

Service Delivery Statements

Department of Transport
and Main Roads

2016-17 Queensland Budget Papers

- 1. Budget Speech**
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Appropriation Bills

Budget Highlights

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Service Delivery Statements

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Department of Transport and Main Roads

Summary of portfolio

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Portfolio overview

Ministerial and portfolio responsibilities

The tables below represent the agencies and services which are the responsibility of the Minister for Transport and the Commonwealth Games and the Minister for Main Roads, Road Safety and Ports and Minister for Energy, Biofuels and Water Supply.

Minister for Transport and the Commonwealth Games

The Honourable Stirling Hinchliffe MP

Minister for Main Roads, Road Safety and Ports and Minister for Energy, Biofuels and Water Supply

The Honourable Mark Bailey MP

Department of Transport and Main Roads

Director-General: Neil Scales

Service area 1: Transport System Investment Planning and Programming

Service area 2: Transport Infrastructure Management and Delivery

Service area 3: Transport Safety and Regulation

Service area 4: Customer Experience

Service area 5: Passenger Transport Services

The Minister for Main Roads, Road Safety and Ports and Minister for Energy, Biofuels and Water Supply is also responsible for:

Gold Coast Waterways Authority

Chief Executive Officer: Hal Morris

Objective: To provide better management of, and access to, the Gold Coast waterways.

RoadTek

General Manager: William Lansbury

Objective: RoadTek provides transport infrastructure solutions, including construction and maintenance services to enable the department to deliver on Government priorities and outcomes for the community.

Additional information about these agencies can be sourced from:

www.tmr.qld.gov.au

www.translink.qld.gov.au

www.msq.qld.gov.au

www.gcwa.qld.gov.au

Departmental overview

The Department of Transport and Main Roads' vision is 'Creating a single integrated transport network accessible to everyone' with all areas within the agency working toward the shared purpose statement - 'We bring Queensland closer together'. A well planned and managed transport network plays an essential role in the development of a healthy, robust and growing economy - bringing communities closer together, providing access to services and supporting commerce and industry throughout the State.

By focusing on its strategic priorities, in consultation with industry and the community, and with a focus on integrity and accountability, the department contributes to all of the Queensland Government's objectives for the community by: creating jobs and a diverse economy; delivering quality frontline services; protecting the environment and building safe, caring and connected communities.

The Queensland Government's objectives for the community guide the department's strategic direction. To deliver its planned outcomes, the department focuses on the following strategic priorities as stated in its 2016-2020 Strategic Plan:

- our customers - create a customer-centric culture that meets our customers' needs the first time, every time
- innovation - lead emerging technologies so our transport network meets the needs of customers now and into the future
- liveable regions and active cities - deliver a single integrated transport network that promotes prosperity in our cities and regions
- regulation - build with our customers a regulatory framework that is fair and reasonable
- sustainable funding - ensure our funding model is equitable, serves our customers' needs and is responsive to our future network
- contemporary workforce - skill our people to provide excellent customer service and deliver the transport network of the future.

By concentrating on its strategic priorities, the department works as one to deliver its strategic plan objectives:

- customer-centric services that deliver a quality customer experience
- an integrated transport network that supports economic prosperity and is sustainable into the future
- safety and regulatory services that improve community safety and efficiency
- a sustainable, cost effective transport network accessible to everyone
- an integrated passenger transport network that allows fair access to all.

The department applies a robust risk management framework to manage strategic and operational risks to counter the effects of uncertainty on the department's objectives. The department focuses on a number of opportunities and challenges relating to key internal and external risk factors including (but not limited to):

- keeping pace with technological change
- maintaining the transport network
- keeping pace with customer and stakeholder expectations
- maintaining appropriate governance structures, policy and regulation to support innovation and ensure safety and efficiency.

The department is committed to maintaining safe and cost-efficient transport infrastructure that meets the current needs of Queensland and to delivering new infrastructure in the areas of greatest needs. We will manage the delivery of a substantial capital program in the 2016-17 financial year to meet these priorities. Key programs continuing in 2016-17 and beyond include the:

- \$8.5 billion Australian and Queensland Government funded program to fix the Bruce Highway (2013-14 to 2022-23)
- \$635 million Australian and Queensland Government funded Warrego Highway Upgrade Program (2014-15 to 2018-19)
- \$232.4 million as part of the Queensland Government funded State Infrastructure Fund for critical road upgrades
- \$260.5 million Australian and Queensland Government funded Cape York Region Package (2014-15 to 2018-19)
- \$160.7 million Queensland Government funded Commonwealth Games Package of Works (2015-16 to 2017-18)
- \$104.8 million Australian and Queensland Government and local government funded Bridges Renewal Program (2014-15 to 2017-18).
- \$50 million for Cross River Rail environmental impact approvals, establishment of the statutory body, and commencement of scoping of value share opportunities, early works and pre-procurement activities.

Service performance

Performance statement

Transport System Investment Planning and Programming

Service area objective

To develop long term transport policies and plans for the future development of the integrated transport system and to plan and prioritise strategic investment in effective, efficient and sustainable infrastructure, systems and services.

Service area description

Responsible transport system planning ensures Queensland's long-term transport needs are met in the most cost-effective way and that development impacts are managed effectively. This is achieved through developing and managing:

- Queensland's long-term transport strategy and Regional Transport Plans
- the Transport System Planning Program to coordinate and prioritise planning across all modes of transport
- the Queensland Transport and Roads Investment Program (QTRIP), a four year rolling program of priority transport infrastructure works which is published annually
- asset management plans for maintenance, preservation and operation of State-controlled transport infrastructure
- funding submissions to the Australian Government for nationally significant transport infrastructure and investment strategies for key priority routes that support resource development areas
- major transport infrastructure project evaluation and assurance to ensure delivery on a value-for-money basis.

The activities of the department delivered under this service area support:

- delivering best value investment in the transport system of the future, creating opportunities for innovation
- maximising the benefits from our investments through long-term (10 year) planning and prioritisation
- connecting and partnering with industry and community to design for the future
- promoting community cohesion, economic development and environmental sustainability
- promoting and investing in active and public transport solutions that support broader community benefits
- preparing for the freight tasks of tomorrow.

2016-17 service area highlights

The department will build on its 2015-16 achievements and continue its focus on delivering the Government's commitments for the people of Queensland, with 2016-17 highlights under this service area to include:

- developing key strategies in order to shape the transport system for Queensland including Queensland's long-term transport strategy, Regional Transport Plans, Queensland Cycle Strategy, Queensland Tourism and Transport Strategy and South East Queensland passenger transport strategy
- implementing Moving Freight Actions including mapping flood immunity of the road and rail freight networks, investing in infrastructure to relieve identified bottlenecks and upgrading sections of the network to allow access by higher productivity freight vehicles
- developing strategies that set the direction for the use of new technologies to better manage and improve the performance of Queensland's transport network
- undertaking the South East Queensland Travel Survey to collect updated travel data from over 10,000 households across the region and continue to proactively publish results on the Queensland Government's Data Portal
- finalising Gold Coast 2018 Commonwealth Games (Games) public domain transport operational plans, including plans for road network operations, Games-time public transport and transport coordination.

Department of Transport and Main Roads	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service area: Transport System Investment Planning and Programming				
Service standards				
<i>Effectiveness measures</i>				
Percentage of projects in the Transport System Planning Program:	T, 1			
commencing no later than four months after the programmed commencement date	2	90	95	90
completed no more than four months after the programmed period	2	80	82	80
costing less than 10% over the programmed estimate	2	80	84	85
Road system seal age (percentage of the State-controlled road network exceeding the optimal seal age)	M, 3	30.4	29	28.2
Road system condition (the percentage of urban and rural State-controlled roads with condition better than the specified benchmark):	M, 4			
Urban		97 - 99	97 - 99	97 - 99
Rural		95 - 97	95 - 97	95 - 97
<i>Efficiency measure</i>				
Administrative cost to plan, develop and manage the QTRIP as a percentage of the overall value of the program	M, 5	New measure	New measure	1

Notes:

- M. Denotes service standards for which accountability rests with the Minister for Main Roads, Roads Safety and Ports and Minister for Energy, Biofuels and Water Supply.
- T. Denotes services standards for which accountability rests with the Minister for Transport and the Commonwealth Games.
- The Transport System Planning Program was formerly named the State Planning Program.
 - The 2015-16 Estimated Actual is based on current data. It is expected that, given the mitigation strategies the Transport System Planning Program have in place, the measures will remain above the Target/Estimate.
 - The road system seal age measure is indicative of the level of risk to the preservation of the underlying road pavement layers.
 - The road system condition measure reports the surface layer smoothness of the road network from a road users' perspective.
 - QTRIP is a four year rolling program of priority transport infrastructure works which is published annually. This is a new service standard developed to measure how efficiently the QTRIP is being developed and managed. It excludes Queensland Rail and Ports.

Transport Infrastructure Management and Delivery

Service area objective

To construct, maintain and operate an integrated transport network accessible to all.

Service area description

Activities undertaken in this service area relate to stewardship of the State road network and include:

- delivering, managing and maintaining transport infrastructure
- leading innovation in transport infrastructure delivery
- setting value-for-money standards for transport infrastructure
- managing road operations, including traffic incidents, heavy vehicle operations and traveller and traffic information
- managing use of the road corridor, including environmental preservation and third party road access
- controlling access to, and recovering, the road network during and following emergency events.

This work is underpinned with technical expertise to mitigate risk and sustain the transport system's performance.

Services

- Transport infrastructure management
- Transport infrastructure delivery

2016-17 service area highlights

The department will build on its 2015-16 achievements and continue its focus on delivering the Government's commitments for the people of Queensland, with 2016-17 highlights under this service area to include:

- continuing construction work on the \$1.6 billion Toowoomba Second Range Crossing which involves the design and construction of a four lane toll road bypass of Toowoomba between Warrego Highway at Helidon Spa and the Gore Highway at Athol (via Charlton)
- continuing works on the \$260.5 million Cape York Region Package designed to better connect and provide economic opportunity for Indigenous and non-Indigenous communities on Cape York Peninsula
- commencing construction on the \$189.2 million Eton Range Realignment project on the Peak Downs Highway (Nebo - Mackay) creating a split carriageway at the top of Eton Range in the Mackay/Whitsunday region
- progressing works on the \$40 million Western Roads Upgrade Program that provides targeted road network upgrades in western Queensland to support economic development in 11 western Queensland local government areas
- commencing construction on a number of projects that are part of the Queensland Government's Accelerated Works Program aimed at supporting jobs across Queensland.

Department of Transport and Main Roads	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service area: Transport Infrastructure Management and Delivery				
Service: Transport infrastructure management	M			
Service standards <i>Effectiveness measures</i> Road network efficiency - Average travel time per 10km:				
AM peak		11.1	11	11.1

Department of Transport and Main Roads	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Off peak		9.9	9.8	9.9
PM peak		11.3	11.4	11.3
Road network reliability – Percentage of the road network with reliable travel times:	1			
AM peak		79	80	79
Off peak		91	89	91
PM peak		75	74	75
Road network productivity – Percentage of the road network with good productivity:	2			
AM peak		72	71	72
Off peak		76	75	76
PM peak		71	69	71
Arterial intersection performance – Percentage of intersections congested less than 20 minutes per hour:				
AM peak		87	86	87
Off peak		94	94	94
PM peak		82	80	82
Number of fatal crashes on State-controlled roads per 100 million vehicle kilometres travelled where the road condition was likely to be a contributing factor		0.05	0.05	0.05
<i>Efficiency measure</i> Administration/staff costs of operating and delivering the department's Road Operations Program as a percentage of the total value of the Road Operations Program (including operations, maintenance and projects)	3	New measure	New measure	10
Service: Transport infrastructure delivery				
Service standards <i>Effectiveness measures</i> Percentage of QTRIP projects >\$5 million:				
commencing no later than four months after the programmed commencement date		90	90	90
completed no more than four months after the programmed construction period		90	90	90

Department of Transport and Main Roads	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
costing less than 10 per cent over the published QTRIP figure		90	90	90
<i>Efficiency measure</i> Administration costs of managing and delivering the QTRIP as a percentage of the current financial year's QTRIP allocation	4	New measure	New measure	<5.1

Notes:

- M. Denotes service standards for which accountability rests with the Minister for Main Roads, Road Safety and Ports and Minister for Energy, Biofuels and Water Supply.
1. Through proactive departmental initiatives, the status of the road system network is performing at generally the same levels, withstanding population, traffic and economic growth in the current financial year. The department will continue to deliver a number of road and motorway initiatives to mitigate increasing congestion issues driven by increased vehicle usage.
 2. Good road network productivity occurs under two scenarios of performance: (a) speeds are in excess of a benchmark value (for example, 80km/hr on motorways) irrespective of traffic flow; or traffic flow is relatively high (for example, 2,000 vehicles/hour/lane for motorways) in combination with moderately degraded speeds.
 3. This is a new service standard developed to measure how efficiently the Road Operations Program is being operated and delivered. Costs include administration of operations (including managing traffic incidents, heavy vehicle operations and traveller and traffic information), maintenance and projects.
 4. This is a new service standard developed to measure how efficiently the four year rolling program of priority transport infrastructure works (the Queensland Transport and Roads Investment Program) is being managed and delivered.

Transport Safety and Regulation

Service area objective

To regulate the transport system safely, economically and sustainably without imposing unnecessary red tape.

Service area description

Safety of the transport network is critical to supporting Queensland's future growth. A safe, secure and resilient transport system aims to protect the lives and property of everyone who interacts with the network for business, employment and leisure.

Regulatory and safety related activities undertaken in this service area include:

- managing the movement of vessels using Queensland's waterways as well as the Great Barrier Reef and Torres Strait
- maritime safety activities for commercial and recreational vessels, pilotage and hydrographic services, and supporting safe port development
- maintaining effective maritime emergency preparedness, response, and recovery capability and capacity
- developing and implementing rail safety initiatives and legislation
- conducting regulatory activities including audits, inspections, accreditation, investigation and education programs
- regulating vehicle safety in accordance with best practice and national vehicle standards
- delivering vehicle and vessel registration, driver and marine licensing and accreditation services.

2016-17 service area highlights

The department will build on its 2015-16 achievements and continue its focus on delivering the Government's commitments for the people of Queensland, with 2016-17 highlights under this service area to include:

- continuing to improve maritime safety and community satisfaction by managing the movement of vessels in Queensland waters for commercial and recreational vessels including the protection of the marine environment from ship-sourced pollution
- continuing to deliver marine safety and ship-sourced pollution prevention outcomes including preparing for the transition of responsibility for domestic commercial vessels to the Australian Maritime Safety Authority and contributions to the development and planning of Queensland waters in line with the implementation of the Reef 2050 Plan
- progressing the enhanced cooperative and strategic approach to maritime safety outcomes and continuing to encourage and foster safety as a core value and culture within the commercial, fishing and recreational sectors of the maritime community (with a particular focus on increasing involvement with, and improving access and amenity for, recreational boating in Queensland)
- continuing to advance rail safety outcomes by driving rail research activities and leading rail safety projects, including chairing a national working group exploring best practice for existing and emerging level crossing technologies and coordinating a project to reduce road congestion around level crossings
- improving road safety by delivering life-saving initiatives in a new Queensland Road Safety Strategy and Action Plan, including in education, community engagement, enforcement, technology and a protective road environment.

Department of Transport and Main Roads	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service area: Transport Safety and Regulation¹				
Service standards <i>Effectiveness measures</i> Marine fatalities per 100,000 registered vessels regulated in Queensland	M, 2	New measure	New measure	2.96

Department of Transport and Main Roads	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Rail fatalities per 100,000 population	T	0.1	0.1	0.1
Hospitalised rail casualties per 100,000 population	T	0.4	0.4	0.4
Number of level crossing collision occurrences per 1,000,000 train kilometres travelled	T	0.45	0.25	0.45
Fatalities per 100,000 population on State-controlled roads	M	3.24	3.18	3.03
Road fatalities per 100,000 population	M	5.4	4.93	5.05
Hospitalised road casualties per 100,000 population	M	145	140	133
Percentage of vessel movements without serious incidents:	M			
Pilotage areas		100	100	100
ReefVTS area		100	100	100
<i>Efficiency measures</i>				
Cost of rail regulation per 100 kilometres of rail infrastructure	T, 3	\$20,047	\$19,476	\$20,261
Cost of rail regulation per 1,000,000 kilometres of rail operations	T, 4	\$43,350	\$42,919	\$43,490
Direct operational cost of Vessel Tracking Services per monitored vessel movement	M, 5	New measure	New measure	\$456

Notes:

- T. Denotes service standards for which accountability rests with the Minister for Transport and the Commonwealth Games.
- M. Denotes service standards for which accountability rests with the Minister for Main Roads, Roads Safety and Ports and Minister for Energy, Biofuels and Water Supply.
- The two former material services 'Transport regulation' and 'Transport safety' have been re-merged following agreement with Queensland Treasury and the Department of the Premier and Cabinet that transport safety is a key outcome directly associated with effective regulation.
 - Under the National System for Domestic Commercial Vessel Safety, the Australian Maritime Safety Authority has assumed regulatory responsibility for the State's domestic commercial vessels. The new service standard excludes vessels that are not regulated under Queensland legislation.
 - The calculation for this service standard is based on the total number of kilometres of railway track (rail infrastructure) across Queensland in the financial year. Regulation refers to the department's accreditation and compliance role in relation to the activities of rail transport operators including the construction of a railway, railway tracks and associated track structures and the management, commissioning, maintenance, repair, modification, installation, operation or decommissioning of rail infrastructure.
 - The calculation for this service standard is based on the total number of kilometres travelled by rollingstock in the transportation of passengers and freight across Queensland in the financial year. Regulation refers to the department's accreditation and compliance role in relation to the activities of rail transport operations including the commissioning/decommissioning, maintenance, repair, modification and operation of rollingstock or operating a railway service.
 - This is a new service standard developed to track the cost of the department delivering Vessel Tracking Services in monitoring vessel movements in Port Pilotages and REEFVTS areas.

Customer Experience

Service area objective

To put customers at the centre of the delivery of the department's products and services to understand their expectations, improve their experience and reduce rework.

Service area description

The department is committed to delivering services with a 'customers first' approach, engaging with customers to better understand their needs and behaviours with regard to: roads usage; maritime safety information; licensing services; registration services and passenger transport services.

We will provide flexible delivery methods and channels for customers; including the ability to self-serve online 24/7. This includes undertaking customer research and insights activities to consider customer perspectives, motivations and expectations upfront in guiding the development of all product and service delivery across the department in the future.

2016-17 service area highlights

The department will build on its 2015-16 achievements and continue its focus on delivering the Government's commitments for the people of Queensland, with 2016-17 highlights to include:

- developing a capability framework to embed the customer experience approach across all departmental activities
- inviting customers into the department's Customer Design Hub which will be a co-design space that tests new and existing ideas, products and services with customers early in the design process
- understanding customer journey maps to allow us to build enhanced products and services in partnership with customers in real-time
- implementing a program partnership approach with the various branches to assist in the development of customer-centric processes and approaches that underpin our service delivery
- progressing a series of 'quick wins' which highlights value to the customer and the department including, for example, transport network and services publication to assist people migrating to Queensland
- introducing additional online customer services such as:
 - direct debit registration renewal scheme that allows customers to pay their registration renewals by regular direct debit in smaller, more manageable amounts
 - emailing vehicle registration notices and providing electronic reminders for renewal payments
 - enabling customers to transfer their vehicle or vessel registration online without needing to present at a Customer Service Centre
 - eTicketing for a range of infringements
 - providing customers with the option to receive email reminders for transactions such as driving test appointments, penalty infringement notice payments, driver licence renewal, vehicle inspection bookings and hazard perception test eligibility
 - enhancements to the existing Rego Check App that will enable customers to add a reminder to the calendar on their phone or tablet device, alerting them of their upcoming registration renewal date
 - an electronic logbook for learner drivers and an eLearner driver online learning and assessment tool to support pre-learners in obtaining a learner licence
 - introduction of an online web chat service to assist customers with queries
- commencing the transition of 31 Department of Justice and Attorney-General offices in regional locations to the department, enabling improved access to licensing and registration services to customers in these communities
- new call steering technology to be deployed to the 13 23 80/13 23 90 customer contact numbers that will improve customer experience and help reduce customer wait times.

Department of Transport and Main Roads	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service area: Customer Experience	T			
Service standards				
<i>Effectiveness measures</i>				
Average wait time in Customer Service Centres (minutes)		8	6	8
Percentage of call centre calls answered within three minutes	1	80	62	80
Overall customer satisfaction with transactional services (on a scale of 1 to 10)	2	8	8.2	8
Customer satisfaction ratings of public transport by service type (using a 0 - 100 index – 100 being 'excellent'):	3			
Whole of Queensland:				
Taxi	4	≥69	66	≥68
South East Queensland (SEQ):				
Bus		≥70	70	≥70
Rail		≥70	70	≥70
Ferry		≥70	77	≥70
Rest of Queensland:				
Regional urban bus		≥70	74	≥70
Customer service complaints in SEQ per 10,000 trips		<4	2.1	<3
<i>Efficiency measures</i>				
Average unit cost per transaction in a Customer Service Centre	5, 6, 7	\$19.30	\$17.42	\$17.68
Average cost per customer enquiry - TransLink Contact Centre	8	New measure	New measure	\$4.70

Notes:

- T. Denotes service standards for which accountability rests with the Minister for Transport and the Commonwealth Games.
1. The variation to the Target/Estimate is due to the continued increase in call volumes, and the impact of system performance issues on call handling times. Actions to improve performance include promotion of self service, migration of customers to online services, the implementation of call steering technology, additional call centre resources to meet peak demand and ongoing training.
2. Transactional services include any licensing and registration transactions and enquiries which are handled/processed using the following channels: the department's Customer Service Centres, call centres, website, service agents (Australia Post/Bpay), Smart Service Queensland call centre, mail/fax/email, Queensland Government Agency Program offices, Queensland Police Service stations, and Clerk of the Court locations.
3. The Customer Satisfaction Survey investigates how customers rate a range of experiences when travelling on public transport services in Queensland. The survey assists the department in identifying and prioritising areas for improvement and allows the department to monitor the impact of service changes, new products and services on customer perceptions.
4. Overall satisfaction with Queensland taxis remains stable. However, satisfaction with affordability, information and proximity remain comparatively low and impact on overall satisfaction.
5. Reporting cycle is every two years in alignment with Corporate Finance ABC Costing Schedule. The next fully calculated average unit cost will be available in early 2017-18.
6. Costs include training, travel, administration expenses and nominal cost for information technology, accommodation, shared services provider and labour (salaries and wages).
7. The 2016-17 Target/Estimate figure represents the estimated average unit cost for 2015-16 based on the 2014-15 result of \$17.16 and assumes an annual growth of approximately 1.5 per cent.
8. This is a new service standard developed to measure the cost efficiency of providing customer enquiry services through our TransLink Contact Centre for the passenger transport network.

Passenger Transport Services

Service area objective

To lead and shape Queensland's passenger transport system by providing an integrated passenger transport network that allows fair access to all.

Service area description

This service area facilitates passenger transport systems across the State and aims to provide a single integrated and safe transport system allowing fair access to everyone. Key passenger transport activities managed by this service area include:

- providing funding for fair access to public transport to deliver economic, social and community benefits for Queenslanders
- effectively managing and regulating the passenger transport industry
- enhancing customer experience by improving service integration, passenger information and ticketing products
- driving efficiencies through network optimisation and next generation service contracts
- supporting public transport patronage increases by maximising our service offering, extending the passenger transport network and delivering innovative ticketing products
- overseeing and funding the School Transport Assistance Scheme.

2016-17 service area highlights

The department will build on its 2015-16 achievements and continue its focus on delivering the Government's commitments for the people of Queensland, with 2016-17 highlights under this service area to include:

- commencing implementation of taskforce proposed recommendations accepted by Government once the review is finalised:
 - passenger transport services fare review on the TransLink network in South East Queensland (SEQ)
 - personalised transport services review on the taxi, limousine and rideshare services in Queensland
- commencing rail passenger services between Petrie and Kippa-Ring station on the Moreton Bay Rail Link
- continuing the New Generation Rollingstock project to deliver 75 new six-car train sets for SEQ
- continuing the procurement of:
 - SEQ bus contracts
 - new generation ticketing
- delivering additional public transport infrastructure including Redland Bay Marina Bus Station, Victoria Point Central Bus Station, Deception Bay Driver Facility and Park 'n' Ride projects.

Department of Transport and Main Roads	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service area: Passenger Transport Services	T			
Service standards <i>Effectiveness measures</i> Wheelchair accessible taxi response times compared to conventional taxi fleet response times:				
Peak				
Percentage within 18 minutes:				
- Conventional		85	95	85
- Wheelchair		85	89	85

Department of Transport and Main Roads	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Percentage within 30 minutes:				
- Conventional		95	99	95
- Wheelchair		95	97	95
Off peak				
Percentage within 10 minutes:				
- Conventional		85	87	85
- Wheelchair	1	85	72	85
Percentage within 20 minutes:				
- Conventional		95	98	95
- Wheelchair	1	95	91	95
Patronage on Government contracted services (millions):				
SEQ:		179.74	180.16	183.21
Bus		115.81	114.43	115.79
Rail		51.1	51.23	52.55
Tram	2	6.81	7.56	7.8
Ferry	3	6.02	6.93	7.07
Rest of Queensland:		12.09	12.04	12.04
Regional air	4	0.27	0.19	0.2
Long distance bus		0.06	0.06	0.06
Regional urban bus		11.45	11.48	11.45
TravelTrain		0.31	0.31	0.33
Average on-time running performance in peak times - CityTrain		95%	98.1%	95%
Percentage of scheduled services delivered - CityTrain		99.50	99.74	99.5
<i>Efficiency measures</i>				
Average subsidy per trip provided through the Taxi Subsidy Scheme		\$8.05	\$8.00	\$8.05
Average subsidy per passenger on Government contracted services:				
Regional air	5	\$18.30	\$20.86	\$33.40
Long distance bus	6	\$78.77	\$92.55	\$92.55
Regional urban bus		\$3.22	\$3.24	\$3.32
TravelTrain	7	\$541.28	\$600.40	\$588.11
Average cost of subsidy per passenger trip in SEQ - bus, rail, tram and ferry	2,8	\$6.82	\$6.60	\$7.05

Notes:

T. Denotes services standards for which accountability rests with the Minister for Transport and the Commonwealth Games.

1. Response times for wheelchair accessible jobs are longer than response times for conventional taxis. This may be due to drivers not prioritising wheelchair work or because they are engaged in providing other services under a contract with other entities such as the Department of Veterans' Affairs.
2. The term 'Tram' replaces 'Light Rail' in this measure to better differentiate the service from the term 'Rail' which, in the *Service Delivery Statement* is used to refer to Heavy Rail.
3. The 2016–17 Target/Estimate for ferry patronage has improved due to a return to normal service operations, after prior year service disruptions due to ferry terminal closures and works and associated timetable changes.
4. Patronage on regional air services has decreased due to the decline in the resource sector and a decline in overall economic conditions.
5. The average subsidy for regional air services has increased due to the reduced patronage related to the decline in the resource sector and a decline in overall economic conditions. The inclusion of forecast revenue share payments has also contributed to the average subsidy per passenger for Regional Air services increasing.
6. The average subsidy for long distance bus services has increased due to additional revenue share payments to operators relating to increased competition by commercial operators on contracted routes.
7. The 2015-16 Estimated Actual average subsidy per passenger has increased due to reallocation of product cost apportionment in line with the renegotiated Rail Transport Service Contract. The 2016-17 Target/Estimate average subsidy per passenger is expected to decrease compared with the 2015-16 Estimated Actual due to indexation of costs, offset by anticipated growth in patronage.
8. The increase in the 2016-17 Target/Estimate for average cost of subsidy per passenger trip in SEQ reflects the outcomes from the fare review and the normal year-on-year operational costs increasing with inflation and new costs associated with operating New Generation Rollingstock.

Discontinued measures

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

Department of Transport and Main Roads	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service area: Transport Safety and Regulation				
Marine fatalities per 100,000 registered vessels	M, 1	4.8	4.74	Discontinued measure

Notes:

M. Denotes service standards for which accountability rests with the Minister for Main Roads, Road Safety and Ports and Minister for Energy, Biofuels and Water Supply.

1. This service standard has been replaced by Marine fatalities per 100,000 registered vessels regulated in Queensland.

Administered items

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

The Department of Transport and Main Roads administers funds on behalf of the State which include the statewide driver licensing system, marine licensing system and vehicle and vessel registration systems. The aim of these activities is to manage access to, and use of, the transport network including protection of the network from misuse.

Recent achievements:

- Major administered revenue items for 2015-16 were:
 - vehicle registration (\$1.638 billion)
 - transport and traffic fees (\$380.1 million)

Future developments:

- Major administered revenue items for 2016-17 are:
 - vehicle registration (\$1.683 billion)
 - transport and traffic fees (\$396.5 million)

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

Departmental budget summary

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

Department of Transport and Main Roads	2015-16 Budget \$'000	2015-16 Est. Actual \$'000	2016-17 Budget \$'000
CONTROLLED			
Income			
Appropriation revenue ¹			
Deferred from previous year/s	(32,587)	(109,800)	25,528
Balance of service appropriation	4,634,089	4,804,985	5,192,902
Other revenue	1,088,468	1,058,095	916,674
Total income	5,689,970	5,753,280	6,135,104
Expenses			
Transport system investment planning and programming	146,639	147,935	154,255
Transport infrastructure management and delivery	2,053,634	2,212,544	2,521,079
Transport safety and regulation	252,099	258,163	231,818
Customer experience	365,366	369,803	376,781
Passenger transport services	2,664,523	2,585,555	2,737,378
Total expenses	5,482,261	5,574,000	6,021,311
Operating surplus/deficit	207,709	179,280	113,793
Net assets	61,436,210	53,537,467	55,064,443
ADMINISTERED			
Revenue			
Commonwealth revenue	..	..	..
Appropriation revenue	..	..	..
Other administered revenue	2,366,205	2,353,394	2,427,047
Total revenue	2,366,205	2,353,394	2,427,047
Expenses			
Transfers to government	2,366,205	2,353,394	2,427,047
Administered expenses	..	..	..
Total expenses	2,366,205	2,353,394	2,427,047
Net assets	81,368	261,544	261,544

Note:

1. Appropriation revenue includes State and Commonwealth funding.

Service area sources of revenue¹

Sources of revenue 2016-17 Budget					
Department of Transport and Main Roads	Total cost \$'000	State contribution \$'000	User charges and fees \$'000	C'wealth revenue \$'000	Other revenue \$'000
Transport system investment planning and programming	154,255	96,331	38,772	..	19,152
Transport infrastructure management and delivery	2,521,079	2,305,262	52,026	120,183	157,401
Transport safety and regulation	231,818	13,189	147,991	..	70,638
Customer experience	376,781	369,571	3,956	..	3,254
Passenger transport services	2,737,378	2,313,894	414,910	476	8,098
Total	6,021,311	5,098,247	657,655	120,659	258,543

Note:

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

Budget measures summary

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

Department of Transport and Main Roads	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Revenue measures					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
Expense measures					
Administered	..	..	..	..	..
Departmental ¹	3,300	41,799	15,696	4,960	(1,241)
Capital measures					
Administered	..	25,000	50,000	25,000	..
Departmental	1,550	68,587	181,111	106,767	23,815

Note:

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

Departmental capital program

The department remains committed to delivering an integrated, safe and efficient transport system that connects regional Queenslanders and other communities across the State.

Following the completion of the Building our Regions initiative in 2016-17, an additional \$30 million per year, from 2017-18, will be added to the funding available for distribution under the Transport Infrastructure Development Scheme to continue to support local infrastructure and jobs in communities throughout Queensland.

In North Queensland, a \$42.3 million pavement widening package on the Gregory Developmental Road between Charters Towers and The Lynd will deliver approximately 30.9 kilometres of wider and safer two-lane highway. Funding of \$34.6 million has also been allocated to construct a new high-level Cape River Bridge and approaches on the Gregory Developmental Road, 116 kilometres south of Charters Towers. Together these two projects will contribute to upgrading the north-south inland freight route to an appropriate standard of safety and reliability, improving freight efficiency and providing a viable alternative route to the Bruce Highway for inter-State and inter-regional traffic, particularly in major flooding events.

The Queensland Government has provided \$19.6 million over five years as the State's contribution to improve sections of the Kennedy Developmental Road (The Lynd - Hughenden), known locally as the Hann Highway. An Australian Government commitment to complement Queensland's funding would allow further works to be undertaken to progressively seal sections of the Hann Highway over the next five years. This project will improve productivity, resilience and safety on this route.

To support the release of the State Infrastructure Plan, the State Infrastructure Fund (SIF) was established to boost infrastructure investment that will enhance productivity and support jobs. \$232.4 million of Queensland Government funding as part of the SIF, Priority Economic Works and Productivity Program, has been allocated to the following road infrastructure projects:

- \$88.4 million (part of the \$200 million State contribution) towards the \$400 million Ipswich Motorway, Rocklea to Darra (Stage 1)
- \$42 million as the State contribution towards the \$210 million Pacific Motorway/Gateway Motorway merge upgrade (southbound lanes)
- \$40 million for the Dawson Highway (Gladstone-Biloela) timber bridge replacement package
- \$30 million for Riverway Drive duplication, Gollogly Lane to Allambie Lane, Townsville
- \$22 million for Kawana Way and Nicklin Way (Sunshine Coast University Hospital intersection upgrades package)
- \$10 million for the Rockhampton Road Train Access (Stage 1).

As Queensland gets closer to the Gold Coast 2018 Commonwealth Games, the department's road and light rail projects are ramping up to ensure that competitor and spectator transport needs are met. Projects in delivery in 2016-17 include:

- \$420 million to construct a northern extension of light rail from the Gold Coast University Hospital to Helensvale Rail Station, as part of the Gold Coast Light Rail (Stage 2) project
- \$49 million to widen from four to six lanes, between Vespa Crescent and Nerang River Bridge on the Southport-Burleigh Road
- \$38 million to widen from four to six lanes, between North Street and Vespa Crescent on the Southport-Burleigh Road
- \$18 million to widen from four to six lanes, between Crestwood Drive and Nerang-Southport Road on the Labrador-Carrara Road (Ross Street).

Capital budget

Department of Transport and Main Roads	Notes	2015-16 Budget \$'000	2015-16 Est. Actual \$'000	2016-17 Budget \$'000
Capital purchases¹				
Total land, buildings and infrastructure		2,654,884	2,118,363	3,100,924
Total plant and equipment		29,486	11,264	13,892
Total other capital		11,402	27,724	17,754
Total capital purchases		2,695,772	2,157,351	3,132,570

Note:

- Capital purchases include acquisitions under finance leases consistent with *Budget Paper 3*. For more detail on the agency's capital acquisitions please refer to *Budget Paper 3*.

Staffing^{1, 2}

Department of Transport and Main Roads	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
Transport system investment planning and programming	3, 5, 7	624	684	680
Transport infrastructure management and delivery		2,414	2,398	2,403
Transport safety and regulation		639	629	622
Customer experience		2,158	2,162	2,178
Passenger transport services	4, 6, 8	279	328	309
TOTAL		6,114	6,201	6,192

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the service to which they relate.

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

3. Temporary FTEs required for the Gold Coast 2018 Commonwealth Games (GC2018) and Cross River Rail.
4. Temporary FTEs to deliver South East Queensland (SEQ) Bus Contract Renewal, Next Generation Ticketing and Taxi Review.

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

5. Temporary FTEs required for GC2018.
6. Temporary FTEs required to deliver Next Generation Ticketing and SEQ Bus Contract Renewal.

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

7. Decrease reflects timing of Cross River Rail business case, offset by additional FTEs required for GC2018 delivery.
8. Reflects Taxi Review project completed during 2016-17.

Budgeted financial statements

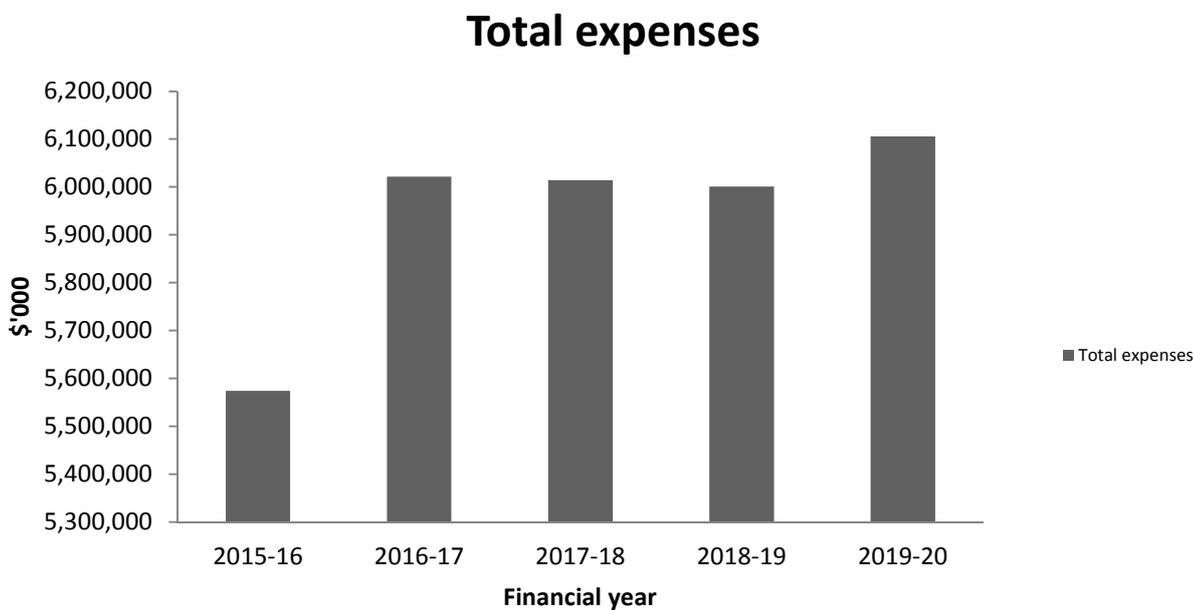
Analysis of budgeted financial statements

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

Departmental income statement

Total expenses are estimated to be \$6.021 billion in 2016-17, an increase of \$447.3 million from the 2015-16 financial year. The increase is mainly due to a budget reduction in 2015-16 due to the earlier than anticipated delivery of some works in 2014-15 which has been matched by an expenditure reduction in 2015-16 that is not expected to recur in 2016-17, additional expenses for the operating component of project costs that had previously been recognised as capital expenditure, early expenditure associated with the Cross River Rail project, depreciation, grants payments for Gold Coast Light Rail Stage 2 project, interest associated with the delivery of the New Generation Rollingstock under a Public Private Partnership arrangement and routine maintenance funded from registration revenue offset by a reduction in expenditure for the construction of the Lawnton to Petrie rail line (cost recovered from Queensland Rail).

Chart: Total departmental expenses across the Forward Estimates period



- In 2017-18, the decrease is primarily due to reduced grants payments for Gold Coast Light Rail Stage 2 project, blackspots and the ending of grants programs associated with Roads to Resources and Building Our Regions, reduced grants under the Bridges Renewal Program, funding for Cross River Rail provided in 2016-17 not recurring in 2017-18 offset by additional depreciation, increased routine maintenance and allowance for an enterprise bargaining increase.
- In 2018-19, the decrease is primarily due to a reduction in the operating component of project costs that had previously been recognised as capital expenditure offset by forecast additional expenses for road maintenance, corridor and structures management and traffic operations funded from registration revenue, additional interest expenses associated with the delivery of the Toowoomba Second Range Crossing project, depreciation expense and allowance for an enterprise bargaining increase.
- In 2019-20, the increase is mainly due to an increase in the operating component of project costs that had previously been recognised as capital expenditure and additional depreciation and an allowance for an enterprise bargaining increase.

Departmental balance sheet

The value of the department's assets in 2016-17 is estimated to total \$57.458 billion. This is primarily comprised of the value of transport infrastructure (\$53.247 billion) and land (\$2.743 billion). Over the next three years it is expected that the value of infrastructure assets will increase by 13.4 per cent due to continuing transport system investment and that the value of land will increase by 7.2 per cent due to acquisitions for future projects less any land sold that is surplus to requirements.

Total departmental liabilities in 2016-17 are estimated to be \$2.394 billion. This is mainly comprised of payables of \$502.7 million and borrowings and finance lease liabilities of \$1.510 billion. Total liabilities are anticipated to increase over the next three years to \$2.733 billion. Payables are expected to remain at about the same level over the next three years, while debt is expected to increase to \$1.840 billion by 2019-20 due to finance lease liabilities associated with the delivery of the Toowoomba Second Range Crossing Project and the acquisition of New Generation Rollingstock.

Controlled income statement

Department of Transport and Main Roads	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
INCOME				
Appropriation revenue	1,7,16	4,601,502	4,695,185	5,218,430
Taxes		..	..	..
User charges and fees	8,17	800,211	794,399	657,655
Royalties and land rents		..	..	..
Grants and other contributions	2,9,18	183,688	172,855	135,525
Interest		1,612	1,528	1,508
Other revenue	3,10,19	100,457	86,813	119,486
Gains on sale/revaluation of assets		2,500	2,500	2,500
Total income		5,689,970	5,753,280	6,135,104
EXPENSES				
Employee expenses	11,20	465,921	468,930	479,938
Supplies and services	4,12,21	3,172,235	3,045,664	3,417,404
Grants and subsidies	5,13,22	470,843	584,180	569,391
Depreciation and amortisation	6,14,23	1,120,088	1,225,324	1,266,638
Finance/borrowing costs	15,24	87,401	88,386	124,387
Other expenses		20,226	15,969	18,006
Losses on sale/revaluation of assets		145,547	145,547	145,547
Total expenses		5,482,261	5,574,000	6,021,311
OPERATING SURPLUS/(DEFICIT)		207,709	179,280	113,793

Controlled balance sheet

Department of Transport and Main Roads	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CURRENT ASSETS				
Cash assets	25,36,45	638,971	306,297	360,589
Receivables	26,37	188,153	128,853	129,781
Other financial assets		..	..	..
Inventories		8,298	4,850	4,983
Other	27,38,46	11,845	55,773	427,506
Non-financial assets held for sale	28,39,47	34,523	75,000	15,000
Total current assets		881,790	570,773	937,859
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		601	601	601
Property, plant and equipment	29,40,48	62,849,202	55,078,670	56,424,158
Intangibles		84,931	91,109	93,534
Other		1,407	1,808	1,808
Total non-current assets		62,936,141	55,172,188	56,520,101
TOTAL ASSETS		63,817,931	55,742,961	57,457,960
CURRENT LIABILITIES				
Payables	30,41	865,422	498,705	502,727
Accrued employee benefits		21,463	20,849	20,952
Interest bearing liabilities and derivatives	31	80,001	92,211	89,425
Provisions	32,42	105,374	200,172	200,172
Other	33,43	60,844	72,589	73,735
Total current liabilities		1,133,104	884,526	887,011
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		4,781	4,982	4,982
Interest bearing liabilities and derivatives	34,44,49	1,056,269	1,235,047	1,420,585
Provisions	32,42	187,567	80,939	80,939
Other		..	..	..
Total non-current liabilities		1,248,617	1,320,968	1,506,506
TOTAL LIABILITIES		2,381,721	2,205,494	2,393,517
NET ASSETS/(LIABILITIES)		61,436,210	53,537,467	55,064,443
EQUITY				
TOTAL EQUITY	35,40,50	61,436,210	53,537,467	55,064,443

Controlled cash flow statement

Department of Transport and Main Roads	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts	51,62,74	4,601,502	4,802,329	5,218,430
User charges and fees	52,63,75	941,005	894,052	757,308
Royalties and land rent receipts		..	..	..
Grants and other contributions	53,64,76	183,688	172,855	135,525
Interest received		1,612	1,528	1,508
Taxes		..	..	..
Other	54,65,77	790,113	691,734	724,407
Outflows:				
Employee costs	66,78	(465,818)	(468,827)	(479,835)
Supplies and services	55,67,79	(3,857,129)	(3,645,823)	(4,017,563)
Grants and subsidies	56,68,80	(470,843)	(573,016)	(569,391)
Borrowing costs	69,81	(87,522)	(88,507)	(124,508)
Other	57,70	(162,345)	(116,947)	(118,984)
Net cash provided by or used in operating activities		1,474,263	1,669,378	1,526,897
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets	58,82	64,735	22,500	62,500
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	59,71,83	(2,694,242)	(1,904,864)	(2,801,524)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		(2,629,507)	(1,882,364)	(2,739,024)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	72,84	2,000	2,000	22,000
Equity injections	60,71,83	2,021,143	1,365,464	2,232,442
Outflows:				
Borrowing redemptions		(81,636)	(81,449)	(88,392)
Finance lease payments	61,73,85	(10,225)	(70,225)	(80,372)
Equity withdrawals		(824,767)	(823,288)	(819,259)
Net cash provided by or used in financing activities		1,106,515	392,502	1,266,419
Net increase/(decrease) in cash held		(48,729)	179,516	54,292
Cash at the beginning of financial year		687,700	126,781	306,297
Cash transfers from restructure		..	..	..
Cash at the end of financial year		638,971	306,297	360,589

Administered income statement

Department of Transport and Main Roads	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
INCOME				
Appropriation revenue		..	..	..
Taxes		..	..	..
User charges and fees	86,87,89	2,172,225	2,156,042	2,222,790
Royalties and land rents		..	..	..
Grants and other contributions		..	..	..
Interest		50	50	50
Other revenue	88,90	193,930	197,302	204,207
Gains on sale/revaluation of assets		..	..	..
Total income		2,366,205	2,353,394	2,427,047
EXPENSES				
Employee expenses		..	..	..
Supplies and services		..	..	..
Grants and subsidies		..	..	..
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses		..	..	..
Losses on sale/revaluation of assets		..	..	..
Transfers of Administered Revenue to Government		2,366,205	2,353,394	2,427,047
Total expenses		2,366,205	2,353,394	2,427,047
OPERATING SURPLUS/(DEFICIT)		..	..	..

Administered balance sheet

Department of Transport and Main Roads	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CURRENT ASSETS				
Cash assets		14,074	20,797	20,888
Receivables	91,93	53,843	34,919	35,020
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		67,917	55,716	55,908
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	92,94	81,135	261,311	261,311
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		81,135	261,311	261,311
TOTAL ASSETS		149,052	317,027	317,219
CURRENT LIABILITIES				
Payables		5,545	5,793	5,801
Transfers to Government payable	91,93	56,641	43,943	44,063
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		5,498	5,747	5,811
Total current liabilities		67,684	55,483	55,675
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		67,684	55,483	55,675
NET ASSETS/(LIABILITIES)		81,368	261,544	261,544
EQUITY				
TOTAL EQUITY	92,94	81,368	261,544	261,544

Administered cash flow statement

Department of Transport and Main Roads	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts		..	..	..
User charges and fees	95,97,100	2,174,688	2,158,505	2,225,253
Royalties and land rent receipts		..	..	..
Grants and other contributions		..	..	..
Interest received		50	50	50
Taxes		..	..	..
Other	98,101	193,910	197,282	204,187
Outflows:				
Employee costs		..	..	..
Supplies and services		20	20	20
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(2,492)	(2,492)	(2,492)
Transfers to Government		(2,366,085)	(2,353,274)	(2,426,927)
Net cash provided by or used in operating activities		91	91	91
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		..	..	..
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	96,99,102	58,750	..	83,750
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	96,99,102	(58,750)	..	(83,750)
Net cash provided by or used in financing activities		..	..	..
Net increase/(decrease) in cash held		91	91	91
Cash at the beginning of financial year		13,983	20,706	20,797
Cash transfers from restructure		..	..	..
Cash at the end of financial year		14,074	20,797	20,888

Explanation of variances in the financial statements

Income statement

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

1. The conditions outlined in the notes below have impacted on the amount of service revenue received by the department.
2. Variance reflects decreased funding from the Queensland Reconstruction Authority (QRA) for expenditure on Natural Disaster Relief and Recovery Arrangements (NDRRA) works, as a result of savings achieved in the delivery of the program. This is partially offset by an increased contribution for the Gateway Upgrade North project and the Gold Coast Light Rail Stage 2 project.
3. Decrease is mainly due to lower than anticipated revenue received from roadside advertising and a reduction in the compulsory third party (CTP) administration fee.
4. Variance primarily reflects a budget reduction in 2015-16 due to the earlier than anticipated delivery of some works in 2014-15, which has been matched by an expenditure reduction in 2015-16, and expenses deferred to the out years to reflect the latest forecast, partially offset by an adjustment to correctly recognise the operating component of project expenditure that had previously been recognised as capital expenditure.
5. Variance primarily reflects an adjustment to correctly recognise project expenditure on local government assets as grants that had previously been recognised as capital expenditure.
6. Variance reflects a recalculation of depreciation expense based on a higher value of road infrastructure as a result of clarification by the Australian Accounting Standards Board in May 2015 of the residual values that apply to these assets.

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

7. The conditions outlined in the notes below have impacted on the amount of service revenue received by the department.
8. Variance primarily reflects decreased revenue from recoverable works associated with the Lawnton to Petrie rail line and Moreton Bay rail link projects, reduction of fare revenue due to the implementation of the Government response to the South East Queensland (SEQ) Fare Review and a reclassification of revenue received from the National Heavy Vehicle Regulator for work performed on an agency basis (refer to Note 10).
9. Variance reflects decreased funding from QRA due to the completion of works relating to natural disasters from previous years, offset by an increase in contributions for the Gateway Upgrade North project and departmental Gold Coast 2018 Commonwealth Games (GC2018) expenditure.
10. Increase primarily reflects a reclassification of revenue received from the National Heavy Vehicle Regulator for work performed on an agency basis which was previously accounted for under user charges and fees and an increase in developers' contributions.
11. Increase is primarily due to a budgeted enterprise bargaining increase.
12. Variance primarily reflects an adjustment to correctly recognise the operating component of project expenditure that had previously been recognised as capital expenditure, increased expenditure for early expenditure associated with the Cross River Rail and road maintenance, partially offset by decreased expenditure due to completion of the Lawnton to Petrie rail line project.
13. Variance mainly reflects an adjustment to correctly recognise project expenditure on local government assets as grants that had previously been recognised as capital expenditure, and increased payments to local governments under the Bridges Renewal program. This is partially offset by payments made to the National Heavy Vehicle Regulator in 2015-16 ceasing due to changed funding arrangements.
14. Variance reflects a recalculation of depreciation expense based on a higher value of road infrastructure as a result of clarification by the Australian Accounting Standards Board in May 2015 of the residual values that apply to these assets and additional investment in road infrastructure and New Generation Rollingstock.
15. Increase is mainly due to the recognition of the finance lease interest cost for New Generation Rollingstock in 2016-17.

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

16. The conditions outlined in the notes below have impacted on the amount of service revenue received by the department.

17. Variance primarily reflects decreased revenue from recoverable works associated with the Lawnton to Petrie rail line and Moreton Bay rail link projects, reduction of fare revenue due to the implementation of the Government response to the SEQ Fare Review and a reclassification of revenue received from the National Heavy Vehicle Regulator for work performed on an agency basis (refer to Note 19).
18. Variance reflects decreased funding from QRA due to the completion of works relating to natural disasters from previous years, offset by an increase in contributions for the Gateway Upgrade North project and departmental GC2018 expenditure.
19. Increase primarily reflects a reclassification of revenue received from the National Heavy Vehicle Regulator for work performed on an agency basis which was previously accounted for under user charges and fees and an increase in developers' contributions.
20. Increase is primarily due to a budgeted enterprise bargaining increase.
21. Variance primarily reflects a budget reduction in 2015-16 due to the earlier than anticipated delivery of some works in 2014-15 which has been matched by an expenditure reduction in 2015-16, an adjustment to correctly recognise the operating component of project expenditure that had previously been recognised as capital expenditure, a deferral of expenses from 2015-16 to reflect the latest forecast, increased expenditure for early expenditure associated with the Cross River Rail and road maintenance. This is partially offset by decreased expenditure due to completion of the Lawnton to Petrie rail line project.
22. Variance is mainly due to payments made to the National Heavy Vehicle Regulator in 2015-16 ceasing due to changed funding arrangements, an adjustment to correctly recognise project expenditure on local government assets as grants that had previously been recognised as capital expenditure, and an anticipated reduction in assets transferred to local governments in 2016-17. This is partially offset by increased payments to local governments under the Bridges Renewal program.
23. Increase reflects additional investment in road infrastructure and new generation rollingstock.
24. Increase is mainly due to the recognition of the finance lease interest cost for new generation rollingstock in 2016-17.

Balance sheet

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

25. Decrease primarily reflects the use of cash to reduce payables offset by an increase in cash as a result of a reduction in receivables.
26. Variance is primarily due to a reduced capital expenditure program resulting in a less than anticipated goods and services tax (GST) receivable.
27. Increase is predominately due to a prepayment under the finance lease arrangement for the Toowoomba Second Range Crossing project.
28. Variance is primarily due to higher than anticipated number of properties that are surplus to requirements that are to be sold.
29. Variance primarily reflects a revaluation of infrastructure that occurred in 2014-15, recalculated accumulated depreciation on road infrastructure (which occurred as a result of the Australian Accounting Standards Board clarifying the recognition principles for residual values in May 2015), expensing of works on City of Gold Coast and public utility provider assets as part of the Gold Coast Light Rail project, expensing of decommissioned infrastructure assets and an adjustment to correctly recognise the operating component of project expenditure that had previously been recognised as capital expenditure. This is partially offset by the recognition of the New Generation Rollingstock lease assets.
30. Decrease is mainly due to a lower volume of infrastructure and NDRRA works.
31. Increase is primarily due to the recognition of payments for the Gold Coast Light Rail finance lease over the next 12 months.
32. Variance reflects a reclassification of the value of land resumptions between current and non-current provisions.
33. Variance is mainly due to higher than anticipated deposits held and unearned revenue for go card.
34. Variance is primarily due to the recognition of the New Generation Rollingstock finance lease offset by the reduction in the Gold Coast Light Rail finance lease.

35. Variance primarily reflects a revaluation of infrastructure that occurred in 2014-15, recalculated accumulated depreciation on road infrastructure (which occurred as a result of the Australian Accounting Standards Board clarifying the recognition principles for residual values in May 2015), expensing of works on City of Gold Coast and public utility provider assets as part of the Gold Coast Light Rail project, expensing of decommissioned infrastructure assets, an adjustment to correctly recognise the operating component of project expenditure that had previously been recognised as capital expenditure and lower than anticipated funding received from QRA for NDRRA works.

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

36. Decrease primarily reflects the use of cash to reduce payables offset by an increase in cash as a result of a reduction in receivables.
37. Variance is primarily due to a reduced capital expenditure program resulting in a less than anticipated GST receivable.
38. Increase is predominately due to a prepayment under the finance lease arrangement for the Toowoomba Second Range Crossing project.
39. Decrease reflects reduction in the number of properties that are surplus to requirements that are to be sold.
40. Variance primarily reflects a revaluation of infrastructure in 2014-15, recalculated accumulated depreciation on road infrastructure (which occurred as a result of the Australian Accounting Standards Board clarifying the recognition principles for residual values in May 2015), expensing of works on City of Gold Coast and public utility provider assets as part of the Gold Coast Light Rail project, expensing of decommissioned infrastructure assets and an adjustment to correctly recognise the operating component of project expenditure that had previously been recognised as capital expenditure. This is partially offset by the continued investment in transport infrastructure and an increased value of the New Generation Rollingstock lease assets.
41. Decrease is mainly due to a lower volume of infrastructure and NDRRA works.
42. Variance reflects a reclassification of the value of land resumptions between current and non-current provisions.
43. Variance is mainly due to higher than anticipated deposits held and unearned revenue for go card.
44. Variance is primarily due to the recognition of the New Generation Rollingstock finance lease offset by the repayment of loans and reduction in the Gold Coast Light Rail finance lease.

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

45. Increase is mainly due to increased contributions received from developers and the reimbursement from QRA for NDRRA expenditure relating to project claims that were incurred in 2015-16 and prior years.
46. Increase is predominately due to a prepayment under the finance lease arrangement for the Toowoomba Second Range Crossing project.
47. Decrease reflects reduction in the number of properties that are surplus to requirements that are to be sold.
48. Increase reflects the continued investment in transport infrastructure and an increased value for the New Generation Rollingstock lease assets. This is partially offset by an adjustment to correctly recognise the operating component of project expenditure that had previously been recognised as capital expenditure.
49. Variance is primarily due to the recognition of the New Generation Rollingstock finance lease offset by the repayment of loans and reduction in the Gold Coast Light Rail finance lease.
50. Increase reflects the continued investment in transport infrastructure partially offset by an adjustment to correctly recognise the operating component of project expenditure that had previously been recognised as capital expenditure.

Cash flow statement

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

51. The conditions outlined in the notes below have impacted on the amount of appropriation received by the department.
52. Variance primarily reflects an adjustment to estimates to more closely reflect the anticipated gross GST inflows.
53. Variance reflects decreased funding from QRA for expenditure on NDRRA works as a result of savings achieved in the delivery of the program. This is partially offset by an increased contribution for the Gateway Upgrade North project and the Gold Coast Light Rail Stage 2 project.

54. Variance is primarily due to reduced GST refunds from the Australian Taxation Office as a result of reduced payments to contractors for capital works.
55. Variance primarily reflects a budget reduction in 2015-16 due to the earlier than anticipated delivery of some works in 2014-15 which has been matched by expenditure reduction in 2015-16, an adjustment to estimates to more closely reflect the anticipated gross GST outflows and expenses deferred to the out years to reflect the latest forecast. This is partially offset by an adjustment to correctly recognise the operating component of project expenditure that had previously been recognised as capital expenditure.
56. Variance primarily reflects an adjustment to correctly recognise project expenditure on local government assets as grants that had previously been recognised as capital expenditure.
57. Variance is primarily due to reduced GST payments from the Australian Taxation Office as a result of reduced payments to contractors for capital works.
58. Variance is primarily due to lower than anticipated number of properties that are surplus to requirements that are to be sold.
59. Variance primarily reflects deferral of funding from 2015-16 to the out years to match the project forecast including expenditure associated with restoration of the road network as a result of natural disasters, Gold Coast Light Rail Stage 2 project, New Generation Rollingstock and transport infrastructure, and an adjustment to correctly recognise the operating component of project expenditure that had previously been recognised as capital expenditure.
60. Decrease is mainly due to the deferral of funding from 2015-16 to the out years to better reflect project cash flows.
61. Variance reflects the recognition of the repayment for the New Generation Rollingstock finance lease.

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

62. The conditions outlined in the notes below have impacted on the amount of appropriation received by the department.
63. Variance primarily reflects decreased revenue from recoverable works associated with the Lawnton to Petrie rail line and Moreton Bay rail link projects, reduction of fare revenue due to the implementation of the Government response to the SEQ Fare Review, an adjustment to estimates to more closely reflect the anticipated gross GST inflows and a reclassification of revenue received from the National Heavy Vehicle Regulator for work performed on an agency basis (refer to Note 65).
64. Variance reflects decreased funding from QRA due to the completion of works relating to the natural disasters from previous years. This is offset by an increased contributions for the Gateway Upgrade North project and departmental GC2018 expenditure.
65. Variance primarily reflects an adjustment to estimates to more closely reflect the anticipated gross GST inflows. This is offset by a reclassification of revenue received from the National Heavy Vehicle Regulator for work performed on an agency basis which was previously accounted for under user charges and fees and an increase in developers' contributions.
66. Increase is primarily due to a budgeted enterprise bargaining increase.
67. Variance primarily reflects an adjustment to correctly recognise the operating component of project expenditure that had previously been recognised as capital expenditure, increased expenditure for early expenditure associated with the Cross River Rail and road maintenance. This is partially offset by decreased expenditure due to completion of the Lawnton to Petrie rail line project, and an adjustment to estimates to more closely reflect the anticipated gross GST outflows.
68. Variance mainly reflects an adjustment to correctly recognise project expenditure on local government assets as grants that had previously been recognised as capital expenditure, and increased payments to local governments under the Bridges Renewal program. This is partially offset by payments made to the National Heavy Vehicle Regulator in 2015-16 ceasing due to changed funding arrangements.
69. Increase is mainly due to the recognition of the finance lease interest cost for New Generation Rollingstock in 2016-17.
70. Variance reflects an adjustment to estimates to more closely reflect the anticipated gross GST outflows.
71. Movement primarily reflects the deferral of funding from 2015-16 and increased expenditure for the Toowoomba Second Range Crossing and continued investment in transport infrastructure. This is partially offset by an adjustment to correctly recognise the operating component of project expenditure that had previously been recognised as capital expenditure.
72. Movement reflects the recognition of a loan for the Beaudesert Town Bypass project.
73. Variance is primarily due to the recognition of the repayment for the New Generation Rollingstock finance lease.

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

74. The conditions outlined in the notes below have impacted on the amount of appropriation received by the department.
75. Variance primarily reflects decreased revenue from recoverable works associated with the Lawnton to Petrie rail line and Moreton Bay rail link projects, reduction of fare revenue due to the implementation of the Government response to the SEQ Fare Review and a reclassification of revenue received from the National Heavy Vehicle Regulator for work performed on an agency basis (refer to Note 77).
76. Variance reflects decreased funding from QRA due to the completion of works relating to the natural disasters from previous years offset by an increased contribution for the Gateway Upgrade North project and departmental GC2018 expenditure.
77. Increase primarily reflects a reclassification of revenue received from the National Heavy Vehicle Regulator for work performed on an agency basis which was previously accounted for under user charges and fees and an increase in developers' contributions.
78. Increase is primarily due to a budgeted enterprise bargaining increase.
79. Variance primarily reflects a budget reduction in 2015-16 due to the earlier than anticipated delivery of some works in 2014-15 which has been matched by an expenditure reduction in 2015-16, an adjustment to correctly recognise the operating component of project expenditure that had previously been recognised as capital expenditure, deferral of expenses from 2015-16 to reflect the latest forecast, increased expenditure for early expenditure associated with the Cross River Rail and road maintenance. This is partially offset by decreased expenditure due to completion of the Lawnton to Petrie rail line project.
80. Variance is mainly due to payments made to the National Heavy Vehicle Regulator in 2015-16 ceasing due to changed funding arrangements, an adjustment to correctly recognise project expenditure on local government assets as grants that had previously been recognised as capital expenditure, and an anticipated reduction in assets transferred to local governments in 2016-17. This is partially offset by increased payments to local governments under the Bridges Renewal program.
81. Increase is mainly due to the recognition of the finance lease interest cost for New Generation Rollingstock in 2016-17.
82. Variance is due to higher estimated sales of surplus property and land in 2016-17.
83. Movement primarily reflects the deferral of funding from 2015-16 and increased expenditure for the Toowoomba Second Range Crossing and continued investment in transport infrastructure. This is partially offset by an adjustment to correctly recognise the operating component of project expenditure that had previously been recognised as capital expenditure.
84. Movement reflects the recognition of a loan for the Beaudesert Town Bypass project.
85. Variance reflects the repayment for the New Generation Rollingstock finance lease and the Gold Coast Light Rail finance lease.

Administered income statement

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

86. The decreased revenue is primarily due to reduced vehicle registration revenue as a result of a combination of an increase in concessions, a shift from six cylinder to four cylinder vehicles, a reduction in the heavy vehicle fleet and a reduction in the population growth rate.

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

87. The increased revenue reflects the effect of indexation applied to vehicle registration and transport and traffic fees and growth in the number of vehicles.
88. The increased revenue is mainly due to indexation applied to fines and an estimated higher volume of valid traffic infringement notices being issued due to improved camera technology.

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

89. The increased revenue reflects the effect of indexation applied to vehicle registration and transport and traffic fees and growth in the number of vehicles.
90. The increased revenue is mainly due to indexation applied to fines and an estimated higher volume of valid traffic infringement notices being issued due to improved camera technology.

Administered balance sheet

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

91. Decrease reflects a lower year end accrual for revenue due to be received from unpaid infringements. The accrual has been amended to exclude those infringements which will be collected by the State Penalties Enforcement Registry as reported by Queensland Treasury.
92. Increase reflects the comprehensive revaluation for the non-rail corridor land.

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

93. Decrease reflects a lower year end accrual for revenue due to be received from unpaid infringements. The accrual has been amended to exclude those infringements which will be collected by the State Penalties Enforcement Registry as reported by Queensland Treasury.
94. Increase reflects the comprehensive revaluation for the non-rail corridor land.

Administered cash flow statement

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

95. The decreased revenue is primarily due to reduced vehicle registration revenue as a result of a combination of an increase in concessions, a shift from six cylinder to four cylinder vehicles, a reduction in the heavy vehicle fleet and a reduction in the population growth rate.
96. Variance reflects a deferral of a contribution to Queensland Rail for capital works expenditure.

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

97. The increased revenue reflects the effect of indexation applied to vehicle registration and transport and traffic fees and growth in the number of vehicles.
98. The increased revenue is mainly due to indexation applied to fines and an estimated higher volume of valid traffic infringement notices being issued due to improved camera technology.
99. Variance reflects a contribution to Queensland Rail for capital works for the North Coast Line Capacity Improvement project.

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

100. The increased revenue reflects the effect of indexation applied to vehicle registration and transport and traffic fees and growth in the number of vehicles.
101. The increased revenue is mainly due to indexation applied to fines and an estimated higher volume of valid traffic infringement notices being issued due to improved camera technology.
102. Variance reflects a deferral of a contribution to Queensland Rail for capital works expenditure and additional funding for the North Coast Line Capacity Improvement project.

Reporting Entity Financial Statements

Reporting Entity comprises:

- Department of Transport and Main Roads (excluding Administered)
- RoadTek.

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

Reporting entity income statement

Department of Transport and Main Roads	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
INCOME				
Appropriation revenue		4,601,502	4,695,185	5,218,430
Taxes	
User charges and fees		819,386	844,353	707,806
Royalties and land rents	
Grants and other contributions		183,703	172,863	135,525
Interest	
Other revenue		87,750	72,742	105,186
Gains on sale/revaluation of assets		3,045	3,687	3,013
Total income		5,695,386	5,788,830	6,169,960
EXPENSES				
Employee expenses		579,232	578,194	597,011
Supplies and services		3,047,448	2,946,016	3,320,644
Grants and subsidies		470,843	584,180	569,391
Depreciation and amortisation		1,132,845	1,239,752	1,276,881
Finance/borrowing costs		85,924	86,052	122,139
Other expenses		22,517	18,528	20,719
Losses on sale/revaluation of assets		147,148	146,432	146,442
Total expenses		5,485,957	5,599,154	6,053,227
Income tax expense/revenue		3,995	6,961	4,780
OPERATING SURPLUS/(DEFICIT)		205,434	182,715	111,953

Reporting entity balance sheet

Department of Transport and Main Roads	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CURRENT ASSETS				
Cash assets		700,609	419,159	473,154
Receivables		218,883	154,501	155,490
Other financial assets	
Inventories		12,736	15,154	15,145
Other		12,656	56,517	428,245
Non-financial assets held for sale		34,523	75,000	15,000
Total current assets		979,407	720,331	1,087,034
NON-CURRENT ASSETS				
Receivables	
Other financial assets		601	601	601
Property, plant and equipment		62,898,515	55,122,297	56,465,142
Deferred tax assets		4,760	7,164	6,638
Intangibles		84,931	91,109	93,534
Other		1,407	1,808	1,808
Total non-current assets		62,990,214	55,222,979	56,567,723
TOTAL ASSETS		63,969,621	55,943,310	57,654,757
CURRENT LIABILITIES				
Payables		869,115	535,959	538,814
Current tax liabilities		(1,578)	(528)	(1,073)
Accrued employee benefits		26,025	25,084	25,187
Interest bearing liabilities and derivatives		80,001	92,211	89,425
Provisions		105,374	200,172	200,172
Other		60,844	72,589	73,735
Total current liabilities		1,139,781	925,487	926,260
NON-CURRENT LIABILITIES				
Payables	
Deferred tax liabilities	
Accrued employee benefits		4,781	4,982	4,982
Interest bearing liabilities and derivatives		1,056,269	1,235,047	1,420,585
Provisions		187,567	80,939	80,939
Other	
Total non-current liabilities		1,248,617	1,320,968	1,506,506
TOTAL LIABILITIES		2,388,398	2,246,455	2,432,766
NET ASSETS/(LIABILITIES)		61,581,223	53,696,855	55,221,991
EQUITY				
TOTAL EQUITY		61,581,223	53,696,855	55,221,991

Reporting entity cash flow statement

Department of Transport and Main Roads	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts		4,601,502	4,802,329	5,218,430
User charges and fees		961,494	952,546	812,299
Royalties and land rent receipts	
Grants and other contributions		183,703	172,863	135,525
Interest received	
Taxes	
Other		807,406	707,663	740,107
Outflows:				
Employee costs		(579,147)	(578,109)	(596,908)
Supplies and services		(3,770,083)	(3,586,525)	(3,956,208)
Grants and subsidies		(470,843)	(573,016)	(569,391)
Borrowing costs		(86,045)	(86,173)	(122,260)
Taxation equivalents paid		(4,550)	(6,917)	(5,325)
Other		(164,636)	(119,506)	(121,697)
Net cash provided by or used in operating activities		1,478,801	1,685,155	1,534,572
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		65,779	28,471	62,118
Investments redeemed	
Loans and advances redeemed	
Outflows:				
Payments for non-financial assets		(2,699,332)	(1,908,954)	(2,809,114)
Payments for investments	
Loans and advances made	
Net cash provided by or used in investing activities		(2,633,553)	(1,880,483)	(2,746,996)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		2,000	2,000	22,000
Equity injections		2,021,143	1,365,464	2,232,442
Outflows:				
Borrowing redemptions		(81,636)	(81,449)	(88,392)
Finance lease payments		(10,225)	(70,225)	(80,372)
Equity withdrawals		(824,767)	(823,288)	(819,259)
Dividends paid	
Net cash provided by or used in financing activities		1,106,515	392,502	1,266,419
Net increase/(decrease) in cash held		(48,237)	197,174	53,995
Cash at the beginning of financial year		748,846	221,985	419,159
Cash transfers from restructure	
Cash at the end of financial year		700,609	419,159	473,154

Statutory body

Gold Coast Waterways Authority

Overview

The Gold Coast Waterways Authority (the Authority) operates under the *Gold Coast Waterways Authority Act 2012* (the Act), with responsibility for delivering the best possible management of, and access to, the Gold Coast waterways at reasonable cost to the community and Government, while minimising regulation.

The Gold Coast waterways have considerable social, economic and environmental value. The Gold Coast Waterways Management Strategy 2014-2023 sets out objectives to sustain, enhance and promote the waterways and is supported by a four year rolling Waterways Management Program.

The Authority contributes to the Queensland Government's objective for the community of creating jobs and a diverse economy by working collaboratively with industry, the community and other Government agencies to foster development, eco-tourism, jobs and sustainably leveraged built and natural waterways assets. Key factors influencing this partnership include the impacts of weather events and the demands arising from the ever increasing popularity of the Gold Coast and its waterways.

The Authority focuses on four key objectives as outlined in the Gold Coast Waterways Authority Strategic Plan:

- enjoyment of the waterways is sustainable, safe and efficient
- investment in improved waterways access balances diversity of use and protects environmental values
- decisions are informed by sound research and guided by consultation with stakeholders and by future demand, while also meeting investment criteria
- plans and actions for the waterways are coordinated with and responsive to other related activities.

Service summary

In 2016-17, the Authority will build on achievements delivered to date, including:

- keeping navigation channels safe and accessible through dredging projects including the Coomera River, Crossover Channel realignment north of Wavebreak Island and parts of the Nerang River
- maintaining and improving boating infrastructure including upgrade of the Howard Street, Runaway Bay boat ramp, construction of boating infrastructure at the proposed Cultural Precinct on the Nerang River and upgrade of the pontoon located at Muriel Henschman Drive, The Spit
- continuing implementation of the Surfers Riverside Masterplan, rehabilitation works and improvements to Doug Jennings Park and construction of the Coomera Dredged Sediment Management facility
- ensuring that navigational access is maintained at the entrance to the Gold Coast Seaway through the efficient operation of the Sand Bypass System and implementation of Energy Efficiency Recommendations including new high pressure motive pumps and power factor correction equipment
- continuing to identify and implement better management of waterways usage by working with a range of key stakeholders, revisiting the Speed Limit Review and finalising and implementing outcomes and implementing systems to facilitate stakeholder access to waterways information
- promoting the waterways by participating in, or supporting, events.

An independent review of the Authority's initial three years of operation has been undertaken, focusing on:

- operations and effectiveness of the Authority, to date, in accordance with their role and duties set out under the Act
- options for the best mechanism for managing Gold Coast waterways
- whether the Authority's powers and functions should be amended to be a more effective waterways manager
- long-term financial and governance structures for the Authority.

Recommendations outlined in the report will be considered and implemented, as appropriate.

Service performance

Performance statement

Management of and Access to the Gold Coast Waterways

Service area objective

To provide better management of, and access to, the Gold Coast waterways.

Service area description

The Authority will deliver projects and services to support the service area objective, including dredging of channels, maintenance and development of boating and navigational infrastructure, management of development and planning approvals, authorisation of aquatic events, management of speed and behaviour and promotion of the value of the waterways to Gold Coast residents, visitors and businesses.

Gold Coast Waterways Authority	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service standards				
<i>Effectiveness measures</i>				
Percentage of Waterways Management Program commitments completed on time and on budget		80	84	80
Percentage of customer enquiries actioned within customer service standards	1	80	85	80
Percentage of community's overall satisfaction with Authority's implementation of the 10 year Waterways Management Strategy		80	83	80
<i>Efficiency measures</i>				
Cost per cubic metre of operating the Gold Coast Sand Bypass System	2	\$1.80	\$1.48	\$1.75
Average annual cost to manage and maintain each navigation aid in the Gold Coast waterways	3	\$345	\$341	\$343

Notes:

1. Customer service standards outline the quality, timeliness and level of support provided by the Authority when addressing enquiries.
2. Includes all costs to operate the Gold Coast Sand Bypass System, including salaries, maintenance, electricity and any other ancillary costs. The Target/Estimate amount is based on an annual average littoral drift of 500,000 m³ of sand per year.
3. Includes costs to manage and maintain 2,070 aids to navigation located in the Gold Coast waterways including salaries, inventory, associated vessel costs and any other ancillary costs.

Staffing¹

Gold Coast Waterways Authority	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
Gold Coast Waterways Authority		28	28	29

Note:

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

Income statement

Gold Coast Waterways Authority	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
INCOME				
Taxes		..	..	..
User charges and fees		10,345	10,345	10,556
Grants and other contributions		..	..	..
Interest		100	100	89
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
Total income		10,445	10,445	10,645
EXPENSES				
Employee expenses	1,3,6	2,270	2,553	2,686
Supplies and services	2,4,7	4,244	3,961	3,493
Grants and subsidies		..	..	..
Depreciation and amortisation	5,8	2,900	2,900	3,405
Finance/borrowing costs		..	..	..
Other expenses		1,031	1,031	1,061
Losses on sale/revaluation of assets		..	..	..
Total expenses		10,445	10,445	10,645
OPERATING SURPLUS/(DEFICIT)		..	..	..

Balance sheet

Gold Coast Waterways Authority	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CURRENT ASSETS				
Cash assets	9,15	1,709	2,698	1,598
Receivables		619	500	500
Other financial assets		..	..	..
Inventories		137	137	137
Other		..	78	78
Non-financial assets held for sale		..	..	..
Total current assets		2,465	3,413	2,313
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	10,13	182,181	194,215	198,410
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		182,181	194,215	198,410
TOTAL ASSETS		184,646	197,628	200,723
CURRENT LIABILITIES				
Payables	11,14	2,002	1,660	1,660
Accrued employee benefits		312	309	309
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		5	31	31
Total current liabilities		2,319	2,000	2,000
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		2,319	2,000	2,000
NET ASSETS/(LIABILITIES)		182,327	195,628	198,723
EQUITY				
TOTAL EQUITY	12	182,327	195,628	198,723

Cash flow statement

Gold Coast Waterways Authority	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees		10,345	10,345	10,556
Grants and other contributions		..	..	..
Interest received		100	100	89
Taxes		..	..	..
Other		..	..	..
Outflows:				
Employee costs	16,19,24	(2,270)	(2,553)	(2,686)
Supplies and services	17,20,25	(4,244)	(3,961)	(3,493)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(1,031)	(1,031)	(1,061)
Net cash provided by or used in operating activities		2,900	2,900	3,405
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	18,21,26	(10,167)	(11,297)	(7,600)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		(10,167)	(11,297)	(7,600)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	22,27	5,901	5,901	6,500
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	23,28	(2,900)	(2,900)	(3,405)
Net cash provided by or used in financing activities		3,001	3,001	3,095
Net increase/(decrease) in cash held		(4,266)	(5,396)	(1,100)
Cash at the beginning of financial year		5,975	8,094	2,698
Cash transfers from restructure		..	..	..
Cash at the end of financial year		1,709	2,698	1,598

Explanation of variances in the financial statements

Income statement

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

1. Increase in employee expenses is attributed to additional full-time equivalent (FTE) requirements to address growth in the scope and quantity of services and works to be delivered. This increase is partially offset with a decrease in other supplies and services expenses associated with contractor payments.
2. Decrease in other supplies and services is primarily due to energy efficiency measures associated with operating the Gold Coast Seaway Sand Bypass System and decrease in payments made to contractors.

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

3. Increase in employee expenses is attributed to additional FTE requirements to address growth in the scope and quantity of services and works to be delivered. This increase is partially offset with a decrease in other supplies and services expenses associated with contractor payments.
4. Decrease in other supplies and services is primarily due to energy efficiency measures associated with operating the Gold Coast Seaway Sand Bypass System and payments made to contractors.
5. Increase in depreciation costs based on results of a revaluation of non-current assets following completion of a comprehensive appraisal by Registered Valuers as at 30 June 2015 and adjustments made for prior years projected capital investments.

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

6. Increase in employee expenses is associated with projected additional FTE required to deliver services associated with the management, maintenance and improvement of facilities and crown land reserves under the control of the Gold Coast Waterways Authority (the Authority). This increase is partially offset with a decrease in other supplies and services expenses associated with contractor payments.
7. Decrease in other supplies and services is primarily due to reduced projected payments to employment agency contractors and other contractors.
8. Increase in depreciation costs based on results of a revaluation of non-current assets following completion of a comprehensive appraisal by Registered Valuers as at 30 June 2015 and adjustments made for prior years projected capital investments.

Balance sheet

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

9. Increase in cash assets is a result of capital program carryover funding.
10. Increase in property, plant and equipment is due to a result of a revaluation of non-current assets following completion of a comprehensive appraisal by Registered Valuers as at 30 June 2015.
11. Decrease in payables is related to decreased volume of waterways management program related works invoices held as liabilities at end of financial year.
12. Increase is primarily attributed to an asset revaluation surplus as a result of a comprehensive revaluation of assets in 2014-15.

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

13. Increase in property, plant and equipment is due to a result of a revaluation of non-current assets following completion of a comprehensive appraisal by Registered Valuers as at 30 June 2015 and projected capital investments in financial year 2016-17.
14. Decrease in payables is related to decreased volume of waterways management program related works.

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

15. Decrease in cash assets is a result of planned capital program purchases in 2016-17.

Cash flow statement

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

16. Increase in employee expenses is attributed to additional FTE requirements to address growth in the scope and quantity of services and works to be delivered. This increase is partially offset with a decrease in other supplies and services expenses associated with contractor payments.
17. Decrease in other supplies and services is primarily due to energy efficiency measures associated with operating the Gold Coast Seaway Sand Bypass System and decrease in payments made to contractors.
18. Increase is due to actual deferral of funding from 2014-15 to 2015-16 being higher than initially projected and programmed works being completed in 2015-16.

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

19. Increase in employee expenses is attributed to additional FTE requirements to address growth in the scope and quantity of services and works to be delivered. This increase is partially offset with a decrease in other supplies and services expenses associated with contractor payments.
20. Decrease in other supplies and services is primarily due to energy efficiency measured associated with operating the Gold Coast Seaway Sand Bypass System and payments made to contractors.
21. Variance is due to the majority of prior years deferred programmed works being completed in 2015-16. Budget for 2016-17 includes a minimal projected deferral of funding from 2015-16, which is primarily due to unanticipated delays in receiving approvals for programmed works.
22. Increase in equity injection reflects level of capital funding required to deliver the Gold Coast Waterways Management Program 2016-17.
23. Increase in depreciation costs based on results of a revaluation of non-current assets following completion of a comprehensive appraisal by Registered Valuers as at 30 June 2015 and adjustments made for prior years projected capital investments.

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

24. Increase in employee expenses is associated with projected additional FTEs required to deliver services associated with the management, maintenance and improvement of facilities and Crown land reserves under the control of the Authority. This increase is partially offset with a decrease in other supplies and services expenses associated with contractor payments.
25. Decrease in other supplies and services is primarily due to reduced projected payments to employment agency contractors and other contractors.
26. Variance is due to the majority of prior years deferred programmed works being completed in 2015-16. Budget for 2016-17 includes a minimal projected deferral of funding from 2015-16, which is primarily due to unanticipated delays in receiving approvals for programmed works.
27. Increase in equity injection reflects level of capital funding required to deliver the Gold Coast Waterways Management Program 2016-17.
28. Increase in depreciation costs based on results of a revaluation of non-current assets following completion of a comprehensive appraisal by Registered Valuers as at 30 June 2015 and adjustments made for prior years projected capital investments.

Commercialised business unit

RoadTek

Overview

RoadTek's vision is to be the civil works and services provider of choice, with RoadTek providing transport infrastructure solutions, including construction and maintenance services, to enable the department to deliver on government priorities and community outcomes.

As a commercial government business within the department, RoadTek is instrumental in the delivery of numerous projects that make up the State's extensive road and bridge network. RoadTek's value to the department, government and the community is demonstrated by:

- specialising in the delivery of technically difficult and hard-to-scope projects for the State and local governments
- providing on-the-ground support to communities in times of need (for example emergency response and disruptive events)
- delivering a range of services including: civil, structures, electrical and line-marking, supported by an internal construction fleet, strong project management and procurement practices
- providing services to the most regional and remote locations, allowing our people to develop ongoing relationships with our customers, the community and local businesses (who also contribute to the delivery works as part of the construction supply chain)
- providing opportunities to develop technical, construction and engineering skills within the department (our teams benefit from real 'hands on' experience in transport infrastructure construction and maintenance through rotation programs across the department)
- developing leaders and ensuring every employee in our inclusive team is well equipped with core skills
- partnering with regional and Indigenous communities to enhance training, development and employment opportunities.

The priority areas shaping RoadTek's direction in 2016-17, include:

- keeping everyone safe from harm and injury
- delivering quality projects and services for our customers
- developing our people for today and tomorrow
- collaborating with our partners, customers and stakeholders
- challenging the way we do things.

Service summary

RoadTek continues to focus on delivering quality transport infrastructure solutions that benefit the community.

Major deliverables and initiatives for RoadTek for 2016-17 include:

- continued delivery of transport infrastructure projects such as the Road Asset Management Contract and the Riverside Expressway Rehabilitation program in Brisbane
- working with the Maranoa Regional Council via the Memorandum of Understanding
- implementing a number of mobile technology solutions to enable in the field entry on the performance of the transport system
- progressing the RoadTek Workforce Blueprint including targeted training programs and the promotion of diversity and cultural and Indigenous initiatives.

Service performance

Performance statement

Transport Infrastructure Construction and Maintenance

Service area objective

RoadTek provides transport infrastructure solutions, including construction and maintenance services to enable the department to deliver on Government priorities and outcomes for the community.

Service area description

As a commercial business unit within the department, RoadTek is instrumental in the delivery of numerous projects on the State's extensive road and bridge network. This includes emergency response and related activities, as well as the delivery of projects that restore infrastructure and services after natural disasters.

RoadTek	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Service standards				
<i>Effectiveness measures</i>				
Lost time injury frequency rate	1	<10	18	<10
Customers' and stakeholders' value of RoadTek (on a scale of 1 to 5)		>4	4.5	>4
<i>Efficiency measures</i>				
Long term debt/equity	2	13.1%	11.9%	12.1%
Long term debt/total assets	3	9.6%	8.3%	8.5%
Return on equity	4	6.4%	10.2%	7.1%
Return on revenue (after tax)	5	2.5%	3.7%	2.5%
Profit margin (earnings before income tax/user charges)	6	3.5%	5.2%	3.5%

Notes:

1. One very long term and a separate degenerative type injury have impacted the lost time injury frequency rate ratio for the current year.
2. Position expected to hold against current year Target/Estimate.
3. Both long term debt and assets expected to remain steady over the next two years.
4. Equity position expected to remain steady over the medium term.
5. Target expected to be similar to 2015-16 Budget figure.
6. Trading position expected to be similar to 2016-17 Budget result.

Staffing¹

RoadTek	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
RoadTek		1,219	1,224	1,224

Note:

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

Income statement

RoadTek	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
INCOME				
User charges and fees	1,10	374,189	436,434	448,616
Grants and other contributions		15	8	..
Interest	2,11	1,477	2,334	2,248
Other revenue	3,12	549	1,112	1,124
Gains on sale/revaluation of assets	4,18	545	1,187	513
Total income		376,775	441,075	452,501
EXPENSES				
Employee expenses	5,13,19	113,311	109,264	117,073
Supplies and services	6,14,20	231,617	288,726	303,665
Grants and subsidies		..	..	..
Depreciation and amortisation	7,15,21	12,757	14,428	10,243
Finance/borrowing costs		1,612	1,528	1,508
Other expenses		2,559	3,039	3,182
Losses on sale/revaluation of assets	8,16	1,601	885	895
Total expenses		363,457	417,870	436,566
Income tax expense/revenue	9,17,22	3,995	6,961	4,780
OPERATING SURPLUS/(DEFICIT)		9,323	16,244	11,155

Balance sheet

RoadTek	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CURRENT ASSETS				
Cash assets	23,30	61,638	112,862	112,565
Receivables	24,31	49,910	44,738	44,889
Other financial assets		..	..	..
Inventories	25,32	31,818	18,984	18,842
Other		811	744	739
Non-financial assets held for sale		..	..	..
Total current assets		144,177	177,328	177,035
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	26,33,36	49,313	43,627	40,984
Deferred tax assets	27,34	4,760	7,164	6,638
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		54,073	50,791	47,622
TOTAL ASSETS		198,250	228,119	224,657
CURRENT LIABILITIES				
Payables	28,35	31,253	46,024	44,947
Current tax liabilities	29,37	(1,578)	(528)	(1,073)
Accrued employee benefits		4,562	4,235	4,235
Interest bearing liabilities and derivatives		19,000	19,000	19,000
Provisions		..	..	..
Other		..	..	..
Total current liabilities		53,237	68,731	67,109
NON-CURRENT LIABILITIES				
Payables		..	..	..
Deferred tax liabilities		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		53,237	68,731	67,109
NET ASSETS/(LIABILITIES)		145,013	159,388	157,548
EQUITY				
TOTAL EQUITY		145,013	159,388	157,548

Cash flow statement

RoadTek	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	38,46,54	375,413	444,884	453,366
Grants and other contributions		15	8	..
Interest received	39,47	1,477	2,334	2,248
Other		30,549	31,112	31,124
Outflows:				
Employee costs	40,48,55	(113,329)	(109,282)	(117,073)
Supplies and services	41,49,56	(269,358)	(329,076)	(339,070)
Grants and subsidies		..	..	..
Borrowing costs		(1,612)	(1,528)	(1,508)
Taxation equivalents paid	42,50,57	(4,550)	(6,917)	(5,325)
Other		(2,559)	(3,039)	(3,182)
Net cash provided by or used in operating activities		16,046	28,496	20,580
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets	43,51,58	1,044	5,971	(382)
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	44,52,59	(5,000)	(4,000)	(7,500)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		(3,956)	1,971	(7,882)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Dividends paid	45,53	(11,598)	(12,809)	(12,995)
Net cash provided by or used in financing activities		(11,598)	(12,809)	(12,995)
Net increase/(decrease) in cash held		492	17,658	(297)
Cash at the beginning of financial year		61,146	95,204	112,862
Cash transfers from restructure		..	..	..
Cash at the end of financial year		61,638	112,862	112,565

Explanation of variances in the financial statements

Income statement

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

1. The increase in user charges and fees is due to an increase in the number of projects completed, including additional projects to repair cyclone damage, increased safety work and wide centre line treatment.
2. The increase in interest is due to an improved balance in cash assets.
3. The increase in other revenue is due to increases in insurance claim revenue.
4. The increase in gain on sale/revaluation of assets is due to the disposal of assets not required to undertake the current works program.
5. The decrease in employee expenses is due to a higher than anticipated vacancy rate.
6. The increase in supplies and services is due to additional projects on cyclone damage, increased safety work and wide centre line treatment.
7. The increase in depreciation and amortisation costs is due to a reassessment of the useful life of on plant and equipment items.
8. The decrease in losses on sale/revaluation of assets is due to higher than expected revenues from the disposal of equipment.
9. The increase in income tax expense is due to an increased surplus from an increased program of work.

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

10. The increase in user charges and fees is due to an increase in the number of projects completed, including additional projects to repair cyclone damage, increased safety work and wide centre line treatment.
11. The increase in interest is due to an improved balance in cash assets.
12. The increase in other revenue is due to increases in unexpected insurance claim revenue.
13. The increase in employee expenses is due to an enterprise bargaining increase and the filling of vacancies.
14. The increase in supplies and services is due to additional projects on cyclone damage, increased safety work and wide centre line treatment.
15. The decrease in depreciation and amortisation is due to disposal of plant and equipment and a smaller asset replacement program.
16. The decrease in losses on sale/revaluation of assets is due to higher than expected revenues from the disposal of equipment.
17. The increase in income tax expense is due to an increased surplus from an increased program of work.

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

18. The decrease in gains on sale/revaluation is due to an expected softening in demand in the disposal market.
19. The increase in employee expenses is due to an enterprise bargaining increase and the filling of vacancies.
20. The increase in supplies and services is due to additional projects on cyclone damage, increased safety work and wide centre line treatment.
21. The decrease in depreciation and amortisation is due to disposal of plant and equipment and a smaller asset replacement program.
22. The decrease in income tax expense is due to an expected reduction in surplus from an anticipated reduction in the program of work.

Balance sheet

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

23. The increase in cash assets is due to an increase in payables and reductions in accounts receivable, inventory balances and capital spend.
24. The decrease in receivables is due to improved management of accounts receivable.

25. The decrease in inventories is due to improved invoicing of client works orders and stock holdings.
26. The decrease in property, plant and equipment is due to an increased disposal program and smaller asset replacement program.
27. The increase in deferred tax assets is due to an accelerated book depreciation rate.
28. The increase in payables is due to an increase in the current program of work.
29. The increase in current tax liabilities is due to variability of instalment rate for tax equivalent payments.

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

30. The increase in cash assets is due to an increase in payables and reductions in accounts receivable, inventory balances and capital spend.
31. The decrease in receivables is due to improved management of accounts receivable.
32. The decrease in inventories is due to improved invoicing of client works orders and stock holdings.
33. The decrease in property, plant and equipment is due to a continuing disposal program and smaller asset replacement program.
34. The increase in deferred tax assets is due to an accelerated book depreciation rate.
35. The increase in payables is due to a an increase in the current program of work.

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

36. The decrease in property, plant and equipment is due to a continuing disposal program and smaller asset replacement program.
37. The decrease in current tax liabilities is due to variability of instalment rate for tax equivalent payments.

Cash flow statement

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

38. The increase in user charges and fees is due to an increase in the number of projects completed, including additional projects to repair cyclone damage, increased safety work and wide centre line treatment.
39. The increase in interest is due to an improved balance in cash assets.
40. The decrease in employee expenses is due to a higher than anticipated vacancy rate.
41. The increase in supplies and services is due to additional projects on cyclone damage, increased safety work and wide centre line treatment.
42. The increase in taxation equivalents paid is due to better than budgeted trading surplus.
43. The increase in sales of non-financial assets is due to the increased disposal of construction plant and equipment.
44. The decrease in payments for non-financial assets is due to a planned reduction in purchase of construction plant and equipment.
45. The increase in dividends paid is due to a higher surplus from a higher than anticipated program of works.

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

46. The increase in user charges and fees is due to an increase in the number of projects completed, including additional projects to repair cyclone damage, increased safety work and wide centre line treatment.
47. The increase in interest is due to an expected improved balance in cash assets.
48. The increase in employee expenses is due to an enterprise bargaining increase and the filling of vacancies.
49. The increase in supplies and services is due to additional projects on cyclone damage, increased safety work and wide centre line treatment.
50. The increase in taxation equivalents paid is due to expected profitable trading from an increased program of works.
51. The decrease in sales of non-financial assets is due to slower disposal of plant and equipment.
52. The increase in payments for non-financial assets is due to a small asset replacement program of construction plant and equipment.
53. The increase in dividends paid is due to a higher surplus from a higher than anticipated program of works.

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

54. The increase in user charges and fees is due to an increase in the number of projects completed, including additional projects to repair cyclone damage, increased safety work and wide centre line treatment.
55. The increase in employee expenses is due to an enterprise bargaining increase and the filling of vacancies.
56. The increase in supplies and services is due to additional projects on cyclone damage, increased safety work and wide centre line treatment.
57. The decrease in taxation equivalents paid is due to a budgeted reduction in trading profit.
58. The decrease in sales of non-financial assets is due to slower disposal of plant and equipment.
59. The increase in payments for non-financial assets is due to a small asset replacement program of construction plant and equipment.

Glossary of terms

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

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

For a more detailed Glossary of Terms, please refer to the Reader's Guide available on the Budget website at www.budget.qld.gov.au

