



State Budget 2012-13

Service Delivery Statements

Department of Housing and Public Works



2012–13 State Budget Papers

1. Budget Speech
 2. Budget Strategy and Outlook
 3. Capital Statement
 4. Budget Measures
 5. Service Delivery Statements
- ## Appropriation Bills

The suite of Budget Papers is similar to that published in 2011-12.

In April 2012, machinery-of-Government changes saw the creation of 20 departments with each department reporting directly to one Minister.

These new arrangements have required minor changes to how information is presented in some Budget Papers. The 2012-13 Budget Papers provide continuity of information between the previous departmental structure and the new arrangements.

The Budget Papers are available online at www.budget.qld.gov.au

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Service Delivery Statements

ISSN 1445-4890 (Print)
ISSN 1445-4904 (Online)



Department of Housing and Public Works

Summary of portfolio budgets

Page	Agency	2011-12 Adjusted Budget \$'000	2011-12 Est. Actual \$'000	2012-13 Estimate \$'000
4	Department of Housing and Public Works - controlled	893,367	933,125	1,651,658
	Department of Housing and Public Works - administered	44,183	53,806	11,222
42	QBuild	888,247	964,547	694,651
51	Project Services	151,020	155,946	102,475
58	QFleet	230,515	221,422	155,960
68	Goprint	15,572	12,980	6,469
76	Sales and Distribution Services (SDS)	65,051	59,156	13,647
82	Queensland Building Services Authority	149,675	156,986	165,076
89	Residential Tenancy Authority	37,157	33,798	35,404

Note:

1. Explanations of variances are provided in the financial statements

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PORTFOLIO OVERVIEW

Ministerial and portfolio responsibilities

The Department of Housing and Public Works portfolio benefits Queenslanders by providing the following services:

- *Housing Services*: provides housing and support services to Queenslanders most in need, including crisis support, remote Indigenous housing, and private and social housing programs
- *Building Services*: delivers the Queensland Government's office accommodation and employee housing programs, manages significant building and property initiatives and administers building and plumbing laws for the State of Queensland
- *Procurement Services*: manages whole-of-Government supply arrangements used by departments, Government-owned corporations, statutory bodies, local authorities and approved non-Government organisations and provides the Government's procurement policy framework.

Within the portfolio the following services are currently delivered to Queensland Government agencies through commercialised business units:

- QBuild delivers building maintenance and construction services and provides a whole-of-Government response to protect and maintain Government building assets in the event of natural disasters and major incidents
- Project Services provides building, design, project management and property consultancy services
- QFleet provides vehicle leasing and fleet management services and manages the Government's vehicle fleet
- Goprint has a role in printing and distributing documents and material for departments and Parliament
- Sales and Distribution Services provides office supplies, furniture, logistic support and publication distribution services.

Following recent reviews of the operations of the department's commercialised business units, QBuild and Project Services will be amalgamated into a single business unit providing centrally coordinated building services to Queensland Government agencies to minimise risk and optimise procurement efficiencies. Goprint will discontinue commercialised printing services in 2012-13 with future arrangements for the delivery of reserved printing services to be determined. Sales and Distribution Services operations will also be discontinued in 2012-13.

The following two statutory bodies are under the portfolio responsibility of the Minister for Housing and Public Works:

- the **Queensland Building Services Authority** which regulates the building industry through the licensing of contractors, educating consumers about their rights and obligations, and making contractors aware of their legal rights and responsibilities
- the **Residential Tenancies Authority** which provides services to meet the needs of the residential rental sector, including tenancy information, bond management, dispute resolution, investigation, policy and education services.

Additional information is available on the following websites: <http://www.hpw.qld.gov.au> , <http://www.rta.qld.gov.au/>: <http://www.bsa.qld.gov.au>

Portfolio Structure and Services

Minister for Housing and Public Works
The Honourable Dr Bruce Flegg MP

Department of Housing and Public Works

Director General: Neil Castles

Service Area 1: Housing Services

Service Area 2: Building Services

Service Area 3: Procurement Services

QBuild

General Manager: Keith Eaton

Objective: QBuild delivers building maintenance and construction services to Queensland Government agencies and provides a whole-of-Government response to protect and maintain Government building assets in the event of natural disasters and major incidents. QBuild will be amalgamated into a single business unit with Project Services.

Project Services

General Manager: Don Rivers

Objective: Project Services provides building and property consultancy services to the Government and assists client agencies in the delivery of their building programs and projects within the Government's capital works framework. Project Services will be amalgamated into a single business unit with QBuild.

QFleet

General Manager: Fiona Wright

Objective: QFleet is the Queensland Government's provider of vehicle leasing and fleet management services.

Goprint

General Manager: Scott Albury

Objective: Goprint's commercialised printing operations will be discontinued in 2012-13 and future arrangements for the delivery of reserved printing services are to be determined.

Sales and Distribution Services (SDS)

General Manager: Alex Nicholson

Objective: SDS operations will be discontinued in 2012-13.

Queensland Building Services Authority (BSA)

General Manager: Ian Jennings

Objective: BSA is a statutory body established under the *Queensland Building Services Authority Act 1991*. The BSA regulates the building industry through licensing contractors, educating consumers about their rights and obligations, and making contractors aware of their legal rights and responsibilities.

Residential Tenancy Authority (RTA)

General Manager: Fergus Smith

Objective: RTA is a statutory authority established under the *Residential Tenancies and Rooming Accommodation Act 2008*. The RTA regulates the Queensland residential rental sector.

RESOURCES AND PERFORMANCE

DEPARTMENTAL OVERVIEW

Strategic direction

The Department of Housing and Public Works supports the Government's fiscal and policy objectives through the provision of housing support services and programs to assist in meeting the needs of clients and the community, and the provision of expert policy, advice and delivery of core services for other agencies in the areas of construction, facilities management, procurement and fleet management.

The department's strategic objectives provide a focus for achieving value for money Government services and better outcomes for the community, supporting the Government's objective to lower the cost of living for families by cutting waste. The key objectives are:

- supporting Government priorities and reform to assist implementation of the Government's vision for the future of Queensland
- delivering policy, programs and initiatives that support the Government's priorities
- considering and implementing different models for the delivery of social and affordable housing
- delivering valuable services including streamlining business models to ensure services are delivered efficiently, effectively and economically
- improving organisational capability—including a skilled and capable workforce, effective business processes and sound governance structures to support the department's future role as an informed and aggregated purchaser of services.

Delivering efficient and effective services to client agencies and at the same time delivering savings and benefits from the whole of Government service reform underway, are major priorities for the department. This will support the development of a strong functional alignment and robust organisational structure, as well as the processes necessary to deliver on the Government's priorities. The implementation of the major reforms is expected to be completed by 30 June 2013.

Other significant issues that will impact on the department's ability to deliver services and implement the significant reforms, changing the way in which services are to be delivered include:

- increasing community demand for service delivery, particularly for social housing in an environment of declining rent revenue per dollar invested and increasing costs associated with managing the portfolio
- maintaining a capable and skilled workforce and managing expenses within the budget
- rising Government and community expectations for high standards of accountability, transparency and integrity.

The department will deliver a number of significant initiatives that will help achieve the whole-of-Government direction and priorities in 2012-13, including:

- implementing a broad strategy to deliver public housing more efficiently and effectively, by:
 - undertaking a review of under-occupied households in public housing to ensure efficient and effective use of Government assets

- introducing fixed-term tenancies for all new public housing tenants to ensure that social housing continues to be available for tenants who are unable to meet their needs in the private market
- improving the utilisation of the State's existing social housing asset base by progressing the renewal and redevelopment of social housing in selected locations throughout Queensland. Partnerships with non-Government housing organisations as well as the private sector will be fundamental to delivering redevelopment options
- determining strategies to stage the transfer of public housing stock, including possible transfers of staff, to non-Government housing providers with the objective of growing social and affordable housing stocks; selling three caravan parks; reviewing rent policy; addressing infrastructure needs for housing sites in remote Indigenous communities; and reviewing the department's grant program
- expending \$31 million to complete the final 14 Nation Building and Jobs Plan social housing construction projects, which will deliver an additional 286 dwelling units, including 13 delivered by not-for-profit organisations
- providing \$268.3 million for Indigenous housing programs (including funds from the National Partnership Agreement for Remote Indigenous Housing) to commence construction of at least 68 dwellings, complete construction of at least 206 dwellings, upgrade 601 and maintain approximately 4,210 dwellings to improve the standard and supply of housing in Indigenous communities
- providing \$8.5 million as incentives to investors to deliver over 4,900 affordable private rental dwellings across Queensland as part of the National Rental Affordability Scheme
- continuing to work with Indigenous communities and community leaders to facilitate home ownership opportunities for people living in Indigenous communities
- reviewing the *Retirement Villages Act 1999* to ensure the welfare of seniors is protected and amending the *Manufactured Homes (Residential Parks) Act 2003* to provide clarity and certainty for manufactured home and residential park owners in relation to the on-supply of utilities
- providing an industry-focussed national system for regulating non-Government housing providers and creating a business-like environment for the sector by commencing arrangements to transition to the National Regulatory System
- providing \$2.1 million over three years and \$1 million ongoing to ensure a consistent standard of maintenance and a state of preparedness for the ten new multi-purpose cyclone shelters soon to be completed in North Queensland
- managing the Government Office Accommodation Management Framework across a portfolio of more than one million square metres of office space and providing ownership and asset management services for Government employee housing across the State
- reviewing Government's ownership and management arrangements for Government Office Accommodation
- implementing a revised operating model to enhance savings, efficiency and accountability across the Government vehicle fleet
- reviewing laws mandating rain water tanks and solar hot water systems on new buildings
- providing centrally coordinated building services to Queensland Government agencies to reduce risk and improve value through the amalgamation of QBuild and Project Services
- securing greater efficiencies through a centre-led, whole-of-Government procurement function managing outsourcing to the private sector and common-use supply arrangements across Government
- continuing to provide building procurement and project management services to the various Commonwealth Games co-ordination working groups for each of the sporting venues in consultation with the key Games stakeholders.

In 2011-12, the department:

- delivered approximately \$280 million in construction and upgrade works and an estimated \$671 million of maintenance on Government assets across the State. Works undertaken included social housing renewals, office fitouts, heritage restoration, building and social housing upgrades and construction of new houses in remote Indigenous communities
- progressed an extensive capital works program, including the Gold Coast University Hospital, Queensland Children's Hospital, Cairns Base Hospital, Mackay Base Hospital and the completion of the Brisbane Supreme Court and District Court Complex, the new Mango Hill State School and the Gatton Correctional Precinct
- provided more than 70,350 Queensland households with social housing, a 3.8% increase from 2010-11
- provided \$3.2 million as incentives to investors to deliver over 2,400 affordable private rental dwellings across Queensland as part of the National Rental Affordability Scheme
- established a Home Ownership Team in Cairns to assist land management trustees develop processes to support expressions of interest for home ownership
- invested \$482.6 million to deliver 1,327 new dwellings to increase the social housing portfolio, including 994 dwellings under the Nation Building and Jobs Plan
- completed construction of Brisbane Common Ground at a total cost of \$49.2 million (funded through Nation Building and Jobs Plan – Social Housing Initiative). Common Ground will provide 146 residential units, half of which will be for rough sleepers
- provided \$177.7 million for Indigenous housing programs (including funds from the National Partnership Agreement for Remote Indigenous Housing) to provide an additional 87 dwellings, upgrade 477 and maintain approximately 4,210 dwellings, to improve the standards and supply of housing in Indigenous communities
- expended \$60.7 million to support low to moderate income earners to live in the private market through products such as RentConnect services, bond loans, rental grants, home loan assistance, and Home Assist Secure
- facilitated legislative amendments to reduce real estate red tape by removing sustainability requirements included in the *Treasury (Cost of Living) and Other Legislation Amendment Act 2012*
- led a five-year procurement reform program that enabled agencies to generate more than \$1 billion in procurement savings (cash and costs avoided) in the first four years of the program. Also managed and implemented a range of common-use supply arrangements to deliver \$73.4 million in Government procurement savings
- undertook the repair or reconstruction and recovery of Government owned buildings and houses as part of the multi-agency disaster response to flooding and storm impacts on the communities of Charleville, Mitchell, Roma, St George and Townsville
- played a key sports venues project management role to support the State's successful winning bid for the 2018 Commonwealth Games and, on behalf of the Office of the Commonwealth Games Co-ordination, commenced the design stages and program feasibility studies to hold the Pan Pacific Swimming Championships at the Gold Coast Aquatic Centre redevelopment. This Aquatic Centre will be the swimming and diving venue for the 2018 Games.

Capital program

The department's total capital expenditure program for 2012-13 is \$381.3 million.

Departmental Budget Summary

The table below shows the total resources available in 2012-13 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Department of Housing and Public Works	2011-12 Adjusted Budget \$'000	2011-12 Est Actual \$'000	2012-13 Estimate \$'000
CONTROLLED			
Income			
Appropriation for services ^{1,2}			
Deferred from previous year/s	19,226	35,138	107,028
Balance of service appropriation	162,090	121,951	378,389
Other revenue	722,616	777,719	1,058,283
Total income	903,932	934,808	1,543,700
Expenses			
Building Services	516,464	591,502	603,910
Procurement Services	24,329	23,725	25,744
Queensland Government Information and Communication Technology Services	79,798	80,803	..
Corporate and Executive Services ⁴	52,551	67,444	60,308
Housing Services	240,754	187,472	987,449
Eliminations ⁵	(20,529)	(17,821)	(25,753)
Total expenses	893,367	933,125	1,651,658
Operating surplus/deficit	10,565	1,683	(107,958)
Net assets	17,717,643	17,944,041	18,031,385
ADMINISTERED			
Revenue			
Commonwealth revenue	..	..	..
Appropriation of administered items	38,684	52,878	10,294
Other administered revenue	5,499	929	1,054
Total revenue	44,183	53,807	11,348
Expenses			
Transfers to Government	..	1	126
Administered expenses	44,183	53,806	11,222
Total expenses	44,183	53,807	11,348
Net assets	..	..	..
APPROPRIATIONS			
Controlled Items			
Departmental services ¹	92,658	168,667	497,659
Equity adjustment	41,584	74,529	139,960
Administered items	37,231	58,345	9,765
VOTE TOTAL³	171,473	301,541	647,384

Notes:

1. Appropriation for services does not match appropriation for departmental services due to a net appropriation receivable of \$12.242M in 2012-13.
2. Includes State and Commonwealth funding.
3. As represented in the 2012-13 Appropriation Bills. The 2011-12 Budgeted amount represents the original appropriation of the former Department of Public Works. The 2011-12 Estimated Actual and 2012-13 Estimate include machinery-of-Government changes with the 2012-13 Estimate showing the full year effect of the changes and therefore do not match the 2012-2013 Appropriation Bill.
4. Corporate Services costs have been allocated to services. The amount shown in the above table for corporate service costs in 2012-13 is recovered from the commercialised business units. The amounts shown in 2011-12 Adjusted Budget and 2011-12 Estimated Actual for corporate costs represent recoveries from commercialised business units and Queensland Shared Services (QSS) provider until both CITEC and QSS transferred out of the department.
5. Eliminations are costs that represent internal trading transactions within the departmental entity such as rent that is charged by the accommodation office to the services shown. The services cost is the gross cost including these items.

Budget Measures Summary

The table shows a summary of Budget measures relating to the Department since the 2011-12 Budget. Further details are contained in Budget Paper No. 4.

Name of Department	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
Revenue measures					
Up to and including 2011-12 MYR					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
2012-13 Budget					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
Total revenue measures					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
Expense measures					
Up to and including 2011-12 MYR					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
2012-13 Budget					
Administered	..	..	..	..	..
Departmental	(2,200)	(11,765)	(5,955)	(3,805)	(3,635)
Total expense measures					
Administered	..	..	..	..	..
Departmental	(2,200)	(11,765)	(5,955)	(3,805)	(3,635)
Capital measures					
Up to and including 2011-12 MYR					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
2012-13 Budget					
Administered	..	..	..	..	..
Departmental	(18,045)	(41,290)	(142,000)	(61,000)	..
Total capital measures					
Administered	..	..	..	..	..
Departmental	(18,045)	(41,290)	(142,000)	(61,000)	..

Staffing^{1, 2}

	Notes	2011-12 Adjusted Budget	2011-12 Est. Actual	2012-13 Estimate
TOTAL		2,127	1,972	1,905

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The table above details staffing of the parent entity only. Staffing for the Commercialised Business Units are detailed in the individual Commercial Business Unit sections.
3. Variance between the 2011-12 Budget and 2011-12 Estimated Actual is due to the implementation of the Voluntary Separation Program and the separation of a number of temporary employees.
4. Variance between the 2011-12 Estimated actual and the 2012-13 Estimate is due to implementation of new business arrangements within the department and a consolidation of the corporate functions.

SERVICE PERFORMANCE

The service area structure presented in this document reflects the machinery-of-Government changes announced on 3 April 2012. As part of the machinery-of-Government changes, the former Department of Public Works was renamed the Department of Housing and Public Works.

The structure of the department was also altered to transfer in:

- Housing Services (excluding homelessness services), Communities Property Portfolio and the Residential Services Unit of the former Department of Communities
- Building Codes Queensland from the former Department of Local Government and Planning
- part of the Department of Justice and Attorney-General responsible for the administration of the *Retirement Villages Act 1999*.

In addition, transfers of responsibility from the department to the Department of Science, Information Technology, Innovation and the Arts include:

- CITEC
- the Queensland State Archives
- Smart Service Queensland
- Queensland Shared Services.

Our service areas are reflected below. However, following recent decisions impacting across all departmental functions there will be significant changes to the service area structure as well as the Commercialised Business Units within the next 12 months as the reform process is implemented.

Housing Services

Housing Services provides housing and support services to Queenslanders most in need, including crisis support, remote Indigenous housing, private and social housing programs by leading the delivery of a coordinated social housing system which delivers a broad range of integrated housing support and services to ensure:

- greater economic and social participation, sustainable housing and social inclusion for individuals and families
- not-for-profit sector growth and the sector's capacity to operate across jurisdictions
- sustainability of the Queensland social housing system
- industry, community and private sectors develop appropriate housing solutions
- the national Indigenous reform agenda for Closing the Gap increases housing supply and improves housing amenities in Indigenous communities
- the national social housing reform agenda, including the National Affordable Housing Agreement and National Partnership Agreements improve the level of Indigenous home ownership, as well as housing affordability and homelessness outcomes.

Building Services

Building Services delivers the Queensland Government's office accommodation and employee housing, manages significant building and property initiatives and the building and plumbing laws through Queensland by:

- maintaining stewardship of Government office and employee accommodation assets through effective policy development and efficient management of assets
- delivering and maintaining productive workplaces and Government employee housing
- providing building policy and advice, and improving Government and industry relationships
- monitoring the economic state of the building industry, particularly in terms of its impact on the Government's building program

- contributing to an improved built environment through applied research, policy initiatives and the delivery of specialist energy efficiency programs
- managing strategic building and infrastructure projects
- providing advice on capital works contracts and assistance in managing those contracts
- providing high-quality and cost-effective building and plumbing laws and delivering an efficient system for approving building and plumbing work
- providing innovative design for Government buildings, assistance to architects undertaking Government work and encouragement of regional design.

The delivery of building services will be reviewed over the course of the year.

Procurement Services

Procurement Services manages whole-of-Government supply arrangements used by departments, Government-owned corporations, statutory bodies, local authorities and approved non-Government organisations. Spend categories covered by these arrangements include travel, fuel, office stationery, computers, furniture, salary packaging and employee assistance services.

Procurement services also provides a policy framework to drive improved procurement performance and efficiency across Government, and assist Queensland Government agencies to improve their procurement capability. It also monitors the performance of these agencies.

The delivery of procurement services will be reviewed over the course of the year.

2012-13 Service Summary ^{1,2}

Service area	Sources of Revenue				
	Total cost \$'000	State Contribution \$'000	User Charges \$0'000	C'wealth Revenue \$'000	Other Revenue \$'000
Building Services	603,910	18,163	565,738	..	57,995
Procurement Services	25,744	8,909	16,804	..	31
Housing Services	987,449	148,553	362,949	309,792	20,211
Total	1,617,103	175,625	945,491	309,792	78,237

Notes:

1. Explanations of variances are provided in the financial statements.
2. The total of the sources of revenue columns does not equal the Total income in the departmental financial statements because transactions totalling \$25.8 million have been eliminated on consolidation in the departmental financial statements. These eliminations relate to rent on accommodation totalling \$19.4 million and corporate services provided totalling \$6.4 million. In addition, there are corporate services provided to the business units totalling \$60.3 million and the revenues and costs associated with these services are not included in the above service summary.

Performance Statement

	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Service Area: Housing Services	1			
Service standards				
Level of client satisfaction:				
• Bond Loans	2	..	..	..
• Home Assist Secure	3	95%	99%	..
• Home Purchase Assistance	3, 4	90%	96%	..
• Social Rental Housing	5	..	..	80%
Percentage of new households assisted in Government-managed social housing who were in very high or high need		95	95	95
Percentage of new households assisted in Government-managed social housing who were Indigenous		21	25	25
Average wait time to allocation for assistance (months) with Government-managed social housing for clients in very high or high need		11	10	10
Average tenancy and property management administration cost per households assisted	6	\$1,187	\$1,192	\$1,172
Other measures				
Total number of households assisted in social housing		70,955	70,354	72,300
Number of applications on the Housing Register eligible for long-term social housing	7	33,800	29,985	33,800
Percentage of Indigenous applications on the Housing Register eligible for Long Term Social Housing		15	15	15
Total number of households assisted in private market assistance	8	204,027	200,286	152,000
Percentage of department owned social rental housing dwellings in acceptable condition		97	97	97

	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Percentage of home loan offers proceeding to approval	9	25	44	30
Total number of households assisted with crisis housing		8,905	8,898	8,800
Percentage of department owned Crisis Accommodation Program dwellings in acceptable condition		98	98	98
State contribution (\$000)	10, 13	187,146	149,579	148,553
Other revenue (\$000)	11,14,16	737,300	761,891	692,952
Total cost (\$000)	12,15	978,045	824,763	987,449

Service Area: Building Services

Service standards

Accommodation Services

Return on investment

- commercial properties included in the office portfolio 17 6.5% 7.6% ≥6.5%
- Government employee housing 17 2.2% 2.5% ≥2.2%

Vacancy rate

- office portfolio 17, 18 ≤2.5% 0.86% ≤2.5%
- Government employee housing 17, 19 ≤3.0% 2.2% ≤3.0%

Energy consumption per employee occupying office space (in the owned office portfolio) 20 ≤3750 kwh per annum 3300 kwh per annum ≤3300 kwh per annum

Strategic Projects

Strategic projects facilitated efficiently and effectively:

- on time ≥90% 95% ≥90%
- on budget ≥90% 95% ≥90%

Building Policy

Percentage of defaults by pre-qualified building industry contractors on Government building projects ≤2.0 0.5 ≤2.0

Other measures

Accommodation Office

Work point density 21 ≤15m² per person 15m² per person ≤14.5m² per person

	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Value of lease incentives for new leases with the private sector	22	≥\$10 million	\$20 million	≥\$2 million
Procure green leases over 2,000m ²		≥90%	90%	≥90%
<i>Technical Services</i>				
Whole-of-Government built environment information system availability		≥95%	98.5%	≥95%
Whole-of-department emergency/disaster and continuity management plans are reviewed and evaluated annually		100%	100%	100%
State contribution (\$000)		(2,724)	(2,158)	18,163
Other revenue (\$000)	23,26,29	560,069	585,839	623,733
Total cost (\$000)	24,27,30 25,28,31	527,345	602,869	603,910
Service Area: Procurement Services				
Service standards				
Client satisfaction	32	..	66%	..
Savings and benefits delivered under existing and new arrangements to Government	33	≥\$77 million	\$73.4 million	\$57 million
Whole-of-Government procurement benefits as a percentage of total spend per year	34	≥4	3.9	..
Achievement of benefit target – Travel Management System	35	≥\$7.1 million	\$5 million	\$4.1 million
Achievement of benefit target – Print Management Unit	36	≥\$6.9 million	\$6 million	\$4.5 million
Other measures				
Percentage uptake of procurement capability performance assessment recommendations by agencies	37	≥75	94	..
State contribution (\$000)		9,080	12,795	8,909
Other revenue (\$000)	38,42 39,40,43	15,249	10,930	16,835
Total cost (\$000)	41	24,329	23,725	25,744

Notes:

1. These performance measures were transferred from the 'Housing and Homelessness Services' service area of the (former) Department of Communities following machinery of Government changes.
2. No data are available for 2011-12 and/or 2012-13 as client satisfaction surveys are undertaken every three years with the next Bond Loans survey due in 2013-14.
3. The next surveys for Home Assist Secure and Home Purchase Assistance are due in 2014-15.
4. Variance between the 2011-12 Target/estimate and 2011-12 Estimated actual is due to a change in methodology. Only clients with active loan products are now surveyed, where previously clients of all loan products were surveyed, including those who received discontinued products.
5. No data are available for 2011-12 as this client satisfaction is measured every two years. The next survey results will be published in 2012-13.
6. Variance between the 2011-12 Target/estimate and the 2011-12 Estimated actual results from unequal changes to the component parts (administration costs divided by number of households assisted) used to calculate the measure. The increase is the result of a more significant decrease in households assisted (0.8%) than the decrease in administration costs (0.4%) used in the calculation. The 2012-13 target/estimate has decreased as the result of a more significant increase in households expected to be assisted (2.7%) than the increase in administration costs (1%).
7. Variance between the 2011-12 Target/estimate and 2011-12 Estimated actual is due to the reintroduction of income reviews of applicants during the year. The reviews resulted in the legitimate removal of applications from the register. With the completion of these reviews, it is expected the number of applications on the Housing Register eligible for long-term social housing will increase in 2012-13 due to an increase in average length of tenancies and continued demand for social housing.
8. Variance between the 2011-12 Target/estimate and 2011-12 Estimated actual is due to a change in counting methodology for the Tenant Advice and Advocacy Service (Queensland). The 2012-13 target/estimate has decreased due to the cessation of the Tenant Advice and Advocacy Service (Queensland).
9. Variance between the 2011-12 Target/estimate and 2011-12 Estimated actual is due to the increasing difficulty experienced by people to secure a private market loan in the current economic climate. This has led to a higher than expected acceptance of Queensland Housing Finance Loans. The higher level of activity is expected to continue in 2012-13 but to a lesser degree resulting in the 2012-13 target/estimate being higher than the 2011-12 target/estimate.
10. The decrease from the 2011-12 Target/estimate to 2011-12 Estimated actual is mainly due to deferrals for the Indigenous Rural and Remote Housing Program, Deed of Grants in Trust and Crisis Accommodation Program.
11. The increase from the 2011-12 Target/estimate to 2011-12 Estimated actual is mainly due to additional funding for Palm Island Infrastructure Project, Kickstart Home Ownership, Australian Football League Project, Natural Disaster Relief and Recovery Arrangements (NDRRA) claims and Yarrabah Home Ownership; an adjustment associated with a capital to grant transfer relating to the 40 year leases for the National Partnership Agreement on Remote Indigenous Housing offset by deferrals into 2012-13 for Remote Indigenous Housing NPA and Nation Building and Jobs.
12. The decrease from 2011-12 Target/estimate to 2011-12 Estimated actual primarily relates to deferral of grant funding to 2012-13 for Rural and Remote grants, Indigenous Community Housing Organisations, Remote Indigenous Housing NPA and Nation Building and Jobs Program, deferrals of administration budget into 2012-13 for NPA funded programs, Indigenous Community Housing Organisations, maintenance deferrals for Indigenous Community Housing Organisations and NDRRA and administration savings, offset by an adjustment associated with a capital to grant transfer relating to the 40 year leases for the National Partnership Agreement on Remote Indigenous Housing.
13. The decrease from 2011-12 Target/estimate to 2012-13 Target/estimate is mainly due to a one-off Equity to Service Revenue swap in 2011-12 (depreciation funding) offset by deferrals from 2011-12 to 2012-13.
14. The decrease from 2011-12 Target/estimate to 2012-13 Target/estimate is mainly due to the net reduction of Commonwealth funding in 2012-13 (a reduction in Nation Building and Jobs programs offset by an increase in Remote Indigenous Housing NPA); and a decrease in Grants and Other Contributions due to funding finishing in 2011-12 in relation to natural disasters, Home and Community Care - Home Modifications, Yarrabah Home Ownership and Indigenous Program Office.
15. The increase from 2011-12 Estimated actual to 2012-13 Target/estimate is mainly due to deferral of grant funding including Rural and Remote grants, Indigenous Community Housing Organisations, Remote Indigenous Housing NPA and Nation Building and Jobs Program.

16. The decrease from 2011-12 Estimated actual to 2012-13 Target/estimate is mainly due to a decrease in Grants and Other Contributions largely due to funding ceasing in 2011-12 in relation to natural disasters, Home and Community Care - Home Modifications, Yarrabah Home Ownership, Indigenous Program Office and Palm Island Infrastructure project; and a net reduction of Commonwealth funding in 2012-13 (a reduction in Nation Building and Jobs programs offset by an increase in Remote Indigenous Housing NPA).
17. The 2011-12 and 2012-13 Target/estimate are reflective of industry benchmarks.
18. Variance between the 2011-12 Target/estimate and 2011-12 Estimated actual is due to an increase in agency demand for accommodation and the implementation of coordinated strategies to optimise the utilisation of the office portfolio.
19. Variance between the 2011-12 Target/estimate and 2011-12 Estimate actual is due to an increase in agency demand for accommodation.
20. Variance between the 2011-12 Target/estimate and 2011-12 Estimated actual is due to a combination of improvements to work point densities in new fitouts and energy efficiency improvements in a number of existing and new office buildings.
21. Variance between the 2011-12 and 2012-13 Target/estimate reflects the incremental reduction to the occupancy density benchmark from 15m² per work point to 12m² per work point as from 1 July 2012.
22. Variance between the 2011-12 Target/estimate and 2011-12 Estimated actual is due to several large new lease transactions in Brisbane that occurred during the period. Variance between the 2011-12 and 2012-13 target/estimates reflects lower anticipated new lease requirements.
23. The increase from the 2011-12 Target/estimate to 2011-12 Estimated actual is mainly due to the carry over of appropriation funding from 2010-11 for various projects and funds approved for various projects and initiatives during the 2011-12 financial year partly offset by the deferral of funds for various projects and initiatives from 2011-12 to 2012-13.
24. The increase from the 2011-12 Target/estimate to 2011-12 Estimated actual is mainly due to the recognition of the department owned Convention Centres revenue during 2011-12, higher than expected return from Gross Rent; compensation payment received for the Boggo Road Busway excisions from the Department of Transport and Main Roads and recovery of costs from the Queensland Government Insurance Fund for damage to the Commissariat Stores by a broken water main in William Street. These increases are partly offset by the carryover of funding for the Cyclone Shelters construction in Queensland Communities from 2011-12 to 2012-13.
25. The increase from the 2011-12 Target/estimate to 2011-12 Estimated actual is mainly due to the recognition of the department owned Convention Centres during 2011-12, funds brought forward from 2012-13 for the Maintenance Program, higher depreciation on buildings, infrastructure, plant and equipment, the cost of the transfer of fitouts to other Government departments and increased other property related expenses. These increases are partly offset by the carryover of various programs from 2011-12 to 2012-13 and lower employee expenses.
26. The increase from the 2011-12 Target/estimate to 2012-13 Target/Estimate is mainly due to the carryover of appropriation funding from 2011-12 for various projects and additional funding required from the Consolidated Fund as a result of lower rent revenue and additional outgoings from Government owned office buildings.
27. The increase from the 2011-12 Target/estimate to 2012-13 Target/estimate is mainly due to the recognition of the department owned Convention Centres revenue from 1 July 2011, additional rent revenue from private sector leases partly offset by lower rent revenue from Government owned office buildings, carryover of funds from 2011-12 for Cyclone Shelter construction in Queensland communities and Queensland Reconstruction Authority flood disaster relief funds.
28. The increase from the 2011-12 Target/estimate to 2012-13 Target/estimate is mainly due to the recognition of the department owned Convention Centres from 1 July 2011, continuation of the Cyclone Shelter construction in Queensland communities, increases in property related costs and the carryover of various projects expenditure from 2011-12 into 2012-13. These increases are partially offset by the declared savings for Bowen Hills Decentralisation initiative.
29. The increase from the 2011-12 Estimated actual to 2012-13 Target/estimate is mainly due to the carryover of appropriation funding for various projects from 2011-12 to 2012-13.

30. The increase from the 2011-12 estimated actual to 2012-13 Target/estimate is mainly due to the carryover of funds from 2011-12 to 2012-13 for the construction of Cyclone Shelters in Queensland communities, Queensland Reconstruction Authority flood disaster relief funds and increased leased property revenue generally due to rent reviews and prevailing market rates impacted by a tightening market. These increases are partly offset by several one-off factors that occurred in 2011-12: a compensation payment received for the Boggo Road Busway excisions from the Department of Transport and Main Roads and recovery of costs from Queensland Government Insurance Fund for damage to the Commissariat Stores by a broken water main in William Street.
31. The increase from the 2011-12 Estimated actual to 2012-13 Target/estimate is mainly due to the continuation of the Cyclone Shelter construction, increases in property related costs, acceleration of various projects into 2012-13. These increases are partially offset by the declared savings for Bowen Hills Decentralisation project and the cost of the transfer of fitouts to other Government departments in 2011-12.
32. The 2011-12 Estimated actual is based on the results of an initial baseline client satisfaction survey which will be undertaken every two years with the next survey scheduled for 2013-14.
33. Variance between the 2011-12 Target/estimate and 2011-12 Estimated actual is due to reduced spend on whole-of-Government common-use supply arrangements by agencies in the 2011-12 June quarter, and extended industry and agency consultation processes for implementing some new arrangements. Variance between the 2011-12 and 2012-13 Target/estimate are due to forecast changes in agency spend patterns.
34. Variance between the 2011-12 Target/estimate and 2011-12 Estimated actual is due to lower than planned procurement spend by agencies. The 2012-13 Target/estimate has not been set as agencies are no longer required to report against this performance measure.
35. Variance between the 2011-12 Target/estimate and 2011-12 Estimated actual is due to slower than planned uptake of the Travel Management System. Variance between the 2011-12 and 2012-13 Target/estimates is due to forecast reduced travel expenditure by agencies and travel procurement savings.
36. Variance between the 2011-12 and 2012-13 Target/estimate is due to forecast reduced procurement expenditure on printing by agencies.
37. Variance between the 2011-12 Target/estimate and 2011-12 Estimated actual is due to higher than planned agency implementation of Procurement Capability and Performance Assessment recommendations. No figure for the 2012-13 Target/estimate has been included due to the completion of the five-year procurement reform program.
38. The increase from the 2011-12 Target/estimate budget to 2011-12 Estimated actual is mainly due to the carry over of appropriation funding from 2010-11 for the Procurement Process Reform initiative; reimbursement of Voluntary Separation Payments and a one-off supplementation to partially offset the lower than anticipated revenue for the Travel Management and Print Management functions. These increases are partly offset by the carryover of funding to 2012-13 for the Procurement Process Reform initiative project.
39. The decrease from the 2011-12 Target/estimate to 2011-12 Estimated actual is mainly due to the timing of implementation of the Travel Management System with clients, reduced travel across the sector, timing in implementing the new whole-of-Government Arrangements and reduced spend through the Print Management System.
40. The increase from the 2011-12 Target/estimate to 2012-13 Target/estimate is mainly due to the additional rebate revenue estimated from new or recently implemented whole-of-Government Standing Offer arrangements including ICT Contractors – Resource Manager partly offset by the cessation of the print management unit in procurement services.
41. The increase from the 2011-12 Target/estimate to 2012-13 Target/estimate is mainly due to the carryover of Procurement Process Reform Initiative expenditure to 2012-13 and Enterprise Bargaining increase partly offset by the cessation of the print management unit and the reduction in estimated costs for the Procurement Process Reform Initiative Project.
42. The decrease from the 2011-12 Estimated actual to 2012-13 Target/estimate is mainly due to the reimbursement of Voluntary Separation Payments in 2011-12 and Procurement Services 2012-13 savings in relation to the voluntary separation payments and the one-off supplementation in 2011-12 for the travel management and print management functions. The decrease is partly offset by additional appropriation received for the annual enterprise bargaining increase.

43. The increase from the 2011-12 Estimated actual to 2012-13 Target/estimate is mainly due to the full year effect of recently implemented whole-of-Government standing offer arrangements and increased use of standing offer arrangements by non-budget sector agencies. The 2012-13 Target/estimate currently includes increased usage of the Travel Management System.

Discontinued Measures

Performance measures included in the 2011-12 Service Delivery Statements that have been discontinued or replaced by better measures are reported in the following table.

	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Service Area: Housing Services				
Level of client satisfaction:				
• Tenant Advice and Advocacy Service	1	90%	94%	Discontinued measure
Service Area: Building Services				
<i>Building Codes Queensland</i>				
Policies under the Cleaner, Greener Buildings election commitment and other building-related policy reforms are delivered at the agreed times	2, 3	100%	..	Discontinued measure
Policies for pool safety law related changes are delivered at the agreed times	2, 4	100%	100%	Discontinued measure

Notes:

1. This performance measure is discontinued in 2012-13 as the funding for this program has ceased.
2. This performance measure was transferred from the 'Planning service' area of the (former) Department of Local Government and Planning following Machinery of Government changes.
3. The performance measure is discontinued due to cessation of Cleaner, Greener Building policy activities resulting from change in Government policy and therefore no Estimated/actual figure is available.
4. The performance measure has been discontinued due to the pool safety laws relating to pool barriers forming part of a dividing fence, being amended within agreed times. The relevant legislative and administrative arrangements involving the *Building Act 1975* and the *Local Government Electoral Act 2011* became law on 1 September 2011.

Administered Items

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

The Department of Housing and Public Works administers funds on behalf of the State which for 2012-13 will include payment of the Community Services Obligation to QBuild to assist in subsidising their apprenticeship program, and rent supplementation paid to some Commercialised Business Units. It will also include revenue from fees collected by Building Codes Queensland and fees for the accreditation of residential service units and retirement villages by Housing Services.

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

CAPITAL

Capital program

The department's total capital purchases for 2012-13 is \$381.3 million. In addition to this expenditure the department provides funding for capital grants which are detailed in Budget Paper 3.

Program highlights include:

Housing Services

- \$131 million for social housing to commence construction of at least 32 rental units, complete construction of at least 200 rental units, purchase of at least an additional 40 rental units, purchase land and upgrade existing social housing
- \$116.6 million for Indigenous social housing to complete construction of at least 177 rental units, purchase additional rental units and upgrade existing social housing in Indigenous communities
- \$1.2 million to purchase dwellings across the state under the Employment Related Accommodation Program, to support people from Indigenous communities to take up offers of employment, higher education and vocational training in regional centres.

Public Works

- \$48.1 million to continue to deliver property solutions that commenced under the Decentralisation Initiative in Carseldine and Ipswich. The total project cost is an estimated \$85.4 million
- \$33.1 million to construct 8 cyclone shelters in Queensland communities. The total project cost is estimated at \$49.6 million over two years. This excludes 2 cyclone shelters being constructed under capital grants of \$10.4 million
- \$19 million to continue to deliver a fitout in a new building in Flinders Street, Townsville. This fitout will provide 10,000 square metres of net lettable area. The total project cost is estimated at \$22.1 million
- \$5.6 million to construct and acquire 11 units of accommodation for Government employee housing to support the delivery of Government services in rural and remote communities.

Capital budget statement

Department of Housing and Public Works	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. Actual \$'000	2012-13 Estimate \$'000
Capital Purchases¹				
Total land, buildings and infrastructure	2,4,5	237,960	137,621	372,680
Total plant and equipment	3,6	3,753	2,021	5,884
Total other capital	7	740	1,257	2,763
Total Capital Purchases		242,453	140,899	381,327

Notes:

- For more detail on the agency's capital acquisitions please refer to Budget Paper 3.
- The decrease from the 2011-12 Adjusted Budget to 2011-12 Estimated Actual is mainly due to the carryover of projects from 2011-12 to 2012-13 including the Decentralisation Initiative for Carseldine and Ipswich, cancellation of both the Bowen Hills Decentralisation Initiative and the planning and business case for the construction of the CITEC Data Centre, transfer of construction of Mackay and Cairns Cyclone shelters to Capital grants, an adjustment associated with a capital to grants transfer relating to 40 year leases for the Remote Indigenous Housing National Partnership Agreement partly offset by the carryover of projects from 2010-11 to 2011-12 and funding received from the Department of Transport and Main Roads for the Decentralisation Initiative at Carseldine QUT campus.
- The decrease from 2011-12 Adjusted Budget to 2011-12 Estimated Actual is mainly due to the delay in purchase of various plant and equipment items from 2011-12 to 2012-13.
- The increase from 2011-12 Adjusted Budget to 2012-13 Estimate is mainly due to 2011-12 expenditure in the first 10 months being recognised in the Department of Communities for Housing Services and carryover of projects from 2011-12 to 2012-13 including the cyclone shelters in Queensland communities partially offset by the cancellation of the Bowen Hills Decentralisation Initiative and the planning and business case for the construction of the CITEC Data Centre.
- The increase from 2011-12 Estimated Actual to 2012-13 Estimate is mainly due to 2011-12 expenditure in the first 10 months being recognised in the Department of Communities for Housing Services, an adjustment associated with a capital to grants transfer relating to 40 year leases in 2011-12 for the Remote Indigenous Housing National Partnership Agreement, the carryover of projects from 2011-12 to 2012-13 and the fitout of the Townsville office accommodation partially offset by the cancellation of the Bowen Hills Decentralisation Initiative.
- The increase from 2011-12 Estimated Actual to 2012-13 Estimate is mainly due to the carryover of various plant and equipment items from 2011-12 to 2012-13, 2011-12 expenditure in the first 10 months being recognised in the Department of Communities for Housing Services and one-off funding in 2011-12 of Central Business District and Regional Accommodation Plans relating to Housing Services.
- The increase from 2011-12 Estimated Actual to 2012-13 Estimate is due to 2011-12 expenditure in the first 10 months for Housing Services being recognised in the Department of Communities.

BUDGETED FINANCIAL STATEMENTS

Analysis of budgeted financial statements

An analysis of the Department's budgeted financial statements, as reflected in the Department's financial statements, is provided below. The information provided in this section is for the Departmental Entity only which excludes the Commercialised Business Units which are separate reporting entities.

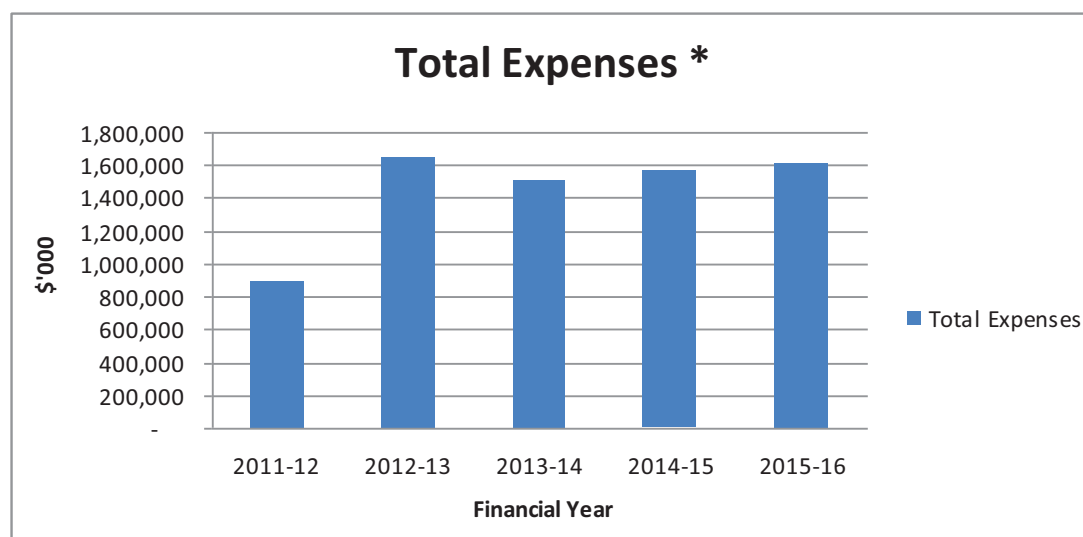
The financial statements for 2011-12 have been impacted by machinery of Government changes during the year. The 2011-12 adjusted budgeted result includes the activities which transferred into and out of the Department. The activities which transferred out of the Departmental Entity were the Queensland Government Chief Information Office which is included in 2011-12 for 5 months, Smart Service Queensland and Queensland State Archives included for 10 months. The activities which transferred into the Departmental Entity are Housing Services and Building Codes Queensland which have been included in 2011-12 for 2 months.

The 2012-13 Estimate includes Housing Services and Building Codes Queensland for the full year.

Departmental income statement

Total expenses for 2012-13 are estimated to be \$1.65 billion in 2012-13, an increase of \$758 million from the 2011-12 adjusted budgeted result. The increase in expenditure is mainly due to the impact of the machinery-of-Government changes referred to above. The decrease in expenditure for 2013-14 of \$147M is mainly due to deferrals from 2011-12 to 2012-13 relating to Housing grants, non recurrent expenditure relating to Housing and the completion of grants for the Cyclone Shelters and Rockhampton Riverbank Stage 2 Redevelopment.

Chart: Total departmental expenses across the Forward Estimates period



*Direct comparison cannot be made between expenses in the 2011-12 year and expenses in the 2012-13 and subsequent years because of machinery-of-Government changes which took place in 2011-12.

The operating position for the department for 2012-13 is an estimated deficit of \$107.9 million mainly due to:

- the growth in rent revenue from social housing tenants being outstripped by the growth in operating expenses, including maintenance, rates and depreciation; and

- recognition of grant income in 2011-12 and deferral of related grant expenditure until 2012-13 for Indigenous Housing programs funded by the Australian Government, including Indigenous Community Housing Organisation, Palm Island Project and Yarrabah Homeownership Program.

The deficit in Housing Services is partially offset by funding received from the Queensland Reconstruction Authority for the construction of cyclone shelters in Queensland Communities.

The deficit associated with Housing Services is expected to increase over the period to 2015-16 without significant reforms to the current model of delivering housing assistance. The department is currently developing a range of reform options for Government consideration, including changes to rent policy, the introduction of fixed term tenancies to address under-occupancy and partnerships with non-Government housing providers to facilitate renewal and realignment of the current housing stock.

Departmental balance sheet

The Department's major assets included in property, plant and equipment and budgeted as at 30 June 2013 are commercial and residential buildings (\$8 billion) and Land (\$9.1 billion) and these categories are expected to decrease in value by 7.7% and 0.2% respectively over the next three years, mainly as a result of accumulated depreciation on buildings.

The Department's major liabilities included in Interest-bearing liabilities and derivatives and budgeted as at 30 June 2013 relate to Queensland Treasury Corporation and Commonwealth Government borrowings totalling \$38 million and \$364 million respectively and are estimated to decrease by \$32 million (or 83.5%) and \$42 million (or 11.5%) by 2015-16 as a result of repayment of the loans. Also included is a finance lease of \$17 million relating to Housing Services for properties leased from Indigenous Councils under 40 Year Lease Agreements as part of the National Partnership Agreement on Remote Indigenous Housing project funded by the Commonwealth Government.

INCOME STATEMENT

Department of Housing and Public Works	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. Act. \$'000	2012-13 Estimate \$'000
Income				
Service revenue	1,10,20	181,316	157,089	485,417
User charges	2,11,21	656,934	705,271	980,416
Grants and other contributions	12,22	53,655	51,613	61,075
Other revenue	3,23	12,027	20,835	12,241
Gains on sale/revaluation of property, plant and equipment and investments	13,24	..	..	4,551
Total income		903,932	934,808	1,543,700
Expenses				
Employee expenses	14,25	137,159	140,222	192,434
Supplies and services	4,15,26	537,221	588,197	896,335
Grants and subsidies	5,16,27	121,593	72,301	325,428
Depreciation and amortisation	17,26	85,679	87,157	197,149
Finance/borrowing costs	6,17,26	7,200	5,615	20,948
Other expenses	7,17,28	4,515	39,582	18,864
Losses on sale/revaluation of property, plant and equipment and investments	8,18,29	..	51	500
Total expenses		893,367	933,125	1,651,658
OPERATING SURPLUS/(DEFICIT)	9,19,30	10,565	1,683	(107,958)

STATEMENT OF CHANGES IN EQUITY

Department of Housing and Public Works	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	31,35	..	115,890	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		..	115,890	..
Surplus/(deficit) for the period	9,19,30	10,565	1,683	(107,958)
Total recognised income and expense for the period		10,565	117,573	(107,958)
Equity injection/(withdrawal)	32,33,36	96,322	16,913	195,302
Equity adjustments (MoG transfers)	34,37	14,666,037	14,680,310	..
Total movement in equity for period		14,772,924	14,814,796	87,344

BALANCE SHEET

Department of Housing and Public Works	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets	38,60	148,844	253,253	167,805
Receivables	39,49,61	102,225	79,709	112,071
Other financial assets		4,000	4,000	4,000
Inventories	40,50,62	8,548	11,733	4,471
Other		45,322	40,945	42,795
Non-financial assets held for sale	41,51,63	74,445	113,880	101,214
Total current assets		383,384	503,520	432,356
NON-CURRENT ASSETS				
Receivables	42,52	48,724	80,277	86,158
Other financial assets		209,429	199,970	201,321
Property, plant and equipment		17,730,175	17,827,357	17,952,986
Intangibles	43	11,159	12,401	11,351
Other		..	..	..
Total non-current assets		17,999,487	18,120,005	18,251,816
TOTAL ASSETS		18,382,871	18,623,525	18,684,172
CURRENT LIABILITIES				
Payables	44,53	132,277	160,319	161,136
Accrued employee benefits		1,913	1,962	2,068
Interest-bearing liabilities and derivatives	64	28,407	26,876	30,773
Provisions		..	..	..
Other	45,54	67,633	29,648	31,154
Total current liabilities		230,230	218,805	225,131
NON-CURRENT LIABILITIES				
Payables	46,55,65	1,733	999	474
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives	56,66	433,165	420,705	388,377
Provisions		48	48	48
Other	47,57	52	38,927	38,757
Total non-current liabilities		434,998	460,679	427,656
TOTAL LIABILITIES		665,228	679,484	652,787
NET ASSETS/(LIABILITIES)		17,717,643	17,944,041	18,031,385
EQUITY				
Capital/contributed equity		16,015,275	15,943,997	16,139,299
Accumulated surplus/(accumulated deficit)	58,67	611,014	624,597	516,639
Reserves:				
- Asset revaluation surplus	48,59	1,091,354	1,375,447	1,375,447
- Other (specify)		..	..	..
TOTAL EQUITY		17,717,643	17,944,041	18,031,385

CASH FLOW STATEMENT

Department of Housing and Public Works	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Service receipts	75,86	181,316	168,667	497,659
User charges	76,87	674,769	716,922	996,296
Grants and other contributions	77,88	53,655	51,613	61,075
Other	78	263,641	251,938	238,450
Outflows:				
Employee costs	75,86	(136,758)	(139,821)	(192,367)
Supplies and services	79,89	(562,438)	(607,775)	(907,799)
Grants and subsidies	68,80,90	(122,267)	(72,886)	(325,428)
Borrowing costs		(21,694)	(20,109)	(20,948)
Other		(244,538)	(235,766)	(233,885)
Net cash provided by/(used in) operating activities		85,686	112,783	113,053
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment	69,80,91	18,564	35,200	65,650
Investments redeemed	81,92	489	489	12,500
Loans and advances redeemed	80,93	3,519	3,519	22,750
Outflows:				
Payments for property, plant and equipment and intangibles	70,80,94	(242,453)	(140,899)	(381,327)
Payments for investments	80,93	..	(45)	(800)
Loans and advances made	71,80,93	(11,217)	(6,726)	(28,803)
Net cash provided by/(used in) investing activities		(231,098)	(108,462)	(310,030)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	82,95	15,330	16,636	..
Equity injections	72,80,96	96,322	81,929	141,750
Outflows:				
Borrowing redemptions	83,97	(33,089)	(31,157)	(28,431)
Finance lease payments		..	..	..
Equity withdrawals	73,84,98	..	(5,400)	(1,790)
Net cash provided by/(used in) financing activities		78,563	62,008	111,529
Net increase/(decrease) in cash held		(66,849)	66,329	(85,448)
Cash at the beginning of financial year		47,689	9,487	253,253
Cash transfers from restructure	74,85,99	168,004	177,437	..
Cash at the end of financial year		148,844	253,253	167,805

ADMINISTERED INCOME STATEMENT

Department of Housing and Public Works	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Revenues				
Commonwealth grants		..	..	..
Taxes, fees and fines	103,109	..	1	126
Royalties, property income and other territorial Revenue		..	..	..
Interest		..	..	..
Administered revenue	100,104,110	38,684	52,878	10,294
Other	101,105	5,499	928	928
Total revenues		44,183	53,807	11,348
Expenses				
Supplies and services	102,106,111	27,519	37,609	4,727
Depreciation and amortisation		..	..	..
Grants and subsidies	107,112	16,664	16,197	6,495
Benefit payments		..	..	..
Borrowing costs		..	..	..
Other		..	..	..
Total expenses		44,183	53,806	11,222
Net surplus or deficit before transfers to Government		..	1	126
Transfers of administered revenue to Government	108,113	..	1	126
OPERATING SURPLUS/(DEFICIT)		..	..	..

ADMINISTERED BALANCE SHEET

Department of Housing and Public Works	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets	114,119	..	819	..
Receivables	115,120	..	84	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		..	903	..
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		..	..	..
TOTAL ADMINISTERED ASSETS		..	903	..
CURRENT LIABILITIES				
Payables	116,121	..	903	..
Transfers to Government payable		..	..	..
Interest-bearing liabilities		..	..	..
Other		..	..	..
Total current liabilities		..	903	..
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL ADMINISTERED LIABILITIES		..	903	..
ADMINISTERED NET ASSETS/(LIABILITIES)		..	..	..
EQUITY				
Capital/Contributed equity	117	45,991	45,240	45,240
Accumulated surplus/(Accumulated deficit)	118	(45,991)	(45,240)	(45,240)
Reserves:		..	..	..
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL ADMINISTERED EQUITY		..	..	..

ADMINISTERED CASH FLOW STATEMENT

Department of Housing and Public Works	Notes	2011-12 Adjusted Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Administered item receipts	122,126,134	38,684	55,405	9,765
Grants and other contributions	123,127	4,571	..	..
Taxes, fees and fines	128,135	..	1	126
Royalties, property income and other territorial revenues		..	..	..
Other	124,129,136	928	1,109	1,012
Outflows:				
Transfers to Government	130,137	..	(1)	(126)
Grants and subsidies	131,138	(16,664)	(16,197)	(6,495)
Supplies and services	125,132,139	(27,519)	(41,364)	(5,101)
Borrowing costs		..	..	..
Other		..	..	..
Net cash provided by/(used in) operating activities		..	(1,047)	(819)
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		..	..	..
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	133	2,940	2,940	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	133	(2,940)	(2,940)	..
Net cash provided by/(used in) financing activities		..	..	..
Net increase/(decrease) in cash held		..	(1,047)	(819)
Administered cash at beginning of financial year		..	1,866	819
Cash transfers from restructure		..	..	..
Administered cash at end of financial year		..	819	..

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Note: The Financial Statements for 2011-12 include Queensland Government Information and Communication Technology for 5 months (transferred to the Department of Premier and Cabinet on 1 December 2011), Queensland State Archives and Smart Service Queensland for 10 months (transferred to the Department of Science, Information Technology, Innovation and the Arts on 1 May 2012) and Housing Services and Building Codes Queensland for 2 months (transferred from the Department of Communities and Department of Local Government and Planning respectively on 1 May 2012). CITEC and Queensland Shared Services administered items are also included for 10 months (transferred to the Department of Science, Information Technology, Innovation and the Arts on 1 May 2012). The 2012-13 Estimate includes Housing Services and Building Codes Queensland for 12 months and excludes the service areas transferred out during 2011-12.

Income statement

Major variations between 2011-12 Adjusted Budget and 2011-12 Estimated actual include:

1. The decrease is mainly due to the deferral of funds for various projects and initiatives from 2011-12 to 2012-13. This decrease is partly offset by the carryover of funding from 2010-11 for various programs and funds approved for various projects and initiatives during the 2011-12 financial year as well as a capital to grant transfer relating to the 40 year leases for the National Partnership Agreement on Remote Indigenous Housing.
2. The increase is mainly due to:
 - the recognition of the department owned Convention Centres revenue during 2011-12;
 - higher than expected revenue from gross rent; and
 - additional fee for service charges and increased IT maintenance, desktop and licencing fees on charged to clients.
3. The increase is mainly due to a compensation payment received for the Boggo Road Busway excisions from the Department of Transport and Main Roads, recovery of costs from the Queensland Government Insurance Fund for damage to Commissariat Stores by a broken water main in William Street Brisbane and additional rebates received from the whole-of-Government standing offer arrangements for fuel.
4. The increase is mainly due to the:
 - recognition of the department owned Convention Centres costs during 2011-12;
 - carryover of funding from 2010-11 for various programs;
 - funds approved for various projects and initiatives during the 2011-12 financial year; and
 - additional building outgoings associated with new Government owned office buildings in Mareeba, Maroochydore and Thursday Island.

This increase is partly offset by the deferral of funds for various projects and initiatives from 2011-12 to 2012-13.
5. The decrease is mainly due to the carryover of expenditure from 2011-12 to 2012-13 in relation to the Rockhampton Riverbank redevelopment projects, Rural and Remote projects, Indigenous Community Housing Organisations, Remote Indigenous Housing National Partnership Agreement and Nation Building and Jobs Programs. This decrease is partly offset by the carryover of expenditure from 2010-11 to 2011-12 and an adjustment associated with a capital to grant transfer relating to the 40 year leases for the National Partnership Agreements on Remote Indigenous Housing.
6. The decrease is mainly due to the deferral of loans until 30 June 2012 relating to the improvement of energy efficiency in Government buildings as a result of the utilisation of cash on hand instead of borrowings.
7. The increase is mainly due to the cost of the transfer of fitouts to other Government departments for the Joint Contact Centre, 63 George Street refurbishment, Mareeba, Cairns, Maroochydore and Thursday Island Government Office Buildings.
8. The increase is mainly due to the devaluation of assets held for sale from book value to market value due to the ongoing pressure on real estate values.
9. The decrease is mainly due to the transfer of fitouts to other Government departments, partly offset by the deferral of Indigenous Community Housing Organisations expenditure and underspends in grants and administration.

Major variations between 2011-12 Adjusted Budget and 2012-13 Estimate include:

10. The increase is mainly due to:
 - Building Codes Queensland and Housing Services following their transfer into the Department; and
 - deferral of funds from 2011-12 into 2012-13 including the Decentralisation Initiative.This increase is partly offset by:
 - one-off Equity to Service Revenue swap for depreciation funding for Housing Services in 2011-12;
 - funding received in 2011-12 for Queensland State Archives, Smart Service Queensland and Government Information and Communication Technology; and
 - finalisation of various projects and programs in 2011-12.
11. The increase is mainly due to:
 - the full year effect of Housing Services following their transfer into the Department; and
 - recognition of the department Convention Centres revenue during 2012-13.This increase is partly offset by the transfer out of the department of Smart Service Queensland.
12. The increase is mainly due to the carryover of funding from 2011-12 to 2012-13 from the Queensland Reconstruction Authority for the construction of cyclone shelters in Queensland communities. This increase is partly offset by funding ceasing in 2011-12 in relation to Home and Community Care – Home Modifications, Yarrabah Home Ownership and Indigenous Program Office.
13. The increase is mainly due to all Housing Services 2011-12 gains on sale of property being recognised in the Department of Communities prior to transfer to this department.
14. The increase is mainly due to the full year effect of Housing Services and Building Codes Queensland following their transfer into the Department partly offset by the costs in 2011-12 relating to Queensland State Archives, Smart Service Queensland and Government Information and Communication Technology which were transferred out of the department.
15. The increase is mainly due to:
 - the full year effect of costs of Housing Services and Building Codes Queensland;
 - the deferral of expenditure from 2011-12 to 2012-13; and
 - recognition of the department owned Convention Centres costs in 2012-13.This increase is partly offset by Queensland State Archives, Smart Service Queensland and Government Information and Communication Technology costs in 2011-12 which were transferred out of the department.
16. The increase is mainly due to the full year effect of Housing Services, a capital grant in 2012-13 for the construction of the cyclone shelters in Queensland communities and the carryover from 2011-12 to 2012-13 of the Rockhampton Riverbank redevelopment project, Rural and Remote grants, Indigenous Community Housing Organisation and Remote Indigenous Housing National Partnership Agreement as well as an adjustment associated with a capital to grant transfer relating to 40 year leases in 2011-12 for the Remote Indigenous Housing National Partnership Agreement.
17. The increase is mainly due to the full year effect of costs for Housing Services.
18. The increase is due to the devaluation of housing assets held for sale from book value to market value due to the ongoing pressures on real estate values.
19. The decrease is mainly due to the full year effect of Housing Services partly offset by the carryover of cyclone shelters construction funding in Queensland communities from 2011-12 to 2012-13.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

20. The increase is mainly due to the full year effect of Housing Services and Building Codes Queensland and the deferral of funds from 2011-12 to 2012-13. This increase is partly offset by the transfer out of the department of Queensland State Archives, Smart Service Queensland, Government Information and Communication Technology and the finalisation of various projects and programs in 2011-12.
21. The increase is mainly due to the full year effect of Housing Services.
22. The increase is mainly due to Queensland Reconstruction Authority funding for the construction of cyclone shelters in Queensland communities carried over from 2011-12 to 2012-2013 partly offset by the funding ceasing in 2011-12 in relation to Home and Community Care – Home Modifications, Yarrabah Home Ownership, Indigenous Program Office and Palm Island Infrastructure projects.
23. The decrease is mainly due to several one-off factors that occurred in 2011-12: compensation payment received for the Boggo Road Busway excisions from the Department of Transport and Main Roads, recovery of costs from the Queensland Government Insurance Fund for damage to Commissariat Stores by a broken water main in William Street Brisbane and additional rebates received from the whole-of-Government standing offer arrangement for fuel.

24. The increase is mainly due to all housing services 2011-12 gains being recognised in the Department of Communities prior to their transfer to this department.
25. The increase is mainly due to the full year effect of Housing Services and Building Codes Queensland partly offset by the transfer out of the department of Queensland State Archives, Smart Service Queensland and Government Information and Communication Technology.
26. The increase is mainly due to the full year effect of costs for Housing Services.
27. The increase is mainly due to the full year effect of Housing Services and the carryover of expenditure from 2011-12 to 2012-13 for the Rockhampton Riverbank redevelopment project and the construction of cyclone shelters in Queensland communities funded from the Queensland Reconstruction Authority.
28. The decrease is mainly due to the cost of the transfer of fitouts to other Government departments for the Joint Contact Centre, 63 George Street refurbishment, Mareeba, Cairns, Maroochydore and Thursday Island Government Office Buildings incurred in 2011-12 partly offset by the full year effect of Housing Services.
29. The increase is mainly due to the full year effect of Housing Services.
30. The decrease is mainly due to the full year effect of Housing Services partly offset by the carryover of funds relating to the cyclone shelter construction in Queensland communities from 2011-12 to 2012-13 and the cost of the transfer of fitouts to other Government departments incurred in 2011-12. The operating deficit in 2012-13 is mainly due to the growth in rental revenue being outstripped by operating costs including depreciation and deferred grants expenditure in Housing Services partly offset by funding received from the Queensland Reconstruction Authority for the cyclone shelters construction in Queensland communities.

Statement of changes in equity

Major variations between 2011-12 Adjusted Budget and 2011-12 Estimated actual include:

31. The increase is due to an increase in the valuation of Public Works Buildings.
32. The decrease is mainly due to a Housing Services equity to service revenue transfer and carryover of funding for capital projects from 2011-12 to 2012-13 for the Queensland Government Decentralisation Initiative and Brisbane – Boggo Road Whole of Government Proposal.

Major variations between 2011-12 Adjusted Budget and 2012-13 Estimate include:

33. The increase is mainly due to the full year Housing Services capital program, deferral of capital projects from 2011-12 to 2012-13, partly offset by an equity to service revenue transfer and savings on the Queensland Government Decentralisation Initiative Bowen Hills.
34. The decrease is mainly due to the Smart Service Queensland, Queensland State Archives, Building Codes Queensland, Housing Services and Queensland Government Information and Communication Technology function transfers in 2011-12.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

35. The decrease is due to the revaluation of Public Works Buildings in 2011-12.
36. The increase is mainly due to the full year effect of the Housing Services capital program and the funding of the Townsville Office Accommodation fitout in 2012-13.
37. The decrease is mainly due to the Smart Service Queensland, Queensland State Archives, Building Codes Queensland, Housing Services and Queensland Government Information and Communication Technology function transfers in 2011-12.

Balance sheet

Major variations between 2011-12 Adjusted Budget and 2011-12 Estimated actual include:

38. The increase is mainly due to the loan drawdown in June 2012 relating to the improvement of energy efficiency in Government buildings, inclusion of the department owned Convention Centres cash balances from 1st July 2011, additional Commonwealth grants received in June 2012, deferral of Indigenous Community Housing Organisations expenditure, underspends in grants and administration costs and appropriation funds to be utilised in 2012-13.
39. The decrease is mainly due to cash appropriation due to the consolidated fund partly offset by higher than anticipated level of tenancy and other debtors actual balances brought forward at 30 June 2011.
40. The increase is due to lower land sales than anticipated.
41. The increase is mainly due to the holding of the New Law Court Land at 419 George Street, Brisbane for resale.
42. The increase is mainly due to the recognition of the Ecoscience lease at 30 June 2011.

43. The increase is mainly due to the capitalisation of the Pre-Qualification System for Contractors and Consultants database and the Travel Management System software customisations.
44. The increase is mainly due to higher than anticipated level of payables actual balances at 30 June 2011 and inclusion of the department owned Convention Centres balances from 1st July 2011.
45. The decrease is mainly due to the realignment of the majority of the Ecoscience building prepaid lease liability to non-current liabilities.
46. The decrease is mainly due to the realignment of current and non-current payables.
47. The increase is mainly due to the realignment of the majority of the Ecoscience building prepaid lease liability from current liabilities.
48. The increase is mainly due to the revaluation of land and office buildings at 30 June 2011 and office buildings in the current year.

Major variations between 2011-12 Adjusted Budget and 2012-13 Estimate include:

49. The increase is mainly due to higher receivables from increased user charges.
50. The decrease is mainly due to ongoing land sales at Kelvin Grove Urban Village and other land sales.
51. The increase is mainly due to the Queensland Place held for sale and the proposed sale of the caravan parks in 2012-13, partly offset by the reduction in Housing Services asset held for sale between 2011-12 and 2012-13.
52. The increase is mainly due to the recognition of the Ecoscience lease receivable at 30 June 2011.
53. The increase is mainly due to the timing of payments at 30 June 2012.
54. The decrease is mainly due to the realignment of the majority of the Ecoscience building prepaid lease liability to non-current liabilities.
55. The decrease is mainly due to the realignment of current and non-current payables.
56. The decrease is mainly due to the Housing Services decision not to proceed with the proposed borrowing from Queensland Treasury Corporation in 2011-12 and the reduction in the non-current portion of loans as debts are settled.
57. The increase is mainly due to the realignment of the majority of the Ecoscience building prepaid lease liability from current liabilities.
58. The decrease mainly reflects the housing services operating deficit transferred to accumulated deficit.
59. The increase is mainly due to the revaluation of land and buildings at 30 June 2011 and buildings in 2011-12.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

60. The decrease is mainly due to the utilisation of the cash appropriation balance in 2012-13, deferred expenditure where cash was received in prior years, including Indigenous Community Housing Organisations and capital grants funded by the Australian Government received in June 2012. This decrease is partly offset by increased cash balances for the department owned Convention Centres.
61. The increase is mainly due to cash appropriation due to the consolidated fund as at 30 June 2012.
62. The decrease is mainly due to ongoing land sales at Kelvin Grove Urban Village and other Government land register sales.
63. The decrease is mainly due to the reduction in Housing Services asset held for sale between 2011-12 and 2012-13, and the proposed sale of the caravan parks in 2012-13.
64. The increase is mainly due to the timing of loan repayments.
65. The decrease is mainly due to the realignment of current and non-current payables.
66. The decrease is mainly due to the current portion of loans outstanding.
67. The decrease mainly reflects the housing services operating deficit transferred to accumulated deficit, partly offset by the carryover of cyclone shelter construction in Queensland communities from 2011-12 to 2012-13.

Cash flow statement

Major variations between 2011-12 Adjusted Budget and 2011-12 Estimated actual include:

68. The decrease is mainly due to the deferral of grant funding to 2012-13 including Rural and Remote grants, Indigenous Community Housing Organisations, Remote Indigenous Housing National Partnership Agreement (NPA) and Nation Building and Jobs Programs, and is partly offset by the adjustment associated with a capital to grant transfer relating to 40 year leases for the National Partnership Agreement on Remote Indigenous Housing.
69. The increase is mainly due to increased proceeds from dwelling sales and additional Government employee housing sales.

70. The decrease is mainly due to the carryover of projects from 2011-12 to 2012-13, an adjustment associated with a capital to grant transfer relating to the 40 year leases for the National Partnership Agreement on Remote Indigenous Housing, expenditure for untied Housing programs being lower than budgeted, cancellation of both the Bowen Hills decentralisation accommodation initiative and construction of the CITEC Data Centre and the transfer of construction of Mackay and Cairns Cyclone shelters to capital grants. This decrease is partly offset by the carryover of projects from 2010-11 to 2011-12, Gold Coast Convention and Exhibition Centre Audio Visual upgrade and funding received from the Department of Transport and Main Roads for the decentralisation initiative at Carseldine QUT campus.
71. The decrease is mainly due to bond loans and housing loans being lower than budgeted.
72. The decrease is mainly due to the carryover of funding for capital projects to 2012-13 and an adjustment associated with a capital to grant transfer relating to 40 year leases for the National Partnership Agreement on Remote Indigenous Housing. This decrease is partly offset by the carryover of projects from 2010-11 to 2011-12 and funding received from the Department of Transport and Main Roads for the decentralisation initiative at Carseldine QUT campus.
73. The increase is due to the transfer of asset sales proceeds including savings for the Lift Modernisation program to the consolidated fund during 2011-12.
74. The increase is due to the inclusion of the department owned Convention Centre cash balances from 1 July 2011.

Major variations between 2011-12 Adjusted Budget and 2012-13 Estimate include:

75. The increase is mainly due to the full year effect of Housing Services and Building Codes Queensland in 2012-13, partly offset by the transfer out of the department of Queensland State Archives, Smart Service Queensland and Government Information and Communication Technology in 2011-12.
76. The increase is mainly due to the full year effect of Housing Services and the inclusion of the department owned Convention Centres in 2012-13.
77. The increase is mainly due to the carryover of Queensland Reconstruction Authority cyclone shelter construction grant funding from 2011-12 to 2012-13, partly offset by funding ceasing in 2011-12 in relation to natural disasters, Home and Community Care - Home Modifications, Yarrabah Home Ownership and Indigenous Program Office.
78. The decrease is mainly due to lower input tax credits receivable from the Australian Taxation Office for Housing Services.
79. The increase is mainly due to the full year effect of Housing Services and Building Codes Queensland and the carryover of expenditure from 2011-12 to 2012-13, partly offset by the transfer out of the department of Queensland State Archives, Smart Service Queensland and Government Information and Communication Technology.
80. The increase is mainly due to the full year effect of the Housing Services programs.
81. The increase mainly reflects the proposed sale of the caravan parks in 2012-13.
82. The decrease is mainly due to the decision by Housing Services not to proceed with proposed borrowings from Queensland Treasury Corporation.
83. The decrease is mainly due to the near finalisation of some loans resulting in lower loan repayments.
84. The increase is due to savings from asset sales for the Lift Modernisation Program transferred to the consolidated fund in 2012-13.
85. The decrease is due to the Smart Service Queensland, Queensland State Archives, Building Codes Queensland, Housing Services and Queensland Government Information and Communication Technology function transfers in 2011-12.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

86. The increase is mainly due to the full year effect of Housing Services and Building Codes Queensland in 2012-13, partly offset by the transfer out of the department of Queensland State Archives, Smart Service Queensland and Government Information and Communication in 2011-12.
87. The increase is mainly due to the full year effect of the Housing Services programs.
88. The increase is mainly due to the carryover of Queensland Reconstruction Authority Cyclone Shelter construction grant funding from 2011-12 to 2012-13, partly offset by no funding anticipated in 2012-13 in relation to Home and Community Care - Home Modifications, Yarrabah Home Ownership, Indigenous Program Office and Palm Island Infrastructure projects.

89. The increase is mainly due to the full year effect of Housing Services and Building Codes Queensland and the carryover of expenditure from 2011-12 to 2012-13 partly offset by the transfer out of the department of Queensland State Archives, Smart Service Queensland and Government Information and Communication Technology.
90. The increase is mainly due to the full year effect of Housing Services, carryover of expenditure from 2011-12 to 2012-13 including Rural and Remote grants, Indigenous Community Housing Organisations, Remote Indigenous Housing NPA, Nation Building and Jobs Programs, construction of Cyclone Shelters in Queensland communities, Rockhampton Riverbank redevelopment projects as well as an adjustment associated with a capital to grant transfer relating to 40 year leases for National Partnership Agreements on Remote Indigenous Housing.
91. The increase is mainly due to the full year effect of the Housing Services programs in 2012-13 partly offset by additional Government employee housing sales in 2011-12.
92. The increase mainly reflects the proposed sale of the caravan parks in 2012-13.
93. The increase is mainly due to the full year effect of the Housing Services programs.
94. The increase is mainly due to the full year effect of the Housing Services programs, carryover of projects from 2011-12 to 2012-13 and fitout of the Townsville office accommodation, partly offset by the cancellation of the Bowen Hills decentralisation accommodation initiative and completion of the Nation Building and Jobs Program in the first quarter of 2013.
95. The decrease is mainly due to the draw down of loans relating to the improvement of energy efficiency in Government buildings at the end of June 2012.
96. The increase is mainly due to the full year effect of the Housing Services programs, fitout in 2012-13 of the Townsville office accommodation, carryover of funding for capital projects from 2011-12 to 2012-13 partly offset by the carryover of funding for capital projects from 2010-11 to 2011-12 and cancellation of the Bowen Hills decentralisation accommodation initiative in 2011-12.
97. The decrease is mainly due to the finalisation of some loans resulting in lower loan repayments.
98. The decrease is mainly due to the higher transfer to the consolidated fund in 2011-12 of asset sales proceeds including savings for the Lift Modernisation program.
99. The decrease is due to the Smart Service Queensland, Queensland State Archives, Building Codes Queensland, Housing Services and Queensland Government Information and Communication Technology transfers in 2011-12 and the inclusion of the department owned Convention Centre cash balances from 1 July 2011.

Administered income statement

Major variations between 2011-12 Adjusted Budget and 2011-12 Estimated actual include:

100. The increase is mainly due to:
 - funding for voluntary separation payments for QBuild, Sales and Distribution Services and Goprint; and
 - funding for Natural Disaster Relief and Recovery Arrangement (NDRRA) claims for Queensland Monsoonal Flooding and Tropical Cyclones Olga, Neville, Ului and Paul.
 This increase is partly offset by the transfer of a subsidy from Administered to Controlled items.
101. The decrease is mainly due to the transfer from Administered to Controlled items of Queensland Reconstruction Authority funding for NDRRA claims relating to Queensland floods and Tropical Cyclone Yasi.
102. The increase is mainly due to voluntary separation payments to QBuild, Sales and Distribution Services and Goprint. This increase is partly offset by the transfer from Administered to Controlled items of a subsidy and Queensland Reconstruction Authority funding for NDRRA claims relating to Queensland floods and Tropical Cyclone Yasi.

Major variations between 2011-12 Adjusted Budget and 2012-13 Estimate include:

103. The increase is mainly due to the building and development tribunal fees and penalty unit equalisation included in the 2012-13 budget for Building Codes Queensland and Housing Services fees for accreditation of residential service units and retirement villages.
104. The decrease is mainly due to the:
 - transfer of CITEC and Queensland Shared Services out of the department;
 - reduced funding for QBuild Apprentice Subsidy and Goprint operating subsidy; and
 - transfer of a subsidy from Administered to Controlled items.

105. The decrease is mainly due to the transfer from Administered to Controlled items of Queensland Reconstruction Authority funding for NDRRA claims relating to Queensland floods and Tropical Cyclone Yasi.
106. The decrease is mainly due to the transfer of CITEC and Queensland Shared Services out of the department and the transfer from Administered to Controlled items of a subsidy and Queensland Reconstruction Authority funding for NDRRA claims relating to Queensland floods and Tropical Cyclone Yasi.
107. The decrease is mainly due to the transfer of Queensland Shared Services funding out of the department and lower QBuild Apprentice Subsidy and Goprint operating subsidy in 2012-13.
108. The increase is mainly due to the payment to the Consolidated Fund for building and development tribunal fees and penalty unit equalisation included in the 2012-13 Estimate for Building Codes Queensland and Housing fees for accreditation of residential service units and retirement villages since their transfer into the department.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

109. The increase is mainly due to the building and development tribunal fees and penalty unit equalisation included in the 2012-13 Estimate for Building Codes Queensland and Housing Services fees for accreditation of residential service units and retirement villages since their transfer into the department.
110. The decrease is mainly due to the full year impact of the transfer of CITEC and Queensland Shared Services out of the department and funding for voluntary separation payments for QBuild, Sales and Distribution Services and Goprint in 2011-12.
111. The decrease is mainly due to the full year effect of CITEC and Queensland Shared Services transferred out of the department and funding for voluntary separation payments for QBuild, Sales and Distribution Services and Goprint in 2011-12.
112. The decrease is mainly due to the transfer of Queensland Shared Services funding out of the department and lower QBuild Apprentice Subsidy and Goprint operating subsidy in 2012-13.
113. The increase is mainly due to the payment to the Consolidated Fund for building and development tribunal fees and penalty unit equalisation included in the 2012-13 Estimate for Building Codes Queensland and Housing Services fees for accreditation of residential service units and retirement villages since their transfer into the department.

Administered balance sheet

Major variations between 2011-12 Adjusted Budget and 2011-12 Estimated actual include:

114. The increase is due to funding received from the Consolidated Fund for commercialised business unit invoices not paid as at 30 June 2012 and appropriation carried over from 2011-12 to 2012-13.
115. The increase is mainly due to an invoice billed to QBuild.
116. The increase is due to commercialised business unit invoices not paid as at 30 June 2012 and the carryover of appropriation from 2011-12 to 2012-13.
117. The decrease is mainly due to the transfer from Administered to Controlled items of unspent Queensland Reconstruction Authority funding for NDRRA claims relating to Queensland floods and Tropical Cyclone Yasi as at 30 June 2011.
118. The decrease is mainly due to a profit in 2010-11 as a result of the unspent funding from the Queensland Reconstruction Authority in relation to NDRRA claims.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

119. The decrease is mainly due to the payment in 2012-13 of invoices from the commercialised business units unpaid at 30 June 2012 and the payment of appropriation funds carried over from 2011-12 to 2012-13.
120. The decrease is mainly due to the receipt of payment in 2012-13 from QBuild for invoices unpaid at 30 June 2012.
121. The decrease is due to the payment in 2012-13 of invoices received from the commercialised business units which remained unpaid at 30 June 2012 and the deferred appropriation payable funds carried over from 2011-12 to 2012-13.

Administered cash flow statement

Major variations between 2011-12 Adjusted Budget and 2011-12 Estimated actual include:

122. The increase is mainly due to:
- funding for voluntary separation payments for QBuild, Sales and Distribution Services and Goprint;
 - funding relating to the payment of invoices accrued as at 30 June 2011; and
 - funding for NDRRA claims for Queensland Monsoonal Flooding and Tropical Cyclones Olga, Neville, Ului and Paul.
- This increase is partly offset by the transfer of a subsidy from Administered to Controlled items.
123. The decrease is due to the transfer from Administered to Controlled items of Queensland Reconstruction Authority funding for NDRRA claims relating to Queensland floods and Tropical Cyclone Yasi.
124. The increase is mainly due to the receipt of GST from the Australian Taxation Office in 2011-12 for 2010-11 invoices.
125. The increase is mainly due to funding of voluntary separation payments to QBuild, Sales and Distribution Services and Goprint and payment of invoices accrued as at 30 June 2011. This increase is partly offset by the transfer from Administered to Controlled items of a subsidy and Queensland Reconstruction Authority funding for NDRRA claims relating to Queensland floods and Tropical Cyclone Yasi.

Major variations between 2011-12 Adjusted Budget and 2012-13 Estimate include:

126. The decrease is mainly due to the:
- transfer of CITEC and Queensland Shared Services functions out of the department;
 - reduced funding for community service obligations to QBuild and Goprint; and
 - transfer of a subsidy from Administered to Controlled items.
127. The decrease is mainly due to the transfer from Administered to Controlled items of Queensland Reconstruction Authority funding for NDRRA claims relating to Queensland floods and Tropical Cyclone Yasi.
128. The increase is mainly due to the building and development tribunal fees and penalty unit equalisation included in the 2012-13 Estimate for Building Codes Queensland and Housing Services fees for accreditation of residential service units and retirement villages.
129. The increase is due to receipt in 2012-13 of outstanding payment from QBuild.
130. The increase is mainly due to the payment to the Consolidated Fund for building and development tribunal fees and penalty equalisation included in the 2012-13 Estimate for Building Codes Queensland and Housing Services fees for accreditation of residential service units since their transfer into the department.
131. The decrease is mainly due to the transfer of Queensland Shared Services funding out of the department and lower QBuild Apprentice Subsidy and Goprint operating subsidy in 2012-13.
132. The decrease is mainly due to the transfer of CITEC and Queensland Shared Services out of the department, as well as the transfer from Administered to Controlled items of a subsidy and Queensland Reconstruction Authority funding for NDRRA claims relating to Queensland floods and Tropical Cyclone Yasi.
133. The decrease is mainly due to the transfer of Queensland Shared Services and CITEC out of the department.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

134. The decrease is mainly due to the full year impact of the transfer of CITEC and Queensland Shared Services out of the department and funding for voluntary separation payments for QBuild, Sales and Distribution Services and Goprint in 2011-12.
135. The increase is mainly due to the building and development tribunal fees and penalty unit equalisation included in the 2012-13 Estimate for Building Codes Queensland and Housing Services fees for accreditation of residential service units and retirement villages since their transfer into the department.
136. The decrease is due to the receipt of GST from the Australian Taxation Office in 2011-12 for 2010-11 invoices.

137. The increase is mainly due to the payment to the Consolidated Fund for building and development tribunal fees and penalty unit equalisation included in the 2012-13 Estimate for Building Codes Queensland and Housing Services fees for accreditation of residential service units since their transfer into the department.
138. The decrease is mainly due to the transfer of Queensland Shared Services funding out of the department and lower QBuild Apprentice Subsidy and Goprint operating subsidy in 2012-13.
139. The decrease is mainly due to the full year effect of CITEC and Queensland Shared Services transfer out of the department and funding for voluntary separation payments for QBuild, Sales and Distribution Services and Goprint in 2011-12.

COMMERCIALISED BUSINESS UNITS

QBUILD

OVERVIEW

Strategic direction

QBuild provides a diverse range of construction and building maintenance services, including statutory maintenance of plant and equipment, asset condition assessments, management and removal of hazardous materials, emergency response to natural disasters and vandalism and training of building industry apprentices. It also manages a range of facility services, including security, horticulture, cleaning and manufacturing.

Key factors and challenges impacting on QBuild include:

- The size of the State's building capital works program, together with a forecast decline in other construction industry sectors
- expanding work programs in remote Indigenous communities, the capacity to provide a targeted service to these communities and looking for maximum opportunities to support local Indigenous employment
- simplifying QBuild's core operational and business support systems and processes to support efficient and effective service delivery to clients
- variable trade service supply markets across Queensland, with shortages of skilled trades in remote areas and locations linked to the resources boom and a potential surplus in market capacity, particularly in areas like South East Queensland.

In response, and to deliver value improving efficiency and effectiveness in building services delivery for the Queensland Government, QBuild and Project Services will be amalgamated into a single business unit to provide centrally coordinated project, building, maintenance and disaster response services. Implementation of this new business will involve significant remodelling of the existing business structures. A detailed implementation plan is being developed to ensure continuity of service delivery and the establishment of the new business entity which will retain a technical capability to mitigate asset delivery and management risk to Government, and allow a flexible response to agency demand for services.

RESOURCES AND PERFORMANCE

The strategy for the future of QBuild envisages a significant shift in the focus of the business unit away from service provision in regions with established market capacity, while maintaining contestable services in areas where private sector capacity is lagging.

In 2012-13 the department will finalise the amalgamation of the two business units of QBuild and Project Services into one single building services entity. This will include centralising support functions and streamlining business processes, to align to the new direction by improving value for money and providing cost savings to Government. There will also be a review of the State Government Protective Security Service with a view to possible reform.

At the same time, the department will continue to:

- undertake specialised and essential services for Government by streamlining and improving asset condition assessments, service maintenance and inspections, auditing, management and coordination associated with the removal of asbestos, and other hazardous materials
- deliver approximately \$265 million in construction and upgrade works and an estimated \$420 million of maintenance on Government assets across the State, including social housing renewals, office fitouts, heritage restoration, building and social housing upgrades and construction of new houses in remote Indigenous communities, and complete the refurbishment and fit-out works on the new Carseldine Government Office Precinct.

In 2011-12, QBuild:

- delivered an immediate response to the clean-up, recovery and rebuilding of Government infrastructure following the impacts of flooding in Western Queensland in early 2012, the cyclone in Kowanyama in February 2012 and the Tornado that hit Townsville in March 2012
- successfully managed in excess of 420 asbestos incidents in Government-owned buildings, as well as undertook a program of 2,074 asbestos audits and over 630 asbestos removal projects, valued overall in excess of \$26 million
- progressed the \$50 million refurbishment and fitout works on the new Carseldine Government Office Precinct using a combination of in-house trade resources and external subcontractors to complete the works by November 2012
- delivered approximately \$280 million in construction and upgrade works on behalf of clients across the State. Works undertaken included social housing renewals, office fitouts, new construction, heritage restoration and building upgrades
- delivered an estimated \$671 million of planned and unplanned maintenance services on Government assets including, school buildings and TAFE colleges, social housing properties, police stations, community facilities and correctional centres.

During 2012-13 QBuild and Project Services will be transitioned to a new business unit. QBuild is forecasting a small deficit during the transition year, but the new business unit will be established with an intent to operate a balanced budget from 2013-14 onwards.

STATEMENTS

Staffing¹

QBuild	Notes	2011-12 Budget	2011-12 Est. Actual	2012-13 Estimate
	2,3	2,780	2,515	1,722

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Variance between the 2011-12 Budget and 2011-12 Estimated Actual is due to the implementation of the Voluntary Separation Program and the separation of a number of temporary employees.
3. Variance between the 2011-12 Estimated Actual and the 2012-13 Estimate is due to implementation of the new business model and a consolidation of the corporate functions.

Performance Statement

QBuild	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Service standards				
Client satisfaction	1	..	64.5%	..
Gross profit as a percentage of sales	2	9.99	11.06	9.81
Net profit before tax and dividends as a percentage of sales	3,4	0.1	1.25	(0.22)
Current ratio	5,6	1.21:1	1.38:1	1.60:1
Gearing level	7	..	..	..
Other measures				
Percentage of apprentices successfully complete training	8	≥80	79	80
Percentage of participation in annual apprentice program:				
• first language is other than English	9	≥2	1	..
• Indigenous	9	≥15	20	..
• female	9	≥8	9	..
• indentured outside the metropolitan region	9	≥65	74	..
Workplace Health and Safety –				
Working days lost	10	1,459	2,460	1,459

Notes:

1. The 2011-12 estimated actual is based on the results of a baseline client satisfaction survey which will be undertaken every two years with the next survey scheduled for 2013-14.
2. Variance between the 2011-12 target/estimate and 2011-12 estimated actual is due to a change in the product mix with lower margin construction work forming a lower percentage of revenue.

3. Variance between the 2011-12 target/estimate and 2011-12 estimated actual is due to the additional volume of work offset by the payments for the voluntary separation program.
4. The estimated loss in 2012-13 is due to the anticipated effect of the transition to an amalgamated entity.
5. Variance between the 2011-12 target/estimate and 2011-12 estimated actual is due to an improvement in the cash position and a reduction in trade payables.
6. The variance between the 2011-12 estimated actual and the 2012-13 target/estimate is mainly due to a reduction in the forecast closing balance of payables.
7. This performance measure is not applicable for 2011-12 or 2012-13 as QBuild has no "Net Debt".
8. Variance between the 2011-12 target/estimate and 2011-12 estimated actual is due to the resignation of apprentices from the 2008 intake to obtain training in the private sector. The remaining apprentices are expected to complete their apprenticeships in November 2012.
9. Measures are under review due to the reduction in the Apprentice Program for 2012-13.
10. Variance between the 2011-12 target/estimate and 2011-12 estimated actual is due to an increase in the number of long-term WorkCover cases, with significant working days lost from injuries related to activities undertaken during the storm, floods and cyclones.

INCOME STATEMENT

QBuild	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Income				
User charges	1,6,10	878,745	951,446	685,070
Grants and other contributions	7,11	8,736	9,067	6,153
Other revenue	2,12	1,493	15,966	1,900
Gains on sale/revaluation of property, plant and equipment and investments		8	..	..
Total income		888,982	976,479	693,123
Expenses				
Employee expenses	3,8,13	232,247	243,586	178,526
Supplies and services	4,9,14	650,077	714,250	510,456
Grants and subsidies		..	..	..
Depreciation and amortisation		3,439	4,119	3,214
Finance/borrowing costs		752	1,151	736
Other expenses		1,732	1,441	1,719
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		888,247	964,547	694,651
Surplus or deficit before related income tax	5,15	735	11,932	(1,528)
Income tax expense/revenue		214	3,792	(743)
OPERATING SURPLUS/(DEFICIT) after related income tax		521	8,140	(785)

STATEMENT OF CHANGES IN EQUITY

QBuild	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		..	..	..
Surplus/(deficit) for the period	5, 15	521	8,140	(785)
Total recognised income and expense for the period		521	8,140	(785)
Equity injection/(withdrawal)		..	..	..
Equity adjustments (MoG transfers)		..	..	..
Dividends paid or provided		(260)	(4,070)	..
Total movement in equity for period		261	4,070	(785)

BALANCE SHEET

QBuild	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets		32,009	37,123	36,733
Receivables	16,23,31	138,787	127,057	87,098
Other financial assets		..	..	..
Inventories	17,24,32	37,034	39,220	27,233
Other		1,344	290	374
Non-financial assets held for sale		..	..	..
Total current assets		209,174	203,690	151,438
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		4,771	2,970	2,615
Deferred tax assets	18,25	10,547	2,147	2,881
Intangibles		19,340	19,255	16,646
Other		..	..	..
Total non-current assets		34,658	24,372	22,142
TOTAL ASSETS		243,832	228,062	173,580
CURRENT LIABILITIES				
Payables	19,26,33	99,296	62,502	30,946
Interest-bearing liabilities and derivatives	27,34	1,387	1,380	..
Current tax liabilities		..	..	..
Accrued employee benefits		5,749	6,886	6,103
Provisions		109	31	31
Other	20,28,35	66,992	77,254	57,276
Total current liabilities		173,533	148,053	94,356
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Deferred tax liabilities	21,29	5,357	4,364	4,364
Accrued employee benefits		..	..	..
Provisions		19	..	..
Other		..	567	567
Total non-current liabilities		5,376	4,931	4,931
TOTAL LIABILITIES		178,909	152,984	99,287
NET ASSETS/(LIABILITIES)		64,923	75,078	74,293
EQUITY				
Capital/contributed equity		20,900	20,900	20,900
Accumulated surplus/(accumulated deficit)	22,30	44,023	54,178	53,393
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		64,923	75,078	74,293

CASH FLOW STATEMENT

QBuild	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	36,45,52	953,282	1,022,997	742,366
Grants and other contributions		8,736	9,270	6,153
Other	37,46,53	66,445	43,272	15,583
Outflows:				
Employee costs	38,47,54	(230,953)	(242,290)	(179,309)
Supplies and services	39,48,55	(716,847)	(797,968)	(576,999)
Grants and subsidies		..	..	..
Borrowing costs	40	(752)	(194)	(36)
Taxation equivalents paid		..	..	..
Other	41	(50,952)	(865)	(1,748)
Net cash provided by/(used in) operating activities		28,959	34,222	6,010
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		8	10	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	157	..
Outflows:				
Payments for property, plant and equipment and intangibles		(1,662)	(784)	(250)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(1,654)	(617)	(250)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	42,49,56	..	54,000	25,000
Equity injections		..	..	..
Outflows:				
Dividends paid	43,50	..	(4,796)	(4,070)
Borrowing redemptions	44,51	(2,885)	(57,849)	(27,080)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		(2,885)	(8,645)	(6,150)
Net increase/(decrease) in cash held		24,420	24,960	(390)
Cash at the beginning of financial year		7,589	12,163	37,123
Cash transfers from restructure		..	..	..
Cash at the end of financial year		32,009	37,123	36,733

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

General Note: The 2012-13 financial year is a transition year for QBuild and Project Services to merge into a new entity.

Income statement

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

1. The increase is due to additional unplanned maintenance work, Indigenous housing program and work on natural disaster events.
2. The increase is due to funds received for the payment of the Voluntary Separation Program.
3. The increase is due to the payments for the Voluntary Separation Program.
4. The increase reflects the delivery costs due to the greater volume of work.
5. The increase is largely due to the additional volume of work partially offset by the payments for the Voluntary Separation Program.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

6. The decrease is due to reduction in client program budgets and due to the anticipated effect of the transition to an amalgamated entity.
7. The decrease is due to a reduction in funding for the apprentice program.
8. The decrease is due to reduction in Full Time Equivalents (FTEs) from the Voluntary Separation Program and the transition to the amalgamated entity.
9. The decrease is due to reduction in volume of work and anticipated effect of the transition to an amalgamated entity.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

10. The decrease is due to reduction in client program budgets and due to the anticipated effect of the transition to an amalgamated entity.
11. The decrease is due to a reduction in funding for the apprentice program.
12. The decrease is due to funds received for the payment of the Voluntary Separation Program in 2011-12.
13. The decrease is due to reduction in FTEs from temporary staff exits and anticipated effect of the transition to an amalgamated entity.
14. The decrease is due to reduction in volume of work and anticipated effect of the transition to an amalgamated entity.
15. The decrease is largely due to reduction in volume of work and anticipated effect of the transition to an amalgamated entity.

Balance sheet

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

16. The decrease is due to a reduction in receivables and higher volume of work delivered through GST group entities of QBuild, Project Services and Housing Services.
17. The increase reflects the increased volume of work.
18. The decrease is due to the tax effect of prior year and current year results.
19. The decrease is due to the carry forward effect of the prior year closing balance and the reduction in trade creditors.
20. The increase is due to the carry forward effect of the prior year closing balance and an increase in unearned revenue due to an increased program of work.
21. The decrease is due to the tax effect of differences in amortisation of intangibles.
22. The increase is due to prior year and 2011-12 year surpluses being higher than budgeted.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

23. The decrease is due to lower volume of work.
24. The decrease is due to the reduction in work.
25. The decrease is due to the tax effect of prior year and current year results.
26. The decrease is due due to the carry forward effect of the prior year closing balance and a reduction in trade creditors due to a reduced program of work.
27. The decrease reflects the repayment of a long term loan.
28. The decrease is due to reduction in volume of work.

29. The decrease is due to the tax effect of differences in amortisation of intangibles.
30. The increase is mainly due to the higher than budgeted 2011-12 Estimated actual result.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

31. The decrease is due to lower volume of work.
32. The decrease is due to the reduction in work.
33. The decrease is due to the reduction in trade creditors as a result of a reduced program of work.
34. The decrease reflects the repayment of the long term loan.
35. The decrease is due to reduction in volume of work.

Cash flow statement

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

36. The increase is due to a reduction in prior year receivables and an increase in volume of work.
37. The decrease is due to a change in recording of receipts and payments associated with GST offset by an increase in funds received for the payment of the Voluntary Separation Program.
38. The increase is due to payments for the Voluntary Separation Program.
39. The increase is mainly due to greater volume of work.
40. The decrease is due to the capitalisation of interest on the working capital availed during the year.
41. The reduction is due to a realignment of receipts and payments associated with GST.
42. The increase is due to utilisation of the short term working capital facility during the course of the year.
43. The increase is a result of the better than expected results in the previous financial year.
44. The increase reflects the long term loan and the working capital facility repaid during the year.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

45. The decrease is due to reduction in volume of work.
46. The reduction is due to a realignment of receipts and payments associated with GST and reduced GST from customers.
47. The decrease is due to reduction in FTEs from the Voluntary Separation Program and the transition to the amalgamated entity.
48. The decrease is due to reduction in volume of work.
49. The increase is due to the anticipated utilisation of the short term working capital facility.
50. The increase is a result of the better than expected results in the previous financial year.
51. The increase reflects the long term loan and the working capital facility repaid during the year.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

52. The decrease is due to reduction in volume of work.
53. The reduction is mainly due to reduced GST from customers due to a reduced program of work.
54. The decrease is due to reduction in FTEs from temporary staff exits and the transition to the amalgamated entity.
55. The decrease is due to reduction in volume of work.
56. The reduction is in line with the approved working capital facility.

PROJECT SERVICES

OVERVIEW

Strategic direction

Project Services provides building capital works design and related services to Queensland Government client agencies, including multi discipline design and documentation services, procurement, program and project management; risk management through tender process administration, consultant commissioning and contract administration; building certification; and expert advice on legislative and policy compliance, town planning, property services and cost management.

The reduced budget for building capital works for 2012-13 has led to a review of the service offerings with the aim of leveraging savings and reducing business overheads. As a result, QBuild and Project Services will be amalgamated into a single commercialised business unit to provide centrally coordinated building services to Queensland Government agencies. A detailed implementation plan is being developed and will include consideration of existing service arrangements, organisational structures, continuity of business and impact on staff.

RESOURCES AND PERFORMANCE

Project Services has achieved a positive financial position each year. Its involvement in Government projects in 2011-12 has assisted agencies in the delivery of their core services to the public, in areas including health, education, law and order, community and public housing. Recently completed projects include the Brisbane Supreme Court and District Court Complex, the new Mango Hill State School, the Gatton Correctional Precinct and the Brisbane Common Ground Project funded through the Nation Building and Jobs Plan.

In 2012-13 the department will finalise the amalgamation of Project Services and QBuild into a single building service entity. The department will also continue to contribute to the delivery of significant building capital works projects and programs on behalf of the Queensland Government, including:

- procurement management of major hospital projects including the Gold Coast University Hospital and Queensland Children's Hospital, and the redevelopment of several hospitals across the State
- project management of a pilot project in Cleveland for the Year 7 Program which aims to provide infrastructure to accommodate Year 7 as the first year of secondary school
- design and management of the delivery of eight multi-purpose public cyclone shelters in North Queensland, contributing to making the state safer and more resilient to natural disasters.

During 2012-13 QBuild and Project Services will be transitioned to a new business unit. Project Services is forecasting a small deficit during the transition year, but the new business unit will be established with an intent to operate a balanced budget from 2013-14 onwards.

STATEMENTS

Staffing¹

Project Services	Notes	2011-12 Budget	2011-12 Est. Actual	2012-13 Estimate
	2, 3	696	654	290

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Variance between the 2011-12 Budget and 2011-12 Estimated Actual is due to the implementation of the Voluntary Separation Program and the separation of a number of temporary employees.
3. Variance between the 2011-12 Estimated Actual and the 2012-13 Estimate is due to implementation of the new business model and a consolidation of the corporate functions.

Performance Statement

Project Services	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Service standards				
Client satisfaction	1	..	65%	..
Project competency:				
• time		≥90%	92%	≥90%
• budget		≥90%	96.4%	≥90%
Gross profit as a percentage of total sales	2,3	37.4	34.3	37.3
Net profit before tax and dividends as a percentage of total sales	4,5	0.6	0.9	(2.1)
Current ratio	6	5.7:1	6.6:1	7.2:1

Notes:

1. The 2011-12 estimated actual is based on the results of a baseline client satisfaction survey which will be undertaken every two years with the next survey scheduled for 2013-14.
2. The variance between the 2011-12 Estimated actual and the 2011-12 Target/estimate is mainly due to increased direct costs associated with outsourced work.
3. The variance between the 2012-13 Target/estimate and 2011-12 Estimated actual is mainly due to decreased direct costs associated with outsourced work.
4. The variance between the 2012-13 Target/estimate and the 2011-12 Target/estimate is mainly due to decreased sales revenue and the anticipated effect of the transition to the new amalgamated commercialised business entity.
5. The variance between the 2012-13 Target/estimate and 2011-12 Estimated actual is mainly due to decreased sales revenue and the transition to the new amalgamated commercialised business entity.
6. The variance between the 2012-13 Target/estimate and the 2011-12 Target/estimate is mainly due to a reduced program of work and business systems upgrades that are not proceeding resulting in cash not being utilised.

INCOME STATEMENT

Project Services	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Income				
User charges	1,6,12	148,876	152,940	98,361
Grants and other contributions	2,13	..	519	..
Other revenue	3,7,14	3,033	3,834	2,074
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		151,909	157,293	100,435
Expenses				
Employee expenses	8,15	69,519	69,335	49,188
Supplies and services	4,9,16	80,408	85,518	52,171
Grants and subsidies		..	..	..
Depreciation and amortisation	10,17	775	700	971
Finance/borrowing costs		..	..	..
Other expenses		318	393	145
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		151,020	155,946	102,475
Surplus or deficit before related income tax	5,11,18	889	1,347	(2,040)
Income tax expense/(revenue)		267	406	(612)
OPERATING SURPLUS/(DEFICIT) after related income tax		622	941	(1,428)

STATEMENT OF CHANGES IN EQUITY

Project Services	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve	
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity	
Surplus/(deficit) for the period		622	941	(1,428)
Total recognised income and expense for the period		622	941	(1,428)
Equity injection/(withdrawal)	
Equity adjustments (MoG transfers)	
Dividends paid or provided		(311)	(472)	..
Total movement in equity for period		311	469	(1,428)

BALANCE SHEET

Project Services	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets		27,333	28,778	29,454
Receivables	19,24,31	16,258	13,074	10,062
Other financial assets		..	..	..
Inventories		..	..	..
Other	20,25	134	1,871	2,040
Non-financial assets held for sale		..	..	..
Total current assets		43,725	43,723	41,556
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	32	880	1,168	650
Deferred tax assets	21,26,33	966	2,571	2,987
Intangibles	22,27	4,141	783	525
Other		..	..	..
Total non-current assets		5,987	4,522	4,162
TOTAL ASSETS		49,712	48,245	45,718
CURRENT LIABILITIES				
Payables		3,923	4,293	2,917
Interest-bearing liabilities and derivatives		..	..	..
Current tax liabilities	23,28,34	327	(1,411)	..
Accrued employee benefits		1,540	1,960	1,701
Provisions	29,35	1,897	1,479	800
Other	30	..	350	350
Total current liabilities		7,687	6,671	5,768
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Deferred tax liabilities		122	247	51
Accrued employee benefits		..	..	..
Provisions		..	..	..
Other		..	28	28
Total non-current liabilities		122	275	79
TOTAL LIABILITIES		7,809	6,946	5,847
NET ASSETS/(LIABILITIES)		41,903	41,299	39,871
EQUITY				
Capital/contributed equity		1,730	1,730	1,730
Accumulated surplus/(accumulated deficit)		40,173	39,569	38,141
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		41,903	41,299	39,871

CASH FLOW STATEMENT

Project Services	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	36,43,51	162,978	170,216	108,784
Grants and other contributions		..	..	..
Other	37,44,52	9,707	3,790	2,474
Outflows:				
Employee costs	45,53	(69,293)	(69,636)	(49,165)
Supplies and services	38,46,54	(87,115)	(103,243)	(58,450)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Taxation equivalents paid	39,47,55	(216)	(2,342)	1,411
Other	40,48	(12,139)	(4,315)	(3,711)
Net cash provided by/(used in) operating activities		3,922	(5,530)	1,343
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	41,49	(1,992)	(208)	(195)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(1,992)	(208)	(195)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Dividends paid	42,50,56	(1,979)	(1,216)	(472)
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		(1,979)	(1,216)	(472)
Net increase/(decrease) in cash held		(49)	(6,954)	676
Cash at the beginning of financial year		27,382	35,732	28,778
Cash transfers from restructure		..	..	..
Cash at the end of financial year		27,333	28,778	29,454

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

General Note: The 2012-13 financial year is a transition year for Project Services and QBuild to merge into a new entity.

Income statement

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

1. The increase in User charges is due to a larger than anticipated program of work.
2. The increase in Grants and other contributions is due to an asset transfer for Government Office fit-out.
3. The increase in Other revenue is due to higher interest revenue.
4. The increase in Supplies and services is due to an increase in the amount of work outsourced to the private sector in line with a higher level of outsourced revenue included in User charges.
5. The increase in Operating surplus is due to an external adjustment for the transfer of a Government Office fit-out asset to Project Services.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

6. The decrease in User charges is due to the anticipated effect of the transition to an amalgamated entity and a reduced program of work.
7. The decrease in Other revenue is due to reduced interest revenue.
8. The decrease in Employee expenses reflects the reduction in Full Time Equivalents (FTEs) in transition to the amalgamated entity.
9. The decrease in Supplies and services reflect a progressive reduction in existing business overhead.
10. The increase in Depreciation and amortisation is due to the reduction in useful life of fitout.
11. The decrease in Operating surplus is due to a reduction in sales revenue and the anticipated effect of the transition to an amalgamated entity and a reduced program of work.

Major variations between 2011-12 Estimated actual and 2012-13 Estimate include:

12. The decrease in User charges is due to the anticipated effect of the transition to an amalgamated entity and a reduced program of work.
13. The decrease in Grants and other contributions is due to a one-off asset transfer for Government Office fit-out in 2011-12.
14. The decrease in Other revenue is due to reduced interest revenue.
15. The decrease in Employee expenses reflects the reduction in FTEs in transition to the amalgamated entity.
16. The decrease in Supplies and services reflect a progressive reduction in existing business overhead.
17. The increase in Depreciation and amortisation is due to the reduction in useful life of fitout.
18. The decrease in Operating surplus is due to a reduction in sales revenue and the anticipated effect of the transition to the new amalgamated entity.

Balance sheet

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

19. The decrease in Receivables is due improved debt recovery from clients.
20. The increase in Other current assets is due to the movement in work in progress resulting from recognition timing of cost, billing and profit.
21. The increase in Deferred tax assets is mainly due to tax effect of movements in provisions, mainly relating to Voluntary Separation Program payments.
22. The decrease in Intangibles is due to business systems upgrades that are not proceeding.
23. The decrease in Current tax liabilities is mainly due to an expected tax refund resulting from a tax deduction being claimed for Voluntary Separation Packages (VSP) payments.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

24. The decrease in Receivables is due to reduction in user charges.
25. The increase in Other current assets is due to the movement in work in progress resulting from recognition timing of cost, billing and profit.
26. The increase in Deferred tax assets is due to unutilised tax losses from previous years.
27. The decrease in Intangibles is due to business systems upgrades that are not proceeding.
28. The decrease in Current tax liabilities is due to the operating deficit.

29. The decrease in Current provisions is due to adjustments for service warranties.
30. The increase in Other liabilities is due to unearned revenue.

Major variations between 2011-12 Estimated actual and 2012-13 Estimate include:

31. The decrease in Receivables is due to reduction in user charges as a result of anticipated effect of the transition to an amalgamated entity.
32. The decrease in Property, plant and equipment is due to the write down of assets.
33. The increase in Deferred tax assets is due to unutilised tax losses from previous years.
34. The increase in Current tax liabilities is due the operating deficit and clearance of the tax receivable.
35. The decrease in Current provisions is due to adjustments for service warranties.

Cash flow statement

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

36. The increase in User charges is due to a greater program of work.
37. The decrease in Other inflows is due to a realignment of receipts and payments associated with GST.
38. The increase in Supplies and services is mainly due to a higher level of work outsourced to the private sector.
39. The increase in Tax equivalents paid is due to higher tax instalments paid.
40. The decrease in Other outflows is due to a realignment of receipts and payments associated with GST.
41. The decrease in payments for Property, plant and equipment and intangibles is due to business systems upgrades that are not proceeding.
42. The decrease in Dividends paid is due to a reduced actual net profit position in 2010-11.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

43. The decrease in User charges is due to the anticipated effect of the transition to an amalgamated entity and a reduced program of work.
44. The decrease in Other inflows is due to reduced interest revenue and a realignment of receipts and payments associated with GST.
45. The decrease in Employee costs reflects the reduction in FTEs in transition to the amalgamated entity.
46. The decrease in Supplies and services reflect a progressive reduction in existing business overhead.
47. The decrease in Tax equivalent outflows is due to tax refunds owing.
48. The decrease in Other outflows is due a realignment of receipts and payments associated with GST.
49. The decrease in payments for Property, plant and equipment and intangibles is due to business systems upgrades that are not proceeding.
50. The decrease in Dividends paid is due to a reduced net profit position.

Major variations between 2011-12 Estimated actual and 2012-13 Estimate include:

51. The decrease in User charges is due to the anticipated effect of the transition to an amalgamated entity and a reduced program of work.
52. The decrease in Other inflows is due to reduced interest revenue.
53. The decrease in Employee costs reflects the reduction in FTEs in transition to the amalgamated entity.
54. The decrease in Supplies and services reflect a progressive reduction in existing business overhead.
55. The decrease in Tax equivalent outflows is due to tax refunds owing.
56. The decrease in Dividends paid is due to a reduced net profit position.

QFLEET

OVERVIEW

Strategic direction

As the Queensland Government's provider of vehicle leasing services, QFleet manages a diverse fleet of approximately 13,000 vehicles throughout the State. QFleet is a commercialised business unit within the Department of Housing and Public Works.

QFleet delivers cost efficiencies for Government by providing agencies with a selection of fit-for-purpose vehicles based on total cost of ownership, risk management and performance outcomes consistent with Government policy. Through a centralised pool of fleet management knowledge and skill, QFleet provides aggregated vehicle procurement, fleet leasing, client advice and support, coordinated maintenance and repairs, vehicle remarketing and whole-of-Government fleet policy implementation.

The key factors impacting on QFleet include:

- identifying, analysing and minimising the Government's exposure to risk and future vehicle market volatility
- aligning the fleet mix with market demand while ensuring the Government's policy priorities are met, including cost minimisation, accountability and transparency.

RESOURCES AND PERFORMANCE

Following consideration of the options for Government vehicle fleet delivery, QFleet will be implementing a revised operating model in 2012-13 to enhance savings, efficiency and accountability including:

- leading a reduction of 10% of the fleet across the sector
- leading the aggregation of the sector's pool vehicles and removal of underutilised vehicles
- establishing longer term leasing arrangements and streamlining QFleet service delivery
- staged closure of the QFleet Zillmere workshop.

In December 2011, QFleet undertook a major procurement exercise; the *Market Invitation-to-Offer for the Provision of Passenger and Light Commercial Vehicles* by asking the market to provide vehicle pricing and supply arrangements for the delivery of a large number of vehicles for various models over a defined period. This resulted in more competitive pricing and greater flexibility based on projected demand.

The ongoing implementation of the *Fleet Efficiency and Utilisation Policy* has continued assisting client agencies improve the operational aspects of vehicle use and the management of vehicle pools. Enhancements have also been built into the quarterly reports prepared for client CEOs which provide high-level, agency specific, financial, operational, maintenance and utilisation information about their leased fleets as well as short-term hire vehicles.

In December 2011 QFleet fleet management systems training program commenced. This program provided basic and advanced levels of training to 127 clients from 13 agencies in the use of QFleet's online vehicle ordering and reporting systems.

In early February 2012 QFleet arranged availability and deployment of 24 urgently required vehicles to assist Queensland Government agencies respond to the flood crisis in Roma and Toowoomba.

STATEMENTS

Staffing¹

QFleet	Notes	2011-12 Budget	2011-12 Est. Actual	2012-13 Estimate
	2, 3	125	118	54

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Variance between the 2011-12 Budget and 2011-12 Estimated Actual is due to the implementation of the Voluntary Separation Program and the separation of a number of temporary employees.
3. Variance between the 2011-12 Estimated Actual and the 2012-13 Estimate is due to implementation of the revised operating model and a consolidation of the corporate functions.

Performance Statement

QFleet	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/Est.
Service standards				
Client satisfaction	1	..	76%	..
Percentage of all vehicle fleet leases managed within 90-100 percent of agreed km (measured at lease expiration)				
	2	≥75	..	..
Current ratio	3	1.01:1	1.04:1	1.74:1
Return on net assets	4, 5	6.6%	12.4%	8.0%
Gearing level	6	82%	77%	72%
Other measures				
Vehicle stocks on hand awaiting sale as a percentage of the total fleet		≤10%	4.8%	≤10%

Notes:

1. The 2011-12 estimated actual is based on the results of a baseline client satisfaction survey which will be undertaken every two years with the next survey scheduled for 2013-14.
2. No figure for the 2011-12 estimated actual has been included due to the alignment between vehicle utilisation and the contracted lease arrangements not representing the extent to which active vehicles are being under and over utilised. The measure will be reviewed in 2012-13.
3. Variance between the 2011-12 target/estimate and 2011-12 estimated actual is due to the higher bank balance for the year resulting from higher than budgeted profits on sale of motor vehicles. The increase in the 2012-13 target/estimate is due to lower payables at the end of 2012-13 year following anticipated lower motor vehicle purchases.
4. Variance between the 2011-12 target/estimate and 2011-12 estimated actual is due to the strong resale market resulting in higher profits on sale and a reduction of expenses.
5. The variance between the 2012-13 target/estimate and 2011-12 estimated actual is due to expected lower resale profits and lower operating profits due to lease extensions at slightly reduced rates and substantially reduced volumes of motor vehicles sold.

6. Variance between the 2011-12 target/estimate and 2011-12 estimated actual is due to the lower debt with Queensland Treasury Corporation resulting from reduced demand for debt following the strong resale performance and higher profits on sale. The 2012-13 target estimate is lower as the debt is reduced resulting from an expected decrease in purchases of motor vehicles.

Discontinued Measures

Performance measures included in the 2011-12 Service Delivery Statements that have been discontinued or replaced by better measures are reported in the following table.

	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Reduction of carbon emissions in vehicles (ClimateSmart)	1	≥30% by 31 December 2012	31.1%	Discontinued measure

Note:

1. This measure is discontinued due to the cessation of the QFleet ClimateSmart initiative.

INCOME STATEMENT

QFleet	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Income				
User charges	1,5,9	237,031	243,629	161,624
Grants and other contributions		..	..	..
Other revenue	2,6,10	986	1,719	450
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		238,017	245,348	162,074
Expenses				
Employee expenses	7,11	11,593	11,474	9,601
Supplies and services	3,8,12	133,797	123,210	64,061
Grants and subsidies		..	..	..
Depreciation and amortisation		68,679	69,716	64,463
Finance/Borrowing costs	13	16,025	16,889	17,668
Other expenses	4,14	421	133	167
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		230,515	221,422	155,960
Surplus or deficit before related income tax	15,17,19	7,502	23,926	6,114
Income tax expense/revenue		2,251	7,213	1,834
OPERATING SURPLUS/(DEFICIT) after related income tax		5,251	16,713	4,280

STATEMENT OF CHANGES IN EQUITY

QFleet	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		..	..	..
Surplus/(deficit) for the period	15,17,19	5,251	16,713	4,280
Total recognised income and expense for the period		5,251	16,713	4,280
Equity injection/(withdrawal)		..	..	..
Equity adjustments (MoG transfers)		..	..	..
Dividends paid or provided	16,18,20	(10,738)	(16,468)	(2,140)
Total movement in equity for period		(5,487)	245	2,140

BALANCE SHEET

QFleet	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets	21	500	11,433	500
Receivables	22,30	7,783	6,297	5,689
Other financial assets		..	..	..
Inventories	23	12,459	9,867	10,009
Other	24	4,953	5,713	4,681
Non-financial assets held for sale		..	..	..
Total current assets		25,695	33,310	20,879
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	25,34	328,708	312,500	241,417
Deferred tax assets		574	65	65
Intangibles	26	3,602	..	..
Other		..	..	..
Total non-current assets		332,884	312,565	241,482
TOTAL ASSETS		358,579	345,875	262,361
CURRENT LIABILITIES				
Payables	31,35	23,150	26,841	9,501
Interest-bearing liabilities and derivatives		..	..	..
Current tax liabilities	27,32	2,251	4,594	1,834
Accrued employee benefits	28	125	678	678
Provisions		..	..	..
Other		..	..	..
Total current liabilities		25,526	32,113	12,013
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities and derivatives	29,33,36	268,411	241,163	175,609
Deferred tax liabilities		4,182	4,831	4,831
Accrued employee benefits		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		272,593	245,994	180,440
TOTAL LIABILITIES		298,119	278,107	192,453
NET ASSETS/(LIABILITIES)		60,460	67,768	69,908
EQUITY				
Capital/contributed equity		26,095	26,095	26,095
Accumulated surplus/(accumulated deficit)		34,365	41,673	43,813
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		60,460	67,768	69,908

CASH FLOW STATEMENT

QFleet	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	37,46,54	252,244	261,220	177,919
Grants and other contributions		..	..	..
Other	38,47,55	617	3,368	501
Outflows:				
Employee costs	48,56	(11,593)	(11,397)	(9,601)
Supplies and services	39,49,57	(221,262)	(217,681)	(83,155)
Grants and subsidies		..	..	..
Borrowing costs	40,58	(15,963)	(19,094)	(17,986)
Taxation equivalents paid	41,59	(4,387)	(7,217)	(4,594)
Other		(301)	(123)	(107)
Net cash provided by/(used in) operating activities		(645)	9,076	62,977
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	8	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	42,50,60	(590)	(1,549)	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(590)	(1,541)	..
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	43,51,61	17,092	7,000	2,080
Equity injections		..	..	..
Outflows:				
Dividends paid	44,52,62	(13,231)	(14,806)	(8,356)
Borrowing redemptions	45,53,63	(2,622)	(5,000)	(67,634)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		1,239	(12,806)	(73,910)
Net increase/(decrease) in cash held		4	(5,271)	(10,933)
Cash at the beginning of financial year		496	16,704	11,433
Cash transfers from restructure		..	..	..
Cash at the end of financial year		500	11,433	500

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

General Note: As a result of a change in the accounting standards AASB 107 Statement of Cash Flows and AASB 116 Property Plant and Equipment implemented in June 2010, changes are required to the Income Statement, Balance Sheet and the Cash Flow Statement. The gross proceeds from sales of vehicles must be classified as User charges in the Income Statement with the written down value at date of sale classified as Supplies and services. Vehicles awaiting sale must be classified as Inventories in the Balance Sheet. The cash flows relating to sales and purchase of motor vehicle assets must now be classified as Cash Flows from Operating Activities in the Cash Flow Statement. These changes are included in the 2011-12 Budget, 2011-12 Estimated actual and the 2012-13 Estimate.

Income statement

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

1. The increase in User charges is mainly due to an increase in the average cost of the vehicle fleet and its effect on a slight increase in lease charges and higher resale values.
2. The increase in Other revenue is primarily due to the rental subsidy for the premises that was included in User charges in the 2011-12 Budget and partly due to higher than anticipated interest on the cash at bank during the year.
3. The decrease in Supplies and services is mainly due to the lower than anticipated residual values on resale vehicles as well as lower Information and Communication Technology (ICT) costs, advertising and motor vehicle repairs and maintenance.
4. The decrease in Other expenses is mainly due to lower costs for sponsorship and bad debts.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

5. The decrease in User charges is mainly due to a decrease in lease fees as a result of reduction of the fleet size by ten percent coupled with anticipated lesser proceeds on lower volume of vehicles being sold.
6. The decrease in Other revenue is mainly due to the cessation of subsidy received to support the cost of Queensland Shared Services staff now transferred to the Department of Housing and Public Works.
7. The decrease in Employee expenses is mainly due to anticipated reduction of Full Time Equivalents (FTEs) in the 2012-13 Estimate partially offset by an enterprise bargaining increase.
8. The decrease in Supplies and services is mainly due to anticipated lower volumes of vehicles sold and resultant residual values on resale.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

9. The decrease in User charges is mainly due to decrease in lease fees as a result of reduction of the fleet size by ten percent coupled with anticipated lesser proceeds on lower volume of vehicles being sold.
10. The decrease in Other revenue is mainly due to the cessation of grants received to support the cost of Queensland Shared Services staff now transferred to the Department of Housing and Public Works.
11. The decrease in Employee expenses is mainly due to anticipated reduction of Full Time Equivalents (FTEs) in the 2012-13 Estimate partially offset by an enterprise bargaining increase.
12. The decrease in Supplies and services is mainly due to lower expected vehicle repairs and maintenance costs as well as the written down value applicable to the lower vehicle sales.
13. The increase in Finance and borrowing costs is mainly due to the cost to reset debt to market value ratio resulting from reduced borrowing levels.
14. The increase in Other expenses is mainly due to a higher budget for external audit fees.

Statement in changes in equity

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

15. The increase in Surplus is mainly due to a strong vehicle resale market.
16. The increase in Dividends is due to the payment of a special dividend into the consolidated fund and the increase in the operating surplus.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

17. The decrease in the Surplus is due to the expected lower profits from the resale market mainly due to lower volume of vehicles expected to be sold.
18. The decrease in Dividends is due to no provision for additional dividends from retained profit and the expected overall lower operating profits.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

19. The decrease in the Surplus is mainly due to overall lower volumes of resale of motor vehicles as well as lower profits.
20. The decrease in Dividends is mainly due to no provision for additional dividends from retained profit and the expected overall lower operating profits resulting from lower resale profits.

Balance sheet

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

21. The increase in Cash assets is due to higher than anticipated cash at bank primarily due to timing of cash received as at end of financial year.
22. The decrease in Receivables is due to improved payments of debts within settlement terms.
23. The decrease in Inventories is due to the reduced number of expected vehicles awaiting sale at year end.
24. The increase in Other current assets is due to higher prepayments made for registration and compulsory third party (CTP) expenses.
25. The decrease in Property, plant and equipment is due to lower volumes of vehicles on hand and the continued conservative residual values resulting in higher depreciation rates.
26. The decrease in Intangibles is due to information technology system replacement costs being expensed as at end of financial year 2011.
27. The increase in Current tax liabilities is due to the higher profits from resale of vehicles in year ended 30 June 2012.
28. The increase in Accrued employee benefits is due to the timing of salary accruals at year end.
29. The decrease in Interest bearing liabilities is mainly due to improved cash flow from a strong resale vehicle market.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

30. The decrease in Receivables is due to lower lease revenue from clients.
31. The decrease in Payables is a result of lower provision for dividends payable and lower creditors mainly due to anticipated reduction in motor vehicle purchases.
32. The decrease in Current tax liabilities is due to lower operating surplus.
33. The decrease in Interest bearing liabilities is mainly due to the reduction in fleet purchases in 2012-13 as well as resale profits being used to reduce debt.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

34. The decrease in Property, plant and equipment is mainly due to lower volume of motor vehicles replaced.
35. The decrease in Payables is a result of lower provision for dividends payable and lower creditors mainly due to anticipated reduction in motor vehicle purchases.
36. The decrease in Interest bearing liabilities is mainly due to the reduction in fleet purchases in 2012-13 as well as resale profits being used to reduce debt.

Cash flow statement

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

37. The increase in User charges is due to an increase in the average price of leases and higher proceeds on sale of motor vehicles.
38. The increase in Other revenue is due to higher than anticipated interest income on the cash balance and reclassification of GST input tax credits received in 2011-12 Estimated actual.
39. The decrease in Supplies and services is due to reductions in other overhead expenses, ICT costs and motor vehicle registration costs due to a marginal reduction in the fleet.
40. The increase in Borrowing costs is due to the higher Competitive Neutrality Fee impact on the overall interest rate charged by Queensland Treasury Corporation that was implemented in June 2011.
41. The increase in Taxation equivalents paid is due to the higher overall profits particularly from sales of motor vehicles.
42. The increase in Property plant and equipment is due to the leasehold improvements for the Zillmere workshop.
43. The decrease in Borrowings is due to higher cash flow from resale of vehicles reducing the need for borrowings for replacement vehicles.

44. The increase in Dividends paid is due to higher profits for the 2010-2011 year and a special dividend from prior year profits paid to the consolidated fund.
45. The increase in Borrowing redemptions is a result of available surplus funds being utilized to reduce Queensland Treasury Corporation (QTC) debt.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

46. The decrease in User charges is due to expected lower average lease rates and lower expected proceeds on sale of motor vehicles.
47. The decrease in Other revenue is mainly due to the cessation of subsidy received to support the cost of Queensland Shared Services staff now transferred to the Department of Housing and Public Works and lower expected interest income.
48. The decrease in Employee expenses is mainly due to anticipated reduction of Full Time Equivalents (FTEs) in 2012-13 partially offset by an enterprise bargaining increase.
49. The decrease in Supplies and services is due to anticipated lower volumes of vehicles sold and resultant residual values on resale as well as substantially lower purchases of new vehicles.
50. The decrease in Property, plant and equipment is due to no requirement for plant and equipment replacements at the head office or Zillmere workshops.
51. The decrease in Borrowings is due to lower cash requirement for day to day operating as a result of surplus funds from improved cash flow following reduced purchases of motor vehicles.
52. The decrease in Dividends paid is due to lower operating profit and no plans for any further special dividends.
53. The increase in Borrowing redemptions is due to the surplus cash flow being used to reduce the short term debt mainly resulting from a lower cash requirement to fund the replacement of motor vehicles.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

54. The decrease in User charges is due to expected lower average lease rates and lower expected proceeds on sale of motor vehicles.
55. The decrease in Other revenue is mainly due to the cessation of subsidy received to support the cost of Queensland Shared Services staff now transferred to the Department of Housing and Public Works, lower expected interest income and lower input tax credits received from the ATO.
56. The decrease in Employee expenses is mainly due to anticipated reduction of Full Time Equivalents (FTEs) in 2012-13 partially offset by an enterprise bargaining increase.
57. The decrease in Supplies and services is mainly due to anticipated lower volumes of vehicles sold and resultant residual values on resale as well as substantially reduced purchases of new vehicles.
58. The decrease in Borrowing costs is due to the reduced requirement to fund replacement of motor vehicles.
59. The decrease in Taxation equivalents paid is due to lower expected overall profits in 2012-13 year.
60. The decrease in Property, plant and equipment is due to no requirement for plant and equipment replacements at the head office or Zillmere workshops.
61. The decrease in Borrowings is due to timing of cash requirement to fund the substantially reduced replacement of motor vehicles.
62. The decrease in Dividends paid is due to lower operating profit and no plans for any further special dividends.
63. The increase in Borrowing redemptions is due to the surplus cash flow being used to reduce the short term debt mainly resulting from a lower cash requirement to fund the replacement of motor vehicles.

GOPRINT

OVERVIEW

Strategic direction

Since its establishment in 1862, Goprint has had a key role in recording and printing the State's legislative requirements through Government Gazettes, Bills and Acts, Hansard and key Government reports. In addition, Goprint has undertaken commercial print work on behalf of Government agencies.

A key factor impacting Goprint is the continuing advancement of the technological environment and reduced requirement for hard copy documents. The print market, nationally and internationally is progressively restructuring and contracting due to the shift away from traditional printing to digital publication, and a reduction in consumer demand. The resulting over-capacity in the industry has contributed to highly competitive pricing from suppliers.

RESOURCES AND PERFORMANCE

Since 2007 Goprint has significantly downsized its operations to allow it to compete for commercial print work as an accredited supplier to Government. However, as there is a strong, competitive market for standard print work, Goprint's commercial printing operations will cease with all contestable printing across agencies to be outsourced to local print suppliers through whole-of-Government procurement arrangements.

Further analysis of Government's secure and sensitive printing needs will be undertaken, including working with industry to outsource this work to the private print industry if a suitable supplier is able to meet the required standards of security and turn-around times at a competitive price. An operating deficit is forecast for the 2012-13 year as transitional arrangements are resolved.

STATEMENTS

Staffing¹

GoPrint	Notes	2011-12 Budget	2011-12 Est. Actual	2012-13 Estimate
	2, 3	61	55	18

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Variance between the 2011-12 Budget and 2011-12 Estimated Actual is due to the implementation of the Voluntary Separation Program and the separation of a number of temporary employees.
3. Variance between the 2011-12 Estimated Actual and the 2012-13 Estimate is due to the cessation of the commercial printing work.

Performance Statement

GoPrint	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Service standards				
Client satisfaction	1	..	90.5%	90.5%
Gross profit /(loss) as a percentage of sales	2	27.5	30.8	(21.5)
Current ratio	3	3.4:1	3.8:1	7.4:1
Other measure				
Reserved services security breaches		..	..	..

Notes:

1. Due to the discontinuation of commercial printing services, the 2012-13 target/estimate is reflective of services to customers during the transition to digital only print services.
2. Variance between the 2011-12 target/estimate and 2011-12 estimated actual is due to lower than anticipated cost of sales. The loss in 2012-13 is due to a high proportion of direct employee expenses providing digital services and the transition to the digital only print services.
3. Variance between the 2011-12 target/estimate and 2012-13 target/estimate is primarily due to lower payables resulting from ceasing of commercial printing services.

INCOME STATEMENT

Goprint	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Income				
User charges	1,6,14	11,660	9,267	1,888
Grants and other contributions	2,7,15	3,600	3,132	467
Other revenue	3,8,16	312	581	104
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		15,572	12,980	2,459
Expenses				
Employee expenses	9,17	5,050	5,165	2,614
Supplies and services	4,10,18	10,010	7,187	2,405
Grants and subsidies		..	..	..
Depreciation and amortisation	11,19	452	454	75
Finance/borrowing costs		..	..	..
Other expenses	5,20	60	174	69
Losses on sale/revaluation of property, plant and equipment and investments	12,21	..	..	1,306
Total expenses		15,572	12,980	6,469
Surplus or deficit before related income tax	13,22	..	..	(4,010)
Income tax expense/revenue		..	..	..
OPERATING SURPLUS/(DEFICIT) after related income tax		..	..	(4,010)

STATEMENT OF CHANGES IN EQUITY

Goprint	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve	
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity	
Surplus/(deficit) for the period		(4,010)
Total recognised income and expense for the period		(4,010)
Equity injection/(withdrawal)	
Equity adjustments (MoG transfers)	
Dividends paid or provided	
Total movement in equity for period		(4,010)

BALANCE SHEET

Goprint	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets	23,29,37	2,986	2,312	1,496
Receivables	24,30,38	1,281	1,821	152
Other financial assets		..	..	..
Inventories	25,31,39	323	131	16
Other	26,32,40	83	51	26
Non-financial assets held for sale		..	..	..
Total current assets		4,673	4,315	1,690
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	33,41	2,209	2,281	..
Deferred tax assets		..	..	..
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		2,209	2,281	..
TOTAL ASSETS		6,882	6,596	1,690
CURRENT LIABILITIES				
Payables	27,34,42	1,067	931	176
Interest-bearing liabilities and derivatives		..	..	..
Current tax liabilities		..	..	..
Accrued employee benefits		99	133	47
Provisions		..	..	..
Other	28,35,43	210	59	4
Total current liabilities		1,376	1,123	227
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Deferred tax liabilities		..	..	..
Accrued employee benefits		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		1,376	1,123	227
NET ASSETS/(LIABILITIES)		5,506	5,473	1,463
EQUITY				
Capital/contributed equity		14,885	14,885	14,885
Accumulated surplus/(accumulated deficit)	36,44	(9,379)	(9,412)	(13,422)
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		5,506	5,473	1,463

CASH FLOW STATEMENT

Goprint	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	45,49,56	12,876	10,174	2,983
Grants and other contributions	46,50,57	3,600	2,660	939
Other	51,58	1,245	1,311	249
Outflows:				
Employee costs	52,59	(5,009)	(5,164)	(2,650)
Supplies and services	47,53,60	(11,026)	(7,370)	(3,046)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Taxation equivalents paid		..	..	..
Other	54,61	(1,178)	(1,190)	(191)
Net cash provided by/(used in) operating activities		508	421	(1,716)
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment	55,62	..	..	900
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	48,63	..	(68)	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		..	(68)	900
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Dividends paid		..	..	..
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		..	..	..
Net increase/(decrease) in cash held		508	353	(816)
Cash at the beginning of financial year		2,478	1,959	2,312
Cash transfers from restructure		..	..	..
Cash at the end of financial year		2,986	2,312	1,496

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

1. The decrease is due to lower than budgeted revenue available through the Print Management Unit (PMU).
2. The decrease is due to lower than anticipated draw down of the Community Service Obligation (CSO) for the 2011-12 year.
3. The increase is due to reimbursement from the consolidated fund for costs associated with the Voluntary Separation Program (VSP).
4. The decrease is due to lower cost of sales resulting from reduced sales.
5. The increase is due to re-imburement of costs associated with the VSP of an employee on secondment to Queensland Government Chief Procurement Office (QGCPPO).

Major variations between 2011-12 Budget and 2012-13 Estimate include:

6. The decrease is due to the decision to cease all commercial work. Goprint will continue to print Reserved Services only.
7. The decrease is due to discontinued funding for the CSO for 2012-13. The drawdown in 2012-13 relates to the carryover of the CSO funding for 2011-12.
8. The decrease is due to lower interest revenue and rent supplementation for 2012-13.
9. The decrease is due to voluntary redundancy offered to employees in the offset division.
10. The decrease is due to the decision to cease all commercial work. Goprint will continue to print Reserved Services only.
11. The decrease is due to planned disposal of plant and equipment used in commercial work for printing.
12. The increase relates to loss on disposal of plant and equipment used in commercial work for printing.
13. The increase is due to a combination of discontinued additional CSO and loss on sale from plant and equipment used for commercial printing.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

14. The decrease is due to the decision to cease all commercial work. Goprint will continue to print Reserved Services only.
15. The decrease is due to discontinued funding for the CSO for 2012-13. The drawdown in 2012-13 relates to the carryover of the CSO funding for 2011-12.
16. The decrease is mainly due to reimbursement from the consolidated fund for costs associated with the VSP in 2011-12 which will not recur in 2012-13.
17. The decrease is due to voluntary redundancy offered to employees in the offset division.
18. The decrease is due to the decision to cease all commercial work. Goprint will continue to print Reserved Services only.
19. The decrease is due to planned disposal of plant and equipment used in commercial work for printing.
20. The decrease is due to costs associated with the VSP of an employee on secondment to QGCPPO in 2011-12, which will not recur in 2012-13. These costs were reimbursed.
21. The increase relates to loss on disposal of plant and equipment used in commercial work for printing.
22. The increase is due to a combination of discontinued additional CSO and loss on sale from plant and equipment used for commercial printing.

Balance sheet

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

23. The decrease is due to lower than anticipated sales in 2011-12.
24. The increase is due to CSO receivable as at 30 June 2012.
25. The decrease is due to lower than anticipated work in progress as at 30 June 2012.
26. The decrease is due to lower than anticipated prepayments to suppliers for equipment rentals in 2011-12.
27. The decrease is due to timing of payments to suppliers as at 30 June 2012.
28. The decrease is due to a lower value of unearned revenue for work in progress as at 30 June 2012.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

29. The decrease is due to discontinued additional funding for the CSO for 2012-13.
30. The decrease is due to the decision to cease all commercial work. Goprint will continue to print Reserved Services only.
31. The decrease is due to lower volumes of work in progress anticipated as at 30 June 2013 as a result of the decision to cease all commercial work. Goprint will continue to print Reserved Services only.
32. The decrease is due to lower than anticipated prepayments to suppliers for equipment rentals in 2012-13.
33. The decrease is due to planned disposal of plant and equipment used in commercial work for printing. Reserved Services will utilise leased printing equipment.
34. The decrease is due to lower value of payments anticipated to suppliers as at 30 June 2013.
35. The decrease is due to lower value of unearned revenue anticipated for work in progress as at 30 June 2013.
36. The variance mainly relates to the anticipated loss for 2012-13.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

37. The decrease is due to discontinued additional funding for the CSO for 2012-13.
38. The decrease is due to the decision to cease all commercial work. Goprint will continue to print Reserved Services only.
39. The decrease is due to lower volumes of work in progress anticipated as at 30 June 2013 as a result of the decision to cease all commercial work. Goprint will continue to print Reserved Services only.
40. The decrease is due to lower than anticipated prepayments to suppliers for equipment rentals in 2012-13.
41. The decrease is due to planned disposal of plant and equipment used in commercial work for printing. Reserved Services will utilise leased printing equipment.
42. The decrease is due to lower value of payments anticipated to suppliers as at 30 June 2013.
43. The decrease is due to lower value of unearned revenue anticipated for work in progress as at 30 June 2013.
44. The variance mainly relates to the anticipated loss for 2012-13.

Cash flow statement

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

45. The decrease is due to lower than budgeted revenue available through the Print Management Unit (PMU).
46. The decrease is due to lower than anticipated draw down of the CSO for the 2011-12 year.
47. The decrease is due to lower cost of sales resulting from reduced sales.
48. The increase is due to acquisitions of plant and equipment not included in the original budget.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

49. The decrease is due to the decision to cease all commercial work. Goprint will continue to print Reserved Services only.
50. The decrease is due to discontinued additional funding for CSO for 2012-13. The drawdown in 2012-13 relates to the carryover of the CSO funding for 2011-12.
51. The decrease is due to lower sundry revenue combined with lower input tax credits anticipated for 2012-13.
52. The decrease is due to voluntary redundancy offered to employees in the offset division.
53. The decrease is due to the decision to cease all commercial work. Goprint will continue to print Reserved Services only.
54. The decrease is due to the decision to cease all commercial work. Goprint will continue to print Reserved Services only.
55. The increase relates to estimated proceeds from disposal of plant and equipment used in commercial work for printing.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

56. The decrease is due to the decision to cease all commercial work. Goprint will continue to print Reserved Services only.
57. The decrease is due to discontinued additional funding for CSO for 2012-13. The drawdown in 2012-13 relates to the carryover of the CSO funding for 2011-12.
58. The decrease is due to lower sundry revenue combined with lower input tax credits anticipated for 2012-13.
59. The decrease is due to voluntary redundancy offered to employees in the offset division.
60. The decrease is due to the decision to cease all commercial work. Goprint will continue to print Reserved Services only.
61. The decrease is due to the decision to cease all commercial work. Goprint will continue to print Reserved Services only.
62. The increase relates to estimated proceeds from disposal of plant and equipment used in commercial work for printing.
63. The decrease is due to no acquisitions planned for plant and equipment in 2012-13.

SALES AND DISTRIBUTION SERVICES (SDS)

OVERVIEW

Strategic direction

Sales and Distribution Services (SDS) provides supply management services and advice to support Queensland Government agency operations and service delivery. SDS operates three distinct service streams – SDS Distribution, SDS Logistics and SDS Publications and in the event of a natural disaster, SDS also provides a diverse range of office consumables, furniture and emergency relief consumables as well as expertise in logistics and warehouse management.

A key factor impacting on SDS is that some of its services have been largely superseded through the advent and utilisation of equivalent electronic services. In addition, SDS activities in distributing consumables and furniture and in the provision of logistic services are available through private businesses that provide these services to the wider market and are therefore able to achieve economies of scale in distribution.

RESOURCES AND PERFORMANCE

Consideration of future options for SDS has resulted in a decision to cease its operations over a nine month period. During this period, arrangements will be made with relevant agencies for the transition of consumable and publication services and other warehousing functions as well as the sale of existing stock.

Transition arrangements for SDS' disaster management/recovery functions are being developed. During 2012-13, as a result of the wind up of the business, SDS is forecasting a \$4.9 million deficit.

STATEMENTS

Staffing¹

Sales and Distribution Services	Notes	2011-12 Budget	2011-12 Est. Actual	2012-13 Estimate
	2, 3	129	99	..

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Variance between the 2011-12 Budget and 2011-12 Estimated Actual is due to the implementation of the Voluntary Separation Program and the separation of a number of temporary employees.
3. Variance between the 2011-12 Estimated Actual and the 2012-13 Estimate is due to closure of the business.

Performance Statement

Sales and Distribution Services	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Service Standards				
Client satisfaction	1	..	88%	..
Gross profit as a percentage of sales	1, 2	29.53	29.32	..
Net profit before tax and dividends as a percentage of sales	1, 3	(0.04)	(5.12)	..
Current ratio	1, 4	1.09:1	0.89:1	..
Gearing level	1, 5	57.99%	101.25%	..

Notes:

1. No 2012-13 Target/estimate has been presented due to the cessation of SDS operations at the end of February 2013.
2. Variance between the 2011-12 target/estimate and 2011-12 estimated actual is due to a price reduction in consumables in line with the introduction of a freight charge to customers.
3. Variance between the 2011-12 target/estimate and 2011-12 estimated actual is due to lower sales volumes than anticipated in both furniture and consumables.
4. Variance between the 2011-12 target/estimate and 2011-12 estimated actual is due to an increase in short-term borrowings.
5. Variance between the 2011-12 target/estimate and 2011-12 estimated actual is due to the anticipated deficit and the need to fund operations from the working capital facility.

INCOME STATEMENT

Sales and Distribution Services	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Income				
User charges	1	62,642	52,582	7,466
Grants and other contributions		..	..	..
Other revenue	2	2,385	3,873	1,274
Gains on sale/revaluation of property, plant and equipment and investments		..	10	..
Total income		65,027	56,465	8,740
Expenses				
Employee expenses	3	9,178	9,747	2,784
Supplies and services	4	54,957	48,650	9,426
Grants and subsidies		..	..	..
Depreciation and amortisation	5	603	359	513
Finance/borrowing costs	6	202	296	225
Other expenses		111	98	88
Losses on sale/revaluation of property, plant and equipment and investments		..	6	611
Total expenses		65,051	59,156	13,647
Surplus or deficit before related income tax	7	(24)	(2,691)	(4,907)
Income tax expense/revenue		..	565	..
OPERATING SURPLUS/(DEFICIT) after related income tax		(24)	(3,256)	(4,907)

STATEMENT OF CHANGES IN EQUITY

Sales and Distribution Services	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve	
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity	
Surplus/(deficit) for the period		(24)	(3,256)	(4,907)
Total recognised income and expense for the period		(24)	(3,256)	(4,907)
Equity injection/(withdrawal)	
Equity adjustments (MoG transfers)	
Dividends paid or provided	
Total movement in equity for period		(24)	(3,256)	(4,907)

BALANCE SHEET

Sales and Distribution Services	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets		450	926	..
Receivables	8	7,059	4,510	..
Other financial assets		..	..	..
Inventories		4,587	4,067	..
Other		228	239	..
Non-financial assets held for sale		..	..	..
Total current assets		12,324	9,742	..
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	8	2,060	748	..
Deferred tax assets	10	257	..	..
Intangibles	11	563	376	..
Other		..	..	..
Total non-current assets		2,880	1,124	..
TOTAL ASSETS		15,204	10,866	..
CURRENT LIABILITIES				
Payables	12	5,002	3,245	..
Interest-bearing liabilities and derivatives	13	5,811	7,160	..
Current tax liabilities		..	..	..
Accrued employee benefits		223	209	..
Provisions		..	..	..
Other		285	329	..
Total current liabilities		11,321	10,943	..
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Deferred tax liabilities		..	..	..
Accrued employee benefits		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		11,321	10,943	..
NET ASSETS/(LIABILITIES)		3,883	(77)	..
EQUITY				
Capital/contributed equity		5,974	5,977	..
Accumulated surplus/(accumulated deficit)	14	(2,091)	(6,054)	..
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		3,883	(77)	..

CASH FLOW STATEMENT

Sales and Distribution Services	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	15	68,975	58,937	11,772
Grants and other contributions		..	..	..
Other	16	8,180	10,143	2,600
Outflows:				
Employee costs	17	(9,178)	(9,808)	(2,749)
Supplies and services	18	(59,713)	(54,207)	(8,930)
Grants and subsidies		..	..	..
Borrowing costs	19	(202)	(299)	(245)
Taxation equivalents paid		..	..	..
Other	20	(7,140)	(5,711)	(1,198)
Net cash provided by/(used in) operating activities		922	(945)	1,250
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	29	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	21	(1,763)	(269)	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(1,763)	(240)	..
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		11,016	11,300	8,710
Equity injections		..	..	..
Outflows:				
Dividends paid		..	..	..
Borrowing redemptions	22	(10,175)	(9,250)	(10,886)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		841	2,050	(2,176)
Net increase/(decrease) in cash held		..	865	(926)
Cash at the beginning of financial year		450	61	926
Cash transfers from restructure		..	..	..
Cash at the end of financial year		450	926	..

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

General Note: Following a review of the department's commercialised business units Sales and Distribution Services (SDS) will discontinue operations in 2012-13. The 2012-13 Estimate represents only a part year of operations. As a result, explanations have only been provided between the 2011-12 Budget and 2011-12 Estimated actual.

Income statement

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

1. The decrease is mainly due to finalisation of Building the Education Revolution Program and contraction of other capital works program funding as well as overall contraction of recurrent spending, resulting in a downturn in furniture sales and office supplies to schools and other agencies.
2. The increase is mainly due to the reimbursement of Voluntary Separation Program packages from the consolidated fund.
3. The increase includes payments of Voluntary Separation Program packages to staff which is partially offset by savings as a result of relinquishing the associated positions.
4. The decrease is primarily related to the reduction in inventory purchases, as well as freight and agency staff costs associated with the reduction in sales volumes.
5. The decrease is due to planned capital expenditure being placed on hold.
6. The increase is due to higher loan borrowings mainly as a result of reduced sales and the need to fund operations.
7. The increase in the deficit is mainly due to a downturn in furniture sales post-finalisation of Building the Education Revolution Program as well as an overall contraction in both furniture sales and office supplies to schools and other agencies.

Balance sheet

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

8. The decrease is mainly due to a reduction in sales volumes.
9. The decrease is due to planned capital expenditure being placed on hold.
10. The decrease is due to the write off of the tax asset following the decision to discontinue operations.
11. The decrease is due to planned capital expenditure being placed on hold.
12. The decrease is a result of a reduction in inventory purchases in line with the reduced sales volume.
13. The increase is due to the funding of operations.
14. The increase in Accumulated deficit is due to reduced sales volumes and the write off of the tax asset following the decision to discontinue operations.

Cash flow statement

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

15. The decrease is mainly due to the reduction in sales volumes.
16. The increase is mainly due to the reimbursement of Voluntary Separation Program packages from the consolidated fund.
17. The increase includes payments of Voluntary Separation Program packages to staff which is partially offset by savings as a result of relinquishing the associated positions.
18. The decrease is primarily related to the reduction in inventory purchases, as well as freight and agency staff costs associated with the reduction in sales volumes.
19. The increase is due to higher loan borrowings.
20. The decrease is mainly due to the lower than anticipated GST collected on sales to be paid to the ATO.
21. The decrease relates to planned capital expenditure being placed on hold.
22. The decrease is due to lower loan repayments throughout the year.

STATUTORY BODIES

QUEENSLAND BUILDING SERVICES AUTHORITY

AGENCY OVERVIEW

Strategic direction

The Queensland Building Services Authority (the Authority) is a statutory body established under the *Queensland Building Services Authority Act 1991* (the Act). The Authority provides a comprehensive licensing regime for the building industry and performs regulatory functions under this Act. The Authority also administers the *Building and Construction Industry Payments Act 2004*, the *Subcontractors' Charges Act 1974* and the *Domestic Building Contracts Act 2000*.

The building and construction industry is essential to the Queensland economy. The Authority will contribute to Government priorities to grow a four pillar economy by regulating the industry to maintain building standards, provide remedies for defective building work through a home warranty insurance scheme and revitalising its frontline services.

The Authority currently licenses 84,828 contractors including accredited building certifiers. Opportunities and challenges impacting the Authority are the national reforms such as National Occupations Licensing System and the Australian Consumer Law, building activity levels, emerging construction methods, emerging products and materials, advances in technology and sustainable building practice.

RESOURCES AND PERFORMANCE

The Authority's 2011-12 deficit of \$10.4 million is a result of a poorer than expected investment results and increases to Authority's future claims provisions in response to independent actuarial advice in line with the Authority's commitment to comply Australian Prudential Regulation Authority requirements.

Major initiatives for 2012-13 include:

- the enhancing and strengthening of a proactive team specifically targeting improvement in standards of work in progress
- a review of the building dispute resolution process with the aim of streamlining process and improving outcomes for all parties
- an upgrade of the website to improve access to information and clarity of content for users
- conducting a review of administrative and legislative processes to reduce red tape for industry stakeholders.

In 2011-12 the Authority has:

- introduced on-line services for payment of licence renewals and insurance premiums
- introduced the New Home Construction and Renovation, Extension and Repair Contracts
- been judged Queensland's best Contact Centre (under 50 seats) and finalist in the Australian Telecommunications Association awards
- authorised changes to expedite and improve sub-contractor payments on unsatisfied judgment debts.

STATEMENTS

Staffing

Queensland Building Services Authority	Notes	2011-12 Budget	2011-12 Est. actual	2012-13 Estimate
	1, 2	369	364	355

Notes:

1. Full time equivalents (FTEs) as at 30 June.
2. The 2011-12 estimated FTE at 30 June 2012 includes staff on long term, unpaid leave and secondment. The estimated actual "active paid" FTE at 30 June 2012 was 350 and estimated "active paid" FTE for 2012-2013 is 345.
3. Variance between the 2011-12 Budget, the 2011-12 Estimated Actual and the 2012-13 Estimate results from a combination of procedural improvements and natural attrition.

Performance Statement

Queensland Building Services Authority	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/est.
Service standards				
Unlicensed contracting rate	1, 2	1.5%	2.5%	1.5%
Percentage of customers satisfied with advice and support provided		90	97	92
Percentage of certifiers' assessments of building permits compliant		85	88	90
Other measures				
Number of dispute notifications finalised	3	6,000	5,400	5,500
Number of insurance claims finalised		1,700	1,600	1,600
Percentage of licence applications processed within 45 days		82	82	82
Percentage of disputes finalised within 80 days		55	54	60
Percentage of calls answered within 60 seconds or less		70	67	70

Notes:

1. BSA focused audits in disaster zones and detected increased numbers of unlicensed contractors attracted to disaster repair work.
2. Disaster repair work is either complete or contracted. Return to more normal levels expected.
3. Complaints received reduced therefore complaints finalised reduced proportionately.

INCOME STATEMENT

Queensland Building Services Authority	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Income				
User charges		62,961	59,417	64,116
Grants and other contributions		..	..	..
Other revenue	4,7	91,082	87,180	106,347
Gains on sale/revaluation of property, plant and equipment and investments	1,5,8	16	(4)	(2)
Total income		154,059	146,593	170,461
Expenses				
Employee expenses		34,734	33,149	34,475
Supplies and services	9	16,082	16,368	14,754
Grants and subsidies		..	..	..
Depreciation and amortisation		1,612	1,497	1,595
Finance/borrowing costs		..	..	..
Other expenses		97,247	95,362	100,977
Losses on sale/revaluation of property, plant and equipment and investments	2,6,10	..	10,610	13,275
Total expenses		149,675	156,986	165,076
OPERATING SURPLUS/(DEFICIT)	3	4,384	(10,393)	5,385

STATEMENT OF CHANGES IN EQUITY

Queensland Building Services Authority	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve	
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity	
Surplus/(deficit) for the period		4,384	(10,393)	5,385
Total recognised income and expense for the period		4,384	(10,393)	5,385
Equity injection/(withdrawal)	
Equity adjustments (MoG transfers)	
Total movement in equity for period		4,384	(10,393)	5,385

BALANCE SHEET

Queensland Building Services Authority	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets	11,22	37,717	31,783	35,412
Receivables	15	39,944	43,252	44,623
Other financial assets	12,23	148,956	124,579	138,252
Inventories		..	..	..
Other		18,230	17,562	18,811
Non-financial assets held for sale		..	..	..
Total current assets		244,847	217,176	237,098
NON-CURRENT ASSETS				
Receivables	16,24	111,198	114,760	126,440
Other financial assets		..	..	..
Property, plant and equipment		6,197	6,807	6,381
Intangibles	13,17,25	2,533	1,205	3,024
Other	18,26	354	354	282
Total non-current assets		120,282	123,126	136,127
TOTAL ASSETS		365,129	340,302	373,225
CURRENT LIABILITIES				
Payables	14,19	42,761	32,450	32,832
Accrued employee benefits		3,348	3,374	3,646
Interest-bearing liabilities and derivatives		..	..	..
Provisions		46,711	46,145	48,496
Other		25,770	24,841	26,599
Total current liabilities		118,590	106,810	111,573
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		3,958	3,747	3,954
Interest-bearing liabilities and derivatives		..	..	..
Provisions	20,27	180,806	187,849	210,725
Other	21,28	1,188	1,227	919
Total non-current liabilities		185,952	192,823	215,598
TOTAL LIABILITIES		304,542	299,633	327,171
NET ASSETS/(LIABILITIES)		60,587	40,669	46,054
EQUITY				
Capital/contributed equity		..	..	..
Accumulated surplus/(accumulated deficit)		60,587	40,669	46,054
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		60,587	40,669	46,054

CASH FLOW STATEMENT

Queensland Building Services Authority	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	29,33	68,622	50,873	53,228
Grants and other contributions		..	..	..
Other	34,39	66,583	72,263	81,024
Outflows:				
Employee costs		(33,972)	(32,804)	(33,996)
Supplies and services		(15,572)	(16,931)	(15,740)
Grants and subsidies	30,35,40	..	94	12
Borrowing costs		..	..	..
Other	36	(67,390)	(69,137)	(75,776)
Net cash provided by/(used in) operating activities		18,271	4,358	8,752
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		(302)	(288)	(291)
Investments redeemed	31,37,41	8,607	12,071	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	32,42	(2,456)	(1,871)	(2,699)
Payments for investments	38,43	..	..	(2,133)
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		5,849	9,912	(5,123)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		..	..	..
Net increase/(decrease) in cash held		24,120	14,270	3,629
Cash at the beginning of financial year		13,597	17,513	31,783
Cash transfers from restructure		..	..	..
Cash at the end of financial year		37,717	31,783	35,412

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

1. The decrease is due to lower trade in value on motor vehicles being replaced.
2. The increase is due to a change in reporting requirements to now include provision expense for doubtful receivables which was previously included in other revenue.
3. The decrease is due to poor performance of investment fund and slight decrease in insurance income.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

4. The increase is due to a change in reporting requirements to now include provision expense for doubtful receivables which was previously included in other revenue.
5. The decrease is due to lower trade in value on motor vehicles being replaced.
6. The increase is due to a change in reporting requirements to now include provision expense for doubtful receivables which was previously included in other revenue.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

7. The increase is due to anticipated increase in investment returns and greater reinsurers share of claims recovered from the reinsurers.
8. The increase is due to anticipated increase in trade in value on motor vehicles being replaced.
9. The decrease is due to operational savings identified.
10. The increase is due to increased provision for doubtful receivable due to anticipated increased claims.

Balance sheet

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

11. The decrease is due to poor returns in cash investment markets and as a result of unanticipated drawings to meet commitments.
12. The decrease is due to poor non-cash investment returns.
13. The decrease is due to delay in software project outcomes.
14. The decrease is due to a reduction in reinsurers claim recovered provisions due to adjustments to provision for bad debts.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

15. The increase is due to increase in insurance claims and consequent recovery from non-compliant builders.
16. The increase is due to increase in reinsurer's share of future claims provisions.
17. The increase is due to an increase of in house software development as a consequence of previous delays.
18. The decrease is due to a reducing asset for leasehold restoration for BSA head office paid in advance.
19. The decrease is due to a reduction in reinsurers claim recovered provision due to adjustments to provision for bad debts.
20. The increase is due to increase in future claims provision as a result of actuarial advice.
21. The decrease is due to recognition of lease incentive for BSA offices over the terms of the leases.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

22. The increase is due to anticipated recovery in cash investment markets and improved cash flows will assist restore investment balances.
23. The increase is due to anticipated recovery in the investment.
24. The increase is due to increase in reinsurer's share of future claims provisions.
25. The increase is due to an increase of in house software development as a consequence of previous delays.
26. The decrease is due to a reducing asset for leasehold restoration for BSA head office paid in advance.
27. The increase is due to increase in future claims provision as a result of actuarial advice.
28. The decrease is due to recognition of lease incentive for BSA offices over the terms of the leases.

Cash flow Statement

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

29. The decrease is due to a decrease in residential construction work meaning decrease in premium income.
30. The increase is due to change of reporting requirements providing for payroll and fringe benefit taxes.
31. The increase is due to poor returns in investments and as a result unanticipated drawings to meet commitments.
32. The decrease in the outflow is due to a reduction of in house software development as a consequence of previous delays.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

33. The decrease is due to the impact of the receivable balances.
34. The increase is due to increase in reinsurer's share of claims recovery.
35. The increase is due to change of reporting requirements providing for payroll and fringe benefit taxes.
36. The decrease is due to a rise in costs of insurance claim payments and the increase in the reinsurer's share of premiums.
37. The decrease is due to no requirement for withdrawals and positive investment returns.
38. The increase in the outflow is due to surplus cash being added to investments.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

39. The increase is due to increase in reinsurer's share of claims recovery
40. The decrease is due to the stabilisation of payroll and fringe benefits taxes.
41. The decrease is due to no requirement for withdrawals and positive investment returns.
42. The increase in the outflow is due to an increase of in house software development as a consequence of previous delays.
43. The increase in the outflow is due to surplus cash being added to investments.

RESIDENTIAL TENANCIES AUTHORITY

AGENCY OVERVIEW

Strategic direction

The Residential Tenancies Authority (RTA) is constituted under the *Residential Tenancies and Rooming Accommodation Act 2008*, accountable to a Board of Directors, and under the portfolio responsibility of the Minister for Housing and Public Works.

The RTA administers the *Residential Tenancies and Rooming Accommodation Act 2008* (the Act) which regulates the residential rental sector in Queensland. The RTA is self-funded from the earnings on the investment of rental bonds lodged with the organisation. The RTA assists tenants, lessors, agents, residents and accommodation providers in houses, flats, caravans and rooming accommodation.

The RTA contributes to the Government's objective to revitalise front line services by:

- providing quality client services within a legislative framework that balances the rights and responsibilities of all parties in the residential rental sector
- providing state-wide rental bond management, tenancy information, community education, dispute resolution, investigation of offences under the Act, provision of sector research and data, and providing policy advice to Government
- undertaking a program of work aimed at enhancing business systems and processes to allow services to be more client focussed. The aim of the program is to improve client service, while increasing productivity and cost effectiveness.

RESOURCES AND PERFORMANCE

- The RTA is dependent on investment returns to fund its operations, and the European debt crisis has impacted negatively on these returns. However, careful control of expenditure in 2011-12 and an increase in value of the RTA's investment property has mitigated the impact of this reduced income
- With the overall fall in market interest rates, the RTA has forecast reduced revenue in 2012-13 relative to budgeted revenue in 2011-12
- In 2012-13 the RTA will provide grant funding to the Department of Housing and Public Works for an amount of \$7.04 million to support affordable and social housing schemes
- A review of the *Residential Tenancies and Rooming Accommodation Act 2008* is planned in 2012-13.

STATEMENTS

Staffing¹

Residential Tenancies Authority	Notes	2011-12 Budget	2011-12 Est. actual	2012-13 Estimate
	1, 2	180	177	184

Note:

1. The full-time equivalents (FTEs) as at 30 June.
2. The variance between the 2011-12 Estimated Actual and the 2012-13 Estimate is a result of an increase in demand for RTA services.

Performance Statement

Residential Tenancies Authority	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/Est.
Service standards				
Proportion of disputes lodged resolved after parties participate in conciliation process		65%	76.2%	70%
Proportion of investigations finalised successfully		90%	98%	90%
Average return on investment		6.5%	5.35%	5.0%
Total cost for RTA output (excluding grants) as a proportion of the value of bonds held		4.9%	4.16%	3.92%
Other measures				
Bond lodgements		260,000	260,699	261,000
Claims forms received (Forms 3 - 6)		350,000	355,735	355,000
Call centre calls answered		354,000	338,771	350,000
Dispute resolution requests (Form 16)		20,700	22,077	22,850
Investigations (into non-compliance) commenced		500	646	600
User sessions on website		1,200,000	1,059,857	1,100,000
Proportion of bond refunds (lodged through Australia Post) processed within 15 minutes		95%	98.7%	95%

Residential Tenancies Authority	Notes	2011-12 Target/est.	2011-12 Est. actual	2012-13 Target/Est.
Proportion of bond refunds (via mail or counter) processed within 2 working days		85%	97.9%	90%
Proportion of bond lodgements processed within 2 working days		95%	92.4%	95%
Proportion of contact centre calls answered within 120 seconds		85%	85.0%	85%
Proportion of disputes finalised within 28 days of receipt		80%	80.9%	80%
Proportion of investigations finalised within six months of commencement		90%	95.8%	90%
Australia Post agencies operating as RTA Agents		578	578	578

INCOME STATEMENT

Residential Tenancies Authority	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Income				
User charges		..	373	..
Grants and other contributions		..	..	..
Other revenue	1,5,9	40,919	35,866	35,635
Gains on sale/revaluation of property, plant and equipment and investments		..	3,401	..
Total income		40,919	39,640	35,635
Expenses				
Employee expenses	2,10	16,006	14,963	16,236
Supplies and services	3,6	12,691	11,521	11,177
Grants and subsidies	7,11	6,477	6,351	7,035
Depreciation and amortisation	4,8	1,884	881	854
Finance/borrowing costs		..	..	..
Other expenses		32	36	35
Losses on sale/revaluation of property, plant and equipment and investments		67	..	..
Total expenses		37,157	33,798	35,404
OPERATING SURPLUS/(DEFICIT)		3,762	5,842	231

STATEMENT OF CHANGES IN EQUITY

Residential Tenancies Authority	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve	
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity	
Surplus/(deficit) for the period		3,762	5,842	231
Total recognised income and expense for the period		3,762	5,842	231
Equity injection/(withdrawal)	
Equity adjustments (MoG transfers)	
Total movement in equity for period		3,762	5,842	231

BALANCE SHEET

Residential Tenancies Authority	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CURRENT ASSETS				
Cash assets	12,17,22	42,384	50,055	34,839
Receivables		1,323	1,094	1,405
Other financial assets	13,18,23	626,730	663,526	723,526
Inventories		..	..	..
Other		236	197	252
Non-financial assets held for sale		..	..	..
Total current assets		670,673	714,872	760,022
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	14,19	7,298	10,520	10,287
Intangibles	15,20,24	7,077	2,380	17,900
Other		..	..	..
Total non-current assets		14,375	12,900	28,187
TOTAL ASSETS		685,048	727,772	788,209
CURRENT LIABILITIES				
Payables	16,21,25	623,878	661,036	721,036
Accrued employee benefits		1,522	1,165	1,201
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		625,400	662,201	722,237
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		2,005	1,790	1,840
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		3,868	3,867	3,987
Total non-current liabilities		5,873	5,657	5,827
TOTAL LIABILITIES		631,273	667,858	728,064
NET ASSETS/(LIABILITIES)		53,775	59,914	60,145
EQUITY				
Capital/contributed equity		..	..	..
Accumulated surplus/(accumulated deficit)		53,775	59,914	60,145
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		53,775	59,914	60,145

CASH FLOW STATEMENT

Residential Tenancies Authority	Notes	2011-12 Budget \$'000	2011-12 Est. act. \$'000	2012-13 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges		(47)	259	(47)
Grants and other contributions		..	..	..
Other	26,32	40,579	35,768	35,537
Outflows:				
Employee costs	27,33,38	(15,464)	(14,518)	(16,200)
Supplies and services	28,34	(12,691)	(11,524)	(11,182)
Grants and subsidies		(6,477)	(6,351)	(7,035)
Borrowing costs		..	..	..
Other	29,35,39	48,710	70,000	60,085
Net cash provided by/(used in) operating activities		54,610	73,634	61,158
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		16	(316)	60
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	30,36,40	(3,200)	(218)	(16,434)
Payments for investments	31,37,41	(52,000)	(74,257)	(60,000)
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(55,184)	(74,791)	(76,374)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		..	..	..
Net increase/(decrease) in cash held		(574)	(1,157)	(15,216)
Cash at the beginning of financial year		42,958	51,212	50,055
Cash transfers from restructure		..	..	..
Cash at the end of financial year		42,384	50,055	34,839

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

1. Decrease in other revenue due to investment market volatilities.
2. Decrease in employee expenses due to staff vacancies and use of agency staff.
3. Decrease in supplies and services due to reduction in number of contractors.
4. Decrease in depreciation due to the impairment of an intangible asset.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

5. Decrease in other revenue due to falling market interest rates and yields.
6. Decrease in supplies and services due to reduction in number of contractors.
7. Increase in grants to the Department of Housing and Public Works.
8. Decrease in depreciation due to the impairment of an intangible asset.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

9. Decrease in other revenue due to falling market interest rates and yields.
10. Increase in employee expenses due to decrease in staff vacancies and core agreement increases.
11. Increase in grants to the Department of Housing and Public Works.

Balance sheet

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

12. Increase in cash assets due to an increase in direct investment in cash assets.
13. Increase in other financial assets primarily as a result of growth in rental bond holdings.
14. Increase in property, plant and equipment as a result of an increase in investment property value.
15. Decrease in Intangibles primarily as a result of the impairment of an intangible asset.
16. Increase in payables as a result of growth in rental bond holdings.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

17. Decrease in cash assets due to anticipated expenditure of the core client systems capital program.
18. Increase in other financial assets primarily as a result of growth in rental bond holdings.
19. Increase in property, plant and equipment as a result of an increase in investment property value.
20. Increase in intangibles primarily as a result of the development core client systems.
21. Increase in payables as a result of growth in rental bond holdings.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

22. Decrease in cash assets due to anticipated expenditure of the core client systems capital program.
23. Increase in other financial assets primarily as a result of growth in rental bond holdings.
24. Increase in intangibles primarily as a result of the development core client systems.
25. Increase in payables primarily as a result of growth in rental bond holdings.

Cash flow statement

Major variations between 2011-12 Budget and 2011-12 Estimated actual include:

26. Decrease in other inflows due to investment market volatilities.
27. Decrease in employee expenses due to staff vacancies and use of agency staff.
28. Decrease in supplies and services due to reduction in number of contractors.
29. Increase in other outflows due to growth in rental bond holdings.
30. Decrease in payments for property, plant and equipment and intangibles primarily as a result of the deferred capital expenditure for the development core client systems.
31. Increase in payments for investments due to growth in rental bond holdings and subsequent growth in investments.

Major variations between 2011-12 Budget and 2012-13 Estimate include:

32. Decrease in other inflows due to falling market interest rates and yields.
33. Increase in employee expenses due to core agreement increases.
34. Decrease in supplies and services due to reduction in number of contractors.
35. Increase in other outflows due to growth in rental bond holdings.
36. Increase in payments for property, plant and equipment and intangibles as a result of the development of core client systems.
37. Increase in payments for investments due to growth in rental bond holdings and subsequent growth in investments.

Major variations between 2011-12 Estimated actual and the 2012-13 Estimate include:

38. Increase in employee expenses due to a decrease in staff vacancies and core agreement increases.
39. Decrease in other outflows due to anticipated stabilisation of growth in value of rental bonds.
40. Increase in payments for property, plant and equipment and intangibles as a result of the development of core client systems.
41. Decrease in payments for investments due to anticipated stabilisation of growth in the residential rental sector.

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:

- 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 well being. 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.

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.

