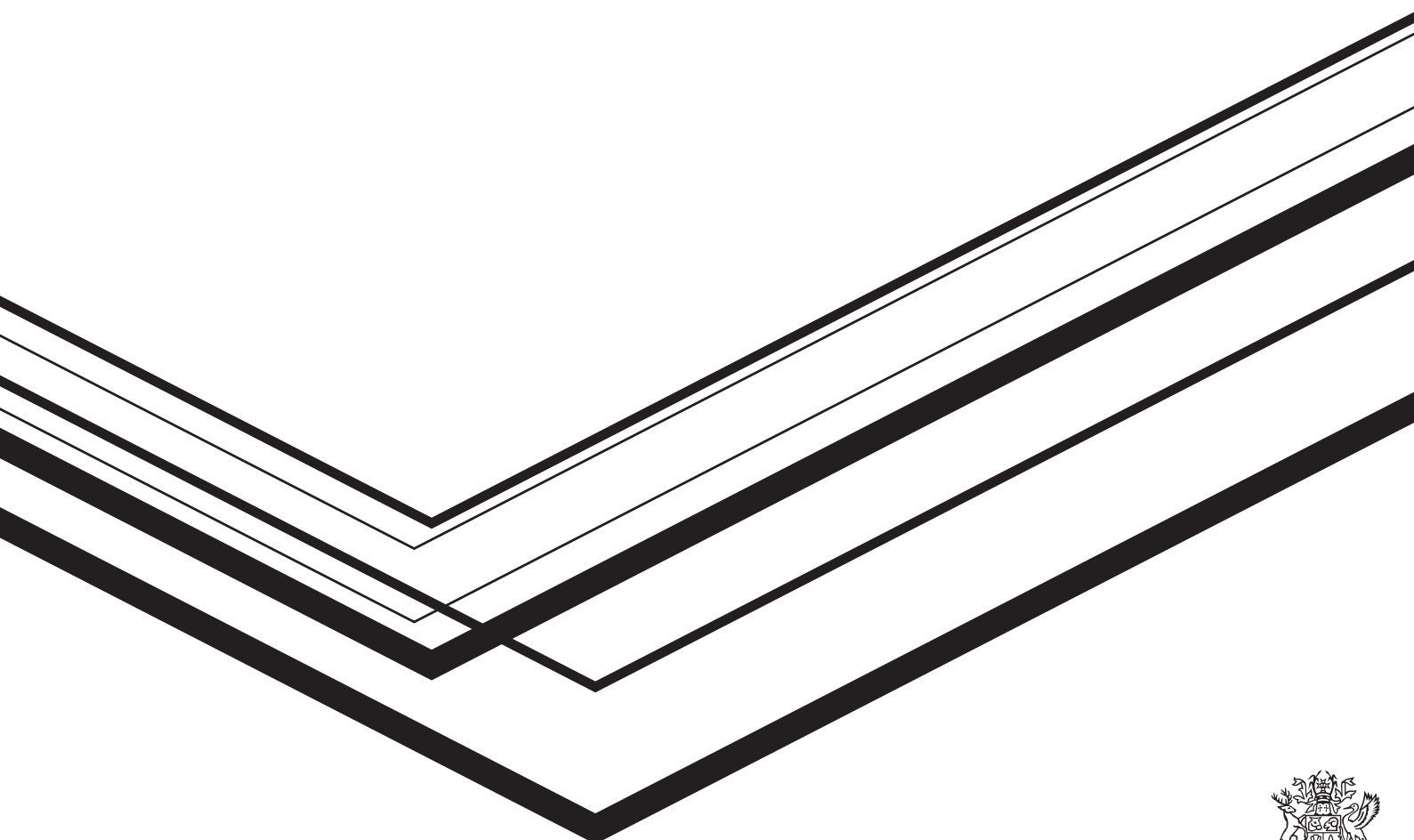


Service Delivery Statements

Department of Science, Information Technology and Innovation



2015-16 Queensland Budget Papers

- 1. Budget Speech**
- 2. Budget Strategy and Outlook**
- 3. Capital Statement**
- 4. Budget Measures**
- 5. Service Delivery Statements**

Appropriation Bills

Jobs Now, Jobs for the Future - Queensland Government employment plan

Budget Highlights

The suite of Budget Papers is similar to that published in 2014-15.

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

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Service Delivery Statements

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Department of Science, Information Technology and Innovation

Summary of portfolio

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55	Library Board of Queensland

Portfolio overview

Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Minister for Housing and Public Works and Minister for Science and Innovation:

Minister for Housing and Public Works and Minister for Science and Innovation

The Honourable Leeanne Enoch MP

Department of Science, Information Technology and Innovation

Director-General: Sue Rickerby

Service area 1: Science

Service area 2: Strategic ICT

Service area 3: Digital Productivity and Services

Service area 4: Strategic Policy and Innovation

Queensland Government Chief Information Office

Queensland Government Chief Information Officer: Andrew Mills

Objective: The Queensland Government Chief Information Office sets government's policy and frameworks for ICT governance and assurance. The office also provides governance and independent quality advice to government ministers, directors-general and agencies on ICT management and investment issues. For the purposes of this document, the financials and full time equivalents (FTEs) of this office are reported under Service area 2: Strategic ICT.

Office of the Queensland Chief Scientist

Chief Scientist: Dr Geoff Garrett AO

Objective: The Office of the Queensland Chief Scientist supports the Queensland Chief Scientist in leading the development of science and innovation policy across government and engaging with science and innovation stakeholders. The Chief Scientist provides high level strategic advice to the State Government on the role of science, research and innovation in achieving the government's priorities. For the purposes of this document, the financials and FTEs of this office are reported under Service area 1: Science.

CITEC

General Manager CITEC ICT: Peter Buchan

Executive Director CITEC Information Brokerage: Suzanne Stone

Objective: CITEC (including CITEC ICT and CITEC Information Brokerage) delivers consolidated data centre, network and infrastructure services, including solutions integration and aggregation services for the whole of Government, in addition to delivering information brokerage services.

Queensland Shared Services

Assistant Director-General Dianne Jeans

Objective: Shared Corporate Services, through Queensland Shared Services, delivers corporate services to a range of government agencies, allowing them to focus on their core service delivery roles, and providing economies of scale to government back office services.

Library Board of Queensland

State Librarian: Janette Wright

Objective: The State Library of Queensland (SLQ) provides free access to a wide range of print, digital and original resources, partners with local government to fund and support Queensland public libraries and Indigenous Knowledge Centres, offers public programs and exhibitions to schools, public libraries, museums and other community organisations and is committed to engaging new audiences through the development of partnerships and use of innovative technologies.

Additional information can be sourced from:

www.qld.gov.au/dsiti

www.chiefscientist.qld.gov.au

www.qgcio.qld.gov.au

www.slq.qld.gov.au.

Departmental overview

The Department of Science, Information Technology and Innovation (DSITI) brings together science, information technology and innovation into one portfolio to create the jobs of the future and to enable an innovative, clever and connected Queensland.

Our strategic objectives, as stated in DSITI's 2015-19 strategic plan, are:

- to lead science, ICT, innovation and digital and customer services policy
- to deliver excellent specialist and support services
- to be a high performing innovative, clever and connected organisation.

Our strategic objectives contribute to the Queensland Government's objectives for the community to create jobs and a diverse economy, deliver quality frontline services, protect the environment and build safe, caring and connected communities. We do this by providing better outcomes for Queenslanders through a variety of initiatives in science, innovation, information and communication technology and front-line service delivery.

It is important for Queensland to diversify its economy to reduce unemployment and to create new jobs – now and in the future. For Queensland's economy to diversify and grow, we need to create jobs in new and emerging industries; build the capacity and sustainability of Queensland businesses; and ensure our young people gain the skills and knowledge they need to succeed in a future job market. Enabling and providing the foundations for these are key areas of focus for DSITI. Through our policies and services, we help attract and retain the best and brightest minds to Queensland and build our reputation as a knowledge economy that supports and drives research and innovation.

The department is at a critical intersection in the knowledge economy between science, information technology and innovation, and will play a major role in encouraging economic growth through scientific research and development, digital services, information technology, startups support, commercialisation and innovation.

The Advance Queensland initiative has a number of programs which will be progressed by the department including establishing a high-level expert panel to provide advice and direction to the Advance Queensland initiative, a Knowledge Transfer Partnerships Program and a Women's Academic Fund.

The Queensland Government is committed to Open Data to create economic value for Queensland businesses and to ensure a transparent and accessible Government. DSITI will ensure Queensland Government information is publicly available through open data, providing Queenslanders with the opportunity to create apps, establish research programs, start new businesses and assist with improving government service delivery.

The department also has a continuing role to support ongoing efficient and effective service delivery for Queensland Government departments and employees through process and systems improvement and ICT modernisation.

The department delivers its policy initiatives and programs within a complex operating environment that is influenced by a range of factors including:

- creating the jobs of the future centred on knowledge intensive occupations and industries to contribute to the Government's Working Queensland reform agenda
- protecting Queensland's environment including the Great Barrier Reef
- the rapid pace of technological change, particularly the exponential growth of digital technologies and digitally driven services
- meeting citizen demand for access to digitally-driven, innovative government services
- addressing the digital divide – inconsistent ICT connectivity across Queensland's regions.

Service performance

Service approach

The service area structure presented reflects the machinery-of-government changes effective 1 March 2015, under which the department was renamed from the Department of Science, Information Technology, Innovation and the Arts to the Department of Science, Information Technology and Innovation (DSITI).

The structure of the department was altered to transfer Arts Queensland, Queensland Art Gallery, Queensland Museum, Queensland Performing Arts Trust and the Corporate Administration Agency to the Department of the Premier and Cabinet.

Our current service areas are:

- Science
- Strategic ICT
- Digital Productivity and Services
- Strategic Policy and Innovation.

Performance statement

Science

Service area objective

To provide support for science and research partnerships in Queensland and provide trusted scientific services to support the achievement of Queensland Government priorities including the delivery of the science research related programs of the Advance Queensland initiative and protection of the Great Barrier Reef.

Service area description

The Science service area works in partnership with government agencies, universities and other research groups, industry and natural resource management groups, to provide scientific services and science grants management services.

Services

- Scientific Services: provides trusted scientific services and technical advice to government agencies, industry and the community to underpin environmental and natural resource management, decision making and policy setting.
- Contract and Investment Management: co-invests, promotes and facilitates science and research partnerships through the contract management of the Queensland Government's science related grants programs.

2015-16 service area highlights

During 2015-16 Science will:

- coordinate the first round of funding under the Advance Queensland initiative to drive opportunities in science and innovation that will grow the Queensland economy and create jobs
- coordinate cross-agency reef science projects to inform land management practices and understand water quality impacts on the Great Barrier Reef. This includes projects as part of the Paddock to Reef Integrated Monitoring, Modelling and Reporting Program and the Department of Environment and Heritage Protection's Reef Water Quality Science Program
- continue to provide scientific and technical services, information and advice to support disaster response, management and recovery

- deliver the 2012-14 State-wide Land and Trees Study that will include Queensland land clearing rates to support natural resource management and property planning
- redesign the Long Paddock website to continue to provide the best climate advice tailored for Queensland to enable landholders, graziers and the general community to sustainably manage their stock, crops and pastures
- maintain the air quality monitoring network across locations in Queensland and continue to support environmental investigations
- complete Groundwater Dependent Ecosystem Mapping for forty per cent of Queensland to provide baseline information to inform planning and development decision making.

Department of Science, Information Technology and Innovation	Notes	2014-15 Target/Est.	2014-15 Est. Actual	2015-16 Target/Est.
Service area: Science				
Service: Scientific Services				
Service standards <i>Effectiveness measures</i> Percentage of customers from other government agencies satisfied with the natural resource and environmental science services and information provided (overall satisfaction)	1	85%	89%	85%
Percentage of laboratory tests completed and made available within agreed timeframes and quality specifications to support Reef Plan 2013-18 and the government's Agricultural Strategy	2	85%	92%	85%
<i>Efficiency measure</i> Co-investment as a percentage of the Scientific Services budget	3	New measure	New measure	25%
Service: Contract and Investment Management				
Service standards <i>Effectiveness measure</i> Percentage of science funding recipients satisfied with contract management services provided for science related grant programs (overall satisfaction)	1	85%	92%	85%
<i>Efficiency measures</i>	4			

Notes:

1. The survey has standard questions for overall satisfaction and the five key drivers of satisfaction (timeliness, ease of access, staff, quality, outcome/outputs). The method of calculating the results remains unchanged.
2. The timeframes involved are negotiated per sample submission and quality will be measured by maintenance of accreditation with the National Association Testing Authorities Australia and performance in national and international laboratory proficiency trials.
3. This is a new measure of proxy efficiency. Appropriated funding is leveraged by performing services for other State Government agencies and by partnering with external organisations.
4. An efficiency measure is being developed for this service and will be included in a future Service Delivery Statement.

Strategic ICT

Service area objective

To support Queensland Government service delivery by managing whole-of-government ICT initiatives, providing agencies with specialist ICT advice and procurement services and making it easier for the ICT industry, including small to medium enterprises, to engage with the Queensland Government.

Service area description

The Strategic ICT service area supports whole-of-government initiatives by providing strategic advice on ICT programs and projects. This is supported through ICT strategic sourcing and procurement arrangements, facilitation of engagement between the ICT industry and government, management of whole-of-government infrastructure and information brokerage. Activities conducted by Strategic ICT play an integral role in the transformation envisaged in the Queensland Government ICT strategy 2013-17 including whole-of-government initiatives such as the Small to Medium Enterprise (SME) policy.

2015-16 service area highlights

During 2015-16 Strategic ICT will:

- continue to lead and embed ICT category management across the Queensland Government to ensure whole-of-government needs are met
- implement the Government Wireless Network throughout South East Queensland to increase network capability, functionality and security for public safety and emergency service agencies
- refresh the ICT Services Panel to ensure the most current and innovative suppliers are available to the Queensland Government
- continue to actively engage with the ICT industry and support small to medium enterprises (SMEs) to work with the Queensland Government, including implementing a co-designed ICT Industry Engagement Action Plan
- continue to deliver the Queensland Government ICT modernisation agenda to support a connected, integrated government that uses modern, innovative and cost-effective ICT
- finalise the review of the Government Information Technology Contracting (GITC) Framework and implement accepted recommendations to simplify ICT procurement for government and industry
- advance information management capability and work practices to improve the way information is shared with customers and across government
- continue to develop the public sector ICT workforce to support a growing digital and knowledge economy.

Department of Science, Information Technology and Innovation	Notes	2014-15 Target/Est.	2014-15 Est. Actual	2015-16 Target/Est.
Service area: Strategic ICT				
Service standards				
<i>Effectiveness measure</i> Percentage of whole-of-government spend awarded to Small to Medium sized enterprises (transactions over \$10,000).	1	New measure	New measure	>11%
<i>Efficiency measures</i>	2			

Notes:

1. ICT strategic sourcing delivered the ICT SME participation scheme policy to ensure effective engagement with the ICT industry and specifically with SMEs by ensuring departments adopt a consistent procurement process. This service standard assesses the ongoing effectiveness of the ICT SME participation scheme policy by measuring the percentage of whole-of-government spend on transactions over \$10,000 awarded to SMEs for ICT products and services.
2. An efficiency measure is being developed for this service and will be included in a future Service Delivery Statement.

Digital Productivity and Services

Service area objective

To revitalise Queensland Government services, increase Queensland's digital capability, preserve Queensland public records and enhance the whole-of-government customer experience.

Service area description

Digital Productivity and Services comprises the Digital Economy and Productivity Office, Queensland State Archives, One-Stop Shop and Smart Service Queensland. Key services include: provision, expansion and improvement of customer access to a wide range of government information and services, collaborative projects and events to promote the adoption of digitally enabled technologies and services across Queensland, and management, preservation and facilitation of access to Queensland's permanent archival public records.

Services

- Government Recordkeeping and Archives: Lead Queensland public authorities in making, keeping, managing and preserving Queensland public records in a useable form for the benefit of present and future generations, and improve public access to the collection.
- Digital Capability and Digital Economy Development: Drive 'digital-first' delivery of government services and create conditions for community and business participation in the digital economy.
- Whole-of-government Customer Experience: Revitalise front-line services making government services and information simpler, clearer and faster for the community to access on-line or by phone and counter channels.

2015-16 service area highlights

During 2015-16 Digital Productivity and Services will:

- further progress a digital economy policy and service agenda that promotes the increased use of digital technologies, applications and open data
- continue to implement the One-Stop Shop program by expanding the single customer log-in, proof of ID and my account concept; continuing to optimise high volume online services and improve online customer experience; and evaluate the results of the local service outlet pilots
- lead the review of the *Public Records Act 2002*. Queensland State Archives (QSA) will also undertake a review of the strategic direction of QSA in the context of digital readiness, and will plan the design of a digital archives solution
- continue to provide service excellence to Queenslanders via phone 13QGOV and in person at Queensland Government Agent Program locations and Queensland Government Service Centres.

Department of Science, Information Technology and Innovation	Notes	2014-15 Target/Est.	2014-15 Est. Actual	2015-16 Target/Est.
Service area: Digital Productivity and Services				
Service: Government Recordkeeping and Archives				
Service standards				
<i>Effectiveness measure</i>				
Overall Customer Satisfaction with QSAs delivery of services to the public	1	≥93%	94%	...
<i>Efficiency measures</i>	2			
Service: Digital Capability and Economy Development				

Department of Science, Information Technology and Innovation	Notes	2014-15 Target/Est.	2014-15 Est. Actual	2015-16 Target/Est.
Service standards				
<i>Effectiveness measures</i>				
Percentage of initiatives in the digital economy strategy action plan completed on time and on budget	3	New measure	New measure	90%
Percentage of projects/initiatives involving partners in the digital economy strategy action plan completed on time and on budget.	4	New measure	New measure	90%
<i>Efficiency measures</i>	2			
Service: Whole-of-Government Customer Experience				
Service standards				
<i>Effectiveness measures</i>				
Percentage of One-Stop Shop projects being managed or delivered which meet committed timeframes and budget	5	New measure	New measure	90%
Percentage of clients satisfied with the One-Stop Shop Program	6	New measure	New measure	70%
Percentage of customers satisfied with the services provided by Smart Service Queensland on behalf of government agencies	6,7	≥85%	92%	≥85%
Percentage of clients satisfied with the services provided by Smart Service Queensland on their behalf	6,8	≥80%	77.8%	80%
<i>Efficiency measure</i>				
Cost per customer service interaction (all interaction)	6,9	New measure	New measure	\$3.24

Notes:

1. This is the result from the biennial customer satisfaction survey conducted for Queensland State Archives in March 2015. The next survey will be conducted in 2017.
2. An efficiency measure is being developed for this service and will be included in a future Service Delivery Statement.
3. This is a new measure of effectiveness that reflects the digital economy strategy action plan (a plan that supports Queensland's three year Digital Economy Strategy) approved projects that are completed on time and on budget.
4. This is a new measure of effectiveness that reflects the initiatives involving partners in the digital economy strategy action plan (a plan that supports Queensland's three year Digital Economy Strategy) completed on time and on budget.
5. This is a new measure of effectiveness that reflects the percentage of One-Stop Shop projects being delivered which meet the committed timeframes and budget.
6. The term 'client' is used to identify other government departments or agencies, whilst the term 'customer' identifies members of the public or community. It is a measure of overall satisfaction. The method of calculating the results remains unchanged.
7. The overall satisfaction score for Smart Service Queensland increased by 4 percentage points in 2014-15. The increase was predominantly due to an increase for the phone channel from 91% satisfaction in 2013-14 to 93% in 2014-15.
8. The client satisfaction rating increased from 76.9% in 2013-14. The results highlighted further opportunity to improve communication with client agencies.
9. Customer service interactions are measured across all channels including: 13QGOV, www.qld.gov.au and the Queensland Government Agent Program and Queensland Government Service Centres. The cost is calculated based on the total operating cost of Smart Service Queensland across all channels.

Strategic Policy and Innovation

Service area objective

Strategic Policy and Innovation (SPI) aims to drive Queensland's productivity and build a more resilient and diversified economy by fostering an innovative private and public sector, and boosting commercialisation outcomes and entrepreneurial success.

Service area description

SPI leads the innovation and entrepreneurship agenda, with a primary focus on increasing levels of innovation in business, and supporting the commercialisation of ideas in research organisations, startups and SMEs. SPI also supports innovation across government to facilitate innovative thinking for government services and challenges.

The division coordinates the department's strategic policy and customer and market insights activity, to ensure departmental services and strategies align to customer needs and the Queensland Government priorities.

2015-16 service area highlights

During 2015-16 Strategic Policy and Innovation will:

- Startup Queensland Fund – the continuation of \$300,000 per annum in funding will assist in building capability within the Queensland startup community, including regional areas, by delivering practical information and advice; increased collaboration and networking opportunities, connectivity and transformational entrepreneurship
- launch and run the first round of the Knowledge Transfer Partnerships program utilising up to \$2 million in funding that is available for Queensland business in 2015-16 as part of the Advance Queensland initiative
- continue to support Queensland startups by providing early-stage, high-growth potential businesses with access to experienced entrepreneurs and incubator services, including an enhanced focus on delivering outreach programs to regional entrepreneurs
- recognise local 'grass roots' innovators and science champions across Queensland through the Science and Innovation Champions Program
- facilitate the placement of PhD students from participating Queensland universities in Queensland businesses through the PhD Employment Experience Program, to enable collaboration and knowledge sharing and deliver work ready PhD students to benefit Queensland business and industry.

Department of Science, Information Technology and Innovation	Notes	2014-15 Target/Est.	2014-15 Est. Actual	2015-16 Target/Est.
Service area: Strategic Policy and Innovation				
Service standards <i>Effectiveness measures</i> Proportion of stakeholders who are satisfied with innovation and commercialisation, consultative and engagement processes.	1	85%	87%	85%
Percentage of potential collaboration opportunities identified by participants of innovation and collaboration programs/events.	2	New measure	New measure	15%
<i>Efficiency measure</i> Ratio of investment leveraged as a result of Queensland Government funding invested.	3	New measure	New measure	2:1

Notes:

1. This effectiveness measure is based on customer satisfaction surveys and includes questions on timeliness, quality, access, staff and outcome. It is a measure of overall satisfaction. The method of calculating the results remains unchanged.
2. This is a new measure of effectiveness. It is a percentage that correlates the number of potential collaboration opportunities identified with the number of participant responses as a direct output from enabling/facilitating innovation and commercialisation programs. The data for this measure is obtained by surveying each customer after the event to identify if they are likely to form a new collaboration as a result of the event.
3. This is a new measure of efficiency. This is an indicator of the efficient use of Government funding to leverage private/commercial/philanthropic/Australian Government sector investments. The data is obtained from funding recipients as part of their reporting standards. Queensland Government (DSITI) data is as per divisional funds administered and obtained from the Grants Administration System.

Administered items

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

The Department of Science, Information Technology and Innovation administers funds on behalf of the State to CITEC, Queensland Shared Services and the Library Board of Queensland.

CITEC will receive \$2 million in 2015-16 budget to deliver GovNet services to the rest of the Queensland Government.

Queensland Shared Services will receive \$16.4 million in 2015-16 budget mainly in relation to system and process improvement activity.

The Library Board of Queensland will receive \$61.8 million in 2015-16 budget for its objectives to improve access to library services, co-create Queensland's memory and extend the reach of learning and creative programs.

Administered assets, liabilities, revenues and expenses, as well as variance explanations in relation to these administered items, appear in the department's financial statements.

Discontinued measures

Performance measures included in the 2014-15 Service Delivery Statements that have been discontinued or replaced are reported in the following table with estimated actual results. For those measures which are being discontinued from the Service Delivery Statement because they do not demonstrate the effectiveness or efficiency of services, please refer to the Notes below for further information about where these measures will continue to be reported.

Department of Science, Information Technology and Innovation	Notes	2014-15 Target/Est.	2014-15 Est. Actual	2015-16 Target/Est.
Service area: Science				
Average time taken to upload quality checked air quality monitoring data to the Department of Environment and Heritage Protection website that shows the air quality conditions across the state.	1	60 mins	57 mins	Discontinued measure
Percentage of clients (both government and non-government) satisfied that the various science engagement strategies (conferences, workshops, international delegations, web presence and programs) improve the profile and understanding of Queensland science and increase the opportunities for engagement, collaboration and investment.	2	80%	80%	Discontinued measure
Service area: Strategic ICT				
Percentage of applications for valid GITC Head Agreements processed within five working days.	3	>80%	98.5%	Discontinued measure
Percentage of accountable action items from the Queensland Government ICT Strategy 2013-17 Action Plan completed on schedule.	4	90%	100%	Discontinued measure
Service area: Digital Production and Service				
Proportion of stakeholders who are satisfied with digital economy and productivity services, consultative and engagement processes.	5	85%	92%	Discontinued measure
Service area: Arts Queensland				
Level of client satisfaction with Arts Queensland's service delivery	6,7	87%	88%	Discontinued measure
Commercial revenue as a percentage of total revenue	6,8	13%	15%	Discontinued measure
Utilisation of state owned arts and cultural facilities	6,9	4,550,000 visitors	5,342,097 visitors	Discontinued measure

Notes:

1. This measure has been discontinued as it is not a true effectiveness measure. This measure does not incorporate measures such as accuracy, appropriateness, clarity of information, usefulness or relevance nor does it reflect the full range of outputs provided by scientific services. This activity represents two per cent of the Science division budget. This measure will be used in DSITI internal reporting.
2. This measure has been discontinued, as the review of the 'material services' for the division for 2015-16 highlighted that this represents only one per cent of the division's budget. In addition, QAO feedback indicated that this only represented a measure of quality as a proxy for effectiveness. This measure will be used in DSITI internal reporting.
3. This measure has been discontinued as the measure cannot be reported at a service level. GITC will be reviewed in 2015 and the measure is likely to become obsolete.
4. This measure has been discontinued as the action plan falls under ICT renewal, a temporary program only funded until June 2015.
5. This measure has been discontinued, as it does not meet the criteria to be considered a satisfaction measure because it does not include timelines, ease of access, staff, quality, outcome and overall service in the survey questions.
6. This service standard was transferred with the Arts function area to the Department of the Premier and Cabinet as part of the machinery-of-government changes.
7. This measure was amended in 2014-15 following a 2013 review of the Queensland Government service standards by the Queensland Audit Office. The method of calculating the result of the measure remains unchanged and complies with the Queensland Government's Performance Management Framework five-point survey guidelines, and it includes questions related to the following dimensions of performance: timeliness, quality, access, staff, outcome and overall satisfaction.
8. This service standard measures Arts Queensland's efficiency in maintaining and improving the state's premier cultural facilities through revenue generation that contributes to facilities management costs.
9. The estimated actual target is based on the total estimated attendance figures in 2014-15 of Queensland Performing Arts Centre, Queensland Art Gallery, Queensland Museum, State Library of Queensland and the Judith Wright Centre of Contemporary Arts.

Departmental budget summary

The table below shows the total resources available in 2015-16 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Department of Science, Information Technology and Innovation	2014-15 Adjusted Budget \$'000	2014-15 Est. Actual \$'000	2015-16 Budget \$'000
CONTROLLED			
Income			
Appropriation revenue ¹			
Deferred from previous year/s	44,935	41,276	37,971
Balance of service appropriation	281,065	279,585	284,525
Other revenue	84,286	87,925	65,304
Total income	410,286	408,786	387,800
Expenses			
Science	97,837	92,063	136,387
Strategic ICT	99,030	117,280	100,929
Digital Productivity and Services	95,890	91,696	99,277
Strategic Policy and Innovation	9,262	7,714	14,768
Corporate	33,205	36,525	38,939
Arts Queensland	73,131	76,547	..
Total expenses	408,355	421,825	390,300
Operating surplus/deficit	1,931	(13,039)	(2,500)
Net assets	104,543	54,511	44,322
ADMINISTERED			
Revenue			
Commonwealth revenue	..	..	..
Appropriation revenue	131,942	122,739	80,117
Other administered revenue	3,421	1,612	..
Total revenue	135,363	124,351	80,117
Expenses			
Transfers to government	..	..	..
Administered expenses	131,942	123,949	80,117
Total expenses	131,942	123,949	80,117
Net assets	68,466	8,545	7,308

Note:

1. Includes State and Commonwealth funding.

Service area sources of revenue

Sources of revenue 2015-16 Budget ¹					
Service area	Total cost \$'000	State contribution \$'000	User charges and fees \$'000	C'wealth revenue \$'000	Other revenue \$'000
Science	136,387	124,564	1,154	2,576	8,093
Strategic ICT	100,929	69,917	12	31,000	..
Digital Productivity and Services	99,277	70,705	26,072	..	..
Strategic Policy and Innovation	14,768	14,768	..	..	..
Corporate	38,939	11,542	8,496	..	18,901
Total²	390,300	291,496	35,734	33,576	26,994

Notes:

1. Explanations of variances are provided in the financial statements.
2. Total cost does not equate to total sources of revenue due to the budgeted operating deficit.

Budget measures summary

This table shows a summary of budget measures relating to the department since the 2014-15 State Budget. Further details are contained in Budget Paper 4.

Department of Science, Information Technology and Innovation	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Revenue measures					
Up to and including 2014-15 MYR					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
2015-16 Budget					
Administered	(1,210)	..	..	..	..
Departmental	(2,888)	..	..	..	..
Total revenue measures					
Administered	(1,210)	..	..	..	..
Departmental	(2,888)	..	..	..	..
Expense measures					
Up to and including 2014-15 MYR					
Administered	5,000	5,000	5,000	5,000	..
Departmental	11,703	7,600	..	..	..
2015-16 Budget					
Administered	..	(361)	(579)	(576)	(576)
Departmental	..	40,425	40,997	36,173	20,608
Total expense measures					
Administered	5,000	4,639	4,421	4,424	(576)
Departmental	11,703	48,025	40,997	36,173	20,608
Capital measures					
Up to and including 2014-15 MYR					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
2015-16 Budget					
Administered	..	..	..	..	..
Departmental	2,197	..	..	..	..
Total capital measures					
Administered	..	..	..	..	..
Departmental	2,197	..	..	..	..

Departmental capital program

The departmental capital program mainly relates to the ongoing asset replacement and capital outlays relating to the Government Wireless Network (GWN) and One-Stop Shop initiatives.

Capital expenditure of \$8.2 million planned for 2015-16 includes \$4.1 million for asset replacement, \$3 million relating to One-Stop Shop and \$1.1 million relating to the GWN project.

The department's ongoing asset replacement program of \$4.1 million includes both office and scientific related equipment essential to support service delivery across Government and to the community.

The One-Stop Shop initiative funding of \$3 million will be used for the procurement of Queensland Government Customer Identity Management and finalisation of Phase 2 deliverables.

In relation to the GWN project, \$1.1 million was deferred from 2014-15 for the purchase of software to support the integrated digital wireless network to improve communications, safety and security for Queensland's public safety agencies and workers.

Capital budget

Department of Science, Information Technology and Innovation	Notes	2014-15 Adjusted Budget \$'000	2014-15 Est. Actual \$'000	2015-16 Budget \$'000
Capital purchases	1			
Total land, buildings and infrastructure		..	..	..
Total plant and equipment	2	4,409	4,091	6,286
Total other capital	3	1,602	540	1,921
Total capital purchases		6,011	4,631	8,207

Notes:

1. For more detail on the agency's capital acquisitions please refer to Budget Paper 3.
2. Increase in 2015-16 Budget due to funding related to One-Stop Shop initiative.
3. Decrease in 2014-15 Est. Actual due to deferral of \$1.1M for GWN Project into 2015-16

Staffing¹

Service areas	Notes	2014-15 Adjusted Budget	2014-15 Est. Actual	2015-16 Budget
Science	2	407	380	384
Strategic ICT	3	103	123	131
Digital Productivity and Services	4	583	546	561
Strategic Policy and Innovation		43	43	42
Corporate	5,6	254	275	262
TOTAL		1,390	1,367	1,380

Notes:

1. FTEs as at 30 June.
2. Decrease in 2014-15 Est. Actuals is mainly due to a reduction in staff delivering externally funded projects.
3. Increase is due to ICT Modernisation project and transfer of resources from CITEC.
4. Decrease in 2014-15 Est. Actuals is due to reduction in user charge revenue for Smart Service Queensland. Increase in 2015-16 Budget is due to Whole of Government Digital Archiving Solution Project.
5. Corporate reflects the number of FTEs engaged in providing corporate services including finance, procurement, human resource management, information technology and communications to the department including CITEC and Queensland Shared Services.
6. Increase in 2014-15 Est. Actuals due to establishing change and portfolio management capabilities within the department. Decrease in 2015-16 Budget due to finalisation of Service Delivery Renewal project.

Budgeted financial statements

Analysis of budgeted financial statements

An analysis of the department's budgeted financial statements (excluding its statutory body, commercialised business unit and shared service provider) is provided below.

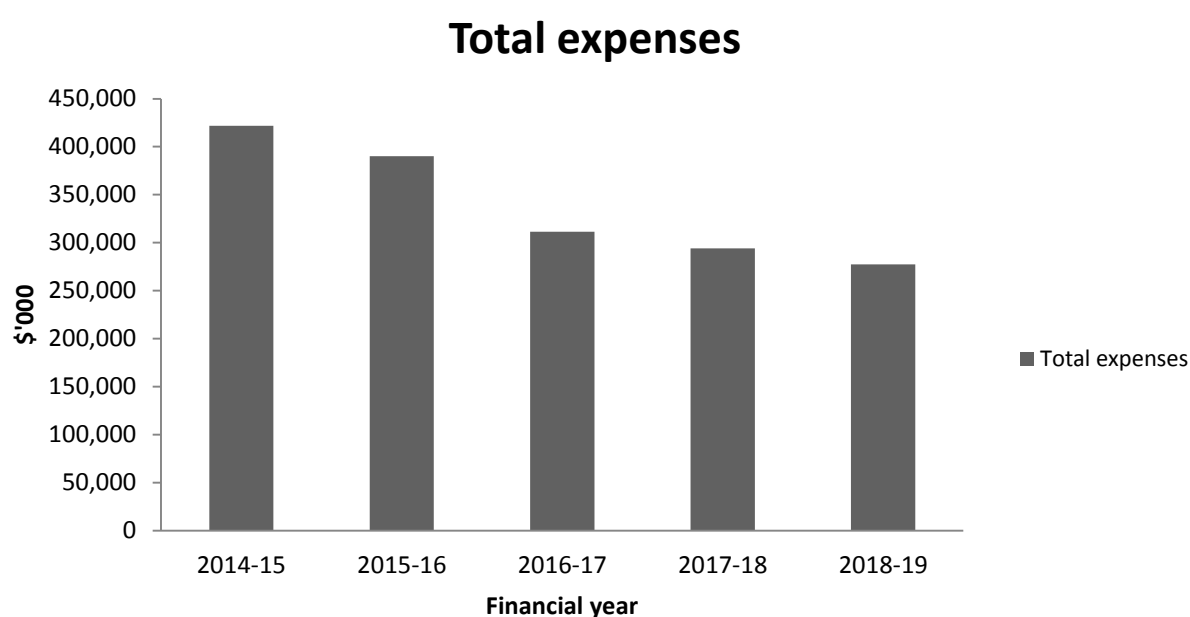
Departmental income statement

Total expenses are estimated to be \$390.3 million in 2015-16, a decrease of \$31.5 million from 2014-15. The decrease is mainly due to the impact of the machinery-of-Government transfer of Arts Queensland to the Department of the Premier and Cabinet in February 2015. The decrease is partially offset by funding for new initiatives of Advance Queensland and the Mobile Blackspot program.

The decrease in 2016-17 includes to the completion of Science initiatives including the Australian Institute of Tropical Health and Medicine, GWN implementation and One-Stop Shop Phase 2 initiative.

The decrease over the remaining outyears is commensurate with funding for budget measures provided to the department for initiatives such as the Advance Queensland and Mobile Blackspot program.

Chart: Total departmental expenses across the Forward Estimates period



Departmental balance sheet

The department's total controlled assets are expected to amount to \$136.9 million at the end of 2014-15 increasing to \$211.6 million by the end of 2015-16. The increase in assets is mainly due to the recognition of additional finance assets relating to the implementation of the Government Wireless Network.

The department's liabilities are estimated to be \$82.4 million at the end of 2014-15 increasing to \$167.3 million by the end of 2015-16. The increase in liabilities is mainly due to the recognition of additional finance leases relating to the implementation of the Government Wireless Network.

Controlled income statement

Department of Science, Information Technology and Innovation	Notes	2014-15 Adjusted Budget \$'000	2014-15 Est. Act. \$'000	2015-16 Budget \$'000
INCOME				
Appropriation revenue		326,000	320,861	322,496
Taxes		..	..	..
User charges and fees	8,15	53,256	52,417	35,734
Royalties and land rents		..	..	..
Grants and other contributions	1,16	10,636	13,118	10,649
Interest	2,9,17	1,931	914	..
Other revenue	3,18	18,463	21,476	18,921
Gains on sale/revaluation of assets		..	..	..
Total income		410,286	408,786	387,800
EXPENSES				
Employee expenses		128,764	135,067	130,992
Supplies and services	10,19	182,755	184,650	143,703
Grants and subsidies	4,11,20	62,772	55,886	86,385
Depreciation and amortisation	5,12,21	32,733	39,947	23,914
Finance/borrowing costs	6,13,22	52	1,623	4,479
Other expenses	14,23	1,279	1,236	827
Losses on sale/revaluation of assets	7,24	..	3,416	..
Total expenses		408,355	421,825	390,300
OPERATING SURPLUS/(DEFICIT)		1,931	(13,039)	(2,500)

Controlled balance sheet

Department of Science, Information Technology and Innovation	Notes	2014-15 Adjusted Budget \$'000	2014-15 Est. Act. \$'000	2015-16 Budget \$'000
CURRENT ASSETS				
Cash assets		2,960	2,842	2,857
Receivables	25,37	7,701	31,603	29,370
Other financial assets		..	..	..
Inventories		..	..	..
Other	26,38	6,968	9,022	9,022
Non financial assets held for sale		..	..	..
Total current assets		17,629	43,467	41,249
NON-CURRENT ASSETS				
Receivables	27,39	36,752	..	..
Other financial assets		..	..	..
Property, plant and equipment	28,40,49	62,090	82,809	158,513
Intangibles	29,41,50	12,425	9,768	10,973
Other	30,42	..	901	901
Total non-current assets		111,267	93,478	170,387
TOTAL ASSETS		128,896	136,945	211,636
CURRENT LIABILITIES				
Payables	31,43	21,320	38,936	38,936
Accrued employee benefits	32,44	2,740	3,714	3,714
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	33,45	293	803	803
Total current liabilities		24,353	43,453	43,453
NON-CURRENT LIABILITIES				
Payables	34,46	..	901	901
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives	35,47,51	..	38,080	122,960
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	38,981	123,861
TOTAL LIABILITIES		24,353	82,434	167,314
NET ASSETS/(LIABILITIES)		104,543	54,511	44,322
EQUITY				
TOTAL EQUITY	36,48,52	104,543	54,511	44,322

Controlled cash flow statement

Department of Science, Information Technology and Innovation	Notes	2014-15 Adjusted Budget \$'000	2014-15 Est. Act. \$'000	2015-16 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts		326,000	326,527	324,729
User charges and fees	62,76	54,578	53,739	35,734
Royalties and land rent receipts		..	..	..
Grants and other contributions	53,77	10,636	13,118	10,649
Interest received		..	..	..
Taxes		..	..	..
Other	54,63,78	21,823	24,836	18,921
Outflows:				
Employee costs		(128,682)	(134,985)	(130,992)
Supplies and services	64,79	(184,183)	(186,078)	(143,703)
Grants and subsidies	55,65,80	(62,935)	(53,161)	(86,385)
Borrowing costs	56,66,81	(2)	(1,573)	(4,479)
Other	67,82	(2,358)	(2,315)	(827)
Net cash provided by or used in operating activities		34,877	40,108	23,647
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non financial assets		17	17	16
Investments redeemed		..	..	..
Loans and advances redeemed	57,68,83	5,300	38,912	..
Outflows:				
Payments for non financial assets	58,69,84	(6,387)	(5,007)	(8,207)
Payments for investments		..	..	..
Loans and advances made	70,85	(1,068)	(1,068)	..
Net cash provided by or used in investing activities		(2,138)	32,854	(8,191)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	71,86	1,068	1,068	..
Equity injections	59,72,87	3,076	4,783	12,207
Outflows:				
Borrowing redemptions	73,88	(5,275)	(5,275)	..
Finance lease payments	60,74,89	..	(2,009)	(7,752)
Equity withdrawals	61,75,90	(24,824)	(67,222)	(19,896)
Net cash provided by or used in financing activities		(25,955)	(68,655)	(15,441)
Net increase/(decrease) in cash held		6,784	4,307	15
Cash at the beginning of financial year		5,659	7,053	2,842
Cash transfers from restructure		(9,483)	(8,518)	..
Cash at the end of financial year		2,960	2,842	2,857

Administered income statement

Department of Science, Information Technology and Innovation	Notes	2014-15 Adjusted Budget \$'000	2014-15 Est. Act. \$'000	2015-16 Budget \$'000
INCOME				
Appropriation revenue	91,95,99	131,942	122,739	80,117
Taxes		..	..	..
User charges and fees		..	..	..
Royalties and land rents		..	..	..
Grants and other contributions		..	..	..
Interest	92,96,100	3,421	1,612	..
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
Total income		135,363	124,351	80,117
EXPENSES				
Employee expenses		..	..	..
Supplies and services	93,97,101	5,631	2,815	2,080
Grants and subsidies	94,98,102	126,311	121,134	78,037
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses		..	..	..
Losses on sale/revaluation of assets		..	..	..
Transfers of Administered Revenue to Government		..	..	..
Total expenses		131,942	123,949	80,117
OPERATING SURPLUS/(DEFICIT)		3,421	402	..

Administered balance sheet

Department of Science, Information Technology and Innovation	Notes	2014-15 Adjusted Budget \$'000	2014-15 Est. Act. \$'000	2015-16 Budget \$'000
CURRENT ASSETS				
Cash assets	103,106,109	4,003	5,795	4,558
Receivables		..	..	..
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non financial assets held for sale		..	..	..
Total current assets		4,003	5,795	4,558
NON-CURRENT ASSETS				
Receivables	104,107	64,463	2,750	2,750
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		64,463	2,750	2,750
TOTAL ASSETS		68,466	8,545	7,308
CURRENT LIABILITIES				
Payables		..	..	..
Transfers to Government payable		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		..	..	..
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		..	..	..
NET ASSETS/(LIABILITIES)		68,466	8,545	7,308
EQUITY				
TOTAL EQUITY	105,108,110	68,466	8,545	7,308

Administered cash flow statement

Department of Science, Information Technology and Innovation	Notes	2014-15 Adjusted Budget \$'000	2014-15 Est. Act. \$'000	2015-16 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts	111,117,120	131,942	122,739	80,117
User charges and fees	112,121	..	4,200	..
Royalties and land rent receipts		..	..	..
Grants and other contributions		..	..	..
Interest received		..	..	..
Taxes		..	..	..
Other		..	..	..
Outflows:				
Employee costs		..	..	..
Supplies and services	113,118,122	(5,631)	(2,954)	(2,080)
Grants and subsidies	114,119,123	(126,311)	(119,924)	(78,037)
Borrowing costs		..	..	..
Other		..	..	..
Transfers to Government		..	..	..
Net cash provided by or used in operating activities		..	4,061	..
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed	115,124	150	56,577	..
Outflows:				
Payments for non financial assets		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		150	56,577	..
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	125	7,906	8,198	7,255
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	116,126	(8,056)	(64,775)	(8,492)
Net cash provided by or used in financing activities		(150)	(56,577)	(1,237)
Net increase/(decrease) in cash held		..	4,061	(1,237)
Cash at the beginning of financial year		4,003	1,734	5,795
Cash transfers from restructure		..	..	..
Cash at the end of financial year		4,003	5,795	4,558

Explanation of variances in the financial statements

Income statement

Major variations between 2014-15 Adjusted Budget and 2014-15 Estimated Actual include:

1. Increase mainly due to higher than expected grant funding received for science projects.
2. Decrease relates to early repayment of Innovation Building Fund loans in 2014-15.
3. Increase relates to contributions from Queensland Shared Services (QSS) and CITEC towards whole of department activities.
4. Decrease mainly due to deferral of science grants in line with contractual commitments.
5. Increase mainly due to higher than anticipated amortisation relating to the Government Wireless Network (GWN) finance asset.
6. Increase reflects GWN finance lease costs.
7. Increase due to write off of work in progress.

Major variations between 2014-15 Adjusted Budget and 2015-16 Budget include:

8. Decrease mainly due to machinery-of-Government transfer of Arts Queensland to Department of the Premier and Cabinet in February 2015.
9. Decrease relates to early repayment of Innovation Building Fund loans in 2014-15.
10. Decrease mainly due to machinery-of-Government transfer of Arts Queensland to Department of the Premier and Cabinet in February 2015 and lower managed service payments for the GWN.
11. Increase due to Advance Queensland funding partially offset by machinery-of-Government transfer of Arts Queensland to Department of the Premier and Cabinet in February 2015.
12. Decrease mainly due to machinery-of-Government transfer of Arts Queensland to Department of the Premier and Cabinet in February 2015 partially offset by higher than anticipated amortisation relating to the GWN finance asset.
13. Increase reflect full year cost of GWN finance lease.
14. Decrease mainly due to machinery-of-Government transfer of Arts Queensland to Department of the Premier and Cabinet in February 2015.

Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

15. Decrease mainly due to machinery-of-Government transfer of Arts Queensland to Department of the Premier and Cabinet in February 2015.
16. Decrease mainly due to a forecast reduction in grant funding received for science projects.
17. Decrease relates to early repayment of Innovation Building Fund loans in 2014-15.
18. Decrease due to reduction in contributions from QSS and CITEC towards whole of department activities.
19. Decrease mainly due to machinery-of-Government transfer of Arts Queensland to Department of the Premier and Cabinet in February 2015 and lower managed service payments for the GWN.
20. Increase due to Advance Queensland funding offset by machinery-of-Government transfer of Arts Queensland to Department of the Premier and Cabinet in February 2015.
21. Decrease mainly due to machinery-of-Government transfer of Arts Queensland to Department of the Premier and Cabinet in February 2015.
22. Increase reflects GWN finance lease costs.
23. Decrease mainly due to machinery-of-Government transfer of Arts Queensland to Department of the Premier and Cabinet in February 2015.
24. Decrease reflects write off of work in progress in 2014-15.

Balance sheet

Major variations between 2014-15 Adjusted Budget and 2014-15 Estimated Actual include:

25. Increase mainly relates to intra-departmental recoveries from QSS and CITEC and recoveries relating to the annual leave central scheme.
26. Increase due to the prepayment associated with whole of government ICT contracts.
27. Decrease relates to early repayment of Innovation Building Fund loans in 2014-15.
28. Increase mainly relates to the finance asset for the G20 component of the GWN.
29. Decrease relates to deferral of software purchase associated with GWN project to 2015-16 together with amortisation on internally generated systems within Smart Service Queensland.
30. Increase reflects recognition of lease incentives associated with Smart Service Queensland.
31. Increase mainly due to the accrual of managed service payments relating to the GWN.
32. Increase is due to the timing of salary and wages payments.
33. Increase is mainly due to unearned revenue for services yet to be delivered.
34. Increase due to lease incentive liability associated with Smart Service Queensland.
35. Increase mainly relates to the finance lease for the G20 component of the GWN.
36. Decrease mainly due to early repayment of Innovation Building Fund loans in 2014-15 and the 2014-15 operating deficit.

Major variations between 2014-15 Adjusted Budget and 2015-16 Budget include:

37. Increase mainly relates to intra-departmental recoveries from QSS and CITEC and recoveries relating to the annual leave central scheme.
38. Increase due to the prepayment associated with whole of government ICT contracts.
39. Decrease relates to early repayment of Innovation Building Fund loans in 2014-15.
40. Increase mainly relates to the finance asset for the G20 and SEQ component of the GWN.
41. Decrease relates to amortisation on internally generated systems within Smart Service Queensland partially offset by deferral of software purchases associated with GWN into 2015-16.
42. Increase reflects recognition of lease incentives associated with Smart Service Queensland.
43. Increase mainly due to the accrual of managed service payments relating to the GWN.
44. Increase is due to the timing of salary and wages payments.
45. Increase is mainly due to unearned revenue for services yet to be delivered.
46. Increase due to lease incentive liability associated with Smart Service Queensland.
47. Increase mainly relates to the finance lease for G20 and SEQ component of the GWN.
48. Decrease mainly due to early repayment of Innovation Building Fund loans in 2014-15 and the 2014-15 operating deficit.

Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

49. Increase mainly relates to the recognition of finance asset for SEQ component of the GWN.
50. Increase relates to software associated with GWN project.
51. Increase mainly relates to recognition of the finance lease for SEQ component of the GWN.
52. Decrease mainly due to return of depreciation funding to Consolidated Fund.

Cash flow statement

Major variations between 2014-15 Adjusted Budget and 2014-15 Estimated Actual include:

53. Increase mainly due to higher than expected grant funding received for science projects.
54. Increase due to contributions from QSS and CITEC towards whole of department activities.
55. Decrease mainly due to deferral of science grants in line with contractual commitments.

56. Increase reflects GWN finance lease costs for the G20 component.
57. Increase mainly due to early repayment of Innovation Building Fund loans in 2014-15.
58. Decrease relates to deferral of software purchase associated with GWN project into 2015-16 and amortisation on internally generated systems within Smart Service Queensland.
59. Increase mainly due to One-Stop Shop Service Outlets and GWN Managed Service Payment to reflect G20 finance lease.
60. Increase mainly relates to the finance asset for the G20 component of the GWN.
61. Increase relates to the early repayment of Innovation Building Fund loans in 2014-15 and adjustment to depreciation of finance asset for the G20 component of the GWN.

Major variations between 2014-15 Adjusted Budget and 2015-16 Budget include:

62. Decrease mainly due to machinery-of-Government transfer of Arts Queensland to Department of the Premier and Cabinet in February 2015.
63. Decrease due to reduction in contributions from QSS and CITEC towards whole of department activities.
64. Decrease mainly due to machinery-of-Government transfer of Arts Queensland to Department of the Premier and Cabinet in February 2015 and lower managed service payments for the GWN.
65. Increase due to Advance Queensland funding offset by machinery-of-Government transfer of Arts Queensland to Department of the Premier and Cabinet in February 2015.
66. Increase reflects GWN finance lease costs for the SEQ component.
67. Decrease mainly due to machinery-of-Government transfer of Arts Queensland to Department of the Premier and Cabinet in February 2015.
68. Decrease relates to early repayment of Innovation Building Fund loans in 2014-15.
69. Increase relates to deferral of software purchase associated with GWN project and asset purchases for One-Stop Shop into 2015-16.
70. Decrease due to machinery-of-Government transfer of Arts Queensland to Department of the Premier and Cabinet in February 2015.
71. Decrease due to machinery-of-Government transfer of Arts Queensland to Department of the Premier and Cabinet in February 2015.
72. Increase mainly due to change in the GWN Managed Service Payment to reflect the SEQ finance lease starting in 2015-16.
73. Decrease mainly due to no planned QTC borrowing in 2015-16.
74. Increase mainly relates to the finance asset for the G20 and SEQ components of the GWN.
75. Decrease relates to an adjustment to the finance asset for the G20 component of the GWN.

Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

76. Decrease mainly due to machinery-of-Government transfer of Arts Queensland to Department of the Premier and Cabinet in February 2015.
77. Decrease mainly due to a forecast reduction in grant funding received for science projects.
78. Decrease due to reduction in contributions from QSS and CITEC towards whole of department activities.
79. Decrease mainly due to machinery-of-Government transfer of Arts Queensland to Department of the Premier and Cabinet in February 2015 and lower managed service payments for the GWN.
80. Increase due to Advance Queensland funding offset by machinery-of-Government transfer of Arts Queensland to Department of the Premier and Cabinet in February 2015.
81. Increase reflects GWN finance lease costs for the G20 and SEQ components.
82. Decrease mainly due to machinery-of-Government transfer of Arts Queensland to Department of the Premier and Cabinet in February 2015.
83. Decrease relates to early repayment of Innovation Building Fund loans in 2014-15.
84. Increase relates to deferral of software purchase associated with GWN project into 2015-16.
85. Decrease due to machinery-of-Government transfer of Arts Queensland to Department of the Premier and Cabinet in February 2015.

- 86. Decrease due to machinery-of-Government transfer of Arts Queensland to Department of the Premier and Cabinet in February 2015.
- 87. Increase mainly due to change in the GWN Managed Service Payment to reflect the SEQ finance lease starting in 2015-16.
- 88. Decrease mainly due to no planned QTC borrowing in 2015-16.
- 89. Increase mainly relates to the finance asset for the SEQ component of the GWN.
- 90. Decrease relates to the early repayment of Innovation Building Fund loans in 2014-15, machinery-of-Government transfer of Arts Queensland to Department of the Premier and Cabinet in February 2015 and GWN SEQ leased asset adjustment.

Administered income statement

Major variations between 2014-15 Adjusted Budget and 2014-15 Estimated Actual include:

- 91. Decrease mainly due to QSS deferrals, a reduction in subsidy to account for payroll tax exemption for QSS and the transfer of Chief Technology Officer funding and functions to the Department from CITEC.
- 92. Decrease relates to early repayment of Smart State Research Fund loans in 2014-15.
- 93. Decrease mainly due to the transfer of Chief Technology Officer funding and functions to the Department from CITEC.
- 94. Decrease mainly due to QSS deferrals, a reduction in subsidy to account for payroll tax exemption for QSS and the transfer of Chief Technology Officer funding and functions to the Department from CITEC.

Major variations between 2014-15 Adjusted Budget and 2015-16 Budget include:

- 95. Decrease mainly due to machinery-of-Government transfer of Arts statutory bodies to Department of the Premier and Cabinet in February 2015.
- 96. Decrease relates to early repayment of Smart State Research Fund loans in 2014-15.
- 97. Decrease mainly due to the transfer of Chief Technology Officer funding and functions to the Department from CITEC and a reduction in subsidies to QSS.
- 98. Decrease mainly due to machinery-of-Government transfer of Arts statutory bodies to Department of the Premier and Cabinet in February 2015.

Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

- 99. Decrease mainly due to machinery-of-Government transfer of Arts statutory bodies to Department of the Premier and Cabinet in February 2015 offset by deferrals relating to QSS.
- 100. Decrease relates to early repayment of Smart State Research Fund loans in 2014-15.
- 101. Decrease mainly due to a reduction in subsidies to QSS.
- 102. Decrease mainly due to machinery-of-Government transfer of Arts statutory bodies to Department of the Premier and Cabinet in February 2015 offset by deferrals relating to QSS.

Administered balance sheet

Major variations between 2014-15 Adjusted Budget and 2014-15 Estimated Actual include:

- 103. Increase mainly due to repayment of Queensland Centre for Advanced Technology (QCAT) loans to be remitted to Consolidated Fund.
- 104. Decrease relates to early repayment of Smart State Research Fund loans in 2014-15.
- 105. Decrease mainly due to early repayment of Smart State Research Fund loans in 2014-15.

Major variations between 2014-15 Adjusted Budget and 2015-16 Budget include:

- 106. Increase mainly due to repayment of QCAT loans to be remitted to Consolidated Fund.
- 107. Decrease relates to early repayment of Smart State Research Fund loans in 2014-15.
- 108. Decrease mainly due to early repayment of Smart State Research Fund loans in 2014-15.

Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

- 109. Decrease mainly due to transfer of cash to Consolidated Fund.
- 110. Decrease mainly due to transfer of cash to Consolidated Fund.

Administered cash flow statement

Major variations between 2014-15 Adjusted Budget and 2014-15 Estimated Actual include:

- 111. Decrease mainly due to QSS deferrals, a reduction in subsidy to account for payroll tax exemption for QSS and the transfer of Chief Technology Officer funding and functions to the Department from CITEC.
- 112. Increase due to payment of receivable raised at the end of the prior financial year.
- 113. Decrease mainly due to the transfer of Chief Technology Officer funding and functions to the Department from CITEC.
- 114. Decrease mainly due to QSS deferrals, a reduction in subsidy to account for payroll tax exemption for QSS and the transfer of Chief Technology Officer funding and functions to the Department from CITEC.
- 115. Increase relates to early repayment of Smart State Research Fund loans in 2014-15.
- 116. Increase mainly due to early repayment of Smart State Research Fund loans.

Major variations between 2014-15 Adjusted Budget and 2015-16 Budget include:

- 117. Decrease mainly due to machinery-of-Government transfer of Arts statutory bodies to Department of the Premier and Cabinet in February 2015.
- 118. Decrease mainly due to the transfer of Chief Technology Officer funding and functions to the Department from CITEC and a reduction in subsidies to QSS.
- 119. Decrease mainly due to machinery-of-Government transfer of Arts statutory bodies to Department of the Premier and Cabinet in February 2015.

Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

- 120. Decrease mainly due to machinery-of-Government transfer of Arts statutory bodies to Department of the Premier and Cabinet in February 2015 offset by deferrals relating to QSS.
- 121. Decrease due to reduction in receivables.
- 122. Decrease mainly due to a reduction in subsidies to QSS.
- 123. Decrease mainly due to machinery-of-Government transfer of Arts statutory bodies to Department of the Premier and Cabinet in February 2015 offset by deferrals relating to QSS.
- 124. Decrease relates to early repayment of Smart State Research Fund loans in 2014-15.
- 125. Decrease is due CITEC's ICTC loan being fully repaid in 2014-15 offset by an increase in amortisation on QSS systems.
- 126. Decrease mainly due to early repayment of Smart State Research Fund loans in 2014-15.

Reporting Entity Financial Statements

Reporting Entity comprises:

- Department of Science, Information Technology and Innovation (excluding Administered);
- Corporate Administration Agency;
- CITEC;
- Queensland Shared Services.

Reporting entity income statement

Department of Science, Information Technology and Innovation	Notes	2014-15 Adjusted Budget \$'000	2014-15 Est. Act. \$'000	2015-16 Budget \$'000
INCOME				
Appropriation revenue		326,000	320,861	322,496
Taxes		..	..	..
User charges and fees		338,082	334,682	280,124
Royalties and land rents		..	..	..
Grants and other contributions		28,217	18,731	26,904
Interest		2,195	1,248	369
Other revenue		1,138	6,688	4,094
Gains on sale/revaluation of assets		..	..	..
Total income		695,632	682,210	633,987
EXPENSES				
Employee expenses		267,023	268,711	260,452
Supplies and services		321,523	310,665	261,590
Grants and subsidies		62,717	55,886	86,385
Depreciation and amortisation		44,449	53,264	34,359
Finance/borrowing costs		338	1,930	4,602
Other expenses		3,428	3,577	3,049
Losses on sale/revaluation of assets		8	3,416	..
Total expenses		699,486	697,449	650,437
Income tax expense/revenue		(1,786)	..	..
OPERATING SURPLUS/(DEFICIT)		(2,068)	(15,239)	(16,450)

Reporting entity balance sheet

Department of Science, Information Technology and Innovation	Notes	2014-15 Adjusted Budget \$'000	2014-15 Est. Act. \$'000	2015-16 Budget \$'000
CURRENT ASSETS				
Cash assets		57,982	42,275	18,293
Receivables		36,791	66,575	62,782
Other financial assets		..	..	..
Inventories		13	..	..
Other		12,775	14,781	14,534
Non financial assets held for sale		..	..	..
Total current assets		107,561	123,631	95,609
NON-CURRENT ASSETS				
Receivables		36,752	..	..
Other financial assets		..	..	..
Property, plant and equipment		76,488	100,065	173,676
Deferred tax assets		2,204	8	8
Intangibles		45,308	35,256	42,448
Other		1,252	1,615	1,619
Total non-current assets		162,004	136,944	217,751
TOTAL ASSETS		269,565	260,575	313,360
CURRENT LIABILITIES				
Payables		34,622	56,536	56,989
Current tax liabilities		..	..	..
Accrued employee benefits		8,201	8,866	9,002
Interest bearing liabilities and derivatives		1,356	1,344	558
Provisions		..	..	..
Other		2,635	2,419	2,473
Total current liabilities		46,814	69,165	69,022
NON-CURRENT LIABILITIES				
Payables		..	901	901
Deferred tax liabilities		73	934	934
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		545	38,638	122,960
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		618	40,473	124,795
TOTAL LIABILITIES		47,432	109,638	193,817
NET ASSETS/(LIABILITIES)		222,133	150,937	119,543
EQUITY				
TOTAL EQUITY		222,133	150,937	119,543

Reporting entity cash flow statement

Department of Science, Information Technology and Innovation	Notes	2014-15 Adjusted Budget \$'000	2014-15 Est. Act. \$'000	2015-16 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts		326,000	326,527	324,729
User charges and fees		371,396	364,679	309,676
Royalties and land rent receipts		..	..	..
Grants and other contributions		28,217	18,731	26,904
Interest received		261	331	369
Taxes		..	..	..
Other		18,187	25,004	17,521
Outflows:				
Employee costs		(266,204)	(268,645)	(260,367)
Supplies and services		(336,235)	(333,167)	(274,450)
Grants and subsidies		(62,880)	(53,161)	(86,385)
Borrowing costs		(288)	(1,880)	(4,602)
Taxation equivalents paid		..	..	..
Other		(37,124)	(34,380)	(30,807)
Net cash provided by or used in operating activities		41,330	44,039	22,588
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non financial assets		17	17	16
Investments redeemed		..	..	..
Loans and advances redeemed		5,300	38,912	..
Outflows:				
Payments for non financial assets		(11,091)	(8,369)	(22,546)
Payments for investments		..	..	..
Loans and advances made		(1,068)	(1,068)	..
Net cash provided by or used in investing activities		(6,842)	29,492	(22,530)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		1,068	1,068	..
Equity injections		8,533	20,240	12,207
Outflows:				
Borrowing redemptions		(11,848)	(11,848)	(1,344)
Finance lease payments		..	(2,009)	(7,752)
Equity withdrawals		(27,273)	(106,509)	(27,151)
Dividends paid		..	..	..
Net cash provided by or used in financing activities		(29,520)	(99,058)	(24,040)
Net increase/(decrease) in cash held		4,968	(25,527)	(23,982)
Cash at the beginning of financial year		64,740	79,173	42,275
Cash transfers from restructure		(11,726)	(11,371)	..
Cash at the end of financial year		57,982	42,275	18,293

Commercialised business unit

CITEC

Overview

CITEC is a key supplier to the Queensland Government for ICT services, and acts as the primary information broker for Queensland Government delivering information solutions to businesses, government and individuals Australia-wide on a fully commercial basis.

CITEC ICT runs two secure data centres on behalf of Government, which provide highly resilient infrastructure for government systems. CITEC also runs a secure government network that allows government departments to exchange information easily and securely.

CITEC Information Brokerage provides a number of protected, unique and commercial information services to the legal, banking, insurance and commercial sector Australia-wide in relation to property, vehicle, Police and Courts (legal documents) information.

CITEC uses “Earnings Before Interest and Tax, less Depreciation and Amortisation” (EBITDA) as its key financial performance measure to indicate operational performance.

Service performance

Over the past two years, CITEC has implemented a business and financial transformation that resulted in a \$34.6 million financial turnaround for the business. These transformation activities generated lower costs on a number of CITEC services including data storage and protection; mainframe upgrades that provided clients with up to 30 per cent in technology efficiency gains; and development of an Infrastructure-as-a-Service (iCloud) product that provides improvements and savings for departments.

During 2014-15, CITEC continued to perform better than the 2014-15 published budget primarily due to reduction of technology costs and slower than anticipated reductions in revenue. For 2015-16, CITEC is forecasting an operating deficit for the financial year with a negative EBITDA. This is primarily due to projected declines in revenues compared to 2014-15 as a result of market trends and market uncertainty around CITEC's future.

In 2014-15, CITEC achieved a number of key objectives including the establishment of robust whole-of-government internet services providing the government's prime line of defence against cyber-attack during the G20; and successfully providing continued uninterrupted service to front-line Queensland Government services.

The decision that CITEC will remain a Queensland Government owned information and communication technology provider will mean that in 2015-16, CITEC will continue to transition to the most appropriate business model to ensure efficiency, sustainability and continued delivery of excellent services that meet the needs of agencies and clients.

Service performance

Performance statement

CITEC

Service area objective

To deliver effective and innovative ICT services to Queensland Government departments and statutory bodies, and to deliver similar services, on a commercial basis, to customers in business and the community.

Service area description

CITEC delivers consolidated ICT infrastructure services for the Queensland Government, covering data centre, network, storage, data protection, and ICT platform and solution integration services. CITEC also delivers information solutions to customers in business and the community Australia-wide on a fully commercial basis.

Services

- CITEC ICT: provides whole-of-government and agency-specific ICT services that contribute to the Government's frontline service-delivery priorities.
- CITEC Information Brokerage: enables accessibility to services for consumers, enhancing the efficiency of their business processes, and making information services available.

CITEC	Notes	2014-15 Target/Est.	2014-15 Est. Actual	2015-16 Target/Est.
Service area: CITEC				
Service: CITEC ICT				
Service standards				
<i>Effectiveness measure</i>				
CITEC ICT Customer satisfaction	1	New measure	New measure	65%
<i>Efficiency measure</i>				
CITEC ICT EBITDA	2	New measure	New measure	(\$6.199M)
Service: CITEC Information Brokerage				
Service standards				
<i>Effectiveness measure</i>				
CITEC Information Brokerage Customer Satisfaction	3	New measure	New measure	>80%
<i>Efficiency measure</i>				
CITEC Information Brokerage EBITDA	4	New measure	New measure	(\$0.778M)

Notes:

1. This is a new measure of effectiveness covering overall satisfaction. It meets the criteria for customer satisfaction surveys. CITEC ICT customer satisfaction will be benchmarked in 2014-15 and it will be measured on an annual basis.
2. As of 2 June 2014, CITEC has created two separate entities: CITEC ICT and Information Brokerage. Full financial reporting separation was achieved from 1 July 2014. For 2015-16 CITEC ICT is forecasting a negative EBITDA result due to reduced funding for the Chief Technology Office, lower agency demand and a reduction in commercial revenues. There will also be an increase in costs due to the re-negotiated contracts for the IBM Mainframe and EMC Storage Solution.

3. Previous CITEC Customer satisfaction surveys covered only Information Brokerage. The measure of effectiveness is reinstated as new and CITEC will continue to benchmark Information Brokerage customer satisfaction on an annual basis. The customer survey provides an overall customer satisfaction and meets the criteria for customer surveys.
4. This is a new measure of efficiency due to the separation of CITEC ICT and Information Brokerage as of 2 June 2014. Full financial reporting separation was achieved from 1 July 2014. The target is based on the budgeted financials as directed by Treasury. For 2015-16, CITEC Information Brokerage is forecasting a negative EBITDA result due to the exiting of key clients as a result of the uncertainty created by the former Government's potential divestment and competitors aggressively targeting its customers.

Staffing¹

CITEC	Notes	2014-15 Adjusted Budget	2014-15 Est. Actual	2015-16 Budget
Information Brokerage		36	36	36
CITEC ICT	2	345	310	310
TOTAL		381	346	346

Notes:

1. FTEs as at 30 June.
2. The decrease in FTEs for CITEC ICT is due to workforce rationalisation and the transfer of procurement and legal functions to the Department and payroll disbursements function to QSS during 2014-15.

Discontinued measures

Performance measures included in the 2014-15 Service Delivery Statements that have been discontinued or replaced are reported in the following table with estimated actual results. For those measures which are being discontinued from the Service Delivery Statement because they do not demonstrate the effectiveness or efficiency of services, please refer to the Notes below for further information about where these measures will continue to be reported.

CITEC	Notes	2014-15 Target/Est.	2014-15 Est. Actual	2015-16 Target/Est.
Service area: CITEC				
CITEC EBITDA	1, 2	\$2.673M	\$7.337M	Discontinued measure

Notes:

1. This measure has been discontinued as it is now split between CITEC ICT and CITEC Information Brokerage.
2. CITEC's 2014-15 Est. Actual is better than the Approved Budget primarily due to reduction of technology costs through negotiation of new contracts, slower than anticipated reduction of revenue from Queensland Government agencies, and reduction in FTE compared to the SDS.

Income statement

CITEC	Notes	2014-15 Budget \$'000	2014-15 Est. Act. \$'000	2015-16 Budget \$'000
INCOME				
User charges and fees	5,12	160,895	157,949	133,053
Grants and other contributions		..	..	..
Interest		264	334	369
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
Total income		161,159	158,283	133,422
EXPENSES				
Employee expenses	6	45,323	43,419	42,025
Supplies and services	1,7,13	112,262	106,512	96,951
Grants and subsidies		..	..	..
Depreciation and amortisation	2,8,14	8,617	9,398	7,222
Finance/borrowing costs	9,15	286	307	123
Other expenses	3,10	617	1,016	1,051
Losses on sale/revaluation of assets		8	..	..
Total expenses		167,113	160,652	147,372
Income tax expense/revenue	4,11	(1,786)	..	..
OPERATING SURPLUS/(DEFICIT)		(4,168)	(2,369)	(13,950)

Balance sheet

CITEC	Notes	2014-15 Budget* \$'000	2014-15 Est. Act. \$'000	2015-16 Budget \$'000
CURRENT ASSETS				
Cash assets	16,24,35	9,735	12,438	228
Receivables		17,971	18,173	17,233
Other financial assets		..	..	..
Inventories		13	..	..
Other		4,823	4,698	4,448
Non financial assets held for sale		..	..	..
Total current assets		32,542	35,309	21,909
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	17,25,36	11,861	15,372	13,440
Deferred tax assets	18,26	2,204	8	8
Intangibles	19,27	9,072	5,159	5,769
Other	20,28	1,252	714	718
Total non-current assets		24,389	21,253	19,935
TOTAL ASSETS		56,931	56,562	41,844
CURRENT LIABILITIES				
Payables		9,792	8,909	9,377
Current tax liabilities		..	..	..
Accrued employee benefits	21,29	1,934	1,464	1,518
Interest bearing liabilities and derivatives	30,37	1,356	1,344	558
Provisions		..	..	..
Other	22,31	2,342	1,616	1,670
Total current liabilities		15,424	13,333	13,123
NON-CURRENT LIABILITIES				
Payables		..	..	..
Deferred tax liabilities	23,32	73	934	934
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives	33,38	545	558	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		618	1,492	934
TOTAL LIABILITIES		16,042	14,825	14,057
NET ASSETS/(LIABILITIES)		40,889	41,737	27,787
EQUITY				
TOTAL EQUITY	34,39	40,889	41,737	27,787

*Technical adjustments have been made in this statement to reallocate amounts between categories and facilitate consistency across agencies.

Cash flow statement

CITEC	Notes	2014-15 Budget \$'000	2014-15 Est. Act. \$'000	2015-16 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	41,48	175,105	171,553	147,756
Grants and other contributions		..	..	..
Interest received		261	331	369
Other		5,879	5,919	5,931
Outflows:				
Employee costs	42	(45,314)	(43,510)	(41,971)
Supplies and services	43,49	(117,792)	(113,042)	(102,441)
Grants and subsidies		..	..	..
Borrowing costs	44,50	(286)	(307)	(123)
Taxation equivalents paid		..	..	..
Other		(14,081)	(14,194)	(14,487)
Net cash provided by or used in operating activities		3,772	6,750	(4,966)
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non financial assets	45,51	(2,500)	(2,500)	(5,900)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		(2,500)	(2,500)	(5,900)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	46,52	5,457	5,457	..
Outflows:				
Borrowing redemptions	47,53	(6,573)	(6,573)	(1,344)
Finance lease payments		..	..	..
Equity withdrawals	40,54	..	(2,896)	..
Dividends paid		..	..	..
Net cash provided by or used in financing activities		(1,116)	(4,012)	(1,344)
Net increase/(decrease) in cash held		156	238	(12,210)
Cash at the beginning of financial year		9,579	12,200	12,438
Cash transfers from restructure		..	..	..
Cash at the end of financial year		9,735	12,438	228

Explanation of variances in the financial statements

The notes below reflect reporting at the CITEC Entity level. However, in terms of reporting and performance measurement, there are two distinct businesses. They are CITEC ICT and Information Brokerage.

Income statement

Major variations between 2014-15 Budget and 2014-15 Estimated Actual include:

1. Decrease reflects a reduction of technology costs through negotiation of new contracts.
2. Increase reflects larger than anticipated capital purchases in 2013-14 financial year resulting in higher depreciation expense in 2014-15.
3. Increase reflects higher than anticipated merchant fee costs for the Information Brokerage business.
4. Decrease is due to the income tax benefit no longer being recognised.

Major variations between 2014-15 Budget and 2015-16 Budget include:

5. Decrease is attributable to declining revenues for Information Brokerage private sector customers and lower Queensland Government agency demand.
6. Decrease is due to workforce rationalisation in 2014-15 and the transfer of procurement and legal functions to the Department and payroll disbursements function to QSS during 2014-15.
7. Decrease reflects a reduction of Information Brokerage Provider costs due to lower client demand and reduced technology costs through negotiation of new contracts.
8. Decrease is due to a review of asset holdings useful lives and further rationalisation and deferral of capital programs.
9. Decrease is a result of the finalisation of the Information Communication Technology Consolidation (ICTC) Program borrowings in 2014-15.
10. Increase reflects higher than anticipated merchant fee costs for the Information Brokerage business.
11. Decrease is due to the income tax benefit no longer being recognised.

Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

12. Decrease is attributable to declining revenues for Information Brokerage private sector customers and lower Queensland Government agency demand.
13. Decrease reflects a reduction of Information Brokerage Provider costs due to lower client demand and reduced technology costs through negotiation of new contracts.
14. Decrease is due to a review of asset holdings useful lives and further rationalisation and deferral of capital programs.
15. Decrease is a result of the finalisation of the Information Communication Technology Consolidation (ICTC) Program borrowings in 2014-15.

Balance sheet

Major variations between 2014-15 Budget* and 2014-15 Estimated Actual include:

16. Increase is due to lower than anticipated reductions of Queensland Government agency revenue and reduced technology costs through negotiation of new contracts.
17. Increase is due to replacement of information technology assets.
18. Decrease is due to the income tax benefit no longer being recognised.
19. Decrease reflects the reduced capital investment program in 2014-15 following review and rationalisation under the divestment process.
20. Decrease is due to reduced longer term agreements with vendors following review and rationalisation under the divestment process.
21. Decrease is due to the timing of salary and wages payments.

22. Decrease reflects a lower level of unearned revenue due to reduced advanced billing to Queensland Government agencies.
23. Increase is mainly due to the tax effect of the temporary differences relating to assets.

Major variations between 2014-15 Budget* and 2015-16 Budget include:

24. Decrease reflects CITEC's decline in operating performance and an increased capital program in 2015-16.
25. Increase is due to replacement of information technology assets.
26. Decrease is due to the income tax benefit no longer being recognised.
27. Decrease reflects the reduced capital investment program in 2014-15 following review and rationalisation under the divestment process.
28. Decrease is due to reduced longer term agreements with vendors following review and rationalisation under the divestment process.
29. Decrease is due to the timing of salary and wages payments.
30. Decrease reflects expected repayment of loan debt and reduced borrowing requirements in respect to CITEC's internal ICT capital program.
31. Decrease reflects a lower level of unearned revenue due to reduced advance billing to Queensland Government agencies.
32. Increase is mainly due to the tax effect of the temporary differences relating to assets.
33. Decrease reflects expected repayment of loan debt and reduced borrowing requirements in respect to CITEC's internal ICT capital program.
34. Decrease reflects CITEC's decline in operating performance.

Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

35. Decrease reflects CITEC's decline in operating performance and an increased capital program in 2015-16.
36. Decrease is due to a review of asset holdings useful lives, further rationalisation of information technology assets and a reduced capital program.
37. Decrease reflects expected repayment of loan debt and reduced borrowing requirements in respect to CITEC's internal ICT capital program.
38. Decrease reflects expected repayment of loan debt and reduced borrowing requirements in respect to CITEC's internal ICT capital program.
39. Decrease reflects CITEC's decline in operating performance.

Cash flow statement

Major variations between 2014-15 Budget and 2014-15 Estimated Actual include:

40. Increase is due to an equity withdrawal from CITEC to the Department for unfunded divestment costs incurred in 2013-14 and 2014-15.

Major variations between 2014-15 Budget and 2015-16 Budget include:

41. Decrease is attributable to declining revenues for Information Brokerage private sector customers and lower Queensland Government agency demand.
42. Decrease is due to workforce rationalisation in 2014-15 and the transfer of procurement and legal functions to the Department and payroll disbursements function to QSS during 2014-15.
43. Decrease reflects a reduction of Information Brokerage Provider costs due to lower client demand and reduced technology costs through negotiation of new contracts.
44. Decrease is a result of the finalisation of the Information Communication Technology Consolidation (ICTC) Program borrowings in 2014-15.
45. Increase reflects the larger capital investment program in 2015-16, which includes provision for a refresh of the Information Brokerage legacy software asset.
46. Decrease is a result of the finalisation of the Information Communication Technology Consolidation (ICTC) Program borrowings in 2014-15.

47. Decrease reflects expected repayment of loan debt and reduced borrowing requirements in respect to CITEC's internal ICT capital program.

Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

48. Decrease is attributable to declining revenues for Information Brokerage private sector customers and lower Queensland Government agency demand.
49. Decrease reflects a reduction of Information Brokerage Provider costs due to lower client demand and reduced technology costs through negotiation of new contracts.
50. Decrease is a result of the finalisation of the Information Communication Technology Consolidation (ICTC) Program borrowings in 2014-15.
51. Increase reflects the larger capital investment program in 2015-16, which includes provision for a refresh of the Information Brokerage legacy software asset.
52. Decrease is a result of the finalisation of the Information Communication Technology Consolidation (ICTC) Program borrowings in 2014-15.
53. Decrease reflects expected repayment of loan debt and reduced borrowing requirements in respect to CITEC's internal ICT capital program.
54. Decrease is due to an equity withdrawal from CITEC to the Department for unfunded divestment costs incurred in 2013-14 and 2014-15.

Shared service provider

Queensland Shared Services

Overview

Queensland Shared Services supports government agencies to get on with their business by ensuring they have access to modern, value for money corporate services and trusted advice. Queensland Shared Services delivers a range of corporate support services including transactional activities, consultancy and advice, service integration and coordination, knowledge brokerage and quality assurance on a fee for service basis. Through our current business transformation program we are growing into a modern, progressive business, underpinned by a philosophy of operational excellence.

Service performance

In 2014-15, Queensland Shared Services:

- managed fortnightly payroll for 67,000 staff across 24 agencies
- provided financial transactions and advisory services for agencies including over 500,000 accounts payable transactions.

Queensland Shared Services is currently undertaking an ambitious business transformation agenda to overhaul the way it delivers products and services, modernise the underpinning systems, provide greater opportunity for automation and self-service; and significantly improve productivity and efficiency. Achievements include:

- commenced upgrade of those agencies' finance systems on out of support SAP version 4.6C to a standard SAP ECC5 environment
- transitioned all agencies on at risk SAP4.6C payroll systems to the fully supported Aurion Version 10 platform
- commenced a pilot to support the move to digital mail
- implemented new forms and processes to automate financial processes and enhance self-service in payroll practices
- introduced tools and practices to improve productivity and performance.

In 2015-16, Queensland Shared Services will continue the business transformation agenda, including ongoing work to:

- transition remaining out-of-support payroll systems to a modern supported environment with standardised processes.
- automate payroll processes with greater self-service for employees and managers.
- reduce transaction costs in the finance area with automation and e-forms.
- undertake finance system upgrades to achieve modern, in-support and standardised environments.

Service performance

Performance statement

Queensland Shared Services

Service area objective

To provide modern, value for money corporate services and trusted advice to other government departments and statutory bodies to enable them to meet government policies and objectives.

Service area description

Queensland Shared Services facilitates a range of corporate services including finance, human resource (HR) management and mail support services to government departments and statutory bodies, excluding Queensland Health and the Department of Education and Training.

Services

- HR Services: delivery of payroll and human resource advisory services to customers. These services include payroll, recruitment, senior executive service and workforce services.
- Finance Services: delivery of a range of finance transactional and advisory services to customers. These services include accounts payable, corporate card, operational procurement, accounts receivable, debt administration, assets, general ledger and reporting including bank reconciliations, taxation, and telecommunications.

Performance statement

Queensland Shared Services	Notes	2014-15 Target/Est.	2014-15 Est. Actual	2015-16 Target/Est.
Service area: Queensland Shared Services				
Service: HR Services				
Service standards <i>Effectiveness measure</i> Percentage of HR Services delivered within Service Level Agreement standards	1	New measure	New measure	95%
<i>Efficiency measure</i> Number of pays processed per FTE per fortnight	2	New measure	New measure	350
Service: Finance Services				
Service standards <i>Effectiveness measure</i> Percentage of Finance Services delivered within Service Level Agreement standards	3	New measure	New measure	95%

Queensland Shared Services	Notes	2014-15 Target/Est.	2014-15 Est. Actual	2015-16 Target/Est.
<i>Efficiency measure</i> Number of accounts payable transactions processed per FTE per annum	4	New measure	New measure	7,500

Notes:

1. New measure consistent with the HR service group measurement. This measure was previously reported at Queensland Shared Services level.
2. This new measure of efficiency is an indicator of the productivity of the FTEs at the HR service group level.
3. New measure of effectiveness consistent with the Finance service group measurement. This measure was previously reported at Queensland Shared Services level.
4. This new measure of efficiency is an indicator of the productivity of the FTEs at Finance service group level.

Staffing¹

Queensland Shared Services	Notes	2014-15 Adjusted Budget	2014-15 Est. Actual	2015-16 Budget
Queensland Shared Services	2	1,090	1,031	1,031

Notes:

1. FTEs as at 30 June.
2. Reductions due to the former Government's voluntary redundancies, natural attrition and increased efficiencies due to automation and process improvements.

Discontinued measures

Queensland Shared Services	Notes	2014-15 Target/Est.	2014-15 Est. Actual	2015-116 Target/Est.
Service area: Queensland Shared Services				
Labour as a percentage of total QSS costs	1	56%	53%	Discontinued measure
Overheads as a percentage of total QSS costs	1	<10%	9.5%	Discontinued measure
Percentage of client services delivery within budget and within agreed timeframes (time and cost)	2	95%	98%	Discontinued measure
Client satisfaction	3	≥80%	48%	Discontinued measure

Notes:

1. These two measures were previously reported at divisional level (Queensland Shared Services) and not at service level so they are no longer considered useful measures.
2. This measure was replaced by similar measures for HR services and Finance services (e.g. Percentage of HR services delivered within service level agreement standards).
3. The customer satisfaction measure is reported at QSS level and reflects overall customer satisfaction. This service standard cannot be broken down into HR services and Finance services as it will not be considered meaningful to the organisation and there will be no continuity. This measure will continue to be reported in the annual report.

Income statement

Queensland Shared Services	Notes	2014-15 Budget \$'000	2014-15 Est. Act. \$'000	2015-16 Budget \$'000
INCOME				
User charges and fees	5,9	150,213	155,753	141,949
Grants and other contributions	1,10	17,553	5,530	16,255
Interest		..	..	..
Other revenue	2,6,11	554	2,037	237
Gains on sale/revaluation of assets		..	..	..
Total income		168,320	163,320	158,441
EXPENSES				
Employee expenses		88,514	85,803	87,435
Supplies and services	7	75,382	72,480	66,612
Grants and subsidies		..	..	..
Depreciation and amortisation	3,12	3,001	3,821	3,223
Finance/borrowing costs		..	..	..
Other expenses	4,8	1,423	1,216	1,171
Losses on sale/revaluation of assets		..	..	..
Total expenses		168,320	163,320	158,441
OPERATING SURPLUS/(DEFICIT)		..	..	..

Balance sheet

Queensland Shared Services	Notes	2014-15 Budget \$'000	2014-15 Est. Act. \$'000	2015-16 Budget \$'000
CURRENT ASSETS				
Cash assets	13,17,20	45,287	26,995	15,208
Receivables		17,128	16,799	16,179
Other financial assets		..	..	..
Inventories		..	..	..
Other		984	1,061	1,064
Non financial assets held for sale		..	..	..
Total current assets		63,399	44,855	32,451
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	14,18	2,537	1,884	1,723
Intangibles	15,21	23,811	20,329	25,706
Other		..	..	..
Total non-current assets		26,348	22,213	27,429
TOTAL ASSETS		89,747	67,068	59,880
CURRENT LIABILITIES				
Payables		9,519	8,691	8,676
Accrued employee benefits		3,527	3,688	3,770
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		13,046	12,379	12,446
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		13,046	12,379	12,446
NET ASSETS/(LIABILITIES)		76,701	54,689	47,434
EQUITY				
TOTAL EQUITY	16,19,22	76,701	54,689	47,434

Cash flow statement

Queensland Shared Services	Notes	2014-15 Budget \$'000	2014-15 Est. Act. \$'000	2015-16 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees		168,747	171,190	156,798
Grants and other contributions	23,33	17,553	5,530	16,255
Interest received		..	..	..
Other	24,34	8,090	10,800	7,733
Outflows:				
Employee costs		(87,906)	(85,848)	(87,404)
Supplies and services	29,35	(83,379)	(86,881)	(73,982)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other	25,30	(19,693)	(16,879)	(15,493)
Net cash provided by or used in operating activities		3,412	(2,088)	3,907
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non financial assets	26,31,36	(2,200)	(858)	(8,439)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		(2,200)	(858)	(8,439)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	27,37	..	10,000	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	28,32,38	(2,449)	(36,391)	(7,255)
Net cash provided by or used in financing activities		(2,449)	(26,391)	(7,255)
Net increase/(decrease) in cash held		(1,237)	(29,337)	(11,787)
Cash at the beginning of financial year		46,524	56,332	26,995
Cash transfers from restructure		..	..	..
Cash at the end of financial year		45,287	26,995	15,208

Explanation of variances in the financial statements

Income statement

Major variations between 2014-15 Budget and 2014-15 Estimated Actual include:

1. Decrease is due to funding deferrals relating to business capability and capacity projects and Shared Systems Reform program of work.
2. Increase is due to recoveries for software licences paid on behalf of other agencies.
3. Increase is mainly due to leasehold improvements accelerated depreciation and capitalisation of systems costs.
4. Decrease relates to audit fees.

Major variations between 2014-15 Budget and 2015-16 Budget include:

5. Decrease is mainly due to transfer of responsibility for the Whole-of-Government SAP contract to the department and volume reductions due to service efficiencies.
6. Decrease relates to supplies and services subsidies.
7. Decrease is mainly due to accommodation savings and transfer of responsibility for the Whole-of-Government SAP contract to the department.
8. Decrease relates to audit fees.

Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

9. Decrease is mainly due to transfer of responsibility for the Whole-of-Government SAP contract to the department and volume reductions due to service efficiencies.
10. Increase is due to funding deferrals relating to business capability and capacity projects and Shared Systems Reform program of work.
11. Decrease relates to recoveries for software licences paid on behalf of other agencies.
12. Decrease mainly relates to 2014-15 leasehold improvements accelerated depreciation.

Balance sheet

Major variations between 2014-15 Budget and 2014-15 Estimated Actual include:

13. Decrease is due to transfer of cash to Consolidated Fund.
14. Decrease is due to leasehold improvements accelerated depreciation and disposals.
15. Decrease is due to 2013-14 software impairment due to client system upgrade.
16. Decrease is due to transfer of cash to Consolidated Fund and cash for software amortisation offset by the 2013-14 actual operating surplus.

Major variations between 2014-15 Budget and 2015-16 Budget include:

17. Decrease is due to transfer of cash to Consolidated Fund and outlays for Shared Systems Reform program of work.
18. Decrease is due to leasehold improvements accelerated depreciation and disposals.
19. Decrease is due to transfer of cash to Consolidated Fund, cash for software amortisation and Shared Systems Reform equity to output swap offset by the 2013-14 actual operating surplus.

Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

20. Decrease is due to outlays for Shared Systems Reform program of work.
21. Increase is due to capitalisation of system costs.
22. Decrease is due to cash for software amortisation and Shared Systems Reform equity to output swap.

Cash flow statement

Major variations between 2014-15 Budget and 2014-15 Estimated Actual include:

- 23. Decrease is due to funding deferrals relating to business capability and capacity projects and Shared Systems Reform program of work.
- 24. Increase is due to recoveries for software licences paid on behalf of other agencies and GST input tax credits.
- 25. Decrease is mainly due to GST remitted to the Australian Taxation Office.
- 26. Decrease is due to delays in Shared Systems Reform program of work.
- 27. Increase is due to return of cash transfer from the department for remittance to Consolidated Fund.
- 28. Increase is due to transfer of cash to Consolidated Fund and cash for software amortisation.

Major variations between 2014-15 Budget and 2015-16 Budget include:

- 29. Decrease is mainly due to accommodation savings and transfer of responsibility for the Whole-of-Government SAP contract to the department.
- 30. Decrease is mainly due to GST remitted to the Australian Taxation Office.
- 31. Increase is due to outlays for Shared Systems Reform program of work.
- 32. Increase is due to Shared Systems Reform equity to output swap.

Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

- 33. Increase is due to funding deferrals relating to business capability and capacity projects and Shared Systems Reform program of work.
- 34. Decrease relates to recoveries for software licences paid on behalf of other agencies and GST input tax credits.
- 35. Decrease is mainly due to transfer of responsibility for the Whole-of-Government SAP contract to the department.
- 36. Increase is due to outlays for Shared Systems Reform program of work.
- 37. Decrease is due to return of cash transfer from the department for remittance to Consolidated Fund.
- 38. Decrease is due to transfer of cash to Consolidated Fund offset by Shared Services Reform equity to output swap.

Statutory body

Library Board of Queensland

Overview

The State Library of Queensland (SLQ) is a vital community resource, inspiring creativity by ensuring more Queenslanders can participate in cultural life. SLQ's legislated role is to collect and preserve Queensland's cultural heritage and ensure the intellectual and historical record is preserved for the future. Its objectives are to enable access, engage the community and build capability. SLQ supports the Government's objectives for the community: delivering quality frontline services (achieving better education and training options and supporting disadvantaged Queenslanders); building safe, caring and connected communities (encouraging safer and inclusive communities and building regions); creating jobs and a diverse economy (increasing workforce participation and stimulating economic growth and innovation) and protecting the environment (conserving heritage).

SLQ is accelerating the transition to digital to make content, services and programs accessible to everyone. The quantity of digital materials coming into the collection is increasing rapidly. SLQ is working with National and State Libraries Australasia on a shared solution to preserve digital collections in the long term. Inconsistent ICT connectivity across Queensland is a key challenge as it creates greater barriers to access for those in regional and remote areas.

With a multidisciplinary responsibility, SLQ supports a broad agenda across education, science, innovation, information technology and enterprise and works in partnership to increase the value it delivers. SLQ works with local government, public libraries and regional communities to create programs that help strengthen communities. It supports the partnership with the Arts Statutory Bodies across the Cultural Precinct, and with Queensland State Archives and other local, state and national institutions collecting cultural heritage material. It is also transitioning to sustainable business models through its work with the mining sector in regional Queensland and its innovative work in philanthropy.

Service performance

During 2014-15 SLQ:

- launched the exhibition Distant Lines: Queensland voices of the First World War and the Historypin hub Q ANZAC 100: Memories for a New Generation, held the Serving Country Forum and awarded four research fellowships, enabling people from different generations, cultures and places to explore and build on the stories of the Queensland experience of the First World War
- invested \$22.8 million in public library collections and services and launched access to lynda.com, providing free online access to over 3,000 courses and 136,000 video tutorials in commercial software, creative and business skills
- launched the First Five Forever family literacy initiative, a \$20 million program over four years to give families the information and tools they need to help children develop early language and literacy skills through public libraries
- engaged the community in creative programs, including CUSP: Designing into the Next Decade and Hot Modernism exhibitions, the Queensland Literary Awards, black&write! Indigenous writing and editing program, the Edge's Fabrication Lab and the release of 60,000 historic and contemporary Queensland images for creative reuse
- won the Premier's Cultural Diversity Award in the Public Sector category for a broad range of culturally diverse programs including the collection of over 90,000 items in 50 languages for loan through public libraries.

During 2015-16 SLQ will:

- invest \$23.3 million in public library collections and services
- provide early childhood literacy programs, including First Five Forever, Dad's Read and the National Summer Reading Club
- lead a broad community of interest to deliver year two of Q ANZAC 100, including an interactive timeline, community programs, research fellowships, open data hack competition and digitising SLQ and community collections
- pilot a new enterprise centre to support business, social enterprise and creative industries
- lead the National and State Libraries Australasia Digital Infrastructure Collaboration project, piloting infrastructure for long term digital preservation.

Service performance

Performance statement

State Library of Queensland (SLQ)

Service area objective

To strengthen Queensland's arts and education sectors and contribute to the cultural, social and intellectual development of all Queenslanders.

Service area description

SLQ is a place for sharing, learning, collaborating and creating, both within the cultural precinct facilities and our ever expanding online offer. SLQ provides free access to print, digital and original resources, with a focus on collecting and preserving Queensland's unique documentary heritage. SLQ provides information and research services, events and exhibitions and centres of engagement with: children and young people; Aboriginal and Torres Strait Islanders peoples; arts, science, technology, enterprise; and design. SLQ partners with local government to fund and support 320 public libraries and Indigenous Knowledge Centres including collection services and professional development. SLQ plays a particular leadership role to ensure the sustainability of small rural and remote libraries and Indigenous Knowledge Centres, including the purchase of bulk collections that are shared across the network.

State Library of Queensland	Notes	2014-15 Target/Est.	2014-15 Est. Actual	2015-16 Target/Est.
Service area: State Library of Queensland				
Service standards				
<i>Effectiveness measure</i>				
Customer satisfaction with services and programs	1	85%	96%	90%
<i>Efficiency measure</i>				
Percentage increase in the efficiency of service delivery	2	2%	3.3%	2.5%

Notes:

1. This is a measure of overall customer satisfaction with the State Library's services and programs. The wording of the measure has been amended to align with government's public service value of Customers first. The methodology remains unchanged.
2. This is a measure of percentage improvement from the previous year in the ratio of total visits to the State Library (onsite and online) compared to the State Government budget appropriation (excluding public library grant funds). The measure provides an indication of improvement in the efficient use of public funds in providing services and programs to the public. The 2014-15 Est. Actual is higher than the 2014-15 Target/Est. because customer use of a broad range of online collections, programs and services increased at a higher rate than forecast.

Staffing¹

State Library of Queensland	Notes	2014-15 Adjusted Budget	2014-15 Est. Actual	2015-16 Budget
State Library of Queensland		295	296	296

Note:

1. FTEs as at 30 June.

Income statement

Library Board of Queensland	Notes	2014-15 Budget \$'000	2014-15 Est. Act. \$'000	2015-16 Budget \$'000
INCOME				
Taxes		..	..	..
User charges and fees	6	3,391	3,455	3,579
Grants and other contributions	1,7	59,431	64,826	64,016
Interest		778	796	800
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
Total income		63,600	69,077	68,395
EXPENSES				
Employee expenses	2,8	28,773	27,006	27,276
Supplies and services	3,9,12	14,540	17,399	15,816
Grants and subsidies	4,10	19,338	23,682	24,457
Depreciation and amortisation	5,11	594	558	537
Finance/borrowing costs		..	..	..
Other expenses		198	195	195
Losses on sale/revaluation of assets		37	37	37
Total expenses		63,480	68,877	68,318
OPERATING SURPLUS/(DEFICIT)		120	200	77

Balance sheet

Library Board of Queensland	Notes	2014-15 Budget \$'000	2014-15 Est. Act. \$'000	2015-16 Budget \$'000
CURRENT ASSETS				
Cash assets	13,26	12,038	13,370	11,817
Receivables	14,20	1,009	2,739	2,739
Other financial assets		..	..	..
Inventories	15,21	265	235	235
Other	16,22	729	605	605
Non financial assets held for sale		..	..	..
Total current assets		14,041	16,949	15,396
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		105,506	108,320	110,484
Intangibles	17,23,27	1,185	2,848	3,314
Other		..	..	..
Total non-current assets		106,691	111,168	113,798
TOTAL ASSETS		120,732	128,117	129,194
CURRENT LIABILITIES				
Payables	18,24	1,451	1,688	1,688
Accrued employee benefits	19,25	1,705	1,884	1,884
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		12	14	14
Total current liabilities		3,168	3,586	3,586
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		530	543	543
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		530	543	543
TOTAL LIABILITIES		3,698	4,129	4,129
NET ASSETS/(LIABILITIES)		117,034	123,988	125,065
EQUITY				
TOTAL EQUITY		117,034	123,988	125,065

Cash flow statement

Library Board of Queensland	Notes	2014-15 Budget* \$'000	2014-15 Est. Act. \$'000	2015-16 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees		3,814	3,878	4,002
Grants and other contributions	28,32	59,431	64,826	64,016
Interest received		778	796	800
Taxes		..	..	..
Other		311	311	311
Outflows:				
Employee costs	29,33	(28,773)	(27,006)	(27,276)
Supplies and services	30,34,37	(14,540)	(17,399)	(15,816)
Grants and subsidies	31,35	(19,338)	(23,682)	(24,457)
Borrowing costs		..	..	..
Other		(932)	(929)	(929)
Net cash provided by or used in operating activities		751	795	651
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non financial assets		(37)	(37)	(37)
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non financial assets	36,38	(1,673)	(1,622)	(2,167)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		(1,710)	(1,659)	(2,204)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by or used in financing activities		..	..	..
Net increase/(decrease) in cash held		(959)	(864)	(1,553)
Cash at the beginning of financial year		12,997	14,234	13,370
Cash transfers from restructure		..	..	..
Cash at the end of financial year		12,038	13,370	11,817

*Technical adjustments have been made in this statement to reallocate amounts between categories and facilitate consistency across agencies.

Explanation of variances in the financial statements

Income statement

Major variations between 2014-15 Budget and 2014-15 Estimated Actual include:

1. Increase mainly due to additional funding for the First Five Forever (Best Start) early literacy program.
2. Decrease due to reallocation of project funding to supplies and services and staff vacancy rate held throughout the year.
3. Increase mainly due to additional project costs and higher ICT support costs.
4. Increase due to new grants paid to public libraries across the state as part of the First Five Forever (Best Start) early literacy program.
5. Decrease due to gradual reduction in plant and equipment and software as cloud-based solutions are introduced.

Major variations between 2014-15 Budget and 2015-16 Budget include:

6. Increase due to higher expected income from venue hire and sub-leasing arrangements.
7. Increase mainly due to additional funding for the four year First Five Forever (Best Start) early literacy program, population growth funding for public library grants and enterprise bargaining arrangements.
8. Decrease mainly due to reallocation of project funding to supplies and services.
9. Increase mainly due to additional Q ANZAC 100 project costs and higher ICT support costs.
10. Increase due to new grants paid to public libraries across the state from the First Five Forever (Best Start) early literacy program and On-line Public Access in Public Libraries (OPAL) program, and population growth funding for public library grants.
11. Decrease due to gradual reduction in plant and equipment and software as cloud-based solutions are introduced.

Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

12. Decrease due to timing of some project payments and cessation of some limited life funding.

Balance sheet

Major variations between 2014-15 Budget and 2014-15 Estimated Actual include:

13. Increase due to higher than anticipated prior year surplus resulting from timing delays to projects.
14. Increase due to later than expected receipts for some grant funded projects.
15. Decrease due to reduction in preservation materials inventory held.
16. Decrease due to reduction in prepayments for annual subscriptions.
17. Increase due to additional digital collections items purchased and physical collection items digitised.
18. Increase due to higher anticipated year-end accruals for goods or services received but not yet paid.
19. Increase due to increase in FTEs for the Q ANZAC 100 and First Five Forever (Best Start) projects.

Major variations between 2014-15 Budget and 2015-16 Budget include:

20. Increase due to expected late payments to be received for some grant funded projects
21. Decrease due to reduction in preservation materials inventory held.
22. Decrease due to reduction in prepayments for annual subscriptions.
23. Increase due to additional digital collections items purchased and physical collection items digitised.
24. Increase due to higher anticipated year-end accruals for goods or services received but not yet paid.
25. Increase due to increase in FTEs for the Q ANZAC 100 and First Five Forever (Best Start) projects.

Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

- 26. Decrease due to expenditure of project funds unspent from 2014-15 as well as planned asset purchases.
- 27. Increase due to planned additional digital collections items purchased and physical collection items digitised.

Cash flow statement

Major variations between 2014-15 Budget* and 2014-15 Estimated Actual include:

- 28. Increase due to new grants paid to public libraries across the state as part of the First Five Forever (Best Start) early literacy program.
- 29. Decrease due to reallocation of project funding to supplies and services and staff vacancy rate held throughout the year.
- 30. Increase mainly due to additional project costs and higher ICT support costs.
- 31. Increase due to new grants paid to public libraries across the state as part of the four year First Five Forever (Best Start) early literacy program.

Major variations between 2014-15 Budget* and 2015-16 Budget include:

- 32. Increase mainly due to additional funding for the four year First Five Forever (Best Start) early literacy program, population growth funding for public library grants and enterprise bargaining arrangements.
- 33. Decrease due to reallocation of project funding to supplies and services.
- 34. Increase mainly due to additional project costs and higher ICT support costs.
- 35. Increase mainly due to additional funding for the four year First Five Forever (Best Start) early literacy program, population growth funding for public library grants, On-line Public Access in Public Libraries (OPAL) program and enterprise bargaining arrangements.
- 36. Increase due to increase in digitised collection images and timing of ICT equipment replacement.

Major variations between 2014-15 Estimated Actual and the 2015-16 Budget include:

- 37. Decrease due to timing of some project payments and cessation of some limited life funding.
- 38. Increase due to increase in digitised collection images and timing of ICT equipment replacement.

Glossary of terms

Accrual accounting	Recognition of economic events and other financial transactions involving revenue, expenses, assets, liabilities and equity as they occur and reporting in financial statements in the period to which they relate, rather than when a flow of cash occurs.
Administered items	Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.
Agency/entity	Used generically to refer to the various organisational units within Government that deliver services or otherwise service Government objectives. The term can include departments, commercialised business units, statutory bodies or other organisations established by Executive decision.
Appropriation	Funds issued by the Treasurer, under Parliamentary authority, to agencies during a financial year for: delivery of agreed services administered items adjustment of the Government's equity in agencies, including acquiring of capital.
Balance sheet	A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.
Capital	A term used to refer to an entity's stock of assets and the capital grants it makes to other agencies. Assets include property, plant and equipment, intangible items and inventories that an entity owns/controls and uses in the delivery of services.
Cash Flow Statement	A financial statement reporting the cash inflows and outflows for an entity's operating, investing and financing activities in a particular period.
Controlled Items	Assets, liabilities, revenues and expenses that are controlled by departments. These relate directly to the departmental operational objectives and arise at the discretion and direction of that department.
Depreciation	The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.
Equity	Equity is the residual interest in the assets of the entity after deduction of its liabilities. It usually comprises the entity's accumulated surpluses/losses, capital injections and any reserves.
Equity injection	An increase in the investment of the Government in a public sector agency.

Financial statements	Collective description of the Income Statement, the Balance Sheet and the Cash Flow Statement for an entity's controlled and administered activities.
Income statement	A financial statement highlighting the accounting surplus or deficit of an entity. It provides an indication of whether the entity has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation.
Machinery-of-government	The redistribution of the public business of one government agency to another government agency. Also referred to as MoG.
Outcomes	Whole-of-government outcomes are intended to cover all dimensions of community wellbeing. 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.

