

State Budget 2013-14

Service Delivery Statements

Department of Housing and Public Works



2013–14 State Budget Papers

- 1. Budget Speech**
- 2. Budget Strategy and Outlook**
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Appropriation Bills

Concessions Statement

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

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Service Delivery Statements

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**Queensland
Government**

Department of Housing and Public Works

Summary of portfolio budgets¹

Page	Agency	2012-13 Budget \$'000	2012-13 Est. Actual \$'000	2013-14 Estimate \$'000
2	Department of Housing and Public Works - controlled	1,651,658	1,809,076	1,610,864
	Department of Housing and Public Works - administered	11,222	51,554	8,570
42	Building and Asset Services	..	..	692,160
	QBuild	694,651	818,623	..
	Project Services	102,475	124,849	..
60	QFleet	155,960	184,482	133,405
70	Goprint	6,469	10,225	..
76	Sales and Distribution Services	13,647	22,773	..
82	Queensland Building Services Authority	165,076	149,969	155,363
90	Residential Tenancies Authority	35,404	39,760	35,359

Notes:

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

PORTFOLIO OVERVIEW

Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Minister for Housing and Public Works:

<p style="text-align: center;">Minister for Housing and Public Works The Honourable Tim Mander MP</p>
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<p style="text-align: center;">Department of Housing and Public Works Director-General: Neil Castles</p> <hr/> <p>Service Area 1: Housing Services</p> <hr/> <p>Service Area 2: Building Services</p> <hr/> <p>Service Area 3: Procurement Services</p>

<p style="text-align: center;">Building and Asset Services Deputy Director-General: Graham Atkins</p> <p>Objective: Building and Asset Services is a commercialised business unit which delivers centrally coordinated procurement and contract management of building services focused on delivering high quality outcomes for government and maintaining strong industry partnerships.</p>
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<p style="text-align: center;">QFleet General Manager: Fiona Wright</p> <p>Objective: QFleet is a commercialised business unit which is the Queensland Government's provider of vehicle leasing and fleet management services.</p>
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<p style="text-align: center;">Queensland Building Services Authority (BSA) General Manager: Ian Jennings</p> <p>Objective: BSA is a statutory body established under the <i>Queensland Building Services Authority Act 1991</i>. 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.</p>

<p style="text-align: center;">Residential Tenancies Authority (RTA) Chief Executive Officer: Fergus Smith</p> <p>Objective: RTA is a statutory authority established under the <i>Residential Tenancies and Rooming Accommodation Act 2008</i>. The RTA regulates the Queensland residential rental sector.</p>
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Additional information about these agencies can be sourced from:

<http://www.hpw.qld.gov.au> <http://www.bsa.qld.gov.au> <http://www.rta.qld.gov.au>

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:

- support services, programs and partnerships that meet the needs of Queenslanders requiring assistance to secure affordable and appropriate housing solutions
- expert policy advice around procurement and contract management services, and direct delivery of core services to government agencies in the areas of construction, asset and 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 implementing the Government's vision for the future of Queensland
- facilitating effective, efficient and economical delivery of valued services to customers
- delivering policy, programs and initiatives that support the Government's priorities
- improving organisational capability to achieve a skilled and capable workforce to support the department's role as a procurer and contract manager of services and embedding a culture that places the delivery of value at the centre of business performance and success.

Factors that are critical to the department's ability in delivering services and continuing these significant positive reforms, changing the way in which services will be delivered, include:

- developing new and maintaining existing strategic relationships and partnerships with agencies, suppliers and other stakeholders
- implementing appropriate and effective systems, processes and governance structures to support the new business model and service delivery arrangements within resource allocations
- ensuring the department develops the right skills and capabilities to effectively support its role now and into the future.

The department will deliver a number of significant initiatives that will help achieve the whole-of-Government direction and priorities in 2013–14, including:

- implementing the first stage of a new strategic approach to the delivery of housing assistance by:
 - renewing and reconfiguring social housing through the development of regional plans to address local housing priorities; and partnering with government, non-government housing providers and the community services sector on five major renewal projects in Logan, Gold Coast, Mt Isa, Townsville and Gladstone;
 - innovating through partnerships with the non-government sector, the large scale pilot transfers of social housing stock within Logan City and potentially other regions;
 - implementing the National Regulatory System framework to support the growth of a strong and resilient non-government housing sector, and support a nationally consistent approach to regulation;
 - leading the whole-of-Government homelessness strategy, including improved integration of the homelessness-to-housing service system and investments;

- facilitating home ownership opportunities for people living in Indigenous communities; and
- reforming tenancy arrangements including the renewal of rent policy, implementing fixed-term tenancies of one to five years for all new tenants and introducing new procedures for the management of tenant anti-social behaviour
- addressing overcrowding and increasing the number of dwellings in Indigenous communities, by providing \$237.7 million (including \$149.5 million funding through the National Partnership Agreement on Remote Indigenous Housing) to commence construction of at least 204 dwellings, complete construction of at least 280 dwellings and upgrade existing dwellings. A further \$44 million will be spent on maintaining dwellings to an acceptable standard
- improving delivery and design of Indigenous housing in Far North Queensland with an emphasis on local climate conditions and timely project delivery
- providing \$20.7 million as incentives to investors to deliver over 10,000 affordable private rental dwellings across Queensland as part of the National Rental Affordability Scheme
- progressing implementation of the Government's response to recommendations made by the Transport, Housing and Local Government Parliamentary Committee's review of the Retirement Villages Act 1999 to ensure the welfare of seniors is protected
- progressing a review of the *Manufactured Homes (Residential Parks) Act 2003* to address issues raised by both tenants and manufactured home owners
- progressing implementation of the Government's response to recommendations made by the Transport, Housing and Local Government Parliamentary Committee's *Report no. 14 Inquiry into the Operation and Performance of the Queensland Building Services Authority 2012*
- providing an independent review process for complaints made against the Queensland Building Services Authority through the Building Industry Complaints Review Unit
- commencing a strategic sourcing and procurement transformation program aiming to deliver significantly greater value from the Government's procurement spend of over \$10 billion
- commencing activities of the newly established Building and Asset Services as a commercialised business unit replacing QBuild and Project Services with the aim of delivering improved and more cost effective outcomes for customers
- managing Government office accommodation across a portfolio of more than one million square metres of office space including completion of fitout for Government office accommodation in Townsville, Ipswich and Mackay
- implementing outcomes of the Queensland Government Office Accommodation and Government Employee Housing reviews
- reviewing the overarching strategy and whole-of-Government policy for asbestos management in Government buildings and options for developing a long-term, economical and sustainable solution for operating asbestos registers for government buildings
- continuing to examine opportunities for reform thereby supporting the improved efficiency and effectiveness of the public sector.

In 2012–13, the department:

- implemented a range of reforms targeted at delivering public housing more efficiently and effectively through the review of under-occupancy in public housing; reviews of rent policy to identify efficiency options and ongoing eligibility of tenants to ensure continued need; and the introduction of three-year fixed-term tenancies for new tenants to ensure housing continued to be available for tenants who are unable to meet their needs in the private market
- initiated and expanded the service delivery role for non-government housing providers to achieve the large scale transfer of the management of public housing, redevelopment of stock and to harness new partnerships with the private and community sectors to increase the supply of social and affordable housing. The Logan Renewal Initiative was launched as the first major partnership under this new strategic direction

- established the Office of the Registrar, National Regulatory System to support a nationally consistent approach to regulation—giving assurance and confidence that nationally registered providers are well governed, well managed and delivering quality housing services
- progressed improvements in the use of the State’s existing social housing asset base by identifying redevelopment, realignment and relocation opportunities
- commenced transferring three caravan parks to not-for-profit organisations in exchange for new social housing in key target areas around the State
- expended \$24.3 million to complete the final 287 Nation Building and Jobs Plan social housing dwelling units bringing the total number of new units under this program to 4,035
- provided \$218.5 million for Indigenous housing programs (including funds from the National Partnership Agreement on Remote Indigenous Housing) to improve the standard and supply of housing in Indigenous communities—commenced construction of 320 dwellings, completed construction of 202 dwellings, plus three workers accommodation complexes at Palm Island, Aurukun and Doomadgee, upgraded 518 dwellings and maintained approximately 4,261 dwellings
- continued working with Indigenous Councils to overcome barriers to home ownership opportunities with Hope Vale, Napranum, Woorabinda and Palm Island Councils expressing interest in progressing home ownership in their communities
- provided \$9.1 million as incentives to investors, delivering over 4,800 affordable private rental dwellings across Queensland as part of the National Rental Affordability Scheme
- supported the Transport, Housing and Local Government Parliamentary Committee’s review of the *Retirement Villages Act 1999* and established a working party of resident and operator stakeholders to guide implementation of the Government’s response to the recommendations
- completed eight new cyclone shelters and provided funding for two other completed cyclone shelters, designed as multi-purpose sports facilities including netball and basketball courts, a sports lab and teaching facilities
- completed the Carseldine Government Office Precinct, providing 13,000m² of office space to accommodate approximately 1,000 staff as part of managing the Government Office Accommodation Management Framework across a portfolio of more than one million square metres of office space
- completed an amenity audit of general purpose and operational employee accommodation across the Queensland Government
- implemented a revised operating model for the Government vehicle fleet to enhance savings, efficiency and accountability and led, in consultation with all agencies, a more than 10% reduction in the number of motor vehicles across the fleet
- participated in a Review of Strategic Sourcing and Procurement to leverage government’s spend across government, identify cash savings and promote innovation and efficiency in procurement
- developed a new Queensland Procurement Policy that is outcome focused and based on simple, clear principles that drive better procurement behaviours
- provided building procurement and project management services to various Commonwealth Games coordination working groups for each of the sporting venues, in consultation with key Games stakeholders
- exited the following Government entities of Goprint, Sales and Distribution Services, QBuild Industries and the Government’s Architectural Practice Academy
- amalgamated the former commercialised business units of QBuild and Project Services into a single business, commencing on 1 July 2013, focussed on providing procurement and contract management services to Government agencies, resulting in significant cost reductions and more effective service delivery
- reviewed the operation of the Queensland Government Chief Procurement Office which has resulted in a renewed team of professionals focussed on supporting procurement by agencies and delivering more timely and flexible procurement outcomes.

Departmental Budget Summary

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

Department of Housing and Public Works	2012-13 Budget \$'000	2012-13 Est. Actual \$'000	2013-14 Estimate \$'000
CONTROLLED			
Income			
Appropriation for services ^{1,2}			
Deferred from previous year/s	107,028	71,345	84,406
Balance of service appropriation	378,389	364,459	428,680
Other revenue	1,058,283	1,069,012	1,004,232
Total income	1,543,700	1,504,816	1,517,318
Expenses			
Building Services	603,910	839,868	646,475
Procurement Services	25,744	22,286	14,127
Corporate & Executive Services ³	60,308	58,109	38,026
Housing Services	987,449	908,380	932,494
Eliminations ⁴	(25,753)	(19,567)	(20,258)
Total expenses	1,651,658	1,809,076	1,610,864
Operating surplus/deficit	(107,958)	(304,260)	(93,546)
Net assets	18,031,385	16,824,361	16,898,985
ADMINISTERED			
Revenue			
Commonwealth revenue	..	..	..
Appropriation of administered items	10,294	50,626	8,570
Other administered revenue	1,054	1,054	123
Total revenue	11,348	51,680	8,693
Expenses			
Transfers to government	126	126	123
Administered expenses	11,222	51,554	8,570
Total expenses	11,348	51,680	8,693
Net assets	..	..	..
APPROPRIATIONS			
Controlled Items			
Departmental services ¹	497,659	448,046	513,086
Equity adjustment	139,960	(373,947)	167,920
Administered items	9,765	50,097	8,570
VOTE TOTAL	647,384	124,196	689,576

Notes:

1. Appropriation for services does not match appropriation for departmental services due to a net appropriation receivable of \$12.242 million in 2012-13.
2. Includes State and Commonwealth funding.
3. Corporate Services costs have been allocated to services. The amounts shown in the above table for corporate service costs mainly represent recoveries in 2012-13 from the commercialised business units and Department of Science, Information Technology, Innovation and the Arts. In 2013-14 the corporate service costs represent recoveries from the commercialised business units.
4. Eliminations are costs that represent internal trading transactions within the Parent Entity such as rent that is charged by the accommodation office to the services shown. The services cost is the gross cost before eliminations.

Budget Measures Summary¹

The table shows a summary of Budget measures relating to the department since the 2012–13 Budget. Further details are contained in Budget Paper 4.

Department of Housing and Public Works	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Revenue measures					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
Expense measures					
Administered	..	..	..	..	..
Departmental	..	(5,800)	(5,800)	(5,800)	(2,260)
Capital measures					
Administered	..	..	..	..	..
Departmental	(527,000)	..	3,335	..	..

Notes:

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

Staffing^{1, 2, 3}

Service Areas	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
Housing Services		..	1,209	1,116
Building Services	4	..	238	556
Procurement Services		..	65	65
Department		1,905	..	..
Subtotal		1,905	1,512	1,737
Corporate Partnerships	5	..	49	49
TOTAL	6	1,905	1,561	1,786

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The table details staffing of the Parent Entity only. Staffing for the Commercialised Business Units is detailed in the individual Commercial Business Unit sections.
3. Corporate FTEs are allocated across the service areas for both the 2012–13 Estimated actual and 2013–14 Estimate.
4. Variance between 2012–13 Estimated Actual and 2013–14 Estimate is due to the transfer of State Government Security from QBuild to Building Services effective 1 July 2013.
5. Corporate FTEs employed by the department as part of a corporate partnership arrangement provide services to the Department of Science, Information Technology, Innovation and the Arts (DSITIA). The staff involved (49 FTEs) are expected to transfer to DSITIA during 2013–14. These were included in the 2012–13 Budget under 'Department'.
6. Variance between 2012–13 Budget and 2012–13 Estimated actual is primarily due to the allocation of Corporate FTEs to other service areas, the (Corporate Partnerships) adjustment for staff still to move to DSITIA, and other adjustments.

SERVICE PERFORMANCE

The Department of Housing and Public Works provides valued, quality services to its customers through three broad service areas—Housing Services, Building Services and Procurement Services. Further services are provided through a number of commercialised business units outlined later in the document.

Services

Our services are:

Housing Services

Housing Services coordinates and delivers a broad range of integrated housing support and services to Queenslanders most in need, including remote Indigenous communities and low income and high needs families. Housing Services seeks to ensure greater economic and social participation, and social inclusion for individuals and families by:

- renewing and reconfiguring social housing through partnering with community housing providers to manage the distribution and increasing the supply of cost effective, visually appealing and well-located social and affordable housing properties, and ensuring that new stock is aligned with the needs of the client base
- growing and innovating through partnerships with the non-government sectors by enhancing the capacity of community housing providers to increase the supply of social and affordable housing opportunities
- facilitating pathways to the private market, including expanding the scope of indirect housing assistance programs like Bond Loans and RentConnect to help low income households secure and sustain private tenancies and encouraging property developers to innovate in the area of affordable housing
- better using social housing and support services by engaging the expertise of community housing tenancy managers to provide high needs households with access to a broader range of integrated support services
- increasing housing supply and improving housing amenity in Indigenous communities as well as improving the level of Indigenous home ownership.

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 in Queensland by:

- maintaining stewardship of Government office and employee accommodation assets through effective policy development and efficient management of assets
- delivering and maintaining Government employee housing
- providing building policy and advice, and improving Government and industry relationships
- improving the Capital Works Management Framework, the Maintenance Management Framework, the Building Asset Performance Framework and the Strategic Asset Management Framework and providing guidance on best practice
- providing building and plumbing laws which focus on cutting red tape and delivering an efficient system for approving building and plumbing work
- encouraging innovative design for Government buildings and assistance to architects undertaking Government work
- providing security services to Government buildings and Government agencies
- managing asbestos in Government buildings.

The delivery of building services is currently under review and any changes will be implemented over the course of the year.

Procurement Services

Procurement Services secures greater value for money outcomes by implementing smarter sourcing strategies and practices, building capability, and better leveraging Government.

Procurement Services provides a policy framework to drive improved procurement performance and efficiency across Government and is integral to the delivery of significantly improved procurement outcomes across the Public Sector.

Red tape reduction

In 2012–13, the department contributed to the Government’s commitment to red tape reduction through a range of legislative and regulatory amendments and other initiatives.

Amendments to the *Building Act 1975* reduces red tape for consumers, homeowners, local governments and the building industries by:

- improving the building approval process for buildings that are demolished, removed or rebuilt after removal, by increasing the time allowed to complete the work from six to 12 months, and permitting local governments to extend the time by a further period of up to six months
- reducing approval times and costs through the introduction of a new category of plumbing and drainage work called notifiable works
- amending swimming pool safety laws to remove the need for an approval for building work for certain fences
- facilitating an improved process for building certifier and pool safety inspector licence renewals.

Amendments to the Queensland Development Code and Queensland Plumbing and Wastewater Code have also contributed to the reduction of red tape and cost for builders and home owners by repealing the requirement for sustainability declarations, and laws mandating rain water tanks and energy efficient hot water systems on new buildings.

Other red tape reduction initiatives undertaken by the department in 2012–13 included:

- doubling the dollar threshold for Government building projects applying to building industry contractors under the whole-of-Government pre-qualification system
- reducing the frequency of routine performance reporting on pre-qualified consultants and contractors engaged to provide services on Government building projects.

In 2013–14, the department will continue to undertake reviews and implement initiatives to reduce red tape including:

- streamlining the approval process for building over or near water or sewer mains
- further reviewing Queensland’s plumbing and drainage legislation, codes and standards to reduce regulatory burden
- continuing to implement notifiable works reforms and refining the notifiable work online form lodgement system, the Plumbing Application Service
- reviewing the Queensland Development Code for compliance with transport noise corridors
- implementing a simplified State Procurement Policy which substantially reduces the requirements for compliance reporting and gives agencies and suppliers greater flexibility in delivering value for money outcomes.

2013-14 Service Summary^{1, 2}

Service area	Sources of Revenue				
	Total cost \$'000	State Contribution \$'000	User Charges \$'000	C'wealth Revenue \$'000	Other Revenue \$'000
Housing Services	932,494	152,926	374,312	291,213	20,451
Building Services	646,475	54,820	579,660	..	12,041
Procurement Services	14,127	14,127	..	..	..
TOTAL	1,593,096	221,873	953,972	291,213	32,492

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 have been eliminated on consolidation in the departmental financial statements. These eliminations relate to rent on accommodation and corporate services. In addition, there are corporate services provided to the business units and the revenues and costs associated with these services are not included in the above service summary.

Performance Statement

To improve accountability for performance, service standards for the 2013–14 State Budget will only present measures relating to the efficiency or effectiveness of services delivered by government. Measures of input and/or activity, which do not demonstrate effectiveness or efficiency and are no longer relevant measures of the agency's services, will be discontinued from being reported in the Service Delivery Statements. Discontinued measures that remain relevant to the agency's services will continue to be publicly available through alternative communication channels. For details on measures which are being discontinued and where this information may be accessed in the future, please refer to the 2013-14 Budget website at www.budget.qld.gov.au.

Department of Housing and Public Works	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
Service Area: Housing Services				
Service standards				
Level of client satisfaction				
• Bond Loans	1	..	..	92%
• Home Assist Secure	2	..	..	..
• Home Purchase Assistance	2	..	..	..
• Social Rental Housing	3	80%	80%	..
Percentage of new households assisted in Government-managed social rental housing who were in very high or high need				
	4, 5	95%	93%	95%
Average wait time to allocation for assistance (months) with Government-managed social rental housing for clients in very high or high need				
	4	10	10	10
Average tenancy and property management administration cost per households assisted				
	6	\$1,172	\$1,137	\$1,126
Percentage of department owned social rental housing dwellings in acceptable condition				
		97%	97%	97%
Percentage of under occupied Government-owned and managed social rental housing				
	7	New measure	New measure	15.5%
Percentage of social housing under non-government management				
	8	New measure	New measure	35% by 31 December 2014
State contribution (\$000)	9, 11, 13	148,553	101,053	152,926
Other revenue (\$000)		692,952	692,649	685,976
Total cost (\$000)	10, 12, 14	987,449	908,380	932,494

Department of Housing and Public Works	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
Service Area: Building Services				
Service standards				
<i>Accommodation Services</i>				
Return on investment				
• commercial properties included in the office portfolio	15	≥6.5%	8.0%	≥6.5%
• government employee housing	15	≥2.2%	4.1%	≥2.2%
Vacancy rate				
• office portfolio	16	≤2.5%	2.4%	≤4.0%
• government employee housing	17	≤3.0%	3.4%	≤3.0%
Energy consumption per employee occupying office space (in the owned office portfolio)	18	≤3300 kwh per annum	3027 kwh per annum	≤3300 kwh per annum
Work point density				
• average	19	≤14.5m ² per person	13.6 m ² per person	≤13.6m ² per person
• new fitout	20	Amended measure	13m ² per person	≤12m ² per person
<i>Building Policy</i>				
Percentage of defaults by pre-qualified building industry contractors on government building projects		≤2.0	0.87	≤2.0
State contribution (\$000)	21, 23, 26	18,163	25,149	54,820
Other revenue (\$000)	24, 27	623,733	625,137	591,701
Total cost (\$000)	22, 25, 28	603,910	839,868	646,475
Service Area: Procurement Services				
Service standards				
Client satisfaction	2	..	..	70%
Savings and benefits delivered under existing and new arrangements to Government	29	\$57 million	\$48 million	\$50 million
Increased utilisation of Whole-of-Government arrangements	30	New measure	New measure	70%
State contribution (\$000)	31, 34	8,909	15,021	14,127
Other revenue (\$000)	32, 35, 37	16,835	7,265	..
Total cost (\$000)	33, 36, 38	25,744	22,286	14,127

Notes:

1. No data is available for 2012–13 as this is a triennial measure with the next survey to be undertaken in 2013–14.
2. No data is available for 2012–13 and/or 2013–14 as this is a triennial measure with the next survey to be undertaken in 2014–15.
3. No data is available for the 2013–14 Target/estimate as this is a biennial measure with the next survey to be undertaken in 2014–15.
4. The wording of this measure has been amended from ‘social housing’ to ‘social rental housing’. The use of the term ‘social rental housing’ provides clarity around the exclusions to the measure (the Crisis Accommodation Program and the Indigenous Community Program).
5. Variance between the 2012–13 Target/estimate and 2012–13 Estimated actual can be attributed to the occasional need to allocate properties to lower need applicants to address particular issues affecting certain communities such as concentrations of disadvantage.
6. Variance between the 2012–13 Target/estimate and 2012-13 Estimated actual is mainly due to the impact of savings in employee expenses and supplies and services expenditure. Variance between the 2012–13 Estimated actual and 2013-14 Target/estimate is mainly due to the impact of the additional savings in employee expenses effective from 2013–14.
7. This is a new measure indicating efficiency in matching household size to dwelling size and aligns to a measure in the Australian Government Productivity Commission’s *Report on Government Services*.
8. This is a new efficiency measure indicating the proportion of social housing managed and operated by non-government providers. The target and delivery date are part of the Council of Australian Government’s housing reforms endorsed by Housing Ministers.
9. The decrease from the 2012-13 Target/estimate to 2012-13 Estimated actual is mainly due to net deferrals including deferrals of funding for the Rural and Remote housing program, new housing and housing upgrades for dwelling owned by Indigenous Councils under the Deed of Grants in Trust Program and the Crisis Accommodation Program; partly offset by voluntary early retirement reimbursements from the Consolidated Fund.
10. The decrease from the 2012-13 Target/estimate to 2012-13 Estimated actual relates to:
 - net deferrals of Grants and Subsidies to 2013-14 including deferrals of expenditure for the Rural and Remote housing program, deferrals of infrastructure work for new housing under the National Partnership Agreement on Remote Indigenous Housing, new housing and housing upgrades for dwellings owned by Indigenous Councils under the Deed of Grants In Trust program, Indigenous Community Housing Organisation, Crisis Accommodation Program and Yarrabah Agreement
 - savings in Administration and Grants and Subsidies mainly in relation to Capital Investment Statewide, Community Rent Scheme, Home Assist Secure and Housing and Employment Program.This is partly offset by:
 - Natural Disaster Relief and Recovery Arrangements (NDRRA) assets donated to local councils following the flooding and Tropical Cyclone Yasi events
 - increase in impairment losses
 - increase in losses on revaluation due to the revaluation decrement for financial assets in relation to the Rental Purchase Plan and Pathways Shared Equity.
11. The increase from the 2012-13 Target/estimate to 2013-14 Target/estimate is mainly due to:
 - net deferrals from 2012-13 to 2013-14 of funding for new housing and housing upgrades under the Rural and Remote Housing Program, new housing and housing upgrades for dwellings owned by Indigenous Councils under the Deed of Grants in Trust Program and the Crisis Accommodation Program
 - increased funding allocated for the National Rental Affordability Scheme in 2013-14.The increase is partly offset by:
 - Affordable Housing construction project finishing in 2012-13
 - deferral of funding from 2011-12 to 2012-13 in relation to new housing and housing upgrades for the Deed of Grants in Trust Program
 - reduction in contribution for employee expense savings in 2013-14.

12. The decrease from the 2012-13 Target/estimate to 2013-14 Target/estimate is mainly due to the reduction in Grants and Subsidies in 2013-14 as a number of programs are due to finish in 2012-13 including Nation Building and Jobs Program for Social Housing, Palm Island Infrastructure Initiative, Affordable Housing, AFL Project and Yarrabah Agreement; reduced expenditure under the Indigenous Community Managed Housing Organisation program, administration savings and a decrease in funding allocation over the life of the project for the National Partnership Agreement on Remote Indigenous Housing (NPARIH).
This is partially offset by 6% indexation for rates and 2.5% for other supplies and services.
13. The increase from the 2012-13 Estimated actual to 2013-14 Target/estimate is mainly due to net deferrals including deferrals of funding for new housing and housing upgrades under the Rural and Remote Housing Program, new housing and housing upgrades for dwellings owned by Indigenous Councils under the Deed of Grants in Trust Program and Crisis Accommodation Program.
This increase is partially offset by variations in funding allocations for:
- Affordable Housing construction project finishing in 2012-13
 - deferral of funding from 2011-12 to 2012-13 in relation to new housing and housing upgrades for dwellings owned by Indigenous Councils under the Deed of Grants in Trust Programs
 - reduction in contribution for employee expense savings in 2013-14.
14. The increase from the 2012-13 Estimated actual to 2013-14 Target/estimate is mainly due to an increase in:
- grants and subsidies including the National Rental Affordability Scheme, new housing and housing upgrades for dwellings owned by Indigenous Councils under the Deed of Grants in Trust Program and new housing and housing upgrades under the Rural and Remote Housing Program
 - increase in maintenance under NPARIH
 - 6% Rates indexation in 2013-14.
- This is partly offset by:
- increase in impairment losses in 2012-13
 - increase in losses on revaluation due to the revaluation decrement for financial assets in relation to the Rental Purchase Plan and Pathways Shared Equity Loans occurring in 2012-13.
15. The 2012-13 and 2013-14 Target/estimates are reflective of industry benchmarks.
16. The 2013-14 Target/estimate has increased due to projected reduced demand for government office space resulting from rationalisation within agencies (particularly the Brisbane central business district and fringe) in existing buildings with ongoing lease commitments.
17. Variance between the 2012-13 Target/estimate and 2012-13 Estimated actual reflects reduced demand for staff accommodation by departments in various areas of the State.
18. Variance between the 2012-13 Target/estimate and 2012-13 Estimated actual is a result of energy efficiency gains achieved through increased work point density and an overall reduction in energy usage as a result of whole-of-Government efficiencies.
19. Variance between the 2012-13 Target/estimate and 2013-14 Target/estimate reflects the incremental reduction to the occupancy density benchmark from 15m² per work point from 1 July 2012. Each year, the Budget year Target/estimate will reduce to match the current year Estimated actual figure as any new fitout projects will improve or maintain the average density achieved until that point. This service standard measures the efficiency of all office accommodation which promotes the effective use of work space and ensures compliance with industry benchmarks.
20. The 2012-13 Estimated actual figure of 13m² is calculated on approximately seven fitout proposals encompassing 9,935m². Three of these fitouts, equating to approximately 2,500m² required hearing room and associated operational requirements, averaging 18 m² per work point. Standard office fitouts achieved an average density of 11.77m² per work point.
21. The increase from the 2012-13 Target/estimate to 2012-13 Estimated actual is mainly due to funding to supplement lower net rent revenue received for the period 1 May to 30 June 2013 due to the sale of seven government office buildings to the Queensland Investment Corporation (QIC) on 30 April 2013 and additional depreciation funding. These increases are partly offset by the deferral of funds for various projects and initiatives from 2012-13 to 2013-14 and the deferral of the enterprise bargaining increase start date from 1 August 2012 until 1 January 2014.
22. The increase from the 2012-13 Target/estimate to 2012-13 Estimated actual is mainly due to the loss on the sale of seven government office buildings to QIC.

23. The increase from the 2012-13 Target/estimate to 2013-14 Target/estimate is mainly due to funding in 2013-14 to supplement lower net rent revenue received due to the sale of seven government office buildings to QIC on 30 April 2013. This increase is partially offset by the deferral of funding from 2011-12 to 2012-13 for various projects.
24. The decrease from the 2012-13 Target/estimate to 2013-14 Target/estimate is mainly due to:
- the finalisation of the cyclone shelters in Queensland communities project in 2012-13 and the NDRRA grants in 2012-13 from the Queensland Reconstruction Authority
 - a decrease in information technology service charges due to reduced desktops and cessation of Department of Science, Information Technology, Innovation and the Arts (DSITIA) client support revenue in 2013-14.
- These decreases are partially offset by the revenue contributed in 2013-14 by the transfer of State Government Security Services from Building and Asset Services on 1 July 2013.
25. The increase from the 2012-13 Target/estimate to 2013-14 Target/estimate is mainly due to the transfer of State Government Security Services from Building and Asset Services on 1 July 2013 and additional lease costs in 2013-14 in relation to the seven government office buildings sold to QIC in 2012-13 partially offset by savings in property related expenses. These increases are partially offset by the finalisation in 2012-13 of the cyclone shelters in Queensland communities project, natural disaster relief and recovery arrangement expenditure and the Rockhampton Riverbank Redevelopment Stage 2 project and carryover of expenditure from 2011-12 to 2012-13.
26. The increase from the 2012-13 Estimated actual to the 2013-14 Target/estimate is mainly due to funding to supplement lower net rent revenue received due to the sale of seven government office buildings to QIC on 30 April 2013, the carryover of appropriation funding for various projects from 2012-13 to 2013-14. This increase is partially offset by the deferral of funding from 2011-12 to 2012-13.
27. The decrease from the 2012-13 Estimated actual to 2013-14 Target/estimate is mainly due to:
- the finalisation of the cyclone shelters in Queensland communities project and NDRRA grants in 2012-13 from the Queensland Reconstruction Authority
 - a decrease in information technology service charges due to reduced desktops and cessation of DSITIA client support revenue.
- These decreases are partially offset by the revenue contributed in 2013-14 as a result of the transfer of State Government Security Services from Building and Asset Services on 1 July 2013.
28. The decrease from the 2012-13 Estimated actual to 2013-14 Target/estimate is mainly due to the loss on sale recognised in 2012-13 on the sale of seven government buildings to QIC partially offset by the transfer of State Government Security Services from Building and Asset Services on 1 July 2013.
29. Variance between the 2012-13 Target/estimate and the 2012-13 Estimated actual is due to discontinuation of the Print Management Solution and reduced spend by agencies on whole-of-Government arrangements.
30. This is a new effectiveness service standard that measures agency use of arrangements to ensure that value for money procurement outcomes are optimised.
31. The increase from the 2012-13 Target/estimate to 2012-13 Estimated actual is mainly due to additional funding for the Procurement Services function.
32. The decrease from the 2012-13 Target/estimate to 2012-13 Estimated actual is mainly due to the reduction in revenue expected from travel management and procurement arrangements.
33. The decrease from the 2012-13 Target/estimate to 2012-13 Estimated actual is mainly due to lower costs as a result of a reduction in staff.
34. The increase from the 2012-13 Target/estimate to 2013-14 Target/estimate is mainly due to the revised funding model for the Procurement Services function.
35. The decrease from the 2012-13 Target/estimate to 2013-14 Target/estimate is mainly due to the cessation of the rebate model and fee arrangements used to partly fund procurement.
36. The decrease from the 2012-13 Target/estimate to 2013-14 Target/estimate is mainly due to lower costs including a reduction in staff numbers and the discontinuation of the Print Management Solution and Travel Management System.
37. The decrease from the 2012-13 Estimated actual to the 2013-14 Target/estimate is mainly due to the cessation of the rebate and fee models to partly fund procurement.
38. The decrease from the 2012-13 Estimated actual to the 2013-14 Target/estimate is mainly due to lower costs including the reduction in staff, and the discontinuation of the Print Management Solution and Travel Management System.

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 2013–14 will include payment of the Community Services Obligation to Building and Asset Services to assist in subsidising its apprenticeship program. 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 expenditure program for 2013–14 is \$331.7 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

- \$154.1 million for social housing in Indigenous communities (including \$145.5 million funding through the National Partnership Agreement on Remote Indigenous Housing) to commence at least 204 dwellings, complete construction of 190 dwellings and upgrade existing social housing
- \$133.5 million for social housing to commence construction of at least 20 rental units, complete construction of 124 rental units, purchase 45 rental units and upgrade existing social housing.

Public Works

- \$13.7 million to complete the delivery of property solutions that commenced under the Accommodation Initiative in Ipswich. The total project cost is estimated at \$28 million
- \$11.4 million to complete the delivery of a fitout in a new building in Flinders Street, Townsville. The fitout will provide 10,000 square metres of net lettable area. The total project cost is estimated at \$22.1 million
- \$5.3 million to construct and acquire 15 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	2012-13 Budget \$'000	2012-13 Est. Actual \$'000	2013-14 Estimate \$'000
Capital Purchases¹				
Total land, buildings and infrastructure	2, 4, 7	372,743	365,477	328,057
Total plant and equipment	3, 5, 8	5,884	4,700	2,403
Total other capital	6, 9	2,700	2,700	1,200
Total Capital Purchases		381,327	372,877	331,660

Notes:

1. For more detail on the agency's capital acquisitions please refer to Budget Paper 3.
2. The decrease from the 2012-13 Budget to the 2012-13 Estimated actual is mainly due to a carryover of funding for the Townsville Government Office Accommodation fitout project to 2013-14.
3. The decrease from the 2012-13 Budget to the 2012-13 Estimated actual is mainly due to funds which were to be used for the purchase of capital items reallocated to purchase equipment that is expensed.
4. The decrease from the 2012-13 Budget to the 2013-14 Estimate is mainly due to the completion of the cyclone shelters in 2012-13 and minimal expenditure for the Carseldine Accommodation Initiative in 2013-14. This is partially offset by an increase in 2013-14 in Public Rental Housing capital expenditure for the construction of new apartments and the acquisition of 30 one-bedroom units provided by Economic Development Queensland.
5. The decrease from the 2012-13 Budget to the 2013-14 Estimate is mainly due to delayed purchases of plant and equipment in 2011-12 which were carried over to the 2012-13 financial year.
6. The decrease from the 2012-13 Budget to the 2013-14 Estimate is mainly due to the completion of specific software development projects in 2012-13.
7. The decrease from the 2012-13 Estimated actual to the 2013-14 Estimate is mainly due to the completion of the cyclone shelters in 2012-13 and minimal expenditure for the Carseldine Accommodation Initiative in 2013-14. This is partially offset by an increase in 2013-14 in Public Rental Housing for the construction of new apartments and the acquisition of 30 one-bedroom units provided by Economic Development Queensland.
8. The decrease from the 2012-13 Estimated actual to the 2013-14 Estimate is mainly due to delayed purchases of plant and equipment in 2011-12 which were carried over to the 2012-13 financial year.
9. The decrease from the 2012-13 Estimated actual to the 2013-14 Estimate is mainly due to the completion of specific software development projects in 2012-13.

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 Parent Entity only which excludes the commercialised business units which are separate reporting entities.

Departmental income statement

Total expenses are estimated to be \$1.6 billion in 2013-14, a decrease of \$40.8 million from the 2012-13 budgeted result. The decrease in expenditure is mainly due to a reduction of \$101.2 million in grants and subsidies, \$8.8 million in depreciation and amortisation, \$3.3 million in finance / borrowing costs partially offset by an increase in supplies and services of \$67.8 million and \$5.8 million in employee expenses.

The decrease in grants and subsidies is mainly due to the completion of programs in 2012-13 including Nation Building and Jobs Plan, Palm Island Infrastructure Initiative, Affordable Housing, AFL project, Yarrabah Agreement and Indigenous Community Managed Housing Organisation programs; a transfer from current grants to maintenance for 40 year leases under the National Partnership Agreement on Remote Indigenous Housing, and the finalisation of funding for the construction of the cyclone shelters in Queensland. The decrease in depreciation and finance / borrowing costs is mainly due to the sale of seven government office buildings to the Queensland Investment Corporation.

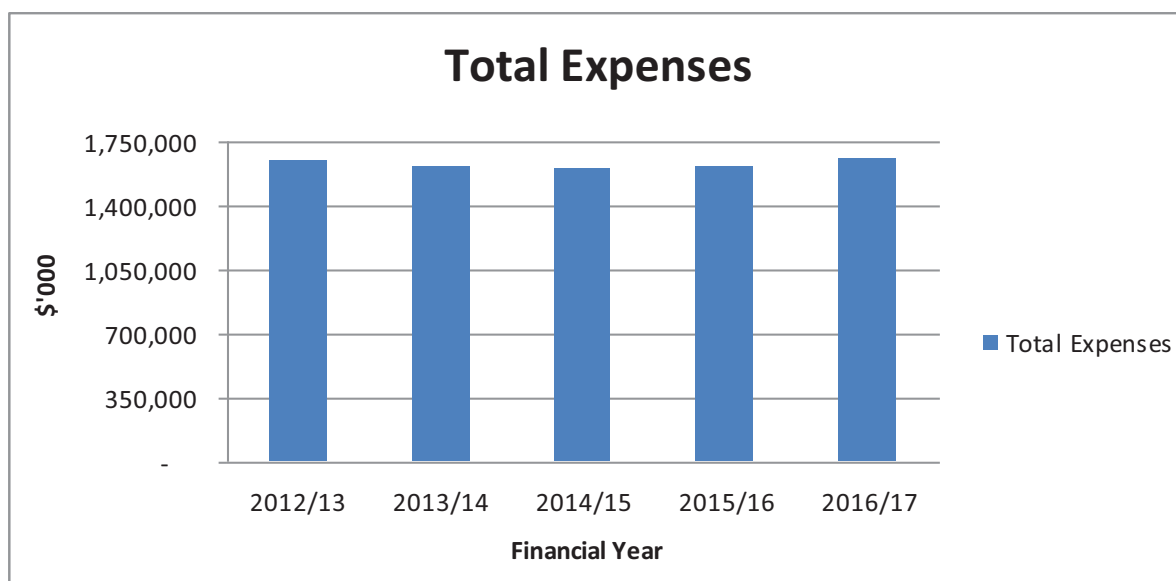
The increase in supplies and services is mainly due to a transfer from current grants to maintenance in 2013-14 for 40 year leases under the National Partnership Agreement on Remote Indigenous Housing, and the deferral of maintenance under the National Partnership Agreement on Remote Indigenous Housing to 2013-14.

The increase in employee expenses is due mainly to the transfer of State Government Security Services staff and corporate services staff from Building and Asset Services to the Parent Entity. This increase is partially offset by the transfer of staff to the Department of Science, Information Technology, Innovation and the Arts and the reduction of staff to align with the new departmental structure.

Over the forward estimate period:

- the decrease in expenditure from 2013-14 to 2014-15 is \$8.8 million which is due to a reduction in grants and subsidies of \$71.4 million, employee expenses of \$1.5 million, borrowing costs of \$1.1 million and other expenses of \$3.9 million. This decrease is then offset by an increase in supplies and services of \$64.3 million (mainly housing rates, repairs and maintenance) and depreciation of \$4.8 million
- the increase in expenditure from 2014-15 to 2015-16 of \$16.4 million is due to an increase in supplies and services of \$25.6 million (mainly housing rates, repairs and maintenance), employee expenses of \$4.8 million and depreciation of \$2.9 million. This increase is then offset by a decrease in housing grants of \$15.2 million, borrowing costs of \$0.7 million and other expenses of \$1 million
- the increase in expenditure from 2015-16 to 2016-17 of \$41.8 million is due to an increase in supplies and services of \$34.5 million (mainly housing rates, repairs and maintenance), employee expenses of \$4.8 million and housing grants of \$4.2 million. This increase is then offset by a decrease in depreciation of \$1 million and borrowing costs of \$0.7 million.

Chart: Total departmental expenses across the Forward Estimates period



The operating position for the department for 2013-14 is an estimated deficit of \$93.5 million. This is mainly due to ongoing growth in rent revenue from social housing not keeping pace with the growth in operating expenses; particularly maintenance, rates and depreciation. This is partly offset by a \$10 million grant received from the Residential Tenancies Authority to fund capital works programs, \$6.5 million gains on inventory sales, as well as recurrent revenue that is spent on capital works, lending to householders and principal repayments on Australian Government loans.

Departmental balance sheet

The department's major assets budgeted as at 30 June 2014 are land (\$8.8 billion) and buildings (commercial and residential) (\$7.1 billion) and these categories are expected to decrease by 0.2% and 5.6% respectively over the next three years, mainly as a result of properties sold and accumulated depreciation on buildings.

The Department's major liabilities budgeted as at 30 June 2014 are Interest-bearing liabilities and derivatives (\$428 million) and Payables (\$192 million).

The interest-bearing liabilities and derivatives relate to Australian Government and Queensland Treasury Corporation borrowings as well as finance leases relating to the Ecoscience building and 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 Australian Government.

INCOME STATEMENT

Department of Housing and Public Works	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Income				
Service revenue	1, 11, 20	485,417	435,804	513,086
User charges	2, 21	980,416	962,447	971,740
Grants and other contributions	3, 12, 22	61,075	83,695	12,763
Other revenue	4, 13, 23	12,241	22,870	19,729
Gains on sale/revaluation of property, plant and equipment and investments	5, 14	4,551	..	..
Total income		1,543,700	1,504,816	1,517,318
Expenses				
Employee expenses	6, 15, 24	192,434	185,234	198,245
Supplies and services	16, 25	896,335	912,817	964,138
Grants and subsidies	7, 17	325,428	225,596	224,237
Depreciation and amortisation	26	197,149	201,566	188,318
Finance/borrowing costs	18, 27	20,948	20,488	17,633
Other expenses	8, 28	18,864	23,694	17,993
Losses on sale/revaluation of property, plant and equipment and investments	9, 29	500	239,681	300
Total expenses		1,651,658	1,809,076	1,610,864
OPERATING SURPLUS/(DEFICIT)	10, 19, 30	(107,958)	(304,260)	(93,546)

STATEMENT OF CHANGES IN EQUITY

Department of Housing and Public Works	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments	31, 36	..	10,383	..
Increase/(decrease) in asset revaluation reserve	32, 37	..	(500,862)	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		..	(490,479)	..
Surplus/(deficit) for the period	10, 19, 30	(107,958)	(304,260)	(93,546)
Total recognised income and expense for the period		(107,958)	(794,739)	(93,546)
Equity injection/(withdrawal)	33, 35, 38	195,302	(318,605)	167,920
Equity adjustments (MoG transfers)	34, 39	..	13,500	250
Total movement in equity for period		87,344	(1,099,844)	74,624

BALANCE SHEET

Department of Housing and Public Works	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
CURRENT ASSETS				
Cash assets	40, 57, 75	167,805	154,950	132,609
Receivables	41, 58	112,071	149,229	144,054
Other financial assets		4,000	4,000	4,000
Inventories	42, 59, 76	4,471	7,250	1,806
Other	43, 60	42,795	35,573	36,918
Non-financial assets held for sale	44, 61	101,214	66,064	64,564
Total current assets		432,356	417,066	383,951
NON-CURRENT ASSETS				
Receivables	62, 77	86,158	87,014	93,654
Other financial assets		201,321	195,653	192,553
Property, plant and equipment	45, 63	17,952,986	16,790,225	16,874,260
Intangibles	46, 64, 78	11,351	10,547	7,055
Other		..	..	..
Total non-current assets		18,251,816	17,083,439	17,167,522
TOTAL ASSETS		18,684,172	17,500,505	17,551,473
CURRENT LIABILITIES				
Payables	47, 65	161,136	190,711	191,179
Accrued employee benefits	48, 66	2,068	6,839	6,948
Interest-bearing liabilities and derivatives	49, 67, 79	30,773	24,607	17,866
Provisions		..	..	..
Other	50, 68	31,154	24,482	25,132
Total current liabilities		225,131	246,639	241,125
NON-CURRENT LIABILITIES				
Payables	51, 69, 80	474	1,207	683
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives	52, 70, 81	388,377	427,948	410,330
Provisions		48	..	..
Other	53, 71	38,757	350	350
Total non-current liabilities		427,656	429,505	411,363
TOTAL LIABILITIES		652,787	676,144	652,488
NET ASSETS/(LIABILITIES)		18,031,385	16,824,361	16,898,985
EQUITY				
Capital/contributed equity	54, 72	16,139,299	15,621,301	15,789,471
Accumulated surplus/(accumulated deficit)	55, 73, 82	516,639	329,518	235,972
Reserves:				
- Asset revaluation surplus	56, 74	1,375,447	873,542	873,542
- Other (specify)		..	..	..
TOTAL EQUITY		18,031,385	16,824,361	16,898,985

CASH FLOW STATEMENT

Department of Housing and Public Works	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Service receipts	83, 96, 109	497,659	448,046	513,086
User charges		996,296	989,516	988,333
Grants and other contributions	84, 97, 110	61,075	81,774	12,763
Other	85, 111	238,450	268,613	242,582
Outflows:				
Employee costs	112	(192,367)	(185,167)	(198,176)
Supplies and services	98, 113	(907,799)	(935,964)	(987,153)
Grants and subsidies	86, 99	(325,428)	(225,596)	(224,237)
Borrowing costs	100, 114	(20,948)	(20,488)	(17,633)
Other		(233,885)	(229,884)	(232,486)
Net cash provided by/(used in) operating activities		113,053	190,850	97,079
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment	87, 115	65,650	591,258	73,824
Investments redeemed	88, 101, 116	12,500	5,000	4,000
Loans and advances redeemed	89, 102, 117	22,750	24,123	25,970
Outflows:				
Payments for property, plant and equipment and intangibles	103, 118	(381,327)	(372,877)	(331,660)
Payments for investments	90, 119	(800)	(400)	(900)
Loans and advances made	91, 104	(28,803)	(33,183)	(34,215)
Net cash provided by/(used in) investing activities		(310,030)	213,921	(262,981)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	92, 105, 120	141,750	198,017	215,003
Outflows:				
Borrowing redemptions	93, 106, 121	(28,431)	(49,896)	(23,036)
Finance lease payments	94, 107	..	(1,323)	(1,323)
Equity withdrawals	95, 108, 122	(1,790)	(571,964)	(47,083)
Net cash provided by/(used in) financing activities		111,529	(425,166)	143,561
Net increase/(decrease) in cash held		(85,448)	(20,395)	(22,341)
Cash at the beginning of financial year		253,253	175,345	154,950
Cash transfers from restructure		..	..	..
Cash at the end of financial year		167,805	154,950	132,609

ADMINISTERED INCOME STATEMENT

Department of Housing and Public Works	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Revenues				
Commonwealth grants		..	..	..
Taxes, fees and fines		126	126	123
Royalties, property income and other territorial revenue		..	..	..
Interest		..	..	..
Administered revenue	123, 124, 128	10,294	50,626	8,570
Other	125, 129	928	928	..
Total revenues		11,348	51,680	8,693
Expenses				
Supplies and services	123, 126, 130	4,727	45,059	6,038
Depreciation and amortisation		..	..	..
Grants and subsidies	127, 131	6,495	6,495	2,532
Benefit payments		..	..	..
Borrowing costs		..	..	..
Other		..	..	..
Total expenses		11,222	51,554	8,570
Net surplus or deficit before transfers to Government		126	126	123
Transfers of administered revenue to Government		126	126	123
OPERATING SURPLUS/(DEFICIT)		..	..	..

ADMINISTERED BALANCE SHEET

Department of Housing and Public Works	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
CURRENT ASSETS				
Cash assets	
Receivables	
Inventories	
Other	
Non-financial assets held for sale	
Total current assets	
NON-CURRENT ASSETS				
Receivables	
Other financial assets	
Property, plant and equipment	
Intangibles	
Other	
Total non-current assets	
TOTAL ADMINISTERED ASSETS	
CURRENT LIABILITIES				
Payables	
Transfers to Government payable	
Interest-bearing liabilities	
Other	
Total current liabilities	
NON-CURRENT LIABILITIES				
Payables	
Interest-bearing liabilities	
Other	
Total non-current liabilities	
TOTAL ADMINISTERED LIABILITIES	
ADMINISTERED NET ASSETS/(LIABILITIES)	
EQUITY				
Capital/Contributed equity		45,240	45,240	45,240
Accumulated surplus/(Accumulated deficit)		(45,240)	(45,240)	(45,240)
Reserves:	
- Asset revaluation surplus	
- Other (specify)	
TOTAL ADMINISTERED EQUITY	

ADMINISTERED CASH FLOW STATEMENT

Department of Housing and Public Works	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Administered item receipts	132, 135, 139	9,765	50,097	8,570
Grants and other contributions		..	..	..
Taxes, fees and fines		126	132	123
Royalties, property income and other territorial revenues		..	..	..
Other	136, 140	1,012	1,006	..
Outflows:				
Transfers to Government		(126)	(132)	(123)
Grants and subsidies	133, 137, 141	(6,495)	(6,968)	(2,532)
Supplies and services	134, 138, 142	(5,101)	(44,954)	(6,038)
Borrowing costs		..	..	..
Other		..	..	..
Net cash provided by/(used in) operating activities		(819)	(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		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		..	..	..
Net increase/(decrease) in cash held		(819)	(819)	..
Administered cash at beginning of financial year		819	819	..
Cash transfers from restructure		..	..	..
Administered cash at end of financial year		..	..	..

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

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

1. The decrease is mainly due to the deferral of funds for various projects and initiatives from 2012-13 to 2013-14 partially offset by:
 - an equity to service revenue swap for the National Partnership Agreement on Remote Indigenous Housing
 - additional funding for the Procurement Services function
 - funding to supplement lower net rent revenue received due to the sale of seven government office buildings to the Queensland Investment Corporation on 30 April 2013, and additional depreciation funding.
2. The decrease is mainly due to the reclassification of tenant make good and property operations recoveries from user charges to other revenue and a decrease in revenue expected from travel management, procurement arrangements and cessation of print management solution.
3. The increase is mainly due to:
 - one-off funding from the Australian Government for Tenant Advice and Advocacy Services
 - additional Natural Disaster Relief and Recovery Arrangement (NDRRA) funding from the Queensland Reconstruction Authority
 - additional funding from the Residential Tenancies Authority for social and affordable housing initiatives
 - residential dwellings and land handed back to the department from Marula Aboriginal Corporation in Birdsville and Burke and Wills Aboriginal Corporation in Boulia under the Indigenous Community Housing Transition Project.
4. The increase is mainly due to the reclassification of tenant make good and other property operations recoveries from user charges to other revenue.
5. The decrease is due to the revaluation decrement for financial assets in relation to the Rental Purchase Plan and Pathways Shared Equity Loans.
6. The decrease is mainly due to the reduction of staff to align with the new departmental structure, and the change in the core agreement enterprise bargaining estimated start date from 1 August 2012 to 1 January 2014. These decreases are partially offset by the cost of redundancies related to the fiscal repair measures announced in the 2012-13 budget. At the time of the 2012-13 budget, the cost of redundancies was held centrally.
7. The decrease is mainly due to:
 - program deferrals, mainly relating to Indigenous Housing, from 2012-13 to 2013-14
 - savings mainly in the Capital Investment Statewide, Community Rent Scheme and Home Assist Secure and Housing and Employment programs
 - reclassification of maintenance expenditure from grants and subsidies to supplies and services with respect to department controlled properties under the National Partnership Agreement on Remote Indigenous Housing in 2013-14 partially offset by a separate transfer from capital works to capital grants.

These decreases are partially offset by increases mainly relating to additional funding received from the Australian Government for Tenant Advice and Advocacy Services programs and additional NDRRA funded costs relating to Tropical Cyclone Oswald.
8. The increase is mainly due to the NDRRA assets donated to local councils following the flood and Tropical Cyclone Yasi events, an impairment loss relating to Bond Loans and Public Rental Housing maintenance debtors and losses of property to reflect the write off of public property that has been destroyed where the loss is covered by Queensland Government Insurance Fund and recoupable through insurance recoveries partially offset by the deferral of cost of sales for Kelvin Grove Urban Village Inventory Sales from 2012-13 to 2013-14.
9. The increase is due to the loss on sale of seven government office buildings to the Queensland Investment Corporation and a revaluation decrement for financial assets in relation to the Housing Rental Purchase Plan and Pathways Shared Equity Loans and assets held for sale.

10. The increase in the operating deficit is mainly due to the loss on sale of seven government office buildings to the Queensland Investment Corporation and the revaluation decrement on financial assets partially offset by the deferral of Indigenous Community Housing Organisation expenditure, additional grant revenue from Residential Tenancies Authority to be used for capital works as well as savings in grant expenditure for Capital Investment Statewide, Community Rent Scheme and Home Assist Secure programs and administration savings.

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

11. The increase is mainly due to:
- funding to supplement lower net rent revenue received due to the sale of seven government office buildings to the Queensland Investment Corporation
 - increased funding allocation for National Rental Affordability Scheme
 - a revised funding model for the Procurement Services function
 - deferral of the Rural and Remote program for construction of Indigenous properties throughout the state, upgrades and construction of properties in Indigenous communities, housing provided under the National Partnership Agreement on Remote Indigenous Housing and Crisis Accommodation Program from 2012-13 to 2013-14.
- This increase is partly offset by:
- finalisation of various projects and programs in 2012-13
 - a service revenue to equity funding swap relating to Housing Services
 - net variation on account of deferrals from 2011-12 to 2012-13 in relation to Indigenous housing funded by state matching appropriation associated with the National Affordable Housing Agreement for construction and upgrades of houses retained in the ownership of Indigenous communities and the National Partnership Agreement on Remote Indigenous Housing
 - deferral of base funding from 2011-12 into 2012-13.
12. The decrease is mainly due to the finalisation in 2012-13 of the construction of cyclone shelters in Queensland communities, the natural disaster relief and recovery arrangements from the Queensland Reconstruction Authority partially offset by an increase in Residential Tenancies Authority grants for social and affordable housing initiatives in 2013-14.
13. The increase is mainly due to the reclassification of tenant make good and property operations recoveries from user charges in 2012-13 to other revenue in 2013-14 partially offset by the reclassification of corporate recoupment from Other Revenue in 2012-13 to User Charges in 2013-14.
14. The decrease is due to no gains expected on Housing Services Rental Purchase Plan and Pathways Shared Equity revaluation in 2013-14.
15. The increase is mainly due to the inclusion from 1 July 2013 of State Government Security Services following its transfer from Building and Asset Services and the transfer of Building and Asset Services corporate staff to the Parent Entity as well as the deferral from 2012-13 to 2013-14 for the National Partnership Agreement on Remote Indigenous Housing Tenancy Management which to a large extent is offset by the transfer of IT staff to the Department of Science, Information Technology, Innovation and the Arts (DSITIA) and the reduction in staff to align with the new departmental structure.
16. The increase is mainly due to the:
- inclusion of State Government Security Services from 1 July 2013 following its transfer from Building and Asset Services
 - additional lease costs in 2013-14 in relation to the seven government office buildings sold to Queensland Investment Corporation in 2012-13 partially offset by savings in property related outgoings
 - maintenance expenditure funded under the National Partnership Agreement on Remote Indigenous Housing deferred from 2012-13 to 2013-14
 - reclassification of maintenance expenditure from grants and subsidies with respect to department controlled properties under the National Partnership Agreement on Remote Indigenous Housing in 2013-14.
- These increases are partly offset by the carryover of expenditure from 2011-12 to 2012-13 and project expenditure ceasing in 2012-13.

17. The decrease is mainly due to the:
- capital grant in 2012-13 for the construction of the now completed cyclone shelters in Queensland communities
 - carryover of the Rockhampton Riverbank Redevelopment projects from 2011-12 to 2012-13
 - Nation Building and Jobs program for Social Housing, Palm Island Infrastructure Initiative, Affordable Housing, AFL project, Yarrabah Agreement and Indigenous Community Managed Housing Organisation programs finishing in 2012-13 and reduced expenditure allocated over the remainder of the National Partnership Agreement on Remote Indigenous Housing project.
18. The decrease is mainly due to a reduction in Queensland Treasury Corporation borrowing costs as a result of repayment of loans relating to the seven government office buildings being sold to the Queensland Investment Corporation.
19. The decrease in the operating deficit is mainly due to part funding of the following initiatives being provided in prior years for expenditure in 2012-13, including Palm Island Infrastructure Initiative, AFL project, Yarrabah Agreement and Indigenous Community Managed Housing Organisation plus administration savings in 2013-14 which is partly offset by the funding of cyclone shelters construction in Queensland communities in 2012-13 with the construction costs being capitalised.

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

20. The increase is mainly due to:
- additional appropriation funding in 2013-14 to supplement lower net rent revenue received due to the sale of seven government office buildings to the Queensland Investment Corporation in 2012-13
 - deferral of funds from 2012-13 to 2013-14, mainly relating to the provision of Indigenous housing.

These increases are partially offset by:

- finalisation of various projects and programs in 2012-13
 - deferral of base funding from 2011-12 to 2012-13
 - employee cost savings.
21. The increase is mainly due to:
- the inclusion from 1 July 2013 of State Government Security Services following its transfer from Building and Asset Services and the transfer of Building and Asset Services corporate staff to the Parent Entity
 - higher gross rental revenue collected in 2013-14 mainly relating to the seven government office buildings sold to Queensland Investment Corporation.

This increase is partially offset by the revised funding model for Procurement Services function in 2013-14 and decrease in information technology service charges due to reduced desktops and cessation of Department of Science, Information Technology, Innovation and the Arts (DSITIA) client support revenue in 2013-14.

22. The decrease is mainly due to:
- the project finalisation in 2012-13 of the construction of cyclone shelters in Queensland communities and natural disaster relief and recovery arrangements from the Queensland Reconstruction Authority
 - reduction in grants from Residential Tenancies Authority for social and affordable housing initiatives in 2013-14
 - additional one-off funding in 2012-13 from the Australian Government for Tenant Advice and Advocacy Services.
23. The decrease is mainly due to a reduction in tenant make good and other recoveries in property operations and corporate recoveries from commercialised business units now classified as user charges in 2013-14.
24. The increase is mainly due to the inclusion from 1 July 2013 of State Government Security Services following its transfer from Building and Asset Services, the transfer of Building and Asset Services corporate staff to the Parent Entity and the deferral of the National Partnership Agreement on Remote Indigenous Housing Tenancy Management work into 2013-14 partially offset by the transfer of IT staff to DSITIA and the reduction of staff to align with the new departmental structure.

25. The increase is mainly due to the:
- leasing costs for the seven government office buildings sold to Queensland Investment Corporation in 2012-13 partially offset by savings in property related outgoings
 - carryover of expenditure from 2012-13 to 2013-14
 - maintenance expenditure funded under the National Partnership Agreement on Remote Indigenous Housing deferred from 2012-13 to 2013-14
 - reclassification of maintenance expenditure from grants and subsidies with respect to department controlled properties under the National Partnership Agreement on Remote Indigenous Housing in 2013-14.

These increases are partially offset by the carryover of expenditure from 2011-12 to 2012-13.

26. The decrease is mainly due to the saving of depreciation on the seven government office buildings sold to the Queensland Investment Corporation.

27. The decrease is mainly due to lower existing loan balances and the loans relating to the seven government office buildings sold to the Queensland Investment Corporation being paid out 30 April 2013.

28. The decrease is mainly due to:

- NDRRA assets donated to local councils following the flood and Tropical Cyclone Yasi events in 2012-13
- increase in bond loan impairment losses and public rental housing maintenance impairment losses in 2012-13
- write off in 2012-13 of public property that has been destroyed. These losses are covered by Queensland Government Insurance Fund and recoupable through insurance recoveries.

These decreases are partially offset by the higher cost of sales in 2013-14 for land at Kelvin Grove Urban Village due to the deferral and variations in sales program between 2012-13 and 2013-14.

29. The decrease is mainly due to the loss on sale of seven government office buildings sold to the Queensland Investment Corporation in 2012-13 and the revaluation decrement for financial assets in relation to the Rental Purchase Plan and Pathways Shared Equity and assets held for sale also in 2012-13.

30. The reduction in the operating deficit is mainly due to:

- the loss on sale of seven government office buildings sold to the Queensland Investment Corporation in 2012-13
- additional property losses, impairments in Bond loans and Public Rental Housing maintenance debtors, write off of properties destroyed and decrement in the value of assets held for sale in 2012-13
- a revaluation decrement in 2012-13 for Housing Services financial assets relating to the Rental Purchase Plan and Pathways Shared Equity.

These reductions are partially offset by the cyclone shelter construction grant funding for Queensland communities capitalised in 2012-13.

Statement of changes in equity

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

31. The variance is due to a prior year adjustment relating to 2011-12 associated with the de-amalgamation of the former Department of Communities of which Housing Services was a part.

32. The decrease is due to a revaluation decrement relating to land and building assets including public housing.

33. The decrease is mainly due to the:

- return of net proceeds to the Consolidated Fund relating to the sale of seven government office buildings sold to the Queensland Investment Corporation
- transfer of capital savings and additional depreciation funding to the Consolidated Fund
- transfer of equity funding for the National Partnership Agreement on Remote Indigenous Housing capital works to service revenue funding for capital grants expenditure
- carryover of funding from 2012-13 to 2013-14 mainly for the Townsville Government Office Accommodation fitout
- deferral of equity funding for the National Building Jobs Construction program and Spinal Cord program from 2012-13 to 2013-14.

These decreases are partially offset by the clawback of the National Partnership Agreement on Remote Indigenous Housing funding from 2013-14 to 2012-13 due to accelerating the capital works program.

34. The adjustment is due to the acquisition of the old Brisbane Supreme and District Courts site at 300 George Street, Brisbane from the Department of Justice and Attorney-General partially offset by the disposal of the new Supreme and District Courts Brisbane land at 419 George Street, Brisbane to the Department of Justice and Attorney-General during 2012-13.

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

35. The decrease is mainly due to lower capital expenditure for the Townsville Government Office Accommodation fitout and minimal expenditure for the Carseldine office accommodation in 2013-14 and the completion in 2012-13 of the A Place to Call Home capital acquisition program funded under the National Partnership Agreement on Homelessness. These decreases were partially offset by lower depreciation funding partly due to the sale of the seven government buildings to the Queensland Investment Corporation and National Building and Jobs Plan capital works funding deferred from 2012-13 to 2013-14 and a net increase in capital works funding for the National Partnership Agreement on Remote Indigenous Housing in 2013-14.

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

36. The variance is due to a prior year adjustment relating to 2011-12 associated with the de-amalgamation of the former Department of Communities of which Housing Services was a part.
37. The increase is due to a revaluation decrement relating to land and building assets including public housing in 2012-13.
38. The increase is mainly due to:
- the transfer of net proceeds from the sale of seven government buildings to the Queensland Investment Corporation to the Consolidated Fund in 2012-13
 - the transfer of capital savings and Government Office Portfolio Lift Upgrade project funding to the Consolidated Fund in 2012-13
 - lower depreciation funding in 2013-14 partially due to the sale of seven government buildings to the Queensland Investment Corporation
 - a net increase in capital works funding for the National Partnership Agreement on Remote Indigenous Housing in 2013-14.

These increases are partially offset by:

- minimal capital expenditure for the Carseldine office accommodation in 2013-14
 - lower funding for loan principal repayments mainly due to the repayment of loans relating to the seven government office buildings sold to Queensland Investment Corporation settled in 2012-13 partly offset by the final payment to Queensland Treasury Corporation in relation to Moore Park state school loan
 - the completion in 2012-13 of the A Place to Call Home capital acquisition program funded under the National Partnership Agreement on Homelessness.
39. The adjustment is due to the acquisition of the old Brisbane Supreme and District Courts site at 300 George Street, Brisbane from the Department of Justice and Attorney-General partially offset by the disposal of the new Supreme and District Courts Brisbane land at 419 George Street, Brisbane to the Department of Justice and Attorney-General during 2012-13.

Balance sheet

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

40. The decrease is mainly due to the deferral of the final instalment from the developer for the Fitzgibbon land sale, delay in NDRRA reimbursement and the transfer of capital savings to the Consolidated Fund.
41. The increase is mainly due to an increase in GST receivable from Australian Taxation Office partially offset by the collection of debtors.
42. The increase is mainly due to the deferral of Kelvin Grove Urban Village land sales from 2012-13 to 2013-14.
43. The decrease is mainly due to a lower level of prepayments primarily relating to the Queensland Government Insurance Fund insurance and software licence fees.
44. The decrease is mainly due to the transfer of the new Supreme and District Courts Brisbane Land at 419 George Street, Brisbane to the Department of Justice and Attorney-General in 2012-13.

45. The decrease is mainly due to the sale of seven government office buildings to the Queensland Investment Corporation and the revaluation decrement for land and buildings assets including public housing and a transfer to assets held for sale. These decreases are partly offset by an increase in the opening balance of buildings and finance lease assets held at 30 June 2012 that were not included in the budget.
46. The decrease is mainly due to higher than anticipated amortisation of computer software.
47. The increase is mainly due to GST payable to the Australian Taxation Office and capital works accruals partly offset by the reduction in salaries payable and a reduction in monies owing to the central leave scheme, grant accruals and reduced vendor invoices anticipated to be outstanding at year end.
48. The increase is mainly due to the movement in salaries payable and monies owing to the central leave schemes.
49. The decrease is mainly due to the repayment of loans related to the seven government office buildings sold to the Queensland Investment Corporation.
50. The decrease is mainly due to a reduction in Housing Services unearned rental revenue partially offset by higher than anticipated Convention Centre unearned revenue brought forward at 30 June 2012.
51. The increase is due to higher than anticipated actual Convention Centre payables balances brought forward at 30 June 2012.
52. The increase is mainly due to an increase in the opening balance for the 40 Year Leases taken out by the department with respect to Indigenous housing and realignment of the Ecoscience building prepaid lease liability from other non-current liabilities partially offset by the repayment of loans related to the seven government buildings sold to the Queensland Investment Corporation.
53. The decrease is mainly due to the realignment of the Ecoscience building prepaid lease liability to interest-bearing liabilities and derivatives.
54. The decrease is mainly due to:
 - the transfer to Consolidated Fund of sale proceeds from the sale of seven government office buildings sold to the Queensland Investment Corporation as well as capital savings
 - the carryover of funding from 2012-13 to 2013-14 mainly for the Townsville Government Office Accommodation fitout.
55. The decrease is mainly due to the loss on sale of seven government office buildings to the Queensland Investment Corporation and the revaluation decrement in Housing financial assets partially offset by the deferral of Indigenous Community Housing Organisations expenditure and savings in grant expenditure relating to the Capital Investing Statewide program, Community Rent Scheme and Home Assist Secure and additional grant revenue from Residential Tenancies Authority and administration savings.
56. The decrease is mainly due to the revaluation decrement for land and building assets.

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

57. The decrease is mainly due to the deferred sale of caravan parks, the deferral of the final instalment from the developer for the Fitzgibbon land sale, delay in NDRRA reimbursement, the transfer of capital savings to the Consolidated Fund in 2012-13 and additional residential property expenditure funded from previous year's government employee housing cash sales.
58. The increase is mainly due to an increase in GST receivable from the Australian Taxation Office partially offset by the collection of debtors.
59. The decrease is mainly due to the deferral of Kelvin Grove Urban Village land sales from 2012-13 to 2013-14.
60. The decrease is mainly due to lower levels of prepayments primarily relating to the Queensland Government Insurance Fund insurance and software licence fees.
61. The decrease is mainly due to the transfer in 2012-13 of the new Supreme and District Courts Brisbane Land at 419 George Street, Brisbane to the Department of Justice and Attorney-General.
62. The increase is mainly due to a net increase in lending over borrowers' repayments with respect to Pathways Shared Equity loans, Bond loans and Housing finance loans.

63. The decrease is mainly due to:
- the sale of seven government office buildings to the Queensland Investment Corporation during 2012-13
 - revaluation decrement for land and building assets including public housing
 - 2013-14 depreciation of assets
 - asset sales of land and building assets
 - transfers in 2012-13 to assets held for sale.
- These decreases are partially offset by:
- 2013-14 capital works program budget
 - 2013-14 National Partnership Agreement on Remote Indigenous Housing 40 year leases capital works program budget
 - opening balance adjustment in buildings and finance lease assets held at 30 June 2012 that were not included in the 2012-13 budget.
64. The decrease is due to the yearly amortisation of computer software partially offset by acquisitions.
65. The increase is mainly due to GST payable to the Australian Taxation Office partly offset by the reduction in salaries payable and a reduction in monies owing to the central leave schemes.
66. The increase is mainly due to the movement in salaries payable and monies owing to the central leave schemes.
67. The decrease is mainly due to the repayment of outstanding loans in relation to the seven government office buildings sold to the Queensland Investment Corporation in 2012-13.
68. The decrease is mainly due to the reduction in Housing Services unearned rental revenue partially offset by higher than anticipated convention centre unearned revenue brought forward at 30 June 2012.
69. The increase is mainly due to higher than anticipated actual Convention Centre payables balances brought forward at 30 June 2012 partially offset by the realignment of the current portion of lease incentives to current payables in 2013-14.
70. The increase is mainly due to the realignment of the Ecoscience building prepaid lease liability from Other non-current liabilities and the current portion of borrowings balances.
71. The decrease is mainly due to the transfer of Ecoscience building prepaid lease liability to interest-bearing liabilities.
72. The decrease is mainly due to the transfer to the Consolidated Fund of sale proceeds from the sale of seven government office buildings sold to the Queensland Investment Corporation as well as capital savings partially offset by capital works funding for the National Partnership Agreement on Remote Indigenous Housing and the Nation Building and Jobs Plan in 2013-14.
73. The decrease is mainly due to the loss on sale of the seven government buildings to the Queensland Investment Corporation and part funding of the following initiatives being provided in prior years, including Palm Island Infrastructure Initiative, AFL project, Yarrabah Agreement and Indigenous Community Managed Housing Organisation program, in addition to reduced expenditure allocated over the remainder of the National Partnership Agreement on Remote Indigenous Housing project.
74. The decrease is mainly due to the revaluation decrement for land and building assets.

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

75. The decrease is mainly due to the deferral of capital works expenditure from 2012-13 to 2013-14 relating to the Indigenous Community Housing Organisations and Indigenous Housing programs and additional residential property expenditure in 2013-14 funded from 2012-13 government employee housing cash sales.
76. The decrease is mainly due to deferral of Kelvin Grove Urban Village land sales from 2012-13 to 2013-14.
77. The increase is mainly due to a net increase in lending over borrowers' repayments with respect to housing loans.
78. The decrease is mainly due to the yearly amortisation of computer software partly offset by acquisitions.
79. The decrease is mainly due to a substantial final principal payment in June 2014 for the Moore Park State School Queensland Treasury Corporation loan.
80. The decrease is mainly due to the realignment of the current portion of lease incentives to current payables.
81. The decrease is mainly due to the repayment of the Australian Government loans.

82. The decrease is mainly due to unfunded Housing depreciation partly offset by a grant received from the Residential Tenancies Authority to fund capital works programs, gains on inventory sales as well as non-operating expenditure items funded through operating revenue, including to fund redemption on the Australian Government loans and funding for lending programs and capital works programs.

Cash flow statement

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

83. The decrease is mainly due to the deferral of funds for various projects and initiatives from 2012-13 to 2013-14 and the deferral of the core agreement enterprise bargaining increase start date from 1 August 2012 until 1 January 2014 partially offset by an equity to service revenue swap for the National Partnership Agreement on Remote Indigenous Housing and funding to supplement lower net rent revenue received due to the sale of seven government office buildings to the Queensland Investment Corporation, additional depreciation funding as well as Procurement Services function additional funding.
84. The increase is mainly due to:
- one-off funding from the Australian Government for Tenant Advice and Advocacy Services
 - additional Natural Disaster Relief and Recovery Arrangement (NDRRA) funding from the Queensland Reconstruction Authority
 - additional funding from the Residential Tenancies Authority for social and affordable housing initiatives.
85. The increase is mainly due to a receivable from the Department of National Parks, Recreation, Sport and Racing being settled in 2012-13 and the reclassification of tenant make good and other property operations recoveries from user charges to other revenue partially offset by a decrease in GST input tax credits received.
86. The decrease is mainly due to:
- program deferrals, mainly relating to Indigenous housing from 2012-13 to 2013-14
 - reclassification of maintenance expenditure from grant and subsidies to supplies and services with respect to department controlled properties under the National Partnership Agreement on Remote Indigenous Housing in 2012-13 partially offset by transfers from capital works to capital grants
 - savings mainly in Capital Investment Statewide, Community Rent Scheme, Home Assist Secure and Housing and Employment programs.
- These decreases are partially offset by increases in Australian Government Tenant Advice and Advocacy Services programs and additional NDRRA funded costs relating to Tropical Cyclone Oswald.
87. The increase is mainly due to the sale of seven government office buildings to the Queensland Investment Corporation.
88. The decrease is mainly due to the deferral of sale of caravan parks partially offset by an increase in Rental Purchase Plan sales as per the end of year forecast targets.
89. The increase is mainly due to Ecoscience building finance lease payments received.
90. The decrease is mainly due to lower than budgeted intake for the Rental Purchase Plan program in 2012-13.
91. The increase is mainly due to a funding increase for Pathways Shared Equity Loans and Queensland State Housing Loan.
92. The increase is mainly due to the change in treatment of depreciation from a reduction against equity injection to an equity withdrawal.
93. The increase is mainly due to the repayment of loans relating to the seven government office buildings sold to the Queensland Investment Corporation.
94. The increase is mainly due to the repayment of the Ecoscience building finance lease.
95. The increase is mainly due to the transfer to the Consolidated Fund of the net proceeds from the sale of seven government office buildings to the Queensland Investment Corporation, capital savings and depreciation funding as well as the change in treatment of depreciation from a reduction against equity injection to an equity withdrawal.

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

96. The increase is mainly due to:
- funding to supplement lower net rent revenue received due to the sale of seven government office buildings to the Queensland Investment Corporation in 2012-13
 - deferred appropriation from 2011-12 payable to the Consolidated Fund in 2012-13
 - changed funding model funding for Procurement Services function
 - deferral of the Rural and Remote program for construction of Indigenous properties throughout the state, upgrades and construction of properties in Indigenous communities, housing provided under the National Partnership Agreement on Remote Indigenous Housing and Crisis Accommodation Program from 2012-13 to 2013-14.
- These increases are partially offset by:
- finalisation of various projects and programs in 2012-13
 - net variation on account of deferrals from 2011-12 to 2012-13 in relation to Indigenous Housing funded by state matching appropriation associated with the National Affordable Housing Agreement for construction and upgrades of houses retained in the ownership of Indigenous communities as well as the National Partnership Agreement on Remote Indigenous Housing
 - a service revenue to equity swap relating to Housing Services
 - deferral of base funding from 2011-12 into 2012-13.
97. The decrease is mainly due to the finalisation in 2012-13 of the construction of cyclone shelters in Queensland communities and the natural disaster relief and recovery arrangements from the Queensland Reconstruction Authority partially offset by grants from the Residential Tenancies Authority for social and affordable housing initiatives in 2013-14.
98. The increase is mainly due to the:
- inclusion of State Government Security Services from 1 July 2013 following its transfer from Building and Asset Services
 - additional lease costs in relation to the seven government office buildings sold to Queensland Investment Corporation in 2012-13 partially offset by savings in property related outgoings
 - maintenance expenditure funded under the National Partnership Agreement on Remote Indigenous Housing deferred from 2012-13 to 2013-14
 - reclassification from current grants to maintenance expenditure in 2013-14 for the department's 40 year leases under the National Partnership Agreement on Remote Indigenous Housing to reflect the change in program management due to the dwellings being treated as controlled by the department.
 - The increases are partly offset by the carryover of expenditure from 2011-12 to 2012-13.
99. The decrease is mainly due to:
- Nation Building and Jobs program for social housing, Palm Island Initiative, Affordable Housing, AFL Project, Yarrabah Agreement and Indigenous Community Managed Housing Organisation programs finishing in 2012-13 and reduced expenditure allocated over the remainder of the National Partnership Agreement on Remote Indigenous Housing project
 - capital grant in 2012-13 for the construction of the now completed cyclone shelters in Queensland communities
 - the carryover of the Rockhampton Riverbank redevelopment project from 2011-12 to 2012-13.
100. The decrease is mainly due to a reduction in Queensland Treasury Corporation borrowing costs as a result of lower loan balances following the repayment of loans relating to the seven government office buildings sold to the Queensland Investment Corporation.
101. The decrease is due to the 2012-13 budgeted sale of caravan parks.
102. The increase is due to Ecoscience building finance lease payments received in 2013-14 not originally budgeted in 2012-13, and borrowers' repayments on Pathways Shared Equity Loans and Bond Loans.
103. The decrease is mainly due to:
- the finalisation in 2012-13 of the construction of cyclone shelters in Queensland communities
 - lower payments in 2013-14 for the Townsville Office Accommodation fitout and refurbishment of the Cairns Convention Centre as well as minimal payments for the Carseldine office accommodation initiative
 - funding ceasing in 2012-13 for A Place to Call Home Initiative, Nation Building and Jobs Plan, and Indigenous Community Housing Organisations
 - reduction in Social Housing construction, Crisis Housing Program and upgrades.

These decreases are partially offset by:

- the deferral of Social Housing and Indigenous Housing capital works programs from 2012-13 to 2013-14
- increased allocation of Public Rental Housing construction and purchases to cover anticipated construction of new apartments, the acquisition of 30 one-bedroom units provided by Economic Development Queensland in 2013-14
- transfer of savings from the capping of maintenance expenditure at 2012-13 values to Public Rental Housing Upgrades and Aboriginal and Torres Strait Islander Housing Upgrades.

104. The increase is mainly due to increased allocation in 2013-14 for Pathways Shared Equity Loans and Bond Loans.

105. The increase is mainly due to:

- change in treatment of depreciation from a reduction against equity injection to an equity withdrawal
- carryover of equity funding from 2011-12 to 2012-13
- net variations in the funding allocation of the National Partnership Agreement on Remote Indigenous Housing project and Nation Building and Jobs Plan
- equity return to the Consolidated Fund in 2012-13 in relation to the Caravan Park sales
- decrease in equity payable for the National Partnership Agreement on Remote Indigenous Housing.

This is partially offset by:

- net variation in state equity injection for Spinal Cord project
- A Place to Call Home capital acquisition program funded under the National Partnership Agreement on Homelessness funding ceasing in 2012-13; lower payments for the Townsville office accommodation fitout and minimal payments for Carseldine accommodation initiative in 2013-14
- reduction in loan repayment funding relating to the settlement of loans associated with the seven government office buildings sold to the Queensland Investment Corporation in 2012-13.

106. The decrease is mainly due to lower loan balances in 2013-14 as a result of the repayment of loans relating to the seven government office buildings sold to the Queensland Investment Corporation in 2012-13.

107. The increase is mainly due to the repayment of the Ecoscience building finance lease in 2013-14.

108. The increase is mainly due to the change in treatment of depreciation from a reduction against equity injection to an equity withdrawal partially offset by lower depreciation funding both occurring in 2013-14 and the return of funds to the Consolidated Fund in 2012-13 for the Government Office Portfolio Lift Upgrade project.

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

109. The increase is mainly due to:

- additional appropriation funding in 2013-14 to supplement lower net rent revenue received due to the sale of seven government office buildings to Queensland Investment Corporation in 2012-13
- deferral of funds from 2012-13 to 2013-14 mainly relating to the provision of Indigenous housing
- the deferred appropriation payable balance at 30 June 2012.

These increases are partly offset by:

- finalisation of various projects and programs in 2012-13
- net variation on account of deferrals from 2011-12 to 2012-13 in relation to Indigenous Housing funded by state matching appropriation associated with the National Affordable Housing Agreement for construction and upgrades of houses retained in the ownership of Indigenous communities
- deferral of base funding from 2011-12 to 2012-13.

110. The decrease is mainly due to the:
- project finalisation in 2012-13 of the construction of cyclone shelters in Queensland communities and the natural disaster relief and recovery arrangements from the Queensland Reconstruction Authority
 - additional one-off funding from the Australian Government for Tenant Advice and Advocacy Services
 - reduction in grants from Residential Tenancies Authority for social and affordable housing initiatives in 2013-14.
111. The decrease is mainly due to an accrued receivable being settled by the Department of National Parks, Recreation, Sport and Racing in 2012-13.
112. The increase is mainly due to the inclusion from 1 July 2013 of State Government Security Services following its transfer from Building and Asset Services, the transfer of Building and Asset Services corporate staff to the Parent Entity partially offset the transfer of IT staff to DSITIA and the reduction of staff to align with the new departmental structure.
113. The increase is mainly due to the:
- lease costs for the seven government office buildings sold to Queensland Investment Corporation in 2012-13 partially offset by savings in property related outgoings
 - inclusion of State Government Security Services from 1 July 2013 following its transfer from Building and Asset Services
 - carryover of expenditure from 2012-13 to 2013-14
 - maintenance expenditure funded under the National Partnership Agreement on Remote Indigenous Housing deferred from 2012-13 to 2013-14
 - reclassification of maintenance expenditure from grants and subsidies with respect to department controlled properties under the National Partnership Agreement on Remote Indigenous Housing.
- These increases are partially offset by the carryover of expenditure from 2011-12 to 2012-13.
114. The decrease is mainly due to the lower Queensland Treasury Corporation borrowing costs as a result of loans relating to the seven government office buildings sold to the Queensland Investment Corporation being paid out 30 April 2013.
115. The decrease is mainly due to the sale of seven government office buildings to the Queensland Investment Corporation in 2012-13 partially offset by the settlement of the Fitzgibbon land sale by the developer in 2013-14.
116. The decrease is mainly due to decreased sales of Rental Purchase Plan property sales in 2013-14.
117. The increase is mainly due to an increase in borrower's repayments on Pathways Shared Equity Loans and Bond Loans.
118. The decrease is mainly due to:
- finalisation of the construction of cyclone shelters in Queensland communities in 2012-13
 - funding ceasing in 2012-13 for the A Place to Call Home Initiative, Nation Building and Jobs Plan and Indigenous Community Housing Organisations programs
 - decrease in Social Housing general construction and upgrades programs in 2013-14
 - lower payments for the refurbishment of the Cairns Convention Centre and minimal payments for the Carseldine office accommodation initiative both occurring in 2013-14.
- These decreases are partially offset by:
- a net increase in capital works for the National Partnership Agreement on Remote Indigenous Housing funding
 - increased funding in 2013-14 for Public Rental Housing construction and purchases to cover anticipated construction of new apartments, the acquisition of 30 one-bedroom units provided by Economic Development Queensland and capital works
 - transfer of savings from the capping of maintenance expenditure at 2012-13 values to Public Rental Housing Upgrades and Aboriginal and Torres Strait Islander Housing upgrades.
119. The increase is mainly due to increased budget allocations for Rental Purchase Plan buybacks in 2013-14.

120. The increase is mainly due to:
- carryover of equity funding from 2011-12 to 2012-13
 - net increase in funding requirement for capital works under the Nation Building and Jobs Plan and Spinal Cord program
 - one-off equity return to the Consolidated Fund for caravan parks sales proceeds in 2012-13
 - decrease in equity payable for the National Partnership Agreement on Remote Indigenous Housing.
- These increases are partially offset by:
- a net decrease in equity funding in 2013-14 for the National Partnership Agreement on Remote Indigenous Housing
 - minimal Carseldine office accommodation initiative payments in 2013-14
 - completion in 2012-13 of the A Place to Call Home capital acquisition program funded under the National Partnership Agreement on Homelessness.
121. The decrease is mainly due to lower loan repayments in 2013-14 as a result of the payout of loans on 30 April 2013 relating to the seven government office buildings sold to Queensland Investment Corporation in 2012-13.
122. The decrease is mainly due to the transfer to the Consolidated Fund of the net proceeds from the sale of seven government office buildings to the Queensland Investment Corporation and capital savings both occurring in 2012-13 as well as lower depreciation funding in 2013-14 mainly as a result of the sale of the above buildings.

Administered income statement

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

123. The increase is due to severance payment funding for Goprint and Sales and Distribution Services following the closure of these units and QBuild and Project Services following the restructure of Project Services and QBuild as well as funding for the securing employment for employees with a significant disability program.

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

124. The decrease is due to funding in 2012-13 for rent supplementation at Goprint and Sales and Distribution Services as well as a subsidy payment towards the Goprint operating loss which will not reoccur in 2013-14 and a reduction in the apprentice subsidy paid to Building and Asset Services in 2013-14. These decreases are partially offset by funding in 2013-14 for the securing of employment for employees with a significant disability program and the cost of rent for Project Services and QBuild premises vacated as part of the restructure to Building and Asset Services.
125. The decrease is due to the realignment of Queensland Shared Services fiscal limit adjustments.
126. The increase is due to costs associated with the securing employment for employees with a significant disability program and rent on premises reimbursed to Building and Asset Services which were vacated by Project Services and QBuild as part of their restructure to Building and Asset Services. These increases are partially offset by the payment in 2012-13 for rent supplementation and Queensland Shared Services fiscal limit adjustments for Goprint and Sales and Distribution Services which will not reoccur in 2013-14.
127. The decrease is due to the payment in 2012-13 of a subsidy towards the Goprint operating loss and a reduction in the apprentice subsidy program paid to Building and Asset Services in 2013-14.

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

128. The decrease is mainly due to the:
- 2012-13 funding for Goprint, Sales and Distribution Services, QBuild and Project Services severance payments
 - 2012-13 funding for rent supplementation at Goprint and Sales and Distribution Services
 - subsidy payment towards the Goprint operating loss in 2012-13
 - reduction in the apprentice subsidy program payment in 2013-14.
- These decreases are partially offset by the funding for the cost of rent on premises vacated by Project Services and QBuild as part of their restructure to Building and Asset Services in 2013-14.
129. The decrease is due to the realignment of Queensland Shared Services fiscal limit adjustments.

130. The decrease is mainly due to the:
- 2012-13 payments for Goprint, Sales and Distribution Services, QBuild and Project Services severance payments
 - 2012-13 Queensland Shared Services fiscal limit adjustment and rent supplementation both paid to Goprint and Sales and Distribution Services which will not occur again in 2013-14.
- These decreases are partially offset by the reimbursement to Building and Asset Services for the cost of rent on premises vacated by Project Services and QBuild as part of their restructure to Building and Asset Services in 2013-14.
131. The decrease is due to the payment in 2012-13 of a subsidy towards the operating loss of Goprint and a reduction in the apprentice subsidy program payment in 2013-14 paid to Building and Asset Services.

Administered balance sheet

Nil variations.

Administered cash flow statement

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

132. The increase is due to severance payment funding for Goprint and Sales and Distribution Services following the closure of these units as well as QBuild and Project Services following the restructure of Project Services and QBuild. In addition the 2012-13 estimated actual includes funding for the securing employment for employees with a significant disability program.
133. The increase is due to the payment of the Goprint operating subsidy invoice outstanding at 30 June 2012.
134. The increase is mainly due to severance payments for Goprint and Sales and Distribution Services following the closure of these units as well as similar payments to QBuild and Project Services following the restructure of Project Services and QBuild and the payments for the securing employment for employees with a significant disability program made to QBuild and Project Services.

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

135. The decrease is due to funding in 2012-13 for rent supplementation at Goprint and Sales and Distribution Services, the payment of a subsidy to Goprint towards the operating loss in 2012-13 and a reduction in the apprentice subsidy program payment to Building and Asset Services in 2013-14. These decreases are partially offset by the carryover of funding from 2011-2012 to 2012-13 and funding in 2013-14 for the securing employment for employees with a significant disability program and rent supplementation for Project Services and QBuild for premises vacated as part of the restructure to Building and Asset Services.
136. The decrease is mainly due to the receipt of payments from QBuild in 2012-13 in relation to the Queensland Shared Services fiscal limit adjustment.
137. The decrease is due to the payment of a subsidy in 2012-13 towards the Goprint operating loss and a reduction in the apprentice program amount paid to Building and Asset Services in 2013-14.
138. The increase is mainly due to the funding in 2013-14 for the securing employment for employees with a significant disability program and the reimbursement to Building and Asset Services for the cost of rent for Project Services and QBuild premises vacated as part of the restructure to Building and Asset Services. These increases are partially offset by the payment in 2012-13 for Queensland Shared Services fiscal limit adjustments and rent supplementation both paid to Goprint and Sales and Distribution Services.

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

139. The decrease is mainly due to the:
- 2012-13 funding for Goprint, Sales and Distribution Services, QBuild and Project Services severance payments
 - 2012-13 funding for rent supplementation at Goprint and Sales and Distribution Services
 - subsidy funding towards the Goprint Operating loss in 2012-13
 - reduction in the apprentice subsidy program payment to Building and Asset Services in 2013-14.
- These decreases are partially offset by the carryover of funding from 2011-2012 to 2012-13 and funding for the cost of rent on premises vacated by Project Services and QBuild as part of their restructure to Building and Asset Services in 2013-14.
140. The decrease is mainly due to the receipt of payments from QBuild in 2012-13 in relation to the Queensland Shared Services fiscal limit adjustment.

141. The decrease is due to a subsidy payment in 2012-13 towards the 2012-13 Goprint operating loss as well as the payment of the Goprint operating subsidy invoice outstanding at 30 June 2012 and the reduction in the apprentice program subsidy payment in 2013-14 paid to Building and Asset Services.

142. The decrease is mainly due to the:

- 2012-13 severance payments for Goprint, Sales and Distribution Services, QBuild and Project Services
- 2012-13 Queensland Shared Services fiscal limit adjustments and rent supplementation both paid to Goprint and Sales and Distribution Services in 2012-13 which will not reoccur in 2013-14.

These decreases are partially offset by the reimbursement in 2013-14 paid to Building and Asset Services for the cost of rent on premises vacated by Project Services and QBuild as part of their restructure to Building and Asset Services.

COMMERCIALISED BUSINESS UNITS

BUILDING AND ASSET SERVICES

OVERVIEW

Strategic direction

On 9 August 2012, the Queensland Government approved the amalgamation of QBuild and Project Services into a single integrated business unit delivering centrally coordinated procurement and contract management of building services, thereby providing value for money and best practice services across Queensland Government agencies. The new commercial business unit will operate as Building and Asset Services (BAS) and will be operational from 1 July 2013.

BAS will assist Government agencies to manage risks associated with the ownership and operation of their asset portfolios, as well as the risks associated with the planning, procurement and delivery of new building infrastructure.

Key factors and challenges impacting on BAS include:

- flexibility to respond to the volume of work to be delivered under the State's building capital works and maintenance programs
- variable trade service supply availability across Queensland, with shortages of skilled trades in remote areas and locations linked to the resources boom, and potential surplus capacity in other areas
- the capacity to provide a targeted service to areas of market weakness and looking for maximum opportunities to support local employment
- delivery of an integrated business solution that reduces duplication of effort and system support cost
- developing greater capability in procurement and contract management.

RESOURCES AND PERFORMANCE

Under the new operating model, BAS will, through improved organisational capability, deliver improved value for money for Government by improving procurement and contract management outcomes, and developing strong agency and industry partnerships.

BAS will contract with the private sector on behalf of Government agencies for a number of deliverables including professional areas such as design and documentation and trade based services. It is anticipated that the level of outsourcing will increase from around 70% to at least 85%.

BAS will utilise a streamlined business model—simplifying processes, making the most of technology and placing a stronger focus on safely delivering services that will be achieve valuable outcomes for customers.

BAS will deliver a number of significant initiatives that will help achieve the whole-of-Government direction and priorities in 2013–14, including:

- delivering savings by aggregating work to achieve economies of scale prior to contracting with the private sector

- maintaining a rapid response capacity to support disaster recovery, urgent after-hours repairs, asbestos issues and vandalism impacting State government facilities
- providing procurement management of major hospital projects including the Gold Coast University Hospital and the Queensland Children's Hospital; redevelopment of a number of hospitals across the State including Cairns, Townsville, Rockhampton and Ipswich; rural and remote hospital infrastructure upgrades; and improving fire services in existing residential care buildings for Queensland Health
- providing procurement, project management, quantity surveying and contract administration for much of the Department of Education, Training and Employment's on-going Transition of Year 7 into High School under the Queensland Government's Flying Start Initiative. This work is expected to involve a range of delivery options including new builds, refurbishments and modular buildings
- having a single point of contact for agencies for building services work rather than the previous two business approach which was inefficient, costly and led to confusion amongst agencies.

In 2012–13 QBuild:

- delivered an immediate response to the clean-up, recovery and rebuilding of Government infrastructure following the impacts of flooding resulting from ex-Cyclone Oswald in early 2013
- successfully managed a program of 1,775 asbestos audits and over 692 asbestos removal projects, valued in excess of \$19.5 million
- finalised 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
- delivered approximately \$260 million in construction and upgrade works on behalf of clients across the State including social housing renewals, office fitouts, new construction, heritage restoration and building upgrades
- delivered an estimated \$415 million in statutory service maintenance and planned and unplanned maintenance services on Government assets including school buildings and Technical and Further Education colleges, social housing properties, police stations, community facilities and correctional centres. As part of this work, an estimated \$66 million of backlog maintenance was delivered through the Advancing Our Schools Maintenance program
- undertook specialised and essential services for Government by streamlining and improving asset condition assessments, service maintenance and inspections, auditing, and management and coordination associated with the removal of asbestos and other hazardous materials
- engaged 20 Indigenous apprentices in regional Queensland to generate training and employment opportunities for Indigenous communities
- outsourced an estimated 82% of work to the private sector
- ceased the in-house provision of cleaning, horticulture and manufacturing services with the work outsourced to the private sector.

In 2012–13 Project Services:

- managed procurement of major hospital projects including the Gold Coast University Hospital and Queensland Children's Hospital, and the redevelopment of several hospitals across the state including Cairns Base, Townsville, Mackay Base and Rockhampton Base hospitals
- provided project management, contract administration, quantity surveying, building surveying and design consultancies, in partnership with QBuild as the construction manager, to successfully deliver a pilot project for the Transition of Year 7 into High School under the Queensland Government's Flying Start Initiative at the Cleveland State High School
- provided project management, contract administration and quantity surveying services for the delivery of the Springfield Central State School and the Springfield Central State High School (Stage 2) projects

- provided procurement, project management and contract management for the successful delivery of the necropsy facility at James Cook University's Douglas campus
- designed and managed the delivery of eight multi-purpose public cyclone shelters in North Queensland
- provided project management and superintendent's representative services while utilising innovative procurement strategies in the delivery of the targeted 150 new housing completions to achieve the State's commitments with the Commonwealth Government under the National Partnership Agreement for Remote Indigenous Housing
- outsourced an estimated 41% of all work to the private sector
- closed the Architectural Practice Academy with its work being outsourced to the private sector which should result in greater building variety and innovation.

STATEMENTS

Staffing^{1, 2, 3}

Building and Asset Services	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
QBuild		1,722	1,783	..
Project Services		290	349	..
Building and Asset Services		1,585
TOTAL		2,012	2,132	1,585

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the service areas and are included in the QBuild and Project Services figures for 2012-13 Estimated actual and Building and Asset Services 2013-14 Estimate. Corporate FTEs were included in the Parent Entity staffing table for the 2012-13 Budget.
3. The 2013-14 Estimate for Building and Asset Services indicates a reduction from the combined total for the 2012-13 Estimated actual as a result of the amalgamation of QBuild and Project Services, the exiting of various services and the streamlining of operations and the exclusion of State Government Security.

Performance Statement

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

Building and Asset Services	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
Service standards				
Client satisfaction	1	New measure	..	80%
Gross profit as a percentage of sales	1	New measure	New measure	11.2
Net profit before tax and dividends as a percentage of sales	1	New measure	New measure	0.2
Current ratio	1	New measure	New measure	2.04:1

Notes:

1. This measure was reported in 2012-13 separately by the former Commercialised Business Units of QBuild and Project Services based on the service offering at that time. The 2013-14 Target/estimate reflects the renewed service offering for the integrated entity of Building and Asset Services and to compare these measures would not provide a true comparison.

INCOME STATEMENT

QBuild	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Income				
User charges	1	685,070	790,117	..
Grants and other contributions		6,153	6,089	..
Other revenue	2	1,900	23,840	..
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		693,123	820,046	..
Expenses				
Employee expenses	3	178,526	201,564	..
Supplies and services	4	510,456	610,960	..
Grants and subsidies		..	..	..
Depreciation and amortisation	5	3,214	3,614	..
Finance/borrowing costs	6	736	299	..
Other expenses		1,719	2,186	..
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		694,651	818,623	..
Surplus or deficit before related income tax	7	(1,528)	1,423	..
Income tax expense/revenue		(743)	427	..
OPERATING SURPLUS/(DEFICIT) after related income tax		(785)	996	..

STATEMENT OF CHANGES IN EQUITY

QBuild	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		..	..	..
Surplus/(deficit) for the period		(785)	996	..
Total recognised income and expense for the period		(785)	996	..
Equity injection/(withdrawal)	8, 9	..	..	(75,192)
Equity adjustments (MoG transfers)		..	..	..
Dividends paid or provided		..	(498)	..
Total movement in equity for period		(785)	498	(75,192)

BALANCE SHEET

QBuild	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
CURRENT ASSETS				
Cash assets	10	36,733	19,367	..
Receivables		87,098	89,452	..
Other financial assets		..	..	..
Inventories	11	27,233	44,448	..
Other		374	350	..
Non-financial assets held for sale		..	..	..
Total current assets		151,438	153,617	..
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		2,615	2,335	..
Deferred tax assets	12	2,881	1,915	..
Intangibles		16,646	16,622	..
Other		..	..	..
Total non-current assets		22,142	20,872	..
TOTAL ASSETS		173,580	174,489	..
CURRENT LIABILITIES				
Payables	13	30,946	40,228	..
Accrued employee benefits	14	6,103	4,052	..
Interest-bearing liabilities and derivatives		..	..	..
Current tax liabilities		..	172	..
Provisions		31	31	..
Other	15	57,276	49,695	..
Total current liabilities		94,356	94,178	..
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Deferred tax liabilities		4,364	4,744	..
Provisions		..	..	..
Other		567	375	..
Total non-current liabilities		4,931	5,119	..
TOTAL LIABILITIES		99,287	99,297	..
NET ASSETS/(LIABILITIES)		74,293	75,192	..
EQUITY				
Capital/contributed equity		20,900	20,900	..
Accumulated surplus/(accumulated deficit)		53,393	54,292	..
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		74,293	75,192	..

CASH FLOW STATEMENT

QBuild	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	16	742,366	862,900	..
Grants and other contributions		6,153	6,089	..
Other	17	15,583	37,570	..
Outflows:				
Employee costs	18	(179,309)	(203,878)	..
Supplies and services	19	(576,999)	(713,278)	..
Grants and subsidies		..	..	..
Borrowing costs		(36)	(55)	..
Taxation equivalents paid		..	(13)	..
Other		(1,748)	(1,634)	..
Net cash provided by/(used in) operating activities		6,010	(12,299)	..
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		(250)	(150)	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(250)	(150)	..
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		25,000	25,000	..
Equity injections		..	..	..
Outflows:				
Dividends paid		(4,070)	(3,686)	..
Borrowing redemptions		(27,080)	(26,624)	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		(6,150)	(5,310)	..
Net increase/(decrease) in cash held		(390)	(17,759)	..
Cash at the beginning of financial year		37,123	37,126	..
Cash transfers from restructure		..	..	..
Cash at the end of financial year		36,733	19,367	..

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

General note

QBuild and Project Services will be integrated into a single business unit on 1 July 2013, providing valued and coordinated building services to Queensland Government agencies. The amalgamation will result in the cessation of QBuild as a trading and reporting entity. As a result, QBuild does not have a 2013-14 Estimate.

Income statement

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

1. The increase is mainly due to additional maintenance delivery due to agencies requesting more work and the flow-on work from the funding provided to the Advancing our Schools Maintenance program. The budget assumption was for higher volumes being sourced by agencies directly from the market.
2. The increase is mainly due to funds received towards payments for voluntary redundancies.
3. The increase is mainly due to payments for voluntary redundancies.
4. The increase is mainly due to payments to contractors reflecting the higher volume of work being requested from QBuild.
5. The increase is mainly due to a reduction of useful lives of assets resulting from the rationalisation of offices.
6. The decrease is mainly due to a reduced utilisation of the working capital facility.
7. The increase in the operating surplus is mainly due to the additional work delivered partially offset by temporary staff terminations and other transition costs resulting from the amalgamation.

Statement in changes in equity

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

8. The decrease is due to the transfer of equity to Building and Asset Services as a result of the amalgamation of QBuild and Project Services into a single business unit.

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

9. The decrease is due to the transfer of equity to Building and Asset Services as a result of the amalgamation of QBuild and Project Services into a single business unit.

Balance sheet

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

10. The decrease is mainly due to higher volume of work in progress, growth in inventories and increased payments for outsourced work.
11. The increase mainly reflects the higher volume of work.
12. The decrease mainly reflects the tax effect of current year results.
13. The increase mainly reflects the higher volume of work performed and the consequential impacts on payables.
14. The decrease is mainly due to reduced staff numbers.
15. The decrease reflects a reduction in unearned revenue from work completed.

Cash flow statement

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

16. The increase is mainly due to the higher volume of work.
17. The increase is mainly due to funds received for the payment of voluntary redundancies.
18. The increase is mainly due to payment for voluntary redundancies.
19. The increase is mainly due to the higher volume of work and the increased level of outsourcing.

INCOME STATEMENT

Project Services	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Income				
User charges	1	98,361	101,884	..
Grants and other contributions		..	..	..
Other revenue	2	2,074	16,552	..
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		100,435	118,436	..
Expenses				
Employee expenses	3	49,188	61,403	..
Supplies and services	4	52,171	63,667	..
Grants and subsidies		..	..	..
Depreciation and amortisation		971	1,035	..
Finance/borrowing costs		..	..	..
Other expenses	5	145	(1,256)	..
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		102,475	124,849	..
Surplus or deficit before related income tax		(2,040)	(6,413)	..
Income tax expense/revenue		(612)	(1,924)	..
OPERATING SURPLUS/(DEFICIT) after related income tax		(1,428)	(4,489)	..

STATEMENT OF CHANGES IN EQUITY

Project Services	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		..	..	..
Surplus/(deficit) for the period		(1,428)	(4,489)	..
Total recognised income and expense for the period		(1,428)	(4,489)	..
Equity injection/(withdrawal)	6, 7	..	..	(36,811)
Equity adjustments (MoG transfers)		..	..	..
Dividends paid or provided		..	..	..
Total movement in equity for period		(1,428)	(4,489)	(36,811)

BALANCE SHEET

Project Services	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
CURRENT ASSETS				
Cash assets	8	29,454	18,065	..
Receivables	9	10,062	15,807	..
Other financial assets		..	..	..
Inventories		..	..	..
Other	10	2,040	3,422	..
Non-financial assets held for sale		..	..	..
Total current assets		41,556	37,294	..
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		650	460	..
Deferred tax assets	11	2,987	4,249	..
Intangibles		525	561	..
Other		..	..	..
Total non-current assets		4,162	5,270	..
TOTAL ASSETS		45,718	42,564	..
CURRENT LIABILITIES				
Payables		2,917	2,935	..
Accrued employee benefits		1,701	1,533	..
Interest-bearing liabilities and derivatives		..	..	..
Current tax liabilities		..	..	..
Provisions		800	800	..
Other		350	460	..
Total current liabilities		5,768	5,728	..
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Deferred tax liabilities		51	..	..
Provisions		..	..	..
Other		28	25	..
Total non-current liabilities		79	25	..
TOTAL LIABILITIES		5,847	5,753	..
NET ASSETS/(LIABILITIES)		39,871	36,811	..
EQUITY				
Capital/contributed equity		1,730	1,730	..
Accumulated surplus/(accumulated deficit)		38,141	35,081	..
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		39,871	36,811	..

CASH FLOW STATEMENT

Project Services	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges		108,784	108,368	..
Grants and other contributions		..	..	..
Other	12	2,474	16,944	..
Outflows:				
Employee costs	13	(49,165)	(60,972)	..
Supplies and services	14	(58,450)	(72,765)	..
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Taxation equivalents paid		1,411	1,411	..
Other		(3,711)	(3,122)	..
Net cash provided by/(used in) operating activities		1,343	(10,136)	..
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		(195)	(105)	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(195)	(105)	..
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Dividends paid		(472)	(472)	..
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		(472)	(472)	..
Net increase/(decrease) in cash held		676	(10,713)	..
Cash at the beginning of financial year		28,778	28,778	..
Cash transfers from restructure		..	..	..
Cash at the end of financial year		29,454	18,065	..

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

General note

Project Services and QBuild will be integrated into a single business unit on 1 July 2013, providing valued and coordinated building services to Queensland Government agencies. The amalgamation will result in the cessation of Project Services as a trading and reporting entity. As a result, Project Services does not have a 2013-14 Estimate.

Income statement

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

1. The increase in User charges is due to a larger program of work being outsourced to the private sector, the costs of which are included in supplies and services. Refer Note 4.
2. The increase in Other revenue is due to the recovery of payments for voluntary redundancy packages for permanent employees from the Consolidated Fund, higher interest revenue and funding for staff with a significant disability.
3. The increase in Employee expenses is due to the payment of voluntary redundancy packages for permanent and temporary employees.
4. The increase in Supplies and services is due to an increase in the amount of work outsourced to the private sector. Refer Note 1.
5. The decrease in Other expenses is due to adjustments to provisions for service warranties and doubtful debts.

Statement in changes in equity

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

6. The decrease in Equity injection/(withdrawal) is due to the transfer of equity to Building and Asset Services as a result of the amalgamation of Project Services and QBuild into a single business unit.

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

7. The decrease in Equity injection/(withdrawal) is due to the transfer of equity to Building and Asset Services as a result of the amalgamation of Project Services and QBuild into a single business unit.

Balance sheet

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

8. The decrease in Cash is due to the operating surplus being less than forecast and delays in settlement of outstanding debts.
9. The increase in Receivables is due to delays in receiving client payments.
10. The increase in Other current assets is due to the recognition timing of cost, revenue, and profit for work in progress.
11. The increase in Deferred tax assets is mainly due to the increase in the Operating deficit.

Cash flow statement

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

12. The increase in Other inflows is mainly due to the recovery of payments for voluntary redundancy packages for permanent employees from the Consolidated Fund and funding for staff with a significant disability.
13. The increase in Employee costs is due to the payment of voluntary redundancy packages for permanent and temporary staff.
14. The increase in Supplies and services is mainly due to a higher level of work outsourced to the private sector.

INCOME STATEMENT

Building and Asset Services	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Income				
User charges		684,440
Grants and other contributions		2,532
Other revenue		6,616
Gains on sale/revaluation of property, plant and equipment and investments	
Total income		693,588
Expenses				
Employee expenses		130,274
Supplies and services		555,851
Grants and subsidies	
Depreciation and amortisation		3,915
Finance/borrowing costs		400
Other expenses		1,720
Losses on sale/revaluation of property, plant and equipment and investments	
Total expenses		692,160
Surplus or deficit before related income tax		1,428
Income tax expense/revenue		623
OPERATING SURPLUS/(DEFICIT) after related income tax		805

STATEMENT OF CHANGES IN EQUITY

Building and Asset Services	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve	
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity	
Surplus/(deficit) for the period		805
Total recognised income and expense for the period		805
Equity injection/(withdrawal)		112,003
Equity adjustments (MoG transfers)	
Dividends paid or provided		(403)
Total movement in equity for period		112,405

BALANCE SHEET

Building and Asset Services	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
CURRENT ASSETS				
Cash assets		45,340
Receivables		93,459
Other financial assets	
Inventories		41,816
Other		2,850
Non-financial assets held for sale	
Total current assets		183,465
NON-CURRENT ASSETS				
Receivables	
Other financial assets	
Property, plant and equipment		2,175
Deferred tax assets		5,541
Intangibles		16,338
Other	
Total non-current assets		24,054
TOTAL ASSETS		207,519
CURRENT LIABILITIES				
Payables		45,285
Accrued employee benefits		3,185
Interest-bearing liabilities and derivatives	
Current tax liabilities	
Provisions		1,428
Other		40,072
Total current liabilities		89,970
NON-CURRENT LIABILITIES				
Payables	
Accrued employee benefits	
Interest-bearing liabilities and derivatives	
Deferred tax liabilities		4,744
Provisions	
Other		400
Total non-current liabilities		5,144
TOTAL LIABILITIES		95,114
NET ASSETS/(LIABILITIES)		112,405
EQUITY				
Capital/contributed equity		112,003
Accumulated surplus/(accumulated deficit)		402
Reserves:				
- Asset revaluation surplus	
- Other (specify)	
TOTAL EQUITY		112,405

CASH FLOW STATEMENT

Building and Asset Services	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges		726,926
Grants and other contributions		2,532
Other		22,009
Outflows:				
Employee costs		(132,674)
Supplies and services		(605,645)
Grants and subsidies	
Borrowing costs		(400)
Taxation equivalents paid		(172)
Other		(1,720)
Net cash provided by/(used in) operating activities		10,856
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		(2,450)
Payments for investments	
Loans and advances made	
Net cash provided by/(used in) investing activities		(2,450)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		25,000
Equity injections	
Outflows:				
Dividends paid		(498)
Borrowing redemptions		(25,000)
Finance lease payments	
Equity withdrawals	
Net cash provided by/(used in) financing activities		(498)
Net increase/(decrease) in cash held		7,908
Cash at the beginning of financial year	
Cash transfers from restructure		37,432
Cash at the end of financial year		45,340

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

General Note

Building and Assets Services is the new integrated entity with the cessation of QBuild and Project Services. Building and Asset Services commences operation on 1 July 2013. As a result it does not have the previous year's financial information.

The balance sheet includes assets, liabilities and non-appropriated equity transfer in from QBuild and Project Services to the new entity.

QFLEET

OVERVIEW

Strategic direction

QFleet delivers value through effective management of a fleet of approximately 11,800 vehicles throughout the State. Its services include vehicle procurement and contract management, fleet advisory services to public sector departments as well as government-funded organisations, in-service maintenance, accident management, end of life repairs and vehicle remarketing, and short-term vehicle hire.

Savings and efficiencies are achieved through aggregated procurement of vehicles and centralised, whole-of-Government fleet management based on total cost of ownership, risk management and performance outcomes. QFleet is also responsible for whole-of-Government fleet policy development and implementation.

Key factors impacting on QFleet include:

- identifying, analysing and minimising the Government's exposure to risk and future vehicle values as a result of market volatility
- the size of the Government motor vehicle fleet
- ensuring the Government's policy priorities are met—including cost minimisation, accountability and transparency—while aligning the fleet mix with market demand at end-of-life.

RESOURCES AND PERFORMANCE

In 2013-14, QFleet will continue to implement a range of initiatives to enhance its operating model including:

- working with Statutory Bodies, Government Owned Corporations and potentially local governments to improve procurement outcomes for all levels of government around the purchasing of vehicles and also the servicing and maintenance of vehicles
- considering four-year or greater lease terms for new vehicles, taking into account utilisation levels, the operating environment, manufacturer warranty terms and the used car market
- investigating the financial viability and practicality of inter-agency vehicle pooling in Brisbane Central Business District (CBD) precincts, following improvements made in the utilisation of pooled vehicles.

Following consideration of options for Government vehicle fleet delivery, QFleet has progressed a number of initiatives in 2012–13 focused on enhanced savings, efficiency and accountability, including:

- led a reduction in the Government vehicle fleet, in consultation with agencies, resulting in a fleet reduction of 12.74% as at 30 April 2013, across the sector
- closed the QFleet workshop at Zillmere and outsourced to the private sector
- deferred new vehicle deliveries for a 12 month period, thereby avoiding a potential borrowing to the Government of approximately \$100 million
- established improved Standing Offer Arrangements with manufacturers, resulting in more competitive and flexible new vehicle pricing and supply arrangements for a wide selection of makes and models
- introduced a Business Intelligence System to provide evidence-based information and data for enhanced decision making, policy formulation, planning and performance management

- released an Invitation to Offer to the market for the provision of vehicle remarketing and disposal services for Queensland Government vehicles for the period 1 July 2013 to 30 June 2016
- coordinated and deployed 58 urgently required vehicles in February 2013, to assist with the Queensland Government's response to weather and flood emergencies in Bundaberg and surrounding areas
- reviewed utilisation rates of vehicles in agency pools operating in the Brisbane CBD and liaised with stakeholder agencies to increase the efficiency of pooling activity, resulting in a reduction in the number of underutilised vehicles.

STATEMENTS

Staffing¹

QFleet	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
	2	54	55	55

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Variance between the 2012–13 Budget, 2012–13 Estimated Actual and 2013–14 Estimate is due to the allocation of Corporate FTEs across the service areas. Corporate FTEs were included in the Parent Entity staffing table for the 2012-13 Budget.

Performance Statement

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

QFleet	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
Service standards				
Client Satisfaction	1	..	..	76%
Current Ratio	2	1.74:1	1.89:1	1.12:1
Return on net Assets	3	8.0%	9.6%	8.9%
Gearing level	4	72%	71%	67%

Notes:

1. This is a biennial measure. No survey was scheduled for 2012–13.
2. Variance between the 2012–13 Target/estimate and 2012–13 Estimated actual is due to lower payables at the end of 2012–13 financial year because of a lesser number of motor vehicle purchases. The decrease in the 2013–14 Target/estimate is due to an increase in payables as a result of anticipated higher motor vehicle purchases.
3. Variance between the 2012–13 Target/estimate and 2012–13 Estimated actual is due to higher profits on sale of motor vehicles.
4. Variance between the 2012–13 Target/estimate and 2013–14 Target/estimate is due to reduced long-term loan value as result of repayment of debt.

INCOME STATEMENT

QFleet	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Income				
User charges	1, 8, 14	161,624	194,972	143,979
Grants and other contributions		..	..	..
Other revenue	2, 15	450	826	453
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		162,074	195,798	144,432
Expenses				
Employee expenses	3, 9, 16	9,601	10,236	5,532
Supplies and services	4, 17	64,061	85,862	64,059
Grants and subsidies		..	..	..
Depreciation and amortisation	10, 18	64,463	62,401	42,221
Finance/borrowing costs	5, 11, 19	17,668	16,433	11,701
Other expenses	6, 12	167	9,550	9,892
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		155,960	184,482	133,405
Surplus or deficit before related income tax	7, 13	6,114	11,316	11,027
Income tax expense/revenue		1,834	3,395	3,308
OPERATING SURPLUS/(DEFICIT) after related income tax		4,280	7,921	7,719

STATEMENT OF CHANGES IN EQUITY

QFleet	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		..	..	..
Surplus/(deficit) for the period	20, 22	4,280	7,921	7,719
Total recognised income and expense for the period		4,280	7,921	7,719
Equity injection/(withdrawal)		..	..	..
Equity adjustments (MoG transfers)		..	..	..
Dividends paid or provided	21, 23	(2,140)	(3,961)	(3,859)
Total movement in equity for period		2,140	3,960	3,860

BALANCE SHEET

QFleet	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
CURRENT ASSETS				
Cash assets		500	509	500
Receivables	24, 30, 35	5,689	8,466	4,433
Other financial assets		..	..	..
Inventories	25, 36	10,009	720	9,901
Other	26	4,681	5,051	3,996
Non-financial assets held for sale		..	..	..
Total current assets		20,879	14,746	18,830
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	31, 37	241,417	242,724	232,014
Deferred tax assets		65	65	65
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		241,482	242,789	232,079
TOTAL ASSETS		262,361	257,535	250,909
CURRENT LIABILITIES				
Payables	27, 32, 38	9,501	7,504	15,465
Accrued employee benefits	28	678	565	565
Interest-bearing liabilities and derivatives		..	..	..
Current tax liabilities	29, 33, 39	1,834	(366)	637
Provisions		..	..	..
Other		..	92	92
Total current liabilities		12,013	7,795	16,759
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives	34, 40	175,609	173,184	153,734
Deferred tax liabilities		4,831	4,831	4,831
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		180,440	178,015	158,565
TOTAL LIABILITIES		192,453	185,810	175,324
NET ASSETS/(LIABILITIES)		69,908	71,725	75,585
EQUITY				
Capital/contributed equity		26,095	26,095	26,095
Accumulated surplus/(accumulated deficit)		43,813	45,630	49,490
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		69,908	71,725	75,585

CASH FLOW STATEMENT

QFleet	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	41, 48, 58	177,919	212,475	163,335
Grants and other contributions		..	..	..
Other	42, 49	501	10,257	9,937
Outflows:				
Employee costs	43, 50	(9,601)	(10,805)	(5,532)
Supplies and services	44, 51, 59	(83,155)	(110,720)	(120,378)
Grants and subsidies		..	..	..
Borrowing costs	52, 60	(17,986)	(16,813)	(11,823)
Taxation equivalents paid	45, 53, 61	(4,594)	(8,357)	(2,305)
Other	46, 54	(107)	(9,550)	(9,832)
Net cash provided by/(used in) operating activities		62,977	66,487	23,402
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	47, 55, 62	2,080	..	10,030
Equity injections		..	..	..
Outflows:				
Dividends paid	56, 63	(8,356)	(8,355)	(3,961)
Borrowing redemptions	57, 64	(67,634)	(69,056)	(29,480)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		(73,910)	(77,411)	(23,411)
Net increase/(decrease) in cash held		(10,933)	(10,924)	(9)
Cash at the beginning of financial year		11,433	11,433	509
Cash transfers from restructure		..	..	..
Cash at the end of financial year		500	509	500

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

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

1. The increase in User charges is mainly due to higher than anticipated proceeds on sale of motor vehicles as well as higher than anticipated revenue on end-of-life charges due to a greater volume of vehicles returned as a consequence of a 10% fleet reduction target.
2. The increase in Other revenue is mainly due to higher than anticipated interest on the cash balance during the year.
3. The increase in Employee expenses is mainly due to voluntary redundancy payments not budgeted and partially offset by lower than anticipated salary costs.
4. The increase in Supplies and services is mainly due to the higher than budgeted volume of vehicles sold as well as higher maintenance costs on motor vehicles partially offset by the reclassification of registration and compulsory third party (CTP) insurance to Other expenses.
5. The decrease in Finance and borrowing costs is mainly due to lower than anticipated interest and associated costs on reduced Queensland Treasury Corporation (QTC) borrowings due to the contraction in the government motor fleet.
6. The increase in Other expenses is mainly due to the reclassification of registration and CTP expenses previously included under Supplies and services.
7. The increase in the Surplus is mainly due to higher than anticipated profit on sale of motor vehicles.

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

8. The decrease in User charges is mainly due to the decrease in the number of cars leased due to a fleet reduction of approximately 10%, a decrease in the average lease fee as a result of extending most leases to four years, as well as lower proceeds on reduced volumes of vehicles expected to be sold.
9. The decrease in Employee expenses is mainly due to the closure of the Zillmere Workshop, partially offset by an enterprise bargaining increase in 2013-14.
10. The decrease in Depreciation and amortisation expenses is mainly due to a reduced fleet size as well as the extension of most motor vehicle leases to four years.
11. The decrease in Finance and borrowing costs is mainly due to a lower interest cost on reduced long-term QTC borrowings due to the smaller fleet.
12. The increase in Other expenses is mainly due to the reclassification of registration and CTP expenses previously included under Supplies and services.
13. The increase in the Surplus is mainly due to the overall reduction in QFleet's operating expenses.

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

14. The decrease in User charges is mainly due to the decrease in the number of vehicles which occurred throughout 2012-13 and have a full year impact in 2013-14, a decrease in the average lease fee as result of extending most leases to four years and lower end-of-life charges as the volume of returned vehicles stabilises at a lower level than previous.
15. The decrease in Other revenue is mainly due to lower anticipated interest revenue due to lower cash balance during the year.
16. The decrease in Employee expenses is mainly due to the reduction in FTEs and no voluntary redundancy costs budgeted in 2013-14.
17. The decrease in Supplies and services is mainly due to a lower written down value on sale of motor vehicles resulting from anticipated lower volume of vehicle sales and lower administration overheads.
18. The decrease in Depreciation and amortisation expense is mainly due to the anticipated reduction in the fleet size as well as the extension of most motor vehicle leases to four years.
19. The decrease in Finance and borrowing costs is mainly due to lower interest and associated costs on reduced QTC borrowings.

Statement in changes in equity

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

20. The increase in the Surplus is mainly due to higher than anticipated profit on sale of motor vehicles sold.
21. The increase in Dividends paid is primarily due to a higher than anticipated operating surplus.

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

22. The increase in the Surplus is mainly due to the overall reduction in QFleet's operating expenses.
23. The increase in Dividends paid is due to a higher than anticipated operating surplus.

Balance sheet

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

24. The increase in Receivables is mainly due to higher than anticipated revenue on end-of-life charges due to a greater volume of vehicles returned.
25. The decrease in Inventories is mainly due to the reduced number of vehicles awaiting sale at year-end, primarily due to extending most leases to four years.
26. The increase in Other current assets is due to higher prepayments made for comprehensive insurance premiums.
27. The decrease in Payables is mainly due to reduced creditors as a result of the deferment of new vehicle purchases for twelve months in 2012-13.
28. The decrease in Accrued employee benefits is due to the reduction in size of the workforce.
29. The decrease in Current tax liabilities represents a refund owing mainly due to higher instalment payments for National Tax Equivalent Regime (NTER) based on the previous year's revenue.

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

30. The decrease in Receivables is due to the decrease in average lease fee revenue as a result of extending most leases to four years.
31. The decrease in Property, plant and equipment is due to a lower volume of vehicles on hand as a result of the fleet reduction strategy in 2012-13.
32. The increase in Payables is mainly due to higher creditors as a result of the anticipated increase of motor vehicle purchases in 2013-14 compared to 2012-13.
33. The decrease in Current tax liabilities is due to higher instalment payments for NTER based on year 2012-13, partially offset by tax payable for 2012-13.
34. The decrease in Interest-bearing liabilities is mainly due to the part repayment of debt to Queensland Treasury Corporation.

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

35. The decrease in Receivables is due to the decrease in average lease fee revenue as a result of extending most leases to four years as well as lower end-of-life charges as the volume of vehicles returned stabilises.
36. The increase in Inventories is due to a higher number of expected vehicles awaiting sale at year-end.
37. The decrease in Property, plant and equipment is due to a lower volume of vehicles on hand as a result of the fleet reduction strategy in 2012-13.
38. The increase in Payables is mainly due to higher creditors as a result of the anticipated increase of motor vehicle purchases in 2013-14 compared to 2012-13.
39. The increase in Current tax liabilities is due to higher anticipated tax payable in year 2013-14 partially offset by NTER instalment payment.
40. The decrease in Interest-bearing liabilities is mainly due to the part repayment of debt to Queensland Treasury Corporation.

Cash flow statement

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

41. The increase in User charges is mainly due to higher than anticipated proceeds from sale of motor vehicles as well as higher than anticipated revenue on end-of-life charges due to a greater volume of vehicles returned.
42. The increase in Other inflows is mainly due to higher than anticipated interest income on the cash balance during the year and the reclassification of Goods and Services Tax (GST) Input Tax Credits Receivable.
43. The increase in Employee costs is mainly due to voluntary redundancy payments not budgeted in 2012-13.
44. The increase in Supplies and services is mainly due to higher than anticipated motor vehicle purchases for vehicles on order at 30 June 2012 as well as higher maintenance costs on motor vehicles partially offset by the reclassification of registration and CTP expenses included in Other expenses.

45. The increase in Taxation equivalents paid is mainly due to higher taxation paid for 2011-12 in 2012-13 as well as higher NTER quarterly instalment payments due based on previous year's revenue.
46. The increase in Other outflows is mainly due to the reclassification of registration and CTP expenses previously included under Supplies and services.
47. The decrease in Borrowings is mainly due to higher cash flow from proceeds from sale of motor vehicles, and lower than anticipated vehicle purchases during 2012-13.

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

48. The decrease in User charges is mainly due to the decrease in average lease fees as a result of extending most leases to four years as well as anticipated lower proceeds on a reduced volume of vehicles expected to be sold.
49. The increase in Other inflows is mainly due to the reclassification of GST Input Tax Credits Receivable.
50. The decrease in Employee costs is mainly due to closure of the Zillmere workshop partially offset by the enterprise bargaining increase in 2013-14.
51. The increase in Supplies and services is mainly due to a higher level of motor vehicle purchases in 2012-13 including the associated GST due to end of lease terms, partially offset by savings in costs due to closure of the workshop and the reclassification of registration and CTP expenses to Other outflows.
52. The decrease in Borrowing costs is mainly due to lower interest and associated costs on reduced long-term borrowings.
53. The decrease in Taxation equivalents paid is due to the reduced quarterly NTER tax instalment percentage based on the overall anticipated reduction in revenues.
54. The increase in Other outflows is mainly due to the reclassification of registration and CTP expenses previously included under Supplies and services.
55. The increase in Borrowings is mainly due to the cash required to fund the replacement of motor vehicles.
56. The decrease in Dividends paid is due to lower anticipated operating profits in 2012-13 compared to 2011-12.
57. The decrease in Borrowing redemptions is mainly due to reduced funds available for repayment of the loan due to cash being used to fund motor vehicle purchases.

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

58. The decrease in User charges is mainly due to the decrease in average lease fees as a result of extending most leases to four years as well as anticipated lower proceeds on a lower volume of vehicles expected to be sold.
59. The increase in Supplies and services is mainly due to higher motor vehicle purchases including the associated GST mainly due to the replacement of vehicles that had been extended to four-year leases.
60. The decrease in Borrowing costs is mainly due to reduced borrowings and associated costs.
61. The decrease in Taxation equivalents paid is mainly due to the reduced quarterly NTER tax instalment percentage based on the overall reduced anticipated revenue.
62. The increase in Borrowings is mainly due to bridging the timing difference in the shortfall for cash required to fund the replacement of motor vehicles.
63. The decrease in Dividends paid is due to lower anticipated operating profits in 2012-13 compared to 2011-12.
64. The decrease in Borrowing redemptions is mainly due to reduced funds available for repayment of the loan due to cash being used to fund motor vehicles purchases.

GOPRINT

OVERVIEW

Goprint was a commercialised business unit within the Department of Housing and Public Works and provided print and distribution services for a range of reserved services which supported the workings of Parliament, as well as a full range of commercial printing and copying services for government agencies and government-funded organisations.

Goprint ceased business operations on 31 January 2013.

STATEMENTS

Staffing¹

Goprint	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
	2	18	..	..

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Variance between the 2012–13 Budget and Estimated Actual is due to the cessation of Goprint business operations on 31 January 2013.

INCOME STATEMENT

Goprint	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Income				
User charges		1,888	1,792	..
Grants and other contributions		467	467	..
Other revenue	1	104	3,293	..
Gains on sale/revaluation of property, plant and equipment and investments		..	194	..
Total income		2,459	5,746	..
Expenses				
Employee expenses	2	2,614	5,081	..
Supplies and services	3	2,405	3,271	..
Grants and subsidies		..	..	..
Depreciation and amortisation		75	149	..
Finance/borrowing costs		..	..	..
Other expenses		69	30	..
Losses on sale/revaluation of property, plant and equipment and investments	4	1,306	1,694	..
Total expenses		6,469	10,225	..
Surplus or deficit before related income tax		(4,010)	(4,479)	..
Income tax expense/revenue		..	..	..
OPERATING SURPLUS/(DEFICIT) after related income tax		(4,010)	(4,479)	..

STATEMENT OF CHANGES IN EQUITY

Goprint	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		..	..	..
Surplus/(deficit) for the period		(4,010)	(4,479)	..
Total recognised income and expense for the period		(4,010)	(4,479)	..
Equity injection/(withdrawal)	5	..	(994)	..
Equity adjustments (MoG transfers)		..	..	..
Dividends paid or provided		..	..	..
Total movement in equity for period		(4,010)	(5,473)	..

BALANCE SHEET

Goprint	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
CURRENT ASSETS				
Cash assets		1,496	..	..
Receivables		152	..	..
Other financial assets	
Inventories		16	..	..
Other		26	..	..
Non-financial assets held for sale	
Total current assets		1,690	..	..
NON-CURRENT ASSETS				
Receivables	
Other financial assets	
Property, plant and equipment	
Deferred tax assets	
Intangibles	
Other	
Total non-current assets	
TOTAL ASSETS		1,690	..	..
CURRENT LIABILITIES				
Payables		176	..	..
Accrued employee benefits		47	..	..
Interest-bearing liabilities and derivatives	
Current tax liabilities	
Provisions	
Other		4	..	..
Total current liabilities		227	..	..
NON-CURRENT LIABILITIES				
Payables	
Accrued employee benefits	
Interest-bearing liabilities and derivatives	
Deferred tax liabilities	
Provisions	
Other	
Total non-current liabilities	
TOTAL LIABILITIES		227	..	..
NET ASSETS/(LIABILITIES)		1,463	..	..
EQUITY				
Capital/contributed equity		14,885	..	..
Accumulated surplus/(accumulated deficit)		(13,422)	..	..
Reserves:				
- Asset revaluation surplus	
- Other (specify)	
TOTAL EQUITY		1,463	..	..

CASH FLOW STATEMENT

Goprint	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges		2,983	2,856	..
Grants and other contributions		939	939	..
Other	6	249	3,370	..
Outflows:				
Employee costs	7	(2,650)	(5,134)	..
Supplies and services	8	(3,046)	(3,947)	..
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Taxation equivalents paid		..	..	..
Other		(191)	(34)	..
Net cash provided by/(used in) operating activities		(1,716)	(1,950)	..
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		900	632	..
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		900	632	..
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Dividends paid		..	..	..
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	9	..	(994)	..
Net cash provided by/(used in) financing activities		..	(994)	..
Net increase/(decrease) in cash held		(816)	(2,312)	..
Cash at the beginning of financial year		2,312	2,312	..
Cash transfers from restructure		..	..	..
Cash at the end of financial year		1,496	..	..

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

General note

Following a review of the department's commercialised business units Goprint discontinued operations in 2012-13. The original budget included balance sheet items, on the assumption that Goprint would continue limited digital operations. Due to the closure of the business, a balance sheet has not been provided for the 2012-13 Estimated actual. Explanations have only been provided between the 2012-13 Budget and 2012-13 Estimated actual.

Income statement

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

1. The increase is mainly due to the reimbursement of voluntary redundancy payments from the Consolidated Fund.
2. The increase is mainly due to the cost of voluntary redundancy payments.
3. The increase is mainly due to a greater volume of outsourced work than originally budgeted and also includes the write-off of remaining raw material inventories.
4. The increase is mainly due to lower sales proceeds received for the printing equipment.

Statement in changes in equity

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

5. The Equity withdrawal represents the return to the Consolidated Fund of Goprint's net equity following the decision to discontinue operations.

Balance sheet

Refer General note above.

Cash flow statement

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

6. The increase is mainly due to the reimbursement of voluntary redundancy payments from the Consolidated Fund.
7. The increase is mainly due to the cost of voluntary redundancy payments.
8. The increase is mainly due to a greater volume of outsourced work undertaken than originally estimated.
9. The increase is due to the closure of Goprint and the return of the remaining equity to the Consolidated Fund.

SALES AND DISTRIBUTION SERVICES

OVERVIEW

Sales and Distribution Services (SDS) was an online retail and distribution business, trading educational, office furniture and other agency specific products to schools and Government agencies throughout the State. In addition, SDS provided warehousing and distribution services to Government agencies, and managed electronic and printed publications on behalf of Queensland Government agencies.

SDS ceased business operations on 28 February 2013.

STATEMENTS

Staffing^{1, 2}

Sales and Distribution Services	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
	

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. SDS ceased business operations on 28 February 2013.

INCOME STATEMENT

Sales and Distribution Services	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Income				
User charges	1	7,466	12,435	..
Grants and other contributions		..	..	..
Other revenue	2	1,274	5,794	..
Gains on sale/revaluation of property, plant and equipment and investments		..	2	..
Total income		8,740	18,231	..
Expenses				
Employee expenses	3	2,784	6,823	..
Supplies and services	4	9,426	14,558	..
Grants and subsidies		..	..	..
Depreciation and amortisation		513	513	..
Finance/borrowing costs	5	225	148	..
Other expenses		88	76	..
Losses on sale/revaluation of property, plant and equipment and investments		611	655	..
Total expenses		13,647	22,773	..
Surplus or deficit before related income tax		(4,907)	(4,542)	..
Income tax expense/revenue		..	..	..
OPERATING SURPLUS/(DEFICIT) after related income tax		(4,907)	(4,542)	..

STATEMENT OF CHANGES IN EQUITY

Sales and Distribution Services	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		..	..	..
Surplus/(deficit) for the period		(4,907)	(4,542)	..
Total recognised income and expense for the period		(4,907)	(4,542)	..
Equity injection/(withdrawal)	6	..	4,574	..
Equity adjustments (MoG transfers)		..	..	..
Dividends paid or provided		..	..	..
Total movement in equity for period		(4,907)	32	..

BALANCE SHEET

Sales and Distribution Services	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
CURRENT ASSETS				
Cash assets	
Receivables	
Other financial assets	
Inventories	
Other	
Non-financial assets held for sale	
Total current assets	
NON-CURRENT ASSETS				
Receivables	
Other financial assets	
Property, plant and equipment	
Deferred tax assets	
Intangibles	
Other	
Total non-current assets	
TOTAL ASSETS	
CURRENT LIABILITIES				
Payables	
Accrued employee benefits	
Interest-bearing liabilities and derivatives	
Current tax liabilities	
Provisions	
Other	
Total current liabilities	
NON-CURRENT LIABILITIES				
Payables	
Accrued employee benefits	
Interest-bearing liabilities and derivatives	
Deferred tax liabilities	
Provisions	
Other	
Total non-current liabilities	
TOTAL LIABILITIES	
NET ASSETS/(LIABILITIES)	
EQUITY				
Capital/contributed equity	
Accumulated surplus/(accumulated deficit)	
Reserves:				
- Asset revaluation surplus	
- Other (specify)	
TOTAL EQUITY	

CASH FLOW STATEMENT

Sales and Distribution Services	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	7	11,772	17,121	..
Grants and other contributions		..	..	..
Other	8	2,600	7,548	..
Outflows:				
Employee costs	9	(2,749)	(6,788)	..
Supplies and services	10	(8,930)	(14,425)	..
Grants and subsidies		..	..	..
Borrowing costs	11	(245)	(168)	..
Taxation equivalents paid		..	..	..
Other	12	(1,198)	(1,724)	..
Net cash provided by/(used in) operating activities		1,250	1,564	..
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment	13	..	96	..
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		..	96	..
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	14	8,710	5,364	..
Equity injections		..	..	..
Outflows:				
Dividends paid		..	..	..
Borrowing redemptions	15	(10,886)	(7,950)	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		(2,176)	(2,586)	..
Net increase/(decrease) in cash held		(926)	(926)	..
Cash at the beginning of financial year		926	926	..
Cash transfers from restructure		..	..	..
Cash at the end of financial year		..	..	..

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

General note

Following a review of the department's commercialised business units, Sales and Distribution Services (SDS) discontinued operations in 2012–13. As a result, explanations have only been provided between the 2012–13 Budget and 2012–13 Estimated actual.

Income statement

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

1. The increase is due to SDS' continued sales activities for a longer period than originally budgeted.
2. The increase is due to a combination of the reclassification of freight recoveries as other revenue as well as the reimbursement for voluntary redundancy payments from the Consolidated Fund.
3. The increase is mainly due to the cost of voluntary redundancy payments.
4. The increase is mainly related to the increase in cost of sales associated with the increase in sales volumes as referred to in Note 1.
5. The decrease is due to a lower requirement for borrowings from the working capital facility to fund operating activities.

Statement in changes in equity

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

6. The increase represents the transfer of the balance of the QTC loan to the whole-of-government debt pool.

Cash flow statement

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

7. The increase is mainly due to the increase in sales volume as a result of continued sales activity for a longer period than originally budgeted.
8. The increase is due to a combination of the reclassification of freight recoveries as other revenue as well as the reimbursement for voluntary redundancy payments from the Consolidated Fund.
9. The increase is mainly due to the cost of voluntary redundancy payments.
10. The increase is primarily related to the increase in cost of sales associated with the increase in sales volume as referred to in Note 1.
11. The decrease is due to lower than budgeted borrowings.
12. The increase is due to GST collected and paid to the Australian Taxation Office being higher as a result of the increase in sales.
13. The increase is due to the sale of fixed assets at auction which was not originally budgeted.
14. The decrease is due to a lower requirement for borrowings from the working capital facility to fund operating activities.
15. The decrease is due to lower than budgeted borrowings.

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 Authority provides a comprehensive licensing regime for the building industry and performs regulatory functions under the Act including compliance activities, complaints management, administration of the Queensland Home Warranty Scheme, and the provision of consumer and contractor education. 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 contributes to Government priorities to grow a four pillar economy by regulating the industry to maintain building standards, to provide remedies for defective building work, and to promote contractor and consumer confidence in the industry.

The Authority's objectives include:

- achieving better safeguards for consumers and contractors through greater levels of education, communication and compliance across all elements of the regulatory framework
- actively supporting the building environment through improvements in legislation, standards and processes
- strengthening the Authority's capability through its people, governance, infrastructure and financial viability.

Key factors impacting on the Authority include reforms such as National Occupational Licensing, building activity levels, emerging construction methods and materials and technological advances.

RESOURCES AND PERFORMANCE

There has been an improvement in the Authority's financial performance in 2012–13 with an estimated surplus of \$5.3 million, largely due to continuing high return on investments.

In 2012–13, the Authority has:

- increased building inspections to improve building standards; reviewed dispute resolution processes and continued to upgrade its website
- implemented red tape reduction measures such as simplifying licensing requirements for installation of solar panels; improving online services and rationalisation of forms
- successfully negotiated a two-year reinsurance contract from 1 July 2012 to manage risk
- provided advice to flood affected home owners in the Bundaberg-Wide Bay and Burnett area
- completed 82 contractor education seminars and 10 consumer education seminars.

On 30 November 2012, the Transport, Housing and Local Government Parliamentary Committee tabled *Report No. 14 Inquiry into the Operation and Performance of the BSA 2012*. Major initiatives planned for 2013–14 will be implementation of reforms identified by Government to ensure the right balance between builders and consumers for the Queensland Building industry in the future.

STATEMENTS

Staffing¹

Queensland Building Services Authority	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
	2	355	345	345

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Variance between 2012–13 Budget and the 2012–13 Estimated actual is due to a reduction in temporary staff and cessation of vacant funded positions.

Performance Statement

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

Queensland Building Services Authority	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
Service standards				
Unlicensed contracting rate	1	1.5%	1.1%	≤1.5%
Percentage of customers satisfied with advice and support		92%	94%	92%

Notes:

1. Unlicensed contracting rate has decreased due to less building activity and greater consumer and contractor awareness.

INCOME STATEMENT

Queensland Building Services Authority	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Income				
User charges		64,116	61,239	67,263
Grants and other contributions		..	..	..
Other revenue	1, 4	106,347	94,107	91,469
Gains on sale/revaluation of property, plant and equipment and investments	2, 5, 7	(2)	(60)	(3)
Total income		170,461	155,286	158,729
Expenses				
Employee expenses		34,475	31,550	33,119
Supplies and services		14,754	14,619	14,419
Grants and subsidies		..	..	..
Depreciation and amortisation		1,595	1,578	1,577
Finance/borrowing costs		..	..	..
Other expenses		100,977	97,048	102,994
Losses on sale/revaluation of property, plant and equipment and investments	3, 6, 8	13,275	5,174	3,254
Total expenses		165,076	149,969	155,363
Surplus or deficit before related income tax		5,385	5,317	3,366
Income tax expense/revenue		..	..	..
OPERATING SURPLUS/(DEFICIT) after related income tax		5,385	5,317	3,366

STATEMENT OF CHANGES IN EQUITY

Queensland Building Services Authority	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve	
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity	
Surplus/(deficit) for the period		5,385	5,317	3,366
Total recognised income and expense for the period		5,385	5,317	3,366
Equity injection/(withdrawal)	
Equity adjustments (MoG transfers)	
Dividends paid or provided	
Total movement in equity for period		5,385	5,317	3,366

BALANCE SHEET

Queensland Building Services Authority	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
CURRENT ASSETS				
Cash assets	9, 12	35,412	19,465	20,458
Receivables	13, 23	44,623	46,097	50,776
Other financial assets	14, 24	138,252	141,962	157,408
Inventories		..	..	..
Other	15, 25	18,811	17,789	20,834
Non-financial assets held for sale		..	..	..
Total current assets		237,098	225,313	249,476
NON-CURRENT ASSETS				
Receivables	16	126,440	134,787	146,467
Other financial assets		..	..	..
Property, plant and equipment	17, 26	6,381	6,226	5,318
Deferred tax assets		..	..	..
Intangibles	18, 27	3,024	3,283	4,856
Other		282	282	210
Total non-current assets		136,127	144,578	156,851
TOTAL ASSETS		373,225	369,891	406,327
CURRENT LIABILITIES				
Payables	10, 19, 28	32,832	24,065	28,538
Accrued employee benefits	11, 20, 29	3,646	3,067	2,587
Interest-bearing liabilities and derivatives		..	..	..
Current tax liabilities		..	..	..
Provisions		48,496	46,756	46,756
Other	21, 30	26,599	25,188	29,365
Total current liabilities		111,573	99,076	107,246
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		3,954	4,227	4,239
Interest-bearing liabilities and derivatives		..	..	..
Deferred tax liabilities		..	..	..
Provisions	22, 31	210,725	224,399	249,599
Other		919	944	632
Total non-current liabilities		215,598	229,570	254,470
TOTAL LIABILITIES		327,171	328,646	361,716
NET ASSETS/(LIABILITIES)		46,054	41,245	44,611
EQUITY				
Capital/contributed equity		..	..	..
Accumulated surplus/(accumulated deficit)		46,054	41,245	44,611
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		46,054	41,245	44,611

CASH FLOW STATEMENT

Queensland Building Services Authority	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	37, 41	53,228	53,293	65,507
Grants and other contributions		..	..	..
Other	32, 38	81,024	64,754	64,547
Outflows:				
Employee costs		(33,996)	(32,404)	(33,587)
Supplies and services	39, 42	(15,740)	(15,366)	(17,363)
Grants and subsidies		12	(29)	15
Borrowing costs		..	..	..
Taxation equivalents paid		..	..	..
Other		(75,776)	(73,049)	(73,677)
Net cash provided by/(used in) operating activities		8,752	(2,801)	5,442
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment	33, 40, 43	(291)	191	236
Investments redeemed	34, 44	..	8,729	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	35, 45	(2,699)	(3,470)	(2,481)
Payments for investments	36, 46	(2,133)	..	(2,204)
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(5,123)	5,450	(4,449)
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		3,629	2,649	993
Cash at the beginning of financial year		31,783	16,816	19,465
Cash transfers from restructure		..	..	..
Cash at the end of financial year		35,412	19,465	20,458

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

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

1. The decrease is due to two factors - an increase in the amount of write-offs caused by a clearing of unrecoverable debts and the current economic climate; and the reduction in claims and therefore the reinsurers' share of claims due to less complaints received in the first half of the year. This has been offset against the increase in investment interest.
2. The decrease is due to the lower trade in values on motor vehicles being replaced and the reduction of the motor vehicle fleet.
3. The decrease is due to the increase in write-offs caused by a clearing of unrecoverable debts and the current economic climate and therefore the reduction in allowance for doubtful debts.

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

4. The decrease is due to two factors - an increase in the amount of write-offs caused by a clearing of unrecoverable debts and the current economic climate; and the reduction in claims and therefore the reinsurers' share of claims due to less complaints received in the first half of the year. This has been offset against the increase in investment interest.
5. The decrease is due to the lower trade in values on motor vehicles being replaced.
6. The decrease is due to the increase in write-offs caused by a clearing of excess debts and the current economic climate and therefore the reduction in allowance for doubtful debts.

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

7. The increase is due to the stability of the motor vehicle fleet.
8. The decrease is due to the emphasis on debt recovery and therefore reducing the movement in the provision.

Balance sheet

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

9. The decrease is due to the rebalancing of cash investments to growth investments.
10. The decrease is due to lower outstanding claims due to a decrease in claims expense.
11. The decrease is due to the decrease in staff numbers and adherence to maintenance of appropriate annual leave balances.

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

12. The decrease is due to the rebalancing of cash investments to growth investments.
13. The increase is due to the emphasis on debt recovery and therefore the reduction of the provision.
14. The increase is due to the improvement in the investment market and rebalancing of cash investment and growth investments.
15. The increase is due to the premium increase and therefore the reinsurers' share of unearned income increased.
16. The increase is due to a higher provision in the reinsurers' share of future claims driven by the increase in future claims as advised by the independent actuary.
17. The decrease is due to the amortisation of the head office fitout and the reduction of the motor vehicle fleet.
18. The increase is due to the development of a new software system.
19. The decrease is due to lower outstanding claims due to a decrease in claims expense.
20. The decrease is due to the decrease in staff numbers and adherence to maintenance of appropriate annual leave balances.
21. The increase is due to the increase in insurance premiums and therefore unearned income.
22. The increase is due to the increase in future claims as advised by the independent actuary.

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

23. The increase is due to the premium increase and therefore the reinsurers' share of unearned income increased.
24. The increase is due to the improvement in the investment market and anticipated claims recovery actions.

25. The increase is due to the premium increase and therefore the reinsurers' share of unearned income increased.
26. The decrease is due to the amortisation of the head office fitout.
27. The increase is due to the development of a new software system.
28. The increase is due to an anticipated increase in the recovery of claims receivables and therefore the reinsurers' claims recovered provision.
29. The decrease is due to adherence to maintenance of appropriate annual leave balances.
30. The increase is due to the increase in insurance premiums and therefore unearned income.
31. The increase is due to the increase in future claims as advised by the independent actuary.

Cash flow statement

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

32. The decrease is due to the decrease in the reinsurers' share of claims and an overstatement of 2012–13 budget due to a reporting error.
33. The increase is due to the decrease in the number of motor vehicles in the fleet and the change of reporting methodology.
34. The increase is due to a rebalancing of cash and growth investments.
35. The increase is due to higher costs for an area office fitout and an increase in cost for software development as a consequence of previous delays.
36. The decrease is due to a rebalancing of cash and growth investments.

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

37. The increase is due to higher premium revenue and a decrease in accounts receivable movement due to increased write-offs caused by a clearing of excess debts and the current economic climate.
38. The decrease is due to the decrease in the reinsurers' share of claims and an overstatement of 2012–13 budget due to a reporting error.
39. The increase is due to the reinsurers' share of unearned income increasing due to higher premium revenue inflows.
40. The increase is due to the change of reporting methodology and the stabilisation of the motor vehicle fleet.

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

41. The increase is due to higher premium revenue and therefore unearned premiums increase.
42. The increase is due to the reinsurers' share of unearned income increasing due to higher premium revenue inflows.
43. The increase is due to the stabilisation of the motor vehicle fleet.
44. The decrease is due to no withdrawals from cash funds after a previous rebalancing of cash and growth investments.
45. The decrease is due to no requirement for area office fitouts and stabilisation in the software development project.
46. The increase is due to the requirement to deposit surplus funds after a rebalancing of cash and growth investments.

RESIDENTIAL TENANCIES AUTHORITY

AGENCY OVERVIEW

Strategic direction

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

The RTA administers 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, a conciliation service for tenancy disputes, investigation of offences under the Act, provision of sector research and data, and providing policy advice to Government
- progressing a program of work aimed at enhancing business systems and processes to allow services to be more client focussed. Implementation in 2013-14 will improve client service, while increasing productivity and cost effectiveness.

RESOURCES AND PERFORMANCE

- The RTA is dependent on investment returns to fund its operations. Despite the continuing impact of the European debt crisis, astute investment management, careful control of expenditure in 2012-13 and an increase in value of the RTA's bond portfolio has mitigated the impact of declining market interest rates. The RTA has achieved an improved financial position.
- With the overall fall in market interest rates, the RTA has forecast reduced revenue in 2013-14 relative to estimated revenue in 2012-13.
- In 2013-14, the RTA will provide grant funding to the Department of Housing and Public Works for an amount of \$10 million to support affordable social housing and rental advisory schemes.
- A review of the Act is underway with amendment legislation likely to be introduced in 2013-14. All stakeholders have been encouraged to identify opportunities to reduce red tape. The RTA has also introduced new online services as alternatives to manual paper based processing.

STATEMENTS

Staffing¹

Residential Tenancies Authority	Notes	2012-13 Budget	2012-13 Est. Actual	2013-14 Estimate
	2, 3	184	190	196

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The variance between the 2012-13 Budget and the 2012-13 Estimated Actual is a result of increasing client demand.
3. The variance between the 2012-13 Estimated Actual and the 2013-14 Estimate is the result of staff working offline on the replacement of RTA's core business system.

Performance Statement

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

Residential Tenancies Authority	Notes	2012-13 Target/Est.	2012-13 Est. Actual	2013-14 Target/Est.
Service standards				
Proportion of disputes lodged resolved after parties participated in conciliation process		70%	75.5%	70%
Proportion of investigations finalised successfully	1	90%	99%	90%
Average return on investment	2, 3	5.0%	6.0%	4.5%
Total cost for RTA output (excluding grants) as a proportion of the value of bonds held	4	3.92%	3.6%	3.2%

Notes:

1. The variance between the 2012-13 Target/estimate and the 2012-13 Estimated Actual is the result of an exceptionally small number of investigations being finalised unsuccessfully.
2. The variance between the 2012-13 Target/estimate and the 2012-13 Estimated Actual is a result of improved investment returns.
3. The variance between the 2012-13 Estimated Actual and the 2013-14 Target/estimate is a result of lower market yields.
4. The variance between the 2012-13 Estimated Actual and the 2013-14 Target/estimate is due to cost savings and an increase in the value of bonds held.

INCOME STATEMENT

Residential Tenancies Authority	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Income				
User charges		..	..	..
Grants and other contributions		..	..	..
Other revenue	1, 7	35,635	48,416	36,637
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		35,635	48,416	36,637
Expenses				
Employee expenses	8	16,236	15,171	16,707
Supplies and services	2, 5, 9	11,177	9,614	7,881
Grants and subsidies	3, 6, 10	7,035	14,035	10,000
Depreciation and amortisation		854	836	644
Finance/borrowing costs		..	..	..
Other expenses		35	35	55
Losses on sale/revaluation of property, plant and equipment and investments	4	67	69	72
Total expenses		35,404	39,760	35,359
Surplus or deficit before related income tax		231	8,656	1,278
Income tax expense/revenue		..	..	..
OPERATING SURPLUS/(DEFICIT) after related income tax		231	8,656	1,278

STATEMENT OF CHANGES IN EQUITY

Residential Tenancies Authority	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve	
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity	
Surplus/(deficit) for the period		231	8,656	1,278
Total recognised income and expense for the period		231	8,656	1,278
Equity injection/(withdrawal)	
Equity adjustments (MoG transfers)	
Dividends paid or provided	
Total movement in equity for period		231	8,656	1,278

BALANCE SHEET

Residential Tenancies Authority	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
CURRENT ASSETS				
Cash assets	11, 13	34,839	56,019	58,934
Receivables		1,405	1,425	1,468
Other financial assets	14, 17	723,526	723,526	807,698
Inventories		..	..	..
Other		252	252	261
Non-financial assets held for sale		..	..	..
Total current assets		760,022	781,222	868,361
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	18	10,287	10,198	2,182
Deferred tax assets		..	..	..
Intangibles	12, 15, 19	17,900	5,189	11,751
Other		..	..	..
Total non-current assets		28,187	15,387	13,933
TOTAL ASSETS		788,209	796,609	882,294
CURRENT LIABILITIES				
Payables	16, 20	721,036	721,057	805,229
Accrued employee benefits		1,201	1,192	1,234
Interest-bearing liabilities and derivatives		..	..	..
Current tax liabilities		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		722,237	722,249	806,463
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		1,840	1,825	1,889
Interest-bearing liabilities and derivatives		..	..	..
Deferred tax liabilities		..	..	..
Provisions		..	..	..
Other		3,987	3,966	4,095
Total non-current liabilities		5,827	5,791	5,984
TOTAL LIABILITIES		728,064	728,040	812,447
NET ASSETS/(LIABILITIES)		60,145	68,569	69,847
EQUITY				
Capital/contributed equity		..	..	..
Accumulated surplus/(accumulated deficit)		60,145	68,569	69,847
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		60,145	68,569	69,847

CASH FLOW STATEMENT

Residential Tenancies Authority	Notes	2012-13 Budget \$'000	2012-13 Est. Act. \$'000	2013-14 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges		(47)	(43)	(47)
Grants and other contributions		..	..	..
Other	21, 30	35,537	48,318	36,807
Outflows:				
Employee costs	31	(16,200)	(15,159)	(16,603)
Supplies and services	22, 25, 32	(11,182)	(9,619)	(7,888)
Grants and subsidies	23, 26, 33	(7,035)	(14,035)	(10,000)
Borrowing costs		..	..	..
Taxation equivalents paid		..	..	..
Other	27, 34	60,085	60,065	84,246
Net cash provided by/(used in) operating activities		61,158	69,527	86,515
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		60	54	8,000
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	24, 28, 35	(16,434)	(3,617)	(7,427)
Payments for investments	29, 36	(60,000)	(60,000)	(84,173)
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(76,374)	(63,563)	(83,600)
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		(15,216)	5,964	2,915
Cash at the beginning of financial year		50,055	50,055	56,019
Cash transfers from restructure		..	..	..
Cash at the end of financial year		34,839	56,019	58,934

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income statement

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

1. Increase in other revenue is due to higher than expected return on investments.
2. Decrease in supplies and services is due to a reduction in contract labour.
3. Increase in grants to the Department of Housing and Public Works.
4. Last year's published report mistakenly omitted 2012-13 Budget amount. This has since been corrected.

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

5. Decrease in supplies and services is due to capitalisation of systems development.
6. Increase in grants to the Department of Housing and Public Works.

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

7. Decrease in other revenue is due to forecast investment returns.
8. Increase in employee expenses is due to current staff vacancies, expected structural changes and anticipated Enterprise Bargaining Agreement costs.
9. Decrease in supplies and services is due to capitalisation of contractors for systems development.
10. Decrease in grants and subsidies to the Department of Housing and Public Works.

Balance sheet

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

11. Increase in cash assets is due to the need to provide for additional capital investment.
12. Decrease in intangibles is due to revised estimates for capitalisation of systems development.

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

13. Increase in cash assets is due to the need to provide for additional capital investment.
14. Increase in other financial assets is primarily a result of growth in rental bond holdings.
15. Decrease in intangibles is due to revised estimates for systems development capitalisation.
16. Increase in payables is a result of growth in rental bond holdings.

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

17. Increase in other financial assets is primarily a result of growth in rental bond holdings.
18. Decrease in property, plant and equipment is due to sale of investment property.
19. Increase in intangibles is primarily a result of the development of new systems.
20. Increase in payables is primarily a result of growth in rental bond holdings.

Cash flow statement

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

21. Increase in other inflows is due to higher than expected return on investments.
22. Decrease in supplies and services is due to a reduction in contract labour.
23. Increase in grants to the Department of Housing and Public Works.
24. Decrease in payments of property, plant and equipment and intangibles is due to revised capital costs for systems development.

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

25. Decrease in supplies and services is due to capitalisation of systems development.
26. Increase in grants to the Department of Housing and Public Works.
27. Increase in other outflows is due to growth in rental bond holdings.
28. Decrease in payments of property, plant and equipment and intangibles is due to revised capital costs for systems development.
29. Increase in payments for investments is due to growth in rental bond holdings and subsequent growth in investments.

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

30. Decrease in other revenue is due to forecast investment returns.
31. Increase in employee expenses is due to current staff vacancies, expected structural changes and anticipated Enterprise Bargaining Agreement costs.
32. Decrease in supplies and services is due to capitalisation of contractors for systems development.
33. Decrease in grants to the Department of Housing and Public Works.
34. Increase in other outflows is due to growth in rental bond holdings.
35. Increase in payments for property, plant and equipment and intangibles is due to the development of new systems.
36. Increase in payments for investments is due to growth in rental bond holdings and subsequent growth in investments.

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.

