

# **QUEENSLAND BUDGET 2019–20**

## **Service Delivery Statements**

Queensland Fire and Emergency Services  
Office of the Inspector-General Emergency Management

# 2019–20 Queensland Budget Papers

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

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## Service Delivery Statements

ISSN 1445-4890 (Print)

ISSN 1445-4904 (Online)



# Fire and Emergency Services

## Summary of portfolio

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# Portfolio overview

## Ministerial and portfolio responsibilities

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

### **Minister for Fire and Emergency Services**

**The Honourable Craig Crawford MP**

### **Queensland Fire and Emergency Services**

**Commissioner: Katarina Carroll**

**Service area:** Fire and Emergency Services

### **Office of the Inspector-General Emergency Management**

**Inspector-General: Iain MacKenzie**

**Service area:** Independent assurance and advice to improve emergency management

Additional information about these agencies can be sourced from:

[www.qfes.qld.gov.au](http://www.qfes.qld.gov.au)

[www.igem.qld.gov.au](http://www.igem.qld.gov.au)



**Queensland**  
Government

## **Queensland Fire and Emergency Services**

# Departmental overview

Queensland Fire and Emergency Services (QFES) is the primary provider of fire and rescue and emergency management programs and services throughout Queensland. The department encompasses the Fire and Rescue Service, disaster management services, the Rural Fire Service (RFS) and the State Emergency Service (SES). Through service agreements, the department also supports other volunteer groups that provide emergency response.

QFES' vision is a connected and capable Queensland in the face of emergencies and disasters. The department protects persons, property and the environment through the provision of effective prevention, preparedness, response and recovery activities across a range of fire and emergency events, including natural and human-induced disasters.

QFES contributes to the Government's objectives for the community *Our Future State: Advancing Queensland's Priorities*:

- Keep communities safe by:
  - recruiting an additional 100 frontline firefighters and 12 extra fire communication officers between 2018 and 2021
  - designing and delivering services according to local risk and community need
  - supporting informed decision-making with relevant and reliable knowledge products
  - leading locally trusted networks to prioritise risk reduction, preparedness and information sharing
  - supporting Queenslanders' understanding of, and ability to respond to, climate-related disaster risks
  - empowering Queenslanders to contribute and/or volunteer by providing flexible opportunities.
- Be a responsive government by:
  - empowering our people to lead meaningful engagement with our stakeholders
  - connecting the community, our partners and our people with skills and knowledge about emergency and disaster risks
  - involving volunteers early in decision-making and lessons management processes
  - promoting inclusion and valuing the diversity of our people
  - streamlining and digitising business processes so they are accessible and intuitive.

Key objectives for the department include:

- delivering services informed by local risks and vulnerabilities
- providing flexible volunteering opportunities to enable more Queenslanders to contribute to their community
- our people working seamlessly together with our partners
- encouraging a culture that values decision-making informed by evidence and intelligence
- sharing our knowledge with the community and our partners to support effective planning.

During 2019-20, key strategic challenges for the department are:

- climate change leading to increased severity and frequency of weather events with the department needing to plan to meet this increased demand
- increasing complexity and scope of the operating environment and changes in demographics and community needs requiring QFES to respond to, and adapt, its service delivery model
- ensuring QFES' communication and information systems are secure to minimise and prevent cyber-risks.

Key priorities for the department during 2019-20 include:

- continued focus on prevention, preparedness, response and recovery activities
- continuing to develop a highly capable, adaptive and interoperable workforce equipped with the skills, knowledge and information to better support the community
- incorporating technological solutions that enable effective and timely decision making.

Most new and ongoing capital initiatives to support QFES operational capability are delivered by the Public Safety Business Agency. This includes fire and emergency services facilities, fire appliances and communications equipment.

# Service Performance

## Performance Statement

### Fire and Emergency Services

#### Service Area Objective

To enhance community safety by minimising the impact of fire, emergency events and disasters on the people, property, environment and economy of Queensland.

#### Description

Queensland Fire and Emergency Services (QFES) enhances community resilience, mitigates risk, and contributes to safer and sustainable communities through disaster management, community assistance, response to structure and landscape fires, and rescue across all hazards.

#### Sources of revenue

Total cost \$'000	State contribution \$'000	User charges & fees \$'000	C'wth revenue \$'000	Other revenue \$'000
739,732	103,141	54,576	4,164	588,542

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

2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget
3,321	3,318	3,346

Notes:

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

#### 2019-20 service area highlights

In 2019-20, key highlights include:

- implementing Strategy 2030 through the key initiatives of the 2019-23 QFES Strategic Plan to guide the future sustainability and modernisation of our service delivery model to meet emerging priorities and community needs
- implementing solutions to support interoperability and co-delivery of services across Queensland
- continuing to implement the QFES Volunteerism Strategy, to foster inclusivity and cohesion and remove duplication and barriers
- continuing to enhance volunteer operational capability by ensuring alignment with community needs and the development of sustainable policies and programs
- implementing the QFES Stakeholder Engagement Strategy, to ensure a coordinated approach to plan and prepare for, respond to, and recover from disaster and emergency events
- continuing to work in collaboration with local governments across Queensland to operate an effective SES
- continuing to mature the Queensland Emergency Risk Management Framework at all levels of Queensland's Disaster Management Arrangements
- focusing on natural and socio-natural hazards and risks, improving community understanding of their risks and consequences including risk-based planning requirements and preparation activities

- focusing on reducing bushfire risk, improving community safety awareness and knowledge in relation to bushfire safety and prevention, and increasing the skills and experience of Rural Fire Service volunteers
- developing and implementing a workforce strategy to ensure the skills and capabilities of staff and volunteers meet the needs of the community
- implementing the QFES Leadership Framework to embed leadership competencies and capabilities at all levels throughout the department
- continuing to implement the combined conduct training program 'Think, Say, Do' for the QFES Workforce (staff and volunteers)
- enabling the on-boarding of the SES to the existing Government Wireless Network in South East Queensland
- continuing implementation of the Accelerated Rural Fire Service Fleet Program to provide fit for purpose vehicles, consistent with brigade risk profiles, to volunteer rural fire brigades in rural and regional areas
- continuing engagement to support the implementation of the changes to smoke alarm requirements
- continuing providing input into and directing QFES activities towards new legislative and regulatory requirements surrounding combustible cladding and achieving safer buildings
- continuing to promote the home fire safety message, highlighting the importance of fire escape plans; the new smoke alarm legislation, to highlight advantages and requirements; the 'If It's Flooded, Forget It' campaign, to highlight the dangers of flooded roads; and the Bushfire Safety campaign, to educate Queenslanders on how to prepare their property and family for bushfire
- continuing to provide the Fight Fire Fascination program, which supports parents to educate their children about the dangers of playing with fire and teaches them the necessary skills to prevent harm to property or lives
- continuing to deliver the Road Attitudes and Action Planning program in high schools, a practical lifesaving road safety awareness program for young drivers, facilitated by operational firefighters.



<b>Fire and Emergency Services</b>	<b>2018-19 Target/Est</b>	<b>2018-19 Est Actual</b>	<b>2019-20 Target/Est</b>
<b>Service standards</b>			
<i>Effectiveness measures</i>			
Rate of accidental residential structure fires reported (per 100,000 households) <sup>1</sup>	<60	53.3	<60
Response times to structure fires including call taking time: <sup>2</sup>			
- 50th percentile	<7.8 minutes	8.0	<7.8 minutes
- 90th percentile	<14 minutes	12.5	<14 minutes
Percentage of building and other structure fires confined to room/object of origin <sup>3</sup>	≥80%	83%	≥80%
Estimated percentage of households with smoke alarm/detector installed <sup>4</sup>	95%	97.1%	95%
Percentage of building premises inspected and deemed compliant at first inspection <sup>5</sup>	50%	55.1%	50%
Rate of Unwanted Alarm Activations per Alarm Signalling Equipment <sup>6</sup>	<4	2.3	<4
Percentage of volunteers satisfied with the experience of volunteering for the Rural Fire Service <sup>7</sup>	≥75%	72%	..
Percentage of volunteers satisfied with the experience of volunteering for the State Emergency Service <sup>7</sup>	≥75%	78%	..
Percentage of statewide State Emergency Service volunteers that meet minimal operational training requirements <sup>8</sup>	65%	65%	65%
Percentage of disaster management training participants with enhanced capability <sup>9</sup>	75%	88%	75%
<i>Efficiency measure</i>			
Fire and Emergency Services expenditure per person <sup>10</sup>	\$138	\$141	\$143

Notes:

- Accidental residential structure fires are those fires in a residential structure that are not deliberately lit and with effective educational programs can be reduced or prevented from occurring. Household data is sourced from the Australian Bureau of Statistics (ABS) Catalogue No. 3236.0. Structure fires are fires in housing and other buildings.
- Only structure fires occurring within the Levy District Boundaries (Class A-D) are included. Excluded are non-emergency calls and those where the department experienced delays due to extreme weather conditions or where the initial response was by another agency or brigade. Response times are measured from either alarm time, or the point at which the incident is verified as requiring QFES attendance, to the time in which the first responding vehicle arrives at the scene. Only primary exposure incidents are included. Response times can be affected by road congestion, driver behaviour (distraction and inattention to emergency responder) and high-density urban residential designs. The 2018-19 Estimated Actual figure is based on data for the period 1 April 2018–31 March 2019.
- Only structure fires where the confinement has been determined are included in the calculations.
- This service standard provides an indication of the effectiveness of smoke alarm legislation and awareness raising campaigns, represented by the percentage of households with smoke alarms installed. Results are derived from the Annual QFES Community Insights Survey.
- This service standard measures the percentage of building premises inspected and deemed compliant with building fire safety regulations (*Fire and Emergency Services Act 1990*, *Building Act 1975* and *Building Fire Safety Regulation 2008*) and fire safety procedures on first inspection. The 2018-19 Estimated Actual figure is based on data for the period 1 April 2018–31 March 2019.
- This service standard measures the effectiveness of QFES strategies to help reduce the number of unwanted alarm activations. The service standard compares the number of system initiated false alarms responded to by departmental fire personnel with the number of connected Alarm Signalling Equipment (ASE) devices per annum. 'Unwanted Alarm Activations' are defined as any activation of the fire

alarm and detection system that could have been avoided. Unwanted alarms have a negative impact on firefighters and the wider community by increasing safety concerns for fire crews and the public, disrupting the community and industry, creating complacency, and imposing unnecessary costs to attend these incidents. Reducing unwanted alarm activations ensures that the department can more effectively manage priority emergency responses and resources. The *Fire and Emergency Services Act 1990* (section 104DA) provides a legislated target of no more than four unwanted alarm activations per ASE per annum. The 2018-19 Estimated Actual figure is based on data for the period 1 April 2018–31 March 2019.

7. This service standard is sourced from the 2018 QFES Volunteer Satisfaction Survey which commenced in 2014. It measures the percentage of volunteers who indicated they were either 'very satisfied' or 'satisfied' based on the question "how satisfied are you in general with the experience of volunteering with the Rural Fire Service / State Emergency Service?" The survey also measures volunteer satisfaction across a range of areas including training and development, leadership, internal communication and culture. The survey was in field from 24 February 2019 to 5 April 2019. While analysis is still being undertaken, the 2018-19 result for RFS satisfaction may have been impacted by the significant workload undertaken by volunteers throughout the 2018-19 bushfire season. Note: survey results also indicate 96% of RFS volunteers intend to continue volunteering with QFES, which is an 8% increase on 2016 results. This is a biennial survey, therefore no target is set for 2019-20.
8. This service standard represents the percentage of active SES volunteers who have completed the most common minimum training competency of Storm Damage Operations. The 2019-20 Target Estimate is set at 65% in recognition of the dynamic nature of volunteering, including turnover and the varying risk profiles of localities.
9. This service standard is sourced from the annual Queensland Disaster Management Training Framework (QDMTF) Satisfaction and Capability Enhancement Survey. It assesses the efficacy of QDMTF training by measuring the percentage of participants who self-indicated that their capability to carry out their disaster management role was enhanced either 'somewhat' or 'significantly'. Section 16A(c) of the *Disaster Management Act 2003* provides the legislative requirement for those with a role in disaster operations to be appropriately trained. In accordance with this requirement, training for Queensland disaster management stakeholders is undertaken in accordance with the QDMTF. Participants undertaking QDMTF training include officers from local government, state government agencies, non-government organisations, Australian government agencies and volunteer groups. Participant disaster management roles include, but are not limited to, Local Disaster Coordinators, Local Disaster Management Group Chairs, District Disaster Coordinators, and District Disaster Management Group Executive Officers.
10. This service standard reports the fire and emergency services' expenditure divided by the estimated population of Queensland. Population data is sourced from the ABS Catalogue No. 3101.0. This measure is reported in line with *Report on Government Services* methodology. The 2019-20 Target Estimate is based on Queensland Treasury population estimates. Expenditure includes QFES operating expenditure plus a calculated user cost of capital for property, plant and equipment assets excluding land assets. The increase in both the 2018-19 (estimated at \$18.1 million), Estimated Actual and 2019-20 Target/Estimate is due to significant bushfire and severe weather events in 2018-19, and additional investment for public safety regional radio communications (\$6.4 million of a total \$26.9 million over 2018-19 and 2019-20).

## Departmental budget summary

The table below shows the total resources available in 2019-20 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Queensland Fire and Emergency Services	2018-19 Budget \$'000	2018-19 Est Actual \$'000	2019-20 Budget \$'000
<b>CONTROLLED</b>			
<b>Income</b>			
Appropriation revenue <sup>1</sup>			
Deferred from previous year/s	..	1,191	3,673
Balance of service appropriation	97,709	105,204	102,873
Other revenue	604,783	609,703	643,877
<b>Total income</b>	<b>702,492</b>	<b>716,098</b>	<b>750,423</b>
<b>Expenses</b>			
Fire and Emergency services	702,492	716,098	739,732
<b>Total expenses</b>	<b>702,492</b>	<b>716,098</b>	<b>739,732</b>
<b>Operating surplus/deficit</b>	<b>..</b>	<b>..</b>	<b>10,691</b>
<b>Net assets</b>	<b>52,761</b>	<b>71,408</b>	<b>63,198</b>
<b>CAPITAL</b>			
<b>Capital purchases<sup>2</sup></b>			
Total land, buildings and infrastructure	..	..	..
Total plant and equipment	5,750	5,750	5,450
Total other capital	897	897	897
<b>Total capital purchases</b>	<b>6,647</b>	<b>6,647</b>	<b>6,347</b>

Note:

1. Includes State and Commonwealth funding.
2. For more detail on the agency's capital acquisitions please refer to *Capital Statement (Budget Paper 3)*.

# Budgeted financial statements

## Analysis of budgeted financial statements

An analysis of the department's financial statements is provided below.

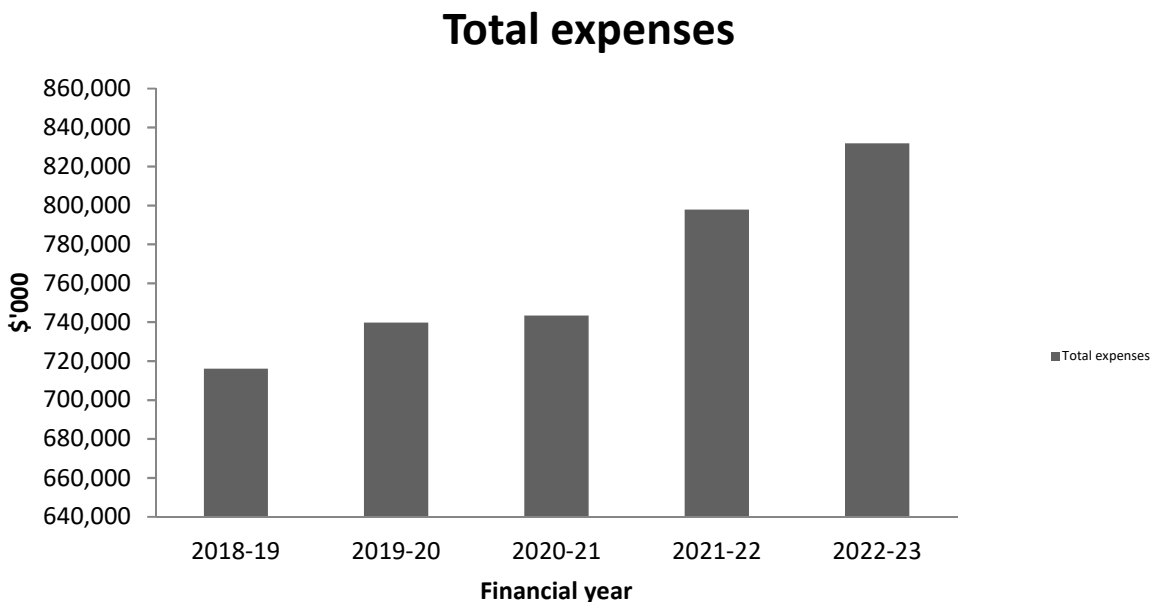
### Departmental income statement

Total income is estimated to be \$750.4 million in 2019-20, an increase of \$34.3 million from the 2018-19 Estimated Actual. It is estimated the Emergency Management Levy will contribute \$559.3 million, or 75 per cent, of total operating income in 2019-20.

Total expenses are estimated to be \$739.7 million in 2019-20. This is a \$23.6 million increase from the 2018-19 Estimated Actual. The increase is mainly due to enterprise bargaining arrangements and additional firefighters.

The increased expenditure from 2020-21 onwards is mainly due to enterprise bargaining arrangements, additional firefighters and payments to PSBA to deliver the QFES capital program.

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



### Departmental balance sheet

The department's major assets are in cash and receivables (\$90.9 million) and property, plant and equipment (\$24 million). The department's main liabilities relate to payables (\$43.8 million) and accrued employee benefits (\$14.8 million).

# Controlled income statement

Queensland Fire and Emergency Services	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
<b>INCOME</b>				
Appropriation revenue	1	97,709	106,395	106,546
Taxes	5	535,569	537,775	559,286
User charges and fees		53,210	53,722	54,576
Royalties and land rents		..	..	..
Grants and other contributions	2,6	13,733	15,581	27,342
Interest and distributions from managed funds		1,532	1,842	1,916
Other revenue		739	783	757
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>702,492</b>	<b>716,098</b>	<b>750,423</b>
<b>EXPENSES</b>				
Employee expenses	7	404,929	407,455	421,884
Supplies and services	3	124,349	269,422	279,490
Grants and subsidies	4	156,443	22,462	20,400
Depreciation and amortisation	8	5,042	5,047	6,059
Finance/borrowing costs		..	..	58
Other expenses		11,209	11,192	11,321
Losses on sale/revaluation of assets		520	520	520
<b>Total expenses</b>		<b>702,492</b>	<b>716,098</b>	<b>739,732</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>9</b>	<b>..</b>	<b>..</b>	<b>10,691</b>

# Controlled balance sheet

Queensland Fire and Emergency Services	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	10,18	15,410	48,748	40,404
Receivables		48,081	50,541	50,541
Other financial assets		..	..	..
Inventories	11	1,940	5,226	5,226
Other	12	2,325	975	975
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>67,756</b>	<b>105,490</b>	<b>97,146</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	19	20,481	18,920	23,973
Intangibles	13,20	7,805	6,564	5,358
Other		..	..	..
<b>Total non-current assets</b>		<b>28,286</b>	<b>25,484</b>	<b>29,331</b>
<b>TOTAL ASSETS</b>		<b>96,042</b>	<b>130,974</b>	<b>126,477</b>
<b>CURRENT LIABILITIES</b>				
Payables	14	14,890	43,810	43,810
Accrued employee benefits	15	19,787	14,791	14,791
Interest bearing liabilities and derivatives		..	..	743
Provisions		..	..	..
Other	16	8,604	965	965
<b>Total current liabilities</b>		<b>43,281</b>	<b>59,566</b>	<b>60,309</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives	21	..	..	2,970
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>2,970</b>
<b>TOTAL LIABILITIES</b>		<b>43,281</b>	<b>59,566</b>	<b>63,279</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>52,761</b>	<b>71,408</b>	<b>63,198</b>
<b>EQUITY</b>				
<b>TOTAL EQUITY</b>	17,22	<b>52,761</b>	<b>71,408</b>	<b>63,198</b>

# Controlled cash flow statement

Queensland Fire and Emergency Services	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Appropriation receipts		97,709	102,075	106,546
User charges and fees		56,006	56,518	57,372
Royalties and land rent receipts		..	..	..
Grants and other contributions		3,918	5,783	17,439
Interest and distribution from managed funds received		1,532	1,842	1,916
Taxes		535,569	537,775	559,286
Other		14,847	14,891	14,865
<b>Outflows:</b>				
Employee costs		(404,929)	(407,455)	(421,884)
Supplies and services		(138,457)	(283,530)	(293,598)
Grants and subsidies		(156,443)	(22,462)	(20,400)
Borrowing costs		..	..	(58)
Other		(4,710)	(4,710)	(4,734)
<b>Net cash provided by or used in operating activities</b>		<b>5,042</b>	<b>727</b>	<b>16,750</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for non-financial assets		(5,750)	(5,750)	(5,450)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by or used in investing activities</b>		<b>(5,750)</b>	<b>(5,750)</b>	<b>(5,450)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		250	250	(10,441)
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	(743)
Equity withdrawals		(4,230)	..	(8,460)
<b>Net cash provided by or used in financing activities</b>		<b>(3,980)</b>	<b>250</b>	<b>(19,644)</b>
<b>Net increase/(decrease) in cash held</b>		<b>(4,688)</b>	<b>(4,773)</b>	<b>(8,344)</b>
<b>Cash at the beginning of financial year</b>		<b>20,098</b>	<b>53,521</b>	<b>48,748</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>15,410</b>	<b>48,748</b>	<b>40,404</b>

# Explanation of variances in the financial statements

## Income statement

### Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

1. Appropriation revenue increase is mainly due to additional funding for QFES' public safety regional radio networks digital readiness and to ensure compliance with the requirements of the Australian Communications and Media Authority (ACMA).
2. Grants and other contributions increase is mainly due to post-event recovery funding under the previous Natural Disaster Relief and Recovery Arrangements (NDRRA) for Tropical Cyclone Nora and various other severe weather, flooding and bushfire events.
3. Supplies and services increase is mainly due to the reclassification of contributions paid to PSBA as procured supplies and services rather than grants, the transfer of funding from PSBA to QFES for Queensland Shared Services (QSS) expenses, and additional funding for QFES' public safety regional radio networks digital readiness and to ensure compliance with the requirements of the ACMA.
4. Grants and subsidies decrease is mainly due to the reclassification of contributions paid to PSBA as procured supplies and services rather than grants, and the transfer of funding from PSBA to QFES for QSS expenses.

### Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

5. Taxes increase is mainly due to a 2.25 per cent increase in the Emergency Management Levy from 1 July 2019 and a forecast growth in levied properties of 1.75 per cent.
6. Grants and other contributions increase is mainly due to forecast recoveries for Disaster Recovery Funding Arrangements (DRFA) relating to Tropical Cyclones Owen, Penny and Trevor, and North and Far North Queensland Monsoon Trough and various other severe weather, flooding and bushfire events.
7. Employee expenses increase is mainly due to enterprise bargaining arrangements and funding provided for additional firefighters.
8. Depreciation and amortisation increase is mainly due to the implementation of Accounting Standard AASB 16 - Leases from 1 July 2019.
9. Operating surplus increase is to support the repayment of funding to the Consolidated Fund for the Accelerated Rural Fire Service Fleet Program which commenced implementation in 2017-18.

## Balance sheet

### Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

10. Cash assets increase is due to movements in receivables, prepayments, accrued employee benefits and payables.
11. Inventories increase is mainly due to the transfer of staff uniforms and other items to inventory in 2017-18.
12. Other current assets decrease is due to movements in prepayments.
13. Intangibles decrease is mainly due to lower than anticipated computer software capital acquisitions in 2017-18.
14. Payables increase reflects the anticipated timing of payments to trade creditors and the reclassification of expenditure reimbursements to other public safety agencies from other current liabilities.
15. Accrued employee benefits decrease reflects the timing of payments for salaries and wages and related costs.
16. Other current liabilities decrease is due to the reclassification of expenditure reimbursements to other public safety agencies as payables.
17. Total equity increase is mainly due to an increase in contributed equity following funding adjustments in 2017-18 and 2018-19 for the PSBA for QFES capital program. In addition, an increase to the accumulated surplus is a result of an operating surplus in 2017-18.

### Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

18. Cash assets decrease is mainly due to a transfer to PSBA for the QFES capital program.
19. Property, plant and equipment increase is mainly due to capital acquisitions planned for 2019-20.
20. Intangibles decrease is mainly due to the amortisation of intangible assets.



21. Non-current interest-bearing liabilities and derivatives reflects the implementation of Accounting Standard AASB 16 - Leases from 1 July 2019.
22. Total equity decrease is mainly due to a reduction in contributed equity following a transfer to PSBA for the QFES capital program.



**Queensland**  
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**Office of the Inspector-General Emergency  
Management**

# Departmental overview

The Office of the Inspector-General Emergency Management (the Office) enables confidence in Queensland's emergency management arrangements. The Office's vision is to be a catalyst for excellence in emergency management.

The Office contributes to the Government's objectives for the community *Our Future State: Advancing Queensland's Priorities*:

- Keep communities safe by reviewing and assessing the effectiveness of Queensland's disaster management arrangements and recommending improvements
- Be a responsive government by identifying opportunities for cooperative partnerships to support improved community outcomes.

Key objectives of the Office are to:

- deliver independent assurance and advice to the Government, stakeholders and the community to enhance strategic direction, accountability and outcomes in Queensland's emergency management arrangements
- build a culture of collaboration, improvement, excellence and innovation to challenge the emergency management sector to adapt to and explore emerging opportunities
- maintain a diverse, forward looking, agile and engaged workforce to deliver quality services.

Key priorities for the Office in 2019-20 include:

- promoting a coordinated strategic direction for emergency management in Queensland
- undertaking targeted reviews that identify risks and prioritise improvements in Queensland's emergency management arrangements
- providing system monitoring, analysis, oversight and assurance to build stakeholder capability to deliver their emergency management accountabilities
- leading the development of a system-wide lessons management program for disaster management in Queensland
- enabling a collaborative, sector-wide approach to disaster management research.

The Office operates in an environment of forecast increases in the complexity, frequency and severity of natural disasters due to climate change; vulnerability to natural and human-caused disasters; and population growth. As a result, it is critical for the Office to effectively balance the delivery of emergent reviews with its program of planned activities as both are key to providing assurance and keeping communities safe in times of disaster.

Key strategic challenges for the Office in 2019-20 include:

- actively engaging with emergency management partners in a changing hazard environment
- effectively balancing customer and stakeholder expectations
- monitoring advances in emergency management service delivery, systems and platforms.

# Service Performance

## Performance Statement

### Independent assurance and advice to improve emergency management

#### Service Area Objective

To provide independent assurance and advice that enables confidence in Queensland's emergency management arrangements.

#### Description

The Office provides independent assurance and advice about Queensland's emergency management arrangements and authoritative reporting to enhance accountability and improve outcomes for the community.

The Office undertakes a range of assurance activities and system analysis to identify risks to emergency management prevention, preparedness, response and recovery arrangements and recommends evidence-based improvements. The most robust assurance activity is a tier three review that has significant depth and rigour and provides a higher level of confidence in the disaster management matter being assessed.

#### Sources of revenue

Total cost \$'000	State contribution \$'000	User charges & fees \$'000	C'wth revenue \$'000	Other revenue \$'000
5,006	4,260	..	..	746

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

2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget
22	22	22

Notes:

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

#### 2019-20 service area highlights

In 2019-20, the Office will continue to review and assess the effectiveness of disaster management in Queensland, with key highlights to include:

- leading the development and implementation of a system-wide lessons management program in Queensland that includes a means of monitoring and assessing the outcomes of review recommendations
- embedding the refreshed Emergency Management Assurance Framework and Standard for Disaster Management in Queensland
- progressing research and collaborative opportunities between universities and disaster management practitioners
- facilitating knowledge sharing across the sector through a statewide network of disaster management officers
- conducting an annual capability review of a disaster district, including the district and local disaster management groups.

<b>Independent assurance and advice to improve emergency management</b>	<b>2018-19 Target/Est</b>	<b>2018-19 Est Actual</b>	<b>2019-20 Target/Est</b>
<b>Service standards</b>			
<i>Effectiveness measure</i>			
Customer satisfaction <sup>1</sup>	80%	83%	80%
<i>Efficiency measure</i>			
Average cost per tier three review (\$'000) <sup>2,3</sup>	200	415	300

Notes:

1. This service standard measures overall satisfaction with the Office. It is measured as part of an annual customer survey. Customers include the Minister, state and local government stakeholders with a role in disaster and emergency management. It is calculated by the number of respondents who indicated they were either 'very satisfied' or 'satisfied' (on a five-point scale ranging from 'very dissatisfied' to 'very satisfied') with the service and advice provided by the Office represented as a percentage of the total number of responses received.
2. The Office leads a broad range of assurance activities to ensure Queenslanders benefit from the best possible disaster management arrangements. The *Emergency Management Assurance Framework* provides for three tiers of assurance. Tier one and tier two activities have a broader scope and reduced independence compared to a tier three activity. At the highest level, a tier three activity is likely to have a well-defined scope, form an independent enquiry, and have significant depth and rigour. Greater levels of assurance come at an increased time and resource cost. This service standard measures the average cost to complete a tier three review. This measure is calculated by dividing the total cost of all tier three reviews completed in the financial year by the number of tier three reviews completed. Included in this measure are costs incurred by the Office in undertaking tier three reviews such as staff salaries, travel, accommodation, venue hire, contractors and legal advice. It is normal for the methodology, scope and depth of each tier three review to differ. Tier three reviews undertaken by the Office as part of its planned program of work have standard planning parameters. In comparison, reviews directed by Government in response to disaster events are generally broader in scope due to their emergent nature, and attract additional resources and cost. These factors may impact on the Estimated Actual result from year to year.
3. The 2018-19 Estimated Actual includes the cost of completing two reviews. Both of these reviews were emergent reviews (2018 Queensland Bushfires Review and 2019 Monsoon Trough Rainfall and Flood Review) undertaken at the direction of Government in response to an emerging event and included a community survey of affected areas. To inform the 2018 Queensland Bushfires Review, the Office engaged the services of a nationally recognised research centre to explain the science behind the events and lessons from Australia and overseas. To inform the 2019 Monsoon Trough Rainfall and Flood Review, the Office engaged an independent external firm with hydrology and flood management expertise. The need to conduct emergent reviews is not known and therefore not included in the 2018-19 Target/Estimate. The 2019-20 Target/Estimate is informed by consideration of all these factors and the 2017-18 and 2018-19 Estimated Actuals.

# Departmental budget summary

The table below shows the total resources available in 2019-20 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Office of the Inspector-General Emergency Management	2018-19 Budget \$'000	2018-19 Est Actual \$'000	2019-20 Budget \$'000
<b>CONTROLLED</b>			
<b>Income</b>			
Appropriation revenue <sup>1</sup>			
Deferred from previous year/s	..	..	..
Balance of service appropriation	4,209	4,369	4,260
Other revenue	678	728	746
<b>Total income</b>	<b>4,887</b>	<b>5,097</b>	<b>5,006</b>
<b>Expenses</b>			
Independent assurance and advice to improve emergency management	4,887	5,097	5,006
<b>Total expenses</b>	<b>4,887</b>	<b>5,097</b>	<b>5,006</b>
<b>Operating surplus/deficit</b>	<b>..</b>	<b>..</b>	<b>..</b>
<b>Net assets</b>	<b>1,159</b>	<b>1,162</b>	<b>1,162</b>

Note:

1. Includes State funding.

# Budgeted financial statements

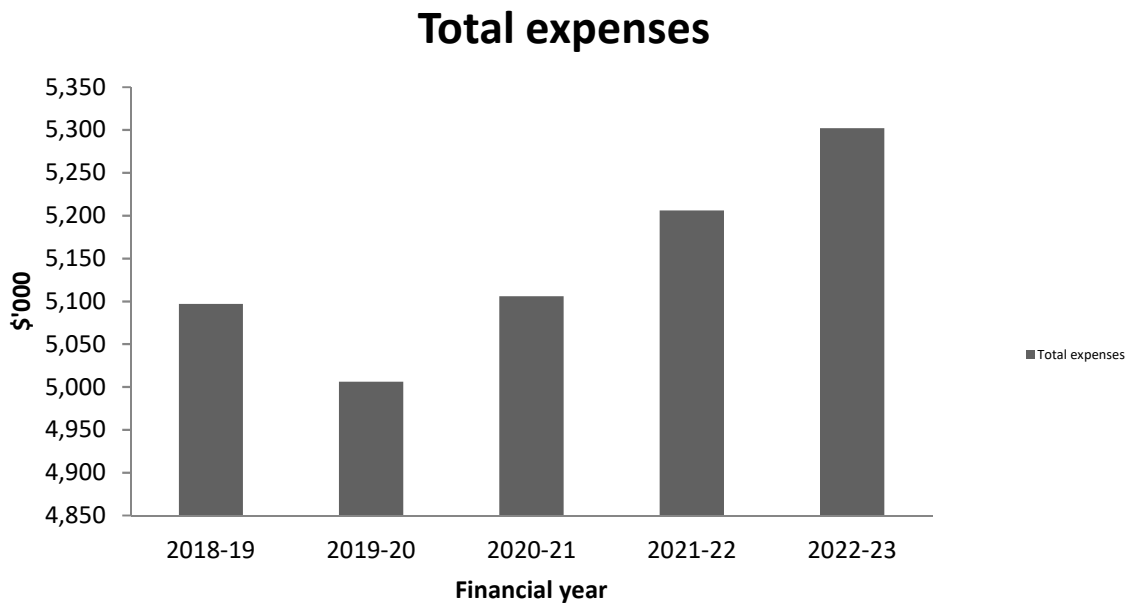
## Analysis of budgeted financial statements

An analysis of the department's financial statements is provided below.

### Departmental income statement

Total expenses are estimated to be \$5 million in 2019-20, a decrease of \$91,000 from the 2018-19 Estimated Actual. The increased expenditure from 2020-21 onwards is mainly due to enterprise bargaining arrangements, long service leave levy to the central scheme and rental costs.

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



### Departmental balance sheet

The Office of the IGEM's major asset is cash (\$1.4 million). The main liabilities relate to payables and accrued employee benefits (\$276,000).

# Controlled income statement

The Office of the Inspector-General Emergency Management	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
<b>INCOME</b>				
Appropriation revenue	1,5	4,209	4,369	4,260
Taxes		..	..	..
User charges and fees		..	..	..
Royalties and land rents		..	..	..
Grants and other contributions	2,6	678	728	746
Interest and distributions from managed funds		..	..	..
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>4,887</b>	<b>5,097</b>	<b>5,006</b>
<b>EXPENSES</b>				
Employee expenses	7	2,939	2,939	3,014
Supplies and services	3,8	1,248	1,408	1,224
Grants and subsidies		..	..	..
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses	4,9	700	750	768
Losses on sale/revaluation of assets		..	..	..
<b>Total expenses</b>		<b>4,887</b>	<b>5,097</b>	<b>5,006</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>



# Controlled balance sheet

The Office of the Inspector-General Emergency Management	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	10	1,496	1,377	1,377
Receivables	11	46	54	54
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>1,542</b>	<b>1,431</b>	<b>1,431</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		..	7	7
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>..</b>	<b>7</b>	<b>7</b>
<b>TOTAL ASSETS</b>		<b>1,542</b>	<b>1,438</b>	<b>1,438</b>
<b>CURRENT LIABILITIES</b>				
Payables	12	281	156	156
Accrued employee benefits		100	120	120
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		2	..	..
<b>Total current liabilities</b>		<b>383</b>	<b>276</b>	<b>276</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>383</b>	<b>276</b>	<b>276</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>1,159</b>	<b>1,162</b>	<b>1,162</b>
<b>EQUITY</b>				
<b>TOTAL EQUITY</b>		<b>1,159</b>	<b>1,162</b>	<b>1,162</b>

# Controlled cash flow statement

The Office of the Inspector-General Emergency Management	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Appropriation receipts		4,209	4,209	4,260
User charges and fees		4	4	4
Royalties and land rent receipts		..	..	..
Grants and other contributions		..	..	..
Interest and distribution from managed funds received		..	..	..
Taxes		..	..	..
Other		..	..	..
<b>Outflows:</b>				
Employee costs		(2,939)	(2,939)	(3,014)
Supplies and services		(1,248)	(1,408)	(1,224)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(26)	(26)	(26)
<b>Net cash provided by or used in operating activities</b>		<b>..</b>	<b>(160)</b>	<b>..</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for non-financial assets		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by or used in investing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by or used in financing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>..</b>	<b>(160)</b>	<b>..</b>
<b>Cash at the beginning of financial year</b>		<b>1,496</b>	<b>1,537</b>	<b>1,377</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>1,496</b>	<b>1,377</b>	<b>1,377</b>

# Explanation of variances in the financial statements

## Income statement

### Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

1. Appropriation revenue increase is mainly due to the rescheduling of 2017-18 expenditure to 2018-19.
2. Grants and other contributions increase is mainly due to revised estimates for services received below fair value from the Public Safety Business Agency (PSBA).
3. Supplies and services increase is mainly due to the rescheduling of 2017-18 expenditure to 2018-19.
4. Other expenses increase is mainly due to revised estimates for services received below fair value from the PSBA.

### Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

5. Appropriation revenue decrease is mainly due to the rescheduling of 2017-18 expenditure to 2018-19 only and reprioritisation measures; partly offset by adjustments to supplementation for enterprise bargaining arrangements and rental costs.
6. Grants and other contributions increase is mainly due to revised estimates for services received below fair value from the PSBA.
7. Employee expenses increase is mainly due to adjustments for enterprise bargaining arrangements and an increase in the long service leave levy to the central scheme.
8. Supplies and services decrease is mainly due to the rescheduling of 2017-18 expenditure to 2018-19 only and reprioritisation measures; partly offset by an increase in rental costs.
9. Other expenses increase is mainly due to revised estimates for services received below fair value from the PSBA.

## Balance sheet

### Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

10. Cash assets decrease is mainly due to movements in payables and accrued employee benefits, and payment for property, plant and equipment.
11. Receivables increase reflects the estimated timing of receipts.
12. Payables decrease reflects the anticipated timing of payments to trade creditors.

# Glossary of terms

<b>Accrual accounting</b>	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.
<b>Administered items</b>	Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.
<b>Agency/entity</b>	Used generically to refer to the various organisational units within Government that deliver services or otherwise service Government objectives. The term can include departments, commercialised business units, statutory bodies or other organisations established by Executive decision.
<b>Appropriation</b>	Funds issued by the Treasurer, under Parliamentary authority, to agencies during a financial year for: <ul style="list-style-type: none"> <li>• delivery of agreed services</li> <li>• administered items</li> <li>• adjustment of the Government's equity in agencies, including acquiring of capital.</li> </ul>
<b>Balance sheet</b>	A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.
<b>Capital</b>	A term used to refer to an entity's stock of assets and the capital grants it makes to other agencies. Assets include property, plant and equipment, intangible items and inventories that an entity owns/controls and uses in the delivery of services.
<b>Cash Flow Statement</b>	A financial statement reporting the cash inflows and outflows for an entity's operating, investing and financing activities in a particular period.
<b>Controlled Items</b>	Assets, liabilities, revenues and expenses that are controlled by departments. These relate directly to the departmental operational objectives and arise at the discretion and direction of that department.
<b>Depreciation</b>	The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.
<b>Equity</b>	Equity is the residual interest in the assets of the entity after deduction of its liabilities. It usually comprises the entity's accumulated surpluses/losses, capital injections and any reserves.
<b>Equity injection</b>	An increase in the investment of the Government in a public sector agency.
<b>Financial statements</b>	Collective description of the Income Statement, the Balance Sheet and the Cash Flow Statement for an entity's controlled and administered activities.
<b>Income statement</b>	A financial statement highlighting the accounting surplus or deficit of an entity. It provides an indication of whether the entity has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation.
<b>Outcomes</b>	Whole-of-government outcomes are intended to cover all dimensions of community wellbeing. They express the current needs and future aspirations of communities, within a social, economic and environment context.
<b>Own-source revenue</b>	Revenue that is generated by an agency, generally through the sale of goods and services, but it may also include some Commonwealth funding.
<b>Priorities</b>	Key policy areas that will be the focus of Government activity.
<b>Services</b>	The actions or activities (including policy development) of an agency which contribute to the achievement of the agency's objectives.
<b>Service area</b>	Related services grouped into a high level service area for communicating the broad types of services delivered by an agency.
<b>Service standard</b>	Define a level of performance that is expected to be achieved appropriate for the service area or service. Service standards are measures of efficiency or effectiveness.





Queensland Budget 2019–20

**Service Delivery Statements**

[budget.qld.gov.au](http://budget.qld.gov.au)