

Ministerial Portfolio Statements

Deputy Premier, Treasurer and Minister for Sport

Budget

2004-05



2004-05 Budget Papers

1. Budget Speech
2. Budget Strategy and Outlook
3. Capital Statement

Budget Highlights

Appropriation Bills

Ministerial Portfolio Statements

The Ministerial Portfolio Statements (MPS) documents are the primary source of information for the hearings of the Parliamentary Estimates Committees. These hearings examine the funding provided in the State Budget to each Ministerial portfolio, and take place following the presentation of the Budget. The MPS documents are also used by Members of Parliament, the media, the public and other interested parties for obtaining information on key strategies and prospective outcomes, and financial performance, of individual Queensland government agencies in 2004-05.

The MPS documents are forward-looking in their focus and provide predominantly budgeted financial and non-financial information for the new financial year. In this way, they complement agency annual reports, which document actual performance (including audited financial statements) for the financial year just completed.

Given the timing of the 2004-05 Budget, final information about actual financial and non-financial performance is not yet available for the 2003-04 financial year. Therefore, an estimate of performance ("estimated actual") for 2003-04 is shown throughout the MPS documents.

This document forms part of the 2004-05 Budget Papers. It is one of a series of 20 Statements for each of the 19 Ministerial Portfolios and the Legislative Assembly.

The Ministerial Portfolio Statements are on sale through Goprint, individually or as a set, phone (07) 3246 3500 and are online at www.budget.qld.gov.au

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Ministerial Portfolio Statements – Deputy Premier, Treasurer and Minister for Sport

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Queensland
Government

MINISTERIAL PORTFOLIO STATEMENTS

2004-05 STATE BUDGET

**This Ministerial Portfolio Statement includes the
following Departments and Agencies:**

TREASURY DEPARTMENT

CORPTECH

**MOTOR ACCIDENT INSURANCE COMMISSION
NOMINAL DEFENDANT**

SPORT & RECREATION QUEENSLAND

OFFICE OF URBAN MANAGEMENT

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Queensland
Government

MINISTERIAL PORTFOLIO STATEMENTS

2004-05 STATE BUDGET

DEPUTY PREMIER, TREASURER AND MINISTER FOR SPORT

TREASURY DEPARTMENT

Hon. Terry Mackenroth MP
Deputy Premier, Treasurer
and Minister for Sport

Gerard Bradley
Under Treasurer

DEPARTMENTAL OVERVIEW

STRATEGIC ISSUES

Treasury provides policies, strategies and financial services to assist the Government in achieving sustainable economic outcomes and fiscal strength for Queensland. Treasury works collaboratively with its stakeholders to ensure the Government meets the fiscal objectives and key priorities outlined in the *Charter of Social and Fiscal Responsibility*. Its stakeholders include all Queensland Government agencies, other levels of government, business and communities across the State.

Key priorities for Treasury are:

- developing and monitoring the State Budget and whole-of-Government strategies to achieve the Government's priorities and improve the performance of the Queensland economy to support growth and employment
- playing a lead role in developing whole-of-Government guidelines and principles to ensure implementation of shared services is coordinated, efficient and equitable
- managing the Government's shareholding interests in Government-owned corporations (GOCs) to maximise shareholder returns, build shareholder value and ensure appropriate corporate governance in GOCs
- achieving simple, efficient and equitable revenue management services for State taxes and grants and subsidies schemes
- providing public sector superannuation arrangements that incorporate expert policy advice and competitive products and services to enhance member services
- maintaining the integrity and probity of the gambling industry while incorporating responsible gambling policy and research activities
- coordinating and delivering a broad range of economic and statistical information and services to enhance planning, decision making, policy development and resource allocation across Queensland Government agencies.

2004-05 HIGHLIGHTS

Treasury will continue to develop the following initiatives in 2004-05, including:

- continuing to work with other jurisdictions regarding state and territory taxes to be reviewed by Ministerial Council under the terms of the *Inter-Governmental Agreement on the Reform of Commonwealth-State Financial Relations*
- supporting the development of standardised shared service business solutions, including finance, human resource management and documents and records management
- managing the gaming machine reallocation scheme for hotels
- continuing the program of strategic assessments of GOCs focusing on issues such as financial performance, market environment and strategic direction

- provision of \$8.7 million toward the Information Technology Strategic Plan within the Taxation output to achieve business improvement in the collation of revenue and payment of subsidies with a value of over \$6 billion expected in 2004-05
- continued improvements in products and services to meet the needs of QSuper members and employers.

In its capacity as manager of the State's finances, Treasury will administer and receipt over \$13 billion in revenue in 2004-05. Treasury will administer grant and subsidy programs totaling over \$772 million in 2004-05.

Treasury is relocating five offices to the 33 Charlotte Street building as part of Treasury's Strategic Accommodation Plan. The relocation will consolidate the Brisbane CBD accommodation for the Department to achieve improvements in business processes.

DEPARTMENTAL OUTPUTS

Treasury is a diverse portfolio. Its structure consists of Treasury Office and six portfolio offices, allowing for a streamlined approach to dealing with policy and service delivery issues.

The activities of Treasury are strongly linked with the Government's key priorities and strategic governance principles and indicators. Treasury provides financial and economic advice to ensure the maintenance and enhancement of the State's financial position and economic performance to deliver long-term economic growth.

Financial and Economic Policy

Treasury Office delivers the financial and economic policy output, providing policies, strategies and advice at a whole-of-Government level to promote value for money service delivery, managing the State's finances in accordance with the *Charter of Social and Fiscal Responsibility* and advancing the performance of the Queensland economy to support growth and employment.

GOC Performance and Governance

Treasury, through the Office of Government Owned Corporations (OGOC), is responsible for supporting and advising shareholding Ministers in administering the Government's shareholding in its GOCs. This includes ensuring a strategic approach to policy development for GOCs, monitoring their performance and ensuring compliance with relevant legislation.

Economic and Statistical Research

The Office of Economic and Statistical Research (OESR) coordinates whole-of-Government statistical and economic research standards. This includes the collection, collation, interpretation, analysis and dissemination of high quality primary and secondary economic and statistical information and the provision of modelling and research services and specific information and data management services.

OESR's activities support improved planning, decision making, policy development and resource allocation.

Taxation

The Office of State Revenue (OSR) delivers and administers revenue management services for State taxes and grant and subsidy schemes. It provides revenue policy advice to maintain and improve revenue systems and their administration. OSR is also responsible for administering the Community Ambulance Cover Scheme, First Home Owner Grant and Fuel Subsidy schemes.

Gambling

The Queensland Office of Gaming Regulation (QOGR) regulates and monitors gambling in Queensland to ensure gambling industry integrity, probity of its participants and responsible gambling policy. This role includes the implementation of a stringent licensing regime, various compliance activities, coordinating the provision of policy advice on gambling issues, implementing responsible gambling practices and coordinating research to underpin future policy advice on gambling.

QOGR also manages the allocation of funds from the Community Investment Fund, which includes grants to community organisations from the Gambling Community Benefit Fund.

Superannuation

The Government Superannuation Office (GSO) assists the Government and the Trustees in administering the State Public Sector Superannuation Fund (QSuper), the Parliamentary Contributory Superannuation Fund and the pension entitlements of judges. This includes providing policy advice, products, services and administration of legislation relating to the management of superannuation for Queensland public sector employees.

GSO also administers the State Government's long service leave provisions for Queensland public sector employees.

Shared Service Implementation

The Shared Service Implementation Office (SSIO) is responsible for implementing the Government's vision for shared corporate services. The Shared Service Initiative is a whole-of-Government project to deliver high quality, cost effective corporate services across government.

OUTPUT LINKAGES WITH GOVERNMENT OUTCOMES

Output Name	Government Outcome/ Strategic Governance
Financial and Economic Policy	Strategic Governance
GOC Performance and Governance	Strategic Governance
Economic and Statistical Research	Strategic Governance
Taxation	Strategic Governance
Gambling	Safe and Secure Communities
Superannuation	Strategic Governance
Shared Service Implementation	Strategic Governance

DEPARTMENTAL FINANCIAL SUMMARY

	2003-04 Budget \$'000	2003-04 Est. Actual \$'000	2004-05 Estimate \$'000
CONTROLLED ¹			
Revenue			
Output revenue	114,162	116,675	111,079
Own source revenue ²	70,638	71,870	65,306
Total revenue	184,800	188,545	176,385
Total expenses²	184,531	188,310	176,385
Operating result	269	235	..
NET ASSETS	47,928	52,152	59,393
ADMINISTERED ¹			
Revenue			
Administered item revenue	1,825,572	2,282,848	1,496,795
Other administered revenue	11,550,864	12,701,142	13,274,567
Total revenue	13,376,436	14,983,990	14,771,362
Expenses			
Transfers of administered revenue to Government	11,544,074	12,694,748	13,268,155
Administered expenses	1,829,956	2,283,086	1,498,429
Total expenses	13,374,030	14,977,834	14,766,584
Notes: 1. Explanation of variances can be found in the Financial Statements section and Output Statements of Financial Performance. 2. The 2003-04 budget amounts have been recast to reflect the impact of the transfer at 1 July 2003 of several corporate services functions to Corporate Solutions Queensland (CSQ) and CorpTech as part of the Shared Service Initiative (SSI).			

APPROPRIATIONS

	2003-04 Budget \$'000	2004-05 Estimate \$'000
Controlled Items ¹		
Departmental Outputs	114,162	111,079
Equity Adjustment ²	2,395	7,241
Administered Items ¹	1,540,312	1,594,910
Vote Total	1,656,869	1,713,230
Notes: 1. A reconciliation of appropriations to the Financial Statements follows the Financial Statements. 2. The increase in the 2004-05 Estimate is due to the equity injections to fund the OSR Business Systems Replacement project.		

STAFFING¹

Output/Activity	Notes	2003-04 Est. Actual	2004-05 Estimate
OUTPUTS²			
Financial and Economic Policy		238	242
GOC Performance and Governance		27	30
Economic and Statistical Research		101	100
Taxation	3	356	354
Gambling		216	225
Superannuation		370	373
Shared Service Implementation	4	84	51
Total Outputs		1,392	1,375
ADMINISTERED		..	..
BUSINESS UNITS			
CorpTech		264	264
Total Business Units		264	264
Corporate Services provided to other agencies		26	25
Total		1,682	1,664
Notes: 1. Full-Time Equivalents (FTEs) as at 30 June. 2. Corporate FTEs are allocated across the outputs to which they relate. 3. The 2004-05 Estimate includes ten employees whose wages will be capitalised. Consequently, it would not be valid to perform output based average salary calculations on the basis of these FTE allocations. 4. The decrease in the 2004-05 Estimate is due to the transfer of responsibility for the implementation phases of the Business Solutions projects. In addition to these FTEs the Shared Service Implementation Output also reimburses a number of agencies for the salary costs of agency staff working on short-term SSI projects.			

2004-05 OUTPUT SUMMARY

Output	Total Cost \$'000	Sources of Revenue			
		Output Revenue \$'000	User Charges \$'000	C'wealth Revenue \$'000	Other Revenue \$'000
Financial and Economic Policy	32,374	26,350	5,495	..	529
GOC Performance and Governance	2,937	2,841	80	..	16
Economic and Statistical Research	11,636	7,793	3,798	..	45
Taxation	41,794	40,761	909	..	124
Gambling	33,736	17,179	16,472	..	85
Superannuation	48,479	5,665	42,289	..	525
Shared Service Implementation	6,249	6,050	132	..	67
Departmental	177,205	106,639	69,175	..	1,391
Other ¹	4,656	4,440	194	..	22
Reconciliation Adjustment to Statement of Financial Performance²	(5,476)	..	(5,476)	..	..
Total ³	176,385	111,079	63,893	..	1,413
<p>Notes:</p> <ol style="list-style-type: none"> 1. The Department provides Corporate Support to non-Departmental outputs (MAIC, Nominal Defendant and CorpTech). Whilst the associated expenses and revenues are reflected in the Financial Statements, they are not included in the individual Output Statements of Financial Performance. Consequently the sum of the individual Output Statements of Financial Performance does not add to the Departmental Statement of Financial Performance. The 2004-05 Corporate Support Allocation is provided in Attachment 1 to the Departmental Financial Statements. 2. This line item represents eliminations upon consolidation for internal trading between outputs. 3. This line reconciles to the Statement of Financial Performance where total cost is represented by total expenses from ordinary activities and other revenue, represents grants and other contributions and other revenue. 					

OUTPUT PERFORMANCE

OUTPUT: Financial and Economic Policy

RELATED OUTCOME: Strategic Governance

DESCRIPTION

Treasury Office delivers the Financial and Economic Policy output, providing policies, strategies and advice at a whole-of-Government level to promote value for money service delivery, managing the State's finances in accordance with the *Charter of Social and Fiscal Responsibility* and advancing the performance of the Queensland economy to support growth and employment.

Activities include:

- developing and monitoring the State Budget and whole-of-Government strategies to achieve the Government's priorities and meet the fiscal principles within the *Charter of Social and Fiscal Responsibility* (the Charter)
- managing the Government's financial assets and liabilities, financial risks and exposures and developing strategies to maintain the State's fiscal principles
- managing inter-governmental financial relations to further Queensland's financial and economic interests
- providing advice on Australian Government taxes and tax equivalents to Government agencies
- developing State taxation policy including assessing taxation initiatives and taxation expenditure
- developing regulatory policy, overseeing regulatory regimes and managing the implementation of National Competition Policy, including preparation of the annual report to the National Competition Council on implementation progress
- providing advice on macroeconomic trends and microeconomic policy issues
- developing and facilitating the implementation of financial management improvements across Government
- acting as the Government's commercial adviser in relation to infrastructure provision and the Government's Public Private Partnerships Policy and Value for Money Framework, and managing the Government's risk on major infrastructure projects
- providing insurance and insurance advice to Government agencies through the Queensland Government Insurance Fund (QGIF).

REVIEW OF OUTPUT PERFORMANCE

Recent Achievements

Significant recent achievements include:

- development of the 2004-05 State Budget
- ongoing monitoring and review of the 2003-04 Budget
- achievement of a higher than forecast operating surplus for 2003-04 and a stronger balance sheet reflected in lower debt and growth in financial assets
- completion of the fourth report of outcomes – the *Priorities in Progress Report 2002-03*, under the Charter
- presenting Queensland's submissions and arguments for additional funding during the Commonwealth Grants Commission's 2004 review of GST funding allocation. Queensland received an underlying increase in GST funding of \$262.7 million
- providing support and assistance in the development of the *Blueprint for Implementing the CMC Report into Abuse of Children in Foster Care*
- provision of ongoing commercial and financial advice on a number of major infrastructure projects being progressed under the Public Private Partnerships Policy and Value for Money Framework
- coordination and development of the Smart State Building Fund, which provided funding to address key infrastructure needs in areas such as education, health and transport
- establishment of ongoing liaison with insured agencies to improve scheme management.

Future Developments

During 2004-05, this output will focus on the following key priorities:

- continuing to achieve the fiscal principles in the *Charter of Social and Fiscal Responsibility* and build awareness of the risks and influences affecting Queensland's fiscal position
- maintaining the State's net worth and AAA credit rating
- maintaining a sustainable and competitive State tax regime
- participating in a work program involving the states and the Australian Government to consider simplifying the current processes underlying the distribution of GST revenue
- continuing to work with other jurisdictions regarding state and territory taxes to be reviewed by Ministerial Council under the terms of the *Inter-Governmental Agreement on the Reform of Commonwealth-State Financial Relations*
- managing and coordinating the State Budget process within agreed timeframes
- continuing to provide commercial and financial advice to the Government on major asset management and infrastructure projects and work with responsible agencies on projects progressed under the Public Private Partnerships Policy and Value for Money Framework
- developing and facilitating strategies to lift the State's sustainable level of economic growth and addressing the challenges of an aging population and labour force

- providing reliable forecasts for the State economy
- providing recommendations to Government on the adoption of a reinsurance program
- taking an active lead in ensuring a smooth transition to internationally converged accounting standards in 2005 through information sessions, interactive workshops and development of revised accounting and financial reporting policies
- enhancing the QGIF database to achieve more accurate premium setting and to provide insured agencies with data which improves their risk management practices.

OUTPUT STATEMENT

Output: Financial and Economic Policy				
Measures	Notes	2003-04 Target/Est.	2003-04 Est. Actual	2004-05 Target/Est.
Quantity				
Quarterly budget reports		4	4	4
Monthly monitoring and budget reviews		10	10	10
Quarterly estimates of the cost of departmental insurance losses at a whole-of-Government level		4	4	4
Economic Indicator Briefs		52	52	52
Quality				
Achievement of work plan as agreed with Treasurer		100%	100%	100%
Meeting the requirements of the Government's <i>Charter of Social and Fiscal Responsibility</i>		90%	100%	100%
Compliance with the Uniform Presentation Framework requirements		100%	100%	100%
Achievement of National Competition Policy requirements		100%	100%	100%
Availability of financial management reporting system (Tridata)		95%	98%	95%
Timeliness				
Achievement of key milestones in the budget process		100%	100%	100%
Budget, financial and other reports completed within agreed timeframes		100%	100%	100%
Whole-of-Government outcomes report completed within agreed timeframes		100%	100%	100%
Annual Commonwealth Grants Research Program completed within agreed timeframes		100%	100%	100%
Legislation review program completed within agreed timeframes		100%	100%	100%
Ministerial Correspondence and Cabinet Submissions completed within agreed timelines		95%	95%	95%
Percentage of non-complex competitive neutrality complaints outside Queensland Competition Authority's jurisdiction resolved within three months		95%	100%	95%

Output: Financial and Economic Policy (cont.)				
Measures	Notes	2003-04 Target/Est.	2003-04 Est. Actual	2004-05 Target/Est.
Cost (\$)				
Cost of fiscal and financial management	1	10,247	7,207	6,019
Cost of portfolio resource allocation advice	2	5,358	5,554	6,281
Cost of economic, regulatory and inter-governmental relations advice		3,129	3,608	3,959
State Contribution (\$'000)		26,888	25,986	26,350
Other Revenue (\$'000)		8,243	3,687	6,024
Total Cost (\$'000)		35,131	29,673	32,374
Notes: 1. The decrease in the 2003-04 Estimated Actual and 2004-05 Estimate is due to responsibility for the costs associated with the maintenance and licence fees of the Queensland Government Financial Management system having been assumed by CorpTech, and the reallocation of resources and responsibilities between branches within the Treasury Office. 2. During 2003-04 there was a reallocation of resources and responsibilities between branches within the Treasury Office. However no significant changes in costs are anticipated for 2003-04 due to a delay in filling vacant positions. The increase in costs resulting from the reallocation is reflected in the 2004-05 Target as the vacant positions are filled.				

Output Statement of Financial Performance – Financial and Economic Policy

	Notes	2003-04 Budget ¹ \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
Revenues from ordinary activities				
Output revenue		26,888	25,986	26,350
User charges	2	7,932	2,776	5,495
Grants and other contributions		..	..	..
Other		311	911	529
Total revenues from ordinary activities	3	35,131	29,673	32,374
Expenses from ordinary activities				
Employee expenses	4	18,192	18,203	20,182
Supplies and services	2	13,684	8,413	9,117
Equity Return		472	453	480
Depreciation and amortisation		1,460	1,654	1,607
Grants and subsidies		..	..	..
Other		1,323	950	988
Total expenses from ordinary activities excluding borrowing costs	3	35,131	29,673	32,374
Borrowing costs expense		..	..	..
Surplus or deficit from ordinary activities		..	..	..
Extraordinary items		..	..	..
NET SURPLUS OR DEFICIT		..	..	..
Notes: <ol style="list-style-type: none"> As a result of the transfer of several corporate services functions to CSQ and CorpTech as part of the SSI at 1 July 2003, the 2003-04 budget amounts have been recast to reflect the impact of this transfer on the Corporate Support Allocation. In addition, the method of allocating corporate support has been adjusted to provide a more robust and accurate allocation of corporate support costs given the changes in the Department's structure. The decrease in the 2003-04 Estimated Actual and subsequent increase in the 2004-05 Estimate is the result of project timing differences. Corporate Support revenues and expenses have been allocated to this output. The full disclosure of the 2004-05 Corporate Support Allocation is provided in Attachment 1 of the Departmental Financial Statements. The increase in the 2004-05 Estimate is due to the filling of vacancies and employment throughout the year of some project staff. 				

OUTPUT PERFORMANCE

OUTPUT: GOC Performance and Governance

RELATED OUTCOME: Strategic Governance

DESCRIPTION

The primary focus of the Office of Government Owned Corporations (OGOC) is to support and advise shareholding Ministers in administering the Government's shareholding in its Government-owned corporations (GOCs). This includes ensuring a strategic approach to policy development for GOCs, monitoring performance and ensuring compliance with relevant legislation.

OGOC aims to maximise shareholder returns, build shareholder value and ensure appropriate corporate governance in GOCs while being mindful that GOCs operate in open and competitive markets subject to the principle of competitive neutrality. OGOC's activities, particularly in the transport and electricity sectors, help to ensure competitive and cost effective infrastructure and services to support social and economic development.

Activities include:

- collecting dividends and tax equivalent payments from the GOC sector on behalf of the Government
- negotiating outcomes of the annual performance contract, or Statement of Corporate Intent (SCI) as well as the annual five year Corporate Plan
- monitoring the commercial performance of GOCs and conducting reviews of GOCs strategic direction and outlook for commercial performance
- assessing major investment proposals
- overseeing corporate governance arrangements in GOCs
- coordinating the State Budget process relating to GOCs.

REVIEW OF OUTPUT PERFORMANCE

Recent Achievements

OGOC's focus on an effective management framework for GOCs has produced the following achievements:

- assessment of various investment proposals and business strategies put forward by GOCs
- completion of SCI process for each GOC
- use of a comprehensive GOC yearly planner which outlines significant activities and processes to be undertaken by GOCs
- use of GOC investment guidelines incorporating ten investment principles which allow GOCs to act commercially and compete effectively while meeting the expectations, priorities and risk concerns of their Government shareholders

- enhanced monitoring of enterprise bargaining processes and outcomes for GOCs with a view to ensuring outcomes are in line with the expectations of shareholding Ministers.

Future Developments

During 2004-05, this output will focus on the following key priorities:

- continuing the program of strategic assessments of GOCs focusing on issues such as financial performance, market environment and strategic direction
- working with GOCs to develop SCIs in accordance with Government shareholding interests
- ensuring GOCs have effective risk management, corporate governance and performance monitoring systems in place
- assessing GOC investment proposals
- assessing the impact of new International Financial Reporting Standards on GOC financial reporting requirements.

OUTPUT STATEMENT

Output: GOC Performance and Governance				
Measures	Notes	2003-04 Target/Est.	2003-04 Est. Actual	2004-05 Target/Est.
Quantity				
Number of GOC Statements of Corporate Intent completed		19	19	19
Number of performance monitoring reports completed		76	76	76
Quality				
Percentage of Ministerial correspondence prepared to agreed Treasury standards	1	95%	90%	95%
Timeliness				
Percentage of Statements of Corporate Intent & Corporate Plans completed and agreed by the Treasurer as per the schedule outlined in the GOC Act		100%	100%	100%
Percentage of GOC investment proposals assessed within agreed timeframes		100%	100%	100%
Cost (\$)				
Cost of monitoring and governance per GOC		\$0.12 million	\$0.11 million	\$0.13 million
State Contribution (\$'000)		2,275	2,502	2,841
Other Revenue (\$'000)		65	103	96
Total Cost (\$'000)		2,340	2,605	2,937
Note: 1. The decrease in the 2003-04 Estimated Actual is due to delays in the finalisation of ministerial responses during the Caretaker Period associated with the 2004 Queensland State Election and the subsequent period. During this time, changes in ministerial responsibilities were announced and implemented, including changes in the shareholding Ministers for energy GOCs and for transport GOCs.				

Output Statement of Financial Performance - GOC Performance and Governance

	Notes	2003-04 Budget ¹ \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
Revenues from ordinary activities				
Output revenue		2,275	2,502	2,841
User charges		57	76	80
Grants and other contributions		..	..	..
Other		8	27	16
Total revenues from ordinary activities	2	2,340	2,605	2,937
Expenses from ordinary activities				
Employee expenses	3	1,881	2,050	2,398
Supplies and services		361	440	422
Equity Return		15	18	21
Depreciation and amortisation		38	49	50
Grants and subsidies		..	..	..
Other		45	48	46
Total expenses from ordinary activities excluding borrowing costs	2	2,340	2,605	2,937
Borrowing costs expense		..	..	..
Surplus or deficit from ordinary activities		..	..	..
Extraordinary items		..	..	..
NET SURPLUS OR DEFICIT		..	..	..
Notes: 1. As a result of the transfer of several corporate services functions to CSQ and CorpTech as part of the SSI at 1 July 2003, the 2003-04 budget amounts have been recast to reflect the impact of this transfer on the Corporate Support Allocation. In addition, the method of allocating corporate support has been adjusted to provide a more robust and accurate allocation of corporate support costs given the changes in the Department's structure. 2. Corporate Support revenues and expenses have been allocated to this output. The full disclosure of the 2004-05 Corporate Support Allocation is provided in Attachment 1 of the Departmental Financial Statements. 3. The increase in the 2004-05 Estimate is due to an increase in employee numbers to meet the increasing responsibilities of OGOC.				

OUTPUT PERFORMANCE

OUTPUT: Economic and Statistical Research

RELATED OUTCOME: Strategic Governance

DESCRIPTION

The Office of Economic and Statistical Research is responsible for this output, particularly the coordination of key statistical and research standards and whole-of-Government economic and statistical research projects. These projects include the collection, collation, interpretation, analysis and dissemination of high quality primary and secondary economic and statistical information, as well as the provision of modelling and research services and specific information and data management services.

The economic and statistical research output contributes to the Government's priorities by coordinating and delivering a broad range of economic and statistical information and services to enhance planning, decision making, policy development and resource allocation across Queensland Government agencies.

REVIEW OF OUTPUT PERFORMANCE

Recent Achievements

Significant recent achievements include:

- completion of major surveys for State Government agencies, including the gambling survey program, Queensland household survey program and a longitudinal survey
- data and coordination services for major Government initiatives, including the Queensland Spatial Information Infrastructure Strategy (QSIIS) and the Legal Framework for Inter-jurisdictional Information transfer
- successful completion of major economic and statistical modelling, including the energy and rail sectors of the Queensland economy and the juvenile justice system
- provision of high quality statistical intelligence which contributes to the transparency and accountability of Government through the principles and reporting requirements of the *Charter of Social and Fiscal Responsibility*
- improved information sharing across Government by developing on-line products and services such as providing access to the State Digital Road Network (SDRN), the Queensland Regional Bodies Information System, the Ipswich and Shires Information Service and undertaking the QSIIS DataHub Business Process Re-engineering project.

Future Developments

During 2004-05, this output will focus on the following key priorities:

- maintain and enhance rigorous economic and social research agendas relating to the economic and social advancement of the State, involving partnerships with government, industry, Queensland universities and interstate and international academics
- further develop a knowledge-sharing and modelling capacity for the Queensland Government by maintaining and enhancing a suite of economic and statistical models, methodologies and standards, and promote their availability, transparency and use across Government and the general community
- improve mechanisms for the generation and purchase of data, removal of duplication and encouragement of sharing across all State Government agencies, including participation in the development of the Information Queensland initiative
- coordinate the activities of key providers of statistics to establish and maintain an integrated statistical service across governments by participating in the development of proposed national initiatives
- continue to expand and enhance information services across all regions and sectors of the State by encouraging the use of effective electronic access to data and information services
- enhance the capability to perform statistical surveys, including implementation of longitudinal surveys and improved statistical methodologies for the analysis of longitudinal data.

OUTPUT STATEMENT

Output: Economic and Statistical Research				
Measures	Notes	2003-04 Target/Est.	2003-04 Est. Actual	2004-05 Target/Est.
Quantity				
Survey, data processing or data construction projects	1	90	69	60
Data dissemination outputs including official publications, client reports or databases	2	150	128	140
Formal written briefings or reports provided to key clients on economic statistical and spatial issues	3	200	140	140
Number of Internet hits on OESR web site	4	1.75 million	1.83 million	1.95 million
Number of hits to Data Hub home page	5	40,000	30,000	30,000
Collaborative projects undertaken with or sponsored by other teams in Government or external researchers		60	60	70
Development and coordination of whole-of-Government policy issues or relations with organisations in other jurisdictions (number of projects)	6	100	72	70
Number of statistical standards or guidelines published		25	25	25
Factual answers to requests for information	7	4,000	3,581	3,500
Quality				
Successful external quality audits		100%	100%	100%
Stakeholder and client satisfaction with outputs (rated satisfied or very satisfied)		90%	90%	90%
Timeliness				
Delivery of outputs within timeframes agreed with clients (excludes Internet Services)		90%	90%	90%
Location				
Briefings and reports delivered to clients outside Treasury Office		50%	50%	50%

Output: Economic and Statistical Research (cont.)

Measures	Notes	2003-04 Target/Est.	2003-04 Est. Actual	2004-05 Target/Est.
Cost (\$)				
Revenue from fee-for-service outputs	8	\$3.9 million	\$3.0 million	\$3.5 million
State Contribution (\$'000)		6,373	7,823	7,793
Other Revenue (\$'000)		4,164	3,345	3,843
Total Cost (\$'000)		10,537	11,168	11,636

Notes:

1. The 2003-04 Estimated Actual and 2004-05 Target are lower due to a change in the method of counting outputs from a monthly to an annual basis for some projects.
2. The decrease in the 2003-04 Estimated Actual is due to a change in the frequency of producing client reports for some projects. The increase in the 2004-05 Target is due to more reports from surveys being produced for clients.
3. The decrease in the 2003-04 Estimated Actual and the 2004-05 Target is primarily attributable to the transfer of the Economic Policy Branch to Treasury Office resulting in a significant decrease in the number of formal briefings required.
4. The increase in the 2003-04 Estimated Actual and the 2004-05 Target is due to the increased demand for information being disseminated through the OESR website.
5. This was a new measure for 2003-04 for which there was no previous accurate information to base the estimate. The 2003-04 estimated Actual and the 2004-05 Target are based on actual trends experienced during 2003-04.
6. The decrease in the 2003-04 Estimated Actual is due to the earlier than anticipated completion of the Aligning Services and Priorities Strategic Information Management Review.
7. The lower number of requests for information in 2003-04 is predominately due to the effect of the Data Hub and more information being available on the OESR website.
8. The decrease in the 2003-04 Estimated Actual revenue and the 2004-05 Target is due to a change in the source of funding to Output revenue for some projects with strategic policy importance.

Output Statement of Financial Performance – Economic and Statistical Research

	Notes	2003-04 Budget ¹ \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
Revenues from ordinary activities				
Output revenue		6,373	7,823	7,793
User charges	2	4,147	3,270	3,798
Grants and other contributions		..	..	..
Other		17	75	45
Total revenues from ordinary activities	3	10,537	11,168	11,636
Expenses from ordinary activities				
Employee expenses		6,497	6,577	6,959
Supplies and services	4	3,073	3,622	3,676
Equity Return		76	88	91
Depreciation and amortisation		522	501	555
Grants and subsidies		32	31	35
Other		337	349	320
Total expenses from ordinary activities excluding borrowing costs	3	10,537	11,168	11,636
Borrowing costs expense		..	..	..
Surplus or deficit from ordinary activities		..	..	..
Extraordinary items		..	..	..
NET SURPLUS OR DEFICIT		..	..	..

Notes:

- As a result of the transfer of several corporate services functions to CSQ and CorpTech as part of the SSI at 1 July 2003, the 2003-04 budget amounts have been recast to reflect the impact of this transfer on the Corporate Support Allocation. In addition, the method of allocating corporate support has been adjusted to provide a more robust and accurate allocation of corporate support costs given the changes in the Department's structure.
- Funding for some projects with strategic policy importance is now provided under Output revenue rather than User charges.
- Corporate Support revenues and expenses have been allocated to this output. The full disclosure of the 2004-05 Corporate Support Allocation is provided in Attachment 1 of the Departmental Financial Statements.
- The increase in the 2003-04 Estimated Actual and 2004-05 Estimate is due primarily to costs associated with additional survey work undertaken and increased contributions to research partnerships.

OUTPUT PERFORMANCE

OUTPUT: Taxation

RELATED OUTCOME: Strategic Governance

DESCRIPTION

This output comprises delivery and administration by the Office of State Revenue (OSR) of simple, efficient and equitable revenue management services for the State taxes and grant and subsidies schemes. Key clients include taxpayers, grant and subsidy recipients, their agents and professional advisers.

OSR's main activities include:

- revenue collection services for Queensland's main taxes (Duty, Pay-roll Tax, Land Tax and Debts Tax)
- collecting gambling taxes, levies and fees
- administering the Community Ambulance Cover scheme through electricity retailers
- grant and subsidy scheme administration for the Fuel Subsidy scheme (FSS) and the First Home Owner Grant (FHOG)
- revenue policy advice, and Ministerial and legislative services to maintain and improve the revenue systems and their administration
- revenue management and administration including assessment and collection processing, claim and payment processing and investigation and debt recovery.

REVIEW OF OUTPUT PERFORMANCE

Recent Achievements

Significant recent achievements include:

- implementation of the Community Ambulance Cover, the key elements of which are new legislation, systems and business processes
- continued improvement of the FHOG and FSS and their administration
- maintenance of revenue collection within agreed service standards through continually reviewing best use of resources and refining systems and operating procedures against benchmarks and other best practice measures
- achievement of the key milestones in the implementation of the Information Technology Strategic Plan (ITSP), which provides a direction for information technology infrastructure and support that incorporates contemporary business practices and payment methods
- maintenance and improvement of taxpayer certainty through the program of revenue rulings and determinations

- review of and advice on taxation arrangements including legislative amendments where necessary to protect the State's tax base and maintain the efficiency of the taxation legislation.

Future Developments

During 2004-05, OSR will focus on the following key priorities:

- implementing the Government's 2004-05 Budget revenue initiatives relating to transfer, insurance and credit card duty
- continuing to implement the ITSP with provision of \$8.7 million in capital funding in 2004-05 incorporating major capital expenditure for the Business System Replacement project
- implementing a client relationship management strategy for improved self-assessment, taxpayer certainty and client service, aligned to new legislation and operating systems
- developing a new Compliance Model as part of our client relationship management strategy
- modernise pay-roll tax administration through the continued implementation of the *Taxation Administration Act 2001*, new technology systems and new business processes
- improving and expanding self-assessment through the introduction of e-business initiatives with supporting voluntary compliance and investigations strategies
- improving Community Ambulance Cover scheme administration through electricity retailers
- protecting the State's revenue and supporting improved revenue management by providing ongoing legislation and revenue policy advice services to Government
- proactively advising Government on the operational implication of revenue amendments and on trends and community issues surrounding or impacting on revenue management
- supporting the development of new revenue management business by providing legislation and revenue policy advice services
- proactively identifying, investigating and creating the capability for efficient and effective revenue management within the State and Queensland local governments
- processing approximately \$6 billion in revenue and grant transactions
- managing revenue within agreed service standards, by continually reviewing use of resources, refining systems and operating procedures against benchmarks and other best practice measures.

OUTPUT STATEMENT

Output: Taxation				
Measures	Notes	2003-04 Target/Est.	2003-04 Est. Actual	2004-05 Target/Est.
Quantity				
Amount of revenue collected	1	\$4.9 billion	\$5.8 billion	\$5.7 billion
Number of amendment provisions including subordinate legislation developed	2	5	8	5
Number of First Home Owner Grant (FHOG) applications	3	25,500	23,200	21,000
Number of fuel subsidy payments		27,280	26,890	27,000
Quality				
Client satisfaction with service provided		70%	70%	70%
Legislative amendment program and revenue policy advices within service standards		90%	90%	90%
Timeliness				
FHOG applications processed within service standards		95%	95%	95%
Percentage of investigations performed within service standards		90%	90%	90%
Legislation program and deliverables within deadlines		90%	90%	90%
Payment and investigation of fuel subsidy claims within service standards		95%	95%	95%
Policy advice, briefings and Ministerial correspondence within deadlines		90%	90%	90%
Revenue collected within service standards		95%	98%	95%
Cost (\$)				
Total Revenue \$ Administered per \$ expended – Accrual	4	161	190	175
State Contribution (\$'000)		39,802	38,977	40,761
Other Revenue (\$'000)		1,021	1,383	1,033
Total Cost (\$'000)		40,823	40,360	41,794

Notes:

1. The increase in the 2003-04 Estimated Actual is due to the continuing strong growth in Duties revenue. This growth is expected to taper off in 2004-05 causing a decrease in total revenue.
2. The increase in the 2003-04 Estimated Actual is due to the FHOG Amendment Bill, Community Ambulance Cover Amendment Bill and Duties Amendment Bill which were not anticipated at budget time last year. Two additional regulations were also completed. The Pay-roll Tax Administration Bill and Regulation were not progressed this year and these will be progressed in the 2004-05 financial year.
3. The decrease in the 2003-04 Estimate is due to the substantial increase in property values reducing affordability for first home buyers. The decrease in the 2004-05 Target relates to an anticipated slow down in the property market.
4. The increase in the 2003-04 Estimated Actual is due to the revenue received being higher than expected.

Output Statement of Financial Performance – Taxation

	Notes	2003-04 Budget ¹ \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
Revenues from ordinary activities				
Output revenue		39,802	38,977	40,761
User charges		900	998	909
Grants and other contributions		..	..	..
Other		121	385	124
Total revenues from ordinary activities	2	40,823	40,360	41,794
Expenses from ordinary activities				
Employee expenses	3	23,286	21,580	23,389
Supplies and services	4	13,088	15,414	12,809
Equity Return	5	1,174	1,014	1,245
Depreciation and amortisation	6	2,530	1,523	2,850
Grants and subsidies		..	..	..
Other		745	829	1,501
Total expenses from ordinary activities excluding borrowing costs	2	40,823	40,360	41,794
Borrowing costs expense		..	..	..
Surplus or deficit from ordinary activities		..	..	..
Extraordinary items		..	..	..
NET SURPLUS OR DEFICIT		..	..	..

Notes:

- As a result of the transfer of several corporate services functions to CSQ and CorpTech as part of the SSI at 1 July 2003, the 2003-04 budget amounts have been recast to reflect the impact of this transfer on the Corporate Support Allocation. In addition, the method of allocating corporate support has been adjusted to provide a more robust and accurate allocation of corporate support costs given the changes in the Department's structure.
- Corporate Support revenues and expenses have been allocated to this output. The full disclosure of the 2004-05 Corporate Support Allocation is provided in Attachment 1 of the Departmental Financial Statements.
- The decrease in the 2003-04 Estimated Actual is attributable to a number of temporary agency staff employed to fill vacancies during OSR's re-alignment process. The cost for temporary agency staff is reflected in Supplies and Services. The increase in the 2004-05 Estimate reflects the filling of these vacancies with permanent staff.
- The increase in the 2003-04 Estimated Actual is attributable to a number of temporary agency staff employed to fill vacancies during OSR's re-alignment process. The decrease in 2004-05 Estimate reflects the new alignment structure which will be implemented in the 2004-05 financial year, where the usage of temporary agency staff will significantly decrease.
- The increase in the 2004-05 Estimate results from an increase in net assets (equity) due to the equity injection provided to fund the Business System Replacement project.
- The decrease in the 2003-04 Estimated Actual is due to the delay in capitalising the Business System Replacement Project. The increase in 2004-05 Estimate is due to the completion of Phase One of the project and its subsequent depreciation.

OUTPUT PERFORMANCE

OUTPUT: Gambling

RELATED OUTCOME: Safe and Secure Communities

DESCRIPTION

The Queensland Office of Gaming Regulation (QOGR) is responsible for maintaining the integrity and probity of the gambling industry, responsible gambling policy and research activities, and managing the allocation of funds from the Community Investment Fund.

To deliver this output QOGR undertakes a number of activities including:

- a stringent licensing regime to issue licences for organisations and persons to operate in the gambling industry
- evaluating and approving internal controls, gambling equipment and gambling rules
- inspection and auditing of gambling sites and products, investigating complaints and undertaking prosecutions
- probity investigations of individuals and corporate entities
- providing policy advice on responsible gambling practices
- managing the allocation of funds from the Community Investment Fund which includes grants to community organisations from the Gambling Community Benefit Fund.

REVIEW OF OUTPUT PERFORMANCE

Recent Achievements

Significant recent achievements include:

- the implementation of the reallocation scheme for hotels, which included the allocation of operating authorities, selection of the selling entity and finalisation of the tender process
- finalisation of regulatory requirements to allow for the merger of Jupiters Ltd and Tabcorp Ltd
- release of revised Community Impact Statement Guidelines with greater emphasis and guidance on identifying an impact area and conducting community consultation
- introduction of a requirement for manufacturers to have an approved control system for their supply operations
- development of draft principles for card based gaming in Queensland
- release of a new version of Queensland's gaming machine communication protocol, QCOM version 1.6 to facilitate the monitoring of gaming machines
- implementation of a new data warehouse, query tool and geographical information system to facilitate the analysis of social, economic and gaming industry trends

- implementation of initiatives to support the *Queensland Responsible Gambling Code of Practice* including detailed review and monitoring of the adoption of the Code, the launch of a new training framework, development of advertising and promotion guidelines and the enhancement of the gambling help service system
- finalisation of the review of private sector involvement in the operations of clubs
- distribution of a Business Assistance Tool Kit to Queensland clubs and implementation of a club training scheme, which were key elements of the Club Industry Business Support Scheme
- completion of the review of the gaming machine audit methodology to incorporate more efficient use of technology and a risk based framework
- evaluation of the Gambling Community Benefit Fund
- distribution of \$33.5 million in grants from the Gambling Community Benefit Fund for the period from 1 April 2003 to 31 March 2004, for 2,331 projects to be undertaken by Queensland community organisations.

Future Developments

During 2004-05 this output will focus on the following key priorities:

- managing the gaming machine reallocation scheme for hotels
- community awareness and education on the impacts of gambling on individuals and the community
- implementing the gaming machine audit methodology initiative, including liaising with industry on corporate governance and compliance program related issues
- providing gambling policy advice based on rigorous social and economic research
- taking a leading role in inter-jurisdictional bodies
- developing and overseeing the continuing implementation of the *Queensland Responsible Gambling Strategy* and harm minimisation programs, including effective evaluation of early intervention and rehabilitation programs
- distributing an estimated \$34.5 million in grants from the Gambling Community Benefit Fund.

OUTPUT STATEMENT

Output: Gambling				
Measures	Notes	2003-04 Target/Est.	2003-04 Est. Actual	2004-05 Target/Est.
Quantity Audit, probity and inspection activities completed in accordance with annual program		95%	95%	95%
Quality Percentage of gambling providers committing to the implementation of the Code of Practice		70%	70%	70%
Suitability of all gambling participants and systems proven to be satisfactory		95%	95%	95%
People using intervention services who report a decrease in their gambling problems		65%	65%	65%
Timeliness Licence applications processed within set time		90%	90%	90%
Responsible Gambling outsourced research projects completed on time	1	60%	60%	N/A
Gambling Community Benefit Fund applications processed within set times		95%	95%	95%
State Contribution (\$'000)		16,149	16,422	17,179
Other Revenue (\$'000)		14,552	14,153	16,557
Total Cost (\$'000)		30,432	30,340	33,736
Note: 1. QOGR's current strategy is not aligned with controlled performance contracts in research grants, consequently this performance measure will not be included from 2004-05.				

Output Statement of Financial Performance – Gambling

	Notes	2003-04 Budget ¹ \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
Revenues from ordinary activities				
Output revenue		16,149	16,422	17,179
User charges	2	14,520	14,001	16,472
Grants and other contributions		..	..	..
Other		32	152	85
Total revenues from ordinary activities	3	30,701	30,575	33,736
Expenses from ordinary activities				
Employee expenses	4	15,241	15,068	16,375
Supplies and services	4	6,887	6,983	8,771
Equity Return		144	163	174
Depreciation and amortisation		896	810	917
Grants and subsidies		5,309	5,365	5,395
Other		1,955	1,951	2,104
Total expenses from ordinary activities excluding borrowing costs	3	30,432	30,340	33,736
Borrowing costs expense		..	..	..
Surplus or deficit from ordinary activities		269	235	..
Extraordinary items		..	..	..
NET SURPLUS OR DEFICIT		269	235	..
Notes: <ol style="list-style-type: none"> As a result of the transfer of several corporate services functions to CSQ and CorpTech as part of the SSI at 1 July 2003, the 2003-04 budget amounts have been recast to reflect the impact of this transfer on the Corporate Support Allocation. In addition, the method of allocating corporate support has been adjusted to provide a more robust and accurate allocation of corporate support costs given the changes in the Department's structure. The Research and Community Engagement Division funds its expenses through user charges and, due to a rationalisation of corporate overheads, the 2003-04 Estimated Actual user charges revenue has decreased. The increase in the 2004-05 Estimate primarily represents the recovery of costs associated with the development and rollout of the Responsible Gambling Community Education program. Corporate Support revenues and expenses have been allocated to this output. The full disclosure of the 2004-05 Corporate Support Allocation is provided in Attachment 1 of the Departmental Financial Statements. The increase in the 2004-05 Estimate is primarily due to costs associated with the development and rollout of the Responsible Gambling Community Education Program. 				

OUTPUT PERFORMANCE

OUTPUT: Superannuation

RELATED OUTCOME: Strategic Governance

DESCRIPTION

The Government Superannuation Office (GSO) is responsible for the superannuation output and administers the State Public Sector Superannuation Fund (QSuper), the Parliamentary Contributory Superannuation Fund and the pension entitlements of judges. The GSO also administers the Long Service Leave Fund for Queensland Government employees.

Activities include:

- providing expert policy advice to stakeholders
- providing products and services to meet the needs of members and stakeholders
- administering legislation related to the management of superannuation for funds administered by the GSO.

REVIEW OF OUTPUT PERFORMANCE

Recent Achievements

Significant recent achievements include:

- significant improvements in the achievement of QSuper's administrative standards through improved responses to member enquiries and requests for information
- roll-out of the "QDos" initiative to promote an enhanced focus by employees on members, innovation, delivery and professionalism
- implementation of the Member Internet System (MIS) to provide members with the ability to access up-to-date information regarding their superannuation entitlements from the QSuper website
- annual merit awards from the Association of Superannuation Funds of Australia (ASFA) for QSuper's Annual Report, "Super Scoop" and its "Retirement Preparation Guide".

Future Developments

During 2004-05, this output will focus on the following key priorities:

- providing members with information, guidance tools and advice to equip them to make informed decisions about their future needs
- developing an enhanced understanding of members' and employers' actions and needs through dedicated research, data and behavioural analysis
- building system solutions to deliver cost effective products and services to members and employers over multiple channels

- continuing the development of products and services to meet members' needs, strengthening QSuper's market position delivered through QSuper and Q♦Invest and developing strategic partnerships as a means of ensuring efficient delivery and implementation
- continuing to focus on monitoring Australian Government initiatives and competitor activities to ascertain the potential impacts on funds administered by the GSO
- ensuring investment performance is commensurate with the performance of the general market and agreed targets.

OUTPUT STATEMENT

Output: Superannuation				
Measures	Notes	2003-04 Target/Est.	2003-04 Est. Actual	2004-05 Target/Est.
Quantity Percentage of members who elect to retain their voluntary monies with QSuper		70%	67%	70%
Quality Satisfaction of stakeholders with the delivery of products and services		93%	100%	93%
Percentage of external audits resulting in no qualifications		100%	100%	100%
Timeliness Meeting the performance benchmarks in the QSuper Trustees Administration Mandate and other agreements in place for the administration of funds other than QSuper		95%	95%	95%
Cost (\$) Administration costs per member are within the lowest quartile when benchmarked to peers		100%	100%	100%
State Contribution (\$'000)		4,937	5,575	5,665
Other Revenue (\$'000)		47,492	46,832	42,814
Total Cost (\$'000)		52,429	52,407	48,479

Output Statement of Financial Performance – Superannuation

	Notes	2003-04 Budget ¹ \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
Revenues from ordinary activities				
Output revenue		4,937	5,575	5,665
User charges	2	47,315	46,195	42,289
Grants and other contributions		..	..	..
Other		177	637	525
Total revenues from ordinary activities	3	52,429	52,407	48,479
Expenses from ordinary activities				
Employee expenses	4	23,690	23,199	25,917
Supplies and services	5	21,548	22,364	14,217
Equity Return		757	1,071	1,092
Depreciation and amortisation	6	3,452	2,850	4,099
Grants and subsidies		..	..	..
Other		2,982	2,923	3,154
Total expenses from ordinary activities excluding borrowing costs	3	52,429	52,407	48,479
Borrowing costs expense		..	..	..
Surplus or deficit from ordinary activities		..	..	..
Extraordinary items		..	..	..
NET SURPLUS OR DEFICIT		..	..	..
Notes: <ol style="list-style-type: none"> As a result of the transfer of several corporate services functions to CSQ and CorpTech as part of the SSI at 1 July 2003, the 2003-04 budget amounts have been recast to reflect the impact of this transfer on the Corporate Support Allocation. In addition, the method of allocating corporate support has been adjusted to provide a more robust and accurate allocation of corporate support costs given the changes in the Department's structure. User charges are determined on the basis of cost recovery and the reduction in the 2003-04 Estimated Actual and the 2004-05 Estimate represents anticipated cost savings. See also Note 5. Corporate Support revenues and expenses have been allocated to this output. The full disclosure of the 2004-05 Corporate Support Allocation is provided in Attachment 1 of the Departmental Financial Statements. The increase in the 2004-05 Estimate is the result of the Enterprise Bargaining Agreement and the full year affect of an increase in permanent employee numbers to provide enhanced member services. The decrease in the 2004-05 Estimate reflects that expenses for the provision of financial planning advice previously paid by the Government Superannuation Office will be paid directly from the State Public Sector Superannuation Fund. The decrease in the 2003-04 Estimated Actual reflects changes to project completion dates and a re-prioritisation of projects. The increase in the 2004-05 Estimate relates to the amortisation of projects that will be capitalised in the second half of 2003-04. 				

OUTPUT PERFORMANCE

OUTPUT: Shared Service Implementation

RELATED OUTCOME: Strategic Governance

DESCRIPTION

The Shared Service Initiative is a whole-of-Government project with the vision of delivering high-quality, cost effective corporate services across government. It will result in corporate services that are sustainable and innovative.

The Shared Service Implementation Office (SSIO) is a temporary office within Treasury until June 2006 and is responsible for implementing the Government's vision for shared corporate services in partnership with the shared service providers (SSPs), CorpTech, agencies and centres of skill.

SSIO plays a lead role in developing whole-of-Government guidelines and principles to ensure implementation of shared services is coordinated, effective, efficient and equitable. Through its stewardship and program management role, SSIO lays the foundation for implementation of business changes and information technology solutions necessary to drive efficient and effective corporate service delivery.

Activities undertaken by SSIO include:

- developing the shared services model to a degree of detail that will enable its implementation by agencies, shared service providers, CorpTech and centres of skill
- communicating the vision for shared services and engaging stakeholders internal and external to government
- driving the standardisation elements of the shared service model, in partnership with SSPs, CorpTech, centres of skills and agencies, including supporting the implementation of new business solutions
- planning, analysing, monitoring and reporting progress to stakeholders on the implementation of the Shared Service Initiative
- supporting the efforts of agencies, shared service providers, CorpTech and centres of skill that have direct responsibility for implementing policy and delivery elements of the model.

REVIEW OF OUTPUT PERFORMANCE

Recent Achievements

Significant recent achievements include:

- design of standardised corporate services work processes for finance and human resource management

- maintenance of business continuity over the period of transition and establishment of the SSPs and CorpTech
- development of a whole-of-Government workforce management strategy and change management strategy
- development of a Balanced Scorecard planning and performance measurement framework for shared services
- identification of further opportunities for shared services
- advancement of tender process selection for human resource management and documents and record management solutions
- establishment of governance mechanisms to manage implementation decisions at the whole-of-Government level, provider level, and client management level
- establishment of a framework for an integrated enterprise architecture based on the Government framework of principles, policies, models and standards to provide a cohesive model of components and strategies for business, information, application and technology in the shared service environment
- on target to achieve whole-of-Government financial benefits of Shared Service Implementation.

Future Developments

During 2004-05, SSIO will focus on the following key priorities:

- supporting the development of business solutions to deliver standardised corporate services, including finance, human resource management, and documents and records management
- developing a standard suite of services for delivery by shared service providers
- establishing a framework for measuring the performance of corporate services delivery to ensure consistent performance measurement across all providers and agencies
- improving the business capability of providers, including the implementation of costing and pricing solutions, co-location of providers and the design of client relationship and performance management solutions
- communicating and engaging stakeholders internal and external to government, on the changing landscape and business benefits resulting from shared service
- continuing to refine the shared service model to ensure optimal efficiency and effectiveness in corporate service delivery
- progressing workforce capability strategies including coordinating implementation of training and development opportunities for corporate services staff
- ongoing planning and risk management of the implementation of the Shared Service Initiative.

OUTPUT STATEMENT

Output: Shared Services Implementation				
Measures	Notes	2003-04 Target/Est.	2003-04 Est. Actual	2004-05 Target/Est.
Quantity				
Number of employees trained in business process standardisation in 10 key areas identified in core service delivery	1	150	239	N/A
Percentage of identified skills gaps addressed through training	2	New Measure	New Measure	80%
Number of standard survey instruments developed as part of Performance and Service Management Framework	3	2	2	N/A
Number of reports on SSIO progress against whole-of-Government Implementation plans	4,5	8	8	4
Operating level agreements in place for core corporate servicing across all agencies		100%	98%	100%
Quality				
Satisfaction with management of shared services implementation:				
• CEOs and key managers;		80%	80%	80%
• Government		80%	100%	100%
Peak implementation bodies' minimum level of satisfaction with standardised business process initiative	5	80%	80%	80%
Timeliness				
Achievement of key deliverables in SSIO Implementation Plan		100%	100%	100%
Provision of policy advice, briefings, ministerial correspondence within agreed time frames		95%	99%	95%
Cost (\$)				
SSIO operating expenses as % of total SSI expenditure	5	<5%	<5%	<5%
State Contribution (\$'000)		13,544	14,216	6,050
Other Revenue (\$'000)		133	8,135	199
Total Cost (\$'000)		13,677	22,351	6,249

Notes:

1. The Increase in 2003-04 Est Actual is due to greater interest from the sector in business process standardisation. As the Shared Service Initiative implementation has progressed this measure is no longer applicable.
2. As the SSI implementation has progressed, focus is now on addressing skills gaps.
3. Responsibility for this measure has transferred to shared service providers through the implementation process.
4. The decrease in the 2004-05 Target is due to a move to quarterly reporting against whole-of-Government implementation plans in 2004-05.
5. These have been reworded to add clarity to the measure and more accurately reflect target audiences.

Output Statement of Financial Performance – Shared Service Implementation

	Notes	2003-04 Budget ¹ \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
Revenues from ordinary activities				
Output revenue	2	13,544	14,216	6,050
User charges	3	94	8,011	132
Grants and other contributions		..	..	..
Other		39	124	67
Total revenues from ordinary activities	4	13,677	22,351	6,249
Expenses from ordinary activities				
Employee expenses	5	8,176	13,029	4,800
Supplies and services	5	5,032	8,060	1,098
Equity Return		20	52	34
Depreciation and amortisation		44	221	132
Grants and subsidies		..	..	..
Other	5	405	989	185
Total expenses from ordinary activities excluding borrowing costs	4	13,677	22,351	6,249
Borrowing costs expense		..	..	..
Surplus or deficit from ordinary activities		..	..	..
Extraordinary items		..	..	..
NET SURPLUS OR DEFICIT		..	..	..
Notes: <ol style="list-style-type: none"> As a result of the transfer of several corporate services functions to CSQ and CorpTech as part of the SSI at 1 July 2003, the 2003-04 budget amounts have been recast to reflect the impact of this transfer on the Corporate Support Allocation. In addition, the method of allocating corporate support has been adjusted to provide a more robust and accurate allocation of corporate support costs given the changes in the Department's structure. The decrease in the 2004-05 Estimate reflects the winding down of the Business Process Redesign program in SSIO. The increase in the 2003-04 Estimated Actual represents consideration received from CorpTech for the development of Shared Service Initiative system detailed business requirements. Corporate Support revenues and expenses have been allocated to this output. The full disclosure of the 2004-05 Corporate Support Allocation is provided in Attachment 1 of the Departmental Financial Statements. The increase in the 2003-04 Estimated Actual predominantly reflects the costs incurred in developing the SSI system detailed business requirements. These costs have been largely offset by consideration received from CorpTech. Refer to 3 above. The decrease in the 2004-05 Estimate is the result of the winding down of the Business Process Redesign program. 				

ADMINISTERED ITEMS

DESCRIPTION

In its capacity as manager of the State's finances, Treasury is responsible for overseeing significant administered revenues and expenses. The Department receives a large proportion of the State's taxation and Australian Government revenue used to fund departmental outputs.

REVIEW OF OUTPUT PERFORMANCE

Recent Achievements

Whole-of-Government Banking Agreement

The Queensland Government banking contracts were successfully put to open tender, resulting in the continuation of the Commonwealth Bank of Australia and Australia Post as service providers. The Commonwealth Bank of Australia also won the corporate purchasing card contract and implementation of their MasterCard product commenced in April 2004. The new contracts represent significant savings to the government mainly due to reduced merchant service fees and a rebate on corporate purchasing card expenditure.

Principal Place of Residence Transfer Duty Concession

Home buyers not purchasing their first home already receive a generous Principal Place of Residence concessional transfer duty rate of 1% on the first \$250,000 of the value of the home. From 1 August 2004, this concession will be extended, with the concessional duty rate of 1% to apply to the first \$300,000 of the value of a principal place of residence. Normal marginal rates of transfer duty apply above \$300,000. This will provide a saving of up to \$1,250 to home buyers, including first home buyers, on the purchase of a home valued \$250,000 or more, with a saving of \$35 million to Queensland home buyers in 2004-05.

Insurance Duty Rate Reduction

Currently insurance duty rates of 8.5% or 5% are imposed on contracts relating to general insurance. The higher duty rate of 8.5% applies to most forms of general insurance (referred to as class 1 general insurance). The lower rate of 5% applies to general insurance for professional indemnity, comprehensive motor vehicle cover, a home mortgage that is a first mortgage and travel personal accident cover (class 2 general insurance). From 1 August 2004, the rate of duty for class 1 general insurance will be reduced from 8.5% to 7.5%. This will reduce the difference between the two rates of insurance duty and make the Queensland insurance duty rate the second lowest in Australia, increasing the affordability of insurance to Queenslanders. This initiative will provide a saving of \$17.6 million to Queensland taxpayers in 2004-05.

Abolition of Credit Card Duty

Credit card duty is imposed on credit card transactions at the rate of 10 cents per transaction. Credit card duty will be abolished on 1 August 2004, providing a saving to taxpayers of approximately \$17 million in 2004-05.

CAPITAL ACQUISITIONS

Treasury's key infrastructure requirements are primarily intellectual capital and technology solutions. The majority of capital acquisitions for 2004-05 relate to projects which support initiatives such as the development of e-commerce capabilities in the Taxation output and the replacement of operational assets that provide Treasury's key infrastructure of intellectual capital and software solutions needs.

The most significant capital purchases are for the:

- Office of State Revenue's continued development and implementation of the Information Technology Strategic Plan (ITSP) to enhance information technology and management. The new system will employ contemporary technology to provide revenue and information management and e-business capability to better service the Government and people of Queensland. The ITSP will assist with the achievement of the Output being innovative revenue managers for the Government and the Community
- Government Superannuation Office's and the Office of State Revenue's replacement of ageing IT infrastructure that will enable continued access to stable computing environments and to keep pace with the rate of technological advancements ensuring that the growing business requirements are met
- Queensland Office of Gaming Regulation's improvement of business systems including the re-development of the Office's Analytical and Spatial systems and the Intranet and Internet sites. These enhancements will allow the Office to better achieve its business requirements.

CAPITAL ACQUISITION STATEMENT

	Notes [#]	2003-04 Adjusted Budget \$'000 ¹	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
<u>PROPERTY PLANT AND EQUIPMENT</u>				
Property Plant and Equipment				
- Asset Replacement	2	3,956	3,995	5,580
- OSR Business System Replacement	3	..	787	1,025
Other acquisitions of property, plant and equipment		..	..	152
TOTAL PROPERTY PLANT AND EQUIPMENT		3,956	4,782	6,757
<u>OTHER CAPITAL ACQUISITIONS</u>				
Other Capital Acquisitions				
- OSR Business System Replacement	4	8,500	6,427	7,638
- GSO Client Service Projects	5	4,550	2,689	..
- 33 Charlotte Street Leasehold Improvement	6	2,460	3,354	..
- Treasury Portfolio Metropolitan Network	7	2,000	..	..
Other Items	8	1,809	2,175	1,467
TOTAL OTHER CAPITAL ACQUISITIONS		19,319	14,645	9,105
TOTAL CAPITAL ACQUISITIONS		23,275	19,427	15,862
<u>FUNDING SOURCES OF ACQUISITIONS</u>				
Equity Adjustment	9	2,395	2,177	7,241
Funding for depreciation and amortisation	10	9,662	8,634	8,621
Borrowings		..	..	..
Proceeds of asset sales		..	..	..
Other	11	11,218	8,616	..
TOTAL FUNDING SOURCES		23,275	19,427	15,862

Notes:

1. As a result of the transfer of some corporate services activities and resources to Corporate Solutions Queensland and CorpTech on 1 July 2003, the 2003-04 Budget amounts have been recast to reflect the resources transitioned as part of the SSI.
2. The increase in the 2004-05 Estimate reflects Treasury's replacement program that will ensure that the key infrastructure of intellectual capital and software solution needs are provided in stable and up to date environments.
3. The variance between the 2003-04 Budget and 2003-04 Estimated Actual is due to the recasting of the estimates. Property, plant and equipment for the Business System Replacement project was previously reported as Other Capital Acquisitions. The estimate for 2003-04 and 2004-05 represents the procurement of the pre-production and production equipment respectively.
4. The decrease in the 2003-04 Estimated Actual is partly due to recasting of the estimate (refer to 3 above) and a shift in the estimated procurement points for pre-production and production infrastructure and architecture. The increase in the 2004-05 Estimate reflects the full funding requirements for the next phase of system development and implementation for the project.
5. The decrease in the 2003-04 Estimated Actual is primarily due to anticipated extensive refurbishments that were part of the Client Service Project not being required. There are no new Client Service Projects planned in 2004-05.
6. The decrease in the 2004-05 Estimate reflects the expected completion of the project in 2003-04.
7. The decrease in the 2003-04 Estimated Actual is due to the project's equipment being leased rather than purchased.
8. The increase in the 2003-04 Estimated Actual is primarily due to the reallocation of funding from the Treasury Metropolitan Network project to a number of smaller projects. The 2004-05 Estimate predominantly reflects operational asset replacements.
9. Refer to Note 12 on p1-48 in the Statement of Financial Position in the Financial Statements section.
10. Refer to Note 6 on p1-47 in the Statement of Financial Performance in the Financial Statements section.
11. The decrease in the 2003-04 Estimated Actual is due to the decrease in the need to utilise cash reserves due to the decreased capital expenditure in the 2003-04 Estimated Actual. The decrease in the 2004-05 Estimate is due to sufficient funds from other sources being available.

DEPARTMENTAL FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE

	Notes	2003-04 Budget \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
Revenues from ordinary activities				
Output revenue	1	114,162	116,675	111,079
User charges	2	69,924	69,525	63,893
Grants and other contributions		..	..	..
Other		714	2,345	1,413
Total revenues from ordinary activities		184,800	188,545	176,385
Expenses from ordinary activities				
Employee expenses	3	97,923	101,250	101,554
Supplies and services	4	62,823	63,714	48,837
Equity return expense		2,834	3,077	3,346
Depreciation and amortisation	5	9,662	8,634	10,742
Grants and subsidies		4,561	4,637	4,643
Other		6,728	6,998	7,263
Total expenses from ordinary activities excluding borrowing costs expense		184,531	188,310	176,385
Borrowing costs		..	..	..
Surplus or deficit from ordinary activities		269	235	..
Extraordinary items		..	..	..
NET SURPLUS OR DEFICIT		269	235	..
Non-owner transaction changes in equity:				
- Net increase (decrease) in asset revaluation reserve		..	..	..
- Net amount of each revenue, expense, valuation or other adjustment not disclosed above recognised as a direct adjustment to equity		..	..	..
Total revenues, expenses and valuation adjustments recognised directly in equity		..	..	..
Total changes in equity other than those resulting from transactions with owners as owners		269	235	..

STATEMENT OF FINANCIAL POSITION

	Notes	2003-04 Budget \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
CURRENT ASSETS				
Cash assets	6	5,888	23,107	25,472
Receivables	7	16,531	7,909	7,993
Inventories		159	158	158
Other		2,489	2,451	2,512
Total current assets		25,067	33,625	36,135
NON-CURRENT ASSETS				
Receivables		..	..	..
Inventories		..	..	..
Other financial assets		..	..	..
Intangibles	8	23,372	21,977	24,975
Property, plant and equipment	9	18,655	15,023	17,145
Other		..	..	..
Total non-current assets		42,027	37,000	42,120
TOTAL ASSETS		67,094	70,625	78,255
CURRENT LIABILITIES				
Payables		10,250	9,513	9,564
Interest-bearing liabilities		..	..	..
Provisions		8,676	8,875	9,213
Other		150	5	5
Total current liabilities		19,076	18,393	18,782
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities		..	..	..
Provisions		..	..	..
Other		90	80	80
Total non-current liabilities		90	80	80
TOTAL LIABILITIES		19,166	18,473	18,862
NET ASSETS (LIABILITIES)		47,928	52,152	59,393
EQUITY				
Contributed equity	10	17,982	17,672	24,913
Retained surpluses (accumulated deficits)	11	29,946	34,480	34,480
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		47,928	52,152	59,393

STATEMENT OF CASH FLOWS

	Notes	2003-04 Budget \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Output receipts	12	114,162	116,675	111,079
User charges	13	68,075	68,806	63,809
Grants and other contributions		..	..	..
Other		718	2,344	1,413
Outflows:				
Employee costs	14	(97,618)	(100,913)	(101,216)
Supplies and services	15	(62,395)	(62,392)	(48,834)
Grants and subsidies		(4,561)	(4,637)	(4,643)
Borrowing costs		..	..	..
Equity return		(2,834)	(3,077)	(3,346)
Other		(6,727)	(6,903)	(7,262)
Net cash provided by (used in) operating activities		8,820	9,903	11,000
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	(46)	(1)
Outflows:				
Payments for property, plant and equipment	16	(11,902)	(9,216)	(6,757)
Payments for intangibles		(11,373)	(10,212)	(9,105)
Payments for investments		..	..	..
Net cash provided by (used in) investing activities		(23,275)	(19,474)	(15,863)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	17	3,462	2,206	8,663
Outflows:				
Dividends paid		..	..	..
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	18	(507)	(29)	(1,422)
Net cash provided by (used in) financing activities		2,955	2,177	7,241
Net Increase (decrease) in cash held		(11,500)	(7,394)	2,378
Cash transfers from Restructure	19	(107)	(107)	(13)
Cash at the beginning of financial year		17,495	30,608	23,107
Cash at the end of financial year		5,888	23,107	25,472

STATEMENT OF FINANCIAL PERFORMANCE

EXPENSES AND REVENUES ADMINISTERED ON BEHALF OF THE WHOLE OF GOVERNMENT	Notes	2003-04 Budget \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
Revenues				
Australian Government grants	20	6,407,494	6,733,018	7,474,741
Taxes, fees and fines	21	5,014,814	5,826,282	5,669,087
Royalties, property income and other territorial revenue		74,081	72,137	74,298
Interest	22	40,763	55,643	45,130
Administered item revenue	23	1,825,572	2,282,848	1,496,795
Other		13,712	14,062	11,311
Total revenues		13,376,436	14,983,990	14,771,362
Expenses excluding borrowing costs				
Supplies and services		138,731	133,012	136,114
Depreciation and amortisation		..	8	8
Grants and subsidies	24	749,729	804,051	772,961
Treasurer's Advance	25	86,020	..	100,000
Other	26	838,012	1,341,216	486,690
Total expenses excluding borrowing costs		1,812,492	2,278,287	1,495,773
Borrowing costs	27	17,464	4,799	2,656
Surplus or deficit from ordinary activities		11,546,480	12,700,904	13,272,933
Extraordinary items		..	..	..
Net surplus or deficit before transfers to Government		11,546,480	12,700,904	13,272,933
Transfers of Administered Revenue to Government	28	11,544,074	12,694,748	13,268,155
NET SURPLUS OR DEFICIT		2,406	6,156	4,778

STATEMENT OF FINANCIAL POSITION

ASSETS AND LIABILITIES ADMINISTERED ON BEHALF OF THE WHOLE OF GOVERNMENT	Notes	2003-04 Budget \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
CURRENT ASSETS				
Cash assets	29	(3,118)	(99,295)	(96,878)
Receivables	30	93,223	104,452	84,860
Inventories		..	..	..
Other financial assets		1,159	..	..
Other		217,017	226,050	227,051
Total current assets		308,281	231,207	215,033
NON-CURRENT ASSETS				
Receivables		84,912	85,057	78,782
Inventories		..	..	..
Other financial assets		3	..	..
Intangibles		..	..	..
Property, plant and equipment		46	11	3
Other		..	..	..
Total non-current assets		84,961	85,068	78,785
TOTAL ADMINISTERED ASSETS		393,242	316,275	293,818
CURRENT LIABILITIES				
Payables	31	28,186	45,913	24,785
Transfers to Government payable	32	84,991	..	..
Interest-bearing liabilities		3,061	2,859	3,180
Other		53,360	49,081	48,751
Total current liabilities		169,598	97,853	76,716
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities	33	465,166	24,059	22,961
Other		102,813	101,350	96,350
Total non-current liabilities		567,979	125,409	119,311
TOTAL ADMINISTERED LIABILITIES		737,577	223,262	196,027
ADMINISTERED NET ASSETS (LIABILITIES)		(344,335)	93,013	97,791
EQUITY				
Contributed equity	34	(360,907)	74,566	74,566
Retained surpluses (accumulated deficits)		16,572	18,447	23,225
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL ADMINISTERED EQUITY		(344,335)	93,013	97,791

STATEMENT OF CASH FLOWS

CASH FLOWS ADMINISTERED ON BEHALF OF THE WHOLE OF GOVERNMENT	Notes	2003-04 Budget \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Administered item receipts	35	1,825,572	2,318,492	1,517,923
Grants and other contributions	36	6,411,555	6,737,109	7,477,924
Taxes, fees and fines	37	5,014,814	5,826,282	5,669,087
Royalties, property income and other territorial revenues		69,081	72,137	74,298
Interest received	38	40,763	55,643	45,130
Other		7,977	2,494	1,158
Outflows:				
Transfers to Government	39	(11,538,074)	(12,826,559)	(13,268,155)
Grants and subsidies		(749,729)	(782,923)	(794,089)
Supplies and services		(225,751)	(134,012)	(237,115)
Borrowing costs		(17,464)	(7,113)	(2,656)
Other	40	(836,339)	(1,338,746)	(485,050)
Net cash provided by (used in) operating activities		2,405	(77,196)	(1,545)
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Loans and advances redeemed		5,555	5,555	6,339
Outflows:				
Loans and advances made		(977)	(977)	(228)
Net cash provided by (used in) investing activities		4,578	4,578	6,111
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	41	375,430	1,062	954
Equity injections	42	89,108	243,174	76,987
Outflows:				
Borrowing redemptions	43	(2,744)	(65,115)	(3,103)
Equity withdrawals	44	(463,476)	(178,617)	(76,987)
Net cash provided by (used in) financing activities		(1,682)	504	(2,149)
Net increase (decrease) in cash held		5,301	(72,114)	2,417
Administered cash at beginning of financial year		(8,419)	(27,181)	(99,295)
Administered cash at end of financial year		(3,118)	(99,295)	(96,878)

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

The establishment of the Shared Service Initiative (SSI) and transition to Shared Service Providers and CorpTech occurred on 1 July 2003. Many corporate services employees in this agency transitioned to Corporate Solutions Queensland or CorpTech on this date. However, at the time of developing the 2003-04 Budget the details of the resources to be transferred were not finalised. As a consequence, the 2003-04 Ministerial Portfolio Statement for this agency reflected the resourcing arrangements in place prior to the implementation of the Shared Service Initiative (SSI). The 2003-04 Budget column in this Ministerial Portfolio Statement now includes the impact of resources transitioned as part of the SSI.

The individual Output Operating Statements do not add to the Statement of Financial Performance due to: Corporate Support provided to non-departmental outputs; and intra output/Departmental trading.

Statement of Financial Performance

1. The decrease in the 2004-05 Estimate reflects the winding down of the Business Process Redesign program within the Shared Service Implementation output.
2. The decrease in the 2004-05 Estimate is due to the inclusion of a one-off receipt in 2003-04 by SSIO from CorpTech for the provision of the SSI system detailed business requirements.
3. The increase in the 2003-04 Estimated Actual reflects the costs incurred by SSIO in developing the SSI system detailed business requirements. Contributing to the increase in the 2004-05 Estimate are the filling of vacancies within OSR and Treasury Office and the full-year effect of an increase in employee numbers within the GSO. This increase has been offset by a decrease in employee numbers within SSIO, following the winding down of the Business Process Redesign Program.
4. The decrease in the 2004-05 Estimate is attributable to the winding down of SSIO's Business Process Redesign program. Further, within the Superannuation output, the fees for providing financial planning advice will in future be paid directly from the State Public Sector Superannuation Fund.
5. The decrease in the 2003-04 Estimated Actual reflects the delay in capitalising the OSR Business System Replacement project and a change in project completion timeframes for the Superannuation output. The increase in the 2004-05 Estimate represents the completion of Phase One in OSR's Business System Replacement project and the completion of projects within the Superannuation output that were completed in the second half of 2003-04.

Statement of Financial Position

6. Refer to Statement of Cash Flows. The increase in the 2003-04 Estimated Actual is caused through a higher than expected opening cash asset balance due to a slower than anticipated use of cash reserves for the purchase of project-related capital items in 2002-03. This is further affected by an anticipated reduction in the Receivables balance.
7. The decrease in the 2003-04 Estimated Actual reflects a decline in the anticipated proportion of accrued versus collected revenue based on the proportion recognised as accrued in the 2002-03 General Purpose Financial Statements.
8. The decrease in the 2003-04 Estimated Actual is caused through a lower than expected opening asset base arising from delays in the progress of major projects combined with a reduction in anticipated capital expenditure on the OSR Business Systems Replacement project this financial year. The subsequent increase in the 2004-05 Estimate relates primarily to the capitalisation of the core development period of the OSR Business Systems Replacement.
9. The decrease in the 2003-04 Estimated Actual is attributable to the acceleration of depreciation on leasehold improvement assets which will no longer be required following the move of a significant part of the department to 33 Charlotte Street, combined with a lower than expected opening asset base caused through lower than anticipated capital acquisitions in 2002-03. This decrease is also a result of anticipated extensive refurbishments no longer required by the Superannuation output and a re-allocation of project funding to Intangibles. The subsequent increase in the 2004-05 Estimate is reflective of the planned acquisitions including infrastructure for the OSR Business Systems Replacement and replacement of IT equipment for the Superannuation and Taxation outputs.
10. The 2003-04 Estimated Actual and the 2004-05 Estimate displays the provision of equity injections to fund part of the OSR Business System Replacement project. These equity injections are partially offset by equity withdrawals equivalent to the depreciation funding on this project.
11. The increase in the 2003-04 Estimated Actual is due to a higher than anticipated net surplus arising in 2002-03.

Statement of Cash Flows

12. Refer to 1 above.
13. Refer to 2 above. In addition there is a change in receivables as outlined in Note 7.
14. Refer to 3 above.
15. Refer to 4 above. In addition the anticipated movement in payables contributes to this result.
16. Refer to the Capital Acquisition Statement on p1-43.
17. Refer to 10 above.
18. Return of depreciation funding to the Consolidated Fund relating to the OSR Business System Replacement.
19. These amounts reflect the cash transfers resulting from the Machinery of Government change with the inception of Corporate Solutions Queensland and CorpTech as part of the shared services initiative.

Statement of Financial Performance

Expenses and Revenues Administered on Behalf of the Whole of Government

20. The increase in the 2003-04 Estimated Actual reflects population and other parameter changes applying to the GST Pool. An additional factor contributing to the 2004-05 growth is the increase in Queensland's share of GST Revenues arising from the 2004 Review of Relativities.
21. The increase in the 2003-04 Estimated Actual reflects higher transfer duty revenue, particularly those duties related to prices and activity in the housing market. A reduction in housing market activity is expected in 2004-05.
22. The increase in the 2003-04 Estimated Actual reflects higher Cash Balances.
23. This represents appropriation received from the Consolidated Fund to fund administered expenses (excluding the Casino Funds that are self-funded).
24. The increase in the 2003-04 Estimated Actual primarily represents one-off grant payments to Queensland Treasury Holdings Pty Ltd in order to fund payments to Australian Magnesium Corporation noteholders under the State Mezzanine Loan Agreement.
25. The Treasurer's Advance Account reflects provisions for items which may emerge during the year.
26. The increase in the 2003-04 Estimated Actual primarily reflects forward funding through the Consolidated Fund of \$450 million of employer contributions towards superannuation beneficiary payments. The forward funding aims to improve the efficiency of the scheme and reduce the overall cost of member benefits. The subsequent decrease in the 2004-05 Estimate reflects the utilisation of this forward funding. It is anticipated that the recommencement of employer contributions towards beneficiary payments will occur in the second half of 2004-05.
27. The decrease in the 2003-04 Estimated Actual primarily reflects improved cash inflows which allowed a decrease in borrowing requirements and consequently interest expense related to whole-of-Government capital funding. The further reduction in the 2004-05 Estimate reflects a decrease in interest expense as a result of the full year effect of a redemption of debt in 2003-04.
28. This represents revenues collected on behalf of the Queensland Government, which are transferred to the Consolidated Fund.

Statement of Financial Position

Assets and Liabilities Administered on Behalf of the Whole of Government

29. The decrease in the 2003-04 Estimated Actual and the 2004-05 Estimate is associated with the reduction in Transfers to Government Payable as highlighted in Note 32.
30. The increase in the 2003-04 Estimated Actual primarily relates to an increase in appropriation receivable relating to grant payments to be made to Queensland Treasury Holdings Pty Ltd in order to fund payments to Australian Magnesium Corporation noteholders under the State Mezzanine Loan Agreement. Refer to Note 31.
31. The increase in the 2003-04 Estimated Actual primarily represents a grant payable to Queensland Treasury Holdings Pty Ltd in order to fund payments to Australian Magnesium Corporation noteholders under the State Mezzanine Loan Agreement. Refer to Note 24.
32. As it is anticipated that all revenue recognised in the Statement of Financial Performance will be remitted to the Parent Entity within the financial year, a Transfers to Government Payable had not been recognised in the 2003-04 Estimated Actual or the 2004-05 Estimate.
33. Refer to 27 above.
34. The increase in the 2003-04 Estimated Actual reflects a reduction in equity withdrawals resulting from the decrease in whole-of-Government borrowing requirements offset by the provision of an equity injection to redeem the department's QTC borrowings (refer Note 33).

Statement of Cash Flows

Cash Flows Administered on Behalf of the Whole of Government

35. Refer to 23 above.
36. Refer to 20 above.
37. Refer to 21 above.
38. Refer to 22 above.
39. Refer to 28 above.
40. Refer to 26 above.
41. Refer to 33 above.
42. The increase in the 2003-04 Estimated Actual represents a decrease in equity injections in order to fund Nominal Defendant HIH tail claims offset by additional equity injections to provide to Enertrade as project funding, to Corptech to assist in funding the Systems Solutions Realisation project and to redeem the Department's QTC borrowing. These equity injections are mostly offset by corresponding equity withdrawals. Refer to Note 44.
43. The increase in the 2003-04 Estimated Actual reflects a redemption of the department's QTC borrowings made possible through the Government using improved cash flows within the Consolidated Fund.
44. The decrease in the 2003-04 Estimated Actual primarily reflects a reduction in equity withdrawals resulting from the decrease in borrowing requirements for whole-of-Government capital funding as mentioned in Note 34. The decrease in the 2004-05 Estimate reflects the one off funding of Enertrade projects in 2003-04. Refer to Note 42.

RECONCILIATION OF 2004-05 APPROPRIATION AMOUNTS TO THE FINANCIAL STATEMENTS

CONTROLLED

Statement of Financial Performance

	\$'000
Output Revenue in Statement of Financial Performance ¹	111,079
Add: Appropriation Funding for Outputs Receivable	..
= Appropriation for Departmental Outputs	111,079
= Output Receipts in Statement of Cash Flows ²	111,079

Statement of Financial Position

	\$'000
Closing balance Contributed Equity ³	24,913
Less: Opening Balance Contributed Equity ³	17,672
= Change in contributed Equity in the Statement of Financial Position	7,241
Add: Appropriation Equity Injection Receivable	..
Less: Non-appropriated Equity Adjustments	..
= Appropriation for Equity Adjustment ⁴	7,241
= Net Appropriated Equity Adjustment in Statement of Cash Flows	7,241

1. This Output Revenue amount reconciles to the Output Revenue line in the Statement of Financial Performance on page 1-46.
2. This Output Revenue amount reconciles to the Output Receipts line in the Statement of Cash Flows on page 1-48.
3. The Contributed Equity amounts reconcile to the Contributed Equity line in the Statement of Financial Position on page 1-47.
4. The Appropriation for Equity Adjustment amount reconciles to the Equity Adjustment line in the Appropriations table on page 1-5.

ADMINISTERED

Statement of Expenses and Revenues Administered on Behalf of the Whole of Government

	\$'000
Administered Item Revenue in Statement of Financial Performance ⁵	1,496,795
Less: Change in Administered Appropriation Receivable	(21,128)
= Appropriation for Administered Expenses ⁶	1,517,923

Statement of Assets and Liabilities Administered on Behalf of the Whole of Government

	\$'000
Closing balance Contributed Equity ⁷	74,566
Less: Opening Balance Contributed Equity ⁷	74,566
= Change in Contributed Equity in the Statement of Assets and Liabilities administered on behalf of the State Government	..
Add: Appropriation Equity Injection Receivable	..
Less: Non-appropriated Equity Adjustment ⁸	(76,987)
= Appropriation for Administered Equity Adjustment ⁶	76,987

5. The Administered Item Revenue amount reconciles to the Administered Item Revenue line in the Statement of Expenses and Revenues Administered on Behalf of the Whole of Government on page 1-49.
6. Total Appropriation for Administered items (\$1,594.910 million) = Appropriation for Administered expenses (\$1,517.923 million) + Appropriation for Administered Equity Adjustment (\$76.987 million).
7. The Contributed Equity amounts reconcile to the Contributed Equity line in the Statement of Assets and Liabilities Administered on Behalf of the Whole of Government on page 1-50.
8. Non-appropriated equity adjustments relate to funding of Nominal Defendant HIH Tail Claims and the Corptech Systems Solutions Realisation project.

Note: Appropriation for Administered Expenses + Appropriation for Administered Equity Adjustment = total Administered Items (which reconciles to the Administered Items line in the Appropriations table on page 1-5).

Corporate Services¹ Allocation 2004-05 Estimate (\$'000)

	Notes	Total Corporate Services	Financial and Economic Policy	GOC Performance and Governance	Economic and Statistical Research	Taxation	Gambling	Superannuation	Shared Service Implementation	Other
Operating Revenues										
Output revenue		25,292	5,659	388	1,344	4,547	2,999	5,165	750	4,440
User charges		4,626	1,245	80	265	909	595	1,206	132	194
Grants and other contributions	
Other		1,032	529	16	45	124	85	144	67	22
Total operating revenues		30,950	7,433	484	1,654	5,580	3,679	6,515	949	4,656
Operating Expenses										
Employee expenses		13,665	4,313	182	649	2,155	1,432	2,710	414	1,810
Supplies and services		12,171	2,145	211	709	2,430	1,593	2,688	359	2,036
Equity return expense		1,113	139	21	68	232	152	258	34	209
Grants and subsidies	
Depreciation and amortisation		2,721	342	50	165	567	371	610	84	532
Other		1,280	494	20	63	196	131	249	58	69
Total expenses from ordinary activities excluding borrowing costs expense		30,950	7,433	484	1,654	5,580	3,679	6,515	949	4,656
Borrowing costs expense	
Total operating expenses		30,950	7,433	484	1,654	5,580	3,679	6,515	949	4,656
Full Time Equivalents		186	59	2	9	29	20	37	5	25

Notes:

- Corporate Services functions include: executive services (Office of the Under Treasurer), finance and administration, human resources, procurement services, knowledge services, information technology, strategic development, legal services, internal audit services, actuarial services and Ministerial and Cabinet liaison.
- Includes payments to Corporate Solutions Queensland (CSQ) for the provision of finance, human resources and procurement services.

SHARED SERVICE PROVIDER

SHARED SERVICE PROVIDER: **CorpTech**

OVERVIEW

The Shared Service Initiative (SSI) is a major transformation project delivering high quality, cost-effective corporate support services across Government over three years to June 2006.

Under the SSI, shared service providers (SSPs) deliver corporate services to a cluster of agencies, which are supported by a single technology centre of skill – CorpTech. CorpTech delivers whole-of-Government information and communication technology (ICT) applications and infrastructure to support standardised business processes. CorpTech manages significant system solutions including finance, human resources/payroll, facilities management, document and records management, and some supporting services such as service desk. CorpTech also delivers ICT support directly to a number of agencies where each of these agencies uses one of the system solutions to meet an agency-specific corporate service need. The ICT support services CorpTech provides to SSPs and agencies are detailed in Operating Level Agreements.

CorpTech was established on 1 July 2003 and is funded to employ approximately 264 full time equivalent staff. It is a corporate unit within Treasury and will take a lead role in the provision of cost effective and innovative systems solutions, which will underpin the delivery of corporate services across Queensland and assist in achieving optimal return on investment.

Key factors impacting on CorpTech

- Consolidating ICT skills and systems supporting relevant corporate services applications.
- Ensuring continuity of services to SSPs and agencies while undertaking projects to optimise ICT applications and infrastructure.
- Rationalising ICT services across Government and its impact on the ICT industry.
- Achieving organisational integration and operating efficiencies even though CorpTech staff are currently located in multiple locations.
- Establishing effective relationships between CorpTech and SSPs, agencies, the Shared Services Implementation Office (SSIO) and external providers of ICT services.

A Balanced Scorecard approach underpins the planning and performance management framework of the SSI. Successes will be reported under the following four key result areas:

Benefits

- Government and community receive benefits from effective corporate services.

Customers (client agencies and shared service providers)

- Corporate service support operations of clients, customers and other stakeholders.

Improvement

- Corporate services provision continuously improves.

Capability

- The capability to deliver corporate services is enhanced.

CorpTech has established a performance framework around its strategic plan and business plan, and is finalising performance measures and their definitions. For the SSI, data on customers and capability measures are not yet available as a survey methodology is under development. Assessment is due to begin in May 2004.

Key achievements in 2003-04

- Maintained business and service continuity over transition period in establishing CorpTech.
- Strategic Plan 2003-08 and Business Plan 2004 approved and being implemented.
- Finalised all CorpTech operating level agreements (with SSPs and some agencies).
- Rationalised existing contracts transitioned to CorpTech, including renegotiation of payroll disbursement arrangements.
- Established a preliminary program of work to transform ICT applications and infrastructure.
- Implemented governance arrangements and established an information security framework and forum.
- Developed effective partnerships on the basis of customer relationship management framework, forums and reporting.
- Developed and implemented organisational development initiatives, program and project management frameworks, and financial management arrangements.
- Achieved savings on new bulk buying arrangements for some computer storage services.
- Contributed resources and advice to SSI Business Process Redesign.
- Reviewed contractual relationships which support particular whole-of-Government infrastructure services, including the utility pricing model.

Strategic direction

Over the next two years, CorpTech will work with SSPs, agencies and SSIO to develop and pilot standardised business processes and implement standard system solutions to support these processes. CorpTech's main contribution will be to undertake key ICT projects to deliver these system solutions, which will also support certain agency-specific needs as outlined above. CorpTech will also continue to maintain ICT support services to SSPs and agencies.

PERFORMANCE STATEMENT

CorpTech				
Measures	Notes	2003-04 Target/Est.	2003-04 Est. Actual	2004-05 Target/Est.
Financial Performance Measures	1			
Benefits				
\$ SSP Estimated Actual Forecast end of year Surplus/Deficit		N/A	685	773
% Labour costs of total expenses		31%	29%	29%
Non-Financial Performance Measures	1			
Customers (Client Agencies)				
Improvement				
Capability				
Number of FTEs in SSP		264	264	264
Note: 1. This is the first year of operation for CorpTech and the criteria for judging the success of the SSPs/CorpTech and the initiative as a whole is currently under development, including the setting of performance targets.				

CAPITAL ACQUISITIONS

OVERVIEW

CorpTech is the technology centre of skill established under the Shared Services Initiative (SSI) to deliver innovative corporate applications and infrastructure solutions across government.

To achieve these solutions CorpTech will take the lead role in standardising and optimising whole-of-Government corporate services systems helping to provide a cost effective and client-focused service and realising economies of scale through consolidation of the infrastructure that supports the corporate services applications.

BUSINESS PRIORITIES

CorpTech's strategic business priorities for 2003-2008 are:

- maintain continuity of ICT support services to Shared Service Providers (SSPs) and agencies
- integrate and develop ICT systems to meet SSI objectives, in particular, to achieve optimisation of corporate services applications and infrastructure
- provide service solutions identified through client service agreements that are developed and managed in line with the objectives of strategic and operational plans, and take into account industry best practice models
- implement an effective information security management system that adopts the Corporate Information Security Framework
- develop and maintain effective working partnerships with SSPs, agencies and any external ICT service providers.

CAPITALISATION PROGRAM

The Queensland Government has embarked on a Shared Service Initiative (SSI) to consolidate corporate services activities across agencies. The implementation is being managed by the Shared Service Implementation Office (SSIO). In order to achieve this consolidation, significant organisational and technological change must occur. CorpTech has responsibility for the detailed design, construction, pilot, implementation and ongoing delivery of the SSI systems solutions program. The CorpTech System Solution Realisation (SSR) Program is an overview of the technology projects required to achieve the SSI's business targets for ICT systems.

The SSR Program has been developed in accordance with the principles outlined in the ICT Optimisation Strategy Submission, approved by the CEO Governance Committee in April 2003. The key targets of the Optimisation Strategy Submission in regard to the SSI environment were:

- an optimal number of corporate service application installations supporting standardised business processes
- minimisation of agency specific customisation within corporate service applications
- a reduction in the number of instances of each application to an optimal number

- continued support for the use of enterprise wide systems by agencies where it is cost effective for the agency and whole-of-Government.

The SSR Program is a broad strategic program of work intended to realise the vision of the SSI by building the systems technology required to achieve the business targets of the SSI Business Plan for systems, based on the assumptions in the ICT Optimisation Strategy Submission. The SSR Program includes the asset acquisition costs and the human resource effort required to build and deliver the systems.

The SSR Program is a major strategic priority for the organisation and is included in the CorpTech Strategic Plan 2003-2008.

From 1 October 2004 CorpTech will also be the provider of some ICT services for documents and records management, fleet and telecommunications administration. A whole-of-Government Electronic Document and Record Management System (eDRMS) solution is in the process of being selected and developed to pilot stage.

PROGRAM FUNDING

These projects will be funded from a combination of:

- revenue quarantined from agencies for depreciation expenses
- cash received for accumulated depreciation
- equity injections.

CAPITAL ACQUISITION STATEMENT

	Notes	2003-04 Budget \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
<u>PROPERTY PLANT AND EQUIPMENT</u>				
Property Plant and Equipment				
- Computer Equipment		..	67	499
Other acquisitions of property, plant and equipment		..	..	..
TOTAL PROPERTY PLANT AND EQUIPMENT		..	67	499
<u>OTHER CAPITAL ACQUISITIONS</u>				
Other Capital Acquisitions				
- System Solution Realisation (SSR) Program	1	..	9,420	42,000
- eDRMS	2	..	1,380	..
Other Items	3	7,083	..	150
TOTAL OTHER CAPITAL ACQUISITIONS		7,083	10,800	42,150
TOTAL CAPITAL ACQUISITIONS		7,083	10,867	42,649
<u>FUNDING SOURCES OF ACQUISITIONS</u>				
Equity Adjustment	4	..	(6,875)	26,077
Funding for depreciation and amortisation	4	7,083	17,742	16,572
Borrowings		..	..	..
Proceeds of asset sales		..	..	..
Other		..	..	..
TOTAL FUNDING SOURCES		7,083	10,867	42,649
Notes: <ol style="list-style-type: none"> 1. The 2003-04 Estimated Actual and the 2004-05 Estimate reflects the planned expenditure on the SSR Program. 2. The increase in the 2003-04 Estimated Actual is due to the identification of capital expenditure on the pilot stage of the Electronic Document and Record Management System (eDRMS) project. Ongoing capital costs for this project are not yet identified. 3. The 2003-04 Budget represents planned expenditure by agencies prior to the implementation of the Shared Service Initiative. The 2004-05 Estimate reflects software replacement costs. 4. The 2003-04 Estimated Actual and 2004-05 Estimate represent the sources of funding for the SSR and other capital works programs. 				

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE

	Notes	2003-04 Budget \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
Revenues from ordinary activities				
Output revenue		..	..	..
User charges		63,291	63,904	63,839
Grants and other contributions		524	684	684
Other		..	313	313
Total revenues from ordinary activities		63,815	64,901	64,836
Expenses from ordinary activities				
Employee expenses	1	19,856	18,539	18,562
Supplies and services	2	22,979	24,499	22,879
Equity return expense		..	..	..
Depreciation and amortisation	3	17,194	20,360	20,372
Grants and subsidies		..	..	..
Other	4	3,633	665	2,165
Total expenses from ordinary activities excluding borrowing costs expense		63,662	64,063	63,978
Borrowing costs		153	153	85
Surplus or deficit from ordinary activities		..	685	773
Extraordinary items		..	..	..
NET SURPLUS OR DEFICIT		..	685	773
Non-owner transaction changes in equity:				
- Net increase (decrease) in asset revaluation reserve		..	..	..
- Net amount of each revenue, expense, valuation or other adjustment not disclosed above recognised as a direct adjustment to equity		..	..	..
Total revenues, expenses and valuation adjustments recognised directly in equity		..	..	..
Total changes in equity other than those resulting from transactions with owners as owners		..	685	773

STATEMENT OF FINANCIAL POSITION

	Notes	2003-04 Budget \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
CURRENT ASSETS				
Cash assets	5	11,666	3,449	7,042
Receivables	6	5,424	1,369	1,369
Inventories		..	..	..
Other		1,785	1,785	1,785
Total current assets		18,875	6,603	10,196
NON-CURRENT ASSETS				
Receivables		..	..	..
Inventories		..	..	..
Other financial assets		..	..	..
Intangibles	7	49,789	50,911	73,321
Property, plant and equipment		1,089	585	452
Other		..	..	..
Total non-current assets		50,878	51,496	73,773
TOTAL ASSETS		69,753	58,099	83,969
CURRENT LIABILITIES				
Payables		2,380	2,330	2,259
Interest-bearing liabilities		700	700	625
Provisions		1,921	1,921	1,712
Other	8	5,414	..	..
Total current liabilities		10,415	4,951	4,596
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities		975	975	350
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		975	975	350
TOTAL LIABILITIES		11,390	5,926	4,946
NET ASSETS (LIABILITIES)		58,363	52,173	79,023
EQUITY				
Contributed equity	9	58,363	51,488	77,565
Retained surpluses (accumulated deficits)		..	685	1,458
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		58,363	52,173	79,023

STATEMENT OF CASH FLOWS

	Notes	2003-04 Budget \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Output receipts		..	..	..
User charges		63,314	62,571	63,839
Grants and other contributions		524	684	684
Other		(23)	287	313
Outflows:				
Employee costs	10	(19,968)	(18,651)	(18,771)
Supplies and services		(22,531)	(24,047)	(23,038)
Grants and subsidies		..	..	..
Borrowing costs		(153)	(153)	(85)
Equity return		..	..	..
Other	11	(3,346)	(432)	(2,077)
Net cash provided by (used in) operating activities		17,817	20,259	20,865
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Outflows:				
Payments for property, plant and equipment		..	(67)	(499)
Payments for intangibles	12	(7,083)	(10,800)	(42,150)
Payments for investments		..	..	..
Net cash provided by (used in) investing activities		(7,083)	(10,867)	(42,649)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	13	..	10,800	42,000
Outflows:				
Dividends paid		..	..	..
Borrowing redemptions		(1,525)	(1,525)	(700)
Finance lease payments		..	..	..
Equity withdrawals	14	..	(17,675)	(15,923)
Net cash provided by (used in) financing activities		(1,525)	(8,400)	25,377
Net increase (decrease) in cash held		9,209	992	3,593
Cash Transfers from Restructure		2,457	2,457	..
Cash at the beginning of financial year		..	..	3,449
Cash at the end of financial year		11,666	3,449	7,042

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Statement of Financial Performance

1. The 2003-04 Budget was based on agency estimates during the quarantining process. These estimates overstated employee expenses which were subsequently adjusted within the Estimated Actual process for 2003-04.
2. The increase in the 2003-04 Estimated Actual reflects the re-categorisation of some expenses from the 2003-04 Budget to align with Treasury policy. The decrease in the 2004-05 Estimate is due to savings in computer related costs as CorpTech, acting on behalf of the whole-of-Government, achieves economies of scale.
3. The increase in the 2003-04 Estimated Actual reflects the adoption of Treasury policy for assets transferred from other agencies.
4. Budgeted expense items for target savings were removed from the Estimated Actual Statement of Financial Performance in 2003-04 and reflected as Net Surplus. In the 2004-05 Estimate, the Shared Service Initiative savings to Government is included as Other Expenses.

Statement of Financial Position

5. The decrease in the 2003-04 Estimated Actual is due to the net equity withdrawal for the System Solution Realisation Program (SSR Program) offset by a shift in the mix of some operating expenses from cash to non-cash. The increase in the 2004-05 Estimate is predominantly due to a decrease in the Equity Withdrawals.
6. The 2003-04 Budget recognised a receivable and corresponding liability for invoices raised in advance. The decrease in the 2003-04 Estimated Actual and 2004-05 Estimate is primarily due to the recognition of net receivables. Refer to 8 below.
7. The 2004-05 Estimate reflects the planned expenditure on the SSR Program offset by the depreciation on legacy assets.
8. The 2003-04 Budget recognised a receivable and corresponding liability for invoices raised in advance. The decrease in the 2003-04 Estimated Actual is primarily due to the recognition of net receivables. Refer to 6 above.
9. Movements in Contributed Equity are attributable to equity injections and withdrawals funding the SSR Program of works.

Statement of Cash Flows

10. Refer to 1 above.
11. Refer to 4 above.
12. Outflows for Intangibles in the 2003-04 Estimated Actual and 2004-05 Estimate reflects the planned expenditure on the SSR Program.
13. The increase in the 2003-04 Estimated Actual represents a change in the source of funding for the SSR Program from internal sources to equity injections. The 2004-05 Estimate reflects ongoing expenditure on the SSR Program.
14. The 2003-04 Estimated Actual and the 2004-05 Estimate record the impact of cash received for quarantined depreciation on assets transferred from other agencies to CorpTech on 1 July 2003, withdrawn as agreed under the funding arrangements for the SSR Program.



Queensland
Government

MINISTERIAL PORTFOLIO STATEMENTS

2004-05 STATE BUDGET

**DEPUTY PREMIER, TREASURER AND
MINISTER FOR SPORT**

MOTOR ACCIDENT INSURANCE ADMINISTRATION

Hon. Terry Mackenroth MP
Deputy Premier, Treasurer
and Minister for Sport

Lesley Anderson
Motor Accident Insurance
Commissioner

OVERVIEW

STRATEGIC ISSUES

Two statutory bodies, the Motor Accident Insurance Commission (MAIC) and the Nominal Defendant, contribute to the Motor Accident Insurance Administration output. They provide a framework for the determination of premiums and levies, and ensure compliance with the provisions of the *Motor Accident Insurance Act 1994*.

This output involves the provision of a viable and equitable personal injury compensation scheme through the regulation of the Queensland Compulsory Third Party (CTP) scheme encompassing injury control and the management of the Nominal Defendant scheme.

The key strategic directions of this output include:

- ensuring premium affordability and overall stability of the scheme
- reviewing and recommending the most appropriate structure for the scheme
- maintaining insurance standards through regular and detailed contact with Australian Prudential Regulation Authority (APRA) as prudential regulator under the *Insurance Act 1973* and the *General Insurance Reform Act 2001* and monitoring the financial strength of licensed insurers through ongoing analysis
- monitoring the operation of the scheme and the management of claims by insurers
- providing education, research and funding initiatives to increase the community's awareness of the scheme and its claims process and to support initiatives that advance accident prevention and injury management
- funding and managing the claims liabilities of the Nominal Defendant including liabilities arising from the insolvency of FAI General Insurance Company Ltd.

Non-Departmental Output

This output provides policy advice and service related to the management of the CTP and Nominal Defendant schemes. The delivery of this output contributes to Government priorities and community outcomes by:

- contributing to an improved standard of living for all Queenslanders by ensuring affordable premiums, issuing licenses, monitoring the financial strength of licensed insurers through ongoing analysis and maintaining a scheme with fully funded premiums
- minimising the risk and impact of accidents by funding selected accident prevention initiatives managed by other Government agencies
- improving the lives of people with disabilities acquired through motor vehicle accidents by promoting research, education and providing rehabilitation services through the CTP scheme to minimise and mitigate the effects of motor vehicle accident injuries

Staffing

It is anticipated that full time equivalent staffing numbers for 2004-05 will be 35.

NON-DEPARTMENTAL OUTPUT PERFORMANCE

NON-DEPARTMENTAL OUTPUT: Motor Accident Insurance Administration

RELATED OUTCOME: A fair, socially cohesive and culturally vibrant society

DESCRIPTION

The Motor Accident Insurance Commission (MAIC) is responsible for the Motor Accident Insurance Administration output. The Commission provides a viable and equitable personal injury compensation scheme through the regulation of the Queensland Compulsory Third Party (CTP) scheme encompassing injury prevention and control, and manages the Nominal Defendant scheme.

Activities include:

- licensing, supervising and monitoring the financial strength of insurers in relation to their CTP operations
- keeping the statutory scheme under review, making recommendations for its amendment and working in partnership with stakeholders to improve management processes for claims
- setting premium bands and recommending levies based on research and independent actuarial analysis
- collecting statistical data on the scheme and monitoring scheme trends and the performance of CTP insurers
- promoting, assessing and, where appropriate, funding education and research activities to minimise and mitigate the effects of motor vehicle accidents, and monitor the provision of rehabilitation services
- determining the appropriate Nominal Defendant levy, managing claims lodged against the Nominal Defendant and investing claim reserves
- operating a CTP claims helpline service for scheme users.

REVIEW OF NON-DEPARTMENTAL OUTPUT PERFORMANCE

Recent Achievements

Significant recent achievements include:

- analysis of a scheme structure and preparation of recommendations for mitigating State Government risk from CTP insurer insolvency
- redevelopment of MAIC's Personal Injury Register and Database
- redevelopment of the Nominal Defendant's Claims Management System
- quarterly CTP premium filings during 2003-04

- liaised with the Department of Justice and Attorney General and assessed the impact of the *Civil Liability Act 2003* on the CTP scheme, and facilitated industry training on medico-legal assessment tools
- worked in partnership with stakeholders throughout Australia to examine the feasibility of a long-term care scheme for motor accident victims and other persons requiring long-term care
- completion of a submission to the Davis Study of Financial System Guarantees commissioned by the Australian Government in response to an aspect of the HHH Royal Commission report
- establishment of an industry working party on medico-legal assessment issues
- appointment of independent actuaries to assess the Nominal Defendant levy and outstanding claims liabilities for the next three years
- completion of three sharing cycles for FAI tail claims and provision of proof-of-debt to the HHH liquidators.

Future Developments

During 2004-05, this output will focus on the following key objectives:

- refining legislative, regulatory, analytical and consultative processes which support scheme affordability and stability
- close monitoring of insurer claims management practices and the conduct of the legal profession
- implementing government policy aimed at mitigating State Government risk from CTP insurer insolvency
- adopting emerging best practice methodology in claims management in the Nominal Defendant
- monitoring the enhanced grant management framework
- continuing to refine policy in relation to levy and grant funding in a whole-of-Government funding context
- managing the remaining FAI claims and the proof-of-debt process
- further developing policy in relation to long-term care proposals for the severely injured.

NON-DEPARTMENTAL OUTPUT STATEMENT

Non-Departmental Output: Motor Accident Insurance Administration				
Measures	Notes	2003-04 Target/Est.	2003-04 Est. Actual	2004-05 Target/Est.
Quantity Number of Nominal Defendant claims finalised		550	550	550
Quality Percentage of premium going to injured persons		70%	65%	70%
Annual certification percentage of Nominal Defendant full funding as at 30 June of the previous year		100%	100%	100%
Timeliness Recommendation to the Treasurer of annual CTP levies by the agreed time frame		100%	100%	100%
Setting of premium bands within legislative timeframes, including independent quarterly actuarial review of scheme		100%	100%	100%
Cost (\$) Average operating cost per Nominal Defendant claim	1	\$957	\$980	\$1,110
Average funds per CTP policy for grant funding		\$0.46	\$0.46	\$0.49
State Contribution (\$'000)		..	..	..
Other Revenue (\$'000)	2	61,429	80,830	72,878
Total Cost (\$'000)	3	58,398	48,526	49,705
Notes: 1. The increase in the 2004-05 Estimate is a result of an increase in operating expenses primarily due to a significant write off of leasehold improvements associated with the office re-location. 2. The 2003-04 Estimated Actual reflects a higher than anticipated return on Queensland Investment Corporation (QIC) investments. The decrease in the 2004-05 Estimate is the result of a lower return on QIC investments. 3. The decrease in the 2003-04 Estimated Actual has primarily occurred as a result of an anticipated lower payout of FAI-Tail claim liabilities offset by the receipt of FAI-Tail sharing recoveries.				

FINANCIAL STATEMENTS

Statement of Financial Performance – Motor Accident Insurance Commission

	Notes	2003-04 Budget \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
Revenues from ordinary activities				
User charges		..	..	..
Grants and other contributions		..	..	..
Other	1	6,866	9,496	8,358
Total revenues from ordinary activities		6,866	9,496	8,358
Expenses from ordinary activities				
Employee expenses	2	1,241	1,296	1,537
Supplies and services		828	1,050	1,083
Depreciation and amortisation		27	33	69
Grants and subsidies	3	4,357	3,795	4,096
Other		157	112	187
Total expenses from ordinary activities excluding borrowing costs expense		6,610	6,286	6,972
Borrowing costs		..	..	..
Surplus or deficit from ordinary activities		256	3,210	1,386
Extraordinary items		..	..	..
NET SURPLUS OR DEFICIT		256	3,210	1,386
Non-owner transaction changes in equity:				
- Net increase (decrease) in asset revaluation reserve		..	..	..
- Net amount of each revenue, expense, valuation or other adjustment not disclosed above recognised as a direct adjustment to equity		..	..	..
Total revenues, expenses and valuation adjustments recognised directly in equity		..	..	..
Total changes in equity other than those resulting from transactions with owners as owner		256	3,210	1,386

Statement of Financial Position – Motor Accident Insurance Commission

	Notes	2003-04 Budget \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
CURRENT ASSETS				
Cash assets		300	500	500
Receivables	4	1,413	350	296
Other financial assets	5	10,150	16,541	18,029
Inventories		..	..	..
Other		10	1	1
Total current assets		11,873	17,392	18,826
NON-CURRENT ASSETS				
Receivables	6	1,050	500	500
Inventories		..	..	..
Other financial assets		10,500	10,500	10,500
Intangibles		494	252	280
Property, plant and equipment		76	135	54
Other		..	..	..
Total non-current assets		12,120	11,387	11,334
TOTAL ASSETS		23,993	28,779	30,160
CURRENT LIABILITIES				
Payables		212	287	284
Interest-bearing liabilities		..	..	..
Provisions		71	101	101
Other		..	..	..
Total current liabilities		283	388	385
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		283	388	385
NET ASSETS (LIABILITIES)		23,710	28,391	29,775
EQUITY				
Contributed equity		112	149	149
Retained surpluses (accumulated deficits)	7	8,740	13,947	15,030
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (Income Maintenance & Grants Reserve)		14,858	14,295	14,596
TOTAL EQUITY		23,710	28,391	29,775

Statement of Cash Flows – Motor Accident Insurance Commission

	Notes	2003-04 Budget \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Output receipts		..	..	..
User charges		..	..	..
Grants and other contributions		..	..	..
Other	8	4,750	9,463	8,419
Outflows:				
Employee costs	9	(1,241)	(1,296)	(1,537)
Supplies and services		(827)	(1,078)	(1,093)
Grants and subsidies	10	(4,357)	(3,795)	(4,096)
Borrowing costs		..	..	..
Other		(157)	(103)	(160)
Net cash provided by (used in) operating activities		(1,832)	3,191	1,533
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		89	(2)	30
Investments redeemed	11	2,339	383	148
Outflows:				
Payments for property, plant and equipment		(256)	(310)	(75)
Payments for intangibles		..	..	..
Payments for investments	12	(340)	(4,359)	(1,636)
Loans and advances made		..	550	..
Net cash provided by (used in) investing activities		1,832	(3,738)	(1,533)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Outflows:				
Dividends paid		..	..	..
Borrowings redemptions		..	..	..
Finance lease payments		..	..	..
Net cash provided by (used in) financing activities		..	..	..
Net increase (decrease) in cash held		..	(547)	..
Cash at the beginning of financial year		300	1,047	500
Cash at the end of financial year		300	500	500

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Statement of Financial Performance

1. The increase in the 2003-04 Estimated Actual results from a higher than expected rate of return on Queensland Investments Corporation (QIC) investments. The decrease in the 2004-05 Estimate is due to a lower expected rate of return.
2. The increase in the 2003-04 Estimated Actual and 2004-05 Estimate is predominantly due to a limited number of approved additional staff positions and the current Enterprise Bargaining Agreement.
3. The 2003-04 Estimated Actual is primarily a result of the decision to reduce grant funding to a recipient due to their unused prior year funds.

Statement of Financial Position

4. The decrease in the 2003-04 Estimated Actual and the 2004-05 Estimate reflects the change in the treatment of interest accrued from annually to monthly on QIC investments.
5. The increase in the 2003-04 Estimated Actual and the 2004-05 Estimate primarily reflects an increase in investments as a result of positive investment earnings in 2003-04 and 2004-05.
6. The decrease in the 2003-04 Estimated Actual and the 2004-05 Estimate reflects "grant-in-loan" repayments received in 2003-04.
7. The increase in the 2003-04 Estimated Actual has occurred as a result of a higher than anticipated audited opening balance and a higher than expected net surplus than originally budgeted due to higher positive investment returns. The subsequent increase in the 2004-05 Estimate results from an anticipated net surplus.

Statement of Cash Flows

8. Refer to Note 1 above.
9. Refer to Note 2 above.
10. Refer to Note 3 above.
11. The decrease in the 2003-04 Estimated Actual and the 2004-05 Estimate reflects an expected decrease in drawdowns as a result of an anticipated increase in levy and penalty revenue.
12. The increase in the 2003-04 Estimated Actual predominantly reflects the reinvestment of higher than anticipated positive investment earnings. The decrease in the 2004-05 Estimate has occurred as a result of the reinvestment of lower positive investment earnings expected in 2004-05 compared to 2003-04.

FINANCIAL STATEMENTS

Statement of Financial Performance – Nominal Defendant

	Notes	2003-04 Budget \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
Revenues from ordinary activities				
User charges		..	..	..
Grants and other contributions		..	..	..
Other	1	54,563	71,334	64,520
Total revenues from ordinary activities		54,563	71,334	64,520
Expenses from ordinary activities				
Employee expenses		701	717	746
Supplies and services	2	37,669	42,752	43,818
Depreciation and amortisation		38	24	59
Grants and subsidies		..	..	..
Other	3	13,380	(1,253)	(1,890)
Total expenses from ordinary activities excluding borrowing costs expense		51,788	42,240	42,733
Borrowing costs		..	..	..
Surplus or deficit from ordinary activities		2,775	29,094	21,787
Extraordinary items		..	..	..
NET SURPLUS OR DEFICIT		2,775	29,094	21,787
Non-owner transaction changes in equity:				
- Net increase (decrease) in asset revaluation reserve		..	..	..
- Net amount of each revenue, expense, valuation or other adjustment not disclosed above recognised as a direct adjustment to equity		..	..	..
Total revenues, expenses and valuation adjustments recognised directly in equity		..	..	..
Total changes in equity other than those resulting from transactions with owners as owner		2,775	29,094	21,787

Statement of Financial Position – Nominal Defendant

	Notes	2003-04 Budget \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
CURRENT ASSETS				
Cash assets		300	500	500
Receivables	4	45,005	26,557	18,141
Other financial assets	5	22,830	35,802	41,865
Inventories		..	..	..
Other		..	3	3
Total current assets		68,135	62,862	60,509
NON-CURRENT ASSETS				
Receivables		..	..	..
Inventories		..	..	..
Other financial assets	6	116,545	163,096	190,737
Intangibles		218	243	192
Property, plant and equipment		45	91	20
Other		..	..	..
Total non-current assets		116,808	163,430	190,949
TOTAL ASSETS		184,943	226,292	251,458
CURRENT LIABILITIES				
Payables		821	1,613	1,598
Interest-bearing liabilities		..	..	..
Provisions	7	63,373	75,220	61,589
Other		23,716	23,961	25,010
Total current liabilities		87,910	100,794	88,197
NON-CURRENT LIABILITIES				
Payables		..	56	56
Interest-bearing liabilities		..	..	..
Provisions	8	200,545	213,936	194,926
Other		..	..	..
Total non-current liabilities		200,545	213,992	194,982
TOTAL LIABILITIES		288,455	314,786	283,179
NET ASSETS (LIABILITIES)		(103,512)	(88,494)	(31,721)
EQUITY				
Contributed equity	9	273,254	244,168	279,155
Retained surpluses (accumulated deficits)	10	(376,766)	(332,662)	(310,876)
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		(103,512)	(88,494)	(31,721)

Statement of Cash Flows – Nominal Defendant

	Notes	2003-04 Budget \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Output receipts		..	..	..
User charges		..	..	..
Grants and other contributions		..	..	..
Other	11	40,165	89,322	74,017
Outflows:				
Employee costs		(701)	(717)	(746)
Supplies and services	12	(125,929)	(42,735)	(43,865)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other	13	(18)	(54,831)	(30,713)
Net cash provided by (used in) operating activities		(86,483)	(8,961)	(1,307)
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		75	..	24
Investments redeemed	14	89,875	57,674	32,661
Outflows:				
Payments for property, plant and equipment		(159)	(252)	..
Payments for intangibles		..	..	..
Payments for investments	15	(92,416)	(107,389)	(66,365)
Net cash provided by (used in) investing activities		(2,625)	(49,967)	(33,680)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity Injections	16	89,108	57,817	34,987
Outflows:				
Dividends paid		..	..	..
Borrowings redemptions		..	..	..
Finance lease payments		..	..	..
Net cash provided by (used in) financing activities		89,108	57,817	34,987
Net increase (decrease) in cash held		..	(1,111)	..
Cash at the beginning of financial year		300	1,611	500
Cash at the end of financial year		300	500	500

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Statement of Financial Performance

1. The 2003-04 Estimated Actual reflects a higher than anticipated return on QIC investments. The decrease in the 2004-05 Estimate is a result of a lower return on QIC investments.
2. The increase in the 2003-04 Estimated Actual is primarily due to an increase in Nominal Defendant claims costs and a higher than anticipated movement in the Nominal Defendant outstanding claims provision.
3. The decrease in the 2003-04 Estimated Actual and the 2004-05 Estimate has occurred as a result of an anticipated lower payout of FAI-Tail claims liabilities offset by the receipt of FAI-Tail sharing recoveries, which exceed these liabilities.

Statement of Financial Position

4. The decrease in the 2003-04 Estimated Actual and the 2004-05 Estimate is a result of a portion of the FAI-Tail Sharing Receivable being received in 2003-04, a change in the treatment of interest accrued on QIC Investments from annually to monthly and a decrease in the reimbursement from Treasury for FAI-Tail claims as a result of lower than anticipated claims payments.
5. The increase in the 2003-04 Estimated Actual primarily reflects the reinvestment of higher than anticipated positive investment earnings in 2003-04. The increase in the 2004-05 Estimate predominantly reflects the impact of positive earnings in 2004-05 and the reclassification of the current/non-current investments to align with the apportionment of the Nominal Defendant outstanding claims provision. Refer to Note 6 below.
6. The increase in the 2003-04 Estimated Actual and the 2004-05 Estimate reflects the reclassification of the current/non-current investments to align with the apportionment of the Nominal Defendant outstanding claims provision.
7. The increase in the 2003-04 Estimated Actual has primarily occurred as a result of a lower than anticipated reduction in the movement in the outstanding claims provision in 2003-04 and the reclassification of the current/non-current provisions to align with the audited opening balance apportionment. The decrease in the 2004-05 Estimate reflects a decrease in the movement of the outstanding claims provision as compared to 2003-04.
8. Refer to Note 7 above.
9. The decrease in the 2003-04 Estimated Actual reflects a decrease in the reimbursement from Treasury as a result of a lower than anticipated payout of FAI-Tail claims liabilities. The increase in the 2004-05 Estimate reflects the 2004-05 reimbursement from Treasury.
10. The decrease in the 2003-04 Estimated Actual deficit has occurred as a result of a higher than anticipated audited opening balance together with a higher than expected net surplus in 2003-04. The decrease in accumulated deficit in the 2004-05 Estimate is a result of an anticipated net surplus in 2004-05.

Statement of Cash Flows

11. Refer to Note 1 above.
12. The decrease in the 2003-04 Estimated Actual is a result of a change in the treatment of reporting FAI-Tail costs. The 2003-04 Budget includes Nominal Defendant Supplies and Services and FAI-Tail costs, whereas the 2003-04 Estimated Actual and the 2004-05 Estimate reflects Nominal Defendant Supplies and Services only.
13. Refer to Note 12 above. The 2003-04 Estimated Actual and the 2004-05 Estimate predominantly reflects FAI-Tail costs.
14. The decrease in the 2003-04 Estimated Actual and the 2004-05 Estimate reflects an expected decrease in drawdowns as a result of the run-off of the FAI-Tail costs.
15. The increase in the 2003-04 Estimated Actual reflects the reinvestment of higher than anticipated investment earnings. The decrease in the 2004-05 Estimate is primarily due to a decrease in the reimbursement from Treasury for FAI-Tail claims.
16. Refer to Note 9 above.



Queensland
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MINISTERIAL PORTFOLIO STATEMENTS

2004-05 STATE BUDGET

**DEPUTY PREMIER, TREASURER AND
MINISTER FOR SPORT**

**SPORT AND RECREATION QUEENSLAND
QUEENSLAND ACADEMY OF SPORT**

**Hon. Terry Mackenroth MP
Deputy Premier, Treasurer and
Minister for Sport**

**Dr Ted Campbell
Director-General**

This Ministerial Portfolio Statement (MPS) includes financial and performance information for Sport and Recreation Queensland and the Queensland Academy of Sport which report to the Deputy Premier, Treasurer and Minister for Sport. Information relating to Sport and Recreation Queensland and the Queensland Academy of Sport also appears in the MPS for the Minister for Local Government and Planning and Minister for Women.

DEPARTMENTAL OVERVIEW

STRATEGIC ISSUES

The following factors are influencing the nature, shape and delivery of sport and recreation services and products:

- the changing demographics of Queensland, increasing competition from the electronic leisure and entertainment industry and changing work and family patterns are contributing to reduced levels of participation in sport and active recreation and the numbers of volunteers who contribute to clubs and associations
- an increasingly complex operating environment, along with a range of systemic issues (such as a declining volunteer base and diverse capabilities across the sport and recreation sector) are presenting major challenges for sport and recreation organisations in terms of maintaining viability and providing opportunities for communities to participate in sport and active recreation
- there is a growing body of evidence linking diminishing levels of physical activity with an increasing incidence of health disorders in our communities, particularly for children and young people
- better targeted and more responsive sport and active recreation opportunities and services need to be developed for specific groups in the community which experience low participation rates e.g. Aboriginal and Torres Strait Islanders, women, people from non-english speaking backgrounds, and people aged over 55
- a projected average annual population growth for Queensland of 1.6% for the five years ending 2011 will place pressure on all levels of government to meet competing demands for a variety of community sport and active recreation infrastructure and services that are convenient and easily accessible
- sport and recreation facilities and events are emerging as significant generators of tourism and economic opportunities. The challenge is to continue to build on the State's success in attracting major events, elite athlete training and competition to Queensland
- the continuing performance improvement in the world sporting arena is putting increased demands on Australia to maintain and enhance its competitive edge in elite athlete development. The challenge for Queensland is competing at a national and international level to access the latest in sport technology and coaching expertise and skills in a lucrative and specialist market
- as the global sporting environment is constantly changing, the need for long-term planning becomes essential for athlete development and excellence. The challenge is to ensure that Queensland responds proactively to these changes so that our athletes can continue to perform at high standards in the world arena.

2004-05 HIGHLIGHTS

- Complete the competitive bid process for the Tennyson Riverside Development project to facilitate the establishment of an international-standard State Tennis Centre and associated development at Tennyson.
- Continue to implement the *Get Active Queensland Children and Young People Strategy*, providing a range of educative and promotional tools and resources for parents, teachers and early childhood carers to support and encourage children and youth to participate in sport and active recreation.
- Implement a new business strategy for Sport and Recreation Queensland's outdoor recreation centres including the establishment of programs at a number of centres to promote the advantages of lifelong participation in sport and active recreation.
- Support Queensland Academy of Sport athletes selected to participate in the 2004 Athens Olympic and Paralympic Games, through the provision of training, sports science and financial assistance.
- Complete the development of the Townsville Sports House adjacent to the Townsville Sports Reserve.
- In partnership with the Queensland Cricket Association, support the development of facilities as part of establishing Cricket Australia's Centre of Excellence.

OUTPUT PERFORMANCE

OUTPUT: Services, Infrastructure and Facilities to Queensland – Sport and Recreation

RELATED OUTCOME: Healthy, active individuals and communities.

DESCRIPTION

Reporting to the Deputy Premier, Treasurer and Minister for Sport, the sport and recreation portfolio develops policies and strategies, administers funding and delivers programs and services which seek to engender community well being through sport and active recreation – from unstructured recreation to the highly organised and competitive environment of elite sport.

REVIEW OF OUTPUT PERFORMANCE

Recent Achievements

- Completed the \$18 million redevelopment of the Tallebudgera Outdoor Recreation Centre and finalised the design and costings for the Townsville Sports House facility.
- Launched the *Get Active Queensland Children and Young People Strategy*, providing an innovative suite of educative and promotional programs and resources for parents, teachers, early childhood carers and sport and recreation organisations, to encourage children and youth to participate in sport and active recreation.
- Continued to support the development and delivery of sport and recreation infrastructure and opportunities in Queensland communities through the department's participation and facility development programs.
- Supported the development of sport and recreation organisations at the State and local levels and their capacity to deliver services and opportunities which enable Queenslanders to participate in physical activity.
- In partnership with key stakeholders, capitalised on opportunities arising from the staging of the Rugby World Cup 2003 to promote Queensland as a premier sport and recreation destination.
- Hosted international delegations and continued to promote the State's sport and recreation facilities to attract international and national teams to Queensland for training and competition purposes.
- In conjunction with the Major Sports Facilities Authority, oversaw the refurbishment of part of the western stand at the Queensland Sports and Athletics Centre to provide an integrated, world class centre for the Queensland Academy of Sport (QAS) to deliver elite athlete development services.
- Assisted the Queensland Cricket Association with its successful bid to attract the Cricket Centre of Excellence to Queensland from 2004. This Centre will position Queensland as the prime developmental hub for cricket in Australia and generate an anticipated return to Queensland of approximately \$9 million.
- Completed stage 1 and initiated stage 2 of the competitive bid process for the Tennyson Riverside Development project to facilitate the establishment of an international-standard State Tennis Centre and associated development at the site of the former Tennyson power station.
- Finalised a new business strategy for Sport and Recreation Queensland's outdoor recreation centres aimed at increasing utilisation at a number of centres and providing enhanced opportunities for users to participate in sport and active recreation activities.

- Completed a review of the *Major Sports Facilities Act 2001* to ensure it continues to provide an effective framework for the operation of the Major Sports Facilities Authority, now that it has six international standard venues under its control and to ensure the Act's penalty regime provides a sufficient deterrent to pitch invasion.
- Developed Australia's only Centre of Excellence for Applied Sport Science Research within the QAS, which will provide funding for applied research, coordinate an industry placement program and sponsor the development of specialised equipment.
- Continued to progress the regionalisation program at the QAS to provide better access for elite athletes to training and competition, irrespective of their location in Queensland.
- Continued the *QAS Talent Search* program to identify talented young athletes who demonstrate the potential to participate in a particular Olympic sport.
- Supported Queensland's elite athletes to prepare for the Athens 2004 Olympic and Paralympic Games.

Future Developments

- Complete the competitive bid process for the Tennyson Riverside Development project providing the opportunity to develop an international-standard State Tennis Centre and associated development at Tennyson.
- Implement the new business strategy and operating arrangements for Sport and Recreation Queensland's outdoor recreation centres, including the establishment of programs at a number of centres to promote the advantages of lifelong participation in sport and active recreation.
- Complete the Townsville Sports House development as a key regional facility, providing a new base for the regional operations of the QAS, the North Queensland offices of Sport and Recreation Queensland and the Queensland Events Corporation and a number of regional sporting associations.
- Continue to implement the *Get Active Queensland Children and Young People Strategy*, providing a range of educative and promotional tools and resources for parents, teachers and early childhood carers, to support and encourage children and youth to participate in sport and active recreation.
- Continue to support the development and delivery of sport and recreation infrastructure and opportunities in Queensland communities through the department's participation and facility development programs.
- Continue support for the development of sport and recreation organisations at the State and local levels and their capacity to deliver services and opportunities, which enable Queenslanders to participate in physical activity.
- Facilitate international delegations and promote Queensland's sport and recreation facilities to attract international and national teams to Queensland for elite training and competition purposes in the lead up to the Melbourne Commonwealth Games in 2006 and the Beijing Olympics in 2008.
- Further refine programs and strategies which will enhance participation in sport and recreation in an harassment free environment.
- Develop a products and services guide to better inform the sport and recreation industry of the availability of services which assist organisations to undertake their management and development responsibilities.
- Continue to progress the research program of the Centre of Excellence for Applied Sport Science Research through the establishment of additional PhD scholarships, masters and honours student programs.
- Finalise preparation for Queensland's elite athletes competing at the Athens 2004 Olympic and Paralympic Games.

- Maintain the focus on a whole-of-State approach for the training of Queensland's elite athletes through the regionalisation program.
- Work with the National Elite Sports Council and the Australian Sports Commission to ensure that the QAS program for 2005-09 is complementary to national strategic directions for elite sport and minimises duplication throughout the national network.
- Finalise the establishment of a talent identification program for rowing, as part of the *QAS Talent Search* program.

OUTPUT STATEMENT

Output: Services, Infrastructure and Facilities to Queensland – Sport and Recreation				
Measures	Notes	2003-04 Target/Est.	2003-04 Est. Actual	2004-05 Target/Est.
Quantity				
Number of athletes assessed by the Talent Search program in Queensland	1	8,000	8,000	4,000
Number of schools visited by QAS athletes.	2	100	220	150
Percentage of QAS athletes selected for national teams	3	15%	29%	20%
Number of national and international sporting teams choosing Queensland as their preferred location for training		24	26	28
Number of Queenslanders participating in the department's sport and recreation participation programs	4	69,550	165,673	164,150
Number of Queenslanders participating in the department's sport and recreation skills development programs	5	6,172	4,500	3,760
Quality				
Number of athletes meeting or exceeding their personal development goals in relation to the <i>Get Active Queensland Schools Program</i>	6	80%	95%	90%
Average satisfaction rating, on a scale of 1-5, of surveyed participants in sport and recreation skills programs		4	4	4
Average satisfaction rating, on a scale of 1-5, of surveyed participants in sport and recreation participation programs		4	4	4
Cost (\$)				
Investment in sport and recreation infrastructure in Queensland	7	\$38.3 million	\$48 million	\$44.3 million
Total investment in sport and recreation participation and skills development programs	8	\$15.9 million	\$15 million	\$17 million
State Contribution (\$'000)	9, 10	127,855	139,042	160,587
Other Revenue (\$'000)		4,308	4,603	4,337
Total Cost (\$'000)	9, 10	132,163	143,645	164,924

Notes:

1. 2004-05 Target is lower than the 2003-04 Estimated Actual due to a change in focus for the Talent Search program to regional schools which will result in a drop in the number of students tested.
2. 2003-04 Estimated Actual is higher than 2003-04 Target primarily due to the program including many small school clusters when delivered in regional and rural areas.
3. 2003-04 Estimated Actual higher than 2003-04 Target due to higher than expected representation on a number of team sports. 2004-05 Target reflect expectations for selections after the Olympic Games and takes into account expected retirements of senior athletes.
4. 2003-04 Estimated Actual higher than 2003-04 Target primarily due to stronger than anticipated attendances at a number of the outdoor recreation centres and a greater number of schools visited by the Get Active Queensland Schools Program.
5. 2003-04 Estimated Actual lower than the 2003-04 Target primarily due to the Thanks Coach Thanks Ref Program concluding and changes in the delivery of Locker Rooms and regional workshops to focus on smaller groups and specific topics of interest to attendees. The 2004-05 Estimated Target has been adjusted to reflect the changed delivery method for Locker Rooms and regional workshops.
6. 2003-04 Estimated Actual higher than the 2003-04 Target due to the maturing of the Get Active Queensland Schools Program, with a number of athletes participating for the second time. 2004-05 Target reflects the fact that some athletes will retire following the 2004 Olympics.
7. 2003-04 Estimated Actual higher than 2003-04 Target primarily due to the redevelopment of the western stand at the Queensland Sport and Athletics Centre to accommodate the Queensland Academy of Sport. 2004-05 Target lower than 2003-04 Estimated Actual primarily due to the completion of the Queensland Sport and Athletics Centre and the finalisation of the redevelopment of the Tallebudgera Outdoor Recreation Centre.
8. 2004-05 Target higher than 2003-04 Estimated Actual primarily due to the implementation of sport and recreation programs at a number of outdoor recreation centres.
9. The increase in the 2003-04 Estimated Actual compared to the 2003-04 Target Budget is primarily due to increased revenue from the Gaming Machine Levy, increased equity return funding and deferrals to meet commitments from the previous financial year.
10. The increase in the 2004-05 Estimate compared to the 2003-04 Estimated Actual primarily reflects increased revenue from the Gaming Machine Levy and capital grant funding deferred from 2003-04 financial year to meet existing commitments.

Output Statement of Financial Performance – Services, Infrastructure and Facilities to Queensland – Sport and Recreation

	Notes	2003-04 Adjusted Budget \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
Revenues from ordinary activities				
Output revenue	1, 2	127,855	139,042	160,587
User charges	3	2,526	2,936	2,838
Grants and other contributions		1,158	1,114	943
Other		624	553	556
Total revenues from ordinary activities		132,163	143,645	164,924
Expenses from ordinary activities				
Employee expenses	4	21,747	23,004	23,107
Supplies and services	5	23,364	32,663	42,737
Equity return expense	6	6,129	7,331	7,464
Depreciation and amortisation		3,485	3,259	3,672
Grants and subsidies	7	73,715	73,988	84,200
Other		3,723	3,400	3,744
Total expenses from ordinary activities excluding borrowing costs		132,163	143,645	164,924
Borrowing costs		..	..	..
Surplus or deficit from ordinary activities		..	..	..
Extraordinary items		..	..	..
NET SURPLUS OR DEFICIT		..	..	..
Notes:				
<ol style="list-style-type: none"> 2003-04 Estimated Actual is higher than the 2003-04 Budget primarily due to increased revenue from the Gaming Machine Levy, increased equity return funding and one-off carryovers to meet commitments from the previous financial year. 2004-05 Estimate higher than the 2003-04 Estimated actual primarily due to increased estimated revenue from the Gaming Machine Levy and capital grant funding deferred from the 2003-04 financial year. 2003-04 Estimated Actual higher than the 2003-04 Budget primarily due to demand for services at the Sports Houses and the Townsville Sports Reserve. 2003-04 Estimated Actual higher than the 2003-04 Budget principally due to enterprise bargaining salary increases. 2003-04 Estimated Actual higher than 2003-04 Budget principally due to increased revenue from the Gaming Machine Levy which will be allocated to grant and capital works programs in the future and one-off carryovers to meet commitments from the previous financial year. 2004-05 Estimate and the 2003-04 Estimated Actual reflects an increase in the net asset position as a result of the revaluation of assets at outdoor recreation centres. 2004-05 Estimate higher than the 2003-04 Estimated Actual primarily due to grant funding deferred from 2003-04 financial year to meet existing commitments. 				

ADMINISTERED ITEMS

Gold Coast Events Company

The Gold Coast Events Company (GCEC) is a Government owned company established as the vehicle for holding and managing the Government's 50% ownership of the Gold Coast Motor Events Company (GCMEC), which conducts the annual Lexmark Indy 300 event on the Gold Coast.

The four day event is conducted under a partnership arrangement between GCEC and the International Management Group of America Pty Ltd (IMG). Under the terms of the partnership agreement, IMG manages the operations of the event and underwrites any losses.

The State Government provides a non-refundable grant to the race organisers to assist with the staging of the event. The Government will contribute \$11 million towards the staging of the 2005 event.

The event provides a significant economic return to Queensland. It is estimated by GCMEC the 2003 event generated approximately \$50 million in economic benefits to the State. The 2003 event generated record crowds, with more than 306,000 people attending the event over four days.



Queensland
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MINISTERIAL PORTFOLIO STATEMENTS

2004-05 STATE BUDGET

**DEPUTY PREMIER, TREASURER AND
MINISTER FOR SPORT**

OFFICE OF URBAN MANAGEMENT

Hon. Terry Mackenroth MP
Deputy Premier, Treasurer and
Minister for Sport

Dr Ted Campbell
Director-General

This Ministerial Portfolio Statement (MPS) includes financial and performance information for the Office of Urban Management which reports to the Deputy Premier, Treasurer and Minister for Sport. Information relating to the Office of Urban Management also appears in the MPS for the Minister for Local Government and Planning and Minister for Women.

DEPARTMENTAL OVERVIEW

The Office of Urban Management (OUM) was established in February 2004 within the Department of Local Government, Planning, Sport and Recreation. The Office reports to the Deputy Premier, Treasurer and Minister for Sport, and will coordinate and manage urban growth in South East Queensland (SEQ), by focussing on strategic planning and urban management, regional landscape and open space planning, infrastructure coordination and programming.

Over the next four years \$18 million has been provided to establish the OUM and progress the Government's priorities for SEQ.

STRATEGIC ISSUES

SEQ is the fastest growing region in Australia. It is estimated that by 2026 the region will be home to 3.7 million people – up from 2.5 million in 2001. This represents more than a quarter of all the population growth in Australia over the next 25 years. This growth, while creating opportunities, also brings with it challenges. If the urban system in SEQ is to deliver liveable communities and sustainable development, this growth needs to be managed by governments at all levels, working together to develop and implement a regional plan.

The partnership in managing regional planning which has been built up between the State Government and local governments in SEQ, through previous projects such as SEQ 2001 and SEQ 2021, will continue. However, it is recognised the pressures created by rapid growth in SEQ may at times generate issues that cannot be resolved by agreement between stakeholders and, in such circumstances, the State Government will take a leadership role.

The OUM will contribute to the achievement of the Government's priority of Managing urban growth and building Queensland's regions through implementing and managing best practice planning and development in SEQ. The OUM will focus on:

- coordinating the preparation and implementation of a regional planning strategy
- encouraging natural resource investment planning and management
- coordinating regional social and economic planning
- identifying and coordinating future key regional infrastructure needs to support the regional settlement strategy
- communicating regional infrastructure needs to local governments and agencies for implementation
- providing advice on the preparation of the *Integrated Planning Act 1997* (IPA), planning schemes and priority infrastructure plans.

2004-05 HIGHLIGHTS

The OUM will provide leadership in regional planning and managing future urban growth in SEQ to ensure that SEQ maintains a high quality of life and sustainable development.

The OUM works collaboratively with the eighteen local councils in SEQ in ensuring that the future land-use and infrastructure needs for the region, as reflected within the SEQ 2021 Regional Plan, are adopted by local governments within their planning schemes.

The OUM advises and supports the Minister responsible for urban management in SEQ via:

- providing support for the SEQ Regional Co-ordination Committee (RCC)
- expediting the completion of the SEQ 2021 Regional Plan, monitoring and reviewing the plan, and preparing future SEQ Regional Plans as necessary
- overseeing the implementation of the SEQ 2021 Regional Plan by ensuring that local governments give effect to the Plan in their Planning Schemes and state government departments support the infrastructure priorities detailed in the Regional Plan through their current and future infrastructure investment proposals (capital works programs)
- planning for “open space” as part of the SEQ Regional Plan and ensuring local governments, state agencies and other stakeholders support the open space objectives (within the Plan)
- preparing a regional infrastructure plan and providing advice to State and local governments on the infrastructure and services required supporting the regional plan.

The OUM reports to the Deputy Premier, Treasurer and Minister for Sport. This reporting arrangement ensures that the State Government’s infrastructure investment plans support the infrastructure priorities identified within the SEQ 2021 Regional Plan.

OUTPUT PERFORMANCE

OUTPUT: Urban Management for South East Queensland

RELATED OUTCOME: Strategic governance

DESCRIPTION

Reporting to the Deputy Premier, Treasurer and Minister for Sport, the OUM provides leadership and works in collaboration with State agencies, local governments and other stakeholders to manage urban growth and infrastructure provision in South East Queensland (SEQ).

REVIEW OF OUTPUT PERFORMANCE

Recent Achievements

- Continued the review and preparation of a new SEQ 2021 Regional Plan in partnership with the South East Queensland Regional Organisation of Councils (SEQROC) and other community stakeholders.
- Undertook extensive community consultation on regional policy issues and options, including the release of twelve discussion papers for comment and holding community forums throughout the region.
- Undertook targeted consultation programs focused on young people and the Indigenous community.
- Continued to provide high level planning and administrative support to the Regional Coordination Committee (RCC).
- Established the new OUM incorporating the SEQ 2021 Regional Resource Unit.

Future Developments

- Finalise work on a draft SEQ 2021 Regional Plan, seek stakeholder and public comment, and achieve Government endorsement of the Regional Plan.
- Contribute to effective urban management in SEQ by making the following amendments to the IPA:
 - statutory recognition of the RCC as a regional advisory body
 - confirm the status of the SEQ Regional Plan as a statutory planning instrument
 - provide for the SEQ Regional Plan to be a matter of “State interest”
 - provide that the SEQ Regional Plan be a matter requiring a “material consideration” when Integrated Development Assessment System applications are being assessed by local governments in the SEQ region.
- Continue to work with local governments to ensure IPA planning schemes are consistent with the regional plan.
- Progress work and complete the SEQ Regional Infrastructure Plan.
- Continue to seek input from industry and community groups in relation to the SEQ 2021 Regional Plan and its implementation and in relation to open space and infrastructure planning.
- Establish and support an SEQ Regional Open Space Advisory Committee to provide advice to the Minister and the RCC.

OUTPUT STATEMENT

Output: Urban Management for South East Queensland				
Measures	Notes	2003-04 Target/Est.	2003-04 Est. Actual	2004-05 Target/Est.
Quantity Number of:				
• publications in relation to planning and development issues;	1	New Measure	New Measure	8
• Regional Coordination Committee (RCC) meetings held per year.	2	New Measure	New Measure	5
Quality Client satisfaction with the quality of seminars, workshops and forums.	1	New Measure	New Measure	80%
Regional Coordination Committee (RCC) satisfaction with technical and administrative support for regional planning.	2	New Measure	New Measure	80%
Timeliness SEQ Regional Plan approved by Government	3	New Measure	New Measure	April 2005
Complete SEQ Regional Infrastructure Plan.	3	New Measure	New Measure	June 2005
State Contribution (\$'000)	4		..	6,664
Other Revenue (\$'000)	4		..	500
Total Cost (\$'000)	4		..	7,164
Notes: 1. This new measure has been created as a result of recent machinery-of-Government changes. 2. This new measure has been created as a result of recent machinery-of-Government changes. 3. This new measure reflects the importance of delivering responsibilities within applicable timeframes in accordance with the mandate of the OUM. 4. New funding is provided for the establishment of the Office of Urban Management and incorporates funding contributions from the Environmental Protection Agency and the South East Queensland Regional Organisation of Councils and includes \$0.6 million from the SEQ 2021 program.				

Output Statement of Financial Performance – Urban Management for South East Queensland

	Notes	2003-04 Budget \$'000	2003-04 Est. Act. \$'000	2004-05 Estimate \$'000
Revenues from ordinary activities				
Output revenue	1	..	..	6,664
User charges		..	..	..
Grants and other contributions	1	..	..	500
Other		..	..	..
Total revenues from ordinary activities		..	..	7,164
Expenses from ordinary activities				
Employee expenses		..	..	4,101
Supplies and services		..	..	2,647
Equity return expense		..	..	..
Depreciation and amortization		..	..	59
Grants and subsidies		..	..	..
Other		..	..	357
Total expenses from ordinary activities excluding borrowing costs		..	..	7,164
Borrowing costs		..	..	..
Surplus or deficit from ordinary activities		..	..	..
Extraordinary items		..	..	..
NET SURPLUS OR DEFICIT		..	..	..
Notes: 1. New funding is provided for the establishment of the Office of Urban Management and incorporates funding contributions from the Environmental Protection Agency and the South East Queensland Regional Organisation of Councils and includes \$0.6 million from the SEQ 2021 program.				

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.
Accrual Output Budgeting (AOB)	A process through which agencies are funded and monitored on the basis of delivery (performance) of outputs which have been costed on a full accrual basis. Queensland's model of AOB, <i>Managing for Outcomes</i> , is a fully integrated planning, budgeting and performance management framework.
Administered Items	Assets, liabilities, revenues and expenses which an agency administers on behalf of the Government without discretion.
Agency	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 organisations established by Executive decision rather than legislation.
Appropriation	Represents Parliamentary authority for the Treasurer to issue funds to agencies during a financial year for: <ul style="list-style-type: none"> • delivery of agreed outputs • administered items • adjusting the Government's equity in agencies.
Capital	A term used to refer to the stock of assets, including property, plant and equipment, intangible assets and inventories, that an agency owns and/or controls, and uses in the delivery of services, and capital grants made to other entities.
Controlled Items	Assets, liabilities, revenues and expenses that are controlled by departments, in that they relate directly to the departmental operational objectives and which arise at the discretion and direction of the department concerned.
Depreciation	The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a particular period of time.

Equity	Equity is the residual interest in the assets of the entity after deduction of its liabilities. It usually comprises the agency's accumulated surpluses/losses, capital injections and any reserves.
Equity Injection	An increase in the investment of the Government in a public sector agency.
Equity Return	A periodic return on equity reflecting the opportunity cost to the Government of its investment in agencies.
Financial Statements	Collective description of the Statement of Financial Position (Balance Sheet), the Statement of Financial Performance, the Statement of Cash Flows.
Outcomes	Whole-of-Government Outcomes are intended to cover all dimensions of community well-being. They express the current needs and future aspirations of communities, within a social, economic and environment context.
Outputs	Discrete services or products for external customers or consumers produced by agencies with funding from the Government.
Own-Source Revenue	Revenue generated by an agency, generally through the sale of goods and services but may also include approved Commonwealth Specific Purpose Payments.
Priorities	The Government's Priorities represent the areas of policy for focussed attention during a given term. They highlight key areas where improved results are sought.
Statement of Cash Flows	A financial statement which reports the inflows and outflows of cash for a particular period for the operating, investing and financing activities undertaken by an agency or the Government as a whole.
Statement of Financial Performance	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.
Statement of Financial Position	A financial statement that reports the assets, liabilities and equity of an entity as at a particular date. Also referred to as a "Balance Sheet".

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.