

State Budget 2013-14

# Service Delivery Statements

Department of Science, Information Technology,  
Innovation and the Arts



# **2013–14 State Budget Papers**

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

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**Service Delivery Statements**

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# Department of Science, Information Technology, Innovation and the Arts

## Summary of portfolio budgets

Page	Agency	2012-13 Budget \$'000	2012-13 Est. Actual \$'000	2013-14 Estimate \$'000
4	Department of Science, Information Technology, Innovation and the Arts - controlled	437,167	421,739	361,933
	Department of Science, Information Technology, Innovation and the Arts - administered	158,746	168,822	152,311
30	CITEC	179,710	178,997	164,777
40	Queensland Shared Services	279,181	231,484	195,207
48	Corporate Administration Agency	10,068	9,902	10,037
54	Library Board of Queensland	58,821	58,354	59,427
62	Queensland Art Gallery	48,371	47,945	46,426
70	Queensland Museum	35,572	35,249	34,417
78	Queensland Performing Arts Trust	45,487	45,793	47,137

### Notes:

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

# PORTFOLIO OVERVIEW

## Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Minister for Science, Information Technology, Innovation and the Arts:

**Minister for Science, Information Technology, Innovation and the Arts**  
**The Honourable Ian Walker MP**

**Department of Science, Information Technology, Innovation and the Arts**

**Director-General: Andrew Garner**

**Service Area 1:** Science Delivery Services

**Service Area 2:** Innovation and Science Development Services

**Service Area 3:** Queensland Government Information and Communication Technology Services

**Service Area 4:** Arts and Culture Services

**Office of the Queensland Chief Scientist**

**Chief Scientist: Dr Geoff Garrett AO**

**Objective:** The Office of the Queensland Chief Scientist provides high level strategic advice to 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 Equivalent (FTEs) employees of this office are reported under Service Area 1: Science Delivery Services.

**Queensland Government Chief Information Office (QGCIO)**

**Queensland Government Chief Information Officer: Peter Grant**

**Objective:** QGCIO provides independent quality advice to government ministers, directors-general and agencies on ICT management and investment issues. For the purposes of this document the financials and FTEs of this office are reported under Service Area 3: Queensland Government Information and Communication Technology.

## **CITEC**

**General Manager: Dallas Stower**

**Objective:** To deliver consolidated data centre, network and infrastructure services, including solutions integration and aggregation services for the whole of Government. CITEC also delivers information brokerage services through CITEC Confirm.

## **Queensland Shared Services**

**General Manager: Margaret Berenyi**

**Objective:** To facilitate and source a range of corporate services including finance, procurement, human resource management, facilities management, and mail support services to enable agencies to focus on their core business of providing essential frontline services.

## **Corporate Administration Agency**

**Executive Director: Evan Hill**

**Objective:** To support the delivery of corporate services to 27 Queensland public sector entities including the Arts Statutory Bodies, companies and other government agencies, allowing government agencies to focus on their respective core business, service delivery options and ensure effective and transparent governance of their corporate systems.

## **Library Board of Queensland**

**State Librarian: Janette Wright**

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

## **Queensland Art Gallery**

**Director: Chris Saines**

**Objective:** The Queensland Art Gallery, incorporating the Gallery of Modern Art, expands, exhibits, publishes on and cares for the Queensland Art Gallery Collection; develops and presents exhibitions (including travelling exhibitions), innovative public programs, events, screenings, and educational programs, services, and resources to enrich visitor experiences.

## Queensland Museum

Chief Executive Officer: Dr Ian Galloway

**Objective:** The Queensland Museum Network connects real objects and contemporary research with communities across the State and beyond, creating authentic and compelling experiences and stories that inspire, enrich and empower. It not only creates memorable experiences of our natural and cultural heritage through a network of museums, but also brings the museum into communities, classrooms and online – a museum without borders that inspires curiosity to connect the past, make sense of the present and help navigate the future.

## Queensland Performing Arts Trust

Chief Executive Officer: John Kotzas

**Objective:** The Queensland Performing Arts Trust manages Queensland's flagship performing arts venue – the Queensland Performing Arts Centre (QPAC). QPAC presents and produces high-quality performing arts productions, providing audiences with memorable experiences while creating opportunities for artists to work together with some of the best local, national and international companies.

Additional information about the department and divisions can be obtained at [www.qld.gov.au/dsitia](http://www.qld.gov.au/dsitia). Additional information is available regarding the Office of the Chief Scientist ([www.chiefscientist.qld.gov.au](http://www.chiefscientist.qld.gov.au)) and the functions of the Queensland Government Chief Information Office ([www.qgcio.qld.gov.au](http://www.qgcio.qld.gov.au)). Information on the statutory authorities of the portfolio can be found at the State Library of Queensland ([www.slq.qld.gov.au](http://www.slq.qld.gov.au)), Queensland Art Gallery ([www.qagoma.qld.gov.au](http://www.qagoma.qld.gov.au)), Queensland Museum ([www.qm.qld.gov.au](http://www.qm.qld.gov.au)) and Queensland Performing Arts Trust ([www.qpac.com.au](http://www.qpac.com.au)) websites.

# RESOURCES AND PERFORMANCE

## DEPARTMENTAL OVERVIEW

### Strategic direction

The Department of Science, Information Technology, Innovation and the Arts (DSITIA) has a pivotal role that underpins the Government's commitment to get Queensland back on track through growing Queensland's economy; revitalising frontline services for families; delivering better infrastructure and planning; and restoring accountability in government. In support of these commitments the department will focus on building upon Queensland's local and international reputation for the arts and science sectors; deliver effective customer-centric services across the State; enable and adopt innovation in government, industry and the community and; support and enable efficient service delivery through the sourcing and contract management of information technology solutions. The department's objectives are:

- strengthen industries in the knowledge and digital economy through science, technology and innovation
- strengthen cultural and economic outcomes for Queensland through a vibrant and creative arts and cultural sector
- efficient and responsive service delivery across and beyond government
- accountable, capable and high performing organisation and culture.

The department recognises there are challenges and opportunities in achieving our objectives within the operating environment. Significant environmental factors include:

- maintaining and developing an appropriately skilled workforce with adequate resources
- providing services in ways that meet community expectations for cost-effective service delivery and a high standard of accountability, transparency and integrity
- synchronising multiple reform agendas and the impact on the department
- assisting in the identification, prioritisation, sourcing and transition of aging technology solutions across the government with fiscal constraints
- implementing the recommendations of the Queensland Commission of Audit relating to the department.

### 2012-2013 Achievements

During 2012-13 the department achieved the following:

- developed and updated innovative environmental information systems providing ready access to scientific information and maps to support decision-making within other State Government departments and to inform industry, small business, educational facilities and the public
- supported the Minister at the international BIO 2013 convention to showcase the State's capabilities to attract new investment and establish strategic collaborations, including an announcement of a new manufacturing medical drug contract in Queensland
- progressed the planning of the Australian Institute of Tropical Health and Medicine by signing a memorandum of understanding with James Cook University to establish key tropical health infrastructure in Townsville, Cairns and the Torres Strait
- finalised the One-Stop Shop plan and business case for consideration by government to provide simpler and easier access to government services
- delivered the access portal as part of the Government's Open Data initiative and expanded the range of datasets published providing the community and business with access to a range of government source data

- revitalised a whole-of-Government Recordkeeping Policy Framework supporting more efficient, consistent and accurate recordkeeping practices across the Queensland public sector
- realised savings and additional value through the negotiation of government ICT contracts which included: \$1.2 million additional value through an all-department consolidation of the Microsoft Premier Support agreement and; \$0.71 million of extra support services as part of the 2013 extension of this agreement; and \$1.65 million savings through negotiations to extend the Queensland Government Microsoft enterprise enrolment a further 12 months
- established the Arts Investment Advisory Board to provide advice on policy, grants processes and administration and priorities for the State Government's investment in arts and culture
- opened the four-year \$3 million Super Star Fund and launched the Playing Queensland Fund which includes a four-year \$3 million boost to touring across Queensland
- compiled a report on the 'Health of Queensland Science' which reviewed Queensland's research and development sector and the current and future science capability contributing to the growth of the State's economy
- implemented a reporting capability for departments to monitor payment timeframes to ensure all bills from suppliers with contracts valued up to \$1 million are paid within 30 days
- delivered an audit of all current government IT systems, applications and support services which assessed how efficiently and effectively they support Government requirements and commenced work in preparation for implementation of audit recommendations.

### 2013-2014 Highlights

During 2013-14 the department will:

- establish a long term monitoring station to investigate the emissions profile of coal trains in South East Queensland
- launch the Wastewater Tracking and Electronic Reporting System (WaTERS), a data management system that receives, stores and provides timely reports on water monitoring data collected by licence holders under the *Environmental Protection Act 1994*
- finalise the Queensland Science and Innovation Action Plan, which aims to ensure the supply of demand-driven science and remove impediments to business driving innovation
- support the Centre for Ageing and Dementia Research via funding to achieve real impacts on dementia patients
- progress the One-Stop Shop vision to provide access to government services and information
- continue to enhance the user functionality of the Open Data portal and extend publishing Departmental data sets including ICT program and project performance data
- plan the implementation of a whole-of-government approach to address the long term management and preservation of Queensland Government digital information assets
- work with Government agencies and industry to drive the ICT agenda including the development of the Public Sector ICT Renewal Strategy and Implementation Plan and the Queensland Government ICT Portfolio Strategy – governance and accountability framework for government consideration to ensure technologies employed support our digital economy
- finalise the action plan and implement the recommendations from the audit of Queensland Government IT systems applications and support services
- release the *Arts for All Queenslanders Strategy* which aims to grow the arts sector, foster a community of the arts and enhance Queensland's reputation as a cultural tourism destination
- implement a new streamlined and flexible arts and cultural investment framework
- complete the Queensland Government R&D Expenditure Report 2012-13, utilising online submission of data for the first time through the Government Statistician
- give effect to the public service reforms accepted by Government in the Queensland Commission of Audit Final Report which includes developing a framework to assess the contestability of DSITIA's services including corporate services, ICT and science delivery.



## Departmental Budget Summary

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

Department of Science, Information Technology, Innovation and the Arts	2012-13 Budget \$'000	2012-13 Est. Actual \$'000	2013-14 Estimate \$'000
<b>CONTROLLED</b>			
<b>Income</b>			
Appropriation for services <sup>1, 2</sup>			
Deferred from previous year/s	57,808	38,730	16,663
Balance of service appropriation	313,845	315,976	261,218
Other revenue	65,514	67,033	84,849
<b>Total income</b>	<b>437,167</b>	<b>421,739</b>	<b>362,730</b>
<b>Expenses</b>			
Science Delivery Services	67,196	66,385	60,724
Innovation and Science Development Services	125,707	104,699	67,197
Queensland Government ICT Services	119,507	122,355	96,340
Arts and Culture Services	124,757	122,352	119,683
Other	..	5,948	17,989
<b>Total expenses</b>	<b>437,167</b>	<b>421,739</b>	<b>361,933</b>
<b>Operating surplus/(deficit)</b>	<b>..</b>	<b>..</b>	<b>797</b>
<b>Net assets</b>	<b>802,149</b>	<b>783,363</b>	<b>761,508</b>
<b>ADMINISTERED</b>			
<b>Revenue</b>			
Commonwealth revenue	..	..	..
Appropriation of administered items	158,713	168,794	152,311
Other administered revenue	2,710	2,705	2,837
<b>Total revenue</b>	<b>161,423</b>	<b>171,499</b>	<b>155,148</b>
<b>Expenses</b>			
Transfers to government	..	..	..
Administered expenses	158,746	168,822	152,311
<b>Total expenses</b>	<b>158,746</b>	<b>168,822</b>	<b>152,311</b>
<b>Net assets</b>	<b>59,973</b>	<b>59,715</b>	<b>62,552</b>
<b>APPROPRIATIONS</b>			
<b>Controlled Items</b>			
Departmental services <sup>1</sup>	382,639	357,686	277,881
Equity adjustment	(67,740)	(77,034)	(43,491)
<b>Administered items</b>	<b>153,418</b>	<b>169,053</b>	<b>152,516</b>
<b>VOTE TOTAL<sup>3</sup></b>	<b>468,317</b>	<b>449,705</b>	<b>386,906</b>

Notes:

1. Appropriation for services does not match appropriation for departmental services in the 2012-13 Estimated Actual due to the payment of appropriation receivable of \$2.98 million.
2. Includes State and Commonwealth funding except for 2012-13 Budget which excluded Commonwealth funding in error.
3. As represented in the 2013-14 Appropriation Bills.

## Budget Measures Summary

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

<b>Department of Science, Information Technology, Innovation and the Arts</b>	<b>2012-13 \$'000</b>	<b>2013-14 \$'000</b>	<b>2014-15 \$'000</b>	<b>2015-16 \$'000</b>	<b>2016-17 \$'000</b>
<b>Revenue measures</b>					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
<b>Expense measures</b>					
Administered	..	..	..	..	..
Departmental	..	(3,000)	(1,000)	(500)	(1,500)
<b>Capital measures</b>					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..

Notes:

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

## Staffing<sup>1</sup>

Service Areas	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
Science Delivery	2	389	389	378
Innovation and Science Development		73	73	71
Queensland Government Information and Communication Technology	3,4	669	669	641
Arts and Culture		122	122	119
<b>Subtotal</b>		<b>1,253</b>	<b>1,253</b>	<b>1,209</b>
Corporate	5,6	31	31	208
<b>TOTAL</b>		<b>1,284</b>	<b>1,284</b>	<b>1,417</b>

### Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Figures include FTEs for Science Delivery and Office of Chief Scientist.
3. Figures include FTEs for ICT Strategic Sourcing, Queensland Government Chief Information Office, Queensland State Archives and Smart Service Queensland.
4. The reduction of FTEs for the 2013-14 Estimate is due to the consolidation of corporate staff offset by an increase in staff relating to some of the resources of the Chief Technology Office transitioning from CITEC to QGCIO.
5. Corporate FTEs provide corporate services within the department as well as to CITEC and Queensland Shared Services.
6. Corporate FTEs have been allocated across the service areas to which they relate for the 2012-13 financial year. For the 2013-14 estimate, corporate FTEs have been consolidated into the Department, with a transfer of 150 FTEs from CITEC and Queensland Shared Services. Corresponding FTE reductions are reported for these entities.

## **SERVICE PERFORMANCE**

### **Services**

Our service areas are:

#### **Science Delivery Services**

Science Delivery provides a scientific evidence base to underpin legislative responsibilities across several Queensland Government Departments. This scientific evidence base contributes to Queensland Government policy and planning related to legislation, ensuring that government decision making is founded on sound, practical science. The work of Science Delivery supports planning and management processes in other Government departments across the environment and natural resources spectrum.

#### **Innovation and Science Development Services**

Innovation and Science Development connects business, innovation, science and technology to improve Queensland's productivity growth and create jobs. The division does this by removing barriers to innovation, commercialisation and business growth; profiling Queensland's science, research and innovation capability; creating networks; and leveraging existing investments and infrastructure.

#### **Queensland Government Information and Communication Technology Services**

QGICT facilitates ICT services to Queensland Government agencies and the public through Smart Service Queensland, Queensland State Archives, ICT Strategic Sourcing and CITEC. The division maintains a centre of excellence for ICT skills and technologies and provides quality ICT services to assist the Government to operate effectively and efficiently. Through these services, and in close cooperation with the Queensland Government Chief Information Officer, QGICT supports the department to meet the intent of the Government's commitments by ensuring a consistent approach to IT systems and applications across Government thus enabling effective and efficient delivery of frontline services.

#### **Arts and Culture Services**

This service area, through Arts Queensland, aims to strengthen cultural and economic outcomes for Queensland through a vibrant and creative arts and cultural sector. Arts Queensland will enable access to arts and culture, grow the arts and cultural sector, build Queensland's cultural reputation and maximise cultural tourism. Services include: policy and evaluation, program development and delivery, arts and cultural investment, funding administration, support for Queensland's arts statutory bodies and government-owned companies and provision of capital infrastructure and management of the State Government's cultural assets.

#### **Shared Services**

Queensland Shared Services supports the department's commitment to efficient and responsive service delivery across government by facilitating a range of corporate services to the majority of Queensland Government agencies and six statutory authorities. It also supports the Department of Education Training and Employment finance system solution and Training HR system solution.

## Red tape reduction

In support of the Government's commitment to red tape reduction DSITIA is adopting several strategies that focus on access to government information and services; driving business through science and innovation; investment in the Arts; and improvement of internal whole-of-Government processes and services. In 2012-13 the department initiated or contributed significantly to 20 red tape reduction initiatives with 15 continuing in 2013-14. Some of these initiatives include:

- One-Stop Shop access to Government services that provides Queenslanders with easy and convenient access to a range of information and services across the phone, face to face and online channels
- providing the platform for the Open Data initiative that enables the public and industry access to Government data sets and provides the opportunity to develop innovative products and services for the State. Other benefits of this will include informing government decision making and contribute to the economic development of Queensland. In 2012-13, the department delivered the technological platform that has enabled agencies to present datasets and contributed by releasing soil data sets from across Queensland. In 2013-14, DSITIA will continue to enhance the user functionality of the portal and will implement datasets in alignment with the departmental Open Data Strategy
- assisting the community and partnering with industry and other agencies to develop innovative information and service based systems. In 2012-13, the department developed several systems which included the Wastewater Tracking and Electronic Reporting System on behalf of the Department of Environment and Heritage Protection (due to go live in 2013-14); released the Magistrates Court and QCAT eFiling product in partnership with the Department of Justice and Attorney-General; and redeveloped and updated data in Wildnet. These initiatives reduced red tape by streamlining regulatory burdens and providing automated or improved processes, such as bulk upload facilities
- streamlining and simplifying arts and cultural funding programs and administration. In 2012-13, Arts Queensland was restructured and the Arts Investment Advisory Board was established to deliver more transparent and streamlined grant services into the future. Savings of \$2.6 million annually are being made across arts administration and the introduction of the new arts and cultural investment framework will simplify the provision of arts grants service delivery
- undertaking internal process improvements within the department around streamlining and/or standardising current processes, forms and reporting with a view to reducing red tape for the government, industry and the community
- simplifying procurement processes for ICT by revising procurement arrangements and the processes and systems that support ICT procurement.

## 2013-14 Service Summary

Service area	Sources of Revenue				
	Total cost \$'000	State Contribution \$'000	User Charges \$'000	C'wealth Revenue \$'000	Other Revenue \$'000
Science Delivery Services	60,724	48,901	1,154	2,576	8,093
Innovation and Science Development Services	67,197	67,171	25	..	798
Queensland Government Information and Communication Technology Services	96,340	62,066	33,698	363	213
Arts and Culture Services	119,683	102,160	16,368	..	1,155
<b>Department</b>	<b>343,944</b>	<b>280,298</b>	<b>51,245</b>	<b>2,939</b>	<b>10,259</b>
<b>Other - corporate</b>	<b>17,989</b>	<b>(2,780)</b>	<b>..</b>	<b>..</b>	<b>20,769</b>
<b>TOTAL</b>	<b>361,933</b>	<b>277,518</b>	<b>51,245</b>	<b>2,939</b>	<b>31,028</b>

### Notes:

1. Explanations of variances are provided in the financial statements.
2. Other – corporate relates to funding provided by CITEC and QSS for corporate support. The State Contribution for this item represents savings measures implemented via corporate charges.
3. Revenue columns do not sum to the 'Total cost' as DSITIA anticipates that it will generate an operating surplus of \$0.797 million in 2013-14.

## Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will only present measures relating to the efficiency or effectiveness of services delivered by government. Measures of input and/or activity, which do not demonstrate effectiveness or efficiency and are no longer relevant measures of the agency's services will be discontinued from being reported in the Service Delivery Statements. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels.

For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

Department of Science, Information Technology, Innovation and the Arts	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
<b>Service Area: Science Delivery Services</b>				
<b>Service standards</b>				
Average time taken to upload air quality monitoring data to the DEHP website		1 hour	59 minutes	1 hour
Percentage of clients satisfied with the natural resource and environmental science, information and services provided	1,2	New measure	New measure	Baseline to be established
<b>State contribution (\$000)</b>		<b>54,830</b>	<b>54,562</b>	<b>48,901</b>
<b>Other revenue (\$000)</b>		<b>12,366</b>	<b>11,823</b>	<b>11,823</b>
<b>Total cost (\$000)</b>		<b>67,196</b>	<b>66,385</b>	<b>60,724</b>
<b>Service Area: Innovation and Science Development Services</b>				
<b>Service standards</b>				
Proportion of stakeholders who are satisfied with Innovation and Science Development services, consultative and engagement processes	3	80%	91%	85%
<b>State contribution (\$000)</b>		<b>123,572</b>	<b>103,922</b>	<b>67,171</b>
<b>Other revenue (\$000)</b>		<b>2,135</b>	<b>777</b>	<b>823</b>
<b>Total cost (\$000)</b>		<b>125,707</b>	<b>104,699</b>	<b>67,197</b>
<b>Service Area: Queensland Government Information and Communication Technology Services (excluding CITEC)</b>				
<b>Service standards</b>				
Client satisfaction				
Smart Service Queensland (SSQ)	4,5,6	65%	53%	≥80%
Customer satisfaction with the services delivered by SSQ	4	≥ 80%	83%	≥ 80%



<b>Department of Science, Information Technology, Innovation and the Arts</b>	<b>Notes</b>	<b>2012-13 Target/Est.</b>	<b>2012-13 Est. Actual</b>	<b>2013-14 Target/Est.</b>
Customer satisfaction with Queensland State Archives' delivery of services to the public (QSA)		93%	93.4%	≥93%
Cost per capita per week to provide archival services to Queensland (QSA)	1,7	New measure	New measure	Baseline to be established
<b>State contribution (\$000)</b>		<b>84,435</b>	<b>88,381</b>	<b>62,066</b>
<b>Other revenue (\$000)</b>		<b>35,072</b>	<b>33,974</b>	<b>34,274</b>
<b>Total cost (\$000)</b>		<b>119,507</b>	<b>122,355</b>	<b>96,340</b>

#### **Service Area: Arts and Culture Services**

##### **Service standards**

Level of client satisfaction with Arts Queensland's funding programs and services

85%                      80%                      85%

Commercial revenue as a percentage of total revenue

1,8

New measure

New measure

12%

**State contribution (\$000)**

**108,816**

**104,201**

**102,160**

**Other revenue (\$000)**

**15,941**

**18,151**

**17,523**

**Total cost (\$000)**

**124,757**

**122,352**

**119,683**

#### Notes:

1. This is a new measure that will come into effect in the 2013-14 financial year. As a result, there is no 2012-13 Target or Estimated Actual figure to be recorded.
2. This is a new measure of effectiveness for Science Delivery. The first annual survey will be conducted in the first half of 2013-14 and will be the baseline for reporting over subsequent years.
3. A number of events with a high number of stakeholder participants, for example the Partners in Technology briefings, especially those occurring during the third quarter of the year, who rated their satisfaction level very highly contributed to an increased 2012-13 estimated actual.
4. SSQ customers are defined as the Queensland public and SSQ clients are defined as government agencies.
5. An error in the SDS production process last year resulted in the incorrect figure being published as the 2012-13 Target/Estimate for this measure. The SSQ client satisfaction target figure for 2012-13 should have been ≥80%.
6. The client satisfaction result of 53% represents the satisfaction of internal government agencies with their relationship with Smart Service Queensland who deliver services on their behalf to the public. The overall result is below the set target, with those clients involved directly in service delivery having a satisfaction level as high as 78%. The results identify operational areas for improvement.
7. This measure will be established in the second half of 2013-14 and will be the baseline for reporting over subsequent years.
8. This measure will provide an indication of Arts Queensland's efficiency in building commercial revenue streams.

## Administered Items

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

DSITIA administers funds on behalf of the State for the arts statutory bodies including the Library Board of Queensland, the Queensland Art Gallery, the Queensland Museum, the Queensland Performing Arts Trust, the Queensland Theatre Company and Screen Queensland.

The department administers funds for CITEC and QSS. CITEC is the primary technology provider to Queensland Government, delivering agency-specific information and communication technology, including data centres, networks and infrastructure. QSS provides a range of corporate services, and the associated human resources, payroll and finance technology systems, to the majority of Queensland Government departments.

The Annual amount of administered funding provided for each entity in 2013-14 is:

- \$55 million for State Library of Queensland
- \$21.4 million for Queensland Museum
- \$31.4 million for Queensland Art Gallery
- \$9.1 million for Queensland Performing Arts Trust
- \$2.6 million for Queensland Theatre Company
- \$9.8 million for Screen Queensland
- \$7.1 million for CITEC
- \$15.9 million for Queensland Shared Services.

The financial statements and variances notes for the Library Board of Queensland, the Queensland Art Gallery, the Queensland Museum, Queensland Performing Arts Trust, CITEC and QSS are separately reported within the Service Delivery Statement.

Financial statements and variance explanations in relation to Administered Items appear in the Departmental Financial Statements.

## CAPITAL

### Capital program

The capital program for 2013-14 for DSITIA (excluding its statutory bodies, commercialised business unit and shared service providers) is \$5.2 million for capital purchases.

The capital program focuses on maintaining the State's art and cultural assets, its science research facilities and equipment, and providing reliable information systems, technologies and infrastructure to support service delivery across Government and to the community.

The main expenditure to be undertaken in 2013-14 includes:

- \$2.9 million for the replacement of essential scientific equipment used for environmental and natural resources research undertaken by the department for a wide range of Queensland Government departments
- \$1.0 million for the installation of a supplementary lift at the Queensland Performing Arts Centre and upgrade works to the function spaces.

### Capital budget statement

Department of Science, Information Technology, Innovation and the Arts	Notes	2012-13 Budget \$'000	2012-13 Est. Actual \$'000	2013-14 Estimate \$'000
<b>Capital Purchases<sup>1</sup></b>				
Total land, buildings and infrastructure		..	..	..
Total plant and equipment		6,637	6,637	4,665
Total other capital		502	502	502
<b>Total Capital Purchases</b>		<b>7,139</b>	<b>7,139</b>	<b>5,167</b>

Notes:

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

# BUDGETED FINANCIAL STATEMENTS

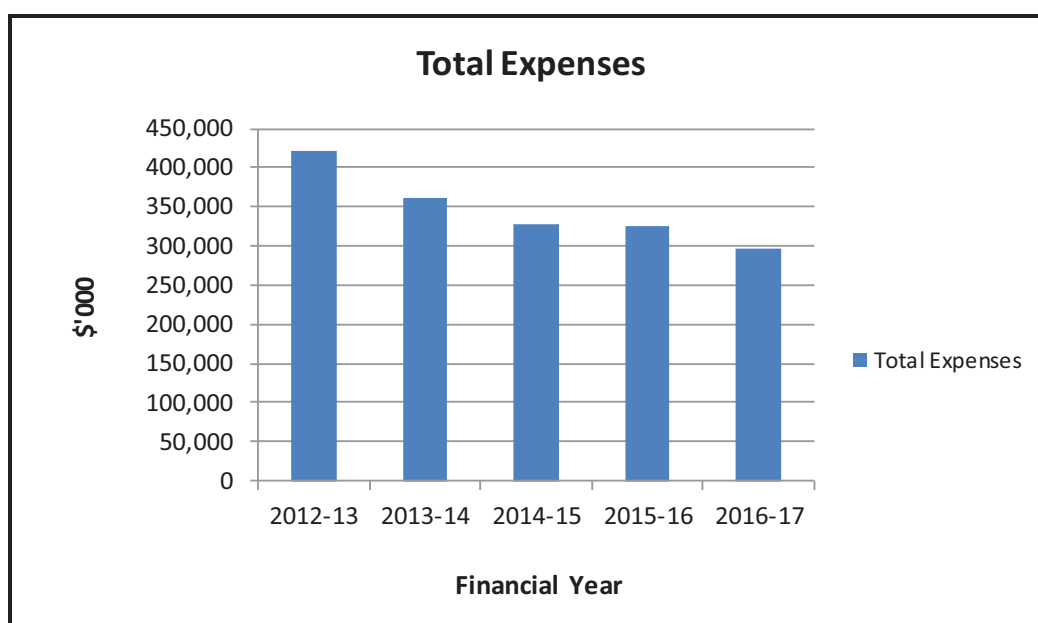
## ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

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

### Departmental income statement

Total expenses are estimated to be \$362 million in 2013-14, a decrease of \$60 million from the 2012-13 financial year estimated actual. The decrease is mainly due to the full year impact of the fiscal repair savings and the end of limited life grant funding. The decrease over the next few years is a result of reducing limited life funding for specific initiatives.

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



### Departmental balance sheet

The department's major assets are in buildings (\$452 million) and land (\$222 million) with buildings expected to depreciate by approximately 20% and land to increase through revaluations by 10% over the next three years.

## INCOME STATEMENT

Department of Science, Information Technology, Innovation and the Arts	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Income</b>				
Service revenue	5,11	371,999	354,706	277,881
User charges		51,960	51,019	51,245
Grants and other contributions		11,134	11,344	10,716
Other revenue	1,6,12	2,074	4,670	22,888
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>437,167</b>	<b>421,739</b>	<b>362,730</b>
<b>Expenses</b>				
Employee expenses	2,7,13	122,823	129,264	126,590
Supplies and services	3,8,14	117,308	117,282	94,252
Grants and subsidies	4,9,15	129,074	107,246	89,088
Depreciation and amortisation		49,921	49,921	49,981
Finance/borrowing costs	10,16	16,112	16,112	254
Other expenses		1,929	1,914	1,768
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total expenses</b>		<b>437,167</b>	<b>421,739</b>	<b>361,933</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>797</b>

## STATEMENT OF CHANGES IN EQUITY

Department of Science, Information Technology, Innovation and the Arts	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	18,21	8,474	8,474	20,186
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>8,474</b>	<b>8,474</b>	<b>20,186</b>
Surplus/(deficit) for the period		..	..	797
<b>Total recognised income and expense for the period</b>		<b>8,474</b>	<b>8,474</b>	<b>20,983</b>
Equity injection/(withdrawal)	19,22	(60,704)	(60,704)	(43,491)
Equity adjustments (MoG transfers)	17,20,23	(2,667)	(3,267)	653
<b>Total movement in equity for period</b>		<b>(54,897)</b>	<b>(55,497)</b>	<b>(21,855)</b>

## BALANCE SHEET

Department of Science, Information Technology, Innovation and the Arts	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets	24,30,37	33,811	5,588	6,552
Receivables		18,652	19,126	19,126
Other financial assets		..	..	..
Inventories		..	9	9
Other		678	645	645
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>53,141</b>	<b>25,368</b>	<b>26,332</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		34,952	32,176	33,863
Other financial assets		..	..	..
Property, plant and equipment		748,337	749,286	724,450
Intangibles	25,31	14,652	12,966	13,158
Other		..	..	..
<b>Total non-current assets</b>		<b>797,941</b>	<b>794,428</b>	<b>771,471</b>
<b>TOTAL ASSETS</b>		<b>851,082</b>	<b>819,796</b>	<b>797,803</b>
<b>CURRENT LIABILITIES</b>				
Payables	26,32	38,488	24,671	24,671
Accrued employee benefits	27,33	4,054	2,756	2,756
Interest-bearing liabilities and derivatives	28,34	3,435	8,544	8,406
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>45,977</b>	<b>35,971</b>	<b>35,833</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives	29,35	2,956	462	462
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>2,956</b>	<b>462</b>	<b>462</b>
<b>TOTAL LIABILITIES</b>		<b>48,933</b>	<b>36,433</b>	<b>36,295</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>802,149</b>	<b>783,363</b>	<b>761,508</b>
<b>EQUITY</b>				
Capital/contributed equity		830,861	809,110	766,272
Accumulated surplus/(accumulated deficit)		(47,105)	(44,372)	(43,575)
Reserves:				
- Asset revaluation surplus	36,38	18,393	18,625	38,811
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>802,149</b>	<b>783,363</b>	<b>761,508</b>

## CASH FLOW STATEMENT

Department of Science, Information Technology, Innovation and the Arts	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Service receipts	46,55	382,639	357,686	277,881
User charges	39,56	51,960	45,091	51,245
Grants and other contributions		11,134	11,344	10,716
Other	40,47,57	1,322	87,501	22,091
<b>Outflows:</b>				
Employee costs		(122,823)	(129,264)	(126,590)
Supplies and services	41,48,58	(117,308)	(229,161)	(94,252)
Grants and subsidies	42,49,59	(129,074)	(107,246)	(89,088)
Borrowing costs		(83)	(83)	(83)
Other	43,50,60	(38,100)	(2,439)	(1,768)
<b>Net cash provided by/(used in) operating activities</b>		<b>39,667</b>	<b>33,429</b>	<b>50,152</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		16	16	16
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles	51,61	(7,139)	(7,139)	(5,167)
Payments for investments		..	..	..
Loans and advances made	52,62	(25,979)	(25,979)	(408)
<b>Net cash provided by/(used in) investing activities</b>		<b>(33,102)</b>	<b>(33,102)</b>	<b>(5,559)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections	44,53,63	9,489	13,633	2,667
<b>Outflows:</b>				
Borrowing redemptions		533	(138)	(138)
Finance lease payments		..	..	..
Equity withdrawals	45,54,64	(77,229)	(90,667)	(46,158)
<b>Net cash provided by/(used in) financing activities</b>		<b>(67,207)</b>	<b>(77,172)</b>	<b>(43,629)</b>
<b>Net increase/(decrease) in cash held</b>		<b>(60,642)</b>	<b>(76,845)</b>	<b>964</b>
<b>Cash at the beginning of financial year</b>		<b>98,472</b>	<b>86,452</b>	<b>5,588</b>
Cash transfers from restructure		(4,019)	(4,019)	..
<b>Cash at the end of financial year</b>		<b>33,811</b>	<b>5,588</b>	<b>6,552</b>

## ADMINISTERED INCOME STATEMENT

Department of Science, Information Technology, Innovation and the Arts	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Revenues</b>				
Commonwealth grants		..	..	..
Taxes, fees and fines		..	..	..
Royalties, property income and other territorial revenue		..	..	..
Interest	65,69,72	33	28	..
Administered revenue	66,73	158,713	168,794	152,311
Other		2,677	2,677	2,837
<b>Total revenues</b>		<b>161,423</b>	<b>171,499</b>	<b>155,148</b>
<b>Expenses</b>				
Supplies and services	67,70,74	14,382	20,306	7,630
Depreciation and amortisation		..	..	..
Grants and subsidies		144,331	148,488	144,681
Benefit payments		..	..	..
Borrowing costs	68,71,75	33	28	..
Other		..	..	..
<b>Total expenses</b>		<b>158,746</b>	<b>168,822</b>	<b>152,311</b>
<b>Net surplus or deficit before transfers to Government</b>		<b>2,677</b>	<b>2,677</b>	<b>2,837</b>
<b>Transfers of administered revenue to Government</b>		..	..	..
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>2,677</b>	<b>2,677</b>	<b>2,837</b>



## ADMINISTERED BALANCE SHEET

Department of Science, Information Technology, Innovation and the Arts	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets	76,78	752	2,661	2,661
Receivables		141	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>893</b>	<b>2,661</b>	<b>2,661</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		59,080	57,054	59,891
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>59,080</b>	<b>57,054</b>	<b>59,891</b>
<b>TOTAL ADMINISTERED ASSETS</b>		<b>59,973</b>	<b>59,715</b>	<b>62,552</b>
<b>CURRENT LIABILITIES</b>				
Payables		..	..	..
Transfers to Government payable		..	..	..
Interest-bearing liabilities		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Interest-bearing liabilities		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL ADMINISTERED LIABILITIES</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>ADMINISTERED NET ASSETS/(LIABILITIES)</b>		<b>59,973</b>	<b>59,715</b>	<b>62,552</b>
<b>EQUITY</b>				
Capital/Contributed equity		56,411	53,901	53,901
Accumulated surplus/(Accumulated deficit)	77,79,80	3,562	5,814	8,651
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
<b>TOTAL ADMINISTERED EQUITY</b>		<b>59,973</b>	<b>59,715</b>	<b>62,552</b>

## ADMINISTERED CASHFLOW STATEMENT

Department of Science, Information Technology, Innovation and the Arts	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Administered item receipts	81,92	155,625	168,794	152,311
Grants and other contributions		..	..	..
Taxes, fees and fines		..	..	..
Royalties, property income and other territorial revenues		..	..	..
Other		..	1,100	..
<b>Outflows:</b>				
Transfers to Government		..	..	..
Grants and subsidies		(144,331)	(148,488)	(144,681)
Supplies and services	82,87,93	(14,382)	(20,306)	(7,630)
Borrowing costs		..	..	..
Other		..	(720)	..
<b>Net cash provided by/(used in) operating activities</b>		<b>(3,088)</b>	<b>380</b>	<b>..</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed	83,88,94	4,553	3,191	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>4,553</b>	<b>3,191</b>	<b>..</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections	84,89,95	9,737	6,965	6,019
<b>Outflows:</b>				
Borrowing redemptions	85,90,96	(3,453)	(3,191)	..
Finance lease payments		..	..	..
Equity withdrawals	86,91,97	(10,708)	(7,965)	(6,019)
<b>Net cash provided by/(used in) financing activities</b>		<b>(4,424)</b>	<b>(4,191)</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>(2,959)</b>	<b>(620)</b>	<b>..</b>
<b>Administered cash at beginning of financial year</b>		<b>3,711</b>	<b>3,281</b>	<b>2,661</b>
Cash transfers from restructure		..	..	..
<b>Administered cash at end of financial year</b>		<b>752</b>	<b>2,661</b>	<b>2,661</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

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

1. The increase in other revenue is due to a reclassification of corporate service charges collected from portfolio entities from user charges to other revenue.
2. The increase in employee expenses from 2012-13 Budget to Estimated Actual is explained by the cost of redundancies related to the fiscal repair measures announced in the 2012-13 Budget. At the time of the 2012-13 Budget, the cost of redundancies was held centrally.
3. The decrease in supplies and services is mainly due to fiscal repair savings, return of ICT Investment Funds to Consolidated fund, the reallocation of capital maintenance costs to capital works offset by funds received for the whole-of-government Microsoft Agreement.
4. The decrease in grants and subsidies is mainly due to the deferral of Innovation and Science Development grants in line with contract commitments.

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

5. The decrease in service revenue is mainly due to the end of limited life grant funding and the full year effect of fiscal repair savings made in 2012-13 and additional employee savings in 2013-14.
6. The increase in other revenue is due to cost recovery for centralised corporate services from CITEC and Queensland Shared Service (QSS).
7. The increase in employee expenses is due to the transfer of corporate services staff from CITEC and QSS, and Enterprise Bargaining agreement costs offset by the full year impact of fiscal repair savings from 2012-13 and additional employee savings in 2013-14.
8. The decrease in supplies and services is mainly due to the full year effect of fiscal repair savings and the end of limited life funding in relation to the ICT Investment Fund.
9. The decrease in grants and subsidies is mainly due to a reduction in limited life funding for Innovation and Science Development grants offset by funding deferrals from 2012-13.
10. The decrease in finance costs relates to the loan forgiveness component of the Innovation Building Fund.

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

11. The decrease in service revenue is mainly due to the end of limited life grant funding, the full year effect of fiscal repair savings made in 2012-13 and additional employee savings in 2013-14 offset by funding deferrals.
12. The increase in other revenue is due to cost recovery for centralised corporate services from CITEC and QSS to form a centralised corporate services delivery model.
13. The decrease in employee expenses is due to a reduction in the cost of redundancies related to the fiscal repair measures announced in the 2012-13 Budget, the full year impact of fiscal repair savings made in 2012-13 and additional employee savings in 2013-14 offset by the transfer of corporate services staff from CITEC and QSS, and Enterprise Bargaining agreement costs.
14. The decrease in supplies and services is mainly due to the full year effect of fiscal repair savings, the end of limited life funding and funds received for the whole-of-government Microsoft Agreement.
15. The decrease in grants and subsidies is mainly due to a reduction in limited life funding for Innovation and Science Development grants offset by funding deferrals from 2012-13.
16. The decrease in finance costs relates to the loan forgiveness component of the Innovation Building Fund.

### Statement of changes in equity

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

17. The decrease is due to post machinery-of-Government adjustments in relation to the original transfer of assets and liabilities.

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

18. An increase in the asset revaluation reserve is due to the expected increase in land and building values relating to Arts Queensland.
19. The decrease in equity withdrawals relates to the Innovation Building Fund which is scheduled to conclude in 2013-14.

20. The increase is due to post machinery-of-Government adjustments in relation to the original transfer of assets and liabilities.

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

21. An increase in the asset revaluation reserve is due to the expected increase in land and building values relating to Arts Queensland.
22. The decrease in equity withdrawals relates to the Innovation Building Fund which is scheduled to conclude in 2013-14.
23. The increase is due to post machinery-of-Government adjustments in relation to the original transfer of assets and liabilities.

## **Balance sheet**

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

24. The decrease in cash is mainly due to an increase in payments to other agencies for costs incurred on behalf of the department.
25. The decrease in intangibles is due to the amortisation of intangibles and limited replacement of assets.
26. The decrease in payables is due to reduced charging from agencies for costs incurred on behalf of the department due to the establishment of systems combined with reduced flood recovery works and other maintenance works accruals.
27. The decrease in accrued employee benefits is due to the recalculation of costs based on actual FTEs at the end of financial year.
28. The increase in current interest-bearing liabilities is due to movements on the Revolving Film Finance Fund including new loans, repayments, capitalised interest and classification between non-current and current.
29. The decrease in non-current interest-bearing liabilities is due to the reclassification of the Revolving Film Finance Fund loans from non-current to current.

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

30. The decrease in cash is mainly due to an increase in payments to other agencies for costs incurred on behalf of the department.
31. The decrease in intangibles is due to the amortisation of intangibles and limited replacement of assets.
32. The decrease in payables is due to reduced charging from agencies for costs incurred on behalf of the department due to the establishment of systems combined with reduced flood recovery works and other maintenance works accruals.
33. The decrease in accrued employee benefits is due to the recalculation of costs based on the actual FTEs at the end of financial year.
34. The increase in current interest-bearing liabilities is due to movements on the Revolving Film Finance Fund including new loans, repayments, capitalised interest and classification between non-current and current.
35. The decrease in non-current interest-bearing liabilities is due to the reclassification of the Revolving Film Finance Fund loans from non-current to current.
36. An increase in the asset revaluation reserve is due to an expected increase resulting from the 2013-14 revaluation relating to Arts Queensland for land and buildings.

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

37. The increase in cash is mainly due to the capital program being less than the retained depreciation and amortisation expenses for the 2013-14 financial year.
38. An increase in the asset revaluation reserve is due to an expected increase resulting from the 2013-14 revaluation relating to Arts Queensland for land and buildings.

## **Cash flow statement**

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

39. The decrease in user charges is mainly due to the drawing down of unearned revenue in the 2012-13 financial year.
40. The increase in other is mainly due to a reduction in sundry receivables.

41. The increase in supplies and services is mainly due to a reduction in payables relating to reduced charging from agencies for costs incurred on behalf of the Department, reclassification of payables from other to supplies and services and funds received for the whole-of-government Microsoft Agreement.
42. The decrease in grants and subsidies is mainly due to the deferral of Innovation and Science Development grants in line with contract commitments.
43. The decrease in other is due to a reclassification of payables from other to supplies and services.
44. The increase in equity injection is due to recognising the gross equity injection and withdrawal movements rather than net equity withdrawal amount.
45. The increase in equity withdrawals is mainly due to the cash payment of equity withdrawals relating to the 2011-12 financial year offset by an increase due to recognising gross equity injection and withdrawal movements rather than net equity withdrawal amount.

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

46. The decrease in service revenue is mainly due to the end of limited life grant funding, the full year effect of fiscal repair savings made in 2012-13 and additional employee savings in 2013-14.
47. The increase in other is due to cost recovery for centralised corporate services from CITEC and QSS to form a centralised corporate services delivery model.
48. The decrease in supplies and services is mainly due to the full year effect of fiscal repair savings and the end of limited life funding in relation to ICT related costs.
49. The decrease in grants and subsidies is mainly due to a reduction in limited life funding for Innovation and Science Development grants offset by funding deferrals from 2012-13.
50. The decrease in other is due to a reclassification of payables from other to supplies and services.
51. The decrease in payments for property, plant and equipment and intangibles is due to a reduction in capital purchases relating to Smart Service Queensland and Science Delivery.
52. The decrease in loan and advances made relates to the Innovation Building Fund which is scheduled to conclude in 2013-14.
53. The decrease in equity injections relates to the Innovation Building Fund which is scheduled to conclude in 2013-14 and return of funding for capital projects offset by the capitalisation of capital maintenance costs from work in progress in 2013-14.
54. The decrease in equity withdrawal is mainly due to the Innovation Building Fund which is scheduled to conclude in 2013-14.

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

55. The decrease in service revenue is mainly due to the end of limited life grant funding, the full year effect of fiscal repair savings made in 2012-13 and additional employee savings in 2013-14 offset by funding deferrals.
56. The increase in user charges is mainly due to the drawing down of unearned revenue relating to user charges in 2012-13 financial year.
57. The decrease in other is mainly due to a reduction in sundry receivables in the 2012-13 financial year.
58. The decrease in supplies and services is mainly due to a reduction in payables relating to reduced reimbursements to agencies for costs incurred on behalf of the department in 2012-13 financial year.
59. The decrease in grants and subsidies is mainly due to a reduction in limited life funding for Innovation and Science Development grants offset by funding deferrals from 2012-13.
60. The decrease in other is mainly due to a reduction in sundry payables relating to other expenses in the 2012-13 financial year.
61. The decrease in payments for property, plant and equipment and intangibles is due to a reduction in capital purchases relating to Smart Service Queensland and Science Delivery.
62. The decrease in loan and advances made relates to the Innovation Building Fund which is scheduled to conclude in 2013-14.
63. The decrease in equity injections relates to the Innovation Building Fund which is scheduled to conclude in 2013-14 and return of funding for capital projects offset by the capitalisation of capital maintenance costs from work in progress in 2013-14.
64. The decrease in equity withdrawal is mainly due to the Innovation Building Fund which is scheduled to conclude in 2013-14.

## Administered income statement

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

65. The decrease in interest revenue is due to the final repayment of the Village Roadshow Studios Loan in 2012-13 being lower than budgeted.
66. The increase is due to additional funding for Voluntary Redundancies for CITEC and QSS and funding for the Polaris Data Centre.
67. The increase in supplies and services is due to additional funding for Voluntary Redundancies for CITEC and QSS.
68. The decrease in borrowing costs is due to the final repayment of the Village Roadshow Studios Loan in 2012-13 being lower than budgeted.

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

69. The decrease in interest revenue is due to the final repayment of the Village Roadshow Studios Loan in 2012-13 and no further administered loans expected.
70. The decrease in supplies and services is mainly due to the transfer of some of the resources of the Chief Technology Office from CITEC transitioning to QGCIO and a reduction in project activity.
71. The decrease in borrowing costs is due to the final repayment of the Village Roadshow Studios Loan in 2012-13 and no further administered loans are expected.

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

72. The decrease in interest revenue is due to the final repayment of the Village Roadshow Studios Loan in 2012-13 and no further administered loans are expected.
73. The decrease in administered item revenue is due to reductions in funding for Voluntary Redundancies and deferrals for CITEC and QSS in 2013-14.
74. The decrease in supplies and services is due to reductions in funding for CITEC and QSS in 2013-14.
75. The decrease in borrowing costs is due to the final repayment of the Village Roadshow Studios Loan in 2012-13 and no further administered loans expected.

## Administered balance sheet

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

76. The increase in cash assets is due to a reduction in administered receivables.
77. The increase in retained surplus relates to capitalised interest for Smart State Research Fund loans.

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

78. The increase in cash assets is due to a reduction in administered receivables.
79. The increase in retained surplus relates to capitalised interest for Smart State Research Fund loans.

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

80. The increase in retained surplus relates to capitalised interest for Smart State Research Fund loans.

## Administered cash flow statement

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

81. The increase in administered item receipts is due to additional funding for Voluntary Redundancies for CITEC and QSS and funding for the Polaris Data Centre.
82. The increase in supplies and services is due to additional funding for Voluntary Redundancies for CITEC and QSS.
83. The decrease in loans and advances redeemed is due to the final repayment of the Village Roadshow Studios Loan in 2012-13 being lower than budgeted.
84. The decrease in equity injections is mainly due to the transfer of software relating to the Queensland Health Services machinery-of-Government payroll system transfer from QSS.
85. The decrease in borrowing redemptions is due to the final repayment of the Village Roadshow Studios Loan and other loans in 2012-13 being lower than budgeted.
86. The decrease in equity withdrawals is mainly due to the transfer of software relating to the Queensland Health Services machinery-of-Government payroll system transfer from QSS.

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

87. The decrease in supplies and services is mainly due to the transfer of some of the resources of the Chief Technology Office from CITEC transitioning to QGCIO and a reduction in project activity.
88. The decrease in loans and advances redeemed is due to the final repayment of the Village Roadshow Studios Loan in 2012-13 and no further administered loans are expected.
89. The decrease in equity injections is mainly due to the transfer of software relating to the Queensland Health Services machinery-of-Government payroll system transfer from QSS.
90. The decrease in borrowing redemptions is due to the final repayment of the Village Roadshow Studios Loan in 2012-13 and no further administered loans are expected.
91. The decrease in equity withdrawals is mainly due to the transfer of software relating to the Queensland Health Services machinery-of-Government payroll system transfer from QSS.

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

92. The decrease in administered item receipts is due to reductions in funding for Voluntary Redundancies and deferrals for CITEC and QSS in 2013-14.
93. The decrease in supplies and services is mainly due to the transfer of some of the resources of the Chief Technology Office from CITEC transitioning to QGCIO and reductions in project activity and the cost of redundancies related to the fiscal repair measures announced in the 2012-13 Budget.
94. The decrease in loans and advances is due to the final repayment of the Village Roadshow Studios Loan in 2012-13 and no further administered loans are expected.
95. The decrease in equity injections is mainly due to the transfer of software relating to the Queensland Health Services machinery-of-Government payroll system transfer from QSS.
96. The decrease in borrowing redemptions is due to the final repayment of the Village Roadshow Studios Loan in 2012-13 and no further administered loans are expected.
97. The decrease in equity withdrawals is mainly due to the transfer of software relating to the Queensland Health Services machinery-of-Government payroll system transfer from QSS.





# COMMERCIALISED BUSINESS UNIT

## CITEC

### OVERVIEW

#### Strategic direction

CITEC is the Queensland Government's primary Information Communication Technology (ICT) services provider. In partnership with the ICT Industry, CITEC will, on behalf of Queensland Government agencies, leverage its investments and expertise to facilitate the cost effective provision of whole-of-Government ICT infrastructure and services to agreed service standards, enabling agencies to focus on delivering their core business. This contributes to the Government commitments to grow Queensland's four pillar economy and provide infrastructure to revitalise frontline services.

CITEC is also the primary information broker for Queensland Government (CITEC Confirm) delivering information solutions to businesses, governments and individuals Australia-wide on a fully commercial basis. CITEC Confirm delivers more than four million transactions annually to over seven thousand separate business clients.

Since July 2012, CITEC has embarked on a reform agenda targeting financial performance through a range of asset and resource optimisation strategies as well as cost efficiency and reduction activities designed to return the organisation to a financially favourable position. In addition the measure of CITEC's financial performance has been amended to align with CITEC's revised budget forecast replacing the previous method which measured Earnings Before Interest and Tax (EBIT). The revised method measures the Earnings Before Interest and Tax less Depreciation and Amortisation (EBITDA) and is a more appropriate indicator of operational performance of the organisation. Based on EBITDA the CITEC reforms and cost savings have delivered an operational profit for the 2012-13 financial year compared with the 2011-12 financial year's \$22.3 million EBITDA loss.

#### RESOURCES AND PERFORMANCE

In 2012-13, CITEC achieved a number of key objectives including:

- the review and subsequent closure of the Identity, Directory and Email Service (IDES) project
- the progression of Information Communication Technology Consolidation (ICTC) increasing agencies' utilisation of existing ICT infrastructure and continuing data centre consolidation
- delivered CITEC corporate and business areas reforms, including workforce reforms that have significantly improved CITEC's financial viability
- progressed the evaluation of CITEC's business model in line with the Queensland Commission of Audit recommendations accepted by Government.

In 2013-14 CITEC will be significantly impacted by the recommendations of the Queensland Commission of Audit report in particular to discontinue the role of CITEC as a centralised provider of ICT services within government, and initiate a process to divest the CITEC business within two years. This will involve the development of an implementation plan for the transition of existing CITEC services to new "as a service" delivery models where appropriate and build capability to simplify, streamline and manage procurement and contractual arrangements with external providers and legacy CITEC services.

## STATEMENTS

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

CITEC	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
	2	611	505	430

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The decrease in FTEs is due to workforce rationalisation and the transfer of some staff from the Chief Technology Office and corporate to the Department of Science, Information Technology, Innovation and the Arts.

### Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will only present measures that relate to the efficiency or effectiveness of services delivered. Measures of input and/or activity which do not demonstrate the effectiveness or efficiency of the agency's services have been discontinued. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

CITEC	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
<b>Service standards</b>				
Client satisfaction	1,2	80%	N/A	≥65%
EBITDA (EBIT less Depreciation and Amortisation) (\$'000)	3	New measure	New measure	10,734

Notes:

1. The Target/Estimate for 2013-14 for client satisfaction level has been amended to align with industry standards. This industry baseline is variable each year as it is measured on the average of the prior survey performances.
2. Due to the ongoing evaluation and analysis of CITEC's business model, a client satisfaction survey is not expected to begin until July 2013 with the result available in the first half of 2014.
3. EBITDA has been introduced as the new measure to align with CITEC's revised Budget forecast. It measures the earnings before interest, tax, depreciation and amortisation which is a more appropriate indicator of operational performance of the organisation. In 2012-13 the Est. Actual returned a break-even result. The previous target measure was of earnings before interest and tax (EBIT).

## INCOME STATEMENT

CITEC	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Income</b>				
User charges	1,8,15	177,956	165,149	164,270
Grants and other contributions	2	..	4,837	..
Other revenue	3,9,16	2,139	804	609
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>180,095</b>	<b>170,790</b>	<b>164,879</b>
<b>Expenses</b>				
Employee expenses	4,10,17	60,255	62,213	48,534
Supplies and services	11,18	100,295	101,655	104,295
Grants and subsidies		..	..	..
Depreciation and amortisation	5,12,19	17,189	13,065	10,375
Finance/borrowing costs	6,13,20	1,042	1,127	604
Other expenses		920	921	953
Losses on sale/revaluation of property, plant and equipment and investments		9	16	16
<b>Total expenses</b>		<b>179,710</b>	<b>178,997</b>	<b>164,777</b>
<b>Surplus or deficit before related income tax</b>	7,14,21	<b>385</b>	<b>(8,207)</b>	<b>102</b>
Income tax expense/revenue		115	(2,462)	31
<b>OPERATING SURPLUS/(DEFICIT) after related income tax</b>		<b>270</b>	<b>(5,745)</b>	<b>71</b>

## STATEMENT OF CHANGES IN EQUITY

CITEC	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>..</b>	<b>..</b>	<b>..</b>
Surplus/(deficit) for the period		270	(5,745)	71
<b>Total recognised income and expense for the period</b>		<b>270</b>	<b>(5,745)</b>	<b>71</b>
Equity injection/(withdrawal)	22,23	8,335	9,224	6,224
Equity adjustments (MoG transfers)		..	..	..
Dividends paid or provided		..	..	..
<b>Total movement in equity for period</b>		<b>8,605</b>	<b>3,479</b>	<b>6,295</b>

## BALANCE SHEET

CITEC	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets	24,34	8,707	7,019	13,522
Receivables	25,35	22,774	23,978	24,834
Other financial assets		..	..	..
Inventories		..	..	..
Other	26,36	3,866	4,249	4,642
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>35,347</b>	<b>35,246</b>	<b>42,998</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	27,37,45	25,714	23,679	17,322
Deferred tax assets	38,46	16,286	12,671	12,640
Intangibles	28,39,47	16,245	9,774	8,256
Other		2,551	1,585	1,648
<b>Total non-current assets</b>		<b>60,796</b>	<b>47,709</b>	<b>39,866</b>
<b>TOTAL ASSETS</b>		<b>96,143</b>	<b>82,955</b>	<b>82,864</b>
<b>CURRENT LIABILITIES</b>				
Payables	29,40,48	16,237	11,573	11,677
Interest-bearing liabilities and derivatives	30,41,49	6,180	6,715	6,554
Current tax liabilities		..	..	..
Accrued employee benefits		1,913	1,879	1,919
Provisions		..	..	..
Other		3,772	3,796	3,981
<b>Total current liabilities</b>		<b>28,102</b>	<b>23,963</b>	<b>24,131</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Interest-bearing liabilities and derivatives	31,42,50	7,337	8,533	1,979
Deferred tax liabilities		15	73	73
Accrued employee benefits		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>7,352</b>	<b>8,606</b>	<b>2,052</b>
<b>TOTAL LIABILITIES</b>		<b>35,454</b>	<b>32,569</b>	<b>26,183</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>60,689</b>	<b>50,386</b>	<b>56,681</b>
<b>EQUITY</b>				
Capital/contributed equity	32,43,51	98,424	99,349	105,573
Accumulated surplus/(accumulated deficit)	33,44,52	(37,735)	(48,963)	(48,892)
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>60,689</b>	<b>50,386</b>	<b>56,681</b>

## CASH FLOW STATEMENT

CITEC	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges	53,60	196,770	176,824	176,914
Grants and other contributions	54	..	4,837	..
Other		12,415	7,289	7,221
<b>Outflows:</b>				
Employee costs	55,61,67	(60,531)	(62,246)	(48,526)
Supplies and services	56,62,68	(108,962)	(102,839)	(110,414)
Grants and subsidies		..	..	15
Borrowing costs	57,63,69	(916)	(1,140)	(604)
Taxation equivalents paid		..	..	..
Other		(17,945)	(19,013)	(15,112)
<b>Net cash provided by/(used in) operating activities</b>		<b>20,831</b>	<b>3,712</b>	<b>9,494</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		232	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles	58,64,70	(17,154)	(4,547)	(2,500)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(16,922)</b>	<b>(4,547)</b>	<b>(2,500)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections	65,71	8,335	9,260	6,224
<b>Outflows:</b>				
Dividends paid		..	..	..
Borrowing redemptions	59,66,72	(10,228)	(8,481)	(6,715)
Finance lease payments		(1,056)	(1,073)	..
Equity withdrawals		..	..	..
<b>Net cash provided by/(used in) financing activities</b>		<b>(2,949)</b>	<b>(294)</b>	<b>(491)</b>
<b>Net increase/(decrease) in cash held</b>		<b>960</b>	<b>(1,129)</b>	<b>6,503</b>
<b>Cash at the beginning of financial year</b>		<b>7,747</b>	<b>8,148</b>	<b>7,019</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>8,707</b>	<b>7,019</b>	<b>13,522</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

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

1. The decrease is attributable to declining Government ICT expenditure by agencies awaiting the outcomes of the ICT Audit.
2. The increase in employee expenses from 2012-13 Budget to Estimated Actual is explained by the cost of redundancies related to the fiscal repair measures announced in the 2012-13 Budget. At the time of the 2012-13 Budget, the cost of redundancies was held centrally.
3. The decrease is due to the decision to cease procurement rebates on whole-of-Government ICT Procurement activity.
4. The increase is due to severance and incentive payments made under the Employment Management Program which was not included in the original budget and a reduction in the capitalisation of employee expenses as a result of reduced capital investment offset by savings from this program and other savings in employee expenses.
5. The decrease reflects the reduced capital investment program following the closure of the Identity, Directory and Email Service (IDES) and Information Communication Technology Consolidation (ICTC) Programs. This is also due to a review and revaluation of asset holdings useful lives and further rationalisation and deferral of other capital programs.
6. The increase is due to interest expense in relation to the Working Capital Loan Facility to fund the Voluntary Redundancy payments which were reimbursed in arrears.
7. The decrease in operating surplus is due to a significant decline in CITEC's revenue as a result of reduced ICT spending by government agencies.

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

8. The decrease is attributable to declining Government ICT expenditure by agencies awaiting the outcomes of the ICT Audit.
9. The decrease is due to the decision to cease procurement rebates on whole-of-Government ICT Procurement activity.
10. The decrease is due to savings achieved through workforce rationalisation and the transfer of corporate staff to the parent entity.
11. The increase is due to the cost recovery for centralised corporate services from CITEC and QSS.
12. The decrease reflects the reduced capital investment program following the closure of the Identity, Directory and Email Service (IDES) and Information Communication Technology Consolidation (ICTC) Programs. This is also due to a review and revaluation of asset holdings useful lives and further rationalisation and deferral of other capital programs.
13. The decrease is due to the reduced borrowing requirements in respect to CITEC's internal ICT capital program and subsequent reduction in interest expense.
14. The decrease is mainly due to the discontinuation of the Identity, Directory and Email Service (IDES) service offering and disposal of capital infrastructure.

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

15. The decrease is attributable to declining Government ICT expenditure by agencies awaiting the outcomes of the ICT Audit.
16. The decrease is due to reduced interest revenue.
17. The decrease is due to savings achieved through workforce rationalisation and the transfer of corporate staff to the parent entity.
18. The increase is due to cost recovery for centralised corporate services from CITEC and QSS.
19. The reduction reflects the reduced capital investment program following the review and rationalisation leading to the deferral of capital programs.
20. The decrease is due to the reduced borrowing requirements in respect to CITEC's internal ICT capital program and subsequent reduction in interest expense.
21. The increase is mainly due to the discontinuation of the Identity, Directory and Email Service (IDES) service delivery and cost rationalisation.

## Statement of changes in equity

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

22. The decrease is a result of the timing associated with equity injections required to fund the repayment of the Information Communication Technology Consolidation (ICTC) Program borrowings.

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

23. The decrease is a result of the timing associated with equity injections required to fund the repayment of the Information Communication Technology Consolidation (ICTC) Program borrowings.

## Balance sheet

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

24. The increase is mainly due to the cash impact of decreased employee costs and the discontinuation of the Identity, Directory and Email Service (IDES) program.
25. The increase is due to an alignment of current trade collections during 2012-13 compared to original budget.
26. The increase is a result of prepaid services recognised during 2012-13 compared to original budget.
27. The decrease reflects the reduced capital investment program following the closure of the Identity, Directory and Email Service (IDES) and Information Communication Technology Consolidation (ICTC) Programs.
28. The decrease reflects the reduced capital investment program following the closure of the Identity, Directory and Email Service (IDES) and Information Communication Technology Consolidation (ICTC) Programs.
29. The decrease is due to reduced service delivery expenditure due to the discontinuation of the Identity, Directory and Email Service (IDES) service offering and cost rationalisation.
30. The increase is due to increased borrowing requirements then was originally estimated following the finalisation of the Information Communication Technology Consolidation (ICTC) Program during 2012-13.
31. The increase is due to increased borrowing requirements then was originally estimated following the finalisation of the Information Communication Technology Consolidation (ICTC) Program during 2012-13.
32. The increase is due to increased borrowing repayments during 2013-14 as a result of the timing differences in the repayment of the Information Communication Technology Consolidation (ICTC) Program loan.
33. The significant reduction in CITEC's revenue due to reduced ICT spending by government agencies has led to a decline in the overall financial position. This will improve following the development of the new operating model including a number of cost saving measures.

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

34. The increase is mainly due to the cash impact of decreased employee costs and the discontinuation of the Identity, Directory and Email Service (IDES) program.
35. The increase is due to greater revenue earnings as it is anticipated government agencies will increase ICT spend during 2013-14.
36. The increase is due to recognised prepaid services estimated for 2013-14.
37. The decrease reflects the reduced capital investment program following the closure of Identity, Directory and Email Service (IDES) and Information Communication Technology Consolidation (ICTC) Programs.
38. The decrease is due to reduced carried forward tax losses as a result of the improvement to CITEC's projected surplus.
39. The decrease reflects the reduced capital investment program following the closure of the Identity, Directory and Email Service (IDES) and Information Communication Technology Consolidation (ICTC) Programs.
40. The decrease is due to reduced service delivery expenditure due to the discontinuation of the Identity, Directory and Email Service (IDES) service offering and cost rationalisation.
41. The increase is due to increased borrowing requirements then was originally estimated following the finalisation of the Information Communication Technology Consolidation (ICTC) Program during 2012-13.

42. The decrease is due to the reduced borrowing requirements in respect to CITEC's internal ICT capital program.
43. The increase is due to increased borrowing repayments during 2013-14 as a result of the timing differences in the repayment of the Information Communication Technology Consolidation (ICTC) Program loan.
44. The significant reduction in CITEC's revenue due to reduced ICT spending by government agencies has led to a decline in the overall financial position. This will improve following the development of the new operating model including a number of cost saving measures.

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

45. The decrease reflects the reduced capital investment program following the review and rationalisation leading to the deferral of capital programs.
46. The decrease is due to reduced carried forward tax losses as a result of the improvement to CITEC's projected return.
47. The decrease reflects the reduced capital investment program following the review and rationalisation leading to the deferral of capital programs.
48. The increase is due to greater business activity with the assumption that government agencies will increase ICT spend.
49. The decrease is due to reduced borrowing requirements in respect to CITEC's internal ICT capital program during 2013-14.
50. The decrease is due to repayment of loan debt and reduced borrowing requirements in respect to CITEC's internal ICT capital program during 2013-14.
51. The increase is due to increased borrowing repayments during 2013-14 as a result of the timing differences in the repayment of the Information Communication Technology Consolidation (ICTC) Program loan.
52. Due to the discontinuation of the Identity, Directory and Email Service (IDES) service offering and disposal of capital infrastructure, CITEC projected return has improved.

## Cash flow statement

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

53. The decrease is attributable to declining Government ICT expenditure by agencies awaiting the outcomes of the ICT Audit.
54. The increase in employee expenses from 2012-13 Budget to Estimated Actual is explained by the cost of redundancies related to the fiscal repair measures announced in the 2012-13 Budget. At the time of the 2012-13 Budget, the cost of redundancies was held centrally.
55. The increase is due to severance and incentive payments made under the Employment Management Program which was not included in the original budget. There have also been delays in reducing resources related to project works during 2012-13 than was originally estimated.
56. The decrease is due to the reduction in service delivery expenditure as a result of the discontinuation of the Identity, Directory and Email Service (IDES) service offering and cost rationalisation.
57. The increase is due to increased interest expense related to severance and incentive payments which were temporarily funded by the Working Capital Loan Facility until funding was obtained as part of the Employee Management Program.
58. The decrease reflects the reduced internal capital investment program following closure of the Identity, Directory and Email Service (IDES) and Information Communication Technology Consolidation (ICTC) programs and further rationalisation and deferral of other capital programs.
59. The decrease is due to the reduction in borrowing requirements as a result of CITEC's review and rationalisation of the internal capital investment program and subsequent reduction in loan repayments.

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

60. The decrease is attributable to declining Government ICT expenditure by agencies awaiting the outcomes of the ICT Audit.
61. The decrease is due to savings achieved through workforce rationalisation and the transfer of corporate staff to the parent entity.
62. The increase is due to cost recovery for centralised corporate services from CITEC and QSS.
63. The decrease is due to the reduced borrowing requirements in respect to CITEC's internal ICT capital program and subsequent reduction in interest expense.



64. The decrease reflects the reduced internal capital investment program following closure of the Identity, Directory and Email Service (IDES) and Information Communication Technology Consolidation (ICTC) programs and further rationalisation and deferral of other capital programs.
65. The decrease is a result of the timing associated with equity injections required to fund the repayment of the Information Communication Technology Consolidation (ICTC) Program borrowings.
66. The decrease is due to the reduction in borrowing requirements as a result of CITEC's review and rationalisation of the internal capital investment program and subsequent reduction in loan repayments.

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

67. The decrease is due to savings achieved through workforce rationalisation and the transfer of corporate staff to the parent entity.
68. The increase is due to cost recovery for centralised corporate services from CITEC and QSS.
69. The decrease is due to the reduced borrowing requirements in respect to CITEC's internal ICT capital program and subsequent reduction in interest expense.
70. The decrease reflects the reduced capital investment program following the review and rationalisation leading to the deferral of capital programs.
71. The decrease is a result of the timing associated with equity injections required to fund the repayment of the Information Communication Technology Consolidation (ICTC) Program borrowings.
72. The decrease is due to the reduction in borrowing requirements as a result of CITEC's review and rationalisation of the internal capital investment program and subsequent reduction in loan repayments.



# SHARED SERVICE PROVIDERS

## QUEENSLAND SHARED SERVICES

### OVERVIEW

#### Strategic direction

Queensland Shared Services (QSS) facilitates a range of corporate services including finance, procurement, human resource (HR) management, facilities management, and mail support services to the rest-of-government cluster of departments. QSS also provides core finance and HR systems application support to the rest-of-government cluster as well as supporting the Department of Education Training and Employment finance system solution and Training HR system solution. Currently, QSS delivers payroll to around 99,000 public servants each fortnight, representing approximately 41.4% of the sector.

QSS key objectives are as follows:

- QSS will operate a business model that provides value for money services to its clients that are quantifiable and measurable
- QSS will consolidate, standardise and improve its business processes and systems to meet whole-of-government shared services objectives.

Key factors impacting on QSS include:

- implementing the recommendations of the Queensland Commission of Audit including the removal of the mandated use of centralised corporate service functions through QSS
- empowering QSS to offer services to agencies on a contestable basis in a competitive market environment in existing public sector frameworks
- the need to consistently maintain and upgrade a range of different systems and software versions to manage the HR, payroll and financial management systems including managing risks associated with legacy systems no longer covered by mainstream vendor support
- adjusting QSS resources in response to significant service demand variations across the rest-of-government cluster departments.

### RESOURCES AND PERFORMANCE

During 2012-13, QSS:

- processed 4,508 voluntary redundancy payments, provided 1,532 voluntary redundancy estimates and responded to approximately 11,000 voluntary redundancy queries for departments serviced by QSS up to 31 March 2013
- implemented the vendor payment monitoring report, supporting the Governments' election commitment to ensure that all bills from suppliers involving contracts up to \$1 million are paid within 30 days.

In 2013-14, QSS will:

- implement the recommendations of the Queensland Commission of Audit including a revised shared service delivery model that aims to incorporate contestability, improve efficiency and reduce costs both from a government and departmental perspective
- finalise the upgrade of the Aurion Version 9 HR/Payroll systems to a fully vendor supported Aurion Version 10 version.

## STATEMENTS

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

Queensland Shared Services	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
	2	1,594	1,375	1,285

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The decrease in FTEs is due to a reduction in demand for services from clients, Queensland Health Services machinery-of-government payroll system transfer and the transfer of corporate staff to the Department of Science, Information Technology, Innovation and the Arts.

### Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will only present measures that relate to the efficiency or effectiveness of services delivered. Measures of input and/or activity which do not demonstrate the effectiveness or efficiency of the agency's services have been discontinued. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

Queensland Shared Services	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
<b>Service standards</b>				
Client satisfaction	1	≥ 65%	74.2%	≥ 75%
Labour as a percentage of total costs		52%	56%	56%
Overheads as a percentage of total costs		≤10%	≤ 10%	≤ 10%

Notes:

1. The methodology for capturing client satisfaction was changed in 2012-13 from a five point scale that included a neutral response option to a four point scale that removed the neutral response option from evaluation results.

## INCOME STATEMENT

Queensland Shared Services	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Income</b>				
User charges	1,8,14	261,155	210,857	179,291
Grants and other contributions	9,15	17,472	17,623	15,362
Other revenue	2,16	554	3,004	554
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>279,181</b>	<b>231,484</b>	<b>195,207</b>
<b>Expenses</b>				
Employee expenses	3,10,17	145,230	129,216	108,431
Supplies and services	4,11,18	117,888	90,043	78,264
Grants and subsidies		..	..	..
Depreciation and amortisation	5,12,19	10,374	9,011	6,965
Finance/borrowing costs		..	..	..
Other expenses	6,13,20	5,689	2,260	1,547
Losses on sale/revaluation of property, plant and equipment and investments	7,21	..	954	..
<b>Total expenses</b>		<b>279,181</b>	<b>231,484</b>	<b>195,207</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Queensland Shared Services	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>..</b>	<b>..</b>	<b>..</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>..</b>	<b>..</b>	<b>..</b>
Equity injection/(withdrawal)	22,24,25	(9,347)	(7,965)	(6,218)
Equity adjustments (MoG transfers)	23,26	..	(42,115)	..
<b>Total movement in equity for period</b>		<b>(9,347)</b>	<b>(50,080)</b>	<b>(6,218)</b>

## BALANCE SHEET

Queensland Shared Services	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets	27,34	38,214	40,237	42,932
Receivables	28,35,41	28,536	25,462	21,594
Other financial assets		..	..	..
Inventories		..	..	..
Other	29,36	2,431	743	754
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>69,181</b>	<b>66,442</b>	<b>65,280</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	30,37,42	4,059	3,306	2,759
Intangibles	31,38,43	89,214	50,197	43,979
Other		..	..	..
<b>Total non-current assets</b>		<b>93,273</b>	<b>53,503</b>	<b>46,738</b>
<b>TOTAL ASSETS</b>		<b>162,454</b>	<b>119,945</b>	<b>112,018</b>
<b>CURRENT LIABILITIES</b>				
Payables	39	19,649	18,695	17,152
Accrued employee benefits	32	3,695	2,873	2,707
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>23,344</b>	<b>21,568</b>	<b>19,859</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>23,344</b>	<b>21,568</b>	<b>19,859</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>139,110</b>	<b>98,377</b>	<b>92,159</b>
Capital/contributed equity	33,40	165,345	124,612	118,394
Accumulated surplus/(accumulated deficit)		(26,235)	(26,235)	(26,235)
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>139,110</b>	<b>98,377</b>	<b>92,159</b>

## CASH FLOW STATEMENT

Queensland Shared Services	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges	44,50,58	287,359	235,668	200,583
Grants and other contributions	51,59	17,472	17,423	15,362
Other	52,60	12,405	12,495	8,639
<b>Outflows:</b>				
Employee costs	53,61	(145,250)	(130,807)	(108,140)
Supplies and services	45,54,62	(130,656)	(98,845)	(87,516)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other	46,55,63	(31,805)	(24,045)	(19,815)
<b>Net cash provided by/ (used in) operating activities</b>		<b>9,525</b>	<b>11,889</b>	<b>9,113</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment	47,64	..	(853)	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles	48,56,65	(3,281)	(4,151)	(200)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(3,281)</b>	<b>(5,004)</b>	<b>(200)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	49,57,66	(9,347)	(7,965)	(6,218)
<b>Net cash provided by/(used in) financing activities</b>		<b>(9,347)</b>	<b>(7,965)</b>	<b>(6,218)</b>
<b>Net increase/(decrease) in cash held</b>		<b>(3,103)</b>	<b>(1,080)</b>	<b>2,695</b>
<b>Cash at the beginning of financial year</b>		<b>41,317</b>	<b>41,317</b>	<b>40,237</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>38,214</b>	<b>40,237</b>	<b>42,932</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

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

1. The decrease is due to the Queensland Health Services machinery-of-government payroll system transfer and reduction in the demand for services from clients due to the overall reduction in public sector employee numbers and other budget measures across the public sector.
2. The increase in employee expenses from 2012-12 Budget to Estimated actual is explained by the cost of redundancies related to the fiscal repair measures announced in the 2012-13 Budget. At the time of the 2012-13 Budget, the cost of redundancies was held centrally.
3. The decrease is due to the Queensland Health Services machinery-of-government payroll system transfer and a reduction in the demand for services from clients partially offset by severance and incentive payments.
4. The decrease is due to the Queensland Health Services machinery-of-government payroll system transfer and savings in accommodation, ICT network, contractors, processing charges and software licences.
5. The decrease is due to the reduction in software due to the Queensland Health Services machinery-of-government payroll system transfer.
6. The decrease is due to the Queensland Health Services machinery-of-government payroll system transfer and business improvement and capability projects.
7. The increase is due to the write off of leasehold improvements as part of the QSS accommodation consolidation strategy.

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

8. The decrease is due to the Queensland Health Services machinery-of-government payroll system transfer and a reduction in the demand for services from clients due to the overall reduction in public sector employee numbers and other budget measures across the public sector.
9. The decrease is mainly due to business improvement and capability projects.
10. The decrease is due to the Queensland Health Services machinery-of-government payroll system transfer and a reduction in the demand for services from clients.
11. The decrease is due to the Queensland Health Services machinery-of-government payroll system transfer and savings in accommodation, ICT network, contractors, processing charges and software licences.
12. The decrease is due to the reduction of software due to the Queensland Health Services machinery-of government payroll system transfer.
13. The decrease is due to a reduction in audit and insurance costs due to the Queensland Health Services machinery-of-government payroll system transfer and business improvement and capability projects.

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

14. The decrease is due to the full year impact of the Queensland Health Services machinery-of-government payroll system transfer and a reduction in the demand for services from clients due to overall reduction in public sector employee numbers and other budget measures across the public sector.
15. The decrease is mainly due to business improvement and capability projects.
16. The decrease is due to the reduction in funding provided for severance and incentive payments made under the Employment Management Program.
17. The decrease is due to the full year impact of the Queensland Health Services machinery-of-government payroll system transfer and a reduction in the demand for services from clients.
18. The decrease is due to the full year impact of the Queensland Health Services machinery-of-government payroll system transfer and savings in accommodation, ICT network, contractors, processing charges and software licences.
19. The decrease is due to the full year impact of a reduction in software due to the Queensland Health Services machinery-of-government payroll system transfer.
20. The decrease is due to a reduction in audit and insurance costs due to the Queensland Health Services machinery-of-government payroll system transfer and downsizing of resources and assets.
21. The decrease is due to a reduction in the write off of leasehold improvements as part of the QSS accommodation consolidation strategy.



## Statement of changes in equity

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

22. The decrease is due to the reduction in software amortisation due to the Queensland Health Services machinery-of-government payroll system transfer.
23. The increase is due to the transfer of assets due to the Queensland Health Services machinery-of-government payroll system transfer.

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

24. The decrease is due to the reduction in software amortisation due to the Queensland Health Services machinery-of-government payroll system transfer.

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

25. The decrease is due to the reduction in software amortisation due to the Queensland Health Services machinery-of-government payroll system transfer.
26. The decrease is due to the transfer of assets due to the Queensland Health Services machinery-of-government payroll system transfer.

## Balance sheet

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

27. The increase is due to a reduction in receivables due to improved debtor collection processes.
28. The decrease is due to the Queensland Health Services machinery-of-government payroll system transfer and a reduction in the demand for services.
29. The decrease is due to a reduction in prepayments relating to the Queensland Health Services machinery-of-government payroll system transfer.
30. The decrease is due to the write off of leasehold improvements as part of the QSS accommodation consolidation strategy.
31. The decrease is due to the transfer of software due to the Queensland Health Services machinery-of-government payroll system transfer.
32. The decrease is due to the Queensland Health Services machinery-of-government payroll system transfer.
33. The decrease is due to the transfer of assets due to the Queensland Health Services machinery-of-government payroll system transfer and the equity withdrawal.

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

34. The increase is due to a reduction in receivables due to improved debtor collection processes.
35. The decrease is due to the Queensland Health Services machinery-of-government payroll system transfer and a reduction in the demand for services.
36. The decrease is due to a reduction in prepayments due to the Queensland Health Services machinery-of-government payroll system transfer.
37. The decrease is due to the write off of leasehold improvements as part of the QSS accommodation consolidation strategy and annual plant and equipment depreciation.
38. The decrease is due to the transfer of software due to the Queensland Health Services machinery-of-government payroll system transfer and annual software amortisation.
39. The decrease is due to the Queensland Health Services machinery-of-government payroll system transfer.
40. The decrease is due to the transfer of assets due to the Queensland Health Services machinery-of-government payroll system transfer and the equity withdrawal.

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

41. The decrease is due to the Queensland Health Services machinery-of-government payroll system transfer and a reduction in the demand for services.
42. The decrease is due to annual plant and equipment depreciation.
43. The decrease is due to annual software amortisation.

## Cash flow statement

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

44. The decrease is due to the Queensland Health Services machinery-of-government payroll system transfer and reduction in the demand for services from clients due to the overall reduction in public sector employee numbers and other budget measures across the public sector.
45. The decrease is due to the Queensland Health Services machinery-of-government payroll system transfer and savings in accommodation, ICT network, contractors, processing charges and software licences.
46. The decrease is due to goods and services tax due to the Queensland Health Services machinery-of-government payroll system transfer and reduction in the demand for services from clients due to the budget measures implemented across the public sector.
47. The decrease is due to asset transfers relating to the Queensland Health Services machinery-of-government payroll system transfer.
48. The increase is due to software development relating to Shared Systems Reform (formerly Corporate Solutions Program).
49. The decrease is due to the transfer of software relating to the Queensland Health Services machinery-of-government payroll system transfer.

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

50. The decrease is due to the Queensland Health Services machinery-of-government payroll system transfer and reduction in the demand for services from clients due to the overall reduction in public sector employee numbers and other budget measures across the public sector.
51. The decrease is mainly due to business improvement and capability projects.
52. The decrease is due to goods and services tax due to the Queensland Health Services machinery-of-government payroll system transfer.
53. The decrease is due to the Queensland Health Services machinery-of-government payroll system transfer and a reduction in the demand for services from clients.
54. The decrease is due to the Queensland Health Services machinery-of-government payroll system transfer and savings in accommodation, ICT network, contractors, processing charges and software licences.
55. The decrease is due to goods and services tax due to the Queensland Health Services machinery-of-government payroll system transfer and reduction in the demand for services from clients due to the budget measures implemented across the public sector.
56. The decrease is due to the 2013-14 software development plan for Shared Systems Reform (formerly Corporate Solutions Program).
57. The decrease is due to the transfer of software due to the Queensland Health Services machinery-of-government payroll system transfer.

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

58. The decrease is due to the full year impact of the Queensland Health Services machinery-of-government payroll system transfer and a reduction in the demand for services from clients.
59. The decrease is mainly due to business improvement and capability projects.
60. The decrease is due to funding provided for severance and incentive payments made under the Employment Management Program and goods and services tax.
61. The decrease is due to the full year impact of the Queensland Health Services machinery-of-government payroll system transfer and a reduction in the demand for services from clients.
62. The decrease is due to the full year impact of the Queensland Health Services machinery-of-government payroll system transfer and savings in accommodation, ICT network, contractors, processing charges and software licences.
63. The decrease is due to goods and services tax due to the full year impact of the Queensland Health Services machinery-of-government payroll system transfer.
64. The increase is due to asset transfers in 2012-13 relating to the Queensland Health Services machinery-of-government payroll system transfer.
65. The decrease is due to the 2013-14 software development plan for Shared Systems Reform (formerly Corporate Solutions Program).
66. The decrease is due to the transfer of software due to the full year impact of the Queensland Health Services machinery-of-government payroll system transfer.

# CORPORATE ADMINISTRATION AGENCY

## OVERVIEW

### Strategic direction

The Corporate Administration Agency (CAA) provides corporate services under Service Level Agreements (SLA) to 27 Queensland public sector entities which are principally small to medium statutory bodies. Services provided by the CAA include human resource (HR) management and HR consulting, payroll and recruitment, financial transaction services and information management including information technology business systems and document and records management.

The CAA operates in a dynamic environment as clients can choose to purchase separate components on an annual retainer or project basis depending on their specific business needs. The business model is non-mandated and requires that the CAA actively maintains cost effectiveness and innovation for its clients, thereby supporting the reduction of duplication and waste.

Key strategic directions include continued business innovation and improvement through effective client engagement and strategic business alliances and partnerships, which are supported by strong governance of business operations, products and services and development of high performing teams. The purchaser-provider relationship is assisted and developed beyond the SLA through regular meetings of Heads of Corporate Services and quarterly performance reports, user group forums and annual satisfaction survey of clients.

## RESOURCES AND PERFORMANCE

In 2012–13 CAA has:

- completed the first stage of its extranet development, an electronic communications channel that is specific to each CAA client and provides information and documents to each client's staff
- continued business improvement and innovation through the Client Engagement Strategy as stated in CAA's Business Plan 2012-2015
- attracted four new government clients to obtain all or part of their corporate services from CAA.

In 2013-14 CAA will:

- continue to provide value for money and excellent customer service to its clients
- assess the CAA business model in line with the approach to contestability and continue to drive efficiencies
- further develop the extranet site for established clients including developing a mechanism to regularly review and update content
- continue to develop our people in providing innovative and flexible services.

## STATEMENTS

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

Corporate Administration Agency	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
	2	62	67	67

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The 2012-13 Budget figure represented paid employees at 30 June 2012 and excluded vacancies that were held over for consideration as a part of the Government's 2012-13 Establishment Management Program process. In 2012-13 the CAA has realised a net increase of 4 clients accounting for an additional 19 services delivered.

### Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will only present measures that relate to the efficiency or effectiveness of services delivered. Measures of input and/or activity which do not demonstrate the effectiveness or efficiency of the agency's services have been discontinued. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

Corporate Administration Agency	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
<b>Service standards</b>				
Operating surplus /(deficit) (\$)		Break-even position	Break-even position	Break-even position
Percentage of client services delivered within budget and within agreed timeframes	1,2	New measure	New measure	95%

Notes:

1. This measure will come into effect in the 2013-14 financial year. As a result, there is no 2012-13 Target/estimate to be recorded.
2. This measure shows CAA's effectiveness in meeting its service obligations (including budget) as outlined in client Service Level Agreements.

## INCOME STATEMENT

Corporate Administration Agency	Notes	2012–13 Budget \$'000	2012–13 Est. Act. \$'000	2013–14 Estimate \$'000
<b>Income</b>				
User charges		9,874	9,708	9,843
Grants and other contributions		183	183	183
Other revenue		11	11	11
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>10,068</b>	<b>9,902</b>	<b>10,037</b>
<b>Expenses</b>				
Employee expenses		7,445	7,279	7,348
Supplies and services		2,147	2,147	2,201
Grants and subsidies		..	..	..
Depreciation and amortisation		267	267	274
Finance/borrowing costs		..	..	..
Other expenses		209	209	214
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total expenses</b>		<b>10,068</b>	<b>9,902</b>	<b>10,037</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

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

## BALANCE SHEET

Corporate Administration Agency	Notes	2012–13 Budget \$'000	2012–13 Est. Act. \$'000	2013–14 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets	1,4	2,591	2,867	2,941
Receivables		1,002	998	998
Other financial assets		..	..	..
Inventories		..	..	..
Other		489	465	465
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>4,082</b>	<b>4,330</b>	<b>4,404</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	2,5	738	551	563
Intangibles	6,8	247	226	140
Other		..	..	..
<b>Total non-current assets</b>		<b>985</b>	<b>777</b>	<b>703</b>
<b>TOTAL ASSETS</b>		<b>5,067</b>	<b>5,107</b>	<b>5,107</b>
<b>CURRENT LIABILITIES</b>				
Payables	3,7	428	290	290
Accrued employee benefits		202	209	209
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>630</b>	<b>499</b>	<b>499</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>630</b>	<b>499</b>	<b>499</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>4,437</b>	<b>4,608</b>	<b>4,608</b>
<b>EQUITY</b>				
Capital/contributed equity		786	786	786
Accumulated surplus/(accumulated deficit)		3,651	3,822	3,822
Reserves:				
- Asset revaluation surplus		..	..	..
- Other		..	..	..
<b>TOTAL EQUITY</b>		<b>4,437</b>	<b>4,608</b>	<b>4,608</b>

## CASH FLOW STATEMENT

Corporate Administration Agency	Notes	2012–13 Budget \$'000	2012–13 Est. Act. \$'000	2013–14 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges		9,874	9,708	9,843
Grants and other contributions		183	183	183
Other		11	11	11
<b>Outflows:</b>				
Employee costs		(7,445)	(7,279)	(7,348)
Supplies and services		(2,147)	(2,147)	(2,201)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(209)	(209)	(214)
<b>Net cash provided by/(used in) operating activities</b>		<b>267</b>	<b>267</b>	<b>274</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment	9,11	(200)	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles	10,12	(150)	(150)	(200)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(350)</b>	<b>(150)</b>	<b>(200)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by/(used in) financing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>(83)</b>	<b>117</b>	<b>74</b>
<b>Cash at the beginning of financial year</b>		<b>2,674</b>	<b>2,750</b>	<b>2,867</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>2,591</b>	<b>2,867</b>	<b>2,941</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Balance sheet

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

1. The increase in cash assets is due to the higher than anticipated 2011-12 operating surplus and limited asset replacement offset by a decrease in payables.
2. The decrease in Property, plant and equipment is principally related to the write-off of assets and limited asset replacement.
3. The decrease in Payables is due to the expected timing of payments and end of year accruals.

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

4. The increase in cash assets is due to the 2011-12 operating surplus and limited asset replacement offset by a decrease in payables.
5. The decrease in Property, plant and equipment is principally related to the write-off of assets and limited asset replacement in comparison to annual depreciation charges.
6. The decrease in Intangibles reflects the charging of amortisation expense and no required asset replacement.
7. The decrease in Payables is due to the expected timing of payments and end of year accruals.

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

8. The decrease in Intangibles reflects the charging of amortisation expense and no required asset replacement.

### Cash flow statement

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

9. The increase is due to a budget anomaly relating to the negative inflow of sales from property, plant and equipment in the 2012-13 Budget that has now been corrected.

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

10. The increase in payments for property, plant and equipment reflects a budgeted increase to allow for incremental plant and equipment replacements.

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

11. The increase is due to a budget anomaly relating to the negative inflow of sales from property, plant and equipment in the 2012-13 Budget that has now been corrected.
12. The increase in payments for property, plant and equipment reflects a budgeted increase to allow for incremental plant and equipment replacements.



# STATUTORY BODIES

## LIBRARY BOARD OF QUEENSLAND

### AGENCY OVERVIEW

#### Strategic direction

The State Library of Queensland is a vibrant and innovative 21<sup>st</sup> century library. It is an inclusive and welcoming place for all, a trusted source for information, supporting intellectual freedom and creativity and is the primary custodian of Queensland's memory. The State Library contributes to the Government's objective to *revitalise frontline services for families* by improving access to library services and resources and extending the reach of its learning and creative programs for all Queenslanders. The State Library supports a network of 340 public libraries and Indigenous Knowledge Centres and provides state-wide electronic access to a wide range of information resources, including a rapidly growing range of digitised unique Queensland material. Queenslanders have demonstrated strong support for their public libraries, with 45% holding public library membership. An independent study in 2012-13 showed that for every \$100 invested, Queensland local public libraries deliver \$230 dollars-worth of value to their communities.

The State's population is growing, with Queensland's cultural heritage and communities becoming increasingly diverse. The State Library has a century-long established role as a trusted collector and preserver of memory. As a physical and virtual place/space for sharing, learning, collaborating and creating, the State Library meets its legislative priorities of contributing to the cultural, social and intellectual development of all Queenslanders.

### RESOURCES AND PERFORMANCE

During 2012-13, the State Library of Queensland:

- invested \$21.85 million in public library collections and services and developed and launched an online catalogue enabling 67 rural libraries across 28 local governments to share print material and to access millions of e-books and journal articles
- developed early and family literacy skills by leading *the Dads Read* campaign, the Queensland component of the *National Year of Reading*, and the *National Summer Reading Club* for children and their families, which had 36,075 participants across Australia reading over 260,000 books
- expanded access to unique Queensland material, including over 100,000 visits to exhibitions touring regional libraries and over 1 million views of digitised Queensland material on websites and social media platforms.

In 2013-14, the State Library of Queensland will:

- support regional development by investing \$22.33 million in public library collections and services and delivering State-wide literacy programs
- deliver major public programs and initiate a wide range of collection activities to commemorate the 100th anniversary of World War One and lead the Australian South Sea Islanders 150th commemorations across the State, in partnership with the cultural precinct
- promote increased access to open data and online discovery of content for all Queenslanders regardless of cultural, social and geographic barriers.

## STATEMENTS

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

Library Board of Queensland	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
Administrative/professional	2	267	277	277

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The 2012-13 Budget FTEs figure did not include existing funded positions which were vacant. The 2012-13 Estimated Actual and the 2013-14 Estimate reflect the full complement of funded FTEs.

### Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will only present measures that relate to the efficiency or effectiveness of services delivered. Measures of input and/or activity which do not demonstrate the effectiveness or efficiency of the agency's services have been discontinued. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

Library Board of Queensland	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
<b>Service standards</b>				
Client satisfaction with services and programs	1	95%	98%	80%
Percentage increase in the efficiency of service delivery	2,3	New measure	New measure	2.5%

Notes:

1. The methodology for calculating this measure has changed for 2013-14 to be compliant with the definition specified in the guidelines endorsed by the Cultural Ministers Council, *Towards Comparable Statistics for Cultural Heritage Organisations* (Australian Bureau of Statistics, 2008). It involves changing the scale used to measure satisfaction from a positively biased scale to a balanced scale.
2. This is a new measure that will come into effect in the 2013-14 financial year. As a result, there is no 2012-13 Target Estimate or Estimated Actual figure to be recorded.
3. The measure provides an indication of the level of improvement in the efficient use of public funding to provide services to an increasing number of visitors.

## INCOME STATEMENT

Library Board of Queensland	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Income</b>				
User charges	3	2,164	2,010	2,211
Grants and other contributions		56,086	55,500	56,461
Other revenue		1,001	1,001	975
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>59,251</b>	<b>58,511</b>	<b>59,647</b>
<b>Expenses</b>				
Employee expenses		26,453	26,060	26,195
Supplies and services		12,907	12,833	13,418
Grants and subsidies		18,488	18,488	18,844
Depreciation and amortisation		741	741	738
Finance/borrowing costs		..	..	..
Other expenses		195	195	195
Losses on sale/revaluation of property, plant and equipment and investments		37	37	37
<b>Total expenses</b>		<b>58,821</b>	<b>58,354</b>	<b>59,427</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	1, 2, 4	<b>430</b>	<b>157</b>	<b>220</b>

## STATEMENT OF CHANGES IN EQUITY

Library Board of Queensland	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	5, 6	..	..	500
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>..</b>	<b>..</b>	<b>500</b>
Surplus/(deficit) for the period		430	157	220
<b>Total recognised income and expense for the period</b>		<b>430</b>	<b>157</b>	<b>720</b>
Equity injection/(withdrawal)		..	..	..
Equity adjustments (MoG transfers)		..	..	..
<b>Total movement in equity for period</b>		<b>430</b>	<b>157</b>	<b>720</b>

## BALANCE SHEET

Library Board of Queensland	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets	14, 22	11,355	11,589	10,453
Receivables	7, 15	1,298	1,153	1,153
Other financial assets		..	..	..
Inventories	8, 16	197	275	275
Other		832	753	753
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>13,682</b>	<b>13,770</b>	<b>12,634</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	9, 17, 23	91,858	104,126	106,138
Intangibles	10, 18, 24	175	156	..
Other		..	..	..
<b>Total non-current assets</b>		<b>92,033</b>	<b>104,282</b>	<b>106,138</b>
<b>TOTAL ASSETS</b>		<b>105,715</b>	<b>118,052</b>	<b>118,772</b>
<b>CURRENT LIABILITIES</b>				
Payables		1,783	1,688	1,688
Accrued employee benefits	11, 19	1,521	1,668	1,668
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		41	65	65
<b>Total current liabilities</b>		<b>3,345</b>	<b>3,421</b>	<b>3,421</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits	12, 20	336	481	481
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>336</b>	<b>481</b>	<b>481</b>
<b>TOTAL LIABILITIES</b>		<b>3,681</b>	<b>3,902</b>	<b>3,902</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>102,034</b>	<b>114,150</b>	<b>114,870</b>
<b>EQUITY</b>				
Capital/contributed equity		1,465	1,465	1,465
Accumulated surplus/(accumulated deficit)		56,723	56,436	56,656
Reserves:				
- Asset revaluation surplus	13, 21, 25	43,846	56,249	56,749
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>102,034</b>	<b>114,150</b>	<b>114,870</b>

## CASH FLOW STATEMENT

Library Board of Queensland	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges	27	2,587	2,433	2,634
Grants and other contributions		55,936	55,350	56,311
Other		1,336	1,336	1,298
<b>Outflows:</b>				
Employee costs		(26,453)	(26,060)	(26,195)
Supplies and services		(12,757)	(13,926)	(13,268)
Grants and subsidies		(18,488)	(18,488)	(18,844)
Borrowing costs		..	..	..
Other		(953)	(953)	(941)
<b>Net cash provided by/(used in) operating activities</b>		<b>1,208</b>	<b>(308)</b>	<b>995</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		(37)	(37)	(37)
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles	26, 28	(1,667)	(1,571)	(2,094)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(1,704)</b>	<b>(1,608)</b>	<b>(2,131)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by/(used in) financing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>(496)</b>	<b>(1,916)</b>	<b>(1,136)</b>
<b>Cash at the beginning of financial year</b>		<b>11,851</b>	<b>13,505</b>	<b>11,589</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>11,355</b>	<b>11,589</b>	<b>10,453</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

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

1. A decrease in the surplus is due to the increased spending of Queensland Library Foundation funds in 2012-13 for fund-raising projects.

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

2. A decrease in the surplus is due to the closer alignment of funds raised by the Queensland Library Foundation with the expenses associated with the projects funded.

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

3. An increase in user charges is due to the expected increase in fee-for-service revenue for library services to other government departments.
4. An increase in the surplus is due to the anticipated additional funds raised by the Queensland Library Foundation.

### Statement of changes in equity

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

5. An increase in the asset revaluation reserve reflects the result of the independent valuation of the heritage collections in 2012 by the Australian Valuation Office and donations from the public.

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

6. An increase in the asset revaluation reserve reflects the anticipated increase in the collection valuation based on donations from the public.

### Balance sheet

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

7. A decrease in receivables reflects the anticipated reduction in outstanding trade debtors.
8. An increase in inventories reflects the recognition of collection preservation supplies as inventory.
9. An increase in property plant and equipment is resulting from an independent valuation of the heritage collections in 2012 by the Australian Valuation Office.
10. A decrease in intangibles is due to the amortisation of the library management software.
11. An increase in current accrued employee benefits reflects a higher staff accrued leave balance.
12. An increase in non-current accrued employee benefits reflects a higher staff accrued leave balance expected to be taken beyond 12 months.
13. An increase in the asset revaluation reserve reflects the result of the independent valuation of the heritage collections in 2012 by the Australian Valuation Office.

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

14. A decrease in cash assets reflects the increased asset replacement spending in 2013-14.
15. A decrease in receivables reflects the anticipated reduction in outstanding trade debtors.
16. An increase in inventories reflects the recognition of collection preservation supplies as inventory.
17. An increase in property plant and equipment results from an independent valuation of the heritage collections in 2012 by the Australian Valuation Office as well as planned asset purchases.
18. A decrease in intangibles is due to the library management software being fully amortised with its replacement to be a subscription-based service, Software As A Service (SAAS) and therefore not capitalised.
19. An increase in current accrued employee benefits reflects a higher staff accrued leave balance.
20. An increase in non-current accrued employee benefits reflects a higher staff accrued leave balance expected to be taken beyond 12 months.
21. An increase in the asset revaluation reserve reflects the result of the independent valuation of the heritage collections in 2012 by the Australian Valuation Office and donations from the public.

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

22. A decrease in cash assets reflects the increased asset replacement spending in 2013-14.
23. An increase in property plant and equipment is due to collection purchases, increased fair value through revaluation and planned ICT replacement spending.
24. A decrease in intangibles is due to the library management software being fully amortised with its replacement to be a subscription-based service (SAAS) and therefore not capitalised.
25. An increase in the asset revaluation reserve reflects the anticipated increase in the collection valuation based on donations from the public.

### **Cash flow statement**

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

26. An increase in property plant and equipment is principally due to an increase in planned asset replacement purchases due in 2013-14.

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

27. An increase in user charges is due to the expected increase in fee-for-service revenue for library services to other government departments.
28. An increase in property plant and equipment is principally due to an increase in as planned asset purchases due in 2013-14.





# QUEENSLAND ART GALLERY

## AGENCY OVERVIEW

### Strategic direction

The Queensland Art Gallery/Gallery of Modern Art (the Gallery) is a two-site institution governed by the *Queensland Art Gallery Act 1987*. The Gallery's goals are to expand, exhibit, publish on and care for the Gallery Collection; develop and present a dynamic range of exhibitions (including travelling exhibitions) to reach new audiences; provide a broad and engaging range of innovative public programs, events, educational programs, services and resources including Australian Cinémathèque screenings and programs and Children's Art Centre projects.

The Gallery will contribute to the Government's objective of enhancing cultural and economic outcomes for Queensland by enabling access to arts and culture for people of all ages; building an innovative and resilient arts and cultural sector; growing Queensland's cultural reputation, and maximising cultural tourism through the presentation of major exhibitions. In the past six years the Gallery has delivered cultural, educational, tourism and economic benefits to Queensland. During this time, attendances have reached a total of 7.9 million visitors and the Gallery has contributed \$58.5 million in economic benefit to Queensland from seven major international exhibitions alone.

## RESOURCES AND PERFORMANCE

During 2012-13, the Gallery:

- presented *Portrait of Spain: Masterpieces from the Prado*, the first ever collection of work from Madrid's esteemed Museo Nacional del Prado to visit Australia
- developed and presented *The 7th Asia Pacific Triennial of Contemporary Art (APT7)* celebrating the 20th anniversary of the APT
- opened *Quilts 1700-1945*, a major, exclusive, touring exhibition from the Victoria & Albert Museum, London
- developed and presented *My Country, I Still Call Australia Home: Contemporary Art from Black Australia*, a major exhibition of contemporary Aboriginal and Torres Strait Islander art from the Collection, complemented by two additional Indigenous Collection exhibitions, *Voice and Reason*, and *Death and Life: RakunyGaWalnga: Contemporary Arnhem Land Art*
- toured four exhibitions, *Ah Xian: Metaphysica*, *Lloyd Rees: Light and Life*, *The Moderns: Highlights from the Queensland Art Gallery Collection* and *Contemporary Miniatures* to regional Queensland venues
- toured the *Kids' APT7 On Tour* program to a record 75 regional and remote Queensland venues.

In 2013-14, the Gallery will:

- present two exclusive international exhibitions – *Falling Back to Earth*, Australia's exclusive, major solo exhibition by acclaimed international artist CaiGuo-Qiang, and *California Design 1930-1965: Living in a Modern Way*, an exclusive, touring exhibition organised with the Los Angeles County Museum of Art (LACMA)
- continue the popular program of exhibitions of Queensland art and artists with exhibitions of works by quilter Ruth Stoneley, well-known and respected Queensland photographer Richard Stringer, and painter Sam Fullbrook
- present *Harvest*, a major collection exhibition, with accompanying film and public programs
- continue the extensive regional Queensland tours of exhibitions *Ah Xian: Metaphysica* and *Lloyd Rees: Light and Life*.

## STATEMENTS

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

Queensland Art Gallery	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
		270	270	270

Notes:

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

### Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will only present measures that relate to the efficiency or effectiveness of services delivered. Measures of input and/or activity which do not demonstrate the effectiveness or efficiency of the agency's services have been discontinued. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

Queensland Art Gallery	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
<b>Service standards</b>				
Audience satisfaction with exhibitions and programs		90%	95%	90%
Percentage of attendance to ticketed exhibitions to total attendance at Queensland Art Gallery and Gallery of Modern Art	1,2	New measure	New measure	15%

Notes:

1. This is a new measure and will come into effect in the 2013-14 financial year. As a result, there is no 2012-13 Target/Estimate figure to be recorded.
2. This measure regards the percentage of the total attendance to the Gallery, to ticketed exhibitions in a financial year. This indicates the Gallery's efficiency in ensuring a balanced mix of ticketed and free exhibitions are provided.

## INCOME STATEMENT

Queensland Art Gallery	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Income</b>				
User charges		10,284	10,284	10,200
Grants and other contributions	1,3,6	38,037	37,611	37,226
Other revenue		920	920	850
Gains on sale/revaluation of property, plant and equipment and investments		1,000	1,000	1,000
<b>Total income</b>		<b>50,241</b>	<b>49,815</b>	<b>49,276</b>
<b>Expenses</b>				
Employee expenses	2,7	26,100	25,676	26,145
Supplies and services	4,8	21,251	21,249	19,261
Grants and subsidies		..	..	..
Depreciation and amortisation		850	850	850
Finance/borrowing costs		..	..	..
Other expenses		170	170	170
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total expenses</b>		<b>48,371</b>	<b>47,945</b>	<b>46,426</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	5,9	<b>1,870</b>	<b>1,870</b>	<b>2,850</b>

## STATEMENT OF CHANGES IN EQUITY

Queensland Art Gallery	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		5,000	5,000	5,000
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>5,000</b>	<b>5,000</b>	<b>5,000</b>
Surplus/(deficit) for the period		1,870	1,870	2,850
<b>Total recognised income and expense for the period</b>		<b>6,870</b>	<b>6,870</b>	<b>7,850</b>
Equity injection/(withdrawal)		..	..	..
Equity adjustments (MoG transfers)		..	..	..
<b>Total movement in equity for period</b>		<b>6,870</b>	<b>6,870</b>	<b>7,850</b>

## BALANCE SHEET

Queensland Art Gallery	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets		5,236	5,165	5,679
Receivables		990	994	994
Other financial assets	10,15	7,500	7,539	6,025
Inventories		1,117	1,106	1,106
Other		213	119	119
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>15,056</b>	<b>14,923</b>	<b>13,923</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets	11,16	10,372	10,372	11,372
Property, plant and equipment	12,17	314,608	314,773	322,623
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>324,980</b>	<b>325,145</b>	<b>333,995</b>
<b>TOTAL ASSETS</b>		<b>340,036</b>	<b>340,068</b>	<b>347,918</b>
<b>CURRENT LIABILITIES</b>				
Payables		2,392	2,511	2,511
Accrued employee benefits		1,210	1,173	1,173
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		5	10	10
<b>Total current liabilities</b>		<b>3,607</b>	<b>3,694</b>	<b>3,694</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		667	736	736
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>667</b>	<b>736</b>	<b>736</b>
<b>TOTAL LIABILITIES</b>		<b>4,274</b>	<b>4,430</b>	<b>4,430</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>335,762</b>	<b>335,638</b>	<b>343,488</b>
<b>EQUITY</b>				
Capital/contributed equity		721	721	721
Accumulated surplus/(accumulated deficit)	13,18	171,518	171,379	174,229
Reserves:				
- Asset revaluation surplus	14,19	163,523	163,538	168,538
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>335,762</b>	<b>335,638</b>	<b>343,488</b>

## CASH FLOW STATEMENT

Queensland Art Gallery	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges		10,284	10,284	10,200
Grants and other contributions	20,22,25	35,537	35,111	34,726
Other		950	950	880
<b>Outflows:</b>				
Employee costs	21,26	(26,100)	(25,676)	(26,145)
Supplies and services	23,27	(21,281)	(21,279)	(19,291)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(170)	(170)	(170)
<b>Net cash provided by/(used in) operating activities</b>		<b>(780)</b>	<b>(780)</b>	<b>200</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	..
Investments redeemed		1,500	1,500	1,514
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles	24,28	(700)	(700)	(1,200)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>800</b>	<b>800</b>	<b>314</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by/(used in) financing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>20</b>	<b>20</b>	<b>514</b>
<b>Cash at the beginning of financial year</b>		<b>5,216</b>	<b>5,145</b>	<b>5,165</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>5,236</b>	<b>5,165</b>	<b>5,679</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

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

1. A decrease in grants and other contributions is due to the deferral of Enterprise Bargaining Agreement increases for which grant funding is provided by the State.
2. A decrease in employee expenses is due to the deferral of Enterprise Bargaining Agreement increases.

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

3. A decrease in grants and other contributions is primarily due to exhibition events held in prior years which attracted higher sponsorship than is expected in 2013-14.
4. A decrease in supplies and services is primarily due to exhibitions held in 2012-13 which were more expensive to stage than those planned in 2013-14.
5. An increase in the operating surplus is mainly due to the timing of exhibition revenues and expenditures across the years. The operational surplus in 2013-14 includes the value of donated artworks, an allocation for the purchase of art works from Foundation monies, and small capital items.

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

6. A decrease in grants and other contributions is primarily due to exhibition events held in prior years which attracted higher sponsorship than is expected in 2013-14 partially offset by an increase in the government grant because of Enterprise Bargaining Agreement increases.
7. An increase in employee expenses is due to Enterprise Bargaining Agreement increases.
8. A decrease in supplies and services is primarily due to exhibitions held in 2012-13 which were more expensive to stage than those planned in 2013-14.
9. An increase in the operating surplus is mainly due to the timing of exhibition revenues and expenditures across the years. The operational surplus in 2013-14 includes the value of donated artworks, an allocation for the purchase of art works from Foundation monies, and small capital items.

### Balance sheet

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

10. A decrease in other financial assets (current) is due to a movement of funds from short term to longer term financial investments in line with funding requirements.
11. An increase in other financial assets (non-current) is due to a movement of funds from short term to longer term financial assets in line with funding requirements.
12. An increase in property plant and equipment is due to the purchase, donation and revaluation of artwork.
13. An increase in accumulated surpluses is due to the expected operational surplus in 2013-14, which is mainly derived from a projected donation of artwork.
14. An increase in the asset revaluation reserve is due to the expected increase in the valuation of artwork.

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

15. A decrease in other financial assets (current) is due to a movement of funds from short term to longer term financial investments in line with funding requirements.
16. An increase in other financial assets (non-current) is due to a movement of funds from short term to longer term financial assets in line with funding requirements.
17. An increase in property plant and equipment is due to the purchase, donation and revaluation of artwork.
18. An increase in accumulated surpluses is due to the expected operational surplus in 2013-14, which is mainly derived from a projected donation of artwork.
19. An increase in the asset revaluation reserve is due to the expected increase in the valuation of artwork.

## Cash flow statement

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

20. A decrease in grants and other contributions is due to the deferral of Enterprise Bargaining Agreement increases for which grant funding is provided by the State.
21. A decrease in employee expenses is due to the deferral of Enterprise Bargaining Agreement increases.

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

22. A decrease in grants and other contributions is primarily due to exhibition events held in prior years which attracted higher sponsorship than is expected in 2013-14.
23. A decrease in supplies and services is primarily due to exhibitions held in 2012-13 which were more expensive to stage than those planned in 2013-14.
24. An increase in property, plant and equipment is due to an increase in artwork acquisitions.

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

25. A decrease in grants and other contributions is primarily due to exhibition events held in prior years which attracted higher sponsorship than is expected in 2013-14 partially offset by an increase in the government grant because Enterprise Bargaining Agreement increases.
26. An increase in employee expenses is due to Enterprise Bargaining Agreement increases.
27. A decrease in supplies and services is primarily due to exhibitions held in 2012-13 which were more expensive to stage than those planned in 2013-14.
28. An increase in property, plant and equipment is due to an increase in artwork acquisitions.





# QUEENSLAND MUSEUM

## AGENCY OVERVIEW

### Strategic direction

The Queensland Museum Network inspires generations of Queenslanders to discover, celebrate and value the State's distinctive cultural and natural environment through museum services delivered through a State-wide network including five public museums that are popular cultural tourism attractions.

Significantly, 2012 marked a year-long celebration of Queensland Museum's 150<sup>th</sup> anniversary of connecting real objects and contemporary research with communities across the state and beyond, and co-creating authentic and compelling experiences and stories that inspire and enrich.

By delivering an active program of museum experiences and services across the State, the Museum network helps build Queensland's reputation as a cultural hub and delivers arts for all Queenslanders by providing accessible and compelling experiences both inside its museums as well as in communities and classrooms across the state and online – a museum without borders.

As an entrepreneurial organisation that actively generates commercial revenue, Queensland Museum also partners with others to ensure greater business sustainability and tourism benefits. In 2012, staging the Australian exclusive exhibition *Mummy: Secrets of the Tomb* from the British Museum not only broke attendance records, but also attracted commercial partners and delivered 51,782 visitor nights and an estimated \$5.8 million in direct and incremental spending State-wide.

## RESOURCES AND PERFORMANCE

In 2012-13, the Queensland Museum:

- extended the international exclusive exhibition *Mummy: Secrets of the Tomb*, which attracted more than 200,000 locals and tourists from April to October 2012, making it the most visited international exhibition in the Museum's 150 year history
- welcomed a record number of visitors – over 1.24 million – to the Queensland Museum and Sciencentre in the 12 months since reopening in January 2012
- created INVENTory – an active and environmentally sustainable space, where artists, designers and other creative members of the community engage and collaborate to create upcycled and sustainable items inspired by the Museum's collections
- opened the *Energy for Life Discovery Centre* at the Cobb+Co Museum Toowoomba in June 2013, specifically designed to support the new national science curriculum
- provided hands-on disaster recovery and salvage assistance in regional Queensland for museums and collections areas in the wake of extreme weather events.

In 2013-14, Queensland Museum will:

- present the international exhibition – *Afghanistan Hidden Treasures* – from the National Museum Kabul
- renew major permanent exhibition experiences, including the Aboriginal and Torres Strait Islander centre *Dandiiri Maiwar*, *Queensland Stories* and *Ancient Queensland*
- enhance revenue and tourism opportunities through the *Have A Go! Festival* at the Cobb+Co Museum, Toowoomba in 2014 and through a new reef-themed experience at the Museum of Tropical Queensland, Townsville that draws on its world-class corals collection and research
- deliver a changing program of engaging visitor experiences including *Deep Oceans* at the Queensland Museum and the *Science Fiction Science Fact* exhibition at the Sciencentre.

## STATEMENTS

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

Queensland Museum	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
	2	220	235	237

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The 2012-13 Budget figure overestimated the reduction in staff expected to result from the Queensland Museum and Sciencecentre restructure. The 2013-14 Estimate is a reflection of staffing confirmed under the new management and programing structure.

### Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will only present measures that relate to the efficiency or effectiveness of services delivered. Measures of input and/or activity which do not demonstrate the effectiveness or efficiency of the agency's services have been discontinued. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

Queensland Museum	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
<b>Service standards</b>				
Satisfaction of audiences with museum experiences	1	96%	96%	96%
Percentage of self generated revenue to total revenue	2,3	New measure	New measure	36%

Notes:

1. This service standard features a wording change and a minimal change to its definition to include loans, Museum Development Officer program, offsite events and activities. This amended measure better reflects the museum's goal to provide high quality museum experiences on and offsite throughout Queensland including collection-based displays and activities in public galleries.
2. This is a new measure that will come into effect in 2013-14. As a result, there is no Target/estimate for 2012-13 to be recorded.
3. This measure provides an indication of Queensland Museum's efficiency in building commercial revenue streams. This aligns with the Government's commitment to growing the arts sector and encouraging commercial activity and entrepreneurialism.

## INCOME STATEMENT

Queensland Museum	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Income</b>				
User charges	3,6	6,314	6,297	6,990
Grants and other contributions	1,4,7	27,528	27,220	25,563
Other revenue		580	582	514
Gains on sale/revaluation of property, plant and equipment and investments		50	50	50
<b>Total income</b>		<b>34,472</b>	<b>34,149</b>	<b>33,117</b>
<b>Expenses</b>				
Employee expenses	2,8	21,094	20,618	21,154
Supplies and services	5,9	10,672	10,825	9,488
Grants and subsidies		14	14	14
Depreciation and amortisation		3,299	3,299	3,268
Finance/borrowing costs		..	..	..
Other expenses		493	493	493
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total expenses</b>		<b>35,572</b>	<b>35,249</b>	<b>34,417</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>(1,100)</b>	<b>(1,100)</b>	<b>(1,300)</b>

## STATEMENT OF CHANGES IN EQUITY

Queensland Museum	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		4,153	4,134	4,179
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>4,153</b>	<b>4,134</b>	<b>4,179</b>
Surplus/(deficit) for the period		(1,100)	(1,100)	(1,300)
<b>Total recognised income and expense for the period</b>		<b>3,053</b>	<b>3,034</b>	<b>2,879</b>
Equity injection/(withdrawal)		(926)	(926)	(926)
Equity adjustments (MoG transfers)		..	..	..
<b>Total movement in equity for period</b>		<b>2,127</b>	<b>2,108</b>	<b>1,953</b>

## BALANCE SHEET

Queensland Museum	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets	10,14,19	4,826	7,297	6,004
Receivables		1,233	1,130	1,126
Other financial assets		..	..	..
Inventories		519	558	558
Other		68	13	13
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>6,646</b>	<b>8,998</b>	<b>7,701</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	11,15,20	479,718	499,237	502,619
Intangibles		762	762	641
Other		..	..	..
<b>Total non-current assets</b>		<b>480,480</b>	<b>499,999</b>	<b>503,260</b>
<b>TOTAL ASSETS</b>		<b>487,126</b>	<b>508,997</b>	<b>510,961</b>
<b>CURRENT LIABILITIES</b>				
Payables	12,16	975	1,197	1,198
Accrued employee benefits		1,309	1,407	1,407
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>2,284</b>	<b>2,604</b>	<b>2,605</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		381	397	407
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>381</b>	<b>397</b>	<b>407</b>
<b>TOTAL LIABILITIES</b>		<b>2,665</b>	<b>3,001</b>	<b>3,012</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>484,461</b>	<b>505,996</b>	<b>507,949</b>
<b>EQUITY</b>				
Capital/contributed equity	17,21	(5,085)	(5,085)	(6,011)
Accumulated surplus/(accumulated deficit)		142,064	142,684	141,384
Reserves:				
- Asset revaluation surplus	13,18,22	347,482	368,397	372,576
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>484,461</b>	<b>505,996</b>	<b>507,949</b>

## CASH FLOW STATEMENT

Queensland Museum	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges	26,31	6,314	6,297	6,990
Grants and other contributions	32	25,528	26,220	24,563
Other	23,27	1,643	1,076	1,023
<b>Outflows:</b>				
Employee costs	33	(21,084)	(20,608)	(21,144)
Supplies and services	28,34	(10,672)	(10,818)	(9,488)
Grants and subsidies		(14)	(14)	(14)
Borrowing costs		..	..	..
Other	24,29	(1,691)	(983)	(997)
<b>Net cash provided by/(used in) operating activities</b>		<b>24</b>	<b>1,170</b>	<b>933</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		50	50	50
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles	25,30,35	(699)	(1,679)	(1,350)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(649)</b>	<b>(1,629)</b>	<b>(1,300)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(926)	(926)	(926)
<b>Net cash provided by/(used in) financing activities</b>		<b>(926)</b>	<b>(926)</b>	<b>(926)</b>
<b>Net increase/(decrease) in cash held</b>		<b>(1,551)</b>	<b>(1,385)</b>	<b>(1,293)</b>
<b>Cash at the beginning of financial year</b>		<b>6,377</b>	<b>8,682</b>	<b>7,297</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>4,826</b>	<b>7,297</b>	<b>6,004</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

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

1. A decrease in grants and other contributions is due to the deferral of Enterprise Bargaining Agreement increases.
2. A decrease in employee expenses is due to the deferral of Enterprise Bargaining Agreement increases.

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

3. An increase in user charges is due to scheduled programming, including *Afghanistan Hidden Treasures*, *DeepOceans* and associated commercial activity.
4. A decrease in grants and other contributions is due to a high level of donated items to the State Collection in 2012-13 and the significant investment in the organisational reorientation project (including exhibition renewal, organisational change and business re-engineering) in 2012-13.
5. A decrease in supplies and services is due to significant investment in the organisational reorientation project in 2012-13.

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

6. An increase in user charges is due to scheduled programming, including *Afghanistan Hidden Treasures*, *Deep Oceans* and associated commercial activity.
7. A decrease in grants and other contributions is due to a high level of donated items to the State Collection in 2012-13 and the significant investment in the organisational reorientation project in 2012-13, offset by salary increases under the Enterprise Bargaining Agreement.
8. An increase in employee expenses is in part due to the implementation of a new management and programming structure at the Queensland Museum and Sciencentre and temporary staffing around special exhibitions.
9. A decrease in supplies and services is due to significant investment in the organisational reorientation project in 2012-13.

### Balance sheet

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

10. An increase in cash assets is due to a higher than expected opening cash balance at 30 June 2012 resulting from deferred experiences and community engagement projects.
11. An increase in property, plant and equipment is due to additions to the State Collection and land and building revaluations.
12. An increase in payables is due to the timing of project commitments.
13. An increase in the asset revaluation reserve is due to the State Collection, land and building revaluations.

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

14. An increase in cash assets is due to a higher than expected opening cash balance at 30 June 2012 resulting from deferred experiences and community engagement projects.
15. An increase in property, plant and equipment is due to additions to the State Collection and land and buildings revaluation.
16. An increase in payables is due to the timing of project commitments.
17. A decrease in capital/contributed equity is due to continuing equity withdrawal arrangements for grant funding of depreciation of Workshop Rail Museum.
18. An increase in the asset valuation reserve is due to the revaluation of the State Collection, land and buildings.

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

19. A decrease in cash assets is due to increased expenditure on supplies and services to deliver deferred projects.
20. An increase in property, plant and equipment is due to the revaluation of the State Collection, land and buildings and the timing of replacements and exhibitions

21. A decrease in capital/contributed equity is due to continuing equity withdrawal arrangements for grant funding of depreciation of the Workshops Rail Museum.
22. An increase in the asset revaluation reserve is due to the revaluation of State Collection, land and buildings.

### **Cash flow statement**

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

23. A decrease in other inflows is due to GST credits and collections.
24. A decrease in other outflows is due to GST paid and remitted.
25. An increase in payments for property, plant and equipment and intangibles is due to additions to the State Collection.

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

26. An increase in user charges is due to scheduled programming, including *Afghanistan Hidden Treasures*, *Deep Oceans* and associated commercial activity.
27. A decrease in other inflows is due to GST credits and collections.
28. A decrease in supplies and services is due to significant investment in the organisational reorientation project in 2012-13.
29. A decrease in other outflows is due to GST paid and remitted.
30. An increase in payments for property, plant and equipment and intangibles is due to additions to the State Collection.

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

31. An increase in user charges is due to scheduled programming, including *Afghanistan Hidden Treasures*, *Deep Oceans* and associated commercial activity.
32. A decrease in grants and other contributions is due to a high level of donated items to the State Collection in 2012-13 and the significant investment in the organisational reorientation project in 2012-13, offset by salary increases under the Enterprise Bargaining Agreement.
33. An increase in employee expenses is due to the implementation of a new management and programming structure at the Queensland Museum and Sciencentre and temporary staffing around special exhibitions.
34. A decrease in supplies and services is due to significant investment in the organisational reorientation project in 2012-13.
35. A decrease in payments for property, plant and equipment and intangibles is due to the timing of replacements and exhibitions.





# QUEENSLAND PERFORMING ARTS TRUST

## AGENCY OVERVIEW

### Strategic direction

The Queensland Performing Arts Trust (QPAC) manages the Queensland Performing Arts Centre (QPAC). QPAC's vision is to be an internationally recognised destination for performing arts and entertainment experiences. QPAC's strategic direction focuses on four areas: creating and showcasing high quality and innovative live performances; connecting people, ideas and experiences; cultivating relationships which add value to culture in Queensland; and to manage and deliver commercial investments and services that provide increasing returns and meet the highest industry standards.

QPAC contributes to Queensland's cultural and economic development and delivers on a range of Government priorities under the 'Arts for all Queenslanders' vision. QPAC supports the growth of a four pillar economy through presenting performances that attract international and national visitors, supporting cultural tourism and positioning Queensland as a significant force in the events industry. QPAC engages with national and international companies and artists to work with local companies and artists to build capacity in the local community fostering a community of the arts through its community engagement, education and participation programs.

QPAC continued to perform strongly in 2012-13 particularly in presenting two seasons of the QPAC International Series. The Hamburg Season and Bolshoi Ballet were both exclusive to QPAC and attracted large numbers of visitors from intra- and interstate. The QPAC International Series, along with other programming initiatives support QPAC's reputation as a national and international performing arts centre of excellence.

## RESOURCES AND PERFORMANCE

During 2012-13, QPAC:

- presented exclusive seasons by the Hamburg Philharmonic Orchestra, Hamburg Ballet and Hamburg State Opera 2012, and the Bolshoi Ballet in 2013 as part of the QPAC International Series – a four year collaboration with Tourism and Events Queensland
- presented three live simulcasts to regional Queensland venues by the Hamburg Philharmonic Orchestra, Opera Australia and Bolshoi Ballet
- engaged over 230 local artists and supporting arts professionals during The Hamburg Season including the 150 person strong Brisbane Mahler Chorus
- presented popular musical theatre works including *JERSEY BOYS – The Story of Frankie Valli and the Four Seasons*, *A Chorus Line*, *South Pacific* and *Legally Blonde The Musical*.

In 2013-14, QPAC will:

- present major international productions including a season of the National Theatre of Great Britain's acclaimed production of *War Horse*, and the Netherland's Royal Concertgebouw Orchestra, one of the most famous orchestras in the world, as part of its Australian tour
- produce and present the biennial *Out of the Box Festival* for children as part of QPAC's commitment to create quality arts and learning experiences for young children.

## STATEMENTS

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

Queensland Performing Arts Trust	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
		340	337	340

Notes:

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

### Performance Statement

To improve accountability for performance, service standards for the 2013-14 State Budget will only present measures that relate to the efficiency or effectiveness of services delivered. Measures of input and/or activity which do not demonstrate the effectiveness or efficiency of the agency's services have been discontinued. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).

Queensland Performing Arts Trust	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
<b>Service standards</b>				
Venue utilisation	1	76%	83%	78%
• Lyric Theatre	2	72%	95%	95%
• Concert Hall	3	70%	67%	51%
• Playhouse	4	90%	98%	90%
• Cremorne Theatre		75%	71%	78%
Level of audience satisfaction		90%	90%	90%

Notes:

1. The increase in 2012-13 Estimated Actual is due to QPAC securing additional productions throughout the year.
2. The increase in 2012-13 Estimated Actual utilisation for the Lyric Theatre is due to QPAC securing productions, some at short notice, and others for longer than expected seasons.
3. The decrease between 2012-13 Estimated Actual and 2013-14 Target Estimated reflects current bookings for Concert Hall for 2013-14. It should be noted that as most seasons in the Concert Hall are for one or two performances and include many national and international tours booked with short notice.
4. The increase in 2012-13 Estimated Actual utilisation for the Playhouse is due to increase in mid-size productions utilising the Playhouse.

## INCOME STATEMENT

Queensland Performing Arts Trust	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>Income</b>				
User charges	1,2,7	36,426	36,732	36,961
Grants and other contributions	3,8	8,006	8,006	9,111
Other revenue		1,055	1,055	1,065
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total income</b>		<b>45,487</b>	<b>45,793</b>	<b>47,137</b>
<b>Expenses</b>				
Employee expenses	4,9	25,511	25,715	26,544
Supplies and services	5,10	19,062	19,164	19,613
Grants and subsidies		..	..	..
Depreciation and amortisation	6,11	686	686	750
Finance/borrowing costs		..	..	..
Other expenses		228	228	230
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
<b>Total expenses</b>		<b>45,487</b>	<b>45,793</b>	<b>47,137</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

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

## BALANCE SHEET

Queensland Performing Arts Trust	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>CURRENT ASSETS</b>				
Cash assets	12,15	12,268	11,518	11,448
Receivables		2,634	2,609	2,609
Other financial assets		..	..	..
Inventories		241	241	241
Other		141	141	141
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>15,284</b>	<b>14,509</b>	<b>14,439</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	13,16	7,809	8,539	8,869
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>7,809</b>	<b>8,539</b>	<b>8,869</b>
<b>TOTAL ASSETS</b>		<b>23,093</b>	<b>23,048</b>	<b>23,308</b>
<b>CURRENT LIABILITIES</b>				
Payables	17	3,942	3,792	4,052
Accrued employee benefits		1,065	1,248	1,248
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		887	887	887
<b>Total current liabilities</b>		<b>5,894</b>	<b>5,927</b>	<b>6,187</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>5,894</b>	<b>5,927</b>	<b>6,187</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>17,199</b>	<b>17,121</b>	<b>17,121</b>
<b>EQUITY</b>				
Capital/contributed equity		1,033	1,033	1,033
Accumulated surplus/(accumulated deficit)		3,435	2,981	2,850
Reserves:				
- Asset revaluation surplus		3,580	3,580	3,580
- Other (specify)	14,18	9,151	9,527	9,658
<b>TOTAL EQUITY</b>		<b>17,199</b>	<b>17,121</b>	<b>17,121</b>

## CASH FLOW STATEMENT

Queensland Performing Arts Trust	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges	19,21,26	36,446	36,752	36,961
Grants and other contributions	22,27	8,006	8,006	9,111
Other		1,055	1,055	1,065
<b>Outflows:</b>				
Employee costs	23,28	(25,511)	(25,715)	(26,544)
Supplies and services	24,29	(18,844)	(18,946)	(19,288)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(293)	(293)	(295)
<b>Net cash provided by/(used in) operating activities</b>		<b>859</b>	<b>859</b>	<b>1,010</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of property, plant and equipment		..	..	(80)
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for property, plant and equipment and intangibles	20,25,30	(750)	(1,500)	(1,000)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(750)</b>	<b>(1,500)</b>	<b>(1,080)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by/(used in) financing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>109</b>	<b>(641)</b>	<b>(70)</b>
<b>Cash at the beginning of financial year</b>		<b>12,159</b>	<b>12,159</b>	<b>11,518</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>12,268</b>	<b>11,518</b>	<b>11,448</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

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

1. An increase in user charges is due to greater than expected ticket sales.

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

2. An increase in user charges is due to planned Consumer Price Index (CPI) increases on fees and charges to producers for production and ticketing services.
3. An increase in grants and other contributions is due to salary increases under the Enterprise Bargaining Agreement and funding for the Out of the Box festival which is a biennial event.
4. An increase in employee expenses is due to salary increases under the Enterprise Bargaining Agreement and increased casual staff as a result of increase in performance numbers.
5. An increase in supplies and services is anticipated as a result of CPI increases and costs incurred in producing the Out of the Box festival which is a biennial event.
6. An increase in depreciation is due to increased capital expenditure in 2012-13 including major refurbishment of the Playhouse foyer and cafe and the Concert Hall speaker system.

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

7. An increase in user charges is due to planned CPI increases on fees and charges to producers for production and ticketing services.
8. An increase in grants and other contributions is due to salary increases under the Enterprise Bargaining Agreement and funding for the Out of the Box festival which is a biennial event.
9. An increase in employee expenses is due to salary increases under the Enterprise Bargaining Agreement and increased casual staff as a result of increase in performance numbers.
10. An increase in supplies and services is anticipated as a result of CPI increases and costs incurred in producing the Out of the Box festival which is a biennial event.
11. An increase in depreciation is due to increased capital expenditure in 2012-13 including major refurbishment of the Playhouse foyer and cafe and the Concert Hall speaker system.

### Balance sheet

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

12. A decrease in cash is due to increased capital expenditure in 2012-13 including major refurbishment of the Playhouse foyer and cafe and the Concert Hall speaker system.
13. An increase in property, plant and equipment is due to increased capital expenditure in 2012-13 including major refurbishment of the Playhouse foyer and cafe and the Concert Hall speaker system.
14. An increase in other reserves is due to the transfer of profits from the accumulated reserve to provide major investments in commercial productions and to ensure availability for urgent capital requirements.

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

15. A decrease in cash is due to an increase in the capital expenditure budget to enable the replacement of fully depreciated assets and commitment to maintain the trust's assets.
16. An increase in property, plant and equipment is due to the replacement of fully depreciated assets and commitment to maintain the trust's assets.
17. An increase in payables is due to increased supplies and services for project costs.
18. An increase in other reserves is due to the transfer of profits from the accumulated reserve to provide major investments in commercial productions and to ensure availability for urgent capital requirements.

### Cash flow statement

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

19. An increase in user charges is due to greater than expected ticket sales.
20. An increase in the outflow for purchases of property, plant and equipment is due to increased capital expenditure in 2012-13 including major refurbishment of the Playhouse foyer and cafe and the Concert Hall speaker system.

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

21. An increase in user charges is due to planned CPI increases on fees and charges to producers for production and ticketing services.
22. An increase in grants and other contributions is due to salary increases under the Enterprise Bargaining Agreement and funding for the Out of the Box festival which is a biennial event.
23. An increase in employee expenses is due to salary increases under the Enterprise Bargaining Agreement and increased casual staff as a result of increase in performance numbers.
24. An increase in supplies and services is anticipated as a result of CPI increases and costs incurred in producing the Out of the Box festival which is a biennial event.
25. An increase in the outflow for purchases of property, plant and equipment is due to the replacement of fully depreciated assets and commitment to maintain the trust's assets.

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

26. An increase in user charges is due to planned CPI increases on fees and charges to producers for production and ticketing services.
27. An increase in grants and other contributions is due to salary increases under the Enterprise Bargaining Agreement and funding for the Out of the Box festival which is a biennial event.
28. An increase in employee expenses is due to salary increases under the Enterprise Bargaining Agreement and increased casual staff as a result of the increase in performance numbers.
29. An increase in supplies and services is anticipated as a result of CPI increases and costs incurred in producing the Out of the Box festival which is a biennial event.
30. A decrease in the outflow for purchases of property, plant and equipment is due to the need to replace more fully depreciated assets in 2012-13 than is expected in 2013-14.

# GLOSSARY OF TERMS

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

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

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

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

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

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

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

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

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

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

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

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<b>Equity Injection</b>	— An increase in the investment of the Government in a public sector agency.
<b>Financial Statements</b>	— Collective description of the Income Statement, the Balance Sheet and the Cash Flow Statement for an entity's controlled and administered activities.
<b>Income Statement</b>	— A financial statement highlighting the accounting surplus or deficit of an entity. It provides an indication of whether the entity has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation.
<b>Outcomes</b>	— Whole-of-government outcomes are intended to cover all dimensions of community well being. They express the current needs and future aspirations of communities, within a social, economic and environment context.
<b>Own-Source Revenue</b>	— Revenue that is generated by an agency, generally through the sale of goods and services, but it may also include some Commonwealth funding.
<b>Priorities</b>	— Key policy areas that will be the focus of Government activity.
<b>Services</b>	— The actions or activities (including policy development) of an agency which contribute to the achievement of the agency's objectives.

For a more detailed Glossary of Terms, please refer to the Reader's Guide available on the Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au).



