

State Budget 2013-14

# Service Delivery Statements

Department of the Premier and Cabinet

Office of the Governor

Public Service Commission

Queensland Audit Office



# **2013–14 State Budget Papers**

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

**Concessions Statement**

The suite of Budget Papers is similar to that published in 2012-13.

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

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**Service Delivery Statements**

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**Queensland**  
Government

# Department of the Premier and Cabinet

## Summary of portfolio budgets<sup>1</sup>

Page	Agency	2012-13 Adjusted Budget \$'000	2012-13 Est. Actual \$'000	2013-14 Estimate \$'000
2	Department of the Premier and Cabinet - controlled	107,264	110,172	95,506
	Department of the Premier and Cabinet - administered	44,102	42,679	45,423
30	Office of the Governor	5,983	5,780	5,925
44	Public Service Commission	23,251	23,863	28,035
62	Queensland Audit Office	43,749	42,357	41,919

Notes:

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

# PORTFOLIO OVERVIEW

## Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Premier of Queensland for:

<p style="text-align: center;"><b>Premier of Queensland</b> The Honourable Campbell Newman MP</p>
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<p style="text-align: center;"><b>Department of the Premier and Cabinet</b> Director-General: Jon Grayson</p> <p><b>Service Area 1:</b> Policy Advice, Coordination and Cabinet Support Service</p> <hr/> <p><b>Service Area 2:</b> Government and Executive Support Service</p> <hr/> <p><b>Service Area 3:</b> Legislative Drafting and e-Publishing Service</p>
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<p style="text-align: center;"><b>Office of the Governor</b> Official Secretary: Air Commodore Mark Gower OAM ret'd</p> <p><b>Service Area:</b> Executive, administrative, logistical and personal support to the Governor and management of the Government House Estate</p>
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<p style="text-align: center;"><b>Public Service Commission</b> Commission Chief Executive : Ian Maynard</p> <p><b>Service Area:</b> Provision of services for a high performing public service</p>
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<p style="text-align: center;"><b>Queensland Audit Office</b> Auditor-General : Andrew Greaves</p> <p><b>Service Area:</b> Independent public sector auditing services and reporting</p>
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Additional information can be sourced from [www.thepremier.qld.gov.au](http://www.thepremier.qld.gov.au) or agency websites at [www.premiers.qld.gov.au](http://www.premiers.qld.gov.au); [www.legislation.qld.gov.au](http://www.legislation.qld.gov.au), [www.psc.qld.gov.au](http://www.psc.qld.gov.au), [www.qao.qld.gov.au](http://www.qao.qld.gov.au) and [www.govhouse.qld.gov.au](http://www.govhouse.qld.gov.au)

# RESOURCES AND PERFORMANCE

## DEPARTMENTAL OVERVIEW

### Strategic direction

The department's vision is to lead the best public sector in Australia: efficient, modern and service-oriented, and to deliver excellence in Queensland legislation.

The following strategic objectives support this vision:

- develop a long-term strategic vision for Queensland
- provide the Premier and Cabinet with independent, rigorous and forward-looking policy advice
- lead a resilient, innovative public sector
- develop organisational capability and agility
- draft Queensland legislation of the highest standard and provide online access of the highest standard to Queensland legislation.

During 2013-14 the department will:

- deliver *The Queensland Plan: a 30-year vision for Queensland* that, through a grassroots community engagement program, will identify our State-wide and region-specific aspirations and priorities
- continue to lead the Open Data project across government to assist with the delivery of a more open and accountable government and promote the reuse of public sector data
- continue the implementation of the One Stop Shop Plan in conjunction with departments, to ensure it delivers real benefits to customers and government
- continue to provide effective executive support for Parliament, Cabinet and government decision-making processes, Ministers, Assistant Ministers and Ministerial Offices
- continue to identify leveraging opportunities for major events, including the Anzac Centenary Commemoration, and continue to manage sponsorships and whole-of-Government communication
- coordinate official functions and official visits by senior foreign officers and Foreign Heads of Mission
- coordinate State legal representation before Commissions of Inquiry, including coordinating the Government's response to the Queensland Child Protection Commission of Inquiry which will chart a roadmap for child protection for the next decade
- coordinate preparations for the 2014 G20 Leaders' Summit in Brisbane and Finance Ministers' Meeting in Cairns
- assist with the implementation of Commission of Audit recommendations accepted by Government
- lead work on progressing the Government's skills and training reform agenda to transform the vocational, education and training sector and grow the Queensland economy
- lead work on developing expanded partnerships with non-government organisations to deliver better and more client-focussed human services
- commence evaluations and continue existing evaluations of a number of high profile government initiatives to inform future decisions on government investment and service delivery that includes:
  - the youth boot camp trial diverting young offenders from custodial detention and at-risk youth from future offending;

- the Drink Safe Precinct trials, aimed at improving safety and reducing alcohol-related violence in Fortitude Valley, Surfers Paradise and Townsville; and
- the Justices of the Peace trial, which will enable a panel comprising two Justices of the Peace to hear minor civil disputes in the Queensland Civil and Administrative Tribunal
- continue to provide advice on the management of the growth of mining and the Coal Seam Gas industry in Queensland, including financial assurance models, and the legislative reform relating to reducing red tape and streamlining regulatory processes
- support delivery of the Government's electricity sector reform program to place downward pressure on electricity prices
- finalise and implement the Great Barrier Reef Water Quality Protection Plan 2013 in partnership with industry, community organisations and key state agencies
- provide policy advice on national reforms, including:
  - federal Government GST and Tax Reform;
  - federal National Disability Insurance Scheme (NDIS);
  - royal succession;
  - national schools funding reform;
  - Royal Commission into Institutional Responses to Child Sexual Abuse;
  - removing state and federal duplication in approvals including national environmental approval processes;
  - early childhood education;
  - national competition and regulatory reform; and
  - contribute to the drafting of national scheme legislation at both the national and state levels
- provide support for Cabinet and Cabinet committees, and coordinate and support Community Cabinet events across rural and regional Queensland
- work with all departments to produce the legislation required for the Government's legislative reform agenda and, in particular, to cut red tape and regulatory burden by 20%
- improve electronic access to legislation and legislative information.

During 2012-13 the department:

- worked with other state, federal and non-government agencies to develop the Government's position on the NDIS and the National Injury Insurance Scheme
- contributed to the development of the national mental health reform agenda and the establishment of the Queensland Mental Health Commission
- led the evaluations of:
  - the youth boot camp trial diverting young offenders from custodial detention and at-risk youth from future offending; and
  - the Drink Safe Precinct trials, aimed at improving safety and reducing alcohol-related violence in Fortitude Valley, Surfers Paradise and Townsville
- monitored and coordinated whole-of-Government activities associated with the implementation of the Queensland Floods Commission of Inquiry final report
- provided strategic policy support into the State's delivery of urban water reforms to deliver lower prices for water users
- delivered an updated Scientific Consensus Statement outlining the latest scientific evidence on water quality in the Great Barrier Reef to underpin an updated Reef Water Quality Protection Plan to be launched in mid-2013
- provided and coordinated advice to the Premier on the progress of the Destination Q Partnership initiatives, and other tourism-related programs, aimed at meeting the Government's growth target for the tourism industry - to double overnight expenditure to \$30 billion by 2020

- supported the Government to deliver transport and infrastructure key priorities, including assisting agencies in the development of the Bruce Highway Action Plan, the updated business case for the Toowoomba Second Range Crossing and the Royalties for the Regions program
- coordinated the development of whole-of-Government policy issues of national significance through the Council of Australian Governments process and contributed to the drafting of national scheme legislation to address these policy issues
- commenced the development of *The Queensland Plan: a 30-year vision for Queensland* that, through a grassroots community engagement program, will identify our State-wide and region-specific aspirations and priorities
- launched the Open Data project and coordinated the public release of data by departmental agencies to enable its reuse
- worked with whole-of-Government to produce the legislation required for the Government's legislative reform agenda including the Government's initiative to cut red tape and regulatory burden by 20%
- delivered a number of major events, including Queensland Week 2013, Australia Day 2013 (which also encompassed Australia Day II), and the Rise and Shine Queensland flood recovery tour
- commenced a series of whole-of-Government communication trials including a centralised media reporting function and a State-wide community information newsletter
- established the Anzac Centenary Commemoration Unit, Queensland Advisory Committee and associated working groups to commence planning for this significant event.

## Departmental Budget Summary

The table below shows the total resources available in 2013-14 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Department of the Premier and Cabinet	2012-13 Adjusted Budget \$'000	2012-13 Est. Actual \$'000	2013-14 Estimate \$'000
<b>CONTROLLED</b>			
<b>Income</b>			
Appropriation for services <sup>1</sup>			
Deferred from previous year/s	8,633	8,633	2,272
Balance of service appropriation	92,660	93,753	82,526
Other revenue	5,971	7,786	10,708
<b>Total income</b>	<b>107,264</b>	<b>110,172</b>	<b>95,506</b>
<b>Expenses</b>			
Policy Advice, Coordination and Cabinet Support Service	41,501	38,892	32,031
Government and Executive Support Service	49,881	54,866	51,208
Legislative Drafting and e-Publishing Service	13,847	14,190	10,892
Corporate services provided to other agencies	2,035	2,224	1,375
<b>Total expenses</b>	<b>107,264</b>	<b>110,172</b>	<b>95,506</b>
<b>Operating surplus/deficit</b>	<b>..</b>	<b>..</b>	<b>..</b>
<b>Net assets</b>	<b>4,782</b>	<b>5,361</b>	<b>5,361</b>
<b>ADMINISTERED</b>			
<b>Revenue</b>			
Commonwealth revenue	..	..	..
Appropriation of administered items <sup>2</sup>	44,102	42,679	45,423
Other administered revenue	..	..	..
<b>Total revenue</b>	<b>44,102</b>	<b>42,679</b>	<b>45,423</b>
<b>Expenses</b>			
Transfers to government	..	..	..
Administered expenses	44,102	42,679	45,423
<b>Total expenses</b>	<b>44,102</b>	<b>42,679</b>	<b>45,423</b>
<b>Net assets</b>	<b>4,295</b>	<b>4,292</b>	<b>4,292</b>



Department of the Premier and Cabinet	2012-13 Adjusted Budget \$'000	2012-13 Est. Actual \$'000	2013-14 Estimate \$'000
<b>APPROPRIATIONS</b>			
<b>Controlled Items</b>			
Departmental services <sup>1</sup>	103,568	104,661	84,798
Equity adjustment	(443)	136	..
<b>Administered items<sup>2</sup></b>	46,676	45,253	45,423
<b>VOTE TOTAL<sup>3,4</sup></b>	<b>149,801</b>	<b>150,050</b>	<b>130,221</b>

Notes:

1. Appropriation for services does not match appropriations, departmental services in the 2012-13 Adjusted budget and the 2012-13 Estimated actual due to an appropriation receivable of \$2.3 million.
2. Appropriation of administered items does not match appropriations, administered items in the 2012-13 Adjusted budget and the 2012-13 Estimated actual due to an appropriation receivable of \$2.6 million.
3. As represented in the 2013-14 Appropriation Bill.
4. In accordance with s79 of the *Financial Accountability Act 2009*, the 2012-13 Adjusted budget does not match the Appropriation Bill due to the impact of machinery-of-Government changes.

## Budget Measures Summary<sup>1</sup>

The table shows a summary of Budget measures relating to the Department since the 2012-13 Budget. Further details are contained in Budget Paper No. 4.

<b>Department of the Premier and Cabinet</b>	<b>2012-13 \$'000</b>	<b>2013-14 \$'000</b>	<b>2014-15 \$'000</b>	<b>2015-16 \$'000</b>	<b>2016-17 \$'000</b>
<b>Revenue measures</b>					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
<b>Expense measures</b>					
Administered	..	..	..	..	..
Departmental <sup>1</sup>	..	2,315	3,255	(1,031)	203
<b>Capital measures</b>					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..

Notes:

1. Departmental expense measures reconcile with Budget Paper No. 4.

## Staffing<sup>1</sup>

Service Areas	Notes	2012-13 Adjusted Budget	2012-13 Est. Actual	2013-14 Estimate
<b>Services<sup>2</sup></b>				
Policy Advice, Coordination and Cabinet Support Service		137	134	132
Government and Executive Support Service	3	168	188	176
Legislative Drafting and e-Publishing Service		61	60	64
<b>Administered</b>				
Ministerial Offices and Office of the Leader of the Opposition		234	234	234
<b>Corporate services provided to other agencies</b>				
	4	7	10	7
<b>TOTAL</b>	<b>5</b>	<b>607</b>	<b>626</b>	<b>613</b>

### Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the service to which they relate.
3. An increase from 2012-13 Adjusted Budget to 2013-14 Estimate is primarily due to planning for the 2014 G20 Leaders' Summit and Queensland's Anzac Centenary Commemoration, as well as for State legal representation at various Commissions of Inquiry. This increase is expected to be partly offset by efficiencies identified through contestability and performance reviews.
4. Throughout 2012-13, Corporate Services were provided to the Public Service Commission, Health Quality and Complaints Commission, Queensland Treasury and Trade, Department of State Development, Infrastructure and Planning, Office of the Governor, Queensland Treasury Corporation and Department of Tourism, Major Events, Small Business and the Commonwealth Games.
5. Total FTEs in the 2012-13 Adjusted Budget reflects the Machinery of Government (MOG) transfer of the Office of the Public Sector Renewal to Public Service Commission (17 FTEs), offset by Corporate Services merge between the Department of the Premier and Cabinet and the Public Service Commission (3FTEs).

## SERVICE PERFORMANCE

### Services

Our service areas are:

#### **Policy Advice, Coordination and Cabinet Support Service**

Policy Advice, Coordination and Cabinet Support Service provides policy advice and coordination for the Premier and Cabinet and supports Cabinet and Cabinet-related activities. The service provides detailed briefings to the Premier on policy from design and development through to coordination and implementation. Additionally, this service area is responsible for leading key priority projects including *The Queensland Plan: a 30-year vision for Queensland* and the Open Data project.

The service provides advice on intergovernmental issues and supports the Premier in his role as First Minister for Council of Australian Governments (COAG) and Council for the Australian Federation (CAF) meetings. The service also monitors performance and delivery of whole-of-Government policy commitments. Through this service the Premier receives detailed briefs on all matters before Cabinet and Cabinet subcommittees. It coordinates a broad range of whole-of-Government activities and provides expert advice on the operation of Cabinet and its related processes, administration of all Cabinet information, custodianship of the Cabinet record from current and previous governments and direct logistical support to Ministers in Cabinet meetings including Community Cabinet meetings.

#### **Government and Executive Support Service**

Government and Executive Support Service provides policy advice to the Premier in relation to executive government and machinery-of-Government matters, support to the administration of business before the Executive Council, support services to Ministerial Offices, Assistant Ministers and the Office of the Leader of the Opposition, and fixed-wing air services to meet emergency and other aviation needs of the community and the Government. In addition, the service is involved in the management and coordination of events including the Anzac Centenary Commemoration, State occasions, official visits and functions and whole-of-Government communication activities, preparations for the G20 Leaders' Summit in Brisbane and associated meetings in 2014, and coordination of State legal representation before various Commissions of Inquiry.

#### **Legislative Drafting and e-Publishing Service**

The Office of the Queensland Parliamentary Counsel (OQPC) provides the drafting and e-publishing service for Queensland legislation. The service exists to support government and democracy by drafting and e-publishing legislation of the highest quality for Queensland. This service enables the Government to implement its legislative reform agenda. OQPC makes a special contribution by advising on the application of fundamental legislative principles to ensure that legislation has sufficient regard to the rights and liberties of individuals and the institution of Parliament.

## 2013-14 Service Summary<sup>1</sup>

Service area	Sources of Revenue				
	Total Cost \$'000	State Contribution \$'000	User Charges \$'000	C'wealth Revenue \$'000	Other Revenue \$'000
Policy Advice, Coordination and Cabinet Support Service	32,031	32,031	..	..	..
Government and Executive Support Service	51,208	41,910	3,667	1,456	4,175
Legislative Drafting and e-Publishing Service	10,892	10,857	35	..	..
<b>TOTAL<sup>2</sup></b>	<b>94,131</b>	<b>84,798</b>	<b>3,702</b>	<b>1,456</b>	<b>4,175</b>

Notes:

1. Explanations of variances are provided in the financial statements.
2. The total sources of revenue do not equal the "Total income" in the Departmental Budget Summary or the Income Statement as the department provides corporate services to the Public Service Commission, and the Office of the Governor.

## Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will only present measures relating to the efficiency or effectiveness of services delivered by government. Measures of input and/or activity, which do not demonstrate effectiveness or efficiency and are no longer relevant measures of the agency's services will be discontinued from being reported in the Service Delivery Statements. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

Department of the Premier and Cabinet	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
<b>Service area: Policy Advice, Coordination and Cabinet Support Service</b>				
<b>Service standards</b>				
% client satisfaction with advice by DPC to agencies on performance management and reporting requirements	1	90%	89%	85%
% client satisfaction with DPC engagement with the policy development process	2	95%	94%	85%
% client satisfaction with support provided by Cabinet Services	3	New measure	..	85%
% client satisfaction with advice and support relating to intergovernmental issues	4	New measure	..	85%
% operating budget utilised in delivery of service	5	New measure	..	99%
<b>State contribution (\$000)</b>		<b>37,298</b>	<b>37,381</b>	<b>32,031</b>
<b>Other revenue (\$000)</b>		<b>..</b>	<b>39</b>	<b>..</b>
<b>Total cost (\$000)</b>	6	<b>37,298</b>	<b>37,420</b>	<b>32,031</b>

### Service area: Government and Executive Support Service

#### Service standards

% client satisfaction with support and advice provided by State Affairs	7	New measure	..	85%
% client satisfaction with support and advice provided by State Services	8	New measure	..	85%
% client satisfaction with support and advice provided by Corporate Services	9	New measure	..	85%

Department of the Premier and Cabinet	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
% operating budget utilised in delivery of service	5	New measure	..	99%
Cost of corporate services as a % of departmental cost	10	New measure	..	..
<b>State contribution (\$000)</b>		<b>45,892</b>	<b>49,378</b>	<b>41,910</b>
<b>Other revenue (\$000)</b>		<b>3,989</b>	<b>5,488</b>	<b>9,298</b>
<b>Total cost (\$000)</b>		<b>49,881</b>	<b>54,866</b>	<b>51,208</b>

#### Service area: Legislative Drafting and e-Publishing Service

##### Service standards

% client satisfaction with legislative drafting services provided by the Office of the Queensland Parliamentary Counsel

11 85% 97% 85%

% client satisfaction with the quality of access to legislation available online

12 New measure .. 85%

% of operating budget utilised in delivery of service

5 New measure .. 99%

<b>State contribution (\$000)</b>		<b>13,812</b>	<b>14,155</b>	<b>10,857</b>
<b>Other revenue (\$000)</b>		<b>35</b>	<b>35</b>	<b>35</b>
<b>Total cost (\$000)</b>		<b>13,847</b>	<b>14,190</b>	<b>10,892</b>

##### Notes:

1. This service is measured by an annual client survey of Ministers, Directors-General, agency Cabinet Legislation and Liaison Officers and Senior Policy Officers gauging satisfaction with support and advice provided on performance management and reporting.
2. This service standard is measured by an annual client survey of Ministers, Directors-General, agency Cabinet Legislation and Liaison Officers and Senior Policy Officers gauging satisfaction with support and advice provided by areas within Policy Division to assist agencies with the policy development process and provision of advice on Cabinet and CBRC submissions.
3. This service standard is measured by an annual client survey of Ministers, Directors-General, agency Cabinet Legislation and Liaison Officers and Senior Policy Officers gauging satisfaction with support and advice provided by the Cabinet Services area of the department. Services provided include support in completion of the cabinet bag, Cabinet Committees and Community Cabinet.
4. This service standard is measured by an annual client survey to Ministers, Directors-General, agency Cabinet Legislation and Liaison Officers and Senior Policy Officers gauging satisfaction with support and advice provided by the Intergovernmental Relations unit of Policy Division for Council of Australian Governments related initiatives.
5. This service standard will commence in 2013-14, with the target adjusted in line with CEO Performance Agreement targets.
6. The 2012-13 Target/est. and the 2012-13 Est. actual have been adjusted to exclude the Office of the Public Service Renewal which transferred to the Public Service Commission.
7. This service standard is measured by an annual client survey of Ministers, Directors-General, agency Cabinet Legislation and Liaison Officers and Senior Policy Officers, gauging satisfaction with support and advice provided by the State Affairs area of the department. Services provided include support for official visits from Protocol Queensland, assistance with the significant appointment process and Executive Council processes.

8. This service standard is measured by an annual client survey of Ministers, Directors-General, agency Cabinet Legislation and Liaison Officers and Senior Policy Officers gauging satisfaction with support and advice provided by the State Services area of the department. Services provided include communication services and event management.
9. This service standard is measured by an annual client survey of the department's Executive Management, gauging satisfaction with support and advice provided by the Corporate Services areas of the Department. Corporate Service activities support all services areas, but are administratively responsible through the Government and Executive Support Service. Services provided include human resources, financial services, facilities management, performance planning and reporting, risk and audit service, procurement and contract management, records management and information and communication technology services.
10. This service standard will commence in 2013-14, with the 2013-14 Target/est. providing a baseline for future reporting of efficiencies.
11. The wording of this measure has been amended from the previous "Level of direct government drafting client satisfaction with legislative drafting services provided by the Office of the Queensland Parliamentary Counsel". The calculation method will be expanded from 2013-14 to include an annual client survey to Ministers, Directors-General, agency Cabinet Legislation and Liaison Officers, and Senior Policy Officers.
12. This service standard is measured by client surveys, including an annual client survey to Ministers, Directors-General, agency Cabinet Legislation and Liaison Officers, and Senior Policy Officers gauging satisfaction with support and advice provided by the Office of the Queensland Parliamentary Counsel.



## Administered Items

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

In 2013-14 the Department of the Premier and Cabinet will administer payments to Ministerial Offices and Office of the Leader of the Opposition, as well as payments in relation to former Governors of Queensland.

### DESCRIPTION

#### Ministerial Offices and Office of the Leader of the Opposition

The key clients of this administered item are Ministers, Assistant Ministers and the Leader of the Opposition. The services provided are:

- support for Ministers to assist in undertaking their responsibilities as Ministers of the Crown
- management of advisory, secretarial and administrative staff and associated resources for all Ministerial Offices
- maintaining adequate procedures to ensure the financial accountability of these offices is in accordance with the Queensland Ministerial Handbook
- providing similar corporate support for the Office of the Leader of the Opposition.

The accounting, purchasing, information technology, asset management and personnel requirements for these administered areas are supplied by Ministerial Services Branch within the Government and Executive Support Service.

During 2013-14 the following significant developments are planned:

- review the travel booking system with a view to moving to an on-line booking program.

Significant achievements undertaken in 2012-13 were:

- implementation of a payroll system upgrade for Ministerial and Opposition staff
- upgrade and implementation of an improved Ministerial Media Statement website improving compatibility with mobile devices.

Financial statements and variance explanations in relation to Administered Items appear in the Departmental Financial Statements. Further information can be obtained by referring to the Public Report of office expenses tabled twice yearly in Parliament.

## Staff by Office<sup>1</sup>

	Notes	2012-13 Budget	2012-13 Est. Act.	2013-14 Estimate
Premier		35	35	35
Deputy Premier, Minister for State Development, Infrastructure and Planning		14	14	14
Treasurer and Minister for Trade		16	16	16
Health		10	10	10
Education, Training and Employment		11	11	11
Attorney-General and Minister for Justice		10	10	10
Transport and Main Roads		10	10	10
Police and Community Safety		11	11	11
Agriculture, Fisheries and Forestry		9	9	9
Environment and Heritage Protection		8	8	8
Natural Resources and Mines		8	8	8
Energy and Water Supply		9	9	9
Local Government, Community Recovery and Resilience		9	9	9
Communities, Child Safety and Disability Services		10	10	10
National Parks, Recreation, Sport and Racing		8	8	8
Tourism, Major Events, Small Business and the Commonwealth Games		8	8	8
Aboriginal and Torres Strait Islander and Multicultural Affairs and Minister Assisting the Premier		8	8	8
Housing and Public Works		10	10	10
Science, Information Technology, Innovation and the Arts		8	8	8
<b>Total Ministerial Offices</b>		<b>212</b>	<b>212</b>	<b>212</b>
Office of the Leader of the Opposition		22	22	22
<b>Total for Non-Government Support</b>		<b>22</b>	<b>22</b>	<b>22</b>
<b>GRAND TOTAL</b>		<b>234</b>	<b>234</b>	<b>234</b>

Notes:

1. Figures may not add due to rounding.

## Budget and Expenses by Office<sup>1</sup>

	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000 <sup>2</sup>	2013-14 Estimate \$'000
Premier		6,094	5,817	6,331
Deputy Premier, Minister for State Development, Infrastructure and Planning		2,799	2,598	2,785
Treasurer and Minister for Trade		2,365	2,205	2,365
Health		1,863	1,859	1,927
Education, Training and Employment		1,799	1,771	1,850
Attorney-General and Minister for Justice		1,648	1,569	1,671
Transport and Main Roads		1,628	1,523	1,631
Police and Community Safety		1,788	1,728	1,729
Agriculture, Fisheries and Forestry		1,631	1,456	1,676
Environment and Heritage Protection		1,454	1,425	1,503
Natural Resources and Mines		1,485	1,451	1,541
Energy and Water Supply		1,527	1,486	1,630
Local Government, Community Recovery and Resilience		1,430	1,365	1,426
Communities, Child Safety and Disability Services		1,563	1,438	1,641
National Parks, Recreation, Sport and Racing		1,411	1,323	1,458
Tourism, Major Events, Small Business and the Commonwealth Games		1,484	1,409	1,519
Aboriginal and Torres Strait Islander and Multicultural Affairs and Minister assisting the Premier		1,423	1,396	1,450
Housing and Public Works		1,581	1,405	1,539
Science, Information Technology, Innovation and the Arts		1,483	1,398	1,481
<b>Total Ministerial Offices</b>		<b>36,456</b>	<b>34,622</b>	<b>37,152</b>

	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Assistant Minister to the Premier		..	14	85
Assistant Minister Planning Reform		86	48	88
Assistant Minister Finance, Administration and Regulatory Reform		95	64	96
Assistant Minister Health		92	54	87
Assistant Minister Technical and Further Education		89	44	90
Assistant Minister Public Transport		90	36	87
Assistant Minister Emergency Volunteers		..	15	85
Assistant Minister Natural Resources and Mines		93	68	96
Assistant Minister Sport and Racing		90	35	..
Assistant Minister Child Safety		86	48	89
Assistant Minister Tourism		131	52	130
Assistant Minister Aboriginal and Torres Strait Islander Affairs		130	42	128
Assistant Minister Multicultural Affairs		84	40	87
<b>Total Assistant Ministers</b>		<b>1,066</b>	<b>560</b>	<b>1,148</b>
<b>Total for Ministerial Offices and Assistant Ministers</b>		<b>37,522</b>	<b>35,182</b>	<b>38,300</b>
Office of the Leader of the Opposition		3,430	3,129	3,433
<b>Total for Non-Government support</b>		<b>3,430</b>	<b>3,129</b>	<b>3,433</b>
Corporate Support		3,005	4,223	3,540
<b>GRAND TOTAL</b>		<b>43,957</b>	<b>42,534</b>	<b>45,273</b>

Notes:

1. Figures may not add due to rounding.

## CAPITAL

### Capital program

In 2013-14, the department's primary focus will be on the continued replacement and enhancement of existing office equipment, information and communication systems and software. An allocation of \$0.940 million has been provided for this purpose.

The new Cabinet Information System was completed in 2012-13 at a total capital cost of \$1 million. The implementation of this system saw the realisation of improved Cabinet processes and now provides for a more timely and higher quality transfer of information between Cabinet and Ministers, Queensland Government agencies, Ministerial Officers and Cabinet Committees.

### Capital budget statement

Department of the Premier and Cabinet	Notes	2012-13 Budget \$'000	2012-13 Est. Actual \$'000	2013-14 Estimate \$'000
<b>Capital Purchases</b>	1			
Total land, buildings and infrastructure		..	..	..
Total plant and equipment		822	857	458
Total other capital		1,393	814	482
<b>Total Capital Purchases</b>		<b>2,215</b>	<b>1,671</b>	<b>940</b>

Notes:

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

# BUDGETED FINANCIAL STATEMENTS

## ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

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

### Departmental income statement

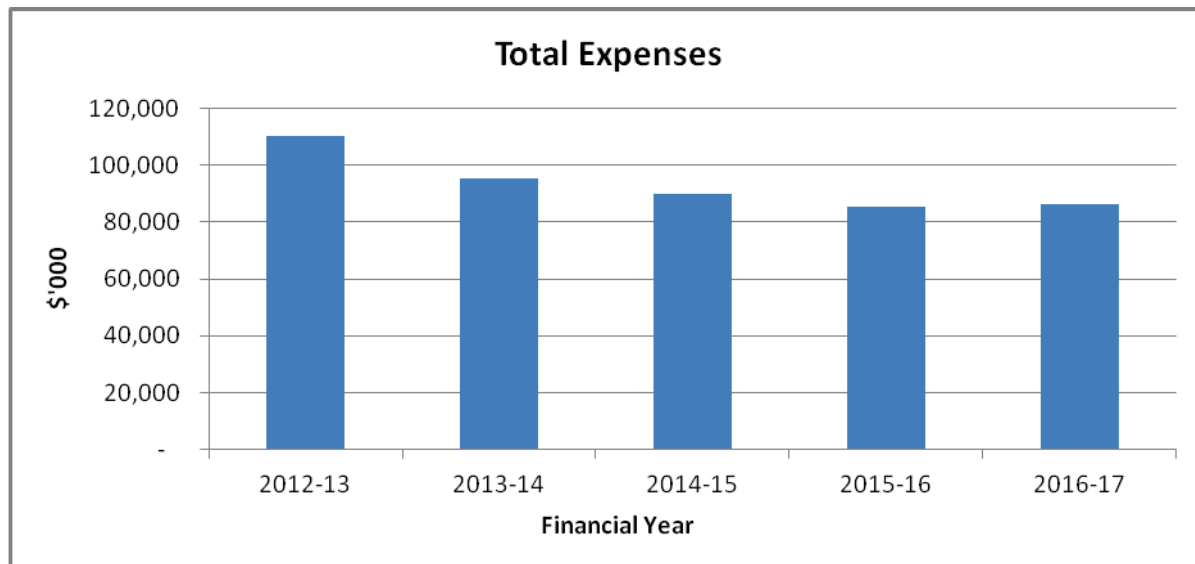
Total expenses are estimated to be \$95.506 million in 2013-14, a decrease of \$11.758 million from the 2012-13 Adjusted Budget. The decrease is mainly due to the:

- transfer of the Public Sector Renewal initiative to the Public Service Commission
- implementation of saving initiatives including the outsourcing of library services to the State Library of Queensland
- delay in the negotiation of the public sector enterprise bargaining agreement.

This decrease has been partly offset by additional costs associated with:

- planning for the 2014 G20 Leaders' Summit
- Queensland's Anzac Centenary Commemoration
- State legal representation at various Commissions of Inquiry
- media reporting services
- Premier's community information newsletter.

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



### Departmental balance sheet

The department's major assets are two aircraft, the Hawker 820XP and the Beech King Air 350, with an estimated total value of \$9.371 million on 30 June 2013. Other property plant and equipment, is comprised of predominantly computer hardware (\$1.429 million), software applications (\$1.732 million) and lease hold improvements (\$1.064 million). The department's liabilities are loans associated with the two aircraft (\$12.481 million). These loans are due to be settled in 2015-16 in line with the expected replacement of the aircraft.

## INCOME STATEMENT

Department of the Premier and Cabinet	Notes	2012-13 Adjusted Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Income</b>				
Service revenue	1,9,16	101,293	102,386	84,798
User charges	2,10,17	5,253	5,600	5,077
Grants and other contributions	3,11,18	714	2,157	5,627
Other revenue		4	29	4
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>107,264</b>	<b>110,172</b>	<b>95,506</b>
<b>Expenses</b>				
Employee expenses	4,12,19	46,432	48,644	44,382
Supplies and services	5,13,20	36,361	40,440	31,439
Grants and subsidies	6,14,21	21,062	17,946	17,162
Depreciation and amortisation	7,15	2,022	1,478	1,443
Finance/borrowing costs		799	799	724
Other expenses	8,22	588	865	356
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total expenses</b>		<b>107,264</b>	<b>110,172</b>	<b>95,506</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Department of the Premier and Cabinet	Notes	2012-13 Adjusted Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>..</b>	<b>..</b>	<b>..</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>..</b>	<b>..</b>	<b>..</b>
Equity injection/(withdrawal)		(443)	136	..
Equity adjustments (MoG transfers)		..	..	..
<b>Total movement in equity for period</b>		<b>(443)</b>	<b>136</b>	<b>..</b>

## BALANCE SHEET

Department of the Premier and Cabinet	Notes	2012-13 Adjusted Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets		1,852	2,428	1,991
Receivables		5,289	5,290	5,290
Other financial assets		..	..	..
Inventories		130	129	129
Other		411	411	411
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>7,682</b>	<b>8,258</b>	<b>7,821</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		11,510	11,577	10,878
Intangibles		2,260	2,193	2,058
Other		..	..	..
<b>Total non-current assets</b>		<b>13,770</b>	<b>13,770</b>	<b>12,936</b>
<b>TOTAL ASSETS</b>		<b>21,452</b>	<b>22,028</b>	<b>20,757</b>
<b>CURRENT LIABILITIES</b>				
Payables		2,293	2,292	2,292
Accrued employee benefits		1,892	1,894	1,894
Interest-bearing liabilities and derivatives		1,310	1,307	1,386
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>5,495</b>	<b>5,493</b>	<b>5,572</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives	24,26	11,175	11,174	9,824
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>11,175</b>	<b>11,174</b>	<b>9,824</b>
<b>TOTAL LIABILITIES</b>		<b>16,670</b>	<b>16,667</b>	<b>15,396</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>4,782</b>	<b>5,361</b>	<b>5,361</b>
<b>EQUITY</b>				
Capital/contributed equity	23,25	1,197	1,776	1,776
Accumulated surplus/(accumulated deficit)		3,585	3,585	3,585
Reserves:				
- Asset revaluation surplus		..	..	..
- Other		..	..	..
<b>TOTAL EQUITY</b>		<b>4,782</b>	<b>5,361</b>	<b>5,361</b>



## CASH FLOW STATEMENT

Department of the Premier and Cabinet	Notes	2012-13 Adjusted Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Service receipts	27,36,44	103,568	104,661	84,798
User charges	28,37,45	5,631	5,978	5,455
Grants and other contributions	29,38,46	714	2,157	5,627
Other		3,868	3,893	3,868
<b>Outflows:</b>				
Employee costs	30,39,47	(46,183)	(48,394)	(44,382)
Supplies and services	31,40,48	(40,655)	(44,735)	(34,459)
Grants and subsidies	32,41,49	(21,062)	(17,946)	(17,162)
Borrowing costs		(799)	(799)	(724)
Other	33,50	(1,810)	(2,087)	(1,578)
<b>Net cash provided by/(used in) operating activities</b>		<b>3,272</b>	<b>2,728</b>	<b>1,443</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles	34,42,51	(1,884)	(1,340)	(609)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(1,884)</b>	<b>(1,340)</b>	<b>(609)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		136	136	..
<b>Outflows:</b>				
Borrowing redemptions		(1,196)	(1,196)	(1,271)
Finance lease payments		..	..	..
Equity withdrawals	35,43	(579)	..	..
<b>Net cash provided by/(used in) financing activities</b>		<b>(1,639)</b>	<b>(1,060)</b>	<b>(1,271)</b>
<b>Net increase/(decrease) in cash held</b>		<b>(251)</b>	<b>328</b>	<b>(437)</b>
<b>Cash at the beginning of financial year</b>		<b>2,103</b>	<b>2,100</b>	<b>2,428</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>1,852</b>	<b>2,428</b>	<b>1,991</b>

## ADMINISTERED INCOME STATEMENT

Department of the Premier and Cabinet	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Revenues</b>				
Commonwealth grants		..	..	..
Taxes, fees and fines		..	..	..
Royalties, property income and other territorial revenue		..	..	..
Interest		..	..	..
Administered revenue	52,54	44,102	42,679	45,423
Other		..	..	..
<b>Total revenues</b>		<b>44,102</b>	<b>42,679</b>	<b>45,423</b>
<b>Expenses</b>				
Supplies and services		15,628	16,455	15,332
Depreciation and amortisation		350	350	350
Grants and subsidies		..	..	..
Benefit payments		..	..	..
Borrowing costs		..	..	..
Other	53,55	28,124	25,874	29,741
<b>Total expenses</b>		<b>44,102</b>	<b>42,679</b>	<b>45,423</b>
<b>Net surplus or deficit before transfers to Government</b>		..	..	..
<b>Transfers of administered revenue to Government</b>		..	..	..
<b>OPERATING SURPLUS/(DEFICIT)</b>		..	..	..

## ADMINISTERED BALANCE SHEET

Department of the Premier and Cabinet	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets		7,085	7,082	7,799
Receivables		711	697	698
Inventories		..	..	..
Other		52	52	52
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>7,848</b>	<b>7,831</b>	<b>8,549</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		1,136	1,136	1,117
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>1,136</b>	<b>1,136</b>	<b>1,117</b>
<b>TOTAL ADMINISTERED ASSETS</b>		<b>8,984</b>	<b>8,967</b>	<b>9,666</b>
<b>CURRENT LIABILITIES</b>				
Payables		1,763	1,749	1,748
Transfers to Government payable		..	..	..
Interest-bearing liabilities		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>1,763</b>	<b>1,749</b>	<b>1,748</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables	56,57	2,926	2,926	3,626
Interest-bearing liabilities		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>2,926</b>	<b>2,926</b>	<b>3,626</b>
<b>TOTAL ADMINISTERED LIABILITIES</b>		<b>4,689</b>	<b>4,675</b>	<b>5,374</b>
<b>ADMINISTERED NET ASSETS/(LIABILITIES)</b>		<b>4,295</b>	<b>4,292</b>	<b>4,292</b>
<b>EQUITY</b>				
Capital/Contributed equity		3,712	3,712	3,712
Accumulated surplus/(Accumulated deficit)		583	580	580
Reserves:				
- Asset revaluation surplus		..	..	..
- Other		..	..	..
<b>TOTAL ADMINISTERED EQUITY</b>		<b>4,295</b>	<b>4,292</b>	<b>4,292</b>

## ADMINISTERED CASH FLOW STATEMENT

Department of the Premier and Cabinet	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Administered item receipts	58	46,676	45,253	45,423
Grants and other contributions		..	..	..
Taxes, fees and fines		..	..	..
Royalties, property income and other territorial revenues		..	..	..
Other		(1)	(1)	(1)
<b>Outflows:</b>				
Transfers to Government		..	..	..
Grants and subsidies		..	..	..
Supplies and services		(15,628)	(16,455)	(15,332)
Borrowing costs		..	..	..
Other	59,60	(23,752)	(21,502)	(29,042)
<b>Net cash provided by/(used in) operating activities</b>		<b>7,295</b>	<b>7,295</b>	<b>1,048</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles		(331)	(331)	(331)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(331)</b>	<b>(331)</b>	<b>(331)</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/(used in) financing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>6,964</b>	<b>6,964</b>	<b>717</b>
<b>Administered cash at beginning of financial year</b>		<b>121</b>	<b>118</b>	<b>7,082</b>
Cash transfers from restructure		..	..	..
<b>Administered cash at end of financial year</b>		<b>7,085</b>	<b>7,082</b>	<b>7,799</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2012-13 Adjusted budget and 2012-13 Estimated actual include:

1. An increase in service revenue primarily due to funding provided during the year for State legal representation at various Commissions of Inquiry and voluntary early retirement payments. This is partly offset by the transfer of the Health Renewal Taskforce to Queensland Health and a delay in the negotiation of the public sector enterprise bargaining agreement.
2. An increase in user charges primarily due to additional revenue associated with corporate services support provided to other agencies.
3. An increase in grants and contributions primarily due to planning for the Premier's community information newsletter and 2014 G20 Leaders' Summit as well as additional contributions for Queensland event activities.
4. An increase in employee expenses primarily due to planning for the 2014 G20 Leaders' Summit, additional corporate services support provided to other agencies and voluntary early retirement payments. This is partly offset by a delay in the negotiation of the public sector enterprise bargaining agreement.
5. An increase in supplies and services primarily due to State legal representation at various Commissions of Inquiry, planning for the Premier's community information newsletter and 2014 G20 Leaders' Summit as well as a reallocation of costs associated with The Queensland Plan. This is partly offset by the transfer of the Health Renewal Taskforce to Queensland Health.
6. A decrease in grants and subsidies primarily due to a reallocation of expenses associated with The Queensland Plan.
7. A decrease in depreciation primarily due to lower than expected costs associated with the capitalisation of the new Cabinet Information System in 2012-13.
8. An increase in other expenditure primarily due to additional sponsorship of Queensland event activities.

Major variations between 2012-13 Adjusted budget and 2013-14 Estimate include:

9. A decrease in service revenue primarily due to the transfer of the Public Sector Renewal initiative and the Health Renewal Taskforce to the Public Service Commission and Queensland Health respectively, the application of savings targets, a delay in the negotiation of the public sector enterprise bargaining agreement and the implementation of the new Cabinet Information System in 2012-13. This is partly offset by a difference between years in funding provided for State legal representation at various Commissions of Inquiry and Queensland's Anzac Centenary Commemoration.
10. A decrease in user charges primarily due to the outsourcing of library services to the State Library of Queensland partly offset by increased revenue from media reporting services.
11. An increase in grants and contributions primarily due to the Premier's community information newsletter and planning for the 2014 G20 Leaders' Summit.
12. A decrease in employee expenses primarily due to the transfer of the Public Sector Renewal initiative to the Public Service Commission, application of savings targets which includes the outsourcing of library services to the State Library of Queensland and a delay in the negotiation of the public sector enterprise bargaining agreement. This is partly offset by additional expenditure associated with the Premier's community information newsletter, planning for the 2014 G20 Leaders' Summit, Queensland's Anzac Centenary Commemoration and State legal representation at various Commissions of Inquiry.
13. A decrease in supplies and services primarily due to the transfer of the Public Sector Renewal initiative and the Health Renewal Taskforce to the Public Service Commission and Queensland Health respectively, application of savings targets and the implementation of the new Cabinet Information System in 2012-13. This is partly offset by additional expenses associated with the Premier's community information newsletter, planning for the 2014 G20 Leaders' Summit, difference between years in expenses associated with State legal representation at various Commissions of Inquiry and Queensland's Anzac Centenary Commemoration, as well as a reallocation of costs associated with The Queensland Plan.
14. A decrease in grants and subsidies primarily due to a difference in years between deferred expenditure as well as a reallocation of costs associated with The Queensland Plan.
15. A decrease in depreciation primarily due to lower than expected costs associated with the capitalisation of the new Cabinet Information System in 2012-13.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

16. A decrease in service revenue primarily due to the transfer of the Public Sector Renewal initiative to the Public Service Commission, application of savings targets, implementation of the new Cabinet Information System and voluntary early retirement payments in 2012-13 as well as a difference between years in funding provided for State legal representation at various Commissions of Inquiry and Queensland's Anzac Centenary Commemoration. This is partly offset by enterprise bargaining arrangements.
17. A decrease in user charges primarily due to the outsourcing of library services to the State Library of Queensland, partly offset by increased revenue from media reporting services.
18. An increase in grants and contributions primarily due to the Premier's community information newsletter and planning for the 2014 G20 Leaders' Summit. This is partly offset by one-off contributions for Queensland event activities in 2012-13.
19. A decrease in employee expenses primarily due to the transfer of the Public Sector Renewal initiative to the Public Service Commission, application of savings targets including the outsourcing of library services to the Queensland State Library and voluntary early retirement payments in 2012-13. This is partly offset by additional expenditure associated with the Premier's community information newsletter, planning for the 2014 G20 Leaders' Summit, Queensland's Anzac Centenary Commemoration, State legal representation at various Commissions of Inquiry and enterprise bargaining arrangements.
20. A decrease in supplies and services primarily due to the transfer of the Public Sector Renewal initiative to the Public Service Commission, application of savings targets, the implementation of the new Cabinet Information System in 2012-13, a difference between years in expenses associated with State legal representation at various Commissions of Inquiry and Queensland's Anzac Centenary Commemoration and a reallocation of expenditure 2012-13 associated with The Queensland Plan. This is partly offset by additional expenses for the Premier's community information newsletter and media reporting services.
21. A decrease in grants and subsidies primarily due to a difference in years between deferred expenditure, partly offset by a reallocation of expenditure in 2012-13 associated with The Queensland Plan.
22. A decrease in other expenditure primarily due to one-off sponsorship of Queensland event activities in 2012-13.

## Balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

23. An increase in capital/contributed equity due to the implementation of the new Cabinet Information System.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

24. A decrease in non-current interest-bearing liabilities and derivatives due to the repayment of loans associated with the Government aircraft.
25. An increase in capital/contributed equity due to the implementation of the new Cabinet Information System in 2012-13.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

26. A decrease in non-current interest-bearing liabilities and derivatives due to the repayment of loans associated with the Government aircraft.

## Cash flow statement

Major variations between 2012-13 Adjusted budget and 2012-13 Estimated actual include:

27. An increase in service receipts primarily due to cash provided for State legal representation at various Commissions of Inquiry as well as for voluntary early retirement payments. This is partly offset by the transfer of the Health Renewal Taskforce to Queensland Health and a delay in the negotiation of the public sector enterprise bargaining agreement.
28. An increase in user charges primarily due to additional receipts associated with corporate services support provided to other agencies.
29. An increase in grants and contributions primarily due to planning for the Premier's community information newsletter and 2014 G20 Leaders' Summit as well as additional contributions for Queensland event activities.

30. An increase in employee costs primarily due to planning for the 2014 G20 Leaders' Summit, additional corporate services support provided to other agencies and voluntary early retirement payments. This has been partly offset by a delay in the negotiation of the public sector enterprise bargaining agreement.
31. An increase in supplies and services primary due to State legal representation at various Commissions of Inquiry, planning for the Premier's community information newsletter and 2014 G20 Leaders' Summit as well as a reallocation of costs associated with The Queensland Plan. This is partly offset by the transfer of the Health Renewal Taskforce to Queensland Health.
32. A decrease in grants and subsidies primarily due to a reallocation of costs associated with The Queensland Plan.
33. An increase in other expenditure primarily due to additional sponsorship of Queensland event activities.
34. A decrease in payments for property plant and equipment and intangibles primarily due to lower than expected costs associated with the capitalisation of the new Cabinet Information System in 2012-13.
35. A decrease in equity withdrawals due to the implementation of the new Cabinet Information System.

Major variations between 2012-13 Adjusted budget and 2013-14 Estimate include:

36. A decrease in service receipts primarily due to the transfer of the Public Sector Renewal initiative and the Health Renewal Taskforce to the Public Service Commission and Queensland Health respectively, the application of savings targets, a delay in the negotiation of the public sector enterprise bargaining agreement and the implementation of the new Cabinet Information System in 2012-13. This is partly offset by a difference between years in funding provided for State legal representation at various Commissions of Inquiry and Queensland's Anzac Centenary Commemoration.
37. A decrease in user charges primarily due to ceasing the provision of library services to other agencies partly offset by increased receipts from media reporting services.
38. An increase in grants and contributions primarily due the Premier's community information newsletter and planning for the 2014 G20 Leaders' Summit.
39. A decrease in employee costs primarily due to the transfer of the Public Sector Renewal initiative to the Public Service Commission, application of savings targets which includes the outsourcing of library services to the State Library of Queensland and a delay in the negotiation of the public sector enterprise bargaining agreement. This is partly offset by additional costs associated with the Premier's community information newsletter, planning for the 2014 G20 Leaders' Summit, Queensland's Anzac Centenary Commemoration, State legal representation at various Commissions of Inquiry and a reallocation of cash associated with The Queensland Plan.
40. A decrease in supplies and services primarily due to the transfer of the Public Sector Renewal initiative and the Health Renewal Taskforce to the Public Service Commission and Queensland Health respectively, application of savings targets and the implementation of the new Cabinet Information System in 2012-13. This is partly offset by additional costs associated with the Premier's community information newsletter, planning for the 2014 G20 Leaders' Summit, difference between years in costs associated with State legal representation at various Commissions of Inquiry and Queensland's Anzac Centenary Commemoration, as well as a reallocation of costs associated with The Queensland Plan.
41. A decrease in grants and subsidies primarily due to a difference in years between deferred costs as well as a reallocation of cash associated with The Queensland Plan.
42. A decrease in payments for property plant and equipment and intangibles primarily due to the implementation of the new Cabinet Information System in 2012-13.
43. A decrease in equity withdrawals due to the implementation of the new Cabinet Information System in 2012-13.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

44. A decrease in service receipts primarily due to the transfer of the Public Sector Renewal initiative to the Public Service Commission, application of savings targets, the implementation of the new Cabinet Information System and voluntary early retirement payments in 2012-13 as well as a difference between years in cash provided for State legal representation at various Commissions of Inquiry and Queensland's Anzac Centenary Commemoration. This is partly offset by enterprise bargaining arrangements.
45. A decrease in user charges primarily due to the outsourcing of library services to the State Library of Queensland, partly offset by increased receipts for media reporting services.

46. An increase in grants and contributions primarily due to the Premier's community information newsletter and planning for the 2014 G20 Leaders' Summit. This is partly offset by one-off contributions for Queensland event activities in 2012-13.
47. A decrease in employee costs primarily due to the transfer of the Public Sector Renewal initiative to the Public Service Commission, application of savings targets including the outsourcing of library services to the State Library of Queensland and voluntary early retirement payments in 2012-13. This is partly offset by additional expenditure associated with the Premier's community information newsletter, planning for the 2014 G20 Leaders' Summit, Queensland's Anzac Centenary Commemoration, State legal representation at various Commissions of Inquiry and enterprise bargaining arrangements.
48. A decrease in supplies and services primarily due to the transfer of the Public Sector Renewal initiative to the Public Service Commission, application of savings targets, the implementation of the new Cabinet Information System in 2012-13, a difference between years in costs associated with State legal representation at various Commissions of Inquiry and Queensland's Anzac Centenary Commemoration and a reallocation of costs associated with The Queensland Plan in 2012-13. This is partly offset by additional costs associated with the Premier's community information newsletter and media reporting services.
49. A decrease in grants and subsidies primarily due to a difference in years between deferred costs partly offset by a reallocation of cash associated with The Queensland Plan in 2012-13.
50. A decrease in other expenditure primarily due to one-off sponsorships of Queensland event activities in 2012-13.
51. A decrease in payments for property plant and equipment and intangibles primarily due to the implementation of the new Cabinet Information System in 2012-13.

### **Administered income statement**

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

52. A decrease in administered revenue primarily due to one-off savings generated as a result of the change in Government.
53. A decrease in other expenses primarily due to one-off savings generated as a result of the change in Government.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

54. An increase in administered revenue primarily due to one-off savings generated in 2012-13 as a result of the change in Government.
55. An increase in other expenses primarily due to one-off savings generated in 2012-13 as a result of the change in Government.

### **Administered balance sheet**

Major variations between 2012-13 Budget and 2013-14 Estimate include:

56. An increase in non-current payables due to movements in the severance provisions for Ministerial Offices and Office of the Leader of the Opposition.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

57. An increase in non-current payables due to movements in the severance provisions for Ministerial Offices and Office of the Leader of the Opposition.

### **Administered cash flow statement**

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

58. A decrease in administered items receipts primarily due to one-off savings generated in 2012-13 as a result of the change in Government.
59. A decrease in other outflows primarily due to one-off savings generated in 2012-13 as a result of the change in Government.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

60. An increase in other outflows primarily due to one-off savings generated in 2012-13 as a result of the change in Government.





**Queensland**  
Government

# Office of the Governor

# RESOURCES AND PERFORMANCE

## OVERVIEW

### Strategic direction

The *Constitution of Queensland 2001* provides that there must be a Governor of Queensland who is appointed by the Sovereign. The Governor, Her Excellency Ms Penelope Wensley AC is authorised and required to do and execute all matters that pertain to her office, according to law. The year 2013-14 will be Her Excellency's last full year in office, as her term ends in July 2014.

While the Governor, as the representative of The Queen who is the Head of State in Queensland, does not participate in the political process, it is the main constitutional responsibility of the Governor to ensure that the State continues to have a stable government which commands the popular support of the Parliament.

As an independent entity, the Office of the Governor (the Office) provides executive, administrative, logistical and personal support which enables the Governor to exercise effectively the constitutional powers and responsibilities of office and to undertake constitutional and ceremonial duties and community activities. The autonomous nature of the Office is consistent with the Governor's role to function with political neutrality. The Office also maintains, in partnership with the Department of Housing and Public Works, the Government House Estate.

### Strategic objectives

The strategic objectives of the Office of the Governor encompass the following six goals which are detailed in the Office of the Governor's 2013-17 Strategic Plan:

#### **Constitutional and Legal**

Provide administrative support enabling the Governor to fulfil her constitutional and legal responsibilities, including assenting to legislation, issuing writs for elections, the swearing-in of government Ministers, the opening of Parliament, considering petitions for the Governor to exercise the power of the Royal Prerogative of Mercy, and presiding over meetings of the Executive Council.

#### **Ceremonial**

Support the Australian Honours and Awards System and other awards programs, and review parades and military ceremonies.

#### **Community Engagement**

Provide an expanded range of opportunities for Queensland organisations and members of the community to visit Government House. Facilitate the Governor's travel to regional and remote centres and support organisations of which the Governor is patron.

#### **Promoting Queensland**

Assist the Governor in activities that highlight and promote Queensland business, regional produce, culture and trade by offering hospitality and attending events. Support the Governor to host international dignitaries and undertake occasional international travel to promote Queensland's interests.

#### **Effective Management**

Strengthen the corporate governance framework to utilise emerging technologies and continuously improve performance, capability, accountability and value for money service delivery.

## Preserving Government House

Maintain Government House as an official State residence including conserving its heritage-listed facilities and ensuring maintenance, security, workplace health and safety and horticultural services.

During 2013-14 the Office of the Governor will continue to:

- support the official and public responsibilities of the Governor
- support the Governor's attendance at meetings of the Executive Council
- support the program of engagements at Government House in Brisbane and surrounding areas
- plan and support regional travel to be undertaken by the Governor
- schedule programs of visits and events for the Governor to attend and/or host
- support arrangements for the transition of Governors.

During 2012-13 the Office of the Governor:

- supported the Governor's attendance at meetings of the Executive Council
- supported the Governor in the swearing-in of Ministers and Assistant Ministers
- conducted investitures for recipients of Australian honours and awards
- supported awards ceremonies for the Winston Churchill Memorial Trust; the Royal Humane Society of Australasia; St John Ambulance Australia – Queensland; the Scout Association of Australia (Queensland Branch); the Boys' Brigade Australia (Queensland); Girls' Brigade Queensland Inc; and the Red Cross recipients of the National Emergency Medal
- supported a program of engagements at Government House in Brisbane and surrounding areas
- supported the Governor in co-hosting a visit of His Royal Highness Prince Charles and the Duchess of Cornwall to Longreach on 5 November 2012
- planned and supported a series of events to mark The Queen's Diamond Jubilee
- supported the Governor in her role as Patron of over 200 organisations
- planned and supported regional travel by the Governor, providing support to rural and regional communities and where possible, support to disaster affected communities in Queensland following the events of early 2013
- supported the Governor in issuing approximately 1200 congratulatory letters and similar correspondence received and referred for the Governor's consideration, including nine petitions for pardon, eight general petitions seeking the Governor's intervention and 128 complaints and queries
- hosted Australia Day Open Day attended by 842 visitors and a further Open Day for Queensland Day will be held on 8 June with more than 1000 visitors expected
- hosted approximately 67 school and community group visits for 2,544 visitors
- finalised a project of works to update the Office of the Governor's outdated information systems
- finalised stage one of the upgrade to the Office's security infrastructure.

## Departmental Budget Summary

The table below shows the total resources available in 2013-14 from all sources and summarises how resources will be applied by service area.

Office of the Governor	2012-13 Budget \$'000	2012-13 Est. Actual \$'000	2013-14 Estimate \$'000
<b>CONTROLLED</b>			
<b>Income</b>			
Appropriation for services			
Deferred from previous year/s	..	..	..
Balance of service appropriation	5,983	5,780	5,925
Other revenue	..	..	..
<b>Total income</b>	<b>5,983</b>	<b>5,780</b>	<b>5,925</b>
<b>Expenses</b>			
Executive, administrative, logistical and personal support to the Governor and management of the Government House Estate	5,983	5,780	5,925
<b>Total expenses</b>	<b>5,983</b>	<b>5,780</b>	<b>5,925</b>
<b>Operating surplus/deficit</b>	<b>..</b>	<b>..</b>	<b>..</b>
<b>Net assets</b>	<b>2,031</b>	<b>2,161</b>	<b>2,135</b>
<b>APPROPRIATIONS</b>			
<b>Controlled Items</b>			
Departmental services <sup>1</sup>	5,983	5,780	5,925
Equity adjustment	(75)	10	(53)
	..	..	..
<b>VOTE TOTAL</b>	<b>5,908</b>	<b>5,790</b>	<b>5,872</b>

Notes:

- As represented in the 2013-14 Appropriation Bills.

## Staffing<sup>1</sup>

Service Areas	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
Executive, administrative, logistical and personal support to the Governor and management of the Government House Estate	1,2	36	44	44
<b>TOTAL</b>		<b>36</b>	<b>44</b>	<b>44</b>

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. During 2012-13 the Office of the Governor directly engaged an additional 8 staff (1 administrative and 7 field) to maintain the Government House heritage gardens and bushland area. Previously this was managed through a contract with a third party provider.

## SERVICE PERFORMANCE

The Governor is The Queen's representative in Queensland. The powers of the Governor derive from the Commission of Appointment issued by The Queen and are prescribed in legal or Constitutional terms in the following principal references: the *Australia (Requests and Consent) Act 1985*, the *Australia Act 1996*, and by the Queensland statutes, the *Constitution of Queensland 2001*, the *Parliament of Queensland Act 2001*, the *Constitution Act 1867*, the *Constitution Act Amendment Act 1890*, and the *Constitution Act Amendment Act 1934*.

The Office of the Governor provides executive, administrative, logistical, and personal support to the Governor and manages the Government House Estate.

The strategic objectives of the Office of the Governor are to support the Governor in order to enable Her Excellency to exercise her statutory and constitutional, ceremonial, civic and social duties of office. As a separate entity, the Office of the Governor enables the Governor to provide independent, non-political authority to the parliamentary process.

## Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will only present measures relating to the efficiency or effectiveness of services delivered by government. Measures of input and/or activity, which do not demonstrate effectiveness or efficiency and are no longer relevant measures of the agency's services will be discontinued from being reported in the Service Delivery Statements. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

Office of the Governor	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
<b>Service Area: Executive, administrative, logistical and personal support to the Governor and management of the Government House Estate</b>				
<b>Service standards</b>				
Meetings of Executive Council		48	51	48
Visits to Queensland regional centres		45	41	45
Days in Queensland regional centres		70	75	70
Honours and awards ceremonies		30	27	30
Patronage commitments	1	110	135	110
Civic and community activities		315	305	250
Speeches and messages		185	182	185
Percentage of correspondence and requests responded to within 10 days		>90%	>90%	>90%
Visitors to Government House	2	8,000	4,890	5,000
<b>State contribution (\$000)</b>		<b>5,983</b>	<b>5,780</b>	<b>5,925</b>
<b>Other revenue (\$000)</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Total cost (\$000)</b>		<b>5,983</b>	<b>5,780</b>	<b>5,925</b>

### Notes:

1. The Governor's patronage commitments have increased in recent years, offset by a reduction in other civic and community activities.
2. In recent years, the Office of the Governor has forecast higher than normal visitor numbers due to headline events such as the Queensland Sesquicentenary, 100 years of Governors at Fernberg and The Queen's Diamond Jubilee. No such special events are forecast in 2013-14 and visitor numbers are therefore anticipated to be fewer. In 2012-13 one of our public events again had to be cancelled due to wet weather.

## CAPITAL

### Capital program

During 2013-14 the Office of the Governor will expend \$0.041 million toward capital replacement of plant and equipment. Ongoing replacement of capital items enables the Office of the Governor to effectively and efficiently support the Governor in her role.

### Capital budget statement

Officer of the Governor	Notes	2012-13 Budget \$'000	2012-13 Est. Actual \$'000	2013-14 Estimate \$'000
<b>Capital Purchases<sup>1</sup></b>				
Total land, buildings and infrastructure		..	..	..
Total plant and equipment		41	126	41
Total other capital		..	..	..
<b>Total Capital Purchases</b>		<b>41</b>	<b>126</b>	<b>41</b>

Notes:

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



# BUDGETED FINANCIAL STATEMENTS

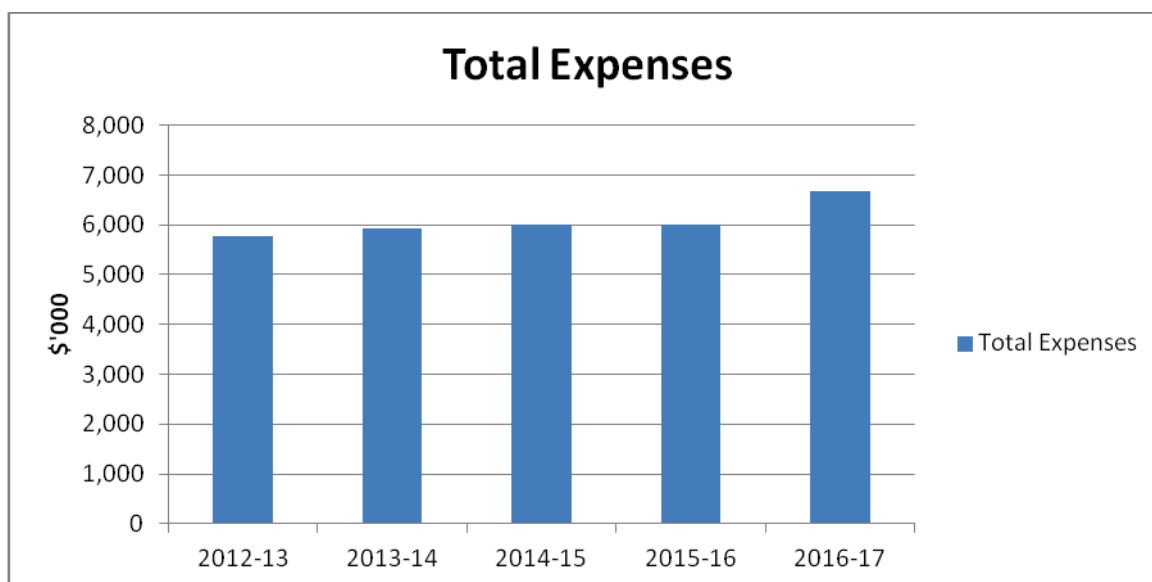
## ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

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

### Departmental income statement

Total expenses are estimated to be \$5.925 million in 2013-14, an increase of \$0.145 million from the 2012-13 financial year. The increase is mainly due to the impact of anticipated enterprise bargaining increases in 2013-14. Expenditure is expected to increase reasonably steadily over the next few years. The increase in 2016-17 relates to employee expenses associated with anticipated enterprise bargaining arrangements.

Chart: Total departmental expenses across the Forward Estimates period



### Departmental balance sheet

The Office's major assets are in property plant and equipment (\$1.440 million), primarily the heritage and cultural collection and intangibles (\$0.295 million) and these categories are expected to remain steady over the next three years. The Office's main liabilities relate to trading creditors at year-end. These are not anticipated to change markedly over the coming years.

## INCOME STATEMENT

Office of the Governor	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Income</b>				
Service revenue	1,4,7	5,983	5,780	5,925
User charges		..	..	..
Grants and other contributions		..	..	..
Other revenue		..	..	..
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>5,983</b>	<b>5,780</b>	<b>5,925</b>
<b>Expenses</b>				
Employee expenses	2,5,8	3,918	4,020	4,157
Supplies and services	3,6	1,920	1,620	1,650
Grants and subsidies		..	..	..
Depreciation and amortisation		116	116	94
Finance/borrowing costs		..	..	..
Other expenses		29	24	24
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total expenses</b>		<b>5,983</b>	<b>5,780</b>	<b>5,925</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Office of the Governor	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		27	27	27
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>27</b>	<b>27</b>	<b>27</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>27</b>	<b>27</b>	<b>27</b>
Equity injection/(withdrawal)		(75)	10	(53)
Equity adjustments (MoG transfers)		..	..	..
<b>Total movement in equity for period</b>		<b>(48)</b>	<b>37</b>	<b>(26)</b>

## BALANCE SHEET

Office of the Governor	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets		612	631	631
Receivables		92	101	101
Other financial assets		..	..	..
Inventories		29	32	32
Other		49	21	21
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>782</b>	<b>785</b>	<b>785</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	9,11	1,380	1,440	1,467
Intangibles		295	295	242
Other		..	..	..
<b>Total non-current assets</b>		<b>1,675</b>	<b>1,735</b>	<b>1,709</b>
<b>TOTAL ASSETS</b>		<b>2,457</b>	<b>2,520</b>	<b>2,494</b>
<b>CURRENT LIABILITIES</b>				
Payables	10	331	264	264
Accrued employee benefits		95	95	95
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>426</b>	<b>359</b>	<b>359</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>426</b>	<b>359</b>	<b>359</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>2,031</b>	<b>2,161</b>	<b>2,135</b>
<b>EQUITY</b>				
Capital/contributed equity		1,364	1,449	1,396
Accumulated surplus/(accumulated deficit)		24	96	96
Reserves:				
- Asset revaluation surplus		643	616	643
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>2,031</b>	<b>2,161</b>	<b>2,135</b>

## CASH FLOW STATEMENT

Office of the Governor	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Service receipts	12,16,19	5,983	5,780	5,925
User charges		..	..	..
Grants and other contributions		..	..	..
Other		..	..	..
<b>Outflows:</b>				
Employee costs	13,17,20	(3,918)	(4,020)	(4,157)
Supplies and services	14,18	(1,920)	(1,620)	(1,650)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(29)	(24)	(24)
<b>Net cash provided by/(used in) operating activities</b>		<b>116</b>	<b>116</b>	<b>94</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles	15	(41)	(126)	(41)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(41)</b>	<b>(126)</b>	<b>(41)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	85	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(75)	(75)	(53)
<b>Net cash provided by/(used in) financing activities</b>		<b>(75)</b>	<b>10</b>	<b>(53)</b>
<b>Net increase/(decrease) in cash held</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Cash at the beginning of financial year</b>		<b>612</b>	<b>631</b>	<b>631</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>612</b>	<b>631</b>	<b>631</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

1. A decrease in service revenue primarily due to a delay in enterprise bargaining arrangements, and a transfer of appropriation to equity to fund security infrastructure improvements at Government House.
2. An increase in employee expenses due to the insourcing of horticultural services from March 2013.
3. A decrease in supplies and services due to a transfer of appropriation to equity in order to fund security infrastructure improvements as well as in insourcing of horticultural services at Government House.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

4. A decrease in service revenue as a result of revised enterprise bargaining estimates.
5. An increase in employee expenses due to the insourcing of horticultural services from March 2013 partly offset by revised enterprise bargaining estimates.
6. A decrease in supplies and services due to the insourcing of horticultural services.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

7. An increase in service revenue due to enterprise bargaining arrangements.
8. An increase in employee expenses due to enterprise bargaining arrangements.

### Balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

9. An increase in property plant and equipment due to security infrastructure improvements at Government House.
10. A decrease in payables due to fluctuations in accrued expenses at year-end.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

11. An increase in property plant and equipment due to security infrastructure improvements at Government House.

### Cash flow statement

Major variations between 2012-13 Budget and 2012-13 Estimated actual include:

12. A decrease in service receipts primarily due to a delay in enterprise bargaining arrangements and a transfer of appropriation to equity to fund security infrastructure improvements at Government House.
13. An increase in employee costs due to the insourcing of horticultural services from March 2013.
14. A decrease in supplies and services due to a transfer of appropriation to equity in order to fund security infrastructure improvements at Government House and as well as the insourcing of horticultural services at Government House.
15. An increase in outflows for property plant and equipment due to due to security infrastructure improvements at Government House.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

16. A decrease in service receipts as a result of revised enterprise bargaining estimates.
17. An increase in employee expenses due to the insourcing of horticultural services from March 2013 partly offset by revised enterprise bargaining estimates.
18. A decrease in supplies and services due to the insourcing of horticultural services.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

19. An increase in service receipts due to enterprise bargaining arrangements.
20. An increase in employee costs due to enterprise bargaining arrangements.





**Queensland**  
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# Public Service Commission

# RESOURCES AND PERFORMANCE

## DEPARTMENTAL OVERVIEW

### Strategic direction

The Public Service Commission (PSC) was established under the *Public Service Act 2008* (the Act). The PSC supports the achievement of the main purposes of the Act by enhancing the public service's human resource management and capability, providing industrial and employee relations strategy and policy advice, and reviewing and improving the overall effectiveness and efficiency of government entities.

The PSC is further responsible for providing leadership, oversight and coordination of the Public Sector Renewal Program, and for managing the portfolio of transformational change projects that are being delivered across agencies.

The Integrity Commissioner is administratively included within the PSC and is responsible for providing advice on integrity and ethics issues and for maintaining the Register of Lobbyists. The Integrity Commissioner is an independent officer of the Queensland Parliament who reports annually to Parliament and will meet with the Finance and Administration Committee of the Parliament at least twice a year.

The PSC contributes to the Government's objectives to revitalise front-line services by supporting a strong and independent public service, and to restore accountability in Government by ensuring better value for taxpayers' money, and by ensuring Ministers are held accountable for their decisions.

The following strategic objectives are designed to address today's public service environment of complexity, fiscal restraint, reform and increasing community expectations.

Objective: To secure and maximise business flexibility in an environment of renewal and reform.

In support of this objective the PSC will:

- remove prescription and red tape through the simplification of legislation, industrial instruments, directives and policies
- create a legislative reform agenda that creates flexibility through the removal and remodelling of structural impediments
- empower managers to reclaim managerial prerogative in the determination of the most efficient and effective means to deliver high quality services
- drive a culture of engaging with risk in the management of poor performance, employee complaints, suspensions and investigations.

Objective: To contain employee-related costs.

In support of this objective the PSC will:

- develop and implement a new public sector staffing model and establishment management controls
- streamline classification structures, consolidate allowances and modernise other workforce management arrangements
- reduce friction/dispute costs associated with WorkCover claims, absenteeism, overtime, employee complaints, appeals and investigations.



Objective: To drive a high performance culture within Chief Executive Officer (CEO) and Senior Executive Service (SES) cohorts.

In support of this objective the PSC will:

- implement new right-sized executive management structures and profiles to drive efficiency and performance
- drive executive accountability and high performance through new CEO and SES performance frameworks
- build a high performance culture through clear performance frameworks supported by appropriate executive development programs
- work with CEO and SES cohorts to proactively respond to the findings and recommendations of audits and reviews into organisational and workforce management.

Objective: To provide independent, strategic advice and expertise to Ministers and Chief Executives.

In support of this objective the PSC will:

- become a trusted advisor, build credibility and create influence
- engage strategically with clients through account management models and leveraging existing forums
- build capacity with the Department of the Premier and Cabinet and Queensland Treasury and Trade as a lead agency, and develop partnerships with the Commission of Audit and the Public Sector Renewal Board.

## **2013-14 Highlights**

### **Public Service Commission**

During 2013-14, the Public Service Commission will:

- drive renewal of culture and a refresh of public sector values in partnership with senior executives
- continue with the implementation of enhanced performance frameworks for senior executives
- continue to develop executive and manager capability through targeted, high quality development programs and initiatives
- implement relevant recommendations from the Commission of Audit and the Review of the Crime and Misconduct Commission
- continue to lead, coordinate and provide strategic oversight of the Public Sector Renewal Program across all line agencies and whole-of-Government transformational change initiatives
- continue to support agencies in aligning executive management structures to the public service staffing model, reducing layers of management
- develop a new streamlined classification structure across the public sector.

## Integrity Commissioner

The Integrity Commissioner is an independent Officer of the Parliament whose performance is monitored and reviewed by the Parliamentary Finance and Administration Committee.

During 2013-14, the Integrity Commissioner will:

- provide timely advice to designated persons on ethics or integrity issues, including conflict of interest issues
- give advice to the Premier, at his request, on issues concerning ethics or integrity involving any person who is a designated person other than a non-Government Member of Parliament
- meet with and give advice to Members of the Legislative Assembly on interests issues
- maintain the Queensland Register of Lobbyists and have responsibility for the registration of lobbyists
- promote adherence to the Lobbyists Code of Conduct
- meet with heads of other integrity agencies to discuss matters of common interest
- provide lectures and papers to increase awareness of issues pertaining to public discussion issues relevant to the Integrity Commissioner's functions and expand the material available on the Integrity Commissioner's website.

## 2012-13 Achievements

### Public Service Commission

During 2012-13, the Public Service Commission:

- collaborated with public sector agencies and entities to plan, prepare, negotiate and finalise enterprise bargaining agreements due for renewal, e.g. teachers, doctors, nurses and police
- developed legislation resolving issues of employment security, organisational change and contracting out
- undertook an establishment position audit to determine the proportion of frontline and non-frontline positions in each public service department
- implemented an Establishment Management Program to monitor the size of the public service workforce and the progressive implementation of departmental workforce reduction programs
- implemented a sector-wide update of workforce information systems to collect contemporary occupational information based on the Australian and New Zealand Standard Classification of Occupations (ANZSCO), consistent with other state and federal jurisdictions
- developed staffing models to identify appropriate executive management structures for departments, based on agency size and function, and worked with departments to ensure alignment to the relevant model to realise savings in employee costs
- implemented an enhanced Employee Assistance Program to provide practical support to employees affected by workplace change, enabling access to career planning and coaching advice, job opportunity research and proactive job readiness support
- identified appropriate business units for relocation and facilitated the transition of employees to Icon Ipswich, as part of the Government's commitment to decentralisation and regionalisation of public services
- provided oversight to whole-of-Government reviews of corporate services and strategic sourcing, and led the implementation of review recommendations by establishing the Corporate Services Renewal Taskforce
- successfully transitioned the public service appeals function and the public interest disclosure oversight function to, respectively, the Queensland Industrial Relations Commission (QIRC) and Queensland Ombudsman
- developed and implemented new Performance and Development Framework Guidelines for CEO and SES officers focussing on fiscal responsibility and improved service delivery

- provided support for monthly Public Sector Renewal Board meetings, including preparing advice to Cabinet and providing high level and strategic advice to all agencies about innovative reform as well as those agencies under direct review by the Board
- led, coordinated and provided strategic oversight of the Public Sector Renewal Program across all line agencies and whole-of-Government transformational change initiatives
- commenced a new strategy for executive engagement and development, including a revised partnership with the Australia and New Zealand School of Government (ANZSOG) for the delivery of a series of executive workshops which target the leadership needs of the sector, and a series of executive breakfasts
- worked with agencies on the sector's professional development priorities and brokered sector-wide opportunities for building leadership capability
- completed a review of directives, guidelines, policies and associated instruments to streamline and simplify workforce management tools
- delivered advisory services to employees and agencies in the interpretation and application of the PSC's legislative and policy instruments.

## Integrity Commissioner

During 2012-13, the Integrity Commissioner:

- continued to provide timely advice on ethics, integrity and conflict of interest issues
- continued to give advice to the Premier, on request, on ethics and integrity issues
- continued to expand the material available on the Integrity Commissioner's website
- maintained the Queensland Register of Lobbyists
- continued to provide lectures and papers to increase awareness of issues pertaining to public discussion of ethics and integrity, including conflict of interest issues
- provided lectures and papers to local government and other organisations to increase awareness of the Queensland Register of Lobbyists and limitations on lobbying
- continued to meet with the Auditor-General of Queensland, Chairperson of the Crime and Misconduct Commission, the Ombudsman, the Information Commissioner and the Commission Chief Executive of the Public Service Commission to discuss matters of common interest
- continued to contribute to the broader discussion and understanding of public service ethics issues through presentations to the Queensland Public Service Ethics Network, the Public Sector Governance Collaborative and individual departments
- continued to work with the Public Service Commission to raise awareness and standards of public service ethics.

Please visit [www.psc.qld.gov.au](http://www.psc.qld.gov.au) for more information on the functions of the Public Service Commission and [www.integrity.qld.gov.au](http://www.integrity.qld.gov.au) for more information on the functions of the Integrity Commissioner.

## Departmental Budget Summary

The table below shows the total resources available in 2013-14 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications. Machinery-of-Government changes resulted in the Office of Public Sector Renewal transitioning from the Department of the Premier and Cabinet to the Public Service Commission. This transfer was effective from 1 February 2013.

The corporate services function of the Public Service Commission was aligned to the Department of the Premier and Cabinet's corporate services to create greater efficiencies for both agencies. This alignment resulted in three positions transitioning from the Public Service Commission to the Department of the Premier and Cabinet, effective from 1 April 2013.

The 2013-14 Estimate reflects the full year effect of these transfers.

Approximately \$4.8 million has been carried forward to meet costs associated with future reform initiatives such as the Corporate Services Renewal Taskforce and the Culture and Values Renewal Program.

Public Service Commission	2012-13 Adj. Budget \$'000	2012-13 Est. Actual \$'000	2013-14 Estimate \$'000
<b>CONTROLLED</b>			
<b>Income</b>			
Appropriation for services <sup>1, 2</sup>			
Deferred from previous year/s	1,591	1,821	4,800
Balance of service appropriation	20,640	21,022	21,867
Other revenue	1,020	1,020	1,368
<b>Total income</b>	<b>23,251</b>	<b>23,863</b>	<b>28,035</b>
<b>Expenses</b>			
Provision of services for a high performing public service	23,251	23,863	28,035
<b>Total expenses</b>	<b>23,251</b>	<b>23,863</b>	<b>28,035</b>
<b>Operating surplus/deficit</b>	<b>..</b>	<b>..</b>	<b>..</b>
<b>Net assets</b>	<b>977</b>	<b>977</b>	<b>977</b>
<b>APPROPRIATIONS</b>			
<b>Controlled Items</b>			
Departmental services <sup>1</sup>	18,252	23,073	26,667
Equity adjustment	..	..	..
<b>Administered items</b>	<b>..</b>	<b>..</b>	<b>..</b>
<b>VOTE TOTAL<sup>2</sup></b>	<b>18,252</b>	<b>23,073</b>	<b>26,667</b>

Notes:

1. Appropriation for services does not match appropriation for departmental services due to appropriation receivables.
2. As represented in the 2013-14 Appropriation Bills.

## Budget Measures Summary

The table shows a summary of Budget measures relating to the Department since the 2012-13 Budget. Further details are contained in Budget Paper No. 4.

<b>Public Service Commission</b>	<b>2012-13 \$'000</b>	<b>2013-14 \$'000</b>	<b>2014-15 \$'000</b>	<b>2015-16 \$'000</b>	<b>2016-17 \$'000</b>
<b>Revenue measures</b>					
Departmental	..	..	..	..	..
<b>Expense measures<sup>1</sup></b>					
Departmental	..	2,000	..	..	..
<b>Capital measures</b>					
Departmental	..	..	..	..	..

Notes:

1. The total for 2013-14 reconciles with Budget Paper 4.

## Staffing<sup>1,2</sup>

Service Areas	Notes	2012-13 Adjusted Budget	2012-13 Est. Actual	2013-14 Estimate
Provision of services for a high performing public service	2	79	105	105
<b>TOTAL</b>		<b>79</b>	<b>105</b>	<b>105</b>

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The increase in FTEs between the 2012-13 Adjusted Budget and the 2012-13 Estimated actual and 2013-14 Estimate is due to machinery-of-Government changes and the completion of the Corporate Services Renewal Taskforce project.

## SERVICE PERFORMANCE

### Services

#### Provision of Services for a High Performing Public Service

The Public Service Commission (PSC) is responsible for overseeing and improving the management of the public service's human resources including public sector reform initiatives, industrial and employee relations strategy and policy advice, and improving public service performance, innovation, service delivery and accountability.

The PSC is further responsible for providing leadership, oversight and coordination of the Public Sector Renewal Program, and to manage the portfolio of transformational change projects that will occur across agencies.

The Integrity Commissioner, as an independent statutory office holder, appointed by the Governor in Council under the *Integrity Act 2009*, advises the Premier and other designated persons on ethics or integrity issues, including conflicts of interest.

The PSC's strategic objectives are designed to address today's public service environment of complexity, fiscal restraint, reform and increasing community expectations and support the Government's commitments to revitalising front-line services by supporting a strong and independent public service, and to restore accountability in government by ensuring better value for taxpayers' money, and by ensuring Ministers are held accountable for their decisions.

#### Red tape reduction

In 2012-13, the PSC's contribution to the Government's commitment to red tape reduction included a whole-of-Government high-level diagnostic review of corporate services that was undertaken late in 2012. The aims of the review were to assess the current state and baseline costs for delivering corporate services, consider the effectiveness of current delivery models of corporate services, and propose a future-state vision and renewal opportunities for corporate services. The review identified a number of renewal opportunities to support the efficiencies already achieved across the public sector. It observed that reducing unnecessary red tape on corporate services areas and simplifying and reforming inefficient business processes is fundamental to the ongoing effective delivery of corporate services.

A Corporate Services Renewal Taskforce has been formed in the PSC to implement the recommendations of the review. The Taskforce has consulted with agencies to generate ideas and determine the top priorities for simplification and red tape reduction. As a result, the Taskforce will focus initially on streamlining and simplifying whole-of-Government reporting to remove duplication and ensure more coordinated, consolidated reporting from corporate services. Further, the end-to-end process of public service recruitment and selection will be reviewed to remove unnecessary red tape to ensure efficient recruitment of the best people for the right positions in the public sector.

The PSC has also undertaken a refresh of PSC Directives and other instruments to streamline the number of documents that are used as reference guides by public sector agencies. This streamlining has resulted in removing 14 instruments in total, and reducing the total number of pages from 156 to 21 (79%).

## Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will only present measures relating to the efficiency or effectiveness of services delivered by government. Measures of input and/or activity which do not demonstrate effectiveness or efficiency and are no longer relevant measures of the agency's services will be discontinued from being reported in the Service Delivery Statements. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

Public Service Commission	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
<b>Service Area: Provision of services for a high performing public service</b>				
<b>Service standards</b>				
Enterprise arrangements where employee costs are contained within Government wages policy	1	New Measure	..	90%
Participant satisfaction with development programs brokered by PSC	2	New Measure	..	80%
Percentage of agencies that have implemented the Queensland Public Sector executive staffing structure within the approved time period	3	New Measure	..	95%
<b>State contribution (\$000)</b>		<b>22,231</b>	<b>22,843</b>	<b>26,667</b>
<b>Other revenue (\$000)</b>		<b>1,020</b>	<b>1,020</b>	<b>1,368</b>
<b>Total cost (\$000)</b>		<b>23,251</b>	<b>23,863</b>	<b>28,035</b>

### Notes:

- This measure has been included for Service Delivery Statement reporting purposes as it is an indication of the effectiveness of the PSC in delivering industrial reforms. Target is 90% as Government Owned Corporations have ability to offer above 3%.
- This measure has been included for Service Delivery Statement reporting purposes as it is an indication of the effectiveness of program delivery, with all programs mapped to PSC-sponsored competency frameworks. Participants report on their satisfaction across four dimensions:
  - The program was effective in helping me do my current job better.
  - The program will assist the progress of my career path.
  - The program develops a whole-of-Government perspective.
  - I would recommend the program to others.
PSC seeks to provide at least 3000 development days per year to such programs.
- This measure has been included for Service Delivery Statement reporting purposes as it is an indication of the efficiency of the PSC in assisting agencies to adopt the new Queensland Public Sector executive staffing structure.



## CAPITAL

### Capital program

The Commission undertakes an asset replacement program of information technology (IT) assets.

### Capital budget statement

Public Service Commission	Notes	2012-13 Budget \$'000	2012-13 Est. Actual \$'000	2013-14 Estimate \$'000
<b>Capital Purchases<sup>1</sup></b>				
Total land, buildings and infrastructure		..	..	..
Total plant and equipment		102	102	118
Total other capital		..	..	..
<b>Total Capital Purchases</b>		<b>102</b>	<b>102</b>	<b>118</b>

Notes:

1. Capital purchases represent the asset replacement program of IT infrastructure.

# BUDGETED FINANCIAL STATEMENTS

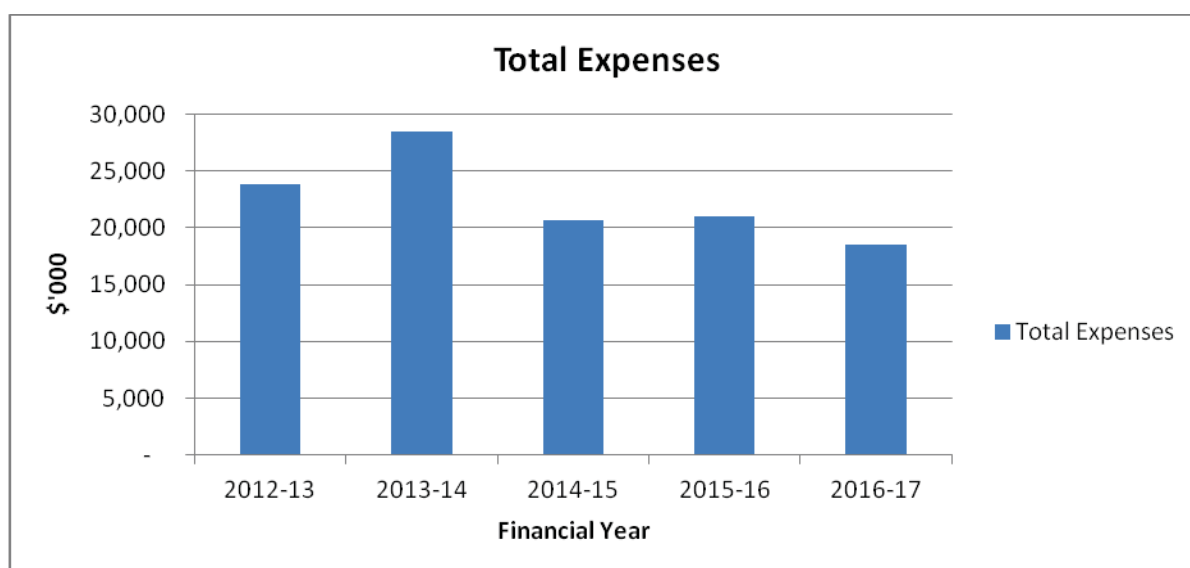
## ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

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

### Departmental income statement

Total expenses are estimated to be \$28.035 million in 2013-14, an increase of \$4.784 million from the 2012-13 Adjusted Budget. The increase is mainly due to the impact of the full year transfer of the Office of Public Sector Renewal from the Department of the Premier and Cabinet, deferral of funding from 2012-13 to be expended on projects in 2013-14, and funding for the Health Implementation Unit in 2013-14. The decrease over the forward estimates reflects the cessation of projects in 2013-14.

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



### Departmental balance sheet

The Public Service Commission has assets of \$1.8 million which include plant and equipment for the leasehold fitout of leasehold premises. These assets are expected to decrease by \$0.402 million over the next three years due to amortisation of leasehold premises.

There is also a non-current asset and liability for market-based rental increases under the accommodation lease for 53 Albert Street, Brisbane which allows the expense to be recognised and distributed evenly over the full lease term.

## INCOME STATEMENT

Public Service Commission	Notes	2012-13 Adjusted Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Income</b>				
Service Revenue	1,4,10	22,231	22,843	26,667
User charges	5,11	569	569	279
Grants and other contributions	6,12	301	301	939
Other revenue		150	150	150
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>23,251</b>	<b>23,863</b>	<b>28,035</b>
<b>Expenses</b>				
Employee expenses	2,7,13	13,447	14,364	16,573
Supplies and services	3,8,14	9,433	9,128	11,219
Grants and subsidies	9,15	95	95	..
Depreciation and amortisation		236	236	203
Finance/borrowing costs		..	..	..
Other expenses		40	40	40
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total expenses</b>		<b>23,251</b>	<b>23,863</b>	<b>28,035</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Public Service Commission	Notes	2012-13 Adjusted Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>..</b>	<b>..</b>	<b>..</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>..</b>	<b>..</b>	<b>..</b>
Equity injection/(withdrawal)		..	..	..
Equity adjustments (MoG transfers)		..	..	..
<b>Total movement in equity for period</b>		<b>..</b>	<b>..</b>	<b>..</b>

## BALANCE SHEET

Public Service Commission	Notes	2012-13 Adjusted Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets		926	925	892
Receivables		421	421	421
Other financial assets		..	..	..
Inventories		..	..	..
Other		200	200	200
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>1,547</b>	<b>1,546</b>	<b>1,513</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	16,18	1,782	1,782	1,697
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>1,782</b>	<b>1,782</b>	<b>1,697</b>
<b>TOTAL ASSETS</b>		<b>3,329</b>	<b>3,328</b>	<b>3,210</b>
<b>CURRENT LIABILITIES</b>				
Payables		975	976	976
Accrued employee benefits		232	230	230
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		118	118	118
<b>Total current liabilities</b>		<b>1,325</b>	<b>1,324</b>	<b>1,324</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables	17,19	1,027	1,027	909
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>1,027</b>	<b>1,027</b>	<b>909</b>
<b>TOTAL LIABILITIES</b>		<b>2,352</b>	<b>2,351</b>	<b>2,233</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>977</b>	<b>977</b>	<b>977</b>
<b>EQUITY</b>				
Capital/contributed equity		934	934	934
Accumulated surplus/(accumulated deficit)		43	43	43
Reserves:				
- Asset revaluation surplus		..	..	..
- Other		..	..	..
<b>TOTAL EQUITY</b>		<b>977</b>	<b>977</b>	<b>977</b>

## CASH FLOW STATEMENT

Public Service Commission	Notes	2012-13 Adjusted Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Service receipts	20,23,30	22,461	23,073	26,667
User charges	24,31	569	569	279
Grants and other contributions	25,32	301	301	939
Other		150	150	150
<b>Outflows:</b>				
Employee costs	21,26,33	(13,447)	(14,364)	(16,573)
Supplies and services	22,27,34	(9,663)	(9,358)	(11,219)
Grants and subsidies	28,35	(95)	(95)	..
Borrowing costs		..	..	..
Other		(158)	(158)	(158)
<b>Net cash provided by/(used in) operating activities</b>		<b>118</b>	<b>118</b>	<b>85</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles	29,36	(102)	(102)	(118)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(102)</b>	<b>(102)</b>	<b>(118)</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/(used in) financing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>16</b>	<b>16</b>	<b>(33)</b>
<b>Cash at the beginning of financial year</b>		<b>910</b>	<b>909</b>	<b>925</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>926</b>	<b>925</b>	<b>892</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2012-13 Adjusted Budget and 2012-13 Estimated actual include:

1. An increase in service revenue primarily due to additional funding provided during the year for Voluntary Early Retirement (VER) payments, net deferrals and the part year effect of 2012-13 machinery-of-Government transfers.
2. An increase in employee expenses primarily due to funds provided for VER payments and the part year effect of 2012-13 machinery-of-Government transfers.
3. A decrease in supplies and services primarily due to the deferral of project funding from 2012-13.

Major variations between 2012-13 Adjusted Budget and 2013-14 Estimate include:

4. An increase in service revenue due to the full year effect of 2012-13 machinery-of-Government transfers and funding for the Health Implementation Unit.
5. A decrease in user charges primarily due to the cessation of Workplace Consulting activities.
6. An increase in grants and other contributions primarily due to a change in the funding model for whole-of-Government professional development programs.
7. An increase in employee expenses due to the full year effect of 2012-13 machinery-of-Government transfers and funding for the Health Implementation Unit.
8. An increase in supplies and services due to the full year effect of 2012-13 machinery-of-Government transfers and funding for the Health Implementation Unit.
9. A decrease in grants and subsidies due to the cessation of industry placement programs.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

10. An increase in service revenue due to the full year effect of 2012-13 machinery-of-Government transfers and funding for the Health Implementation Unit.
11. A decrease in user charges primarily due to the cessation of Workplace Consulting activities.
12. An increase in grants and contributions primarily due to a change in the funding model for whole-of-Government professional development programs.
13. An increase in employee expenses due to the full year effect of 2012-13 machinery-of-Government transfers and funding for the Health Implementation Unit.
14. An increase in supplies and services due to the full year effect of 2012-13 machinery-of-Government transfers and funding for the Health Implementation Unit.
15. A decrease in grants and subsidies due to the cessation of industry placement programs.

### Balance sheet

Major variations between 2012-13 Adjusted Budget and 2013-14 Estimate include:

16. A decrease in property, plant and equipment primarily due to the amortisation of the leasehold fitout.
17. A decrease in payables due to the reduction in the leasehold incentive liability.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

18. A decrease in property, plant and equipment primarily due to the amortisation of the leasehold fitout.
19. A decrease in payables due to the reduction in the leasehold incentive liability.

### Cash flow statement

Major variations between 2012-13 Adj. Budget and 2012-13 Estimated actual include:

20. An increase in receipts primarily due to additional funding provided for VER payments, net deferrals and the part-year effect of 2012-13 machinery-of-Government transfers.
21. An increase in employee costs primarily due to funds provided for VER payments and the part year effect of 2012-13 machinery-of-Government transfers.
22. A decrease in supplies and services primarily due to the deferral of project funding from 2012-13.

Major variations between 2012-13 Adjusted Budget and 2013-14 Estimate include:

23. An increase in service receipts due to the full year effect of 2012-13 machinery-of-Government transfers and funding for the Health Implementation Unit.
24. A decrease in user charges primarily due to the cessation of Workplace Consulting activities.

25. An increase in grants and other contributions primarily due to a change in the funding model for whole-of-Government professional development programs.
26. An increase in employee costs due to the full year effect of 2012-13 machinery-of-Government transfers and funding for the Health Implementation Unit.
27. An increase in supplies and services due to the full year effect of 2012-13 machinery-of-Government transfers and funding for the Health Implementation Unit.
28. A decrease in grants and subsidies due to the cessation of industry placement programs in 2012-13.
29. An increase in payments for property, plant and equipment and intangibles primarily due to an allowance for asset replacement program of IT infrastructure.

Major variations between 2012-13 Estimated actual and the 2013-14 Estimate include:

30. An increase in service receipts due to the full year effect of 2012-13 machinery-of-Government transfers and funding for the Health Implementation Unit.
31. A decrease in user charges primarily due to the cessation of Workplace Consulting activities.
32. An increase in grants and contributions primarily due to a change in the funding model for whole-of-Government professional development programs.
33. An increase in employee costs due to the full year effect of 2012-13 machinery-of-Government transfers and funding for the Health Implementation Unit.
34. An increase in supplies and services due to the full year effect of 2012-13 machinery-of-Government transfers and funding for the Health Implementation Unit.
35. A decrease in grants and subsidies due to the cessation of industry placement programs in 2012-13.
36. An increase in payments for property, plant and equipment and intangibles primarily due to an allowance for asset replacement program of IT infrastructure.







**Queensland**  
Government

# Queensland Audit Office

# PORTFOLIO OVERVIEW

## Ministerial and portfolio responsibilities

The Premier is the responsible Minister in relation to the appropriation to the independent statutory office, the Queensland Audit Office (QAO).

QAO is established by section 6 of the *Auditor-General Act 2009* (the Audit Act) and comprises the Auditor-General and Deputy Auditor-General (statutory positions established also by section 6) and the staff of the Office. QAO benefits Queenslanders by strengthening public sector accountability through the provision of independent public sector auditing services and reporting. This is achieved through the following key activities:

- direct reporting services to the Parliament.
- financial audit services to the public sector.

The Auditor-General, an independent officer of the Parliament, is appointed for a non-renewable seven year term. The position is not subject to direction about the exercise of audit powers or the priority to be given to audit matters.

The Auditor-General undertakes performance audits of public sector entities on behalf of the Parliament and reports the results of these audits to the Parliament. A performance audit includes an opinion on whether the objectives of a public sector entity are being achieved economically, efficiently and effectively and in compliance with relevant laws.

The Auditor-General also has a statutory responsibility each year to audit the consolidated fund and financial statements prepared by all public sector entities, and to report on the results of these audits to the Parliament. Public sector entities are defined in the Audit Act and comprise departments, statutory bodies, Government-owned corporations and local governments, and include entities that they control.

As part of the financial audits the Auditor-General provides independent audit opinions to each entity on their financial statements, as well as audit certificates relating to the acquittal of government funds.

Further information including access to reports provided to Parliament is available from the QAO website [www.qao.qld.gov.au](http://www.qao.qld.gov.au)

# RESOURCES AND PERFORMANCE

## DEPARTMENTAL OVERVIEW

### Strategic direction

QAO is an independent statutory office. Our vision for the future is *to be a recognised leader in public sector audit*. As detailed in our Strategic Plan 2012-16, our purpose is to strengthen public sector accountability and be a catalyst for improved performance. Our activities encompass:

- reporting to the Parliament on the results of financial and performance audits
- providing advice and assistance to members of Parliament and Parliamentary committees
- reporting to public sector entities on their financial statements
- providing advice and assistance to public sector entities on ways to strengthen their internal controls and better manage their financial and operating risks.

We are committed to improving the quality, timeliness and cost effectiveness of our audit services through the following four objectives:

- Parliament – provide independent assurance and advice to the Parliament about the accountability and performance of the public sector
- Public sector – provide authoritative reporting that is used by the public sector to fulfil its accountability obligations and improve its performance
- Business – deliver efficient and effective support services
- People – encourage highly motivated, committed and competent staff.

### 2013-14 Budget highlights

This year, in striving to be recognised as a leader in public sector audit, we will deliver our services in the context of the following strategies:

- strengthen our engagement with the Parliament
- achieve greater clarity and purpose in our reporting
- undertake collaborative audits with other States and the Commonwealth
- identify and address audit expectation gaps
- achieve more timely and open engagement with the public sector
- focus on the things that matter and that will make a difference
- better leverage our public sector expertise
- implement a program of systematic organisational performance reviews
- clarify the support services required by the business
- focus on training, development and performance management
- optimise our mix of staff and contracted resources
- strengthen our employment practices to engage the required skills.

We charge fees on our financial audits, and set our hourly charge-out rates to recover the full cost of these audits. Our hourly charge-out rates were last increased in 2011. QAO is proposing to maintain our existing hourly rates at 2011 levels, and our overall audit fee revenue at or below 2012-13 levels. The proposal to maintain audit fee revenue at or below 2012-13 amounts is expected to have a positive impact on most clients, as for them, it represents a real reduction in the cost of their external audit.

This outcome can be achieved by a more efficient audit process which maintains a strong alignment between audit risk and effort, and a more effective audit process which focuses on higher risk areas. The potential for this initiative to reduce audit fees will be higher for clients who strengthen their own financial and risk management processes. As agencies continue to face the challenge of transforming their finance teams to deliver more efficient and effective financial management services, QAO will continue its engagement with Chief Financial Officers, Accountable Officers and Audit Committees about the factors that impact upon the risk and complexity of their operations and how this relates to the audit strategy and fee. We will provide independent advice on the strategies needed to reduce their audit fees over time. This will include identifying opportunities to implement more cost effective internal controls, achieve earlier year-end closes and more timely financial statement sign-off and audit certification processes. We will also be communicating our 2014 audit strategies and plans earlier, as part of our continuing efforts to engage with our clients earlier, and bring forward the timing of as much of our work as is practicable before balance date.

QAO undertakes select tendering with pre-qualified suppliers to contract out the delivery of some of our audits across the State. This will increase to approximately 35% of our financial audits in value during 2013-14. Consistent with our purpose to strengthen public sector accountability and be a catalyst for improved performance, we will continue to refine our strategic sourcing to achieve the optimal mix of in-house, co-sourced and out-sourced service delivery. This will enable us to continue to deliver timely and authoritative reports in an increasingly complex and diverse public sector environment.

## **2012-13 achievements**

Key achievements in 2012-13 include:

- we expect to exceed our annual target of 14 Reports to Parliament
- our Reports to Parliament were referred to relevant portfolio committees and we provided briefings to committees and members of Parliament as required on these reports and also more broadly on the role of QAO
- we continued to help improve financial reporting and auditing frameworks by providing submissions on Australian Accounting Standards Board (AASB) exposure drafts; Auditing and Assurance Standards Board exposure drafts; topical audit issues to the Australasian Council of Auditors-General; and in response to central agency and client requests
- we improved the functionality and enhanced the efficiency of the QAO's public sector audit financial methodology software, IPSAM, to achieve a better alignment between audit risk and effort, for rollout in early 2013-14
- we published our first three year Strategic Audit Plan and will publish the second Plan before the end of June 2013
- we completed the first concurrent performance audit with six other jurisdictions, using the collaborative audit powers we obtained in 2011
- we implemented a sector-based organisation structure to enhance our capability to build sector expertise and increase service delivery efficiency and economy
- we continued the review of business processes in corporate support areas, which will result in lower overhead costs and greater efficiency in and economy of our audit practice.

## Departmental Budget Summary

The table below shows the total resources available in 2013-14 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Queensland Audit Office	2012-13 Budget \$'000	2012-13 Est. Actual \$'000	2013-14 Estimate \$'000
<b>CONTROLLED</b>			
<b>Income</b>			
Appropriation for services <sup>1</sup>	6,600	6,415	6,558
Deferred from previous year/s	..	..	..
Balance of service appropriation	..	..	..
Other revenue	36,964	35,596	35,278
<b>Total income</b>	<b>43,564</b>	<b>42,011</b>	<b>41,836</b>
<b>Expenses</b>			
Independent public sector auditing services and reporting	43,749	42,357	41,919
<b>Total expenses</b>	<b>43,749</b>	<b>42,357</b>	<b>41,919</b>
<b>Operating surplus/(deficit)</b>	<b>(185)</b>	<b>(346)</b>	<b>(83)</b>
<b>Net assets</b>	<b>6,203</b>	<b>6,042</b>	<b>5,959</b>
<b>APPROPRIATIONS</b>			
<b>Controlled Items</b>			
Departmental services <sup>1</sup>	6,600	6,415	6,558
Equity adjustment	..	..	..
<b>Administered items</b>	..	..	..
<b>VOTE TOTAL<sup>2</sup></b>	<b>6,600</b>	<b>6,415</b>	<b>6,558</b>

Notes:

1. Represents State funding only.
2. As represented in the 2013-14 Appropriation Bills.

## Staffing<sup>1</sup>

	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
Independent public sector auditing services and reporting		212	197	193
<b>TOTAL</b>		<b>212</b>	<b>197</b>	<b>193</b>

Notes:

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

## SERVICE PERFORMANCE

QAO benefits Queenslanders by strengthening public sector accountability and improving public sector performance, through our service area of *Independent public sector auditing services and reporting*.

The key deliverables under our service area are:

### **Direct reporting services to the Parliament**

We report to Parliament on the results of our performance audits and on the results of financial audits of the consolidated fund and public sector entities, and provide advice and assistance to members of Parliament and Parliamentary committees. This links to QAO's strategic objective of *Parliament – provide independent assurance and advice about the accountability and performance of the public sector*.

Our reports on the results of financial audits analyse key governance areas including:

- timeliness of financial reporting
- results and accuracy of financial reporting, including how significant risks and reporting issues have been addressed within sectors
- effectiveness of internal controls
- financial sustainability
- the follow up of the implementation of previous audit recommendations.

Performance audits determine whether the objectives of public sector entities are being achieved economically, efficiently and effectively and in compliance with all relevant laws.

Performance audits are funded from consolidated revenue as part of the annual budget specifically appropriated by the Parliament.

Under this service we also provide advice and assistance to members of Parliament and Parliamentary committees. Our reports are referred by the Parliament to relevant committees, and we provide briefings to committees and members of Parliament.

### **Financial audit services to the public sector**

We conduct financial audits of public sector entities. This links to QAO's strategic objective of *Public sector – provide authoritative reporting that is used by the public sector to fulfil its accountability obligations and improve its performance*.

Financial audits provide the users of financial statements of public sector entities with independent assurance that they are reliable and comply with prescribed requirements. The independent auditor's report accompanying the financial statements adds credibility to the financial information reported therein, also allowing each entity to discharge its accountability obligation to produce an annual report each year.

Financial audits are funded by fees charged to each audited entity.

## 2013-14 Service Summary<sup>1</sup>

Service area	Sources of Revenue				
	Total cost \$'000	State Contribution \$'000	User Charges \$'000	C'wealth Revenue \$'000	Other Revenue \$'000
Independent public sector auditing services and reporting	41,919	6,558	34,891	..	387
<b>TOTAL</b>	<b>41,919</b>	<b>6,558</b>	<b>34,891</b>	<b>..</b>	<b>387</b>

Notes:

1. Explanations of variances between the 2013-14 Budget estimates and 2012-13 Budget and Estimated Actuals are provided in the financial statements.



## Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will only present measures relating to the efficiency or effectiveness of services delivered by government. Measures of input and/or activity, which do not demonstrate effectiveness or efficiency and are no longer relevant measures of the agency's services will be discontinued from being reported in the Service Delivery Statements. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au)

Queensland Audit Office	Notes	2012-13 Target/est.	2012-13 Est. Actual	2013-14 Target/est.
<b>Service Area: Independent public sector auditing services and reporting</b>				
<b>Service standards</b>				
<i>Direct reporting services to the Parliament</i>				
Level of Parliamentary satisfaction (index points)	1,2	Amended measure	Amended measure	80
Audit client satisfaction with performance audit services (index points)	2	75	73	80
Percentage of performance report recommendations agreed to by audited entities	3	New measure	New measure	95
Average cost of reports tabled:				
• Results of financial audits (\$'000)	4	220	210	180
• Results of performance audits (\$'000)	4	395	454	425
Average time taken to produce reports:				
• Results of financial audits – from applicable balance date (months)	5	<4	<4	5
• Results of performance audits – from initiation of audit (months)	6	<7	9	<8
<i>Financial audit services to the public sector</i>				
Audit entity satisfaction with financial audit services (index points)	2	80	75	80
Percentage of financial audit recommendations agreed to by audited entities	3	New measure	New measure	95
Average cost of financial audits:				
• State entities (\$'000)	7	New measure	New measure	65
• Local government entities (\$'000)		New measure	New measure	69

Notes	2012-13 Target/est.	2012-13 Est. Actual	2013-14 Target/est.
Percentage of quality assurance reviews that substantively comply with auditing standards	100	100	100
<b>State contribution (\$000)</b>	<b>6,600</b>	<b>6,415</b>	<b>6,558</b>
<b>Other revenue (\$000)</b>	<b>36,964</b>	<b>35,596</b>	<b>35,278</b>
<b>Total cost (\$000)</b>	<b>43,749</b>	<b>42,357</b>	<b>41,919</b>

Notes:

1. This indicator was previously "Reports to Parliament completed to the satisfaction of the Parliament and the Parliamentary Committees". The wording has been amended for greater clarity. The satisfaction metric has been changed to index points for 2013-14.
2. Index points allow performance to be measured using a combination of factors.
3. New measure of audited entity uptake of QAO recommendations.
4. The average cost of financial audit reports will reduce as QAO will be producing more, lower cost reports on key industry sectors than in previous years. In contrast, the average cost of performance audits is expected to increase due to the higher level of complexity and risk associated with the conduct of full performance audits.
5. Measure has been amended to focus on the efficient finalisation and reporting of audit results. The average tabling time of within five months for 2013-14 uses the year-end balance date as the starting point, rather than the statutory reporting deadline which is always later than the year-end balance date.
6. Measure wording has been amended for greater clarity. While the QAO target for 2013-14 has increased due to the complexity of performance audits, it is below the average time for Australian audit offices to complete a performance audit of 10.1 months in 2011-12. This measure relates to the increasing average cost of performance audits (see Note 4).
7. New measure aligned with Australasian Council of Auditors-General macro benchmarking survey. The targets for 2013-14 reflect past experience and the continuation of our strategy to contain financial audit costs, with no increases in 'real' audit fees.

## CAPITAL

### Capital program

Queensland Audit Office's minor works expenditure of \$0.250 million is to maintain and replace current office and IT equipment.

### Capital budget statement

Queensland Audit Office	Notes	2012-13 Budget \$'000	2012-13 Est. Actual \$'000	2013-14 Estimate \$'000
<b>Capital Purchases<sup>1</sup></b>				
Total land, buildings and infrastructure		..	..	..
Total plant and equipment		250	100	250
Total other capital		..	150	..
<b>Total Capital Purchases</b>		<b>250</b>	<b>250</b>	<b>250</b>

Notes:

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

# BUDGETED FINANCIAL STATEMENTS

## ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of the Queensland Audit Office’s budgeted financial statements for 2013-14 is provided below.

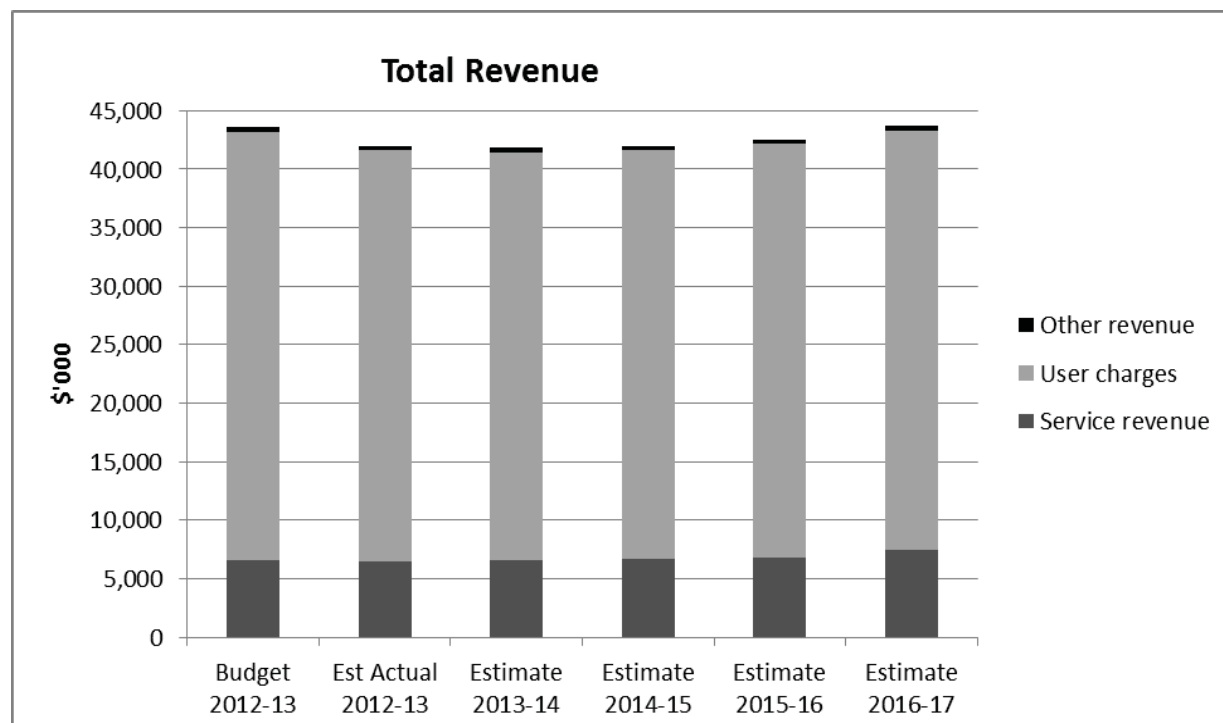
### Queensland Audit Office income statement

In light of the difficult financial climate facing Government and agencies, QAO will not be increasing its hourly charge-out rates in 2013-14.

While this will present challenges, QAO will respond by driving to implement productivity improvements across the business in 2013-14. In the context of the decline in revenue from our core financial audit services (which will account for 83.4% of total revenue in 2013-14, down by 1.4% since 2011-12) further improvements in the application of our risk-based audit methodology combined with structural changes across our client base are likely to lead to continued reductions in total client financial audit fees. As the impact remains uncertain, any such reductions to fees have not been factored into the forward estimates for user charges.

QAO remains committed to delivering high quality financial auditing services through a combination of a ‘critical mass’ of in-house resources and our strategic out-sourcing and co-sourcing arrangements with our registered private sector audit firms.

**Chart 1 - Total Revenue: 2012-13 Estimated Actual and Forward Estimates to 2016-17**

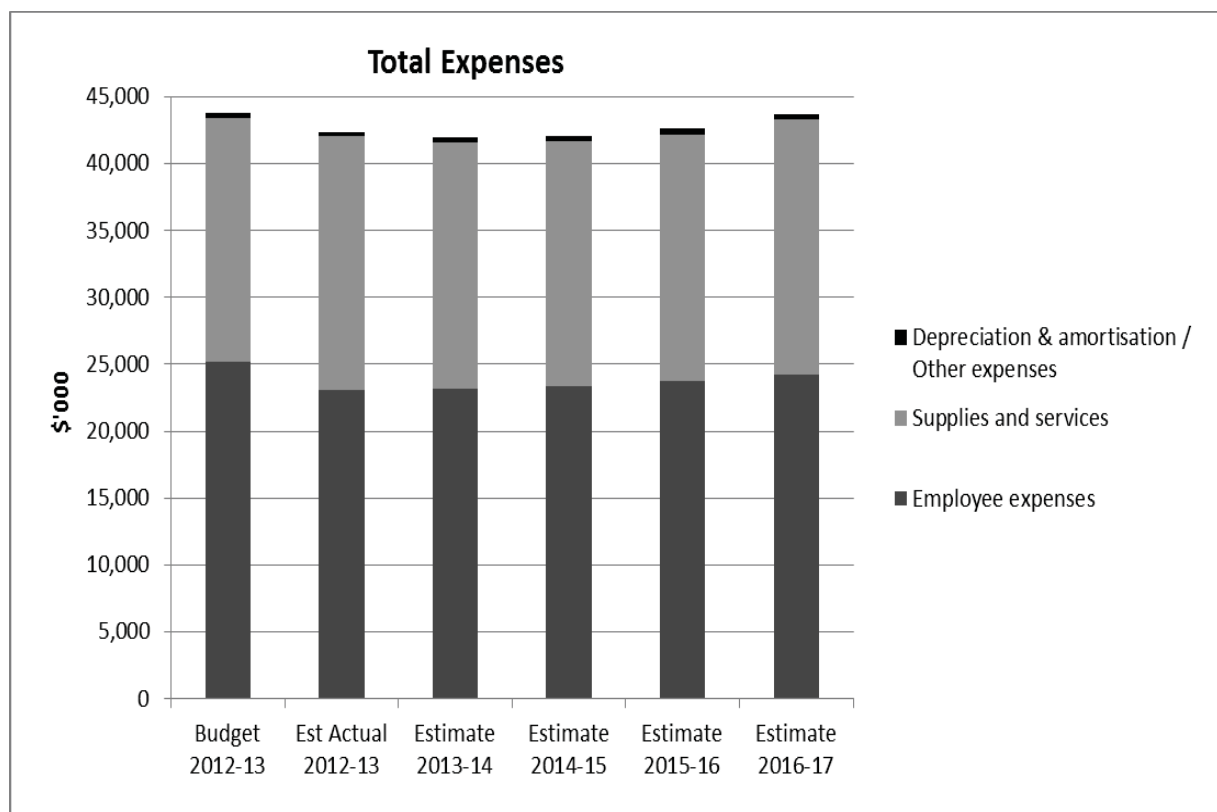


Total expenses are estimated to be \$41.919 million in 2013-14, a decrease of \$0.438 million compared to Estimated Actual expenditure of \$42.357 million in the 2012-13 financial year and \$1.830 million less than the 2012-13 Budget of \$43.749 million. The overall decrease against 2012-13 Estimated Actual is largely within the 2013-14 supplies and services' expenditure budget with savings expected in corporate support operating costs, offset slightly by minor increases in both employee expenses and depreciation/amortisation expenses.

Spending on our contracted-out auditing services will continue to be a significant component of the QAO business, representing \$12.690 million of the \$18.395 million supplies and services' budget in 2013-14. At around 35% of forecast 2013-14 audit fee revenue, our planned use of out-sourced audit services provides further leverage to improve our audit practice and enhance our sector, industry and client specific expertise through closer working relationships with our contract auditors.

The increase in budgeted employee expenses for 2013-14 against Estimated Actual expenditure in 2012-13 will be minimal at \$0.127 million, factoring in anticipated wage increases and further rationalisation of support services. In the context of the 2012-13 Budget, the \$2.129 million saving in employee expenses is largely due to workforce change and renewal initiatives. As outlined last year, these savings will continue in 2013-14; however some investment is also required to implement structural, technological and workforce development changes aimed at building long term capability in both the financial and performance audit areas.

**Chart 2 - Total Expenses: 2012-13 Estimated Actual and Forward Estimates to 2016-17**



## INCOME STATEMENT

Queensland Audit Office	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Income</b>				
Service revenue	1	6,600	6,415	6,558
User charges	2,5,8	36,589	35,229	34,891
Grants and other contributions		..	..	..
Other revenue		375	367	387
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>43,564</b>	<b>42,011</b>	<b>41,836</b>
<b>Expenses</b>				
Employee expenses	3,6,9	25,202	23,073	23,200
Supplies and services	4,10	18,163	19,011	18,395
Grants and subsidies		..	..	..
Depreciation and amortisation	7	100	125	180
Finance/borrowing costs		..	..	..
Other expenses		284	143	144
Losses on sale/revaluation of property, plant and equipment and investments		..	5	..
<b>Total expenses</b>		<b>43,749</b>	<b>42,357</b>	<b>41,919</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	11	<b>(185)</b>	<b>(346)</b>	<b>(83)</b>

## STATEMENT OF CHANGES IN EQUITY

Queensland Audit Office	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>..</b>	<b>..</b>	<b>..</b>
Surplus/(deficit) for the period		(185)	(346)	(83)
<b>Total recognised income and expense for the period</b>		<b>(185)</b>	<b>(346)</b>	<b>(83)</b>
Equity injection/(withdrawal)		..	..	..
Equity adjustments (MoG transfers)		..	..	..
<b>Total movement in equity for period</b>		<b>(185)</b>	<b>(346)</b>	<b>(83)</b>

## BALANCE SHEET

Queensland Audit Office	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets	12,20	1,364	1,574	1,441
Receivables	13,25	7,020	7,249	6,985
Other financial assets		..	..	..
Inventories		..	..	..
Other	14,21	329	95	95
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>8,713</b>	<b>8,918</b>	<b>8,521</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	15,26	220	146	246
Intangibles	16	101	149	119
Other		10	10	10
<b>Total non-current assets</b>		<b>331</b>	<b>305</b>	<b>375</b>
<b>TOTAL ASSETS</b>		<b>9,044</b>	<b>9,223</b>	<b>8,896</b>
<b>CURRENT LIABILITIES</b>				
Payables	17,22	1,171	1,731	1,544
Accrued employee benefits	18,23	878	658	594
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>2,049</b>	<b>2,389</b>	<b>2,138</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		792	792	799
Other		..	..	..
<b>Total non-current liabilities</b>		<b>792</b>	<b>792</b>	<b>799</b>
<b>TOTAL LIABILITIES</b>		<b>2,841</b>	<b>3,181</b>	<b>2,937</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>6,203</b>	<b>6,042</b>	<b>5,959</b>
<b>EQUITY</b>				
Capital/contributed equity		5,183	5,183	5,183
Accumulated surplus/(accumulated deficit)	19,24	1,020	859	776
Reserves:				
- Asset revaluation surplus		..	..	..
- Other		..	..	..
<b>TOTAL EQUITY</b>		<b>6,203</b>	<b>6,042</b>	<b>5,959</b>

## CASH FLOW STATEMENT

Queensland Audit Office	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Service receipts		6,600	6,415	6,558
User charges	27,31,35	39,162	37,512	37,048
Grants and other contributions		..	..	..
Other		375	367	387
<b>Outflows:</b>				
Employee costs	28,32,36	(25,056)	(22,961)	(23,200)
Supplies and services	29,33	(19,069)	(19,253)	(19,376)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other	30,34	(1,441)	(1,299)	(1,300)
<b>Net cash provided by/(used in) operating activities</b>		<b>571</b>	<b>781</b>	<b>117</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles		(250)	(250)	(250)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(250)</b>	<b>(250)</b>	<b>(250)</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/(used in) financing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>321</b>	<b>531</b>	<b>(133)</b>
<b>Cash at the beginning of financial year</b>		<b>1,043</b>	<b>1,043</b>	<b>1,574</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>1,364</b>	<b>1,574</b>	<b>1,441</b>



## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2012-13 Budget and 2012-13 Estimated Actual include:

1. A decrease in departmental services revenue due to lower funding for salary increments, pending continuation of enterprise bargaining negotiations, and whole-of-Government software licensing costs.
2. A decrease in user charges due to the freezing of QAO charge-out rates and continued efficiencies in the delivery of financial audit services through lower employee and other support costs.
3. A decrease in employee expenses due to lower staffing levels across auditing and support services.
4. An increase in supplies and services largely due to increases in contracted-out auditing services (including for the fraud risk management and Right of Private Practice performance audits) and seasonal use of contracted-in auditors and other specialist contractors.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

5. A decrease in user charges due to a continued freezing of QAO charge-out rates (last increased in October 2011), offset on the expenditure side by a continued efficiency drive through lower employee and other support costs.
6. A decrease in employee expenses primarily due to the decline in staffing levels during 2012-13.
7. An increase in depreciation and amortisation due to the replacement of plant and equipment and the earlier than planned development of upgrades to QAO's auditing software program, IPSAM.

Major variations between 2012-13 Estimated Actual and 2013-14 Estimate include:

8. A decrease in user charges due to reduced revenue expectations across total client strategy fees along with continued freezing of QAO charge-out rates.
9. An increase in employee expenses mainly due to expected salary increases under the Core Agreement.
10. A decrease in supplies and services mainly due to rationalised use of contracted-in staff and better value IC&T expenditure through renegotiation of contracts and process improvements.
11. A higher operating deficit in 2012-13 largely due to additional work on the Right of Private Practice audit with no corresponding increase in departmental services revenue, largely offset by efficiencies and savings in other areas. The decrease in the 2013-14 budgeted deficit is partly due to expected delivery of further technology-based process improvements.

### Balance sheet

Major variations between 2012-13 Budget and 2012-13 Estimated Actual include:

12. An increase in cash assets mainly due to improved billing and earlier recovery of outstanding audit fees during 2012-13.
13. An increase in receivables due to the earlier financial year-end timing of financial audit activity completed, particularly contracted-out audit services which are offset in payables.
14. A decrease in other current assets due to lower prepayments with the renegotiation of IC&T contracts.
15. A decrease in property, plant and equipment due to lower than planned replacement of information and technology equipment along with an increased investment in the upgrade of intangible assets.
16. As outlined in note 15 above, the increase in intangibles is largely due to additions through the upgrade of QAO's audit software program, IPSAM.
17. An increase in payables mainly due to earlier year-end work in contracted-out audit services, including new spending in 2012-13 for performance auditing services, some of which also contributes to an increase in year-end receivables.
18. A decrease in accrued employee benefits consistent with the changing profile of QAO staff and the reduction in staff numbers compared to the 2012-13 Budget.
19. A decrease in the accumulated surplus due to the higher than budgeted deficit forecast for 2012-13.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

20. An increase in cash assets mainly due to an increase in net cash provided by operating activities, primarily through lower outflows of employee expenses due to lower staffing numbers.
21. A decrease in other current assets due to lower prepayments with the renegotiation of IC&T contracts.
22. An increase in payables mainly due to increased year-end work in contracted-out audit services, some of which also contributes to an increase in year-end receivables.

23. A decrease in accrued employee benefits consistent with the changing profile of QAO staff and the reduction in staff numbers forecast in the 2013-14 Budget.
24. A decrease in the accumulated surplus due to the increase in the 2012-13 operating deficit compared to budget and the 2013-14 operating deficit estimate.

Major variations between 2012-13 Estimated Actual and 2013-14 Estimate include:

25. A decrease in current receivables primarily due to fluctuations in accrued revenue between years.
26. An increase in property, plant and equipment due to the replacement of information technology and other plant and equipment in 2013-14.

### **Cash flow statement**

Major variations between 2012-13 Budget and 2012-13 Estimated Actual include:

27. A decrease in user charges representing savings achieved in 2012-13 in the delivery of financial audit services, primarily through lower employee expenses.
28. A decrease in employee costs due to lower staffing levels for both auditing and support services.
29. An increase in supplies and services largely due to higher than budgeted contracted-out auditing expenses and contracted-in auditor and staff costs.
30. A decrease in other cash outflows due to lower other expenses in the Estimated Actual for 2012-13.

Major variations between 2012-13 Budget and 2013-14 Estimate include:

31. A decrease in user charges inflows due to savings in 2012-13 and the freezing of QAO charge-out rates again in 2013-14.
32. A decrease in cash outlays for employee costs explained by continued innovations in the delivery of financial audit services through lower employee numbers and process improvements aimed at support service efficiencies.
33. An increase in supplies and services outflows mainly due to increased planned use of contracted-out auditing services.
34. A decrease in other cash outflows due to lower other expenses in the estimate for 2013-14.

Major variations between 2012-13 Estimated Actual and 2013-14 Estimate include:

35. A decrease in user charges inflows due to savings in 2012-13 and the freezing of QAO charge-out rates again in 2013-14.
36. An increase in employee costs mainly due to expected salary increases under the Core Agreement.

# GLOSSARY OF TERMS

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

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

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

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

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

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

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

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

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

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

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

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<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 well being. 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.

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



