

Service Delivery Statements

Department of Science, Information Technology and Innovation

2016-17 Queensland Budget Papers

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Budget Highlights

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Service Delivery Statements

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Department of Science, Information Technology and Innovation

Summary of portfolio

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Portfolio overview

Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Minister for Innovation, Science and the Digital Economy and Minister for Small Business:

Minister for Innovation, Science and the Digital Economy and Minister for Small Business

The Honourable Leeanne Enoch MP

Department of Science, Information Technology and Innovation

Director General: Jamie Merrick

Service area 1: Advancing Queensland Through Innovation

Service area 2: Services for Queenslanders

Service area 3: Services for Government

The Minister for Innovation, Science and the Digital Economy and Minister for Small Business is also responsible for:

Queensland Government Chief Information Office

Queensland Government Chief Information Officer: Andrew Mills

Objective: To set government policy and frameworks for ICT governance and assurance. The office also provides independent advice to government ministers, directors-general and agencies on ICT management, governance, investment and cyber security matters. For the purposes of this document, the financials and full-time equivalents of this office are reported under service area 3: Services for Government.

Office of the Queensland Chief Scientist

Chief Scientist: Dr Geoff Garrett AO

Objective: To develop science and innovation policy across government and engage with science and innovation stakeholders. The Chief Scientist provides high-level strategic advice to the State Government on the role of science, research and innovation in achieving the government's priorities. For the purposes of this document, the financials and full-time equivalents of this office are reported under service area 1: Advancing Queensland Through Innovation.

Library Board of Queensland

State Librarian and CEO: Sonia Cooper

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

CITEC

General Manager, CITEC ICT: Peter Buchan

Executive Director, CITEC Information Brokerage: Suzanne Stone

Objective: Reporting to the Director-General, CITEC provides Queensland Government departments, statutory bodies and commercial clients with ICT infrastructure and information brokerage services that support the delivery of quality front-line services to Queensland communities and businesses.

Queensland Shared Services

A/Assistant Director-General: Irene Violet

Objective: To provide modern corporate services and trusted advice to other government departments and statutory bodies to enable them to meet government policies and objectives. Reporting to the Director-General, Queensland Shared Services facilitates a range of corporate services including finance, human resource management and mail support services.

Additional information about the department can be sourced from

www.qld.gov.au/dsiti

www.chiefscientist.qld.gov.au

www.qgcio.qld.gov.au

www.slq.qld.gov.au

Departmental overview

The Department of Science, Information Technology and Innovation's vision is for a better Queensland through science, innovation and technology.

Science, innovation and the digital economy are at the heart of the Government's agenda for Queensland. The State has a burgeoning reputation for world-leading research and has been identified as the most entrepreneurial State in the nation.

Queensland's ability to innovate will be the key driver to our competitiveness in global markets, improved productivity, and ability to create and sustain high quality jobs. Innovation and digital transformation will also be at the heart of delivering improved public services and addressing major societal challenges.

To achieve this vision, we deliver through three broad service areas that reflect the strategic objectives of:

Advancing Queensland through innovation

- Designing and implementing policies that support innovation-led growth and enhance Queensland's position as an innovation hub in the Asia Pacific.
- Commissioning programs that support entrepreneurship, enable businesses to innovate and grow, and accelerate the translation of research to deliver economic and societal benefits.

Improving services for Queenslanders

- Providing simpler, better and easier access to government services, designed around the citizen.
- Increasing digital inclusion to boost citizens' opportunities to flourish in an increasingly digital age.
- Making it easier for businesses and organisations to engage with government.

Improving services for government

- Providing high quality government-to-government services and advice.
- Setting the strategic direction, advising, providing assurance, piloting and implementing digital government services.
- Providing scientific advice, information, monitoring and modelling services to underpin policies to protect and enhance our natural resources and the environment.

We contribute to the Queensland Government's objectives for the community of creating jobs and a diverse economy; delivering quality frontline services; protecting the environment and building safe, caring and connected communities by:

- helping to foster job creation and a diverse economy by driving innovation-led growth
- providing scientific services to help protect the environment
- enabling the delivery of front-line services by working with agencies to put people at the centre of service design
- harnessing digital platforms to contribute to building safe, caring and connected communities.

The department's key priorities for 2016-17 are to:

- progress the Advance Queensland agenda including implementing programs within the department's portfolio
- increase collaboration between researchers, business and industry
- strengthen the Queensland Government's approach to open data and boost the availability of high value data sets
- ensure the effective governance, management, assurance and security of ICT-enabled and digital government initiatives and services
- provide simple and easy access to connected personalised government services that put the customer at the heart of service design
- provide the scientific evidence base to underpin decision making in relation to the environment and natural resource management.

The department has a continuing role to support efficient and effective service delivery for Queensland Government departments and employees through innovation and digital transformation.

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

- globalisation, digital transformation, new technologies and business strategies that are rapidly reshaping markets, industries and communities

- innovation being the primary driver of productivity growth, job creation and long-run prosperity and living standards
- Queensland's long established ties to Asia and the opportunity to be a springboard into high growth Asian markets
- citizen demand for access to digitally-driven, personalised government services
- rapid growth in automation, cloud-based, platform and as-a-service models, and hyper connectivity through the internet of things - bringing the ability to transform public service models
- the need for enhanced digital skills and connectivity if Queensland is to flourish as a global innovation hub and people and businesses are to reach their potential.

Service performance

Performance statement

Advancing Queensland Through Innovation

Service area objective

To drive economic growth and job creation through innovation, harnessing Queensland's research strengths and entrepreneurial spirit, and using new technology, capital and ideas to create businesses and grow existing businesses.

Service area description

The service area provides support to build a more collaborative and effective innovation ecosystem in Queensland.

Our areas of focus are to:

- nurture and attract scientific and entrepreneurial talent
- invest in the translation of scientific research to deliver economic, social and environmental outcomes for Queensland
- increase collaboration between business, industry and the research base and with international partners
- increase the rate of start-up formation and help businesses grow through innovation
- invest with partners to build Queensland's capacity to conduct innovative research and development, and to attract and retain the best and brightest
- encourage greater innovation in government and the benefits of government as a lead customer for emerging technologies.

Services

- Innovation and digital economy
- Science development

2016-17 service area highlights

- Increase the momentum of Advance Queensland programs to drive innovation, broaden collaboration and support economic growth, including:
 - foster innovation across regional Queensland, working in partnership with councils, industries, regional businesses and entrepreneurs
 - support Queensland industries and businesses to innovate, developing new and improved products and services
 - improve the rate of commercialisation of Queensland ideas into innovative products and services
 - deepen partnerships across the business, industry and research sectors to foster innovation in Queensland.
- Encourage entrepreneurs to establish and scale high-tech globally focused start-ups in Queensland.
- Work across government to enable innovation in government services, identifying innovative solutions for a number of complex challenges from across the Queensland Government.
- Develop international science and innovation collaborations to build strong economic and cultural bridges with Queensland's trading partners.
- Open the Australian Institute of Tropical Health and Medicine at James Cook University Townsville campus.
- Continue to provide science policy advice to ensure that the legislative framework supports innovation and high quality science.
- Help Queensland become more digitally aware and innovative. Major programs include Advance Queensland Community Digital Champions and Digital Careers.
- Build upon the Queensland Government's Open Data initiative by releasing the next wave of high value Queensland Government datasets to stimulate opportunities for start-ups, entrepreneurs, researchers, local business and community organisations in the digital economy.

- Promote increased investment and growth in Queensland's digital industry sector.
- Support international collaboration by announcing the successful recipients of our international innovation programs.

Department of Science, Information Technology and Innovation	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service area: Advancing Queensland Through Innovation¹				
Service: Innovation and digital economy²				
Service standards				
<i>Effectiveness measures</i>				
Proportion of stakeholders who are satisfied with innovation and commercialisation consultative and engagement processes	3,4	85%	88%	≥85%
Percentage of potential collaboration opportunities identified by participants of innovation and collaboration programs/events	4,5	15%	21%	≥17%
Proportion of stakeholders who are satisfied with digital economy and productivity services, consultative and engagement processes	6	New measure	New measure	≥85%
<i>Efficiency measure</i>				
Ratio of investment leveraged as a result of Queensland government funding invested	4,7	2:1	2:2.4	1:1.25
Service: Science development⁸				
Service standards				
<i>Effectiveness measure</i>				
Percentage of science funding recipients satisfied with contract management services provided for science related grant programs (overall satisfaction)	9,10	85%	92%	≥87%
<i>Efficiency measure</i>				
External funds leveraged from grants funds committed	11	New measure	New measure	1:1.25

Notes:

1. The department has conducted an internal realignment of service areas and services. This is a new service area for the 2016-17 *Service Delivery Statement* (SDS). The department is developing and trialling additional performance measures planned for inclusion in future SDSs, to reflect continuous improvement in reporting on the outcomes delivered that contribute toward the objective for this service area.
2. The department has conducted an internal realignment of service areas and services. This is a new service for 2016-17 SDS.
3. Stakeholders include business, industry, start-ups, entrepreneurs, universities and research organisations and may also include Advance Queensland recipients and the third-party providers of Advance Queensland support programs. The measurement of satisfaction addresses standard questions for overall satisfaction and the five key elements of satisfaction (timeliness, ease of access, staff, quality, outcomes/outputs).
4. This measure was reported under the service area Strategic Policy and Innovation in the 2015-16 SDS.
5. This measure represents the opportunities identified for collaboration as a result of the funding invested in programs for partnering and collaboration. Results are based on the total number of potential collaboration opportunities identified by participants in innovation and commercialisation program events as a percentage of the total number of survey responses from participants attending program events. 2015-16 Estimated Actual results highlighted increased potential collaboration opportunities identified at start-up fund events throughout 2015-16. This data also relates to Advance Queensland support programs.
6. This is a new measure that was previously included in 2014-15 SDS under the service area Digital Productivity and Services and was subsequently discontinued as it did not meet the criteria to be considered as a satisfaction measure because it did not include timeliness, ease of access, staff, quality, outcome and overall satisfaction. The survey instrument has been modified to ensure compliance, the

measurement of satisfaction addresses standard questions for overall satisfaction and the five key elements of satisfaction (timeliness, ease of access, staff, quality, outcomes/outputs). Stakeholders include business, industry, universities and research organisations.

7. The measure is an indicator of the efficient use of government funding to leverage private/commercial/philanthropic/Australian Government sector investments. The 2:1 target was a new measure introduced in 2015-16 and indicates that \$1 of investment is leveraged for every \$2 of government funding invested. It is a direct output from the facilitation and Queensland government funding administered by this service. Customers include but are not limited to start-ups, entrepreneurs, business/industry, research centres, universities and government. The 2016 -17 Target/Estimate has been amended to reflect the increase in the range of funding programs aimed to advance Queensland through innovation. Variation in leveraging opportunities is expected, dependent on the nature of specific funding programs, and therefore this target is suitable at an aggregated level.
8. The department has conducted an internal realignment of service areas and services. This is a new service for the 2016-17 SDS. The measure reported under this service was reported under the service Contract and investment management in the 2015-16 SDS.
9. This measure was reported under the service area Science in the 2015-16 SDS.
10. The survey has standard questions for overall satisfaction and the five key drivers of satisfaction (timeliness, ease of access, staff, quality, outcome/outputs). Customers surveyed include recipients of Advance Queensland grants.
11. This is a new measure of efficiency for 2016-17 SDS. This measure will demonstrate the amount of investment generated into the science/research sector as a result of investment made under the various funding programs. The target indicates that for every \$1 provided via the various grant programs managed, that a greater matching contribution is sought from successful recipients (such as Universities, industries and business). The 2016-17 Target/Estimate has been determined following examination of the returns received for similar funding programs over the last five years. Matching contributions are an accepted aspect of government funding programs and the level required is always stated in the program guidelines. The current grant programs measured for this measure are the Best and Brightest Fund and the Future Jobs Strategy under the Advance Queensland initiative.

Services for Queenslanders

Service area objective

To provide customers with simple and easy access to integrated Queensland Government services and to ensure Queensland public records are preserved for the benefit of current and future generations.

Service area description

The service area develops innovative digitally enabled and integrated government services that are simpler and faster for the community to access online or through phone and counter channels. The service area leads a major program of work to accelerate the delivery of proactive and personalised services, designed around the customer.

The service area also leads Queensland public authorities in managing and preserving Queensland public records in a useable form, and improves public access to the collection.

As part of this service area, the State Library of Queensland delivers a range of services that contribute to the cultural, social and intellectual development of the community. This is reported separately in this *Service Delivery Statement* (SDS) in accordance with administered arrangements.

Services

- Whole-of-government customer experience
- Government recordkeeping and archival services

2016-17 service area highlights

- Continued focus on improving customer experience of government services through piloting new joined-up and proactive approaches.
- Continue to drive online services and deliver a personalised online experience to enable customers to track their interactions with government and select the information and services they need.
- Release a new dynamic version of qld.gov.au and an easy pay capability to support customer payments.
- Continue to provide service excellence to Queenslanders via phone 13QGOV and in person at Queensland Government Agent Program locations and Queensland Government Service Centres.
- Progress the review of the *Public Records Act 2002* to ensure that records of Queensland are made, managed, kept and, if appropriate, preserved in a useable form for the benefit of present and future generations.
- Implement the outcomes from the review of the strategic direction of Queensland State Archives (QSA) and continue to progress a digital archives solution.

Department of Science, Information Technology and Innovation	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service area: Services for Queenslanders¹				
Service: Whole-of-government customer experience				
Service standards				
<i>Effectiveness measures</i>				
Percentage of One-Stop Shop projects being managed or delivered which meet committed timeframes and budget	2	90%	95%	≥90%
Percentage of clients satisfied with the One-Stop Shop program	3,4	70%	89%	80%
Percentage of customers satisfied with the services provided by Smart Service Queensland on behalf of government agencies		≥85%	91%	≥85%

Department of Science, Information Technology and Innovation	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Percentage of clients satisfied with the services provided by Smart Service Queensland on their behalf	4,5,6	80%	67%	≥80%
<i>Efficiency measure</i> Cost per customer service interaction (all interaction)	7	\$3.24	\$1.38	\$1.38
Service: Government recordkeeping and archival services				
Service standards <i>Effectiveness measure</i> Overall customer satisfaction with QSA delivery of services to the public	8	..	..	≥93%
<i>Efficiency measure</i> Percentage increase in the efficiency of service delivery	9	New measure	New measure	0.75%

Notes:

- The department has conducted an internal realignment of service areas. The name of this service area has changed for the 2016-17 SDS and was previously named Digital Productivity and Services in the 2015-16 SDS.
- The One-Stop Shop program is revitalising government services to make it simpler and easier for customers to access government services and information. The 2015-16 Estimated Actual indicates that the program has achieved successful delivery through integrated use of Prince2 and agile/iterative methodologies. One Stop Shop Projects include but are not limited to, increasing online services, expanding social media services, customer identity management, service outlets pilot, tell us once pilot – change of address, joined up services, customer experience framework.
- This was a new measure of effectiveness introduced in the 2015-16 SDS. Result is based on the overall client satisfaction with the delivery of the One-Stop Shop programs. The target for this measure will be reviewed in subsequent years to establish a robust target, based on several years of data.
- The term 'client' is used to identify other government departments of agencies, whilst the term 'customer' identifies members of the public or community.
- This effectiveness measure is based on customer satisfaction surveys which are compliant with the Better Practice Guideline for Measuring Client Satisfaction, published by the Department of the Premier and Cabinet, and includes questions on timeliness, quality, access, staff, outcome and overall satisfaction.
- The 2015-16 survey received high results for ease of access, client relationship management and issue management. It also highlighted opportunities for improvement in the areas of invoicing, reporting, and new service on-boarding. A strategy and action plan will be developed in response to the survey results.
- The methodology for this measure has been amended to better reflect costs and interactions over the year, resulting in a reduction of the target from \$3.24 to \$1.38, largely due to the large take-up of new online services. The measure is calculated based on the operating costs divided by interaction data. This target will be reviewed in subsequent years to establish a robust target for this measure based on several years of data. Customer service interactions include online sessions (qld.gov.au), in-person (Queensland Government Agency Program and Queensland Government Service Centre), telephone (13QGOV), counter, card and concessions.
- This is a biennial customer satisfaction survey last conducted for QSA in March 2015, results of which can be found at <http://www.budget.qld.gov.au/budget-papers/documents/bp5-dsiti-2015-16.pdf>. The next survey will be conducted in 2017.
- This is a new measure of efficiency that measures percentage improvement from the previous year in the ratio of QSA visitor interactions and service transactions compared to the State Government Budget appropriation. The measure provides an indication of improvement in the efficient use of public funds in providing recordkeeping and archival services and programs to the public and Government.

Services for Government

Service area objective

To provide a range of specialist services and advice that supports the achievement of government priorities and assists Queensland Government agencies to deliver their services.

Service area description

The service area works in partnership with government agencies, research agencies and natural resource management groups to provide trusted scientific services and technical advice to government agencies, industry and the community to underpin environmental and natural resource management, planning, decision making and policy setting.

The service area also leads complex, multi-agency ICT programs and projects, manages ICT strategic sourcing and procurement arrangements and facilitates engagement between the ICT industry and government.

As part of this service area, the department also provides an extensive range of corporate and ICT services to government through CITEC and Queensland Shared Services. In accordance with administered arrangements, these are reported separately in this *Service Delivery Statement* (SDS).

Services

- Science delivery
- Strategic information and communication technology (ICT)

2016-17 service area highlights

- Coordinate reef science projects to inform land management practices and understand water quality impacts on the Great Barrier Reef. This includes projects as part of the Paddock to Reef Integrated monitoring, modelling and Reporting Program and the Department of Environment and Heritage Protection's Reef Water Quality Science Program.
- Use innovative digital soil mapping approaches to produce consistent sets of spatial soil data to inform better land management practices.
- Evaluate, using scale physical modelling, coastal and hydraulic structures for various clients including the City of Gold Coast.
- Provide high resolution climate change projections for Queensland, an interactive climate change website and regional workshops to facilitate the communication of climate change risks at a regional scale.
- Lead and embed ICT category management across the Queensland Government to ensure whole-of-government needs are met.
- Manage large scale contracts on behalf of government agencies to ensure the ongoing success of the Government Wireless Network (GWN), ICT in the 1 William Street building and Mobile Phone Coverage.
- Actively engage with the ICT industry and support small to medium enterprises (SMEs) to work with the Queensland Government, including implementation of the ICT Industry Engagement Action Plan.
- Complete the implementation of the 1 William Street ICT program including final stages of fit out, testing, transition and on-site support.
- Deliver an on-boarding program to enable State Emergency Services to utilise the GWN.
- Support delivery of the Government's digital transformation agenda.

Department of Science, Information Technology and Innovation	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service area: Services for Government¹				
Service: Science delivery²				
Service standards				
<i>Effectiveness measures</i>				
Percentage of customers from other government agencies satisfied with the natural resource and environmental science services and information provided (overall satisfaction)	3,4	85%	93%	≥87%
Percentage of laboratory tests completed and made available within agreed timeframes and quality specifications to support Reef Plan 2013-18 and other government priorities	3,5	85%	90%	≥87%
<i>Efficiency measure</i>				
Co-investment as a percentage of the Science Delivery budget	3,6	25%	30%	≥25%
Service: Strategic ICT⁷				
Service standards				
<i>Effectiveness measure</i>				
Percentage of whole-of-government spend awarded to SMEs (transactions over \$10,000)	8,9	>11%	18%	≥11%
<i>Efficiency measure</i>				
Operating cost as a percentage of managed spend on ICT goods and services	10	New measure	New measure	2.5%

Notes:

1. The department has conducted an internal realignment of service areas. This is a new service area for the 2016-17 SDS.
2. The name of this service has changed for the 2016-17 SDS and was previously named Scientific services.
3. This measure was reported under the service area Science in the 2015-16 SDS.
4. This measure is an indicator of the success of delivering science delivery services to meet the key priorities of other Government departments for environmental and natural resource policy and decision making. The survey has standard questions for overall satisfaction and the five key drivers of satisfaction (timeliness, ease of access, staff, quality, outcome/outputs).
5. This measure is amended with wording changes to describe the purpose of the measure and identify its target group. The method of calculating the results remains unchanged. (Previous – Percentage of laboratory tests completed and made available within agreed timeframes to support Reef Plan 2013-18 and the Government's Agricultural Strategy.) The timeframes involved are negotiated per sample submission and quality will be measured by maintenance of accreditation with the National Association Testing Authorities Australia and performance in national and international laboratory proficiency trials.
6. This measure is amended with slight wording change, the method of calculating the results remain unchanged. The measure is an indicator of efficiency in delivering services for Government and external customers by maximising financial resources through leveraging and partnering. Appropriated funding is leveraged by performing services for other State Government agencies and by partnering with external organisations including universities and other scientific organisations.
7. The department has conducted an internal realignment of service areas and services. This is a new service for the 2016-17 SDS.
8. This measure was reported under the service area Strategic ICT in the 2015-16 SDS.
9. This measure assesses the ongoing effectiveness of the ICT SME participation scheme policy by measuring the percentage of whole-of-government spend on transactions over \$10,000 awarded to SMEs for ICT products and services. ICT SME participation scheme policy ensures effective engagement with the ICT industry and specifically with SMEs by ensuring departments adopt a consistent procurement process.
10. This is a new service standard measuring efficiency. The measure is the operating costs (i.e. expenses such as labour and supplies/services) of the business unit which is responsible for managing a range of ICT supply arrangements as a percentage of whole-of-government spend awarded through it. The arrangements are for provision of ICT goods and services including software, hardware, telecommunications and professional services.

Discontinued measures

Performance measures included in the 2015-16 *Service Delivery Statements* that have been discontinued or replaced are reported in the following table with estimated actual results.

Department of Science, Information Technology and Innovation	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service area: Digital Productivity and Services				
Percentage of initiatives in the digital economy strategy action plan completed on time and on budget	1	90%	92%	Discontinued measure
Percentage of projects/initiatives involving partners in the digital economy strategy action plan completed on time and on budget	1	90%	100%	Discontinued measure

Note:

1. This measure was reported under the service area Digital Productivity and Services in the 2015-16 *Service Delivery Statement*. The measure related specifically to the Digital Economy Strategy and Action Plan. Progression of digital economy activities have now been incorporated into the Advance Queensland initiative.

Administered items

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

The Department of Science, Information Technology and Innovation administers funds on behalf of the State which include:

- \$3.1 million in 2016-17 for CITEC to deliver GovNet services to the rest of the Queensland Government.
- \$8.2 million in 2016-17 for Queensland Shared Services to improve business processes and progress major consolidation initiatives for its core financial management and payroll services and systems providing a higher quality service for customers at a reduced cost.
- \$62.6 million in 2016-17 for the State Library of Queensland's objectives to enable access, engage the community and build capability.

Financial statements and variance explanations in relation to administered items appear in the departmental financial statements.

Departmental budget summary

The table below shows the total resources available in 2016-17 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Department of Science, Information Technology and Innovation	2015-16 Budget \$'000	2015-16 Est. Actual \$'000	2016-17 Budget \$'000
CONTROLLED			
Income			
Appropriation revenue ¹			
Deferred from previous year/s	37,971	41,597	33,351
Balance of service appropriation	284,525	235,630	261,216
Other revenue	65,304	74,544	67,058
Total income	387,800	351,771	361,625
Expenses			
Advancing Queensland through innovation	95,936	60,837	75,563
Services for Queenslanders	93,112	91,651	95,391
Services for Government	155,787	156,265	145,963
Corporate ²	45,465	45,127	44,708
Total expenses	390,300	353,880	361,625
Operating surplus/deficit	(2,500)	(2,109)	..
Net assets	44,322	47,891	43,447
ADMINISTERED			
Revenue			
Commonwealth revenue	..	..	..
Appropriation revenue	80,117	72,406	73,945
Other administered revenue	..	..	..
Total revenue	80,117	72,406	73,945
Expenses			
Transfers to government	..	..	..
Administered expenses	80,117	72,406	73,945
Total expenses	80,117	72,406	73,945
Net assets	7,308	1,795	1,246

Notes:

1. Appropriation revenue includes State and Commonwealth funding.
2. Corporate includes centralised costs for accommodation, ICT and Shared Service Provider costs.

Service area sources of revenue¹

Sources of revenue 2016-17 Budget					
Department of Science, Information Technology and Innovation	Total cost \$'000	State contribution \$'000	User charges and fees \$'000	C'wealth revenue \$'000	Other revenue \$'000
Advancing Queensland through innovation	75,563	75,563	..	..	..
Services for Queenslanders ²	95,391	65,157	30,234	..	..
Services for Government ³	145,963	132,936	2,310	2,576	8,141
Corporate	44,708	20,911	..	..	23,797
Total	361,625	294,567	32,544	2,576	31,938

Notes:

1. Explanations of variances are provided in the financial statements.
2. Revenue for the service area Services for Queenslanders excludes State Library of Queensland, which is reported separately in this *Service Delivery Statement*.
3. Revenue for the service area Services for Government excludes CITEC and Queensland Shared Services, which are reported separately in this *Service Delivery Statement*.

Budget measures summary

This table shows a summary of budget measures relating to the department since the 2015-16 State Budget. Further details are contained in *Budget Paper 4*.

Department of Science, Information Technology and Innovation	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Revenue measures					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
Expense measures					
Administered	..	(218)	(297)	(345)	(421)
Departmental ¹	1,605	37,211	25,168	14,185	3,297
Capital measures					
Administered	..	..	..	..	..
Departmental	..	2,100	..	..	..

Note:

- Figures reconcile with *Budget Paper 4*, including the whole-of-government expense measures 'Brisbane CBD government office agency rental impacts' and 'Reprioritisation allocations'.

Departmental capital program

The departmental capital program for 2016-17 mainly relates to the ongoing asset replacement of departmental assets and capital outlays relating to the One-Stop Shop initiatives.

Capital expenditure of \$6.5 million planned for 2016-17 includes \$2.9 million for asset replacement, \$2.1 million for Telephony Solution and \$1.1 million for the Content Delivery System within Smart Service Queensland and \$400,000 relating to the One-Stop Shop program.

The department's ongoing asset replacement of \$2.9 million includes both office and scientific related equipment essential to support service delivery across Government and to the community.

Smart Service Queensland will implement a new Telephony Solution and replace its Content Delivery System, both of which are critical for the call centre to provide ongoing high quality services to the Queensland public.

The One-Stop Shop initiative funding of \$400,000 will be used for the procurement of Point of Sale receipting software and finalisation of Phase 2 deliverables.

Capital budget

Department of Science, Information Technology and Innovation	Notes	2015-16 Budget \$'000	2015-16 Est. Actual \$'000	2016-17 Budget \$'000
Capital purchases¹				
Total land, buildings and infrastructure		..	..	..
Total plant and equipment	2,3	6,286	2,362	3,268
Total finance leases	4,5	92,632	58,590	..
Total other capital	6,7	1,921	2,672	3,195
Total capital purchases		100,839	63,624	6,463

Note:

- Capital purchases include acquisitions under finance leases consistent with *Budget Paper 3*. For more detail on the agency's capital acquisitions please refer to *Budget Paper 3*.
- Decrease in 2015-16 Estimated Actual due to \$900,000 being brought forward into 2014-15 financial year, \$1.4 million of One-Stop Shop funding being converted to operating funds, transfers to other capital for software and development costs of \$900,000 and deferrals of \$700,000 for scientific equipment and One-Stop Shop into 2016-17 Budget.
- Decrease in 2016-17 Budget compared to 2015-16 Budget mainly due to One-Stop Shop initiative.
- Decrease in 2015-16 Estimated Actual compared to 2015-16 Budget due to earlier than anticipated completion of the South East Queensland (SEQ) Phase 1 implementation of the Government Wireless Network.
- Decrease in 2016-17 Budget compared to 2015-16 Budget and 2015-16 Estimated Actual is due to the completion of the Government Wireless Network SEQ implementation project in 2015-16.
- Increase in 2015-16 Estimated Actual due to transfers from plant and equipment for software and development costs.
- Increase in 2016-17 Budget compared to 2015-16 Budget relates to Telephony Solution offset by completed Government Wireless Network software purchases.

Staffing¹

Department of Science, Information Technology and Innovation	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
Advancing Queensland through innovation	2	103	109	109
Services for Queenslanders	3,4	543	543	557
Services for Government	5,6,7	472	481	434
Corporate	8	262	258	262
TOTAL		1,380	1,391	1,362

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Increase in 2015-16 Estimated Actual and 2016-17 Budget relate to the implementation of the Advance Queensland initiative.
3. FTEs for the service area Services for Queenslanders excludes State Library of Queensland, which is reported separately in this *Service Delivery Statement*.
4. Increase in 2016-17 Budget relates to Smart Service Queensland's call centre offset by decreases relating to the One-Stop Shop initiative and Digital Archives Project.
5. FTEs for the service area Services for Government excludes CITEC and Queensland Shared Services, which are reported separately in this *Service Delivery Statement*.
6. Increase in 2015-16 Estimated Actual is mainly due to 1 William Street (1WS) project and whole-of-government Cyber Security activities.
7. Decrease in 2016-17 Budget in comparison to 2015-16 Estimated Actual is due to the completion of major initiatives including the Government Wireless Network and 1WS ICT projects.
8. Corporate reflects the number of FTEs engaged in providing corporate services including finance, procurement, human resource management, information technology and communications to the department including CITEC and Queensland Shared Services.

Budgeted financial statements

Analysis of budgeted financial statements

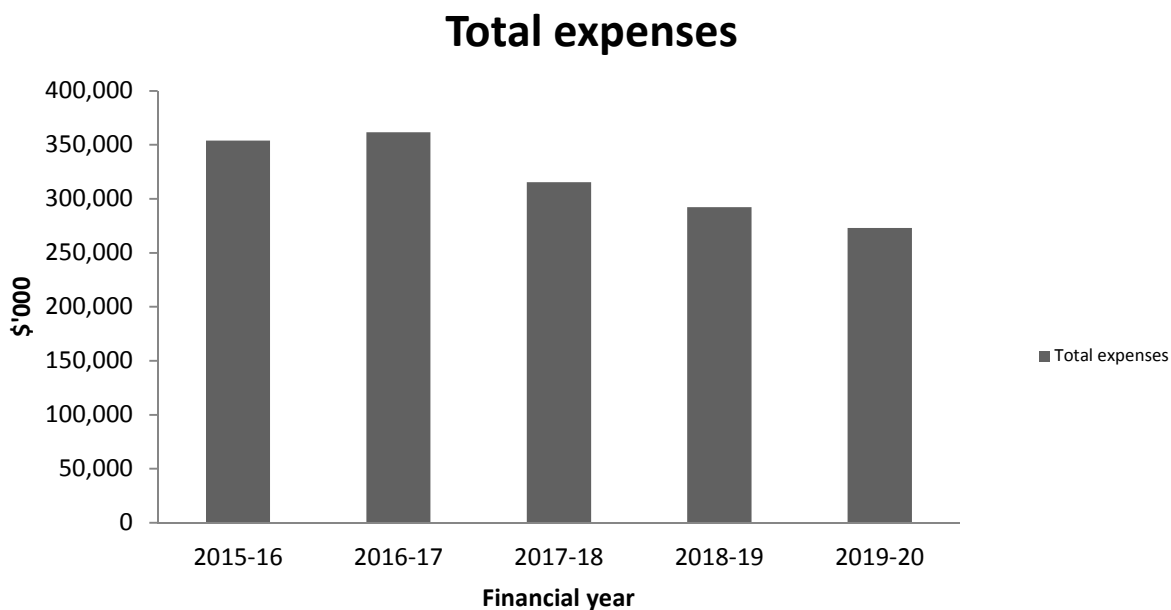
An analysis of the department's financial position, as reflected in the department's budgeted financial statements (excluding its statutory body, commercialised business unit and shared service provider) is provided below.

Departmental income statement

Total expenses are estimated to be \$361.6 million in 2016-17, an increase of \$7.7 million from 2015-16. The increase reflects additional funding for Advance Queensland Acceleration, improved mobile coverage, Biofutures 10-year Roadmap and Action Plan, One-Stop Shop, Cyber Security Futures, Smart Service Queensland customer experience and strengthening science capability. This is offset by the planned finalisation of the whole-of-government programs such as the Government Wireless Network (GWN) and One-Stop Shop (Phase 2) initiatives; limited life science related grant programs and a re-phasing of Advance Queensland initiative funding in line with program commitments.

The decrease in 2017-18 includes the completion of a number of initiatives including the Australian Institute of Tropical Health and Medicine and funding variations relating to whole-of-government ICT arrangements.

Chart: Total departmental expenses across the Forward Estimates period



Departmental balance sheet

The department's total controlled assets are expected to amount to \$210 million at the end of 2015-16, decreasing to \$198 million by the end of 2016-17. The decrease in assets is mainly due to the depreciation of property, plant and equipment including the finance assets relating to the GWN.

The department's liabilities are estimated to be \$162 million at the end of 2015-16, decreasing to \$154 million by the end of 2016-17. The decrease in liabilities reflects GWN finance lease repayments.

Controlled income statement

Department of Science, Information Technology and Innovation	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
INCOME				
Appropriation revenue	1,8,14	322,496	277,227	294,567
Taxes		..	..	..
User charges and fees	9	35,734	34,225	32,544
Royalties and land rents		..	..	..
Grants and other contributions	2,15	10,649	12,591	10,636
Interest		..	..	..
Other revenue	3,10,16	18,921	27,728	23,878
Gains on sale/revaluation of assets		..	..	..
Total income		387,800	351,771	361,625
EXPENSES				
Employee expenses		130,992	135,422	137,903
Supplies and services	4,11,17	143,703	153,228	128,130
Grants and subsidies	5,12,18	86,385	42,863	71,325
Depreciation and amortisation	6,13	23,914	17,501	19,086
Finance/borrowing costs	7	4,479	3,951	4,262
Other expenses		827	915	919
Losses on sale/revaluation of assets		..	..	..
Total expenses		390,300	353,880	361,625
OPERATING SURPLUS/(DEFICIT)		(2,500)	(2,109)	..

Controlled balance sheet

Department of Science, Information Technology and Innovation	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CURRENT ASSETS				
Cash assets	19,28,36	2,857	1,924	2,191
Receivables	20,29	29,370	17,267	17,267
Other financial assets		..	..	..
Inventories		..	..	..
Other		9,022	9,321	9,321
Non-financial assets held for sale		..	..	..
Total current assets		41,249	28,512	28,779
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	21	158,513	173,808	160,676
Intangibles	22,30	10,973	7,160	7,653
Other	23,31	901	431	431
Total non-current assets		170,387	181,399	168,760
TOTAL ASSETS		211,636	209,911	197,539
CURRENT LIABILITIES				
Payables	24,32	38,936	31,924	31,924
Accrued employee benefits	25,33	3,714	4,257	4,257
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	26,34	803	371	371
Total current liabilities		43,453	36,552	36,552
NON-CURRENT LIABILITIES				
Payables	27,35	901	430	430
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		122,960	125,038	117,110
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		123,861	125,468	117,540
TOTAL LIABILITIES		167,314	162,020	154,092
NET ASSETS/(LIABILITIES)		44,322	47,891	43,447
EQUITY				
TOTAL EQUITY		44,322	47,891	43,447

Controlled cash flow statement

Department of Science, Information Technology and Innovation	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts	37,47,55	324,729	266,860	294,567
User charges and fees	48	35,734	34,225	32,544
Royalties and land rent receipts		..	..	..
Grants and other contributions	38,56	10,649	12,591	10,636
Interest received		..	..	..
Taxes		..	..	..
Other	39,49,57	18,921	27,728	23,878
Outflows:				
Employee costs		(130,992)	(135,422)	(137,903)
Supplies and services	40,50,58	(143,703)	(153,228)	(128,130)
Grants and subsidies	41,51,59	(86,385)	(42,863)	(71,325)
Borrowing costs	42	(4,479)	(3,951)	(4,262)
Other		(827)	(915)	(919)
Net cash provided by or used in operating activities		23,647	5,025	19,086
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		16	16	16
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	43,52,60	(8,207)	(5,034)	(6,463)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		(8,191)	(5,018)	(6,447)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	44,53	12,207	8,439	10,639
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments	45,61	(7,752)	(5,662)	(7,928)
Equity withdrawals	46,54,62	(19,896)	(6,829)	(15,083)
Net cash provided by or used in financing activities		(15,441)	(4,052)	(12,372)
Net increase/(decrease) in cash held		15	(4,045)	267
Cash at the beginning of financial year		2,842	5,969	1,924
Cash transfers from restructure		..	..	..
Cash at the end of financial year		2,857	1,924	2,191

Administered income statement

Department of Science, Information Technology and Innovation	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
INCOME				
Appropriation revenue	63,66	80,117	72,406	73,945
Taxes		..	..	..
User charges and fees		..	..	..
Royalties and land rents		..	..	..
Grants and other contributions		..	..	..
Interest		..	..	..
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
Total income		80,117	72,406	73,945
EXPENSES				
Employee expenses		..	..	..
Supplies and services	64,67,69	2,080	2,328	3,186
Grants and subsidies	65,68	78,037	70,078	70,759
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses		..	..	..
Losses on sale/revaluation of assets		..	..	..
Transfers of Administered Revenue to Government		..	..	..
Total expenses		80,117	72,406	73,945
OPERATING SURPLUS/(DEFICIT)		..	..	..

Administered balance sheet

Department of Science, Information Technology and Innovation	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CURRENT ASSETS				
Cash assets	70,74,77	4,558	695	1,246
Receivables	71,78	..	1,100	..
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		4,558	1,795	1,246
NON-CURRENT ASSETS				
Receivables	72,75	2,750	..	..
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		2,750	..	..
TOTAL ASSETS		7,308	1,795	1,246
CURRENT LIABILITIES				
Payables		..	..	..
Transfers to Government payable		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		..	..	..
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		..	..	..
NET ASSETS/(LIABILITIES)		7,308	1,795	1,246
EQUITY				
TOTAL EQUITY	73,76,79	7,308	1,795	1,246

Administered cash flow statement

Department of Science, Information Technology and Innovation	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts	80,85	80,117	72,158	73,945
User charges and fees		..	..	550
Royalties and land rent receipts		..	..	..
Grants and other contributions		..	..	..
Interest received		..	..	..
Taxes		..	..	..
Other		..	..	..
Outflows:				
Employee costs		..	..	..
Supplies and services	81,86,91	(2,080)	(2,328)	(3,186)
Grants and subsidies	82,87	(78,037)	(70,078)	(70,759)
Borrowing costs		..	..	..
Other		..	..	..
Transfers to Government		..	..	..
Net cash provided by or used in operating activities		..	(248)	550
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed	83,88,92	..	1,100	550
Outflows:				
Payments for non-financial assets		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		..	1,100	550
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	89,93	7,255	7,526	3,078
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	84,90,94	(8,492)	(14,467)	(3,627)
Net cash provided by or used in financing activities		(1,237)	(6,941)	(549)
Net increase/(decrease) in cash held		(1,237)	(6,089)	551
Cash at the beginning of financial year		5,795	6,784	695
Cash transfers from restructure		..	..	..
Cash at the end of financial year		4,558	695	1,246

Explanation of variances in the financial statements

Income statement

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

1. Decrease reflects deferrals in relation to Advance Queensland, Australian Institute of Tropical Health and Medicine (AITHM), science related initiatives and projects in line with contractual commitments.
2. Increase due to higher than expected grant funding received for science projects.
3. Increase is mainly due to a reclassification of intra-departmental revenue from user charges to other revenue.
4. Increase mainly relates to Government Wireless Network (GWN) project costs in line with contract and implementation costs.
5. Decrease reflects deferrals in relation to Advance Queensland, AITHM and other science related initiatives in line with contractual commitments.
6. Decrease mainly relates to a change in the amortisation amounts relating to the GWN finance asset.
7. Decrease reflects a change in the interest expense relating to the GWN leased asset.

Major variations between 2015-16 Budget and 2016-17 Budget include:

8. Decrease is mainly due to completion of whole-of-government ICT programs (such as GWN) and end-of-life science related grants offset by additional funding for Advance Queensland, Accelerate Advance Queensland, Mobile Phone Coverage, Customer Experience initiatives and whole-of-government Cyber Security.
9. Decrease is mainly due to a reclassification of user charges to other revenue offset by an increase in Smart Service Queensland services.
10. Increase is mainly due to a reclassification of intra-departmental revenue from user charges to other revenue.
11. Decrease mainly reflects the completion of GWN implementation project.
12. Decrease reflects lower level of science related grants and Advance Queensland deferrals in line with funding commitments offset by additional funding for Advance Queensland Acceleration and Mobile Phone Coverage.
13. Decrease mainly relates to a change in the amortisation amounts relating to the GWN finance asset.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

14. Increase is mainly due to additional funding for Advance Queensland, Accelerate Advance Queensland, Mobile Phone Coverage, Customer Experience initiatives and whole-of-government Cyber Security offset by the completion of whole-of-government ICT programs (such as GWN) and end-of-life science related grants.
15. Decrease due to a forecast reduction in grant funding received for science projects.
16. Decrease is mainly due to a reduction in revenue related to GWN agency modifications.
17. Decrease mainly reflects the completion of GWN implementation project.
18. Increase is mainly due to the Advance Queensland, Advance Queensland Acceleration and Mobile Phone Coverage offset by reduction in science related grants in line with funding commitments.

Balance sheet

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

19. Decrease in cash is mainly due to additional cash used in operating activities.
20. Decrease is mainly due to a reduction in appropriation receivable from the prior year.
21. Increase mainly relates to a change in the amortisation amounts relating to the GWN finance asset.
22. Decrease is mainly due to amortisation of intangibles relating to Smart Service Queensland.
23. Decrease reflects lease incentives associated with Smart Service Queensland.
24. Decrease is mainly due to estimated reduction in inter-departmental payables.
25. Increase is due to the timing of salary and wages payments.
26. Decrease is due to the recognition of unearned revenue for ICT related projects that have now been delivered.

27. Decrease reflects lease incentive liability associated with Smart Service Queensland.

Major variations between 2015-16 Budget and 2016-17 Budget include:

- 28. Decrease in cash is mainly due to additional cash used in operating activities.
- 29. Decrease is mainly due to a reduction in appropriation receivable from the prior year.
- 30. Decrease is mainly due to amortisation of intangibles relating to Smart Service Queensland.
- 31. Decrease reflects lease incentives associated with Smart Service Queensland.
- 32. Decrease is mainly due to estimated reduction in inter-departmental payables.
- 33. Increase is due to the timing of salary and wages payments.
- 34. Decrease is due to the recognition of unearned revenue for ICT related projects that have now been delivered.
- 35. Decrease reflects lease incentive liability associated with Smart Service Queensland.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

- 36. Increase in cash is mainly due to additional cash received in operating activities.

Cash flow statement

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

- 37. Decrease reflects deferrals in relation to Advance Queensland, AITHM, science related initiatives and projects in line with contractual commitments.
- 38. Increase due to higher than expected grant funding received for science projects.
- 39. Increase is mainly due to a reclassification of intra-departmental revenue from user charges to other revenue.
- 40. Increase mainly relates to GWN project costs in line with contract and implementation costs.
- 41. Decrease reflects deferrals in relation to Advance Queensland, AITHM and other science related initiatives in line with contractual commitments.
- 42. Decrease relates to a change in the interest expense relating to the GWN leased asset.
- 43. Decrease is due to funding being brought forward into 2014-15 financial year, One-Stop Shop equity funding being converted to operating funds and deferrals into 2016-17 Budget.
- 44. Decrease is due to the GWN finance lease payments and deferral of capital funding into 2016-17 in line with commitments.
- 45. Decrease is due to variations in GWN finance lease payments as per lease schedules.
- 46. Decrease reflects an adjustment in amortisation on the finance asset of the GWN and return of excess depreciation funding from 2014-15.

Major variations between 2015-16 Budget and 2016-17 Budget include:

- 47. Decrease is mainly due to completion of whole-of-government ICT programs (such as GWN) and end-of-life science related grants offset by additional funding for Advance Queensland, Accelerate Advance Queensland, Mobile Phone Coverage, Customer Experience initiatives and whole-of-government Cyber Security.
- 48. Decrease is mainly due to a reclassification of user charges to other revenue offset by an increase in Smart Service Queensland services.
- 49. Increase is mainly due to a reclassification of intra-departmental revenue from user charges to other revenue.
- 50. Decrease mainly reflects the completion of GWN implementation project.
- 51. Decrease reflects lower level of science related grants and Advance Queensland deferrals in line with funding commitments offset by additional funding for Advance Queensland Acceleration and Mobile Phone Coverage.
- 52. Decrease is mainly due to the completion of the GWN SEQ implementation and One-Stop Shop (Phase 2) initiatives.
- 53. Decrease is due to a reduction in capital deferrals in comparison to 2015-16 financial year.
- 54. Decrease reflects an adjustment in amortisation on the finance asset of the GWN.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

55. Increase is mainly due to additional funding for Advance Queensland, Accelerate Advance Queensland, Mobile Phone Coverage, Customer Experience initiatives and whole-of-government Cyber Security offset by the completion of whole-of-government ICT programs (such as GWN) and end-of-life science related grants.
56. Decrease due to a forecast reduction in grant funding received for science projects.
57. Decrease is mainly due to a reduction in revenue related to GWN agency modifications.
58. Decrease mainly reflects the completion of GWN implementation project.
59. Increase is mainly due to the Advance Queensland, Advance Queensland Acceleration and Mobile Phone Coverage offset by reduction in Science related grants in line with funding commitments.
60. Increase is mainly due to Telephony Solution for Smart Service Queensland offset by completion of GWN implementation project.
61. Increase is due to variations in GWN finance lease payments as per lease schedules.
62. Decrease reflects an adjustment in amortisation on the finance asset of the GWN and return of excess depreciation funding from 2014-15.

Administered income statement

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

63. Decrease reflects Queensland Shared Services deferrals relating to business capability and capacity projects.
64. Increase reflects support of new and enhanced capabilities required to drive the digital transformation of government.
65. Decrease reflects Queensland Shared Services deferrals relating to business capability and capacity projects.

Major variations between 2015-16 Budget and 2016-17 Budget include:

66. Decrease reflects a reduction in funding relating to business capability and capacity projects and whole-of-government reprioritisation measures.
67. Increase relates to CITEC additional GovNet funding provided to CITEC in 2016-17 offset by a deferral to support new and enhanced capabilities required to drive the digital transformation of government in 2015-16.
68. Decrease reflects a reduction in funding relating to business capability and capacity projects.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

69. Increase relates to CITEC additional GovNet funding provided to CITEC in 2016-17.

Administered balance sheet

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

70. Decrease mainly due to the remittance of Queensland Centre for Advanced Technology (QCAT) loan repayments and surplus cash to Consolidated Fund.
71. Increase due to QCAT loan reclassification from non-current receivables.
72. Decrease due to QCAT loan repayments and reclassification to current receivables.
73. Decrease due to the remittance of QCAT loan repayments to Consolidated Fund.

Major variations between 2015-16 Budget and 2016-17 Budget include:

74. Decrease mainly due to the remittance of QCAT loan repayments and surplus cash to Consolidated Fund.
75. Decrease due to QCAT loan repayments and reclassification to current receivables.
76. Decrease due to the remittance of QCAT loan repayments to Consolidated Fund.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

77. Increase due to the repayment of QCAT loans.
78. Decrease due to the repayment of QCAT loans 2016-17.

79. Decrease due to the remittance of QCAT loan repayments to Consolidated Fund.

Administered cash flow statement

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

80. Decrease reflects Queensland Shared Services deferrals relating to business capability and capacity projects.
81. Increase reflects support of new and enhanced capabilities required to drive the digital transformation of government.
82. Decrease reflects Queensland Shared Services deferrals relating to business capability and capacity projects.
83. Increase relates to QCAT loan repayments.
84. Increase is mainly due to due to the remittance of QCAT loan repayments and surplus cash to Consolidated Fund.

Major variations between 2015-16 Budget and 2016-17 Budget include:

85. Decrease reflects a reduction in funding relating to business capability and capacity projects and whole-of-government reprioritisation measures.
86. Increase relates to CITEC additional GovNet funding provided to CITEC in 2016-17 offset by a deferral to support new and enhanced capabilities required to drive the digital transformation of government in 2015-16.
87. Decrease reflects a reduction in funding relating to business capability and capacity projects.
88. Increase relates to QCAT loan repayments.
89. Decrease is mainly due to a reduction in amortisation on QSS business systems remitted to Consolidated Fund.
90. Decrease is due to a reduction in QCAT loan repayments and amortisation on QSS business systems remitted to Consolidated Fund.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

91. Increase relates to CITEC additional GovNet funding provided to CITEC in 2016-17.
92. Decrease is due to a reduction in QCAT loan repayments.
93. Decrease is mainly due to a reduction in amortisation on Queensland Shared Services business systems remitted to Consolidated Fund.
94. Decrease is due to a reduction in QCAT loan repayments, amortisation on QSS business systems and surplus cash remitted to Consolidated Fund.

Reporting Entity Financial Statements

Reporting Entity comprises:

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

Explanations of variances for each entity are included in the individual budget financial statements located in this *Service Delivery Statement*.

Reporting entity income statement

Department of Science, Information Technology and Innovation	Notes	2015-16 Adjusted Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
INCOME				
Appropriation revenue		322,496	277,227	294,567
Taxes	
User charges and fees		310,736	303,787	290,741
Royalties and land rents	
Grants and other contributions		26,904	19,929	18,754
Interest		369	163	156
Other revenue		19,158	2,566	(1,059)
Gains on sale/revaluation of assets	
Total income		679,663	603,672	603,159
EXPENSES				
Employee expenses		260,452	262,433	263,956
Supplies and services		307,266	271,298	242,222
Grants and subsidies		86,385	42,863	71,325
Depreciation and amortisation		34,359	28,621	29,315
Finance/borrowing costs		4,602	4,029	4,329
Other expenses		3,049	2,992	2,938
Losses on sale/revaluation of assets	
Total expenses		696,113	612,236	614,085
Income tax expense/revenue	
OPERATING SURPLUS/(DEFICIT)		(16,450)	(8,564)	(10,926)

Reporting entity balance sheet

Department of Science, Information Technology and Innovation	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CURRENT ASSETS				
Cash assets		18,293	39,455	27,831
Receivables		62,782	46,934	45,842
Other financial assets	
Inventories	
Other		14,534	13,405	13,033
Non-financial assets held for sale	
Total current assets		95,609	99,794	86,706
NON-CURRENT ASSETS				
Receivables	
Other financial assets	
Property, plant and equipment		173,676	186,946	170,737
Deferred tax assets		8	..	..
Intangibles		42,448	32,492	34,995
Other		1,619	794	790
Total non-current assets		217,751	220,232	206,522
TOTAL ASSETS		313,360	320,026	293,228
CURRENT LIABILITIES				
Payables		56,989	48,467	48,468
Current tax liabilities	
Accrued employee benefits		9,002	9,361	9,485
Interest bearing liabilities and derivatives		558	565	7
Provisions	
Other		2,473	1,905	1,916
Total current liabilities		69,022	60,298	59,876
NON-CURRENT LIABILITIES				
Payables		901	430	430
Deferred tax liabilities		934	1,532	1,532
Accrued employee benefits	
Interest bearing liabilities and derivatives		122,960	125,038	117,110
Provisions	
Other	
Total non-current liabilities		124,795	127,000	119,072
TOTAL LIABILITIES		193,817	187,298	178,948
NET ASSETS/(LIABILITIES)		119,543	132,728	114,280
EQUITY				
TOTAL EQUITY		119,543	132,728	114,280

Reporting entity cash flow statement

Department of Science, Information Technology and Innovation	Notes	2015-16 Budget* \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts		324,729	266,860	294,567
User charges and fees		340,288	337,310	319,316
Royalties and land rent receipts	
Grants and other contributions		26,904	19,929	18,754
Interest received		369	163	156
Taxes	
Other		32,585	15,993	12,747
Outflows:				
Employee costs		(260,367)	(261,728)	(263,885)
Supplies and services		(320,126)	(281,958)	(254,336)
Grants and subsidies		(86,385)	(42,863)	(71,325)
Borrowing costs		(4,602)	(4,029)	(4,329)
Taxation equivalents paid	
Other		(30,807)	(30,750)	(31,672)
Net cash provided by or used in operating activities		22,588	18,927	19,993
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		16	16	16
Investments redeemed	
Loans and advances redeemed	
Outflows:				
Payments for non-financial assets		(22,546)	(12,519)	(15,625)
Payments for investments	
Loans and advances made	
Net cash provided by or used in investing activities		(22,530)	(12,503)	(15,609)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	
Equity injections		12,207	8,439	10,639
Outflows:				
Borrowing redemptions		(1,344)	(1,344)	(558)
Finance lease payments		(7,752)	(5,662)	(7,928)
Equity withdrawals		(27,151)	(14,355)	(18,161)
Dividends paid	
Net cash provided by or used in financing activities		(24,040)	(12,922)	(16,008)
Net increase/(decrease) in cash held		(23,982)	(6,498)	(11,624)
Cash at the beginning of financial year		42,275	45,953	39,455
Cash transfers from restructure	
Cash at the end of financial year		18,293	39,455	27,831

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

Statutory body

Library Board of Queensland

Overview

The State Library of Queensland (SLQ) is a vital community resource, inspiring creativity and ensuring more Queenslanders can participate in cultural life. Our vision is to inspire the way people live, work, play and learn. Our legislated role is to contribute to the cultural, social and intellectual development of all Queenslanders. This includes collecting Queensland's cultural heritage and ensuring the intellectual and historical record is preserved for the future. It also includes the advancement of public libraries throughout the State. Our objectives are to enable access, engage the community and build capability. We achieve this through our key strategies: reduce barriers to access, build capability in the regions, enable new enterprise and future-proof the digital library.

SLQ supports the Government's objectives for the community: delivering quality frontline services by achieving better education and training options and supporting disadvantaged Queenslanders; building safe, caring and connected communities by encouraging safer and inclusive communities and building regions; creating jobs and a diverse economy by increasing workforce participation and stimulating economic growth and innovation and protecting the environment by conserving heritage.

SLQ supports the Advance Queensland policy through collections, services and programs that enable innovation and new enterprise, build capability in the regions and enable more Queenslanders to participate in the digital economy by increasing digital literacy skills and additional support for small business.

SLQ is accelerating the transition to digital to make content, services and programs accessible to everyone. Our legislated role includes digitising legacy content to make it accessible, capturing born digital content (e.g. websites, blogs, twitter feeds) and building infrastructure to ensure long term access to digital content. The quantity of digital materials coming into the collection is increasing exponentially. We are working with National and State Libraries Australasia on a shared solution to preserve digital collections in the long term. Inconsistent ICT connectivity across Queensland is another key challenge as it creates greater barriers to access for those in regional and remote areas.

Service summary

2016-17 highlights are to:

- invest \$23.8 million in public library collections and services
- support public libraries to implement programs and activities to increase Queensland's digital literacy skills, including coding and robotics and Tech Savvy Seniors Queensland
- implement the Content Strategy to reflect a growing emphasis on digital content and seamless access to content for Queenslanders
- provide early childhood literacy programs, including the National Summer Reading Club and year three of the First Five Forever family literacy initiative, a \$20 million program over four years to give families the information and tools they need to help children develop language and literacy skills through public libraries
- deliver year three of Q ANZAC 100, including exhibitions, community programs and research fellowships
- engage the community in creative programs, including the Signature Program, the Queensland Literary Awards, black&write! Indigenous writing and editing program and the Edge's Fabrication Lab
- grow SLQ's Business Studio, an enterprise centre supporting business, social enterprise and creative industries
- implement and embed governance, organisational and workforce development actions in response to the recommendations of the Hunter Review.

Service performance

Performance statement

State Library of Queensland (SLQ)

Service area objective

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

Service area description

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

Library Board of Queensland	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service area: State Library of Queensland				
Service standards				
<i>Effectiveness measure</i> Customer satisfaction with services and programs	1	90%	96%	95%
<i>Efficiency measure</i> Percentage increase in the efficiency of service delivery	2	2.5%	3%	2.5%

Notes:

1. This effectiveness measure is based on customer satisfaction surveys which are compliant with the Better Practice Guideline for Measuring Client Satisfaction, published by the Department of the Premier and Cabinet, and include questions on timeliness, quality, access, staff, outcome and overall satisfaction.
2. This is a measure of percentage improvement from the previous year in the ratio of total visits to the State Library (onsite and online) compared to the State Government budget appropriation (excluding public library grant funds). The measure provides an indication of improvement in the efficient use of public funds in providing services and programs to the public.

Staffing¹

Library Board of Queensland	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
State Library of Queensland		296	297	294

Notes:

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

Income statement

Library Board of Queensland	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
INCOME				
Taxes		..	..	..
User charges and fees		3,579	3,579	3,581
Grants and other contributions		64,016	65,210	64,459
Interest		800	803	804
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
Total income		68,395	69,592	68,844
EXPENSES				
Employee expenses		27,276	27,858	28,085
Supplies and services		15,816	16,077	15,323
Grants and subsidies		24,457	24,888	24,736
Depreciation and amortisation	1,2	537	537	468
Finance/borrowing costs		..	..	..
Other expenses		195	195	195
Losses on sale/revaluation of assets		37	37	37
Total expenses		68,318	69,592	68,844
OPERATING SURPLUS/(DEFICIT)		77	..	..

Balance sheet

Library Board of Queensland	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CURRENT ASSETS				
Cash assets	3,12,21	11,817	16,858	15,567
Receivables	4,13	2,739	893	893
Other financial assets		..	..	..
Inventories	5,14	235	248	248
Other	6,15	605	749	749
Non-financial assets held for sale		..	..	..
Total current assets		15,396	18,748	17,457
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		110,484	107,373	109,198
Intangibles	7,16,22	3,314	5,987	6,453
Other		..	..	..
Total non-current assets		113,798	113,360	115,651
TOTAL ASSETS		129,194	132,108	133,108
CURRENT LIABILITIES				
Payables	8,17	1,688	1,428	1,428
Accrued employee benefits	9,18	1,884	2,516	2,516
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	10,19	14	195	195
Total current liabilities		3,586	4,139	4,139
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits	11,20	543	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		543	..	..
TOTAL LIABILITIES		4,129	4,139	4,139
NET ASSETS/(LIABILITIES)		125,065	127,969	128,969
EQUITY				
TOTAL EQUITY		125,065	127,969	128,969

Cash flow statement

Library Board of Queensland	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees		4,002	4,002	4,004
Grants and other contributions		64,016	65,210	64,459
Interest received		800	803	804
Taxes		..	..	..
Other		311	311	311
Outflows:				
Employee costs		(27,276)	(27,858)	(28,085)
Supplies and services		(15,816)	(16,077)	(15,323)
Grants and subsidies		(24,457)	(24,888)	(24,736)
Borrowing costs		..	..	..
Other		(929)	(929)	(929)
Net cash provided by or used in operating activities		651	574	505
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		(37)	(37)	(37)
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	23,24	(2,167)	(1,679)	(1,759)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		(2,204)	(1,716)	(1,796)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by or used in financing activities		..	..	..
Net increase/(decrease) in cash held		(1,553)	(1,142)	(1,291)
Cash at the beginning of financial year		13,370	18,000	16,858
Cash transfers from restructure		..	..	..
Cash at the end of financial year		11,817	16,858	15,567

Explanation of variances in the financial statements

Income statement

Major variations between 2015-16 Budget and 2016-17 Budget include:

1. Decrease due to gradual reduction in plant and equipment and software as cloud-based solutions are introduced.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

2. Decrease due to gradual reduction in plant and equipment and software as cloud-based solutions are introduced.

Balance sheet

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

3. Increase due to higher than anticipated prior year surplus resulting from timing delays to projects and deferred capital replacement.
4. Decrease due to grant funded projects temporarily paid later than expected last year being received on time in 2015-16.
5. Increase due to higher collection preservation materials inventory held.
6. Increase due to higher prepayments, principally annual electronic subscriptions and insurance compared with previous years.
7. Increase due to additional digital collections items purchased and physical collection items digitised.
8. Decrease due to lower than anticipated year-end accruals for goods or services received but not yet paid.
9. Increase due to current and non-current accrued employee benefits now being recognised as a current benefit only.
10. Increase due to a higher level of unearned revenue relating to venue hire deposits and revenue received in advance for collection management hosting.
11. Decrease due to accounting standards now requiring all employee benefits to be recognised as current liabilities rather than non-current.

Major variations between 2015-16 Budget and 2016-17 Budget include:

12. Increase due to higher than anticipated prior year surplus resulting from timing delays to projects.
13. Decrease due to debtor amounts returning to normal levels compared to the temporary high levels in the 2015-16 Budget.
14. Increase due to higher collection preservation materials inventory held.
15. Increase due to higher prepayments, principally annual electronic subscriptions and insurance compared with previous years.
16. Increase due to additional digital collections items purchased and physical collection items digitised.
17. Decrease due to lower than anticipated year-end accruals for goods or services received but not yet paid.
18. Increase due to current and non-current accrued employee benefits now being recognised as a current benefit only.
19. Increase due to a higher level of unearned revenue relating to venue hire deposits and revenue received in advance for collection management hosting.
20. Decrease due to accounting standards now requiring all employee benefits to be recognised as current liabilities rather than non-current.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

21. Decrease is due to expected outlay on capital purchases.
22. Increase due to additional digital collections items purchased and physical collection items digitised.

Cash flow statement

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

23. Decrease is due to the timing of ICT and audiovisual equipment replacement.

Major variations between 2015-16 Budget and 2016-17 Budget include:

24. Decrease is due to the timing of ICT and audiovisual equipment replacement.

Commercialised business unit

CITEC

Overview

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

CITEC's vision is to provide innovative, secure, efficient and accessible services that connect and benefit its customers.

With a focus on continuous improvement, CITEC is committed to developing its highly-skilled workforce and putting customers at the centre of its service design and delivery.

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

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

Service summary

The department has been working with other government departments to consider the role of CITEC in supporting many of the new and enhanced functional capabilities that will be needed to drive the digital transformation of Government.

Service performance

Performance statement

CITEC

Service area objective

To provide Queensland Government departments, statutory bodies and commercial clients with ICT infrastructure and information brokerage services that support the delivery of quality front-line services to Queensland communities and businesses.

Service area description

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

Services

- CITEC information and communication technology (ICT)
- CITEC information brokerage (IB)

CITEC	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service area: CITEC				
Service: CITEC ICT				
Service standards				
<i>Effectiveness measure</i>				
CITEC ICT customer satisfaction	1	65%	42.8%	>65%
<i>Efficiency measure</i>				
CITEC ICT Earnings before interest and tax less Depreciation and Amortisation (EBITDA)	2,3,4	(\$6.199 million)	\$0.149 million	(\$2.032 million)
Service: CITEC IB				
Service standards				
<i>Effectiveness measure</i>				
CITEC IB customer satisfaction	5	>80%	88.4%	>80%
<i>Efficiency measure</i>				
CITEC IB EBITDA	6,7,8	(\$0.778 million)	\$1.223 million	(\$2.253 million)

Notes:

1. This measure shows the percentage of customers satisfied with CITEC ICT's overall service provision. The 2015-16 Estimated Actual result is lower than the 2015-16 Target/Estimate due to the high percentage of Neutral responses received. The percentage of customers who responded with Extremely Satisfied, Satisfied or Neutral was 71.4 per cent.
2. This measure shows the net income with interest, taxes, depreciation and amortisation added back to the operating profit, effectively eliminating the effects of financing and accounting decisions for CITEC ICT.
3. CITEC ICT's 2015-16 Estimated Actual is better than the 2015-16 Target/Estimate primarily due to efficient management of costs and revenue streams.
4. CITEC ICT's 2016-17 Target/Estimate differs from the 2015-16 Target/Estimate as it has been calculated considering the 2015-16 Estimated Actual which is better than forecast.
5. This measure shows the percentage of customers satisfied with CITEC IB overall service provision.
6. This measure shows the net income with interest, taxes, depreciation and amortisation added back to the operating profit, effectively eliminating the effects of financing and accounting decisions for CITEC IB.
7. CITEC IB's 2015-16 Estimated Actual is better than the 2015-16 Target/Estimate primarily due to efficient management of costs and revenue streams and the successful implementation of new client retention strategies.
8. CITEC IB's 2016-17 Target/Estimate differs from the 2015-16 Target/Estimate as it has been calculated considering the predicted client shift in product usage.

Staffing¹

CITEC	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
CITEC IB		36	36	36
CITEC ICT		310	310	310
TOTAL		346	346	346

Note:

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

Income statement

CITEC	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
INCOME				
User charges and fees	1,8	133,053	146,950	137,295
Grants and other contributions		..	..	..
Interest		369	163	156
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
Total income		133,422	147,113	137,451
EXPENSES				
Employee expenses		42,025	40,207	40,412
Supplies and services	2,5,9	96,951	104,551	100,407
Grants and subsidies		..	..	..
Depreciation and amortisation	10	7,222	7,915	6,732
Finance/borrowing costs	3,6	123	78	67
Other expenses	4,7	1,051	817	759
Losses on sale/revaluation of assets		..	..	..
Total expenses		147,372	153,568	148,377
Income tax expense/revenue		..	..	..
OPERATING SURPLUS/(DEFICIT)		(13,950)	(6,455)	(10,926)

Balance sheet

CITEC	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CURRENT ASSETS				
Cash assets	11,19,28	228	16,311	9,665
Receivables	12,20	17,233	14,426	13,711
Other financial assets		..	..	..
Inventories		..	..	..
Other	13,21,29	4,448	3,110	2,735
Non-financial assets held for sale		..	..	..
Total current assets		21,909	33,847	26,111
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	14,22,30	13,440	11,378	8,520
Deferred tax assets		8	..	..
Intangibles	15,23,31	5,769	3,589	2,815
Other	16,24	718	363	359
Total non-current assets		19,935	15,330	11,694
TOTAL ASSETS		41,844	49,177	37,805
CURRENT LIABILITIES				
Payables	17,25	9,377	8,165	8,224
Current tax liabilities		..	..	..
Accrued employee benefits		1,518	1,495	1,537
Interest bearing liabilities and derivatives	26,32	558	565	7
Provisions		..	..	..
Other		1,670	1,534	1,545
Total current liabilities		13,123	11,759	11,313
NON-CURRENT LIABILITIES				
Payables		..	..	..
Deferred tax liabilities	18,27	934	1,532	1,532
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		934	1,532	1,532
TOTAL LIABILITIES		14,057	13,291	12,845
NET ASSETS/(LIABILITIES)		27,787	35,886	24,960
EQUITY				
TOTAL EQUITY		27,787	35,886	24,960

Cash flow statement

CITEC	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	33,41	147,756	161,653	150,896
Grants and other contributions		..	..	..
Interest received		369	163	156
Other		5,931	5,931	6,677
Outflows:				
Employee costs		(41,971)	(40,153)	(40,370)
Supplies and services	34,37	(102,441)	(110,041)	(105,331)
Grants and subsidies		..	..	..
Borrowing costs	35,38	(123)	(78)	(67)
Taxation equivalents paid		..	..	..
Other		(14,487)	(14,253)	(14,949)
Net cash provided by or used in operating activities		(4,966)	3,222	(2,988)
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	36,39	(5,900)	(3,100)	(3,100)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		(5,900)	(3,100)	(3,100)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions	40,42	(1,344)	(1,344)	(558)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Dividends paid		..	..	..
Net cash provided by or used in financing activities		(1,344)	(1,344)	(558)
Net increase/(decrease) in cash held		(12,210)	(1,222)	(6,646)
Cash at the beginning of financial year		12,438	17,533	16,311
Cash transfers from restructure		..	..	..
Cash at the end of financial year		228	16,311	9,665

Explanation of variances in the financial statements

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

Income statement

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

1. Increase mainly reflects higher than anticipated revenue from Information Brokerage private sector customers.
2. Increase reflects higher Information Brokerage provider costs associated with higher than anticipated revenue.
3. Decrease reflects lower than anticipated CITEC borrowings in 2015-16.
4. Decrease reflects lower than anticipated insurance and audit costs.

Major variations between 2015-16 Budget and 2016-17 Budget include:

5. Increase reflects higher Information Brokerage provider costs associated with higher than anticipated revenue.
6. Decrease reflects the full payment of CITEC borrowings during 2016-17.
7. Decrease reflects lower than anticipated insurance and audit costs.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

8. Decrease mainly reflects a decline in demand for CITEC services.
9. Decrease is due to lower Information Brokerage provider costs and rationalisation of office accommodation.
10. Decrease is due to rationalisation of information technology assets and a reduced capital program.

Balance sheet

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

11. Increase is due to CITEC's better than anticipated Queensland Government agency revenue and reduced capital program.
12. Decrease reflects better than anticipated customer collections.
13. Decrease reflects a reduction in prepayments associated with project and third party resale activity.
14. Decrease is due to rationalisation of information technology assets and a reduced capital program.
15. Decrease is due to a reduced capital program for Information Brokerage.
16. Decrease reflects a reduction in prepayments of technology costs.
17. Decrease reflects a reduction in payables for technology costs through negotiation of new contracts.
18. Increase is mainly due to the tax effect of temporary differences relating to assets.

Major variations between 2015-16 Budget and 2016-17 Budget include:

19. Increase is mainly due to CITEC's better than anticipated Queensland Government agency revenue and reduced capital program in 2015-16.
20. Decrease reflects a reduction in revenue due to lower demand.
21. Decrease reflects a reduction in prepayments associated with project and third party resale activity.
22. Decrease is due to rationalisation of information technology assets and a reduced capital program.
23. Decrease is due to a reduced capital program for Information Brokerage.
24. Decrease reflects a reduction in prepayments of technology costs.
25. Decrease reflects a reduction in payables for technology costs through negotiation of new contracts.
26. Decrease reflects the full payment of CITEC borrowings during 2016-17.
27. Increase is mainly due to the tax effect of temporary differences relating to assets.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

28. Decrease due to CITEC's expected decline in Queensland Government agency revenue in 2016-17.
29. Decrease reflects a reduction in prepayments associated with project and third party resale activity.
30. Decrease is due to rationalisation of information technology assets and a reduced capital program.
31. Decrease is due to a reduced capital program for Information Brokerage.
32. Decrease reflects the full payment of CITEC borrowings during 2016-17.

Cash flow statement

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

33. Increase mainly reflects higher than anticipated revenue from Information Brokerage private sector customers.
34. Increase reflects higher Information Brokerage provider costs associated with higher than anticipated revenue.
35. Decrease reflects lower than anticipated CITEC borrowings in 2015-16.
36. Decrease is due to a reduced capital program for Information Brokerage.

Major variations between 2015-16 Budget and 2016-17 Budget include:

37. Increase reflects higher Information Brokerage provider costs associated with higher than anticipated revenue.
38. Decrease reflects the full payment of CITEC borrowings during 2016-17.
39. Decrease is due to a reduced capital program for Information Brokerage.
40. Decrease reflects the full payment of CITEC borrowings during 2016-17.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

41. Decrease mainly reflects a decline in demand for CITEC services in 2016-17 and beyond.
42. Decrease reflects the full payment of CITEC borrowings during 2016-17.

Shared service provider

Queensland Shared Services

Overview

Queensland Shared Services (QSS) is a shared service provider of corporate transactional and advisory services to more than 70,000 public servants across 24 Queensland Government departments and agencies. QSS is also responsible for effectively managing the key financial and human resource management/payroll technology solutions that support agencies and underpin its service delivery.

QSS helps customer agencies by providing modern corporate services and trusted advice.

QSS contributes to the department's strategic vision by providing high quality government-to-government services and advice. QSS's focus is on providing comprehensive finance processing and advisory, procurement, payroll processing, workforce advisory and mail support services.

Key impacts for QSS include growth in as-a-service models and business process automation technologies, as well as expanding business advisory and other value-add services for customer agencies.

Service summary

QSS collaborates with customer agencies to improve business processes and progress major consolidation/modernisation initiatives for its core financial management and payroll services and systems.

Planned initiatives for 2016-17 will see QSS deliver upgraded, shared finance and payroll solutions, and introduce new self-service and business process automation capabilities for core functions. This will include accounts payable, corporate card administration and payroll processing.

Successful delivery of these initiatives will provide a higher quality service for customers at reduced cost, enabling agencies to focus on frontline service delivery priorities.

Service performance

Performance statement

Queensland Shared Services

Service area objective

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

Service area description

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

Services

- HR services
- Finance services

Queensland Shared Services	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service area: Queensland Shared Services (QSS)				
Service: HR services				
Service standards				
<i>Effectiveness measures</i>				
Percentage of Payroll Services delivered within Service Agreement standards	1	95%	99.5%	≥97%
Customer satisfaction with HR Services	2	New measure	New measure	80%
<i>Efficiency measure</i>				
Number of pays processed per full-time equivalent per fortnight	3	350	331	≥350
Service: Finance services				
Service standards				
<i>Effectiveness measures</i>				
Percentage of Finance Services delivered within Service Agreement standards	4	95%	95.3%	≥95%
Customer satisfaction with Finance Services	5	New measure	New measure	80%
<i>Efficiency measure</i>				
Number of accounts payable transactions processed per FTE per annum	3	7500	7307	≥7500

Notes:

1. This measure is amended with wording changes to describe the purpose of the measure, to more accurately reflect the data included in this measure and to reflect the name of the service agreements. The method of calculating the results remain unchanged. (Previous measure - Percentage of HR Services delivered within Service Level Agreement standards.) Target increased from 95 per cent to 97 per cent. QSS Service Agreements contain performance standards on which QSS delivers agreed HR services to customer agencies.
2. New measure of effectiveness that measures “overall” customer satisfaction with HR services. HR Services comprises payroll and non-payroll services such as recruitment, establishment management, case management and workforce consultancy services. Interim pulse surveys were conducted to pilot this measure and results were analysed to identify the target.
3. These measures were introduced in 2015-16 as an indicator of productivity. While the 2015-16 Estimated Actual results are slightly below the 2015-16 Target/Estimate there has been steady improvement in productivity through 2015-16. The 2016-17 Target/Estimate reflects the estimated impacts of improvements from business process automation being rolled out to agencies.
4. This measure is amended with slight wording changes to accurately reflect the name of the service agreements. The method of calculating the results remain unchanged (Previous – Service Level Agreement Standards). QSS Service Agreements contain performance standards on which QSS delivers agreed Finance services to customer agencies.
5. New measure of effectiveness that measures “overall” customer satisfaction with finance services. Interim pulse surveys were conducted to pilot this measure and results were analysed to identify the target.

Staffing¹

Queensland Shared Services	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
Queensland Shared Services	2	1,031	1,011	989

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Reductions due to automation of services and a decline in service demand including return of services to clients.

Income statement

Queensland Shared Services	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
INCOME				
User charges and fees		141,949	140,969	136,028
Grants and other contributions	1,4,7	16,255	7,338	8,118
Interest		..	..	..
Other revenue	2,5	237	104	103
Gains on sale/revaluation of assets		..	..	..
Total income		158,441	148,411	144,249
EXPENSES				
Employee expenses		87,435	86,804	85,641
Supplies and services	3,6,8	66,612	57,142	53,851
Grants and subsidies		..	..	..
Depreciation and amortisation		3,223	3,205	3,497
Finance/borrowing costs		..	..	..
Other expenses		1,171	1,260	1,260
Losses on sale/revaluation of assets		..	..	..
Total expenses		158,441	148,411	144,249
OPERATING SURPLUS/(DEFICIT)		..	..	..

Balance sheet

Queensland Shared Services	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CURRENT ASSETS				
Cash assets	9,12	15,208	21,220	15,975
Receivables		16,179	15,241	14,864
Other financial assets		..	..	..
Inventories		..	..	..
Other		1,064	974	977
Non-financial assets held for sale		..	..	..
Total current assets		32,451	37,435	31,816
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	11,13	1,723	1,760	1,541
Intangibles	10,14	25,706	21,743	24,527
Other		..	..	..
Total non-current assets		27,429	23,503	26,068
TOTAL ASSETS		59,880	60,938	57,884
CURRENT LIABILITIES				
Payables		8,676	8,378	8,320
Accrued employee benefits		3,770	3,609	3,691
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		12,446	11,987	12,011
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		12,446	11,987	12,011
NET ASSETS/(LIABILITIES)		47,434	48,951	45,873
EQUITY				
TOTAL EQUITY		47,434	48,951	45,873

Cash flow statement

Queensland Shared Services	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees		156,798	159,789	151,002
Grants and other contributions	15,18,22	16,255	7,338	8,118
Interest received		..	..	..
Other		7,733	7,600	7,232
Outflows:				
Employee costs		(87,404)	(86,153)	(85,612)
Supplies and services	16,19	(73,982)	(62,312)	(61,041)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(15,493)	(15,582)	(15,804)
Net cash provided by or used in operating activities		3,907	10,680	3,895
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	17,20,23	(8,439)	(4,385)	(6,062)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		(8,439)	(4,385)	(6,062)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	21,24	(7,255)	(7,526)	(3,078)
Net cash provided by or used in financing activities		(7,255)	(7,526)	(3,078)
Net increase/(decrease) in cash held		(11,787)	(1,231)	(5,245)
Cash at the beginning of financial year		26,995	22,451	21,220
Cash transfers from restructure		..	..	..
Cash at the end of financial year		15,208	21,220	15,975

Explanation of variances in the financial statements

Income statement

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

1. Decrease reflects funding deferrals relating to business capability and capacity projects.
2. Decrease due to a lower level of sundry client recoveries.
3. Decrease reflects reduced activity relating to capability and capacity projects.

Major variations between 2015-16 Budget and 2016-17 Budget include:

4. Decrease reflects funding deferrals relating to business capability and capacity projects.
5. Decrease due to a lower level of sundry client recoveries.
6. Decrease mainly reflects reduced activity relating to capability and capacity projects.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

7. Increase mainly reflects funding deferrals relating to business capability and capacity projects.
8. Decrease mainly reflects anticipated reductions in software licences, maintenance agreements and processing costs.

Balance sheet

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

9. Increase due to the timing of capital outlays for business capability and capacity projects.
10. Decrease due to the timing of capital outlays for business capability and capacity projects.

Major variations between 2015-16 Budget and 2016-17 Budget include:

11. Decrease due to retirement of leasehold improvements in accordance with lease end date.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

12. Decrease due to the timing of capital outlays for business capability and capacity projects.
13. Decrease due to retirement of leasehold improvements in accordance with lease end date.
14. Increase due to capitalisation of business capability and capacity project costs.

Cash flow statement

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

15. Decrease reflects funding deferrals relating to business capability and capacity projects.
16. Decrease reflects reduced activity relating to capability and capacity projects.
17. Decrease due to the timing of capital outlays for business capability and capacity projects.

Major variations between 2015-16 Budget and 2016-17 Budget include:

18. Decrease reflects funding deferrals relating to business capability and capacity projects.
19. Decrease mainly reflects reduced activity relating to capability and capacity projects.
20. Decrease due to the timing of capital outlays for business capability and capacity projects.
21. Decrease due to business capability and capacity projects equity to output funding swap in 2015-16.

Major variations between 2015-16 Estimated Actual and the 2016-17 Budget include:

22. Increase mainly reflects funding deferrals relating to business capability and capacity projects.
23. Increase due to the timing of capital outlays for business capability and capacity projects.
24. Decrease due to business capability and capacity projects equity to output funding swap in 2015-16.

Glossary of terms

Accrual accounting	Recognition of economic events and other financial transactions involving revenue, expenses, assets, liabilities and equity as they occur and reporting in financial statements in the period to which they relate, rather than when a flow of cash occurs.
Administered items	Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Queensland Government.
Agency/entity	Used generically to refer to the various organisational units within the Queensland Government that deliver services or otherwise service Government objectives. The term can include departments, commercialised business units, statutory bodies or other organisations established by Executive decision.
Appropriation	Funds issued by the Treasurer, under Parliamentary authority, to agencies during a financial year for: <ul style="list-style-type: none"> • delivery of agreed services • administered items • adjustment of the Queensland Government's equity in agencies, including acquiring of capital.
Balance sheet	A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.
Capital	A term used to refer to an entity's stock of assets and the capital grants it makes to other agencies. Assets include property, plant and equipment, intangible items and inventories that an entity owns/controls and uses in the delivery of services.
Cash Flow Statement	A financial statement reporting the cash inflows and outflows for an entity's operating, investing and financing activities in a particular period.
Controlled Items	Assets, liabilities, revenues and expenses that are controlled by departments. These relate directly to the departmental operational objectives and arise at the discretion and direction of that department.
Depreciation	The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.
Equity	Equity is the residual interest in the assets of the entity after deduction of its liabilities. It usually comprises the entity's accumulated surpluses/losses, capital injections and any reserves.
Equity injection	An increase in the investment of the Queensland Government in a public sector agency.

Financial statements	Collective description of the Income Statement, the Balance Sheet and the Cash Flow Statement for an entity's controlled and administered activities.
Income statement	A financial statement highlighting the accounting surplus or deficit of an entity. It provides an indication of whether the entity has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation.
Outcomes	Whole-of-government outcomes are intended to cover all dimensions of community wellbeing. They express the current needs and future aspirations of communities, within a social, economic and environment context.
Own-source revenue	Revenue that is generated by an agency, generally through the sale of goods and services, but it may also include some Commonwealth funding.
Priorities	Key policy areas that will be the focus of Government activity.
Services	The actions or activities (including policy development) of an agency which contribute to the achievement of the agency's objectives.
Service area	Related services grouped into a high level service area for communicating the broad types of services delivered by an agency.
Service standard	Define a level of performance that is expected to be achieved appropriate for the service area or service. Service standards are measures of efficiency or effectiveness.

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

