

SERVICE DELIVERY STATEMENTS

**Department of Transport
and Main Roads**



Department of Transport and Main Roads

Summary of portfolio

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Portfolio overview

Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Deputy Premier, Minister for Transport and Minister for Infrastructure and Planning and the Minister for Main Roads, Road Safety and Ports and Minister for Energy, Biofuels and Water Supply:

Deputy Premier, Minister for Transport and Minister for Infrastructure and Planning

The Honourable Jackie Trad MP

Assistant Minister for Transport and Infrastructure

The Honourable Glenn Butcher 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.com.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' and we are working towards the shared purpose - '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.

The department contributes to the Queensland Government's objectives for the community: creating jobs and a diverse economy; delivering quality frontline services; protecting the environment and building safe, caring and connected communities. These objectives guide the department's strategic direction. To deliver its planned outcomes, the department focuses on the following strategic priorities and works as one to deliver its strategic plan objectives as stated in its 2016-2020 (2017 Revision) Strategic Plan:

- customer focus — a customer-centric organisation that better meets the needs of our customers
- innovation — an organisation that embraces change and adapts to external influences to minimise the impact of disruption
- liveable regions and active cities — a network that connects communities and contributes to Queensland's quality of life
- building prosperity — a network that advances economic prosperity across our cities and regions
- sustainable funding — responsive finance and investment arrangements that deliver value for money
- contemporary workforce — a prepared and capable workforce that meets the future mobility needs of Queenslanders.

Key strategies engaged by the department to meet our strategic objectives include (but are not limited to):

- shape deliverables and services with a customer focus
- promote agile solutions to problems to keep pace with the rate of change
- promote and invest in active and public transport solutions that support broader community benefits
- provide access to important centres of economic activity in our regions and cities
- maximise the benefits from our investments through long-term planning and prioritisation
- co-design pathways for the skills we need with industry.

Transport and Main Roads applies a robust risk management framework to manage strategic and operational risks both internal and external to counter the effects of uncertainty on the department's objectives. Some of the external opportunities and challenges the department is focusing on include (but are not limited to):

- increasing pace of technological and social change
- changing customer and stakeholder expectations
- increasing volume and complexity of data and the ability to analyse it (Big data)
- a geographically diverse population and transport network.

The department is committed to maintaining safe and cost-efficient transport infrastructure that meets the current needs of Queensland and to deliver new infrastructure in the areas of greatest needs. We will manage the delivery of a substantial capital program in the 2017-18 financial year to meet these priorities. Key programs continuing in 2017-18 and beyond include the:

- \$8.5 billion Queensland and Australian Government funded program to fix the Bruce Highway (2013-14 to 2022-23)
- \$635 million Queensland and Australian Government funded Warrego Highway Upgrade Program (2014-15 to 2018-19)
- \$279.7 million Queensland and Australian Government funded Northern Australia Roads Programme (2016-17 to 2019-20)
- \$260.5 million Queensland and Australian Government funded Cape York Region Package (2014-15 to 2018-19)
- \$160.7 million Queensland and Australian Government funded Commonwealth Games Package of Works (2015-16 to 2017-18)
- \$184.9 million Australian, Queensland and Local Government funded Bridges Renewal Program (Rounds 1 and 2).

Service performance

Performance statement

Transport System Investment, Planning and Programming

Service area objective

To provide the direction for a single integrated transport network in Queensland, including the policy and planning framework to make informed investment decisions.

Service area description

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

- the Queensland Transport Policy (QTP) — a 30 year, long-term transport strategy to prepare and position Queensland's transport for the future
- the Transport Coordination Plan (TCP) — provides a 10 year framework for strategic planning and management of transport resources in Queensland as required under the *Transport Planning and Coordination Act 1994*
- the 10 year Queensland Cycling Strategy and two year Action Plan to guide and prioritise actions that encourage more cycling, more often in Queensland
- Regional Transport Plans to define the strategic direction of regional transport systems and guide the planning of Queensland's transport network over the next 15 years
- the Transport System Planning Program (TSPP) 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
- the Roads and Transport Alliance which is the department's strategic funding and engagement partnership with local government and the Local Government Association of Queensland
- the Queensland position on state and national transport policy reform agendas
- asset management plans for maintenance, preservation and operation of State-controlled transport infrastructure
- funding submissions to the Australian Government for upgrading nationally significant road and transport networks to improve network safety and support economic development and population growth
- 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 and 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 system requirements of the future.

2017-18 service area highlights

The department will build on its 2016-17 achievements and continue its focus on delivering the Government's commitments for the people of Queensland, with 2017-18 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, Queensland Cycling Strategy and Action Plan, and South East Queensland public transport strategy
- continuing the program to develop and deliver Regional Transport Plans to define the strategic direction of regional transport systems
- working with local governments that have formed 17 Regional Roads and Transport Groups across Queensland under the Roads and Transport Alliance, including the management of the Transport Infrastructure Development Scheme
- progressing a more strategic approach to achieve enhanced community amenities and more sustainable development and exploration of opportunities for the state's portfolio of eight boat harbours
- developing a Strategic Framework and Action Plan for the assessment and management of Transformative Transport Technologies. An advisory group will provide oversight and guidance to the project and ensure future alignment with the department's investment process.

Department of Transport and Main Roads	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service area: Transport System Investment, Planning and Programming	M			
Service standards				
<i>Effectiveness measures</i>				
Road system condition (the percentage of urban and rural State-controlled roads with condition better than the specified benchmark):				
Urban		97-99	97-99	97-99
Rural		95-97	95-97	95-97
Road ride quality – traffic weighted roughness (percentage of the network in very poor/poor condition)	1	New measure	New measure	10.5
<i>Efficiency measure</i>				
Administrative cost to plan, develop and manage the QTRIP as a percentage of the overall value of the program	2	1	1	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. This new measure has a stronger alignment to the department's objectives of investment and maintenance, preservation and operation of State-controlled transport infrastructure.
 2. QTRIP is a four year rolling program of priority transport infrastructure works published annually. This service standard measures how efficiently 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

2017-18 service area highlights

The department will build on its 2016-17 achievements and continue its focus on delivering the Government's commitments for the people of Queensland, with 2017-18 highlights under this service area to include:

- completing the \$100.4 million Boundary Road Interchange Upgrade. This project involves building a new six-lane bridge over the Bruce Highway, longer on and off ramps and off-road pedestrian/cycle path at Narangba
- completing the \$58 million Cairns Southern Access corridor stage 2 (Roberts Rd to Foster Rd). This project will widen the Bruce Highway from four to six lanes on a 2.1km section of the Bruce Highway. It will improve safety, traffic flow and congestion and will enhance access for users of the southern access into Cairns
- progressing delivery of the \$160.7 million Commonwealth Games Upgrade Package for major road upgrades on the Gold Coast in the lead-up to the 2018 Commonwealth Games
- progressing works to improve the safety and operation of the Warrego Highway at Tallegalla Road/Lowood-Minden Road intersection, Minden. \$10 million has been allocated under the department's Targeted Road Safety program to progress this as a priority project
- progressing works on delivery of the five year \$260.5 million Queensland and Australian Government funded Cape York Region Package (CYRP)
- continuing works on the \$929.3 million Bruce Highway (Caloundra Rd - Sunshine Motorway) project. This project involves upgrading the Bruce Highway from four to six lanes between Caloundra Road and Sunshine Motorway, including major upgrades to both interchanges and delivery of a two way service road for local traffic on the western side of the highway. The project features an Australian first Diverging Diamond Interchange
- continuing works on the \$1.6 billion Queensland and Australian Government funded Toowoomba Second Range Crossing (TSRC) project. This project will provide a 41km long toll road that will pass Toowoomba on its northern side, linking the Warrego Highway at Helidon Spa in the east and the Gore Highway at Athol in the west (via Charlton)
- continuing works on the \$1.143 billion Queensland and Australian Government funded Gateway Upgrade North (GUN), an 11.3km upgrade of Gateway Motorway between Nudgee and Deagon, with additional pavement and safety works through to Bracken Ridge

- commence works on the Dalby Eastern and Western approaches to Dalby on the Warrego Highway. The eastern works are between Dalby—Cecil Plains Road and Nicholson Street (Moonie Highway). The western works are between Moonie Highway (Nicholson Street) and west of Watt Street. These works are part of the \$635 million Warrego Highway Upgrade Program (WHUP), which includes a package of projects between Toowoomba and Miles
- commence construction on the \$497.8 million Mackay Ring Road (Stage 1) project that involves the construction of a two-lane rural highway deviation, including 13 bridges on the Bruce Highway between Stockroute Road to Bald Hills
- commence construction on the \$400 million Ipswich Motorway Upgrade: Rocklea to Darra Stage 1 project that involves the design and construction of a motorway upgrade from four to six lanes. The project will include the construction of seven new bridges, a new southern service road connection from Rocklea industrial precinct to the Oxley commercial and retail areas and the construction of new traffic signals at the Suscatand Street intersection
- ongoing development of the QLDTraffic website and smartphone app, providing dynamic and real-time travel information – empowering customers with access to trusted, reliable, timely, personalised information to make informed travel decisions
- improved traffic signal coordination on major arterial roads and management of motorways to ensure they flow consistently. The department maximises throughput on the road network by proactively managing vehicle movements
- enhanced incident management and traffic management at roadworks ensuring the department maximises road network availability to road users by reducing the impact of unplanned incidents and better planning of roadworks.

Department of Transport and Main Roads	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service area: Transport Infrastructure Management and Delivery	M			
Service: Transport Infrastructure Management	M			
Service standards <i>Effectiveness measures</i> Road network efficiency – Average travel time per 10km:	1, 2, 3			
AM peak		11.1	11.3	11.3
Off peak		9.9	10.1	10.1
PM peak		11.3	11.9	11.9
Road network reliability – Percentage of the road network with reliable travel times:	1, 2, 4			
AM peak		79	78	78
Off peak		91	89	89
PM peak		75	72	72
Road network productivity — Percentage of the road network with good productivity:	1, 2, 4, 5			
AM peak		72	70	70
Off peak		76	74	74
PM peak		71	67	67
Arterial intersection performance – Percentage of intersections congested less than 20 minutes per hour:	1, 2, 4			

Department of Transport and Main Roads	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
AM peak		87	84	84
Off peak		94	93	93
PM peak		82	77	77
<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)	6	10	14	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	92	90
completed no more than four months after the programmed construction period		90	89	90
costing less than 10% over the published QTRIP figure		90	87	90
Number of fatal crashes on state-controlled roads per 100 million vehicle kilometres travelled where the road condition was likely to be a strong contributing factor	7, 8, 9	0.05	0.05	0.05
<i>Efficiency measure</i> Administration costs of managing and delivering the QTRIP as a percentage of the current financial year's QTRIP allocation	10	<5.1	<5.1	<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.
- The 2016-17 Estimated Actuals are based on the results for the year up to and including March 2017. These results are used to provide the best estimate of the performance for the year 2016-17. The results show that there has been an increase in congestion between the Estimated Actual figures and the ambitious 'hold steady' 2016-17 Target/Estimate figures (which are the same as the 2015-16 Target/Estimates). Considering the high vehicle-kilometre-travelled growth figures (that is, 2.8% per year on average between 2011 and 2016), TMR's congestion measures, which are deteriorating at a slower rate (averaging 1.5% per year from 2011-12 to 2016-17), are performing relatively well. Also note, fuel prices have dropped from 2014-15 to present. The department will continue to deliver a number of motorway and arterial initiatives to mitigate increasing congestion issues driven by increased vehicle usage.
 - The 2017-18 Target/Estimates are set to be the same as the current 2016-17 Estimated Actuals (these 2016-17 Estimated Actuals based on data up to and including March 2017).
 - This measure is in minutes per 10 km (lower is better).
 - For these measures a higher value indicates better performance.

5. Good road network productivity occurs under two scenarios of performance: (a) speeds are in excess of benchmark values (that is respectively 80% and 65% of the posted speed on motorways and arterials) irrespective of traffic flow; or (b) traffic flow is relatively high (for example 2,000 vehicles/hour/lane on motorways and 900 vehicles/hour/lane on arterials) in combination with moderately degraded speeds.
6. 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, traveller and traffic information, and heavy vehicle operations), maintenance and projects. The 2016-17 Estimated Actual is based on data covering up to March 2017 (of the 2016-17 financial year). The result shows there is a high demand on departmental staff capability in operating the road transportation system. The department will continue to deliver a program of road operational system technology enhancements which will automate existing workflows to reduce the demand on staff in operating the system. For this measure a lower value indicates better performance.
7. As Infrastructure Management Division is responsible for the functions of road management and the delivery of safety improvements on state-controlled roads, it was decided that this service standard should be realigned to the accountable business unit to effectively and accurately measure their performance.
8. There is a three month lag in data availability for this measure due to the time it takes to complete preliminary crash investigations and to determine causal factors (such as road conditions).
9. The Estimated Actual of 0.05 for 2016-17 is based on the observation that the quarterly rate has remained fairly steady for the last few years. Please note that the total annual figure is so few that small differences appear as relatively high fluctuations.
10. There are a number of service areas across the department that are associated with the management, development and delivery of the QTRIP. This efficiency measure reports on the administration costs of managing and delivering the QTRIP for the Program Delivery and Operations Branch that comes under the Transport Infrastructure Management and Delivery service area. This branch is the main delivery area of the QTRIP with the department.

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 transport networks 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:

- measuring the broad social and economic impacts of the road toll on Queenslanders
- maintaining focus on our long term vision, with interim targets established
- retaining alignment to the safe system principles where the system is safe at every level of road safety management and thereby driving a fundamental change in the culture and attitudes to road safety
- implementing road safety initiatives encompassing education, community engagement, enforcement, new technologies, road and road side investments and the publicising of high risk crash zones to reduce road trauma
- 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 maritime 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.

2017-18 service area highlights

The department will build on its achievements and continue its focus on delivering the Government's commitments for the people of Queensland, with 2017-18 highlights under this service area to include:

- improving road safety by delivering initiatives in the Queensland Road Safety Action Plan 2017-19 focused on safer streets and local roads, safer connecting roads and highways, safer vehicle choices and safer attitudes
- delivering over \$150 million in safety treatments annually through the Targeted Road Safety Program, including high risk route actions, discrete site treatments, mass actions and targeted safety interventions
- continuing to invest in innovative safety treatments and intelligent transport systems
- continuing to mature our data collection and validation processes to drive decision-making and investments
- continuing to advance rail safety outcomes by driving rail research and national partnership activities, leading the Queensland Level Crossing Safety Strategy and managing rail safety projects including innovative level crossing technology trials and chairing the National Level Crossing Safety Committee
- continuing to encourage and foster safety as a core value and culture within the Queensland regulated shipping sector of the maritime community, particularly focusing on educating recreational mariners to operate in a safe manner
- continuing to improve maritime safety and community satisfaction by managing the movement of commercial and recreational vessels in Queensland waters including the protection of the marine environment from ship-sourced pollution
- continuing to deliver marine safety and ship-sourced pollution prevention outcomes including transitioning responsibility for the regulation of domestic commercial vessels to the Australian Maritime Safety Authority
- contributing to the development and planning of Queensland waters through the implementation of the Reef 2050 Plan

- continuing to ensure we have a transport system that is simpler, easier and safer to access and use by the community and industry. We will do this by successfully managing and reforming transport legislation, standards and key policies covering access to and ongoing use of the transport network.

Department of Transport and Main Roads	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service area: Transport Safety and Regulation	M			
Service standards				
<i>Effectiveness measures</i>				
Marine fatalities per 100,000 registered vessels regulated in Queensland	1, 2, 3	2.96	4.66	3.15
Fatalities per 100,000 population on State-controlled roads		3.03	3.44	3.24
Road fatalities per 100,000 population	4	5.05	5.43	4.70
Hospitalised road casualties per 100,000 population	4	133	137.7	121
Percentage of vessel movements without serious incidents:				
Pilotage areas		100	100	100
ReefVTS area		100	100	100
<i>Efficiency measure</i>				
Direct operational cost of Vessel Traffic Services per monitored vessel movement	5, 6	\$456	\$456	\$483

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.
- 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.
 - Marine safety continues to be addressed through education and monitoring with an increased focus on educating recreational mariners to stay safe on the water.
 - The number of actual marine fatalities in 2016-17 was higher than the long-term average.
 - The 2017-18 Target/Estimate was established using the targets outlined in the Queensland Road Safety Strategy 2015-2021 as well as taking into account historic trends and the economic outlook.
 - This is a new service standard developed to track the cost of the department delivering Vessel Traffic Services in monitoring vessel movements in Port Pilotage and REEFVTS areas.
 - The 2017-18 Target/Estimate includes additional Liquefied Natural Gas (LNG)-related Vessel Traffic Services costs.

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 to guide the development of all product and service delivery across the department in the future.

2017-18 service area highlights

The department will build on its 2016-17 achievements and continue its focus on delivering the Government's commitments for the people of Queensland, with 2017-18 highlights to include:

- continuing to build organisational capability in regard to:
 - understanding customer expectations
 - enabling the department to meet these expectations
 - measuring how well we have met customer expectations.
- improving our existing online services from a customer perspective, using customer insights to implement improvements to navigation, information and general usability
- delivering the Mobile Compliance Information System which provides our Compliance officers with the ability to easily record vehicle intercept information and have integrated access to registration and licensing information in the field on mobile devices like tablets
- introducing additional online services such as:
 - expanding our ability to email notices to our customers
 - expanding our ability to provide electronic reminders to our customers
 - enabling customers to apply for their disability parking permit online.
- continue focus on the delivery of 'real-time passenger information' which in 2016-17 showed wide use and a high level of satisfaction with public transport customers.

Department of Transport and Main Roads	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service area: Customer Experience				
Service standards <i>Effectiveness measures</i> Overall customer satisfaction with transactional services (on a scale of 1 to 10)	T	8	8.4	8
Customer satisfaction ratings of public transport by service type (using a 0 - 100 index – 100 being excellent)	T			
Whole-of-Queensland Taxi	M, 1	≥68	65	≥67

Department of Transport and Main Roads	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
South East Queensland (SEQ)	T			
Bus	T	≥70	71	≥70
Rail	T, 2	≥70	69	≥70
Ferry		≥70	78	≥70
Rest of Queensland Regional urban bus	T	≥70	71	≥70
Customer service complaints in SEQ per 10,000 trips	T	<3	2.51	<3
<i>Efficiency measures</i>				
Average unit cost per transaction in a Customer Service Centre	T, 3, 4, 5	\$17.68	\$18.41	\$18.87
Average cost per customer enquiry – TransLink Contact Centre	T, 6	\$4.70	\$4.45	\$4.70

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.
- T. Denotes service standards for which accountability rests with the Deputy Premier, Minister for Transport and Minister for Infrastructure and Planning.
- As part of the reforms of the personalised transport industry, a degree of de-regulation has occurred. From 5 September 2016, regulation was removed for driver dress requirements, air conditioning operation, cleanliness, mandatory electronic payments systems and how a taxi meter works. The transition of the taxi industry to a less regulated but more competitive environment is anticipated to yield enhancements in customer service. However, this micro-economic reform transition is yet to be finalised and benefits are expected to be realised over the medium to longer term.
 - The department is taking action to improve satisfaction with rail services. This includes supporting the implementation of the recommendations from the Queensland Rail Train Crewing Practices Commission of Inquiry and working with Queensland Rail to deliver more timely and reliable information so customers can confidently plan their journeys.
 - Reporting cycle is every second year in alignment with Corporate Finance ABC Costing Schedule. The next fully calculated average unit cost will be available in 2017-18 based on 2016-17 actuals.
 - Costs include training, travel administration expenses and nominal cost for information technology, accommodation, shared services provider and labour (salaries and wages).
 - The 2017-18 Target/Estimate figure is calculated based on the actual 2015-16 average unit cost of \$18.05 and assumes a 2% CPI for 2016-17 Estimated Actual of \$18.41 plus a 2.5% CPI for 2017-18 Target/Estimate of \$18.87.
 - The 2016-17 Estimated Actual figure shows a lower cost per enquiry based on a greater than expected number of calls through the call centre. The 2017-18 Target/Estimate figure has been retained at \$4.70 as it is anticipated that the volume of calls will remain high coupled with an increasing level of complexity of enquiries due to future rail timetable amendments and changes in the personalised transport industry.

Passenger Transport Services

Service area objective

To lead and shape Queensland's passenger transport system by providing a single integrated passenger transport network accessible to everyone.

Service area description

This service area aligns directly with the Department of Transport and Main Roads objective, as stated in the department's strategic plan, to provide 'A network that connects communities and contributes to Queensland's quality of life'.

This service area facilitates passenger mobility across the State and aims to provide a single integrated and safe transport network 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.

2017-18 service area highlights

The department will build on its 2016-17 achievements and continue its focus on delivering the Government's commitments for the people of Queensland, with 2017-18 highlights to include:

- implementation of the five-year Strategic Plan for Personalised Transport Services 2016-2021 ensuring Queenslanders have safe, reliable and affordable personalised transport services and a sustainable and competitive industry to deliver them
- implementation of Demand Responsive Transport trials to provide further public transport options to our customers
- delivery of the Bus Service changes associated with the implementation of Gold Coast Light Rail Stage 2
- delivery of Stage 1 of the Murarrie Park and Ride and progression of planning and design of other Park and Ride facilities across a number of locations
- supporting, through our grants program, initiatives for upgrades relating to the *Disabilities Discrimination Act 1992 (Cwlth)*, ferry infrastructure and long distance coach facilities
- Helensvale Bus Station upgrade to support better integration of passenger transport across bus, rail and light rail, with delivery targeted prior to the 2018 Commonwealth Games.

Department of Transport and Main Roads	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service area: Passenger Transport Services				
Service standards <i>Effectiveness measures</i> Wheelchair accessible taxi response times compared to conventional taxi fleet response times:	M, 1			
Peak Percentage within 18 minutes:				
- Conventional		85	95	85
- Wheelchair		85	85	85
Percentage within 30 minutes:				
- Conventional		95	97	95
- Wheelchair		95	95	95
Off peak Percentage within 10 minutes:				
- Conventional		85	86	85
- Wheelchair	1	85	71	85
Percentage within 20 minutes:				
- Conventional		95	96	95
- Wheelchair	1	95	90	95
Patronage on Government contracted services (millions):	T			
SEQ:	2, 3	183.21	177.94	182.12
Bus	4	115.79	111.99	114.21
Rail	2	52.55	51.24	52.42
Tram	5	7.8	8.03	8.72
Ferry	6	7.07	6.68	6.78
Rest of Queensland:		12.04	11.99	12.01
Regional air	7	0.20	0.16	0.16
Long distance bus	8	0.06	0.06	0.06
Regional urban bus	9	11.45	11.45	11.45
TravelTrain	10	0.33	0.32	0.34
Average on-time running performance in peak times - CityTrain	T, 11	95%	89%	95%
Percentage of scheduled services delivered - CityTrain	T, 11	99.5	94.9	99.5
<i>Efficiency measures</i> Average subsidy per trip provided through the Taxi Subsidy Scheme	M, 12	\$8.05	\$8.63	\$8.50

Department of Transport and Main Roads	Notes	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Average subsidy per passenger on Government contracted services:	T			
Regional air	13	\$33.40	\$51.10	\$49.44
Long distance bus	14	\$92.55	\$108.24	\$105.39
Regional urban bus	9	\$3.32	\$3.32	\$3.34
TravelTrain	10	\$588.11	\$615.72	\$570.78
Average cost of subsidy per passenger trip in SEQ - bus, rail, tram and ferry	T, 15	\$7.05	\$7.07	\$7.73

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.
- T. Denotes service standards for which accountability rests with the Deputy Premier, Minister for Transport and Minister for Infrastructure and Planning.
- Response times for wheelchair accessible taxi (WAT) services 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. The off peak results for wheelchair accessible services are below target and may be attributable in part to the industry changes and the personalised transport reform program currently being implemented. It is anticipated that WAT service levels will improve following the introduction of an incentive payment for drivers of wheelchair accessible taxis for services provided to Taxi Subsidy Scheme members identified as requiring a wheelchair to travel.
 - The 2016-17 Estimated Actual SEQ Patronage figure shows 5.3 million trips less than the 2016-17 Target/Estimate as the additional 2.18 million in new patronage anticipated from the Fairer Fares review was not achieved due to rail network issues and a subsequent reduction in services. Continued lower petrol prices also kept potential patrons in their cars. Fewer Tertiary Concession trips were registered with the introduction of card data matching, whereby only eligible registered students received the 50 per cent concession fare. While many of these trips have converted to full fare adult trips, there are also those who have chosen to leave the system rather than paying the correct fare. March 2017 was also significantly impacted by Severe Tropical Cyclone Debbie, which caused less trips across all modes. The 2017-18 Target/Estimate is expected to be 182.12 million, which is an increase of 4.2 million trips on the 2016-17 Estimated Actual. The main reasons for the anticipated increase are natural population growth, the opening of Stage 2 of the Gold Coast Light Rail and a greater response across all modes to the Fairer Fares review, with new customers being attracted to the discounted fares.
 - The total does not exactly equal the sum of the 2017-18 Target/Estimate components due to rounding.
 - The 2016-17 Estimated Actual Bus Patronage figure was less than the 2016-17 Target/Estimate, due in part to the continuing shift on the Gold Coast from buses to tram as the preferred mode of travel. The opening of the Redcliffe Peninsula Line also saw a decline in bus trips in the Moreton Bay region, as patrons moved from bus to train. Bus patronage has been impacted more than other modes by the drops in Tertiary go card trips, as bus is the major carrier for this group.
 - Tram is the only mode to experience growth with the 2016-17 Estimated Actual result exceeding the 2016-17 Target/Estimate. The tram has benefitted from increased tourism on the Gold Coast and more patrons using trams for trips that had previously been undertaken on bus or by car. Continued growth is expected in 2017-18 with the opening of Stage 2 of the Gold Coast Light Rail line.
 - The lower 2016-17 Estimated Actual figure for Ferry Patronage may be attributed to the Kingsford Smith Drive construction works which have disrupted ferry services with reduced travel speeds and a revised timetable. These changes began on 29 August 2016 and will be in place for approximately 18 months.
 - The 2017-18 Target/Estimate can be attributed to the decline in the resource sector and overall economic conditions. Passenger numbers failed to reach expected targets across all air routes. Passenger numbers for the Central 1 route are expected to stabilise at lower levels. Minimal growth expected on all other regional air routes.
 - The 2017-18 Target/Estimate will see stagnant growth in patronage. While contracted operators continue to implement marketing strategies to maintain current patronage and attract new passengers, commercial operators are continuing to refine services and timetables particularly between Brisbane – Roma due to decline in resources sector, infrastructure projects and the ongoing impact of drought.
 - The 2017-18 Target/Estimate figure will see a slight increase in average subsidy per passenger from \$3.32 in 2015-16. The patronage numbers are anticipated to remain stable due to decline in the resource sector and a decline in overall economic conditions. There are service changes scheduled to occur in Toowoomba in May 2017. An immediate increase following the service change is not anticipated, however, the increase in patronage may occur in future years once networks become familiar to the community.
 - The reduced TravelTrain patronage target is due to changes in the delivery of the Rockhampton and Bundaberg services as a result of delays in refurbishment of the electric tilt train, resulting in some services reverting back to a traditional diesel locomotive hauled passenger service. When the patronage budget for 2016-17 was compiled by Queensland Rail in October 2015, it was assumed that the refurbished electric tilt train would return to service in March 2016. The return to service coincided with a planned marketing promotion to raise awareness of the refurbished train, with the end objective of delivering patronage growth. The patronage budget for 2016-17 incorporated this projected patronage growth, which, due to the refurbishment delay, has not materialised. The decrease in patronage also leads to an increase in the Estimated Actual subsidy per passenger for 2016-17.

11. Average On-Time Running and Percentage of Scheduled Services Delivered Estimated Actuals for CityTrain are below target due to Queensland Rail not achieving the timetable required to operate per the current rail contract. As this is a direct result of train crew shortages, consideration will be given to future reporting results against the revised sustainable rail timetable.
12. The increase in the Estimated Actual figure for 2016-17 is due to a number of factors related to member usage of the Taxi Subsidy Scheme and can include distance travelled, traffic conditions and trip duration.
13. The 2017-18 Target/Estimate can be attributed to reduced patronage related to the decline in the resource sector and a decline in overall economic conditions. The reduction in passenger numbers has led to the flight schedules being reduced on the Central 1 route, resulting in less revenue to the State, which increases the average subsidy per passenger.
14. The increased 2016-17 average subsidy per passenger is a result of ongoing competition on the popular Brisbane – Mount Isa / Brisbane – Charleville and Mount Isa – Townsville service routes, as well as an increase in Revenue Sharing Payment by the State to operators. The 2017-18 Target/Estimate figure will see an increase in average subsidy per passenger against the 2016-17 forecast estimate based on adjustments to the Revenue Sharing Payment forecasts by Service Contract. The State will continue to work closely with service providers to ensure that they continue to actively compete in the long distance market; introducing strategies to grow patronage and freight services; consult with community stakeholders to identify potential service enhancements and review contract conditions to enhance performance and returns to the State.
15. The 2017-18 Target/Estimate is higher than the 2016-17 Estimated Actual figure due to: annual indexation of costs; a full year cost of the Fairer Fares discounts (2016-17 saw only a half year impact); and the opening of Stage 2 of the Gold Coast Light Rail line which will generate additional operating costs in 2017-18.

Discontinued measures

Performance measures included in the 2016-17 *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	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service area: Transport System Investment Planning and Programming				
Percentage of projects in the Transport System Planning Program:	T, 1			
commencing no later than four months after the programmed commencement date		90	90	Discontinued measure
completed no more than four months after the programmed period		80	80	Discontinued measure
costing less than 10% over the programmed estimate		85	90	Discontinued measure
Road system seal age (percentage of the State-controlled road network exceeding the optimal seal age)	M, 2	28.2	28.3	Discontinued measure
Service area: Transport Safety and Regulation				
Rail fatalities per 100,000 population	3	0.1	0.1	Discontinued measure
Hospitalised rail casualties per 100,000 population	3	0.4	0.4	Discontinued measure
Number of level crossing collision occurrences per 1,000,000 train kilometres travelled	3	0.45	0.45	Discontinued measure
Cost of rail regulation per 100 kilometres of rail infrastructure	3	\$20,261	\$19,891	Discontinued measure
Cost of rail regulation per 1,000, 000 kilometres of rail operations	3	\$43,490	\$41,701	Discontinued measure
Service area: Customer Experience				
Average wait time in Customer Service Centres (minutes)	4	8	7.2	Discontinued measure
Percentage of call centre calls answered within three minutes	4	80	75	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.
- T. Denotes service standards for which accountability rests with the Deputy Premier, Minister for Transport and Minister for Infrastructure and Planning.
- 1. This is a measure of process, not a measure of effectiveness or efficiency. This measure will continue to be reported in the Department of Transport and Main Roads Annual Report and internally within Department of Transport and Main Roads.
- 2. This is a measure of quality, not a measure of effectiveness or efficiency. This measure will continue to be reported in Department of Transport and Main Roads Annual Report and internally within Department of Transport and Main Roads.
- 3. These measures have been discontinued due to the transition of rail regulatory functions to the Office of the National Rail Safety Regulator (ONSR) on 1 July 2017.
- 4. This is a measure of activity, not a measure of effectiveness or efficiency. This measure will continue to be reported internally within Department of Transport and Main Roads.

Administered items

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 2016-17 were:
 - vehicle registration (\$1.683 billion)
 - transport and traffic fees (\$395.5 million).

Future developments:

- Major administered revenue items for 2017-18 are:
 - vehicle registration (\$1.748 billion)
 - transport and traffic fees (\$412.7 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 2017-18 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	2016-17 Budget \$'000	2016-17 Est. Actual \$'000	2017-18 Budget \$'000
CONTROLLED			
Income			
Appropriation revenue ¹			
Deferred from previous year/s	25,528	(156,993)	(46,434)
Balance of service appropriation	5,192,902	4,901,449	5,109,854
Other revenue	916,674	985,076	1,011,501
Total income	6,135,104	5,729,532	6,074,921
Expenses			
Transport System Investment Planning and Programming	154,255	169,035	217,811
Transport Infrastructure Management and Delivery	2,521,079	2,056,976	2,103,087
Transport Safety and Regulation	231,818	256,748	252,707
Customer Experience	376,781	377,442	383,968
Passenger Transport Services	2,737,378	2,799,979	2,852,192
Total expenses	6,021,311	5,660,180	5,809,765
Operating surplus/deficit	113,793	69,352	265,156
Net assets	55,064,443	72,316,939	73,930,085
ADMINISTERED			
Revenue			
Commonwealth revenue	..	..	..
Appropriation revenue	..	..	..
Other administered revenue	2,427,047	2,385,643	2,503,340
Total revenue	2,427,047	2,385,643	2,503,340
Expenses			
Transfers to government	2,427,047	2,385,643	2,503,340
Administered expenses	..	..	..
Total expenses	2,427,047	2,385,643	2,503,340
Net assets	261,544	261,544	261,544

Note:

1. Includes State and Commonwealth funding.

Service area sources of revenue¹

Sources of revenue 2017-18 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	217,811	153,163	33,665	..	30,983
Transport Infrastructure Management and Delivery	2,103,087	1,961,865	33,174	94,106	279,098
Transport Safety and Regulation	252,707	22,932	154,097	..	75,679
Customer Experience	383,968	377,170	3,503	..	3,295
Passenger Transport Services	2,852,192	2,454,184	390,540	..	7,467
Total²	5,809,765	4,969,314	614,979	94,106	396,522

Notes:

1. Explanations of variances are provided in the financial statements.
2. Total cost includes the budgeted surplus of \$265.156 million.

Budget measures summary

This table shows a summary of budget measures relating to the department since the 2016-17 State Budget. Further details are contained in *Budget Measures (Budget Paper 4)*.

Department of Transport and Main Roads	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
Revenue measures					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
Expense measures¹					
Administered	..	..	..	..	..
Departmental	50,190	146,998	48,153	45,922	49,591
Capital measures					
Administered	..	..	..	..	..
Departmental	..	(16,654)	16,154	74,398	81,098

Note:

- Figures include the whole-of-government expense measures 'Reprioritisations', 'Brisbane CBD Government Office Agency Rental Impacts' and 'Government Employee Housing'. Numbers may not reconcile with *Budget Measures (Budget Paper 4)* because it does not represent the full amount of additional funding provided to agencies since the 2016-17 Budget. For further explanation, refer to Explanation of Scope and Terms in Chapter 1 of *Budget Measures (Budget Paper 4)*.

Departmental capital program

The department is committed to maintaining safe and cost-efficient transport infrastructure that meets the current needs of Queensland and delivering new infrastructure in the areas of greatest need. The department will manage the delivery of a substantial capital program in the 2017-18 financial year to meet these priorities, including continued delivery of the following major programs in 2017-18 and beyond:

- \$8.5 billion Queensland and Australian Government funded program to fix the Bruce Highway (2013-14 to 2022-23)
- \$635 million Queensland and Australian Government funded Warrego Highway Upgrade Program (2014-15 to 2018-19)
- \$260.5 million Queensland and Australian Government funded Cape York Region Package (2014-15 to 2018-19).

As part of the State Infrastructure Plan, the \$2 billion State Infrastructure Fund (SIF) was established to boost investment that will enhance productivity and support jobs. Funding from the SIF has been allocated towards the following transport infrastructure projects:

- \$88.4 million (part of the \$200 million state contribution) towards the \$400 million Ipswich Motorway, Rocklea to Darra, (Stage 1) project, in partnership with the Australian Government
- \$44 million towards the upgrade of the Pacific Motorway between Mudgeeraba and Varsity Lakes, in partnership with the Australian Government
- \$42 million as the state contribution towards the Pacific Motorway / Gateway Motorway merge upgrade (southbound lanes), in partnership with the Australian Government
- \$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) project.

The Queensland Government is partnering with the Australian Government to deliver high priority projects in Northern Australia to create jobs that support the North's economic development. The Australian Government White Paper on Developing Northern Australia includes the Northern Australia Roads Programme and the Northern Australia Beef Roads Programme. Projects in these programs include:

- \$75 million to duplicate, from two to four lanes, a section of the Capricorn Highway between Rockhampton and Gracemere
- \$50 million to seal sections of the Kennedy Developmental Road between Hughenden and The Lynd
- \$17 million to strengthen and rehabilitate pavement on various sections of the Flinders Highway between Townsville and Charters Towers
- \$15.3 million to upgrade culverts on the Flinders Highway between Charters Towers and Hughenden
- \$8.7 million to pave and seal sections of the Clermont-Alpha Road
- \$7.5 million to widen the pavement on sections of the Burke Developmental Road between Normanton and Dimbulah
- \$5.8 million to widen and seal a section of the Gregory Developmental Road, Sardine Creek to Boomerang Creek.

Preparations to ensure the efficient movement of athletes and spectators during the Commonwealth Games continue, with the following projects scheduled for completion in 2017-18:

- \$22.5 million to widen, from four to six lanes, the Labrador-Carrara Road, Crestwood Drive to Nerang River Bridge
- \$11.7 million to upgrade intersections at the Gooding Drive roundabout and upgrade Rio Vista Panel to six lanes.

The \$420 million Gold Coast Light Rail (Stage 2) will provide a northern extension of light rail from the Gold Coast University Hospital to Helensvale Rail Station and is scheduled for completion in time for the Commonwealth Games.

The \$1.606 billion Toowoomba Second Range Crossing project, from the Warrego Highway at Helidon in the east to the Gore Highway at Athol in the west, will deliver an alternative crossing of the Toowoomba Range. It is designed for all classes of heavy and super heavy vehicles, and will improve freight efficiency and driver safety, relieve pressure on Toowoomba's roads and enhance liveability for the city's residents, while supporting 1800 direct jobs throughout the life of the project.

\$105 million has been allocated in 2017-18 to undertake restoration works in response to the impacts of Severe Tropical Cyclone Debbie on the Queensland transport infrastructure, at a total cost of \$450 million, in partnership with the Australian Government.

Capital budget

Department of Transport and Main Roads	Notes	2016-17 Budget \$'000	2016-17 Est. Actual \$'000	2017-18 Budget \$'000
Capital purchases¹				
Total land, buildings and infrastructure		3,100,924	2,668,832	2,769,938
Total plant and equipment		13,892	11,006	11,887
Total other capital		17,754	17,754	22,402
Total capital purchases		3,132,570	2,697,592	2,804,227

Note:

1. For more detail on the agency's capital acquisitions please refer to *Capital Statement (Budget Paper 3)*.

Staffing^{1, 2}

Department of Transport and Main Roads	Notes	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
Transport System Investment Planning and Programming	3	680	678	727
Transport Infrastructure Management and Delivery		2,403	2,376	2,375
Transport Safety and Regulation		622	640	632
Customer Experience		2,178	2,183	2,187
Passenger Transport Services	4	309	323	341
TOTAL		6,192	6,200	6,262

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 2016-17 Estimated Actual and 2017-18 Budget include:

3. Increase relates to additional temporary FTEs required for Gold Coast 2018 Commonwealth Games.
4. Increase relates to permanent FTEs required for Personalised Transport enforcement activities.

Budgeted financial statements

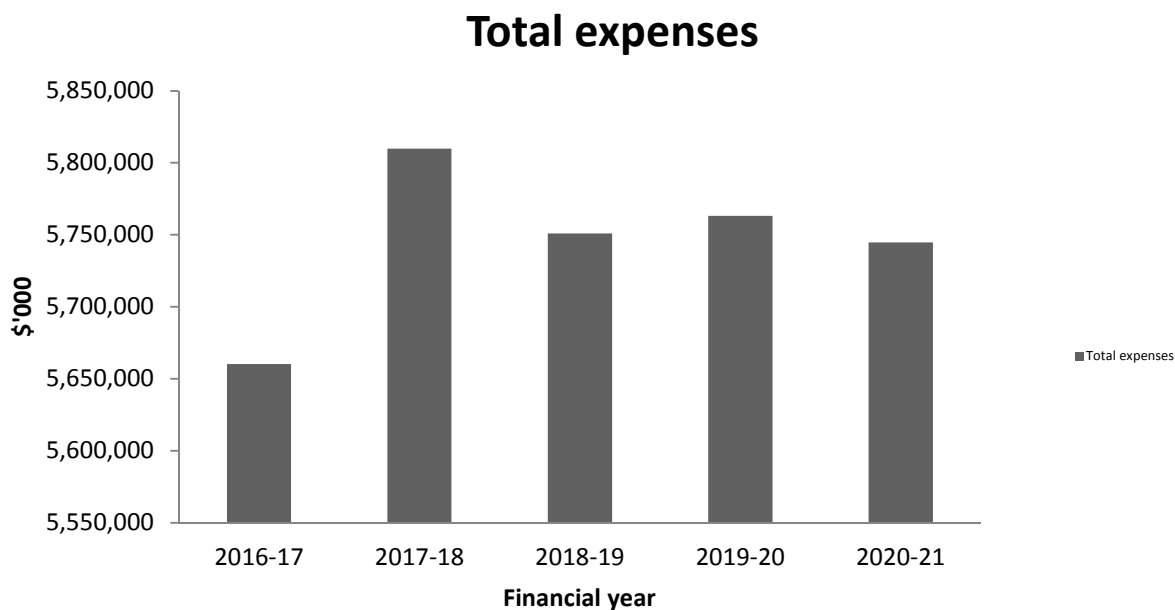
Analysis of budgeted financial statements

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

Departmental income statement

Total expenses are estimated to be \$5.810 billion in 2017-18, an increase of \$149.6 million from the 2016-17 financial year. The increase is mainly due to a budget reduction in 2016-17 due to the earlier than anticipated delivery of some works in 2015-16 which has been matched by an expenditure reduction in 2016-17 that is not expected to recur in 2017-18, expenses associated with the delivery of the New Generation Rollingstock under a public private partnership (PPP) arrangement, increased expenditure under the transport service contract with Queensland Rail, 2018 Commonwealth Games and routine maintenance funded from registration revenue. This is partially offset by a reduction in expenditure for recoverable works including the construction of the Lawnton to Petrie rail line (cost recovered from Queensland Rail) and Moreton Bay Rail Link projects due to completion of the projects, payments made to QRAA in 2016-17 as part of the Personalised Transport Reforms Industry Adjustment Assistance package that will not recur in 2017-18, decreased expenditure as a result of completion of repairs to the road network from natural disasters in 2016-17, and reduced grants payments for works undertaken on local government roads.

Chart: Total departmental expenses across the Forward Estimates period



- in 2018-19, the decrease is primarily due to decreased expenditure under the transport service contract with Queensland Rail, 2018 Commonwealth Games in 2017-18 not recurring in 2018-19 offset by increased routine maintenance.
- in 2019-20, the increase is primarily due to additional expenses associated with the delivery of the Toowoomba Second Range Crossing project and allowance for an enterprise bargaining increase partially offset by the completion of grants programs associated with Cape York Regional package.
- in 2020-21, the decrease is mainly due to reduced grants under the Transport Infrastructure Development Scheme partially offset by an allowance for an enterprise bargaining increase.

Departmental balance sheet

The value of the department's assets in 2017-18 is estimated to total \$76.226 billion. This is primarily comprised of the value of transport infrastructure (\$69.805 billion in 2017-18) and land (\$4.576 billion). Over the next three years it is expected that the value of infrastructure assets will increase by 13.5% due to continuing transport system investment and that the value of land will increase by 5.0% due to acquisitions for future projects less any land sold that is surplus to requirements.

Total departmental liabilities in 2017-18 are estimated to be \$2.296 billion. This is mainly comprised of payables of \$0.480 billion and borrowings and finance lease liabilities of \$1.437 billion. Total liabilities are anticipated to increase over the next three years to \$2.635 billion. Payables are expected to remain at about the same level over the next three years while debt is expected to increase to \$1.759 billion by 2020-21 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	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
INCOME				
Appropriation revenue	1,9,16	5,218,430	4,744,456	5,063,420
Taxes		..	..	..
User charges and fees	2,10,17	657,655	678,319	614,979
Royalties and land rents		..	..	..
Grants and other contributions	3,11,18	135,525	165,242	266,979
Interest		1,508	1,488	1,563
Other revenue	4,19	119,486	137,527	125,480
Gains on sale/revaluation of assets		2,500	2,500	2,500
Total income		6,135,104	5,729,532	6,074,921
EXPENSES				
Employee expenses	12,20	479,938	483,345	508,715
Supplies and services	13,21	3,417,404	3,400,586	3,681,825
Grants and subsidies	5,14,22	569,391	537,546	451,782
Depreciation and amortisation	6,15	1,266,638	889,935	887,269
Finance/borrowing costs	7,23	124,387	100,360	116,831
Other expenses	8,24	18,006	102,861	17,796
Losses on sale/revaluation of assets		145,547	145,547	145,547
Total expenses		6,021,311	5,660,180	5,809,765
OPERATING SURPLUS/(DEFICIT)		113,793	69,352	265,156

Controlled balance sheet

Department of Transport and Main Roads	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
CURRENT ASSETS				
Cash assets	25,32,39	360,589	216,720	326,170
Receivables		129,781	132,635	133,563
Other financial assets		..	..	..
Inventories		4,983	3,111	3,244
Other	26,33,40	427,506	371,816	587,814
Non-financial assets held for sale	27,34	15,000	2,000	2,000
Total current assets		937,859	726,282	1,052,791
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		601	601	601
Property, plant and equipment	28,35,41	56,424,158	73,579,133	75,073,144
Intangibles		93,534	92,827	97,990
Other		1,808	1,784	1,784
Total non-current assets		56,520,101	73,674,345	75,173,519
TOTAL ASSETS		57,457,960	74,400,627	76,226,310
CURRENT LIABILITIES				
Payables		502,727	476,251	480,394
Accrued employee benefits		20,952	20,900	21,003
Interest bearing liabilities and derivatives	29,36,42	89,425	287,452	568,327
Provisions	30,37	200,172	238,604	238,604
Other		73,735	77,761	78,907
Total current liabilities		887,011	1,100,968	1,387,235
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		4,982	5,256	5,256
Interest bearing liabilities and derivatives	31,38,43	1,420,585	942,592	868,862
Provisions	30,37	80,939	34,872	34,872
Other		..	..	..
Total non-current liabilities		1,506,506	982,720	908,990
TOTAL LIABILITIES		2,393,517	2,083,688	2,296,225
NET ASSETS/(LIABILITIES)		55,064,443	72,316,939	73,930,085
EQUITY				
TOTAL EQUITY	28,35,41	55,064,443	72,316,939	73,930,085

Controlled cash flow statement

Department of Transport and Main Roads	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts	44,54,66	5,218,430	4,955,116	5,063,420
User charges and fees	55,67	757,308	760,137	696,797
Royalties and land rent receipts		..	..	..
Grants and other contributions	56,68	135,525	144,851	266,979
Interest received		1,508	1,488	1,563
Taxes		..	..	..
Other	45,57,69	724,407	689,927	677,880
Outflows:				
Employee costs	58,70	(479,835)	(483,242)	(508,612)
Supplies and services	46,59,71	(4,017,563)	(3,932,473)	(4,229,463)
Grants and subsidies	47,60,72	(569,391)	(527,309)	(451,782)
Borrowing costs	48,73	(124,508)	(100,360)	(116,831)
Other	49,61,74	(118,984)	(186,004)	(100,939)
Net cash provided by or used in operating activities		1,526,897	1,322,131	1,299,012
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		62,500	65,000	58,000
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	50,62,75	(2,801,524)	(2,654,873)	(2,209,597)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		(2,739,024)	(2,589,873)	(2,151,597)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	51,63	22,000	..	..
Equity injections	52,62,75	2,232,442	2,338,718	2,170,557
Outflows:				
Borrowing redemptions	64,76	(88,392)	(86,620)	(67,251)
Finance lease payments	53,65,77	(80,372)	(37,526)	(318,704)
Equity withdrawals		(819,259)	(822,664)	(822,567)
Net cash provided by or used in financing activities		1,266,419	1,391,908	962,035
Net increase/(decrease) in cash held		54,292	124,166	109,450
Cash at the beginning of financial year		306,297	92,554	216,720
Cash transfers from restructure		..	..	..
Cash at the end of financial year		360,589	216,720	326,170

Administered income statement

Department of Transport and Main Roads	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
INCOME				
Appropriation revenue		..	..	..
Taxes		..	..	..
User charges and fees	79,81	2,222,790	2,227,349	2,315,393
Royalties and land rents		..	..	..
Grants and other contributions		..	..	..
Interest		50	50	50
Other revenue	78,80,82	204,207	158,244	187,897
Gains on sale/revaluation of assets		..	..	..
Total income		2,427,047	2,385,643	2,503,340
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		2,427,047	2,385,643	2,503,340
Total expenses		2,427,047	2,385,643	2,503,340
OPERATING SURPLUS/(DEFICIT)		..	..	..

Administered balance sheet

Department of Transport and Main Roads	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
CURRENT ASSETS				
Cash assets		20,888	13,705	13,796
Receivables		35,020	36,743	36,844
Other financial assets	
Inventories	
Other	
Non-financial assets held for sale	
Total current assets		55,908	50,448	50,640
NON-CURRENT ASSETS				
Receivables	
Other financial assets	
Property, plant and equipment		261,311	261,311	261,311
Intangibles	
Other	
Total non-current assets		261,311	261,311	261,311
TOTAL ASSETS		317,219	311,759	311,951
CURRENT LIABILITIES				
Payables		5,801	7,393	7,401
Transfers to Government payable		44,063	37,205	37,325
Accrued employee benefits	
Interest bearing liabilities and derivatives	
Provisions	
Other		5,811	5,617	5,681
Total current liabilities		55,675	50,215	50,407
NON-CURRENT LIABILITIES				
Payables	
Accrued employee benefits	
Interest bearing liabilities and derivatives	
Provisions	
Other	
Total non-current liabilities	
TOTAL LIABILITIES		55,675	50,215	50,407
NET ASSETS/(LIABILITIES)		261,544	261,544	261,544
EQUITY				
TOTAL EQUITY		261,544	261,544	261,544

Administered cash flow statement

Department of Transport and Main Roads	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts		..	..	..
User charges and fees	85,88	2,225,253	2,229,812	2,317,856
Royalties and land rent receipts		..	..	..
Grants and other contributions		..	..	..
Interest received		50	50	50
Taxes		..	..	..
Other	83,86,89	204,187	158,224	187,877
Outflows:				
Employee costs		..	..	..
Supplies and services		20	20	20
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(2,492)	(2,492)	(2,492)
Transfers to Government		(2,426,927)	(2,385,523)	(2,503,220)
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	84,87,90	83,750	..	18,250
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	84,87,90	(83,750)	..	(18,250)
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		20,797	13,614	13,705
Cash transfers from restructure		..	..	..
Cash at the end of financial year		20,888	13,705	13,796

Explanation of variances in the financial statements

The operating surplus in the Income Statement represents revenues received from local governments, developers and other parties towards the cost of capital projects (including Gateway Upgrade North project, Moreton Bay Rail Link and Waterford Tamborine Road Upgrade project). It also includes reimbursements from the Queensland Reconstruction Authority (QRA) for Natural Disaster Relief and Recovery Arrangements (NDRRA) capital works.

Income statement

Major variations between 2016-17 Budget and 2016-17 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 is mainly due to higher than anticipated revenue from recoverable works including reimbursement from Queensland Rail for construction of the Lawnton to Petrie rail line project (timing issue only). This is partially offset by reduced cash contribution from local government, which undertook works on an in-kind basis, for the Moreton Bay Rail Link project.
3. Variance reflects the recognition of an in-kind contribution from local government for the Moreton Bay Rail Link project and increased contributions for the Gateway Upgrade North project.
4. Increase primarily reflects increased dividend from RoadTek due to an increased program of works and higher than anticipated revenue from unclaimed go card balances and deposits due to legislation being passed to recognise revenue remaining on unused cards.
5. Variance primarily reflects reduced project expenditure on local government assets associated with the Moreton Bay Rail Link project due to the work being performed by the local council.
6. Variance is mainly due to changes to useful lives in 2015-16 for road infrastructure asset components.
7. Decrease primarily reflects the postponement of the New Generation Rollingstock finance lease due to the delay in delivery of the train sets.
8. Variance primarily reflects payments made to QRAA as part of the Personalised Transport Reforms Industry Adjustment Assistance package.

Major variations between 2016-17 Budget and 2017-18 Budget include:

9. The conditions outlined in the notes below have impacted on the amount of service revenue received by the department.
10. Variance primarily reflects decreased revenue from recoverable works associated with the Moreton Bay Rail Link project and a fare revenue reduction due to the full year impact of implementation of the Fairer Fares package.
11. Variance reflects increased funding from QRA for natural disaster damage in 2016-17.
12. Increase is due to the budgeted enterprise bargaining increase and additional temporary staff required for 2018 Commonwealth Games delivery.
13. Variance primarily reflects an adjustment to correctly recognise the operating component of project expenditure that had previously been recognised as capital expenditure, increased expenditure under the transport service contract with Queensland Rail, 2018 Commonwealth Games and road maintenance. This is partially offset by decreased expenditure due to the Cross River Rail project transferred to the Department of Infrastructure, Local Government and Planning.
14. 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 decreased payments for works undertaken on local government roads primarily as a result of the completion of the Moreton Bay Rail Link project.
15. Variance is mainly due to changes to useful lives in 2015-16 for road infrastructure asset components.

Major variations between 2016-17 Estimated Actual and the 2017-18 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 including the Lawnton to Petrie rail line project and fare revenue reduction due to the full year impact of implementation of the Fairer Fares package.
18. Variance reflects increased funding from QRA for natural disaster damage in 2016-17.

19. Decrease primarily reflects decreased revenue received from developers' contributions and unclaimed go card balances and deposits.
20. Increase is due to the budgeted enterprise bargaining increase and additional temporary staff required for 2018 Commonwealth Games delivery.
21. Variance primarily reflects a budget reduction in 2016-17 due to the earlier than anticipated delivery of some works in 2015-16 which has been matched by an expenditure reduction in 2016-17, an adjustment to correctly recognise the operating component of project expenditure that had previously been recognised as capital expenditure, increased expenditure under the transport service contract with Queensland Rail, 2018 Commonwealth Games and road maintenance. This is partially offset by decreased expenditure as a result of completion of repairs to the road network from natural disasters in 2016-17, for recoverable works including the Lawnton to Petrie rail line and Moreton Bay Rail Link projects due to completion of the projects.
22. Variance is mainly due to an adjustment to correctly recognise project expenditure on local government assets as grants that had previously been recognised as capital expenditure, an anticipated reduction in assets transferred to local governments in 2017-18 and decreased payments for works undertaken on local government roads primarily as a result of the completion of the Moreton Bay Rail Link project.
23. Variance primarily reflects an increase in the finance lease interest cost for New Generation Rollingstock due to the number of train sets scheduled to be delivered in 2017-18.
24. Variance primarily reflects one-off payments made to QRAA in 2016-17 as part of the Personalised Transport Reforms Industry Adjustment Assistance package.

Balance sheet

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

25. Decrease primarily reflects the timing of future planned transport operations and maintenance expenditure, the timing of the delivery of prior year capital works expenditure and increased expenditure associated with restoration of the road network following recent natural disaster damage.
26. Decrease is predominately due to a change in the timing of capital contribution payment under the finance lease arrangement for the Toowoomba Second Range Crossing project and a decrease in the capital contribution payment under the finance lease arrangement for the Gold Coast Light Rail Stage 2 project due to an increase in the value of state returned works completed as part of the project.
27. Variance is primarily due to lower than anticipated number of properties that are surplus to requirements that are to be sold.
28. Variance primarily reflects a revaluation of infrastructure and land assets that occurred in 2015-16 which was not known at the time of budget preparation.
29. Increase is primarily due to the correct recognition of the current liability component of the finance lease for the New Generation Rollingstock which was previously recognised as a non-current liability (also refer Note 31).
30. Variance reflects a reclassification of the value of land resumptions between current and non-current provisions.
31. Decrease primarily reflects the correct reclassification of a portion of the New Generation Rollingstock finance lease liability to the current liability (refer Note 29) and a reduction due to the delay in the delivery of the New Generation Rollingstock train sets.

Major variations between 2016-17 Budget and 2017-18 Budget include:

32. Decrease primarily reflects the timing of the delivery of prior year capital works expenditure.
33. Increase is predominately due to continued capital contributions made under the finance lease arrangement for the Toowoomba Second Range Crossing project. This is partially offset by a decreased level of capital contributions made under the finance lease arrangement for the Gold Coast Light Rail Stage 2 project due to the completion of construction.
34. Decrease reflects reduction in the number of properties that are surplus to requirements that are to be sold.
35. Variance primarily reflects a revaluation of infrastructure and land assets that occurred in 2015-16 which was not known at the time of budget preparation and the continued investment in transport infrastructure.
36. Increase is primarily due to the recognition of finance lease payments for the Gold Coast Light Rail Stage 2 project and New Generation Rollingstock finance leases in 2018-19.
37. Variance reflects a reclassification of the value of land resumptions between current and non-current provisions.

38. Decrease primarily reflects the correct reclassification of a portion of the New Generation Rollingstock finance lease liability to the current liability (refer Note 36), a reduction due to the delay in the delivery of the New Generation Rollingstock train sets and the repayment of loans.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

39. Increase primarily reflects the timing of future planned transport operations and maintenance expenditure and reimbursement from QRA for expenditure associated with restoration of the road network following recent natural disaster damage.
40. Increase is predominately due to continued capital contributions made under the finance lease arrangement for the Toowoomba Second Range Crossing project.
41. Increase reflects the continued investment in transport infrastructure.
42. Increase is primarily due to the recognition of finance lease payments for the Gold Coast Light Rail Stage 2 project in 2018-19 and an increase in the level of finance lease payments for the New Generation Rollingstock project in 2018-19.
43. Variance is primarily due to the repayment of loans and reduction in the Gold Coast Light Rail finance lease.

Cash flow statement

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

44. The conditions outlined in the notes below have impacted on the amount of service revenue received by the department.
45. Variance is primarily due to reduced GST refunds from the Australian Taxation Office as a result of reduced payments to contractors for capital works.
46. Variance primarily reflects an adjustment to estimates to more closely reflect the anticipated gross GST outflows.
47. Variance primarily reflects reduced project expenditure on local government assets associated with the Moreton Bay Rail Link project due to the work being performed by the local council.
48. Decrease primarily reflects the postponement of the New Generation Rollingstock finance lease due to the delay in delivery of the train sets.
49. Variance primarily reflects payments made to QRAA as part of the Personalised Transport Reforms Industry Adjustment Assistance package partially offset by reduced GST payments as a result of reduced payments to contractors for capital works.
50. Variance primarily reflects reductions due to a reassessment of the timing of project cash flows for the New Generation Rollingstock and Toowoomba Second Range Crossing projects and an adjustment to correctly recognise the operating component of project expenditure that had previously been recognised as capital expenditure.
51. Movement reflects the reversal of the Economic Development Queensland funding agreement for Beaudesert Town Bypass project.
52. Increase reflects a reduction in depreciation estimates due to changes to useful lives in 2015-16 for road infrastructure asset components. This is partially offset by reductions due to a reassessment of the timing of project cash flows for the New Generation Rollingstock and Toowoomba Second Range Crossing projects and an adjustment to correctly recognise the operating component of project expenditure that had previously been recognised as capital expenditure.
53. Variance reflects a decrease in repayment of the New Generation Rollingstock finance lease due to the delay in delivery of the train sets.

Major variations between 2016-17 Budget and 2017-18 Budget include:

54. The conditions outlined in the notes below have impacted on the amount of service revenue received by the department.
55. Variance primarily reflects decreased revenue from recoverable works associated with the Moreton Bay Rail Link project, an adjustment to estimates to more closely reflect the anticipated gross GST inflows and a fare revenue reduction due to the full year impact of implementation of the Fairer Fares package.
56. Variance reflects increased funding from QRA for natural disaster damage in 2016-17.
57. Variance primarily reflects an adjustment to estimates to more closely reflect the anticipated gross GST inflows.

58. Increase is due to the budgeted enterprise bargaining increase and additional temporary staff required for 2018 Commonwealth Games delivery.
59. Variance primarily reflects an adjustment to correctly recognise the operating component of project expenditure that had previously been recognised as capital expenditure, increased expenditure under the transport service contract with Queensland Rail, 2018 Commonwealth Games and road maintenance. This is partially offset by decreased expenditure due to the Cross River Rail project transferred to the Department of Infrastructure, Local Government and Planning and an adjustment to estimates to more closely reflect the anticipated gross GST outflows.
60. 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 decreased payments for works undertaken on local government roads primarily as a result of the completion of the Moreton Bay Rail Link project.
61. Variance reflects an adjustment to estimates to more closely reflect the anticipated gross GST outflows.
62. Movement primarily reflects the deferral of funding from 2017-18 to the out years to match the project forecast including expenditure associated with the Nation Building Program, prior year deferral of funding into 2016-17 for Moreton Bay Rail Link project that does not occur in 2017-18 due to completion, a decreased level of capital contributions made under the finance lease arrangement for the Toowoomba Second Range Crossing project and an adjustment to correctly recognise the operating component of project expenditure that had previously been recognised as capital expenditure partially offset by the continued investment in transport infrastructure.
63. Movement reflects the reversal of the Economic Development Queensland funding agreement for Beaudesert Town Bypass project.
64. Variance primarily reflects a reduction in the repayment of loans due to the settlement of a number of loans in 2017-18.
65. Variance primarily reflects an increase in finance lease payments for the New Generation Rollingstock project in 2017-18.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

66. The conditions outlined in the notes below have impacted on the amount of service revenue received by the department.
67. Variance primarily reflects decreased revenue from recoverable works including the Lawnton to Petrie rail line project and fare revenue reduction due to the full year impact of implementation of the Fairer Fares package.
68. Variance reflects increased funding from QRA for natural disaster damage in 2016-17.
69. Decrease primarily reflects decreased revenue received from developers' contributions and unclaimed go card balances and deposits.
70. Increase is due to the budgeted enterprise bargaining increase and additional temporary staff required for 2018 Commonwealth Games delivery.
71. Variance primarily reflects a budget reduction in 2016-17 due to the earlier than anticipated delivery of some works in 2015-16 which has been matched by an expenditure reduction in 2016-17, an adjustment to correctly recognise the operating component of project expenditure that had previously been recognised as capital expenditure, increased expenditure under the transport service contract with Queensland Rail, 2018 Commonwealth Games and road maintenance. This is partially offset by decreased expenditure as a result of completion of repairs to the road network from natural disaster in 2017, for recoverable works including the Lawnton to Petrie rail line and Moreton Bay Rail Link projects due to completion of the projects.
72. Variance is mainly due to an adjustment to correctly recognise project expenditure on local government assets as grants that had previously been recognised as capital expenditure and decreased payments for works undertaken on local government roads primarily as a result of the completion of the Moreton Bay Rail Link project.
73. Variance primarily reflects an increase in the finance lease interest cost for New Generation Rollingstock due to the number of train sets scheduled to be delivered in 2017-18.
74. Variance primarily reflects one-off payments made to QRAA in 2016-17 as part of the Personalised Transport Reforms Industry Adjustment Assistance package.
75. Movement primarily reflects the deferral of funding from 2017-18 to the out years to match the project forecast including expenditure associated with the Nation Building Program, prior year deferral of funding into 2016-17 for Moreton Bay Rail Link project that does not occur in 2017-18 due to completion and decreased level of capital contributions made under the finance lease arrangement for the Toowoomba Second Range Crossing project partially offset by the continued investment in transport infrastructure.
76. Variance primarily reflects a reduction in the repayment of loans due to the settlement of a number of loans in 2017-18.

77. Variance primarily reflects an increase in finance lease payments for the New Generation Rollingstock project in 2017-18.

Administered income statement

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

78. The decreased revenue reflects less offences detected each day due to the implementation of the new Camera Scheduling and Reporting System for mobile speed camera deployments.

Major variations between 2016-17 Budget and 2017-18 Budget include:

79. The increased revenue reflects the effect of indexation applied to vehicle registration and transport and traffic fees and growth in the number of vehicles.
80. The decreased revenue reflects less offences detected each day due to the implementation of the new Camera Scheduling and Reporting System for mobile speed camera deployments.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

81. The increased revenue reflects the effect of indexation applied to vehicle registration and transport and traffic fees and growth in the number of vehicles.
82. 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 an expansion of operation hours for mobile speed cameras and an increase in the number of point to point and red light speed cameras.

Administered cash flow statement

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

83. The decreased revenue reflects less offences detected each day due to the implementation of the new Camera Scheduling and Reporting System for mobile speed camera deployments.
84. Variance reflects reduction in contributions to Queensland Rail for capital works expenditure.

Major variations between 2016-17 Budget and 2017-18 Budget include:

85. The increased revenue reflects the effect of indexation applied to vehicle registration and transport and traffic fees and growth in the number of vehicles.
86. The decreased revenue reflects less offences detected each day due to the implementation of the new Camera Scheduling and Reporting System for mobile speed camera deployments.
87. Variance predominately reflects the cessation of a contribution to Queensland Rail for capital works expenditure.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

88. The increased revenue reflects the effect of indexation applied to vehicle registration and transport and traffic fees and growth in the number of vehicles.
89. 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 an expansion of operation hours for mobile speed cameras and an increase in the number of point to point and red light speed cameras.
90. Variance reflects a contribution to Queensland Rail for capital works for 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	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
INCOME				
Appropriation revenue		5,218,430	4,744,456	5,063,420
Taxes	
User charges and fees		707,806	727,345	657,757
Royalties and land rents	
Grants and other contributions		135,525	165,242	266,979
Interest	
Other revenue		105,186	118,762	106,818
Gains on sale/revaluation of assets		3,013	3,023	3,007
Total income		6,169,960	5,758,828	6,097,981
EXPENSES				
Employee expenses		597,011	604,171	636,246
Supplies and services		3,320,644	3,282,796	3,565,228
Grants and subsidies		569,391	537,546	451,782
Depreciation and amortisation		1,276,881	901,419	897,494
Finance/borrowing costs		122,139	98,559	115,071
Other expenses		20,719	105,495	20,552
Losses on sale/revaluation of assets		146,442	145,922	145,952
Total expenses		6,053,227	5,675,908	5,832,325
Income tax expense/revenue		4,780	9,392	5,410
OPERATING SURPLUS/(DEFICIT)		111,953	73,528	260,246

Reporting entity balance sheet

Department of Transport and Main Roads	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
CURRENT ASSETS				
Cash assets		473,154	315,874	421,954
Receivables		155,490	125,461	127,300
Other financial assets	
Inventories		15,145	12,754	10,129
Other		428,245	372,353	588,356
Non-financial assets held for sale		15,000	2,000	2,000
Total current assets		1,087,034	828,442	1,149,739
NON-CURRENT ASSETS				
Receivables	
Other financial assets		601	601	601
Property, plant and equipment		56,465,142	73,620,847	75,114,733
Deferred tax assets		6,638	6,453	6,069
Intangibles		93,534	92,827	97,990
Other		1,808	1,784	1,784
Total non-current assets		56,567,723	73,722,512	75,221,177
TOTAL ASSETS		57,654,757	74,550,954	76,370,916
CURRENT LIABILITIES				
Payables		538,814	456,536	460,512
Current tax liabilities		(1,073)	(2,590)	(3,142)
Accrued employee benefits		25,187	23,379	23,390
Interest bearing liabilities and derivatives		89,425	287,452	568,327
Provisions		200,172	238,604	238,604
Other		73,735	77,761	78,907
Total current liabilities		926,260	1,081,142	1,366,598
NON-CURRENT LIABILITIES				
Payables	
Deferred tax liabilities	
Accrued employee benefits		4,982	5,256	5,256
Interest bearing liabilities and derivatives		1,420,585	942,592	868,862
Provisions		80,939	34,872	34,872
Other	
Total non-current liabilities		1,506,506	982,720	908,990
TOTAL LIABILITIES		2,432,766	2,063,862	2,275,588
NET ASSETS/(LIABILITIES)		55,221,991	72,487,092	74,095,328
EQUITY				
TOTAL EQUITY		55,221,991	72,487,092	74,095,328

Reporting entity cash flow statement

Department of Transport and Main Roads	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts		5,218,430	4,955,116	5,063,420
User charges and fees		812,299	813,534	743,231
Royalties and land rent receipts	
Grants and other contributions		135,525	144,851	266,979
Interest received	
Taxes	
Other		740,107	701,162	689,218
Outflows:				
Employee costs		(596,908)	(604,068)	(636,235)
Supplies and services		(3,956,208)	(3,852,606)	(4,144,807)
Grants and subsidies		(569,391)	(527,309)	(451,782)
Borrowing costs		(122,260)	(98,559)	(115,071)
Taxation equivalents paid		(5,325)	(12,254)	(5,578)
Other		(121,697)	(188,638)	(103,695)
Net cash provided by or used in operating activities		1,534,572	1,331,229	1,305,680
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		62,118	65,075	58,052
Investments redeemed	
Loans and advances redeemed	
Outflows:				
Payments for non-financial assets		(2,809,114)	(2,662,463)	(2,219,687)
Payments for investments	
Loans and advances made	
Net cash provided by or used in investing activities		(2,746,996)	(2,597,388)	(2,161,635)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		22,000	..	..
Equity injections		2,232,442	2,338,718	2,170,557
Outflows:				
Borrowing redemptions		(88,392)	(86,620)	(67,251)
Finance lease payments		(80,372)	(37,526)	(318,704)
Equity withdrawals		(819,259)	(822,664)	(822,567)
Dividends paid	
Net cash provided by or used in financing activities		1,266,419	1,391,908	962,035
Net increase/(decrease) in cash held		53,995	125,749	106,080
Cash at the beginning of financial year		419,159	190,125	315,874
Cash transfers from restructure	
Cash at the end of financial year		473,154	315,874	421,954

Statutory body

Gold Coast Waterways Authority

Overview

The Gold Coast Waterways Authority (the Authority) is a statutory body established by the *Gold Coast Waterways Authority Act 2012*. Our vision is to provide a waterways network and facilities that are sustainably managed to support an appropriate balance between recreational, tourism, environmental and economic aspirations and objectives, by:

- managing the sustainable use and development of the Gold Coast waterways
- improving waterways access through investments that balance diversity of use and protect environmental values
- promoting responsible and safe enjoyment and use of the waterways
- providing localised decision-making through the Board and CEO and guided by community engagement
- delivering responsible, responsive and cost effective management of the Gold Coast waterways for the community and government, while minimising regulation.

The Authority works collaboratively with industry and government agencies and proactively engages with the community to deliver benefits to current and future Gold Coast residents and visitors.

The Authority recognises the social, economic and environmental values of the Gold Coast waterways and contributes towards delivering on Government objectives by:

- generating employment by promoting sustainable development, eco-tourism and jobs that leverage the waterways assets in a balanced manner
- delivering a robust maintenance and improvement program, including planning, building and maintaining marine and related land-based infrastructure
- taking an innovative approach to longer-term management of Gold Coast waterways through initiatives such as strategically planning for resilience.

Service summary

In 2017-18, the Authority will build on achievements delivered to date, including:

- keeping navigation channels safe and accessible through dredging programs in the Coomera and Nerang Rivers and Labrador channel and the Coomera Dredged Sediment Management Facility
- maintaining and improving boating infrastructure including Alberton boat ramp upgrade and constructing a new boat ramp at Marks Road, Woongoolba
- continuing to deliver ongoing improvement works in Doug Jennings Park
- ensuring navigational access is maintained at the entrance to the Gold Coast Seaway through efficient operation of the Sand Bypass System and investigating innovative renewable energy options
- implementing initiatives to better manage waterways usage including outcomes of the Speed and Behaviour Management and Buoy Mooring Management strategies and delivering an innovative waterways information system
- promoting the waterways by participating in, or supporting, events and proactively engaging with the community and key stakeholders.

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, construction and maintenance 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	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service area: Management of and Access to the Gold Coast waterways				
Service standards				
<i>Effectiveness measures</i>				
Percentage of Waterways Management Program commitments completed on time and on budget		80	88	80
Percentage of customer enquiries actioned within customer service standards	1	80	90	85
Percentage of community's overall satisfaction with GCWA's implementation of the 10 year Waterways Management Strategy	2	80	86	80
<i>Efficiency measures</i>				
Cost per cubic metre of operating the Gold Coast Sand Bypass System	3	\$1.75	\$1.77	\$1.70
Average annual cost to manage and maintain each navigation aid in the Gold Coast waterways	4	\$343	\$343	\$342

Notes:

- Customer service standards outline the quality, timeliness and level of support provided by the Authority when addressing enquiries.
- Since GCWA establishment in 2012, this effectiveness measure has been based on general stakeholder satisfaction feedback which is collected via bi-monthly (i.e. every second month) 'Meet the Board' community consultation sessions, boat show surveys, Facebook and include measures on quality, staff, outcomes and overall satisfaction. A bi-annual (i.e. every second year) client satisfaction survey is in development which will be in accordance with the Better Practice Guideline for Measuring Client Satisfaction, published by the Department of the Premier and Cabinet, and will include questions on timeliness, quality, access, staff, outcomes and overall satisfaction.
- Includes all costs to operate the Gold Coast Sand Bypass System, including salaries, maintenance, electricity and any other ancillary costs and is based on an annual average littoral drift of 500,000 m³ of sand per year.
- Includes costs to manage and maintain 2,095 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	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
Gold Coast Waterways Authority		29	29	30

Note:

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

Income statement

Gold Coast Waterways Authority	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
INCOME				
Taxes		..	..	..
User charges and fees	1,4	10,556	11,486	11,585
Grants and other contributions		..	..	..
Interest		89	89	89
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
Total income		10,645	11,575	11,674
EXPENSES				
Employee expenses	2,5	2,686	2,825	2,870
Supplies and services	3,6,9	3,493	4,302	3,870
Grants and subsidies	7,10	..	..	250
Depreciation and amortisation	8,11	3,405	3,405	3,609
Finance/borrowing costs		..	..	..
Other expenses		1,061	1,043	1,075
Losses on sale/revaluation of assets		..	..	..
Total expenses		10,645	11,575	11,674
OPERATING SURPLUS/(DEFICIT)		..	..	..

Balance sheet

Gold Coast Waterways Authority	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
CURRENT ASSETS				
Cash assets	12,16,20	1,598	5,133	1,885
Receivables	13,17	500	295	295
Other financial assets		..	..	..
Inventories		137	132	132
Other		78	..	..
Non-financial assets held for sale		..	..	..
Total current assets		2,313	5,560	2,312
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		198,410	196,104	200,753
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		198,410	196,104	200,753
TOTAL ASSETS		200,723	201,664	203,065
CURRENT LIABILITIES				
Payables		1,660	1,631	1,631
Accrued employee benefits	14,18	309	387	387
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	15,19	31	88	88
Total current liabilities		2,000	2,106	2,106
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		2,000	2,106	2,106
NET ASSETS/(LIABILITIES)		198,723	199,558	200,959
EQUITY				
TOTAL EQUITY		198,723	199,558	200,959

Cash flow statement

Gold Coast Waterways Authority	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	21,26	10,556	11,486	11,585
Grants and other contributions		..	..	..
Interest received		89	89	89
Taxes		..	..	..
Other		..	..	..
Outflows:				
Employee costs	22,27	(2,686)	(2,825)	(2,870)
Supplies and services	23,28,33	(3,493)	(4,302)	(3,870)
Grants and subsidies	29,34	..	..	(250)
Borrowing costs		..	..	..
Other		(1,061)	(1,043)	(1,075)
Net cash provided by or used in operating activities		3,405	3,405	3,609
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	24,30,35	(7,600)	(6,530)	(8,258)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		(7,600)	(6,530)	(8,258)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	25,31	6,500	4,903	5,010
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	32,36	(3,405)	(3,405)	(3,609)
Net cash provided by or used in financing activities		3,095	1,498	1,401
Net increase/(decrease) in cash held		(1,100)	(1,627)	(3,248)
Cash at the beginning of financial year		2,698	6,760	5,133
Cash transfers from restructure		..	..	..
Cash at the end of financial year		1,598	5,133	1,885

Explanation of variances in the financial statements

Income statement

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

1. Increase in user charges is primarily attributed to the level of operational funding provided from Department of Transport and Main Roads to offset the return of agency transactions (administered) revenue which is collected by the Authority on behalf of Government and returned to the Consolidated Fund.
2. Increase in employee expenses is associated with additional full-time equivalent (FTE) requirement to address growth in the scope and quantity of services and works to be delivered.
3. Increase in other supplies and services is primarily due to growth in scope and quantity of services/works to be delivered.

Major variations between 2016-17 Budget and 2017-18 Budget include:

4. Increase in user charges is primarily attributed to an increase in the level of operational funding provided from Department of Transport and Main Roads to cover EBA, depreciation growth, the effect of revenue increases applied to fees which are collected by the Authority and an adjustment in the levels of Equity and Services funding in order to more accurately align projected investment and maintenance costs.
5. Increase in employee expenses is associated with projected additional full-time equivalent (FTE) requirement to address growth in the scope and quantity of services and works to be delivered.
6. Increase in other supplies and services is primarily due to growth in scope and quantity of services/works to be delivered, and an adjustment in the level of Equity to Services funding to more accurately align funds to address operational maintenance costs.
7. Increase in grant applications to be provided in conjunction with the delivery of the Authority's Scientific Research Management Program projects.
8. Increase in Depreciation costs based on adjustments made for capitalisation of prior year investments associated with the delivery of the Gold Coast Waterways Management Program.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

9. Decrease in other supplies and services is primarily due to reduced projected payments to employment agency contractors and efficiencies to be made in Other Supplies and Services.
10. Increase in grant applications to be provided in conjunction with the delivery of GCWA's Scientific Research Management Program projects.
11. Increase in Depreciation costs based on adjustments made for capitalisation of prior year investments associated with the delivery of the Gold Coast Waterways Management Program.

Balance sheet

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

12. Increase in cash assets is a result of capital program carryover funding.
13. Decrease in receivables is primarily due to decreased revenue associated with delivery of waterways management projects being made by other entities.
14. Variance in accrued employee benefits is associated with an increase in approved FTE resulting from growth in scope and quantity of services/works.
15. Increase in Other current liabilities is related to an increase in security deposits held.

Major variations between 2016-17 Budget and 2017-18 Budget include:

16. Increase in cash assets is a projection of capital program carryover funding.
17. Decrease in receivables is primarily due to decreased revenue associated with delivery of waterways management program being made by other entities.
18. Variance in accrued employee benefits is associated with an increase in approved FTE resulting from growth in scope and quantity of services/works.
19. Increase in Other current liabilities is related to an increase in projected security deposits held.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

20. Decrease in cash assets is associated with planned capital program purchases in 2017-18.

Cash flow statement

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

21. Increase in user charges is primarily attributed to the level of operational funding provided from Department of Transport and Main Roads to offset the return of agency transactions (administered) revenue which is collected by the Authority on behalf of Government and returned to the Consolidated Fund.
22. Increase in employee expenses is associated with additional full-time equivalent (FTE) requirement to address growth in the scope and quantity of services and works to be delivered.
23. Increase in other supplies and services is primarily due to growth in scope and quantity of services/works to be delivered.
24. Decrease is primarily due to unanticipated delays in receiving approvals for programmed works.
25. Adjustment in Equity injections reflect level of capital funding required to deliver the Gold Coast Waterways Management Program 2016-17.

Major variations between 2016-17 Budget and 2017-18 Budget include:

26. Increase in user charges is primarily attributed to an increase in the level of operational funding provided from Department of Transport and Main Roads to cover EBA, depreciation growth, the effect of revenue increases applied to fees which are collected by the Authority and an adjustment in the levels of Equity and Services funding in order to more accurately align projected investment and maintenance costs.
27. Increase in employee expenses is associated with projected additional full-time equivalent (FTE) requirement to address growth in the scope and quantity of services and works to be delivered.
28. Increase in other supplies and services is primarily due to growth in scope and quantity of services/works to be delivered, and an adjustment in the level of Equity to Services funding to more accurately align funds to address operational maintenance costs.
29. Increase in grant applications to be provided in conjunction with the delivery of the Authority's Scientific Research Management Program projects.
30. Increase is due to reprofiling of funding to match anticipated timing of expenses.
31. Adjustment in Equity injections reflect level of capital funding required to deliver the proposed Gold Coast Waterways Management Program 2017-18.
32. Increase in Depreciation costs based on adjustments made for capitalisation of prior year investments associated with the delivery of the Gold Coast Waterways Management Program.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

33. Decrease in other supplies and services is primarily due to reduced projected payments to employment agency contractors and efficiencies to be made in Other Supplies and Services.
34. Increase in grant applications to be provided in conjunction with the delivery of GCWA's Scientific Research Management Program projects.
35. Increase is due to reprofiling of funding to match anticipated timing of expenses.
36. Increase in Depreciation costs based on adjustments made for capitalisation of prior year investments associated with the delivery of the Gold Coast Waterways Management Program.

Commercialised business units

RoadTek

Overview

During the 2016-17 financial year RoadTek refined its vision statement to better reflect its value to the department, government and the community. RoadTek's new vision is "*to be a valued partner delivering transport infrastructure solutions for Queensland*".

As a commercial government business within Department of Transport and Main Roads, RoadTek continues to provide transport infrastructure solutions, including construction and maintenance services, to enable the department to deliver on government priorities and community outcomes. 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 supply chain)
- providing opportunities to develop technical, construction and engineering skills within the department
- developing leaders and ensuring every employee in our team is well equipped with core skills
- partnering with regional and indigenous communities to enhance training, development and creating job opportunities.

The priority areas shaping RoadTek's direction in 2017-18, include:

- continuing to build safety into our organisational culture in order to keep everyone safe from harm and injury
- delivering quality projects and services for our customers
- enabling our people to excel in their jobs today and tomorrow
- collaborating with our partners, customers and stakeholders
- focussing on what matters and 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 2017-18 include:

- continued delivery of transport infrastructure
- working with regional councils and in remote communities to both upskill local crews, create jobs and connect communities
- implementing a number of mobile technology solutions to enable real time field data collection to aid in the assessment and monitoring of the performance of the transport system
- progressing the workforce capability development programs.

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 of Transport and Main Roads to deliver on Queensland Government priorities and outcomes for the community.

Service area description

As a commercial business unit within the Department of Transport and Main Roads, 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	2016-17 Target/Est.	2016-17 Est. Actual	2017-18 Target/Est.
Service area: Transport Infrastructure Construction and Maintenance				
Service standards				
<i>Effectiveness measures</i>				
Lost time injury frequency rate	1	<10	10	<10
Customers' and stakeholders' value of RoadTek (on a scale of 1 to 5)		>4	4.36	>4
<i>Efficiency measures</i>				
Long term debt / equity	2	12.1%	11.2%	11.5%
Long term debt / total assets		8.5%	8.3%	8.5%
Return on equity	3	7.1%	12.8%	7.6%
Return on revenue (after tax)	4	2.5%	3.9%	2.5%
Profit margin (earnings before income tax / user charges)	5	3.5%	5.6%	3.5%

Notes:

1. This measure and performance result is based on a formula of million hours worked.
2. Steady improvement in this measure, a reduced result demonstrates a positive performance for this measure. This positive performance is reflective of the responsive program delivery across RoadTek operations.
3. An increased return against a steady equity position has resulted in a positive Estimated Actual result for 2016-17. This positive performance is reflective of the responsive program delivery across RoadTek's operations. The equity position is likely to remain steady over the next two years.
4. Return on revenue (after tax) expected to be similar to 2016-17 budget figure.
5. Trading position (before tax) expected to be similar to 2016-17 budget figure.

Staffing¹

RoadTek	Notes	2016-17 Budget	2016-17 Est. Actual	2017-18 Budget
RoadTek		1,224	1,218	1,218

Note:

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

Income statement

RoadTek	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
INCOME				
User charges and fees	1,6,10	448,616	557,392	509,132
Grants and other contributions		..	..	..
Interest		2,248	1,801	1,760
Other revenue		1,124	1,128	1,040
Gains on sale/revaluation of assets		513	523	507
Total income		452,501	560,844	512,439
EXPENSES				
Employee expenses	2,7,11	117,073	120,826	127,531
Supplies and services	3,8,12	303,665	392,355	351,576
Grants and subsidies		..	..	..
Depreciation and amortisation		10,243	11,484	10,225
Finance/borrowing costs		1,508	1,488	1,563
Other expenses		3,182	3,007	3,105
Losses on sale/revaluation of assets	4	895	375	405
Total expenses		436,566	529,535	494,405
Income tax expense/revenue	5,9,13	4,780	9,392	5,410
OPERATING SURPLUS/(DEFICIT)		11,155	21,917	12,624

Balance sheet

RoadTek	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
CURRENT ASSETS				
Cash assets	14,18,22	112,565	99,154	95,784
Receivables	15,19	44,889	55,853	56,854
Other financial assets		..	..	..
Inventories	16,20	18,842	25,830	23,072
Other		739	537	542
Non-financial assets held for sale		..	..	..
Total current assets		177,035	181,374	176,252
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		40,984	41,714	41,589
Deferred tax assets		6,638	6,453	6,069
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		47,622	48,167	47,658
TOTAL ASSETS		224,657	229,541	223,910
CURRENT LIABILITIES				
Payables	17,21	44,947	40,499	40,422
Current tax liabilities		(1,073)	(2,590)	(3,142)
Accrued employee benefits		4,235	2,479	2,387
Interest bearing liabilities and derivatives		19,000	19,000	19,000
Provisions		..	..	..
Other		..	..	..
Total current liabilities		67,109	59,388	58,667
NON-CURRENT LIABILITIES				
Payables		..	..	..
Deferred tax liabilities		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		67,109	59,388	58,667
NET ASSETS/(LIABILITIES)		157,548	170,153	165,243
EQUITY				
TOTAL EQUITY		157,548	170,153	165,243

Cash flow statement

RoadTek	Notes	2016-17 Budget \$'000	2016-17 Est. Act. \$'000	2017-18 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges and fees	23,28,33	453,366	561,673	512,698
Grants and other contributions		..	..	..
Interest received		2,248	1,801	1,760
Other		31,124	31,128	31,040
Outflows:				
Employee costs	24,29,34	(117,073)	(120,826)	(127,623)
Supplies and services	25,30,35	(339,070)	(430,278)	(383,517)
Grants and subsidies		..	..	..
Borrowing costs		(1,508)	(1,488)	(1,563)
Taxation equivalents paid	26,36	(5,325)	(12,254)	(5,578)
Other		(3,182)	(3,007)	(3,105)
Net cash provided by or used in operating activities		20,580	26,749	24,112
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets		(382)	75	52
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for non-financial assets	31,37	(7,500)	(7,500)	(10,000)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by or used in investing activities		(7,882)	(7,425)	(9,948)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Dividends paid	27,32	(12,995)	(17,741)	(17,534)
Net cash provided by or used in financing activities		(12,995)	(17,741)	(17,534)
Net increase/(decrease) in cash held		(297)	1,583	(3,370)
Cash at the beginning of financial year		112,862	97,571	99,154
Cash transfers from restructure		..	..	..
Cash at the end of financial year		112,565	99,154	95,784

Explanation of variances in the financial statements

Income statement

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

1. The increase in user charges and fees is due to an increase in the number of projects completed, including the accelerated works program and cyclone damage repairs.
2. The increase in employee expenses is due to completion of a larger program of work and filling of vacant positions.
3. The increase in supplies and services is due to additional projects due to the accelerated works program and cyclone damage repairs.
4. The decrease in losses on sale/revaluation of assets is due to higher than expected revenues from the disposal of fleet equipment (at the end of useful life).
5. The increase in income tax expense is due to an increased surplus from an increased program of work.

Major variations between 2016-17 Budget and 2017-18 Budget include:

6. The increase in user charges and fees is due to an increase in the number of projects, including the planned completion of accelerated works program and cyclone damage repairs.
7. The increase in employee expenses is due to an enterprise bargaining increase and the filling of vacancies.
8. The increase in supplies and services is due to additional projects from accelerated works program and cyclone damage repairs.
9. The increase in income tax expense is due to an increased surplus from an increased program of work.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

10. The decrease in user charges and fees is due to completion of the majority of the accelerated works program.
11. The increase in employee expenses is due to an enterprise bargaining increase and the filling of vacancies.
12. The decrease in supplies and services is due to completion of the majority of the accelerated works program.
13. 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 2016-17 Budget and 2016-17 Estimated Actual include:

14. The decrease in cash assets is due to an increase in accounts receivable, inventory balances and capital spend.
15. The increase in receivables is due to a larger program of work.
16. The increase in inventories is due to larger program of works.
17. The decrease in payables is due to an improved focus on accounts payable timelines.

Major variations between 2016-17 Budget and 2017-18 Budget include:

18. The decrease in cash assets is due to an increase in accounts receivable, inventory balances and capital spend.
19. The increase in receivables is due to an increase in the current program of work.
20. The increase in inventories is due to an increase in the program of work.
21. The decrease in payables is due to an improved focus on accounts payable timelines.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

22. The decrease in cash assets is due to an increase in accounts receivable, inventory balances and capital spend.

Cash flow statement

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

23. The increase in user charges and fees is due to an increase in the program of works, including the accelerated works program and cyclone damage repairs.
24. The increase in employee expenses is due to completion of a larger program of work and filling of vacant positions.
25. The increase in supplies and services is due to additional projects due to the accelerated works program and cyclone damage repairs.
26. The increase in taxation equivalents paid is due to better than budgeted trading surplus.
27. The increase in dividends paid is due to a higher surplus from a higher than anticipated program of works.

Major variations between 2016-17 Budget and 2017-18 Budget include:

28. The increase in user charges and fees is due to an increase in the planned number of projects to be completed, including accelerated works program and cyclone damage repairs.
29. The increase in employee expenses is due to an enterprise bargaining increase and the filling of vacancies.
30. The increase in supplies and services is due to additional projects including accelerated works program and cyclone damage repairs.
31. The increase in payments for non-financial assets is due to a planned increase in the purchase of construction plant and equipment.
32. The increase in dividends paid is due to a higher surplus from a higher than anticipated program of works.

Major variations between 2016-17 Estimated Actual and the 2017-18 Budget include:

33. The decrease in user charges and fees is due to completion of the majority of the accelerated works program.
34. The increase in employee expenses is due to an enterprise bargaining increase and the filling of vacancies.
35. The decrease in supplies and services is due to completion of accelerated works program.
36. The decrease in taxation equivalents paid is due to an expected reduction in surplus from an anticipated reduction in the program of work.
37. The increase in payments for non-financial assets is due to a planned increase in the purchase 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



Queensland
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Queensland Budget 2017-18

Service Delivery Statements

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