

PART 14

Minister for Public Works, Housing and Information and Communication Technology

Summary of Portfolio Budgets

Page	Agency	2007-08 Adjusted Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
3-39	Department of Public Works - controlled	431,212	466,450	492,325
	Department of Public Works - administered	21,910	25,686	56,286
3-60	QBuild	674,414	690,323	715,127
3-66	Project Services	117,615	159,754	157,655
3-73	QFleet	123,395	136,455	133,382
3-79	CITEC	144,383	148,634	171,076
3-85	Goprint	17,600	18,919	18,994
3-91	SDS (Sales and Distribution Services)	58,975	65,507	70,075
3-97	Shared Service Agency	251,314	229,832	216,807
3-104	CorpTech	110,937	149,521	112,793
3-110	Department of Housing - controlled	675,820	627,362	728,859
	Statutory Bodies:			
3-125	Queensland Building Services Authority	48,645	68,636	74,384
3-132	Residential Tenancies Authority	24,763	24,763	31,183

Notes:

1. Explanations of variances are provided in the financial statements section.
2. The financial statements reflect adjustments for Machinery of Government changes which took effect during 2007-08. Further detail of these adjustments is contained in the financial statements section.

Department of Public Works

Departmental Overview

Strategic Issues

The Department of Public Works performs a key role by working with other Queensland Government agencies in assisting them to deliver their services to the people of Queensland. The department has lead agency responsibility for the design, construction, fit-out and maintenance of government buildings; whole-of-Government ICT; procurement; and recordkeeping in Queensland's public sector and helps agencies build and maintain hospitals, schools, courthouses, police stations, houses and other public facilities.

A significant number of these services are delivered through the department's commercialised business units: Project Services (the Government's in house building design, project management and professional services agency); QBuild (the Government's building construction and maintenance provider); CITEC (the Government's primary information and communications technology services provider); QFleet (the Government's vehicle fleet manager); SDS (the Government's supply manager in the areas of office supplies, furniture and publications); and Goprint (the Government Printer).

Through experience, expertise and a strong policy and strategic development function, the department provides leadership and support to agencies to assist them in meeting the Queensland Government's priorities.

The department strongly supports the Government's commitment to managing climate change and protecting the environment through a range of environmental initiatives and plays a major role in the restoration of Queensland communities in times of natural disaster, such as cyclones and floods.

The department also provides high quality, standardised corporate services and business solutions to Queensland Government agencies through the Shared Service Agency and CorpTech.

The department, which is administered by five divisions (Works; Services; Shared Service Agency; CorpTech and Corporate and Executive Services) operates in an organisational environment of:

- increased community expectations for greater speed and quality of service delivery
- a need to demonstrate value for money and more efficient use of resources, particularly at a whole-of-Government level
- accountability, transparency and integrity
- community concerns and expectations on environmental issues
- fluctuating supply and demand in the building industry
- a shortage of skilled labour across most areas and associated difficulties with the recruitment and retention of staff
- increased service delivery opportunities from emerging technologies and shared arrangements, and
- heightened security concerns.

2008-09 Highlights

The Department of Public Works will continue to provide first class service to client agencies and seek to respond effectively to whole-of-Government expectations and requirements regarding the services provided. In particular, the department will:

- support the Government's extensive building and infrastructure program
- deliver innovative solutions to address environmental issues such as: energy savings, reduced water consumption, sustainable design, asbestos management, carbon reduction, and fuel efficient government vehicles
- progress procurement and logistics reform across the sector, including the establishment of sector-wide procurement arrangements for common items that are expected to deliver significant whole-of-Government savings
- progress initiatives for the Government vehicle fleet aimed at reducing engine emissions by 15% by the end of 2010, 25% by the end of 2012 and 50% by the end of 2017
- introduce a second major data centre facility for the Queensland Government as a key part of the Government's revised data centre strategy
- make significant advances in the consolidation of agencies' ICT, in particular data centres, networks and infrastructure components
- operationalise whole-of-Government ICT methodologies and frameworks to support the front end of the ICT consolidation initiative
- plan for, and deliver a program of events to engage the people of Queensland with their heritage as part of the State's 150th anniversary celebrations in 2009
- strengthen arrangements for the supply of furniture and resources to the education sector
- provide standardised and efficient shared services, processes and systems, and
- continue to build organisational capacity through innovative and sustainable staff recruitment and retention strategies.

2007-08 Achievements

Skilled Park Robina

Construction of the \$160 million Skilled Park Stadium at Robina on behalf of the Major Sports Facilities Authority was completed on time and within budget. More than 22,000 people attended the official opening and public open day which was held on 17 February 2008.

Asbestos Management

The department continued to manage asbestos-related risks in government buildings through asbestos inspections, the removal of asbestos containing material, maintenance of the central asbestos register, completion of the roll out of the Built Environment Materials Information Register system and the provision of policy advice to government agencies.

Environmental Initiatives

The department continued its commitment to reducing greenhouse gas emissions by enhancing energy reduction activities through the Government Energy Management Strategy, the Strategic Energy Efficiency Policy for Queensland Government buildings and the Carbon Reduction Strategy for Queensland Government office buildings. The department also continued to maximise its purchases of renewable energy on behalf of the Queensland Government. Under the Government Buildings Water Conservation Program, the department continued to demonstrate leadership by meeting, and where possible exceeding, water restriction requirements while providing assistance to other agencies.

Mackay Convention Precinct

The department continued to provide a project overview role and ongoing administration of the State grant of \$38 million. Through the State grant, the Mackay City Council is managing the development of three significant projects for the Mackay community including the construction of a convention centre, a new aquatic lagoon facility at Canelands Park, and significant landscaping works as a riverfront upgrade to the Pioneer River, adjacent to the central business district.

Rockhampton Riverbank Development

The \$16.5 million Rockhampton Riverbank Redevelopment provides new riverside recreation and leisure facilities for Rockhampton's residents and visitors. Stage 1 of the redevelopment was officially opened on 8 December 2007 and includes a walking and cycling loop linking both sides of the Fitzroy River, revegetation, stabilised tracks to the river, fishing platforms, shelter-lookouts, seating, barbecue, play areas and amenities blocks.

State Procurement Policy

A new State Procurement Policy was released on 1 January 2008 to drive improved procurement performance and efficiency across government. It consolidates the gains of its predecessor, the State Purchasing Policy, and was developed through an extensive consultation process that included agencies, industry and unions.

ICT Career Graduate Development Program

In early 2008, a total of 53 graduates joined the Government's ICT Career Graduate Development Program for placement in agencies across the Queensland public sector and the Brisbane City Council. This followed the successful launch of the program in 2007 in which 32 graduates were recruited. The program aims to develop a broad and sustainable ICT workforce capability within the sector.

New CITEC Operating Model

CITEC implemented a new operating model to support its future role as the Government's primary ICT services provider in the consolidated ICT environment. A key feature of the new operating model is the co-operative partnership approach between client agencies and CITEC which promotes early engagement for agency ICT planning and provides mutual obligations on each party.

Greening the Government Fleet

QFleet introduced the Green Vehicle Guide Greenhouse Rating System to provide agencies with a robust means of quantifying and assessing the environmental performance of vehicles when making vehicle selections. This will assist the Queensland Government to achieve its targets for reducing and neutralising the Government's fleet carbon emissions by year 2020.

Preparatory Year of Schooling Program

In late 2007, the Department of Public Works successfully completed the Preparatory Year of Schooling Program for the Department of Education, Training and the Arts. Under this program, Project Services provided project management, design documentation, quantity surveying and contract administration consultancy services for the delivery of facilities to approximately 530 state schools across Queensland over two and a half years. In a joint venture between QBuild and Project Services, 223 school sites were delivered in regional and rural Queensland. SDS supplied the furniture component of the program at a cost of about \$3.6 million, and achieved significant savings for the Department of Education, Training and the Arts in supplying these items.

Departmental Outputs

For the Department of Public Works, four specific outputs relate to the whole-of-Government priorities:

- Building Procurement and Asset Management
- Procurement Services
- Information and Communication Technology (ICT) Strategies (previously titled e-Government and Information and Communication Technology (ICT) Strategies)
- Public Records Management and Advisory Services.

Building Procurement and Asset Management

The Building Procurement and Asset Management output assists building industry improvement and provides support and advice to the Government and its agencies on the delivery of services through the cost-effective provision and management of building assets. This is achieved through the:

- introduction of major initiatives and programs to improve the environmental aspects of the built environment
- initiation and delivery of strategic building and infrastructure projects
- provision and management of government accommodation and special estates
- provision of building policy and advice as well as improved government and industry relationships.

Procurement Services

The Procurement Services output, which is delivered by the Queensland Government Chief Procurement Office (QGCPO), focuses on achieving cost savings and benefits through effective procurement policy and practice. The QGCPO provides a policy framework for the whole-of-Government and is currently leading procurement reform through the implementation of the Service Delivery and Performance Commission's *Report on the Review of Purchasing and Logistics in the Queensland Government*.

Information and Communication Technology (ICT) Strategies

The Information and Communication Technology (ICT) Strategies output is delivered by the Queensland Government Chief Information Office (QGCIO) in conjunction with the Queensland Government Chief Technology Office. The QGCIO is central to managing the framework for prioritising the Government's business needs, supported by investments in information and applications. The Queensland Government Chief Technology Office provides a whole-of-Government focus and expertise for managing the technology elements of the framework.

Public Records Management and Advisory Services

Queensland State Archives is the custodian of the largest and most significant documentary heritage collection in Queensland. In addition, Queensland State Archives is the lead agency for the management of the public records of Queensland through the application of the *Public Records Act 2002* and the accompanying recordkeeping policy framework.

Staffing¹

Output/Activity	Notes	2007-08 Budget	2007-08 Est. Actual	2008-09 Estimate
Outputs				
Building Procurement and Asset Management	2	186	197	200
Procurement Services	3	70	76	86
Information and Communication Technology (ICT) Strategies	4	83	76	80
Public Records Management and Advisory Services	5	53	54	56
Total outputs		392	403	422
BUSINESS UNITS				
QBuild	6	2,498	2,655	2,640
Project Services	7	758	740	758
QFleet	8	150	130	141
CITEC	9,10	577	625	661
Goprint		96	96	96
SDS (Sales and Distribution Services)	11	152	145	145
Total business units		4,231	4,391	4,441
SHARED SERVICE INITIATIVE				
Shared Service Agency	12	2,199	1,868	1,876
CorpTech	13	493	460	453
Total shared service initiative		2,692	2,328	2,329
Corporate Services (Recovered from Business Units, Department of Housing and Outputs)	14	245	228	238
Total		7,560	7,350	7,430

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The overall increase in both the 2007-08 Estimated Actual and the 2008-09 Estimate is due to the establishment of the Technology and Development Division, the transfer of staff from QBuild to the Disaster Preparedness Group and additional requirements within the Queensland Government Accommodation Office.
3. The increase in both the 2007-08 Estimated Actual and the 2008-09 Estimate is principally due to additional resources required to carry out new responsibilities.
4. The decrease is mainly due to the consolidation of functions and the transfer of the Identity Management, Directories & Email Services (IDES) function to CITEC.
5. The increase in both the 2007-08 Estimated Actual and the 2008-09 Estimate relates to additional project staffing required for the extended archival facility, accessing Queensland's history online and archival management and maintenance.
6. The 2007-08 Estimated Actual is higher due to filling vacant permanent positions, the transition of 55 Finance FTE positions from SSA, employment of temporary project staff, and the apprentice retention strategy where QBuild plans to retain more apprentices after the successful completion of their training period.
7. The 2007-08 Estimated Actual FTE of 740 is lower than the 2007-08 Budget due to the shortage of sufficiently skilled and experienced professionals, including architects, engineers and project managers.
8. The 2007-08 Estimated Actual FTE of 130 is lower due to the conversion of fewer than anticipated agency staff to temporary or permanent employees.
9. The 2007-08 Estimated Actual FTE reflects CITEC recruitment activities and the higher than anticipated Graduate Recruitment Program undertaken during the year, as well as the recruitment of staff for delivery of the IDES business case.
10. The 2008-09 Estimate is higher as it includes additional resources required to enable CITEC to deliver the recommendations stated in the SDPC report and also to meet other critical whole-of-Government projects such as the Future CITEC Operating Model (FCOM) Project, the Technology Transformation Program (TTP) and the IDES business case.
11. The decrease in both the 2007-08 Estimated Actual and the 2008-09 Estimate is due to a combination of natural attrition and unfilled positions within the business area.
12. The decrease from the 2007-08 Budget to the 2007-08 Estimated Actual is due to the transfer of functions of the Shared Service Initiative Policy and Program Office to Queensland Treasury on 1 July 2007 and the administrative realignment of corporate support to QBuild and the Department of Education, Training and the Arts.
13. The variation between the 2007-08 Budget and the 2008-09 Estimate is due to the full year effect of Machinery of Government changes.
14. The decrease is mainly due to fewer staff being required as a result of the change in timing of the implementation of the whole-of-Government financial information system.

2008-09 Output Summary¹

Output	Total cost \$'000	Sources of revenue			
		Appropriation \$'000	User charges \$'000	C'wealth revenue \$'000	Other revenue \$'000
Building Procurement and Asset Management	408,390	17,070	391,252	..	68
Procurement Services	17,153	11,506	4,878	..	769
Information and Communication Technology (ICT) Strategies	37,185	37,185	..	..	..
Public Records Management and Advisory Services	16,467	16,367	100	..	..
Total	479,195	82,128	396,230	..	837

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 financial statements because transactions have been eliminated on consolidation in the financial statements. In addition, there are corporate services provided to the Department of Housing and business units of the Department of Public Works and the revenues and costs associated with these services are not included in the above output summary.

Departmental Statements

Performance Statement

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Output name: Building Procurement and Asset Management				
Government Energy Management Strategy	18	Savings of \$20M in government expenditure on energy	Savings target achieved	N/A
Green energy purchase	18	Green energy purchase in line with agreed targets	Green energy purchase targets achieved	N/A
Government Buildings Water Conservation Program	18	Complete an integrated Water Energy Management Plan (WEMP) for the remainder of the Department of Public Works' office buildings in accordance with the level of water restriction	WEMP completed	N/A
Building Security Plans are developed and implemented for Department of Public Works owned and occupied major buildings	19	Annually for each building	Plans reviewed and completed for key departmental buildings	N/A
Number and value of major projects facilitated	1,20	14>\$2 billion	12>\$900 million	N/A
Area of office space managed	21	990,000m ²	990,862m ²	N/A
Number of government employee dwellings managed	2,21	1,052	998	N/A
Vacancy rate for the portfolio				
-Office		<2.5%	2.5%	<2.5%
-Housing		<3.0%	2.9%	<3.0%
Value of lease incentives	3,21	\$4 million	\$7.6 million	N/A
Percentage of defaults by pre-qualified building industry contractors on government building projects		<2%	<2%	<2%
Average number of pre-qualified contractors registered on the Prequalification System available for selection by agencies	4	Not less than 350	Average target met	Not less than 350

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Average number of pre-qualified consultants registered on the Prequalification System available for selection by agencies	4	Not less than 283	Average target met	Not less than 280
Development and implementation of a rolling program of accommodation strategies in the CBD, metropolitan and regional centres	22	4	4	N/A
Electricity consumption for office buildings greater than 9,000m ² (Net Lettable Area) in the owned office portfolio		<285kWh/m ² /each year	280kWh/m ² / each year	<275kWh/ m ² /each year
Water use for owned office buildings between 9,000m ² and 18,000m ² (Net lettable area)		New measure	New measure	≤ 19.8Kl/person/ each year
Water use for owned office accommodation >18,000m ² (Net lettable area)		New measure	New measure	≤ 16 Kl/person/ each year
Reduction in CO ₂ emissions due to waste from government office buildings being recycled		New measure	New measure	< 425 tonnes
Satisfactory progress on various research programs as partner in Cooperative Research Centre for Construction Innovation	22	100% compliance with project timelines and resourcing	100% completed	N/A
The departmentally managed asbestos removal program fully implemented and expended	22	100%	100% completed	N/A
Whole-of-Government system developed and deployed to support whole-of-Government Asbestos Management policy	22	100%	100% completed	N/A
Manage appropriate response provided to disaster events	22	Managed response provided for restoration of public facilities	Response managed in accordance with requirements and timeframes for equine Influenza and Queensland flooding	N/A
Disaster management training provided for critical personnel	22	All critical personnel trained	100% completed	N/A
Property management fees as a percentage of rental income for government owned office buildings	21	<4%	3.6%	N/A

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Percentage of office portfolio properties earning market rents	21	98%	98%	N/A
Return on investment for the commercial properties included in the office portfolio (inclusive of maintenance)		6.5%	6.8%	6.5%
Return on investment for the government employee housing portfolio (inclusive of maintenance)	5	2.2%	1.8%	2.2%
Manage government funded programs that focus on the built environment including: <ul style="list-style-type: none"> Government Buildings Water Conservation Government Energy Management Strategy Asbestos Management Renewable Energy 		New measure	New measure	Program of works completed on time, within budget and in accordance with agreed program outcomes
Whole-of-Government system maintained to continue to support the built environment needs of agencies		New measure	New measure	100% of works completed on time and within budget
Whole-of-department emergency/disaster and continuity management plans are reviewed and evaluated for their accuracy, operational adequacy and alignment to departmental policy and relevant State-wide strategy and policy		New measure	New measure	Review and evaluate whole-of-department emergency/disaster and continuity management plans annually
Strategic projects facilitated within preset parameters		New measure	New measure	Performance measures for key projects achieved at predetermined milestones and at project completion
State contribution (\$000)	6,23	46,901	56,670	17,070
Other revenue (\$000)	7,24	319,470	343,702	391,320
Total cost (\$000)	8,25	366,371	400,372	408,390

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Output name: Procurement Services				
Savings on whole-of-Government spend under Queensland Government Chief Procurement Office (QGCPO) managed arrangements	26	10%	10%	N/A
New whole-of-Government initiatives implemented by agencies	26	80% of agencies in accordance with implementation plans	80% of agencies in accordance with implementation plans	N/A
Savings and benefits delivered under existing and new arrangements to government		New measure	New measure	\$78 million of savings and benefits delivered by 30 June 2009
Customer satisfaction with QGCPO services as measured by independent survey	27	80%	92%	N/A for 2008-09
State contribution (\$000)	9,28	6,898	9,521	11,506
Other revenue (\$000)	10,29	4,985	4,246	5,647
Total cost (\$000)	11,30	11,883	13,767	17,153

Output name: Information and Communication Technology (ICT) Strategies

Percentage of new initiatives where agencies are actively seeking Queensland Government Chief Information Office (QGCIO) advice and support	31	60%	80%	N/A
Percentage and number of targeted QGCIO products and services adopted by agencies		New measure	New measure	Establish baseline
ICT Industry Associations' satisfaction rating with QGCIO services and collaboration		>90%	90%	>90%
Effective coordination of ICT Governance Initiative activities across government		Inter-program dependencies agreed, aligned and managed	Inter-program dependencies agreed, aligned and managed	Inter-program dependencies agreed, aligned and managed
Effective communications strategy delivered across the ICT Governance Initiative	12,32	90% stakeholder satisfaction	Communications strategy implemented	N/A
Effective operation of the peer review process	33	90% stakeholder satisfaction	No formal survey undertaken	N/A

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Percentage of planned key deliverables listed in the Business Plan delivered within the scheduled timeframe	31	100%	100%	N/A
Deliver and implement the workforce and change management process for the ICT Governance Initiative	34	December 2007	Target impacted by delay to program commencement	N/A
Deliver and implement the benefits management process for the ICT Governance Initiative	32	December 2007	December 2007	N/A
Revised CITEC operating model including performance and service management framework developed	32	August 2007	September 2007	N/A
Deliver the Technology Consolidation Business Case (TCBC) for data centres, networks and infrastructure	32	September 2007	October 2007	N/A
Deliver the Queensland Government Identity, Directory, and Email Services (IDES) consolidation business case	32	September 2007	October 2007	N/A
State contribution (\$000)	35	26,953	27,909	37,185
Other revenue (\$000)	13	1,343	184	..
Total cost (\$000)	36	28,296	28,093	37,185

Output name: Public Records Management and Advisory Services

Number of Public Clients	14			
- Online		350,000	450,000	400,000
- Walk-in		6,800	6,500	6,500
Advice from QSA on recordkeeping and information management issues to Queensland public authorities	37	500 Responses to enquiries	510 Responses to enquiries	N/A
Number of policies, guidelines, tools, schedules, and briefs developed or reviewed	37	10	15	N/A
Public authorities demonstrating working towards compliance with IS40	15,38	200	150	N/A
Public Authorities completing IS40 compliance process		New measure	New measure	400
Level of client satisfaction with QSA services		95%	95%	95%
State contribution (\$000)	16,39	13,010	10,313	16,367
Other revenue (\$000)		100	100	100
Total cost (\$000)	17,40	13,110	10,413	16,467

Notes:

Variations between 2007-08 Target/Estimate and 2007-08 Estimated Actual include:

1. The figure provided in the 2007-08 Estimate included a number of projects external to the department where Strategic Projects provided an advisory role only. The 2007-08 Estimated Actual figure has excluded the projects being managed external to the department resulting in the decrease to the target actual.
2. The number of government employee housing dwellings in 2007-08 is lower due to lower surplus house stock and transfer of houses for public housing use.
3. The strong positive result in the value of lease incentives for 2007-08 has been assisted by several extended negotiated lease periods.
4. Target average determined based on count at quarterly intervals.
5. The reduction in the return on investment is attributed to a combination of increased investment in maintenance activities to extend the life of the portfolio's housing stock and an overall increase in the value of the housing portfolio.
6. The increase is principally due to additional funding for the Office Accommodation Program and for depreciation mainly relating to a revaluation of buildings as at 30 June 2007, the reclassification of funding for the Government Energy Management Strategy project from an equity injection to output revenue and funds deferred from 2006-07 to 2007-08 for information technology related projects and various other projects. These increases are partly offset by the deferral of funds from 2007-08 to 2008-09 for various projects.
7. The increase is primarily due to additional rent from government owned and leased buildings.
8. The increase is mainly due to:
 - additional building outgoings associated with government owned and leased buildings;
 - additional outlays relating to the Office Accommodation Program;
 - additional depreciation expenses mainly relating to a revaluation of buildings as at 30 June 2007;
 - outlays relating to the Government Energy Management Strategy project; and
 - outlays relating to information technology projects and various other projects.These increases are partly offset by the deferral of funds from 2007-08 to 2008-09 for various projects.
9. The increase is mainly due to funds approved for the review of procurement and logistics initiatives and additional project funding for the Travel Management System.
10. The decrease is primarily due to lower than expected recoveries from clients for travel management arrangements as a result of a timing difference associated with the Travel Management System.
11. Refer to note 9.
12. No formal survey was undertaken in 2007-08 as feedback was provided via governance committees.
13. The decrease is mainly due to the transfer to CITEC of the GovNet contributions provided by agencies.
14. The variance is due to increasing availability of online resources. The minor decrease in walk-in clients is due to the increasing demand for, and availability of, online resources.
15. The local government reform process has reduced the number of local governments from 157 to 73 and has also impacted on the IS40 implementation process, resulting in a lower than expected estimated actual for 2007-08.
16. The decrease is mainly due to accommodation costs associated with the Stage 2 Queensland State Archives facility in Brisbane not required in 2007-08.
17. Refer to note 16.

Variations between 2007-08 Estimated Actual and 2008-09 Target/Estimate include:

18. These programs are to be reported under a single performance measure relating to the built environment.
19. This measure is now complete.
20. The number and value of major projects measure has been replaced with a new measure on the delivery of strategic projects within preset parameters.
21. These measures have been discontinued as they are better reflected through the Return on Investment measures.
22. These programs are now complete.
23. The decrease is mainly due to lower funding required for the Mackay Convention Precinct project and less funding required as a result of the retention of a rent revenue increase in 2008-09 based on market conditions.
24. The increase is primarily due to rent increases based on market conditions.
25. The increase is mainly due to additional building outgoings associated with government owned and leased buildings. This increase is partly offset by the lower outlays relating to the Mackay Convention Precinct Grant.
26. These measures have been replaced by a measure of actual savings and benefits delivered under existing and new procurement arrangements.
27. QGCPO conducts customer satisfaction surveys on a two yearly cycle. The next survey will be conducted in 2009-10.
28. The increase is mainly due to funding for the new whole-of-Government procurement reforms.
29. The increase mainly relates to recoveries from clients for travel management arrangements.
30. The increase is primarily due to higher costs relating to an increased usage of the Travel Management System and new whole-of-Government procurement reforms.
31. These measures are being replaced by a new measure around agency adoption of QGCIO services.
32. Activities relating to these measures have been completed.
33. The stakeholder satisfaction measure relates specifically to the establishment of the peer review process which is now complete.
34. To be delivered in line with the implementation of the TCBC and IDES programs over a number of years.
35. The increase is mainly due to funding provided for the Technology Transformation Program (TTP).
36. The increase is primarily due to outlays relating to the TTP.
37. These measures are being discontinued as the compliance with IS40 and client satisfaction measures will monitor performance against these items.
38. In 2006-07 and 2007-08, a key indicator for QSA was 'Public authorities demonstrating working towards compliance with IS40'. For 2008-09, the indicator has been re-scoped to 'Public authorities completing the IS40 compliance process' to better reflect the complexity of the compliance process. The target has also been adjusted to a cumulative total, as IS40 compliance is a multi-year process.
39. The increase is mainly due additional funding for accommodation costs relating to the Stage 2 Queensland State Archives facility in Brisbane.
40. Refer to note 39.

Income Statement

Department of Public Works	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Income				
Output revenue	1, 7	93,762	104,413	82,128
User charges	2, 8	335,981	359,511	408,019
Grants and other contributions		..	..	..
Other revenue		1,469	2,526	2,178
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		431,212	466,450	492,325
Expenses				
Employee expenses	9	60,344	61,193	66,983
Supplies and services	3, 10	288,578	322,541	371,638
Grants and subsidies	4, 11	33,513	32,139	1,661
Depreciation and amortisation	5, 12	37,629	39,490	42,073
Finance/borrowing costs	13	10,233	10,368	9,334
Other expenses		915	719	636
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		431,212	466,450	492,325
OPERATING SURPLUS/(DEFICIT)		..	..	..

Statement of Changes in Equity

Department of Public Works	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 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		..	..	..
Total recognised income and expense for the period		..	..	..
Equity injection/(withdrawal)	6, 14	187,237	125,440	182,708
Equity adjustments (MoG transfers)		..	..	..
Total movement in equity for period		187,237	125,440	182,708

Balance Sheet

Department of Public Works	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CURRENT ASSETS				
Cash assets	15	28,111	25,298	19,564
Receivables		21,739	21,368	21,589
Other financial assets		..	..	..
Inventories		..	..	..
Other	16	13,513	15,377	15,983
Non-financial assets held for sale		10,136	10,511	10,511
Total current assets		73,499	72,554	67,647
NON-CURRENT ASSETS				
Receivables		7,731	7,727	7,730
Other financial assets		..	..	..
Property, plant and equipment	17, 23	2,067,720	2,461,084	2,625,368
Intangibles		5,177	4,803	6,041
Other		..	..	..
Total non-current assets		2,080,628	2,473,614	2,639,139
TOTAL ASSETS		2,154,127	2,546,168	2,706,786
CURRENT LIABILITIES				
Payables		20,222	22,493	23,744
Employee benefit obligations		5,200	4,487	4,660
Interest-bearing liabilities and derivatives	24	30,136	29,371	24,437
Provisions		..	..	..
Other	18	2,441	592	742
Total current liabilities		57,999	56,943	53,583
NON-CURRENT LIABILITIES				
Payables		4,520	5,477	4,715
Employee benefits obligations	19	..	1,931	2,007
Interest-bearing liabilities and derivatives	20, 25	92,214	95,631	77,587
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		96,734	103,039	84,309
TOTAL LIABILITIES		154,733	159,982	137,892
NET ASSETS/(LIABILITIES)		1,999,394	2,386,186	2,568,894
EQUITY				
Capital/contributed equity	21, 26	808,517	757,798	940,506
Retained surplus/(accumulated deficit)		565,260	567,536	567,536
Reserves:				
- Asset revaluation reserve	22	625,617	1,060,852	1,060,852
- Other (specify)		..	..	..
TOTAL EQUITY		1,999,394	2,386,186	2,568,894

Cash Flow Statement

Department of Public Works	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Output receipts	27, 36	93,762	111,204	82,128
User charges	28, 37	334,871	380,164	429,091
Grants and other contributions		..	..	..
Other	29	25,184	5,098	4,606
Outflows:				
Employee costs	38	(60,344)	(61,193)	(66,734)
Supplies and services	30, 39	(285,731)	(358,772)	(391,687)
Grants and subsidies	40	(33,689)	(32,315)	(1,661)
Borrowing costs	41	(10,233)	(10,368)	(9,334)
Other	31	(24,456)	(3,667)	(4,347)
Net cash provided by/(used in) operating activities		39,364	30,151	42,062
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment	32,42	1,050	8,669	550
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	69
Outflows:				
Payments for property, plant and equipment and intangibles	33,43	(204,034)	(153,465)	(208,145)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(202,984)	(144,796)	(207,526)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	34, 44	..	2,366	7,775
Equity injections	35, 45	187,237	135,539	182,708
Outflows:				
Borrowing redemptions		(30,993)	(31,035)	(30,753)
Finance lease payments		(13)	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		156,231	106,870	159,730
Net increase/(decrease) in cash held		(7,389)	(7,775)	(5,734)
Cash at the beginning of financial year		35,500	33,073	25,298
Cash transfers from restructure		..	..	..
Cash at the end of financial year		28,111	25,298	19,564

Income Statement

EXPENSES AND REVENUES ADMINISTERED ON BEHALF OF THE WHOLE-OF- GOVERNMENT	Notes	2007-08 Adjusted Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Revenues				
Commonwealth grants		..	..	..
Taxes, fees and fines		..	..	..
Royalties, property income and other territorial revenue		..	..	..
Interest		..	..	..
Administered revenue	1,3	21,910	25,686	56,286
Other		..	..	..
Total revenues		21,910	25,686	56,286
Expenses				
Supplies and services	2	7,066	10,842	10,584
Depreciation and amortisation		..	..	..
Grants and subsidies	4	14,844	14,844	45,702
Benefit payments		..	..	..
Borrowing costs		..	..	..
Other		..	..	..
Total expenses		21,910	25,686	56,286
Net surplus or deficit before transfers to Government		..	..	..
Transfers of administered revenue to Government		..	..	..
OPERATING SURPLUS/(DEFICIT)		..	..	..

Balance Sheet

ASSETS AND LIABILITIES ADMINISTERED ON BEHALF OF THE WHOLE-OF- GOVERNMENT	Notes	2007-08 Adjusted Budget \$'000	2007-08 Est. Act. \$'000	2008-09 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		33,095	33,095	33,095
Retained surplus/(Accumulated deficit)		(33,095)	(33,095)	(33,095)
Reserves:				
- Asset revaluation reserve	
- Other (specify)	
TOTAL ADMINISTERED EQUITY	

Cash Flow Statement

CASH FLOWS ADMINISTERED ON BEHALF OF THE WHOLE-OF-GOVERNMENT	Notes	2007-08 Adjusted Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Administered item receipts	5, 7	21,910	27,446	56,286
Grants and other contributions		..	..	..
Taxes, fees and fines		..	391	..
Royalties, property income and other territorial revenues		..	306	..
Other		..	..	..
Outflows:				
Transfers to Government		..	(306)	..
Grants and subsidies	8	(14,844)	(14,844)	(45,702)
Supplies and services	6, 9	(7,066)	(12,448)	(10,584)
Borrowing costs		..	..	..
Other		..	..	..
Net cash provided by/(used in) operating activities		..	545	..
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	10	25,272	25,578	12,437
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	11	(25,272)	(25,578)	(12,437)
Net cash provided by/(used in) financing activities		..	..	..
Net increase/(decrease) in cash held		..	545	..
Administered cash at beginning of financial year		..	(545)	..
Cash transfers from restructure		..	..	..
Administered cash at end of financial year		..	..	..

Explanation of Variances in the Financial Statements

Income Statement

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

1. The increase is mainly due to:
 - additional funding for the Office Accommodation Program;
 - additional funding for depreciation relating to a revaluation of buildings as at 30 June 2007;
 - the reclassification of the Government Energy Management Strategy project from an equity injection to output revenue;
 - funds deferred from 2006-07 to 2007-08 for information technology related projects and various other projects; and
 - funds approved for various minor projects during the 2007-08 financial year.These increases are partly offset by the deferral of funds from 2007-08 to 2008-09 for various projects.
2. The increase is primarily due to additional rent from government owned and leased buildings.
3. The increase is primarily due to:
 - additional building outgoings associated with government owned and leased buildings;
 - additional outlays for the Office Accommodation Program;
 - outlays relating to the Government Energy Management Strategy project;
 - outlays on various minor projects approved during the 2007-08 financial year; and
 - expenses relating to various projects that were deferred from 2006-07 to 2007-08.These increases are partly offset by the deferral of funds from 2007-08 to 2008-09 for various projects.
4. The decrease is mainly due to an extension of the tender period for the Mackay Convention Precinct. This has resulted in the deferral of funds to 2008-09.
5. The additional depreciation costs are principally due to a revaluation of buildings as at 30 June 2007.
6. The decrease is mainly due to:
 - the deferral of funds from 2007-08 to outer years for the Boggo Road Precinct redevelopment, the new pedestrian/cycle bridge located at Tank Street in Brisbane, the construction of the Government Joint Contact Centre in Brisbane and the new office building on Palm Island; and
 - the completion of the Stage 2 Queensland State Archives facility in Brisbane.These decreases are partly offset by the purchase and refurbishment of an office building in Mareeba.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

7. The decrease is mainly due to:
 - lower funding required for the Mackay Convention Precinct project as a result of the major portion of the project being paid out in 2007-08; and
 - lower funding required from the Consolidated Fund as a result of the retention of rent revenue increases in 2008-09 based on market conditions.These decreases were partly offset by additional depreciation funding due to capital acquisitions.
8. The increase is primarily due to rent increases based on market conditions.
9. The increase is mainly due to the Technology Transformation Program (TTP) and the new whole-of-Government procurement reforms.
10. The increase is mainly due to additional building outgoings associated with government owned and leased buildings and outlays relating to the TTP.
11. The decrease is due to the major portion of the Mackay Convention Precinct Grant being paid out in 2007-08.
12. The increase is primarily due to capital acquisitions in 2007-08 and 2008-09.
13. The decrease is the result of a lower loan balance.
14. The increase is mainly due to:
 - the commencement of construction on the Cairns government office building;
 - funds deferred from 2007-08 to 2008-09 for the Boggo Road Precinct redevelopment project;
 - funds approved for the construction of the Joint Contact Centre in Brisbane;
 - timing of construction work on the Gold Coast Convention Centre Stage 2; and
 - timing of construction work on the pedestrian/cycle bridge located at Tank Street in Brisbane.These increases are partly offset by decreases in construction work on the Stage 2 Queensland State Archives facility in Brisbane and the refurbishment of the office building located at 63 George Street, Brisbane.

Balance Sheet

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

15. The decrease is mainly due to capital projects being funded from cash at bank.
16. The increase is principally due to higher prepayments as a result of an increase in building outgoings.
17. The increase is primarily due to a revaluation of land and buildings as 30 June 2007.
18. The decrease is due to a lower than expected unearned revenue balance.
19. The increase is due to a reclassification of part of the annual leave provision from current liabilities.
20. The increase is principally due to two new loans relating to the improvement of energy efficiency in government buildings.
21. Refer to Note 6.
22. The increase is primarily due to a revaluation of land and buildings as 30 June 2007.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

23. The increase is mainly due to:
 - commencement of construction on the Cairns government office building;
 - funds deferred from 2007-08 to 2008-09 for the Boggo Road Precinct redevelopment project;
 - funds approved for the construction of the Joint Contact Centre in Brisbane;
 - timing of construction work on the Gold Coast Convention Centre Stage 2; and
 - timing of construction work on the pedestrian/cycle bridge located at Tank Street in Brisbane.
24. The decrease is principally due to a loan being fully repaid during 2007-08.
25. The decrease is mainly due to loan repayments.
26. Refer to Note 23.

Cash Flow Statement

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

27. The increase is mainly due to:
 - the receipt of funds relating to invoices accrued as at 30 June 2007;
 - additional funding for the Office Accommodation Program;
 - additional funding for depreciation relating to a net revaluation increment in June 2007;
 - the reclassification of the Government Energy Management Strategy project from an equity injection to output revenue;
 - funds deferred from 2006-07 to 2007-08 for information technology related projects and various other projects; and
 - funds approved for various projects during the 2007-08 financial year.These increases are partly offset by the deferral of funds from 2007-08 to 2008-09 for various projects.
28. The increase is principally due to:
 - additional rent from government owned and leased buildings; and
 - the inclusion of the Goods and Services Tax recoveries from clients reclassified from Other inflows.
29. The decrease is primarily due to the reclassification of the collection of the Goods and Services Tax to User charges.
30. The increase is primarily due to:
 - the payment of invoices accrued as at 30 June 2007;
 - additional building outgoings associated with government owned and leased buildings;
 - the inclusion of the Goods and Services Tax paid to suppliers reclassified from Other outflows;
 - additional outlays for the Office Accommodation Program;
 - outlays relating to the Government Energy Management Strategy project;
 - outlays on various projects approved during the 2007-08 financial year; and
 - expenses relating to various minor projects that were deferred from 2006-07 to 2007-08.These increases are partly offset by the deferral of funds from 2007-08 to 2008-09 for various projects.
31. The decrease is mainly due to the reclassification of the Goods and Services Tax payments to Supplies and services.
32. The increase is mainly due to the sale of government office buildings in Mareeba and Mackay and the sale of a number of houses.
33. The decrease is mainly due to:
 - the deferral of funds from 2007-08 to outer years for the Boggo Road Precinct redevelopment, the new pedestrian/cycle bridge located at Tank Street in Brisbane, the construction of the Government Joint Contact Centre in Brisbane and the new office building on Palm Island; and
 - the completion of the Stage 2 Queensland State Archives facility in Brisbane.These decreases are partly offset by the purchase and refurbishment of an office building in Mareeba.
34. The increase is principally due to two new loans relating to the improvement of energy efficiency in government buildings.
35. Refer to Note 33.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

36. The decrease is mainly due to:
 - lower funding required for the Mackay Convention Precinct project as a result of the major portion of the project being paid out in 2007-08; and
 - lower funding required from the Consolidated Fund as a result of the retention of rent revenue increases in 2008-09 based on market conditions.These decreases were partly offset by additional depreciation funding due to capital acquisitions.
37. The increase is primarily due to rent increases based on market conditions.
38. The increase is mainly due to the Technology Transformation Program (TTP) and the new whole-of-Government procurement reforms.
39. The increase is mainly due to additional building outgoings associated with government owned and leased buildings and outlays relating to the TTP.
40. The decrease is due to the major portion of the Mackay Convention Precinct Grant being paid out in 2007-08.
41. The decrease is the result of a lower loan balance.
42. The 2007-08 Estimated Actual includes once off sales of property in Mareeba and Mackay.
43. The increase is mainly due to:
 - the commencement of construction on the Cairns government office building;
 - funds deferred from 2007-08 to 2008-09 for the Boggo Road Precinct redevelopment project;
 - funds approved for the construction of the Joint Contact Centre in Brisbane;
 - timing of construction work on the Gold Coast Convention Centre Stage 2; and
 - timing of construction work on the pedestrian/cycle bridge located at Tank Street in Brisbane.These increases are partly offset by decreases in construction work on the Stage 2 Queensland State Archives facility in Brisbane and the refurbishment of the office building located at 63 George Street, Brisbane.
44. The increase is mainly due to additional loans relating to the improvement of energy efficiency in government buildings and capital acquisitions.
45. Refer to Note 43.

Income Statement

Expenses and Revenues Administered on behalf of the Whole-of-Government

Major variations between 2007-08 Adjusted Budget and 2007-08 Estimated Actual include:

1. The increase is mainly due to:
 - Natural Disaster Relief Assistance claims as a result of Cyclone Larry;
 - funding received for the Future CITEC Operating Model (FCOM); and
 - operational funding for GovNet.
2. The increase is mainly due to:
 - Natural Disaster Relief Assistance claims from QBuild as a result of Cyclone Larry;
 - a payment to CITEC for costs incurred associated with the FCOM; and
 - a payment to CITEC for the operational costs of GovNet.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

3. The increase is mainly due to the inclusion of grant funding relating to CorpTech that was transferred from Queensland Treasury effective 1 July 2008.
4. The increase is principally due to the inclusion of grant funding relating to CorpTech that was transferred from Queensland Treasury effective 1 July 2008.

Balance Sheet

Assets and Liabilities Administered on behalf of the Whole-of-Government

No major variances to report.

Cash Flow Statement

Cash Flows Administered on behalf of the Whole-of-Government

Major variations between 2007-08 Adjusted Budget and 2007-08 Estimated Actual include:

5. The increase is mainly due to:
 - funding relating to the payment of invoices accrued as at 30 June 2007;
 - Natural Disaster Relief Assistance claims as a result of Cyclone Larry;
 - funding received for FCOM; and
 - operational funding for GovNet.
6. The increase is principally due to:
 - Natural Disaster Relief Assistance claims from QBuild as a result of Cyclone Larry;
 - the payment of invoices accrued as at 30 June 2007;
 - payment to CITEC for FCOM; and
 - payment to CITEC for the operational costs of GovNet.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

7. The increase is mainly due to the inclusion of grant funding relating to CorpTech that was transferred from Queensland Treasury effective 1 July 2008.
8. The increase is principally due to the inclusion of grant funding relating to CorpTech that was transferred from Queensland Treasury effective 1 July 2008.
9. The decrease is mainly due to the lower payment of invoices accrued as at 30 June 2008 compared to 30 June 2007.
10. The 2007-08 Estimated Actual includes a once-off contribution from the Consolidated Fund for QFleet. This decrease is partly offset by a contribution to CITEC for the Polaris Data Centre and a contribution to CorpTech for the Shared Services Solution.
11. The 2007-08 Estimated Actual included a once-off payment to QFleet. This decrease is partly offset by a payment to CITEC for the Polaris Data Centre and a payment to CorpTech for the Shared Services Solution.

Commercialised Business Units

QBuild

Overview

QBuild is responsible for delivering building maintenance and construction services to Queensland Government agencies. Additionally QBuild provides a wide variety of services in support of relief from natural disasters and major incidents and provides other services in the areas of building security, cleaning, and horticulture, and the management of Brisbane's Roma Street Parkland.

QBuild has a total workforce of about 2,600 people based in more than 20 regional and district offices throughout Queensland. QBuild is also responsible for delivering Community Service Obligations on behalf of the Government including apprentice training and the sponsorship of Indigenous apprenticeships.

The key factors and challenges impacting on QBuild include:

- operating in a climate of cost pressures for services provided to client departments that are looking for innovative ways to achieve efficiencies and savings
- the continuing skilled labour shortage and the competition for staff from the construction and mining industries, especially in rural and remote areas.

Review of Performance

Recent achievements

QBuild's recent achievements include the:

- completion of the Asbestos Roof Replacement Program at Queensland state schools
- delivery of planned and responsive maintenance works to dwellings located within 34 discrete Indigenous communities in remote areas of Queensland
- major contribution of resources for the Government's increased focus on improving and upgrading security to all facilities in the Torres Strait region
- delivery of heritage-related building projects in Brisbane including the \$2.4 million restoration of the ANZAC Square Shrine of Remembrance, the redevelopment of the Lady Bowen precinct and the restoration of stonework at Parliament House
- provision of disaster response assistance in the Gold Coast, Innisfail, Aramac, Muttaborra, Emerald, Charleville, Townsville, Mackay, Rockhampton, Cunnamulla and Maryborough areas after major flooding or severe weather events.

Future developments

In the future, QBuild will:

- develop an improved technical capability to enhance QBuild's ability to support the environmental initiatives of the Government
- develop and introduce an improved business system (Ellipse) into QBuild which will enhance service delivery to all clients
- continue the delivery of services in support of the Queensland community for natural disasters, the Government's apprentice training program and the continuation of the Indigenous employment program.

Statements

Performance Statement

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Financial performance measures				
Gross Profit as a % of Sales		10.50%	10.66%	10.74%
Current Ratio		1.40:1	1.45:1	1.37:1
Net Profit as a % of Sales		New measure	New measure	1%
Non-financial performance measures				
Certification of Quality Assurance and Environmental Systems		Accreditation maintained	Accreditation maintained	Accreditation maintained
Workplace Health and Safety – Accreditation under AS48001		Accreditation maintained	Accreditation maintained	Accreditation maintained
Workplace Health and Safety – Working days lost	1	1,620	1,663	1,459
Partnering arrangements with all major agencies established and met	2	Established and met	Established and met	N/A
Required number of apprentices engaged	2	100	100	N/A
Percentage of apprentices indentured outside the metropolitan region		60%	68%	65%
Percentage of apprentices successfully complete training		80%	76%	80%
Number of Community Councils assisted by host employing Indigenous apprentices	2	2	2	N/A

Notes:

Variations between 2007-08 Estimated Actual and 2008-09 Target / Estimate include:

1. The 2008-09 target estimate is in line with the Government's Safer and Healthier Workplaces Strategy.
2. These measures will no longer be reported in the Service Delivery Statements as the indicators do not adequately reflect performance. QBuild will continue to internally monitor these measures.

Income Statement

QBuild	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Income				
User charges		670,109	688,742	711,195
Grants and other contributions		10,133	9,839	9,464
Other revenue	1,7	1,222	1,692	1,500
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		681,464	700,273	722,159
Expenses				
Employee expenses	8	173,449	176,889	188,634
Supplies and services		492,602	510,775	523,448
Grants and subsidies		..	..	..
Depreciation and amortisation	2,9	1,290	946	1,112
Finance/borrowing costs	10	370	400	550
Other expenses	3	6,703	1,313	1,383
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		674,414	690,323	715,127
Surplus or deficit before related income tax	4,11	7,050	9,950	7,032
Income tax expense/revenue	5	2,115	2,985	2,110
OPERATING SURPLUS/DEFICIT after related income tax		4,935	6,965	4,922

Statement of Changes in Equity

QBuild	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 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		4,935	6,965	4,922
Total recognised income and expense for the period		4,935	6,965	4,922
Equity injection/(withdrawal)		..	..	..
Equity adjustments (MoG transfers)		..	..	..
Dividends provided or paid	6	(2,469)	(3,484)	(2,462)
Total movement in equity for period		2,466	3,481	2,460

Balance Sheet

QBuild	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CURRENT ASSETS				
Cash assets	12,23	17,677	37,915	27,122
Receivables	13	124,688	111,421	115,093
Other financial assets		..	..	..
Inventories	14	13,514	10,937	11,246
Other		975	955	986
Non-financial assets held for sale		..	..	..
Total current assets		156,854	161,228	154,447
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	15	5,702	4,325	4,342
Deferred tax assets	16	6,302	6,948	6,948
Intangibles	17,24	13,720	10,181	22,806
Other		..	..	..
Total non-current assets		25,724	21,454	34,096
TOTAL ASSETS		182,578	182,682	188,543
CURRENT LIABILITIES				
Payables	18	56,104	52,829	52,290
Employee benefits obligations	19	13,993	10,875	11,313
Interest-bearing liabilities and derivatives	20,25	1,038	1,897	2,478
Provisions		..	..	..
Current tax liabilities	21,26	529	746	527
Other	22	40,776	44,772	46,223
Total current liabilities		112,440	111,119	112,831
NON-CURRENT LIABILITIES				
Payables		..	..	..
Employee benefits obligations	19	1,217	4,818	5,006
Interest-bearing liabilities and derivatives	20,25	9,924	5,411	6,933
Provisions		..	..	..
Deferred tax liabilities		63	59	59
Other	27	21	21	..
Total non-current liabilities		11,225	10,309	11,998
TOTAL LIABILITIES		123,665	121,428	124,829
NET ASSETS (LIABILITIES)		58,913	61,254	63,714
EQUITY				
Capital/contributed equity		15,433	15,453	15,453
Retained surplus/(Accumulated deficit)		43,480	45,801	48,261
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		58,913	61,254	63,714

Cash Flow Statement

QBuild	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges		727,058	733,590	750,069
Grants and other contributions		10,133	9,839	9,464
Other	28	34,946	58,270	60,114
Outflows:				
Employee costs	34	(172,863)	(176,180)	(187,815)
Supplies and services		(546,903)	(571,679)	(582,328)
Grants and subsidies		..	..	..
Borrowing costs	35	(370)	(400)	(550)
Tax equivalents paid	29,36	(2,856)	(5,596)	(2,329)
Other		(42,004)	(41,264)	(42,283)
Net cash provided by/(used in) operating activities		7,141	6,580	4,342
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	30,37	(17,132)	(12,523)	(13,754)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(17,132)	(12,523)	(13,754)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	31,38	12,000	8,000	4,000
Equity injections		..	..	..
Outflows:				
Dividends paid	32,39	(5,928)	(7,234)	(3,484)
Borrowing redemptions	33,40	(1,038)	(692)	(1,897)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		5,034	74	(1,381)
Net increase/decrease) in cash held		(4,957)	(5,869)	(10,793)
Cash at the beginning of financial year		22,634	43,784	37,915
Cash transfers from restructure		..	..	..
Cash at the end of financial year		17,677	37,915	27,122

Explanation of Variances in the Financial Statements

Income Statement

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

1. The increase in other revenue is due to interest income, resulting from higher than expected cash balances in the first half of the year.
2. The decrease is due to lower than expected capital expenditure.
3. Operating lease rentals were classed as Other in the 2007-08 budget, but have been recoded to Supplies and services in the estimated actuals, in line with the new WOGFIR groupings.
4. The improved estimated surplus is a direct result of increased demand for construction and Department of Housing client work.
5. Income tax is in proportion with the estimated surplus.
6. The dividend is a fixed proportion of the surplus.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

7. Interest income has decreased as a result of commitments for the financial and operational system upgrade.
8. Employee expenses are expected to increase as a result of the Enterprise Bargaining Agreement and fewer vacancies. The 2008-09 budget assumes that additional sales will be delivered by field staff rather than subcontractors.
9. Depreciation is expected to increase as a result of increased capital expenditure.
10. The 2008-09 interest expense relates predominantly to the long term loan partially drawn down in December 2007 to finance the upgrade of the financial and operational system. Improved cash management should lead to less reliance on the short term loan facility in 2008-09.
11. The net surplus is forecast to decrease, as cost of sales will exceed sales growth.

Balance Sheet

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

12. The estimated 2007-08 cash balance is higher as the July 2007 actual opening balance was higher than anticipated.
13. The debtors balance has been reduced due to improvements in debtor management processes introduced in 2006-07.
14. Inventories have also been reduced to reflect the overall trend in the reduction of work in progress (WIP) balances.
15. Property, plant and equipment has been reduced as some capital spending included in the budget is not proceeding.
16. The deferred tax asset is higher as a direct result of the higher actual opening balance in 2007-08.
17. Intangibles have decreased due to the timing of expenditure on the upgrade of the financial and operational system.
18. Improvements in creditor controls have resulted in lower payables balances.
19. Employee benefits split between current and non-current has been amended to reflect July 2007 actual opening balances.
20. The budget assumed the full \$12 million long term facility would be accessed in 2007-08, however only \$8 million has been drawn down.
21. Income tax is higher in the 2007-08 estimate, in line with the expected surplus.
22. Other current liabilities are above budget as the July 2007 actual unearned revenue opening balance was higher than expected, due to the level of sales last financial year.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

23. The decrease reflects the use of cash over the year to fund the upgrade of the financial and operational system.
24. Intangibles have increased due to progress on the upgrade of the financial and operational system.
25. It is assumed the balance of the long term borrowing will be drawn down during the 2008-09 financial year, which will increase the current and non current liability accounts.
26. This liability account reflects the income tax expense resulting from the surplus.
27. The 2007-08 liability relates to a lease incentive which will be fully expensed by the end of that financial year.

Cash Flow Statement

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

28. GST input tax credits received have been recoded from "User Charges" to "Other" in the 2007-08 estimated actuals.
29. Taxation equivalents paid relates to the prior year tax liability plus any provisional tax expected to be paid this year.
30. The movement in asset purchases has been outlined in Notes 15 and 17 above.
31. \$8 million of the long term borrowing was drawn in December 2007. The remaining \$4 million is expected to be drawn down in 2008-09.
32. The dividend payments are a direct result of the surplus achieved in the prior financial year.
33. The borrowing redemption shows a lower principal repayment due to the reduced borrowing in December 2007.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

34. The increase in employee costs is outlined in Note 8 above.
35. The borrowing cost increase is a result of the draw down of borrowings as explained in Note 10 above.
36. The 2008-09 payment relates to the prior year tax liability.
37. Fixed asset purchases relate to planned capital expenditure and the system upgrade.
38. Borrowings in 2008-09 represent the remaining long term loan facility drawdown.
39. The dividend payment reduction reflects the 2007-08 expected surplus.
40. The borrowing redemption in 2008-09 shows the impact of drawing on the full long term borrowing.

Project Services

Overview

Project Services provides multi-disciplinary building and property consultancy services to the Queensland Government. Project Services assists its clients in the delivery of building capital works programs and projects within the Government's capital works framework, minimising risk and assisting in meeting the reporting obligations of the Government.

Project Services provides a full suite of consultancy services to its clients, including:

- program, project, procurement, risk and asset management
- professional building design (architecture, landscape architecture, interior design, engineering – civil, structural, mechanical, electrical, geotechnical, environmental, fire and specialist)
- quantity surveying; superintendency; contract management and administration; building surveying; property and corporate real estate services and town planning.

Project Services partners with Queensland Government agencies to identify and provide the products and services they need to deliver the Government's outcomes. In 2007-08, the capital works program under management by Project Services was in the order of \$8.5 billion, comprising approximately 6,000 active projects.

The key factors and challenges impacting on Project Services include:

- delivering clients' capital works programs during a period of high activity within the Queensland construction industry and consequential shortages of professional and trade resources
- sustaining a role as the building procurement and risk manager for government and retaining market share with core clients for capital works expenditure in future years
- improving the approach to environmental design to address a growing demand for 'green' building solutions
- leading industry support for the role and value of Project Services as a coordinator between government and industry, while assisting the Government in successfully meeting its priorities
- attracting and retaining high quality staff.

Review of Performance

Recent achievements

In addition to the delivery of building capital works programs and projects, Project Services' recent achievements include the:

- construction of Skilled Park Stadium at Robina on behalf of the Major Sports Facilities Authority on time and within budget
- delivery of the Preparatory Year of Schooling Program to approximately 530 state schools throughout Queensland over the past two and a half years
- delivery of the new Roma Street Fire and Ambulance Station.

Future developments

In the future, Project Services will:

- maintain an influential, sustainable and recognised position through developing partnering agreements with all core clients
- strengthen strategic alliances through professional performance in managing capital works projects and programs on behalf of government clients including Queensland Health, the Department of Education, Training and the Arts, the Queensland Police Service, the Department of Housing and Queensland Corrective Services
- effectively manage the workforce profile and level to sustain the viability of the Business Unit
- enhance business systems to deliver integrated project management, design services and contract administration for the delivery of the Queensland Government's building capital works program
- continue positive relationships with the building and construction industry to ensure capacity to deliver projects on behalf of the Queensland Government.

Statements

Performance Statement

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Financial performance measures				
Gross Profit as a % of Total Sales	1	40%	30%	32%
Current ratio	2,3	2.9:1	2.2:1	1.7:1
Net Profit as a % of Sales		New measure	New measure	4%
Non-financial performance measures				
Project Competency – on Time		90%	90%	90%
Project Competency – on Budget		90%	90%	90%

Notes:

Major variations between 2007-08 Target/Estimate and the 2007-08 Estimated Actual include:

1. The expected reduction is primarily due to a higher than expected proportion of external/outsourced business.
2. The Current Ratio is expected to be lower, mainly as a result of the increase in employee benefits obligations and the current tax asset not expected to occur.

Major variations between the 2007-08 Estimated Actual and the 2008-09 Target/Estimate include:

3. The Current Ratio is expected to be lower, as a result of the decrease in cash and receivables and the increase in payables.

Income Statement

Project Services	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Income				
User charges	1	124,450	168,092	163,173
Grants and other contributions		..	..	..
Other revenue	2,6	2,100	1,716	1,510
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		126,550	169,808	164,683
Expenses				
Employee expenses	3,7	54,867	55,939	60,793
Supplies and services	4,8	60,905	102,835	95,259
Grants and subsidies		..	..	..
Depreciation and amortisation	5,9	1,497	686	1,303
Finance/borrowing costs		..	..	..
Other expenses		346	294	300
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		117,615	159,754	157,655
Surplus or deficit before related income tax		8,935	10,054	7,028
Income tax expense/revenue		2,680	3,016	2,108
OPERATING SURPLUS/DEFICIT after related income tax		6,255	7,038	4,920

Statement of Changes in Equity

Project Services	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 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		6,255	7,038	4,920
Total recognised income and expense for the period		6,255	7,038	4,920
Equity injection/(withdrawal)	
Equity adjustments (MoG transfers)	
Dividends provided or paid		(3,127)	(3,519)	(2,460)
Total movement in equity for period		3,128	3,519	2,460

Balance Sheet

Project Services	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CURRENT ASSETS				
Cash assets	10	10,155	18,882	18,340
Receivables		22,162	22,835	21,030
Other financial assets		..	..	..
Inventories	11	3,397	809	809
Other		204	230	238
Non-financial assets held for sale		..	..	..
Total current assets		35,918	42,756	40,417
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		1,496	1,536	1,716
Deferred tax assets		465	5,567	6,484
Intangibles	12,15	5,887	1,051	9,849
Other		..	..	..
Total non-current assets		7,848	8,154	18,049
TOTAL ASSETS		43,766	50,910	58,466
CURRENT LIABILITIES				
Payables	16	10,890	9,064	12,133
Employee benefits obligations	13	3,810	7,558	8,566
Interest-bearing liabilities and derivatives		..	..	..
Provisions		2,035	1,953	3,003
Current tax liabilities	14	(4,380)	440	359
Other		209	198	248
Total current liabilities		12,564	19,213	24,309
NON-CURRENT LIABILITIES				
Payables		..	..	..
Employee benefits obligations		1,500	1,500	1,500
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Deferred tax liabilities		..	..	..
Other		..	..	..
Total non-current liabilities		1,500	1,500	1,500
TOTAL LIABILITIES		14,064	20,713	25,809
NET ASSETS (LIABILITIES)		29,702	30,197	32,657
EQUITY				
Capital/contributed equity		72	96	96
Retained surplus/(Accumulated deficit)		26,630	27,101	29,561
Reserves:				
- Asset revaluation reserve		..	..	..
- General reserve		3,000	3,000	3,000
TOTAL EQUITY		29,702	30,197	32,657

Cash Flow Statement

Project Services	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	17,20	134,444	179,943	181,113
Grants and other contributions		..	..	..
Other		2,100	1,716	1,520
Outflows:				
Employee costs	21	(54,684)	(54,192)	(59,793)
Supplies and services	18,22	(65,646)	(110,737)	(100,253)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Tax equivalents paid		(4,750)	(5,353)	(3,107)
Other		(5,461)	(5,473)	(6,221)
Net cash provided by/(used in) operating activities		6,003	5,904	13,259
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	19,23	(7,040)	(1,845)	(10,281)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(7,040)	(1,845)	(10,281)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Dividends paid		(5,546)	(5,289)	(3,519)
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		(5,546)	(5,289)	(3,519)
Net increase/(decrease) in cash held		(6,583)	(1,230)	(542)
Cash at the beginning of financial year		16,738	20,112	18,882
Cash transfers from restructure		..	..	..
Cash at the end of financial year		10,155	18,882	18,340

Explanation of Variances in the Financial Statements

Income Statement

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

1. The increase in User charges is due to a significant increase in the level of services being provided by Project Services.
2. The decrease in Other revenue is due to lower interest received as a result of lower than expected cash balances throughout the year.
3. The increase in Employee expenses is due to various workforce initiatives to assist with the retention and attraction of experienced staff.
4. The increase in Supplies and services is due to an unexpected amount of work being outsourced to the private sector.
5. The decrease in Depreciation and amortisation is due to a lower than expected amortisation of computer software expenses.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

6. The decrease in Other revenue is due to lower interest revenue expected as a result of lower cash balances.
7. The increase in Employee expenses is due to an enterprise bargaining increase, workforce initiatives to assist with the retention and attraction of experienced staff as well as the cost of additional staff.
8. The decrease in Supplies and services is due to an expected reduction in the amount of business outsourced to the private sector.
9. The increase in Depreciation and amortisation is due to enhancements to various business systems and additional accommodation refurbishments.

Balance Sheet

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

10. The increase in the cash balance is mainly due to an increased level in business activity and a reduced level of expenditure on computer equipment.
11. The decrease in Inventories is due to lower levels of work in progress.
12. The decrease in Intangibles is mainly due to the postponement of the implementation of the whole-of-Government finance solution.
13. The increase is mainly due to employee annual leave not yet taken.
14. Queensland Treasury policy requires current tax assets to be netted off against current tax liabilities and the balance included in current tax liabilities. The net tax assets budgeted for in 2007-08 did not eventuate.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

15. The increase in Intangibles is due to costs relating to the upgrade of business systems (mainly relating to the implementation of the whole-of-Government finance solution).
16. The increase in Payables is due to a number of planned initiatives such as the whole-of-Government finance solution, enhancements to various business systems and additional accommodation refurbishments offset by a reduction in the amount of externally sourced business.

Cash Flow Statement

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

17. The increase in User charges results from a significant increase in business activity.
18. The increase in Supplies and services is as a result of an increase in external consultancy costs.
19. The decrease in intangibles mainly relates to the postponement of upgrading the whole-of-Government finance solution.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

20. The increase in User charges is mainly due to a reduction in receivables resulting from improved cash management initiatives.
21. The increase in Employee expenses is due to an enterprise bargaining increase, workforce initiatives to assist with the retention and attraction of experienced staff as well as the cost of additional staff.
22. The decrease in Supplies and services is mainly as a result of an expected decrease in external consultancy costs.
23. The increase in outflows is due to a number of planned initiatives such as the whole-of-Government finance solution, enhancements to various business systems and additional accommodation refurbishments.

QFleet

Overview

QFleet is the Queensland Government's centralised fleet owner and manager. QFleet's role and value to government is based on its capacity to aggregate the Queensland Government fleet enabling economies of scale and providing a central pool of expertise in fleet management. In 2007-08, QFleet managed approximately 14,000 vehicles on behalf of the Queensland Government.

QFleet's key services are vehicle procurement; fleet leasing, management and advisory services; vehicle servicing and repairs; used vehicle sales; whole-of-Government fleet reporting; and the development and management of whole-of-Government fleet policy.

The key factors and challenges impacting on QFleet include:

- minimising the Government's exposure to risk and future vehicle market volatility
- transforming the vehicle fleet mix to meet the environmental targets defined by the QFleet ClimateSmart Action Plan
- strengthening QFleet's role as the Government's fleet owner and manager as a result of the Service Delivery and Performance Commission's *Report on the Review of QFleet in the Department of Public Works*.

Review of Performance

Recent achievements

QFleet's recent achievements include the:

- change to the vehicle fleet mix in favour of smaller more environmentally friendly vehicles. Between April 2005 and February 2008, the number of six cylinder passenger vehicles in the fleet dropped from 59% to 37%, while the number of eight cylinder passenger vehicles dropped by 88%
- introduction of the QFleet ClimateSmart Action Plan which focuses the fleet on achieving CO₂ emissions targets (15% by the end of 2010, 25% by the end of 2012 and 50% by the end of 2017) and carbon offset targets (50% by 31 December 2010 and 100% by 31 December 2020)
- achievement of an operating profit for a second successive financial year, following major organisational restructure and business realignment.

Future developments

The 2008-2009 planning period will be a transition year for QFleet, as it strengthens its role as the Government's fleet owner and manager. In the future, QFleet will:

- deliver enhanced fleet management services to improve efficiencies and generate savings at a whole-of-Government level
- develop an improved vehicle procurement program
- establish an effective pooling and parking arrangement in collaboration with the Shared Services Agency
- establish a governance framework for whole-of-Government fleet policies
- implement improved whole-of-Government performance reporting
- implement a revised comprehensive fleet safety program to deliver vehicle and driver safety education.

Statements

Performance Statement

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Financial performance measures				
Current Ratio	1	1.56:1	1.24:1	1.24:1
Gearing Level		84%	84%	82%
Return on Net Assets	2	6.3%	7.3%	6.2%
Non-financial performance measures				
Reduction of carbon emissions in vehicles (ClimateSmart)		New measure	New measure	15% by 31/12/10
Vehicle stocks on hand awaiting sale as a percentage of total fleet	3	<10%	6.6%	<10%

Notes:

Major variations between 2007-08 Target/Estimate and 2007-08 Estimated Actual include:

1. The decrease is due to lower vehicle stock on hand than budgeted and a higher dividend provision from a higher operating surplus.
2. The increase is due to a higher operating surplus.
3. The 2007-08 Estimated Actual is based on an average of month end data from July 2007 to March 2008.

Income Statement

QFleet	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Income				
User charges	1	124,500	136,637	138,114
Grants and other contributions		..	..	..
Other revenue		25	135	125
Gains on sale/revaluation of property, plant and equipment and investments	2, 6	2,917	8,525	1,137
Total income		127,442	145,297	139,376
Expenses				
Employee expenses	3, 7	9,031	8,144	10,817
Supplies and services	4	36,160	44,160	44,447
Grants and subsidies		..	..	..
Depreciation and amortisation	5	58,336	63,634	62,200
Finance/borrowing costs	8	16,458	15,150	14,015
Other expenses		338	204	232
Losses on sale/revaluation of property, plant and equipment and investments	2, 6	3,072	5,163	1,671
Total expenses		123,395	136,455	133,382
Surplus or deficit before related income tax		4,047	8,842	5,994
Income tax expense/revenue		1,214	2,653	1,798
OPERATING SURPLUS/DEFICIT after related income tax		2,833	6,189	4,196

Statement of Changes in Equity

QFleet	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 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		2,833	6,189	4,196
Total recognised income and expense for the period		2,833	6,189	4,196
Equity injection/(withdrawal)	9	25,000	25,000	..
Equity adjustments (MoG transfers)		..	..	..
Dividends provided or paid		(1,417)	(3,095)	(2,098)
Total movement in equity for period		26,416	28,094	2,098

Balance Sheet

QFleet	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CURRENT ASSETS				
Cash assets		524	500	500
Receivables		8,419	7,850	8,086
Other financial assets		..	..	..
Inventories		305	392	392
Other		5,653	5,449	5,449
Non-financial assets held for sale	10, 15	18,467	15,327	12,810
Total current assets		33,368	29,518	27,237
NON-CURRENT ASSETS				
Receivables		161	25	25
Other financial assets		..	..	..
Property, plant and equipment	11, 16	298,292	317,395	298,876
Deferred tax assets		3,643	3,925	3,925
Intangibles	12	6,143	3,838	4,176
Other		..	..	..
Total non-current assets		308,239	325,183	307,002
TOTAL ASSETS		341,607	354,701	334,239
CURRENT LIABILITIES				
Payables		19,116	19,739	18,744
Employee benefits obligations		937	1,061	1,061
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Current tax liabilities	13, 17	707	2,653	1,798
Other		612	287	287
Total current liabilities		21,372	23,740	21,890
NON-CURRENT LIABILITIES				
Payables		..	..	..
Employee benefits obligations		..	..	..
Interest-bearing liabilities and derivatives	18	265,287	273,102	252,392
Provisions		..	..	..
Deferred tax liabilities	14	2,910	3,884	3,884
Other		..	..	..
Total non-current liabilities		268,197	276,986	256,276
TOTAL LIABILITIES		289,569	300,726	278,166
NET ASSETS (LIABILITIES)		52,038	53,975	56,073
EQUITY				
Capital/contributed equity		25,757	25,757	25,757
Retained surplus/(Accumulated deficit)		26,281	28,218	30,316
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		52,038	53,975	56,073

Cash Flow Statement

QFleet	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	19	145,000	161,079	161,831
Grants and other contributions		..	..	..
Other		25	157	125
Outflows:				
Employee costs	20, 28	(9,031)	(8,133)	(10,817)
Supplies and services	21, 29	(52,178)	(80,027)	(61,671)
Grants and subsidies		..	..	..
Borrowing costs		(16,451)	(15,322)	(14,137)
Tax equivalents paid	22 30	(802)	..	(2,653)
Other	23, 31	(5,106)	(3,794)	(6,304)
Net cash provided by/(used in) operating activities		61,457	53,960	66,374
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment	24, 32	81,234	112,606	87,306
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	25, 33	(131,338)	(166,410)	(129,875)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(50,104)	(53,804)	(42,569)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	26, 34	4,060	56,400	5,676
Equity injections	35	25,000	25,000	..
Outflows:				
Dividends paid	27, 36	(1,377)	(1,637)	(3,095)
Borrowing redemptions	26, 34	(39,089)	(79,114)	(26,386)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		(11,406)	649	(23,805)
Net increase/(decrease) in cash held		(53)	805	..
Cash at the beginning of financial year		577	(305)	500
Cash transfers from restructure		..	..	..
Cash at the end of financial year		524	500	500

Explanation of Variances in the Financial Statements

Income Statement

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

1. The increase is due to higher leasing revenue as a result of lower residual values, a higher than budgeted fleet size and higher vehicle termination recharges associated with a higher than anticipated number of vehicle returns.
2. The net increase is due to lower residual values of vehicles sold resulting from the 2005-06 revaluation as well as a healthy used car sales market.
3. The decrease is due to unfilled vacancies in the Policy Branch and a number of temporary vacancies in the Fleet Client Services Branch as a result of incumbent staff being transferred to short term projects (such as the Core System Replacement Project). The temporary vacancies were backfilled with agency staff.
4. The increase is due to higher agency staff costs as a result of backfilling of temporary vacancies and higher vehicle expenses associated with a higher than anticipated number of vehicle returns.
5. The increase is due to lower residual values and an increased fleet size.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

6. The net decrease is due to residual values expected to align closer with market prices.
7. The increase is due to enterprise bargaining increases, a move from agency staff to employees as well as additional temporary staffing requirements to implement recommendations of the Service Delivery and Performance Commission (SDPC) review and initiatives under ClimateSmart.
8. The decrease is due to lower borrowing costs from a reduced QTC loan amount as a result of a budgeted lower number of vehicle purchases for 2008-09.
9. The \$25 million relates to an approved equity injection received in 2007-08 as a result of the Capital Review structure by Queensland Treasury Corporation (QTC). No further equity injections are anticipated for 2008-09.

Balance Sheet

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

10. The decrease is due to a lower number of vehicles on hand at the end of the financial year.
11. The increase is due to a higher than budgeted fleet size.
12. The decrease is mainly due to Fleetscape and other system development costs not being incurred as budgeted.
13. The increase is due to a higher income tax expense as a result of a higher than anticipated operating surplus.
14. The increase is due to expected greater timing differences between accounting and tax values of motor vehicles, prepayments and intangibles.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

15. The decrease is due to fewer vehicles held at 30 June 2008 combined with a lower average residual value.
16. The decrease is due to a lower average cost of vehicles as a result of the move towards smaller vehicles under the ClimateSmart initiative.
17. The decrease is due to a lower income tax expense as a result of a lower budgeted operating surplus.
18. The decrease is due to reduced borrowings as a result of a lower budgeted number of vehicle purchases combined with a lower average purchase cost.

Cash Flow Statement

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

19. The increase is due to higher leasing revenue and higher vehicle termination recharges as a result of a greater than anticipated number of vehicle returns.
20. The decrease is due to unfilled vacancies and a number of temporary vacancies in the Fleet Client Services Branch, as a result of incumbent staff being transferred to short term projects.
21. The increase is due to higher agency staff costs as a result of the backfilling of temporary vacancies, higher vehicle expenses due to greater than anticipated vehicle returns and higher than budgeted GST paid on purchases.
22. The decrease is due to prior year tax losses being used to offset any tax liability payments.
23. The decrease is due to lower net input tax credits paid to the Australian Taxation Office.
24. The increase is due to a higher volume of vehicles sold during the year.
25. The increase is due to a higher number of vehicles purchased.
26. The net increase in borrowings is due to a higher volume of vehicle purchases.
27. The increase in dividends paid is due to the increase in the 2006-07 operating surplus compared to budget.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

28. The increase is due to enterprise bargaining increases, a move from agency staff, as well as additional temporary staffing requirements to implement recommendations of the SDPC review and initiatives under ClimateSmart.
29. The decrease is due to lower vehicle expenses from a lower budgeted volume of vehicle returns.
30. The increase is due to the cumulative increased operating results expected to result in tax payments in 2008-09.
31. The increase is due to a higher amount of net input tax credits paid to the Australian Taxation Office.
32. The decrease is due to a forecast lower volume of vehicle sales as a result of lower vehicle returns and a move to three year leases.
33. The decrease is due to a forecast lower volume of vehicle purchases.
34. The 2007-08 repayment of borrowings included an amount of \$25 million funded from an equity injection. Excluding this amount, there was a net increase in borrowing redemptions due to less funds required as a result of a lower volume of vehicle purchases.
35. Refer to Note 9.
36. The increase in dividends paid is due to the increased 2007-08 operating surplus.

CITEC

Overview

CITEC is the primary ICT services provider for the Queensland Government delivering both whole-of-Government and agency-specific ICT services. CITEC specialises in delivering ICT services that enable agency operations. In delivering these services CITEC:

- operates a primary data centre facility in the Brisbane CBD which provides a secure and controlled processing environment to support the Government's computing environment
- provides infrastructure services incorporating the management and support of assets and technology that support the delivery of agency business applications and Queensland Government corporate applications
- manages network facilities including all forms of wide area/metropolitan area/local area and storage area networking.

CITEC also provides solutions integration capability and information brokerage services.

The key factors and challenges impacting on CITEC include:

- consolidating CITEC's new role as the Queensland Government's primary ICT services provider
- responding to rapid technological advances through reinvestment
- delivering effective and responsive services in an environment of skills shortages
- continuing to improve business processes.

Review of Performance

Recent achievements

CITEC's recent achievements include the:

- development and substantial implementation of a revised operating model to support CITEC's new role as the Queensland Government's primary ICT services provider, as recommended by the Service Delivery and Performance Commission's (SDPC) *Report on Review of ICT Governance in the Queensland Government*. The new operating model enables the provision of high quality ICT infrastructure and services to the Government through cooperative engagement with government agencies and the local ICT industry
- establishment of a pre-commitment lease arrangement with the Springfield Land Corporation to lease space in the new Polaris Data Centre at Springfield, a state-of-the-art data centre that meets international criteria in modern computing infrastructure for superior design, power and cooling systems.

Future developments

In the future, CITEC will consolidate its role as the Queensland Government's primary ICT services provider. As part of this, CITEC will undertake activities in preparation for consolidation of the Government's ICT data centres, networks, infrastructure and ancillary services as recommended by the SDPC Report.

CITEC will also focus on commencing the lease of the Government's second primary data centre facility at Springfield in early 2009, which will provide much needed additional high security data centre space, facilitate consolidation activities and provide the necessary business continuity and disaster recovery services to support the existing CBD data centre.

Statements

Performance Statement

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Financial performance measures				
Earnings Before Interest and Tax (EBIT) (\$'000)	1,5	712	(618)	(4,378)
Current Ratio	6	1.65:1	1.61:1	1.86:1
Gearing Level	2,7	8.1%	0.2%	65.7%
Return on Net Assets	3,8	2.6%	(2.5%)	(9.2%)
Non-financial performance measures				
Number of Information Technology graduates, trainees and cooperative students employed each year	4	10	32	10

Notes:

The Identity, Directory and Email Services (IDES) Project:

IDES will provide a whole-of-Government email system which includes managed email services, identity management and authentication capability, updated white pages services and an upgraded Queensland Government digital certificate issuing capability. Benefits will be achieved via significant avoided costs across whole-of-Government. Based on the IDES business case CITEC's financial statements for 2008-09 include a loss of \$5.5 million for the IDES project. The business case anticipates the IDES project will show a loss in 2009-10 and then generate surplus values in the ensuing years sufficient to more than cover the initial losses.

Major variations between 2007-08 Target/Estimate and 2007-08 Estimated Actual include:

1. The decrease is mainly due to the accelerated depreciation of assets to align with whole-of-Government thresholds.
2. The decrease is due to a lower level of current debt.
3. The negative return is due to a small negative EBIT.
4. The increase is due to a higher than expected number of graduate applications for the ICT Career Graduate Development Program.

Major variations between 2007-08 Estimated Actual and the 2008-09 Target/Estimate include:

5. The decrease is mainly due to the IDES business case loss.
6. The increase is due to anticipated higher trade revenue.
7. The increase is due to estimated debt funding for the IDES and Technology Transformation Program (TTP) projects.
8. The decrease is due to the anticipated loss (refer to note 5).

Income Statement

CITEC	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Income				
User charges	1,6	144,687	147,800	164,184
Grants and other contributions		..	..	..
Other revenue		913	1,602	1,044
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		145,600	149,402	165,228
Expenses				
Employee expenses	2,7	46,203	49,083	57,244
Supplies and services	3,8	79,066	87,858	98,973
Grants and subsidies		..	..	..
Depreciation and amortisation	4,9	7,118	10,401	11,329
Finance/borrowing costs	10	414	138	2,479
Other expenses	5	11,569	1,142	1,037
Losses on sale/revaluation of property, plant and equipment and investments		13	12	14
Total expenses		144,383	148,634	171,076
Surplus or deficit before related income tax	11	1,217	768	(5,848)
Income tax expense/revenue		360	230	..
OPERATING SURPLUS/DEFICIT after related income tax		857	538	(5,848)

Statement of Changes in Equity

CITEC	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 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		857	538	(5,848)
Total recognised income and expense for the period		857	538	(5,848)
Equity injection/(withdrawal)	12	272	272	3,283
Equity adjustments (MoG transfers)		..	..	..
Dividends provided or paid		(257)	(161)	..
Total movement in equity for period		872	649	(2,565)

Balance Sheet

CITEC	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CURRENT ASSETS				
Cash assets	13	4,684	5,958	6,872
Receivables	14,20	18,040	20,101	24,922
Other financial assets		..	..	..
Inventories		14	132	165
Other	21	2,286	2,756	4,017
Non-financial assets held for sale		..	..	..
Total current assets		25,024	28,947	35,976
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets	15	2,720	500	500
Property, plant and equipment	16,22	11,121	13,706	43,300
Deferred tax assets		1,572	1,256	1,256
Intangibles	23	5,237	4,757	9,872
Other		392	384	414
Total non-current assets		21,042	20,603	55,342
TOTAL ASSETS		46,066	49,550	91,318
CURRENT LIABILITIES				
Payables	17	5,534	8,111	7,401
Employee benefits obligations	18	5,042	6,283	5,948
Interest-bearing liabilities and derivatives	19,24	1,885	500	3,000
Provisions		168	179	179
Current tax liabilities		110	230	..
Other		2,426	2,712	2,792
Total current liabilities		15,165	18,015	19,320
NON-CURRENT LIABILITIES				
Payables		..	..	..
Employee benefits obligations		215	..	..
Interest-bearing liabilities and derivatives	25	5,042	5,500	48,528
Provisions		..	..	..
Deferred tax liabilities		319	174	174
Other		..	..	..
Total non-current liabilities		5,576	5,674	48,702
TOTAL LIABILITIES		20,741	23,689	68,022
NET ASSETS (LIABILITIES)		25,325	25,861	23,296
EQUITY				
Capital/contributed equity	26	11,438	11,515	14,798
Retained surplus/(Accumulated deficit)	27	13,887	14,346	8,498
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		25,325	25,861	23,296

Cash Flow Statement

CITEC	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	28,36	155,662	157,414	172,514
Grants and other contributions		..	..	..
Other		8,631	9,007	9,893
Outflows:				
Employee costs	29,37	(45,601)	(47,239)	(57,402)
Supplies and services	30,38	(85,271)	(94,900)	(108,127)
Grants and subsidies		..	..	..
Borrowing costs	39	(381)	(9)	(2,019)
Tax equivalents paid		(686)	..	(230)
Other	31,40	(25,683)	(12,860)	(16,327)
Net cash provided by/(used in) operating activities		6,671	11,413	(1,698)
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	32,41	(9,000)	(13,893)	(46,038)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(9,000)	(13,893)	(46,038)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	33,42	6,000	10,136	48,528
Equity injections	43	272	272	3,283
Outflows:				
Dividends paid		(480)	(663)	(161)
Borrowing redemptions	34,44	(4,665)	(6,187)	(3,000)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		1,127	3,558	48,650
Net increase/(decrease) in cash held		(1,202)	1,078	914
Cash at the beginning of financial year		5,886	4,880	5,958
Cash transfers from restructure		..	..	..
Cash at the end of financial year	35	4,684	5,958	6,872

Explanation of Variances in the Financial Statements

Income Statement

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

1. The increase is due to increased government revenue and commercial revenue streams continuing for longer than anticipated as non-government clients experience delays in transitioning to their new service providers away from CITEC.
2. The increase is higher than anticipated due to recruitment activities undertaken to meet ICT Services in relation to whole-of-Government activities and the larger than anticipated graduate recruitment program.
3. The increase is due to operating lease costs, previously in Other expenses, now being included under this category.
4. The increase is due to significant asset purchases and depreciation changes to align with whole-of-Government thresholds.
5. The decrease is due to a category realignment (refer to Note 3).

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

6. The increase is mainly due to anticipated higher government and CONFIRM revenues, IDES first year revenue, and funding for the Technology Transformation Program (TTP).
7. The increase is due to the full year impact of the prior year's recruitment, Enterprise Bargaining increases, IDES and TTP employee expenses.
8. The increase is due to information provider fees, related to CONFIRM revenue increases and IDES and TTP expenses.
9. The increase is the full year impact of the prior year's capital investment program and IDES depreciation.
10. The increase is mainly related to the impact of debt funding for the IDES and TTP projects.
11. The decrease is mainly due to the inclusion of the IDES business case loss. The IDES component represents 94% of the anticipated CITEC net result.
12. The increase is due to an equity injection to cover the cost of the Polaris Data Centre preparation.

Balance Sheet

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

13. The increase is due to higher revenues than anticipated.
14. The increase is due to higher levels of trading revenue.
15. The decrease is due to CITEC's exit from its investment in Aurion Corporation.
16. The increase is due to higher than anticipated asset acquisitions to meet client requirements.
17. The increase is due to the creditor accruals associated with operating leases and higher CONFIRM provider fees.
18. The increase is due to the staff increase.
19. The decrease is due to delaying debt funding of asset purchases.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

20. The increase is due to anticipated higher revenues (refer to note 6).
21. The increase is due to increases in trading prepayments mainly associated with IDES requirements.
22. The increase is due to asset purchases required to support the Polaris Data Centre as well as the IDES and TTP projects.
23. The increase is due to software purchases required to support the IDES project.
24. The increase is due to estimated repayments associated with CITEC's debt funding.
25. The increase is due to debt funding for the IDES and TTP projects.
26. The increase is due to an equity injection to cover the cost of the Polaris Data Centre preparation .
27. The decrease is due to the anticipated operating deficit with the full year impact of the IDES project included.

Cash Flow Statement

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

28. The increase is due to increased government revenue and commercial revenue streams continuing for longer than anticipated as non-government clients experience delays in transitioning to their new service providers away from CITEC.
29. The increase is higher than anticipated due to recruitment activities undertaken to meet ICT Services in relation to whole-of-Government activities and the larger than anticipated graduate recruitment program.
30. The increase is due to operating lease costs, previously in Other expenses, now being included under this category.
31. The decrease is due to a category realignment (refer to Note 3).
32. The increase is due to higher than anticipated asset acquisitions to meet client requirements.
33. The increase is due to short term debt funding used throughout the year and estimated long term debt funding.
34. The increase is due to the repayment of short term debt draw downs that have been made throughout the year.
35. The increase is due to higher revenues than anticipated.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

36. The increase is mainly due to anticipated higher government and CONFIRM revenues, IDES first year revenue, and funding for the Technology Transformation Program (TTP).
37. The increase is due to the full year impact of the prior year's recruitment, Enterprise Bargaining increases, IDES and TTP employee expenses.
38. The increase is due to information provider fees, related to CONFIRM revenue increases and IDES and TTP expenses.
39. The increase is due to the borrowing costs associated with the IDES and TTP debt funding.
40. The increase is mainly due to the increase in GST payments to the Australian Taxation Office.
41. The increase is due to asset purchases required to support the Polaris Data Centre, the IDES and TTP projects and software purchases required to support the IDES project.
42. The increase is due to debt funding for the IDES and TTP projects.
43. The increase is due to an equity injection to cover the cost of the Polaris Data Centre preparation.
44. The decrease is due to repayments being only for long term borrowings.

Goprint

Overview

Goprint is a commercial business unit of the Department of Public Works with a primary responsibility to print the Government's Reserved Services documents. These highly sensitive documents are produced under strict security and generally within very tight, mandatory timeframes.

In order to offset the cost of capital and labour required to produce Reserved Services, Goprint also provides a range of commercial printing and copying services for government agencies and other organisations in receipt of government funding. These commercial services encompass concept development, research, design and production across a wide range of media.

The key factors and challenges impacting on Goprint include:

- the need to obtain the right type and volume of work to ensure its production capacity is fully utilised
- the increasing demand for digital production of documents
- the rapid evolution of print technology
- increasing client expectations for “clean and green”, environmentally-friendly production practices.

Review of Performance

Recent achievements

Goprint's recent achievements include the:

- continuation of Goprint's unblemished record of service to the Queensland Parliament and Executive Government, producing confidential materials in a secure and timely manner
- commissioning of a modern six-colour press, computer-to-plate technology (which replaced the outmoded film process) and some modern binding equipment
- continuation of the printing apprentice program. Goprint now has six apprentices in the program
- printing of the Queensland ballot papers for the Federal election and the ballot papers for Queensland Local Government elections.

Future developments

Goprint's operating model is currently under review following release of the Service Delivery and Performance Commission's *Report on Review of Goprint in the Department of Public Works*.

Statements

Performance Statement

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Financial performance measures				
Gross Profit as a % of Sales	1	39.3%	30.2%	29.3%
Current Ratio	2	2.6:1	2.0:1	2.3:1
Return on Net Assets	2,5	1.9%	(29.7%)	N/A
Non-financial performance measures				
Spoilage as a % of Sales		0.1%	0.2%	0.1%
On Time Deliveries	3	100%	97%	100%
Utilisation of Core Equipment and Resources		80%	82%	80%
Service Level Agreements established with agencies	4,6	80%	0%	N/A

Notes:

Variations between 2007-08 Target/Estimate and 2007-08 Estimated Actual include:

1. The decrease is due to a change in the types of products required by customers.
2. The decrease is a result of the operating loss.
3. The reduction was due to some disruption arising from the installation of new equipment.
4. Service Level Agreements were not completed with agencies due to the SDPC review of Goprint. This did not affect Goprint's annual revenue.

Variations between 2007-08 Estimated Actual and 2008-09 Target/Estimate include:

5. As Goprint is the recipient of an Operating Grant this measure is not considered relevant in 2008-09.
6. Changes to the Goprint service model has resulted in this measure not being applicable in 2008-09.

Income Statement

Goprint	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Income				
User charges		13,528	13,329	13,500
Grants and other contributions	8	4,000	4,000	5,446
Other revenue	1	72	158	48
Gains on sale/revaluation of property, plant and equipment and investments	2	..	43	..
Total income		17,600	17,530	18,994
Expenses				
Employee expenses	3	7,253	7,505	7,387
Supplies and services	4	8,796	10,014	10,171
Grants and subsidies		..	..	..
Depreciation and amortisation	5	606	492	518
Finance/borrowing costs	6	163	142	142
Other expenses		782	766	776
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		17,600	18,919	18,994
Surplus or deficit before related income tax		..	(1,389)	..
Income tax expense/revenue		..	..	..
OPERATING SURPLUS/DEFICIT after related income tax		..	(1,389)	..

Statement of Changes in Equity

Goprint	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 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		..	(1,389)	..
Total recognised income and expense for the period		..	(1,389)	..
Equity injection/(withdrawal)		..	..	..
Equity adjustments (MoG transfers)	7	..	23	..
Dividends provided or paid		..	..	..
Total movement in equity for period		..	(1,366)	..

Balance Sheet

Goprint	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CURRENT ASSETS				
Cash assets	9	2,955	1,682	1,992
Receivables	10,15	2,144	1,712	2,039
Other financial assets		..	..	..
Inventories		580	513	408
Other		..	110	110
Non-financial assets held for sale		..	..	..
Total current assets		5,679	4,017	4,549
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	11	3,630	4,092	3,574
Deferred tax assets		..	..	..
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		3,630	4,092	3,574
TOTAL ASSETS		9,309	8,109	8,123
CURRENT LIABILITIES				
Payables		1,135	1,111	1,142
Employee benefits obligations		607	647	628
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Current tax liabilities		..	..	..
Other	12	480	210	210
Total current liabilities		2,222	1,968	1,980
NON-CURRENT LIABILITIES				
Payables		..	..	..
Employee benefits obligations		140	247	249
Interest-bearing liabilities and derivatives		2,256	2,256	2,256
Provisions		..	..	..
Deferred tax liabilities		..	..	..
Other		..	..	..
Total non-current liabilities		2,396	2,503	2,505
TOTAL LIABILITIES		4,618	4,471	4,485
NET ASSETS (LIABILITIES)		4,691	3,638	3,638
EQUITY				
Capital/contributed equity	13	12,139	12,475	12,475
Retained surplus/(Accumulated deficit)	14	(7,448)	(8,837)	(8,837)
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		4,691	3,638	3,638

Cash Flow Statement

Goprint	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges		14,319	14,276	14,817
Grants and other contributions		4,000	4,820	5,107
Other	16	960	1,911	1,088
Outflows:				
Employee costs		(7,238)	(7,405)	(7,404)
Supplies and services	17	(9,304)	(11,433)	(11,045)
Grants and subsidies		..	..	..
Borrowing costs		(163)	(141)	(143)
Tax equivalents paid		..	..	..
Other		(2,008)	(2,120)	(2,110)
Net cash provided by/(used in) operating activities		566	(92)	310
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	118	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	18	(6)	(2,200)	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(6)	(2,082)	..
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	19	..	306	..
Outflows:				
Dividends paid		..	..	..
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		..	306	..
Net increase/(decrease) in cash held		560	(1,868)	310
Cash at the beginning of financial year		2,395	3,550	1,682
Cash transfers from restructure		..	..	..
Cash at the end of financial year		2,955	1,682	1,992

Explanation of Variances in the Financial Statements

Income Statement

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

1. The increase is predominantly due to higher interest receipts caused by higher than anticipated cash balances throughout the year.
2. The increase is due to the sale of old press and folding equipment that was replaced at the start of the year.
3. The increase is due to VERs being accepted during the year.
4. The increase is predominantly due to the mix of products sold requiring greater levels of materials and outsourcing than the anticipated product mix.
5. The decrease is due to the capitalisation of the new press and folding equipment being delayed due to longer than anticipated installation times.
6. The decrease is due to lower than anticipated interest charges on long term debt.
7. The increase is due to the transfer of leave liabilities for staff transferred from Goprint.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

8. The increase is due to changes in the mix of print products to be sold to those that are more material and outsourcing intensive products, resulting in a decreased gross profit contribution on printing products.

Balance Sheet

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

9. The decrease is due to the operating deficit.
10. The decrease is due to the total Community Service Obligation (CSO) funding being provided before 30 June 2008 with no accrual for the final payment required.
11. The increase is due to the purchase of additional binding equipment.
12. The decrease is due to lower than expected prepayments from clients.
13. The increase is due to additional equity funding provided to purchase additional binding equipment.
14. The decrease is due to the operating deficit.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

15. The increase is due to the accrual of the final payment of the Operating Grant (previously classified as a CSO).

Cash Flow Statement

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

16. The increase is due to the receipt of GST credits from the Australian Taxation Office for the purchase of the new equipment.
17. The increase is predominantly due to the mix of products sold requiring greater levels of materials and outsourcing than the anticipated product mix.
18. The increase is due to purchases that were budgeted to be completed in 2006-07 occurring at the commencement of the 2007-08 year.
19. The increase is due to additional equity funding provided to purchase additional binding equipment.

SDS (Sales and Distribution Services)

Overview

SDS provides supply management services and advice to support Queensland Government agency operations and service delivery. SDS operates three distinct service streams – SDS Distribution, SDS Publications and SDS Logistics.

SDS Distribution is an online retail and distribution business trading educational, office, furniture and other agency specific products to schools and government agencies throughout Queensland. SDS Publications is an online retail and distribution business which manages electronic and printed publications on behalf of government agencies. SDS Logistics provides cost-effective warehousing and distribution services to government agencies.

The key factors and challenges impacting on SDS include:

- meeting revenue increases and cost reduction targets for the SDS Distribution business over the next three years
- strengthening the value of SDS' role within the Government
- building on SDS' strong partnering arrangements with schools
- improving staff morale, skills and commitment through targeted workforce management strategies.

Review of Performance

Recent achievements

SDS' recent achievements include the:

- completion of the delivery of furniture kits and curriculum resource requirements to schools across Queensland under the Department of Education, Training and the Arts' Preparatory Year Program
- implementation of SDS' online e-commerce technologies for all current service streams
- support for the State's disaster-management effort through rapid response to the recent floods in Central Queensland.

Future developments

SDS will continue to implement a new business model approved by the Government to enhance its trading performance over the next three years. In the future, SDS will concentrate efforts on improving the performance of the SDS Distribution business. In this context, SDS will seek to expand sales in the education sector, both State and Independent, and will leverage its partnering capabilities to pursue other supply partnership opportunities tailored to meet agency specific needs. At the same time, SDS will seek to drive internal efficiencies to improve productivity and reduce costs.

SDS will also provide input to the proposed whole-of-Government reforms to be undertaken by the Queensland Government Chief Procurement Office in the areas of warehousing and logistics and the supply of products in the event of an emergency, which were recommended by the Service Delivery and Performance Commission's *Report on Review of Purchasing and Logistics in the Queensland Government*.

Statements

Performance Statement

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Financial performance measures				
Reduction in overhead costs as a % of cost of goods sold (SDS Distribution and SDS Publications) Target: 1% reduction	1,3	36.06%	39.51%	N/A
Gross Profit as a % of Sales		26.1%	28.2%	29.0%
Net profit as a % of sales (before tax)		New measure	New measure	0.65%
Improvement in sales %		New measure	New measure	7.75%
Non-financial performance measures				
Prep Year Orders delivered in full and on time.	4	>95.0%	>95%	N/A
Brendale warehouse asset utilisation	2	>90.0%	>90%	>90%
% of Qld Govt publications migrated to the SDS Publications distribution Centre Customer.	5	>80.0%	>80%	N/A
Inventory turnover	6			
- General Merchandise		New measure	New measure	7
- Furniture				5

Notes:

Variations between 2007-08 Target/Estimate and 2007-08 Estimated Actual include:

1. There has been an increase in overhead costs against cost of goods sold primarily due to the increase in accommodation charges and finance/borrowing costs associated with the working capital facility.
2. Utilisation varies according to the configuration of the warehouse but remains above 90% at all times.

Variations between 2007-08 Estimated Actual and 2008-09 Target/Estimate include:

3. This measure has been replaced by the Net profit as a % of sales (before tax).
4. This project is now complete.
5. 80% represents the quantum of publications to be transferred. This is now complete.
6. This measure is calculated as the average inventory value over 12 months as a return against cost of goods sold.

Income Statement

SDS (Sales and Distribution Services)	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Income				
User charges	1,6	59,844	65,398	70,466
Grants and other contributions		..	..	..
Other revenue	2	30	70	70
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		59,874	65,468	70,536
Expenses				
Employee expenses	3,7	9,857	9,507	9,146
Supplies and services	4,8	48,590	55,104	59,958
Grants and subsidies		..	..	..
Depreciation and amortisation		257	287	289
Finance/borrowing costs	5	212	554	660
Other expenses		59	55	22
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		58,975	65,507	70,075
Surplus or deficit before related income tax		899	(39)	461
Income tax expense/(revenue)		270	..	138
OPERATING SURPLUS/DEFICIT after related income tax		629	(39)	323

Statement of Changes in Equity

SDS (Sales and Distribution Services)	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 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		629	(39)	323
Total recognised income and expense for the period		629	(39)	323
Equity injection/(withdrawal)	
Equity adjustments (MoG transfers)	
Dividends provided or paid		(314)	...	(161)
Total movement in equity for period		315	(39)	162

Balance Sheet

SDS (Sales and Distribution Services)	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CURRENT ASSETS				
Cash assets		782	565	826
Receivables		6,112	7,210	6,579
Other financial assets		..	..	..
Inventories	9	8,641	7,616	7,969
Other	10	122	1	1
Non-financial assets held for sale		..	..	..
Total current assets		15,657	15,392	15,375
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	11	514	640	515
Deferred tax assets		208	327	327
Intangibles		331	289	249
Other		..	..	..
Total non-current assets		1,053	1,256	1,091
TOTAL ASSETS		16,710	16,648	16,466
CURRENT LIABILITIES				
Payables		7,215	4,495	5,249
Employee benefits obligations		818	859	853
Interest-bearing liabilities and derivatives	12,13	5,500	7,840	6,640
Provisions		..	..	..
Current tax liabilities		..	..	138
Other		..	361	351
Total current liabilities		13,533	13,555	13,231
NON-CURRENT LIABILITIES				
Payables		..	..	..
Employee benefits obligations		..	203	203
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Deferred tax liabilities		..	..	..
Other		164	20	..
Total non-current liabilities		164	223	203
TOTAL LIABILITIES		13,697	13,778	13,434
NET ASSETS (LIABILITIES)		3,013	2,870	3,032
EQUITY				
Capital/contributed equity		4,744	4,744	4,744
Retained surplus/(Accumulated deficit)		(1,731)	(1,874)	(1,712)
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		3,013	2,870	3,032

Cash Flow Statement

SDS (Sales and Distribution Services)	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	17	63,130	70,854	78,132
Grants and other contributions		..	70	70
Other	14	381	5,392	5,829
Outflows:				
Employee costs		(8,785)	(9,714)	(8,997)
Supplies and services	18	(53,632)	(59,915)	(65,867)
Grants and subsidies		..	..	..
Borrowing costs		(212)	(554)	(660)
Tax equivalents paid		..	..	..
Other	15	(59)	(6,747)	(6,922)
Net cash provided by/(used in) operating activities		823	(614)	1,585
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		100	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles		(250)	(109)	(124)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(150)	(109)	(124)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	16	4,000	6,040	5,000
Equity injections		..	..	..
Outflows:				
Dividends paid		(208)	(418)	..
Borrowing redemptions		(4,500)	(4,700)	(6,200)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		(708)	922	(1,200)
Net increase/(decrease) in cash held		(35)	199	261
Cash at the beginning of financial year		817	366	565
Cash transfers from restructure		..	..	..
Cash at the end of financial year		782	565	826

Explanation of Variances in the Financial Statements

Income Statement

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

1. The increase is due to increased sales in general merchandise.
2. The increase is due to extra interest earned on a higher cash at bank balance.
3. The decrease in Employee expenses is due to a number of temporary positions not being extended in 2007-08.
4. The increase in Supplies and services is primarily due to the increase in cost of sales for general merchandise.
5. The increase in Finance/borrowing costs is associated with higher than anticipated aged debtors, a higher cost of borrowing and the operating loss in 2007-08.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

6. The increase is due to increased sales in general merchandise and furniture.
7. The variance is due to a number of temporary positions not being filled or extended in 2007-08 partially offset by Enterprise Bargaining Agreement increases.
8. The increase in Supplies and services is primarily due to the increase in cost of sales.

Balance Sheet

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

9. The reduction is associated with the slow down in, and finalisation of, the Preparatory Year Program.
10. The decrease is due to a lower than anticipated balance of prepayments at the end of the financial year.
11. The increase is due to the investment in warehousing infrastructure.
12. The increase in short term working capital facility is due to larger than anticipated aged debtors.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

13. The reduction is associated with more effective debt management.

Cash Flow Statement

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

14. The increase is due to the reporting of GST Input Tax credits on a gross basis.
15. The increase is due to the reporting of GST payments to the Australian Taxation Office on a gross basis.
16. The increase in short term working capital facility is due to larger than anticipated aged debtors and the operating loss in 2007-08.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

17. The increase in User charges is associated with the increase in sales revenue for general merchandise.
18. The increase in outflows is associated with the increase in cost of sales.

Shared Service Initiative

Shared Service Agency

Overview

The Shared Service Initiative is a whole-of-Government approach to corporate service delivery, underpinned by standardised business processes, consolidating technology and pooling resources and expertise. The Shared Service Agency (SSA) is the largest shared service provider in the Queensland Government. In 2007-08, SSA staff delivered a suite of services that included financial, procurement, human resource, documents and records management, information technology support, and property and facilities management services to more than 73,000 customers in 29 departments and agencies. On 21 September 2007 the functions and resources of the SSA were transferred through a Machinery of Government change from Queensland Treasury to the Department of Public Works.

The key factors and challenges impacting on the SSA include:

- responding to recommendations arising out of the Service Delivery and Performance Commission's (SDPC) *Review of the Shared Service Initiative* and *Review of Purchasing and Logistics in the Queensland Government*
- providing innovative, standardised shared services to support clients and customers in delivering front-line services while achieving the performance returns expected by the Government.

Review of Performance

Recent achievements

The SSA's recent achievements include the:

- development and transition to a revised business model to achieve a single, integrated approach to service delivery for customers and staff
- consolidation of the SSA's technology platforms through transition to a single ICT network, single intranet and internet sites and interim single finance and human resource systems
- development of a comprehensive skills enhancement framework for SSA staff, implementing a new corporate induction program and delivering a second round of leadership development to a further 100 staff at all levels across the SSA
- implementation, in partnership with client agencies and CorpTech, the new whole-of-Government finance business solution in four government agencies
- completed review of client relationship management and launch of a customer charter
- delivery of services to clients in accordance with operating level agreements.

Future developments

The SSA's mission is to support Queensland Government service delivery by providing innovative, standardised shared services. In the future, the SSA will:

- refine the SSA's service catalogue due to the return of services to client agencies
- implement business process improvement and standardisation for targeted services
- develop and implement improved customer contact mechanisms including a customer contact centre

- provide further development opportunities to SSA staff including technical skills training and customer service workshops.

Statements

Performance Statement

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Financial performance measures				
\$'000 SSP operating surplus/(deficit)	4	..	..	N/A
Labour costs as a percentage of total expenses		60%	59%	63%
Current Ratio		New measure	New measure	1.1:1
Non-financial performance measures				
Number of full-time equivalents (FTEs) in SSA	1	2,199	1,868	N/A
Percentage of OLAs signed	2	100%	100%	N/A
Customer Satisfaction		New measure	New measure	60%
Targeted systems and processes standardised within agreed timetable		New measure	New measure	90%
SSI Customer Satisfaction Index	3	..	..	N/A
SSI Client Satisfaction Index	3	..	..	N/A
Number of reports on policy and program management progress against whole-of-Government implementation plans	3	4	N/A	N/A
Achievement of key policy and program management deliverables within agreed timeframes	3	90%	N/A	N/A
Provision of policy advice, briefings, ministerial correspondence within agreed timeframes	3	95%	N/A	N/A

Notes:

Variations between 2007-08 Estimated Actual and 2008-09 Target/Estimate include:

1. FTE staff numbers are reported separately in this document under the staffing table in the Departmental overview.
2. This project is now complete.
3. These measures were previously reported on a whole-of-Initiative basis. Over 2007-08, the central policy and program management function has been progressively discontinued as shared services transitions from a centrally driven Initiative into the mainstream business practice of the Queensland Government.
4. This measure is readily available from the Income Statement and does not need to be included in the Performance Statement.

Income Statement

Shared Service Agency	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Income				
User charges	1,8	237,717	225,136	210,861
Grants and other contributions	2	13,579	4,678	5,848
Other revenue	9	18	18	98
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		251,314	229,832	216,807
Expenses				
Employee expenses	3	150,855	135,183	135,837
Supplies and services	10	73,888	73,990	60,670
Grants and subsidies	4	2,290	..	..
Depreciation and amortisation	5,11	2,298	2,935	3,349
Finance/borrowing costs		..	..	..
Other expenses	6,12	21,983	17,724	16,951
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		251,314	229,832	216,807
OPERATING SURPLUS/(DEFICIT)		..	..	..

Statement of Changes in Equity

Shared Service Agency	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 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		..	..	..
Total recognised income and expense for the period		..	..	..
Equity injection/(withdrawal)		..	..	..
Equity adjustments (MoG transfers)	7	..	1,012	..
Total movement in equity for period		..	1,012	..

Balance Sheet

Shared Service Agency	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CURRENT ASSETS				
Cash assets		13,049	13,904	15,575
Receivables		19,664	18,375	17,875
Other financial assets		..	..	..
Inventories		10	11	11
Other		100	229	229
Non-financial assets held for sale		..	..	..
Total current assets		32,823	32,519	33,690
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	14	10,043	10,945	8,585
Intangibles		258	224	174
Other		..	..	..
Total non-current assets		10,301	11,169	8,759
TOTAL ASSETS		43,124	43,688	42,449
CURRENT LIABILITIES				
Payables		14,411	11,493	11,067
Employee benefits obligations	15	9,788	10,287	9,863
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		9,589	9,755	9,376
Total current liabilities		33,788	31,535	30,306
NON-CURRENT LIABILITIES				
Payables		..	..	..
Employee benefits obligations		973	963	953
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		973	963	953
TOTAL LIABILITIES		34,761	32,498	31,259
NET ASSETS (LIABILITIES)		8,363	11,190	11,190
EQUITY				
Capital/contributed equity	13	7,387	10,394	10,394
Retained surplus/(Accumulated deficit)		976	796	796
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		8,363	11,190	11,190

Cash Flow Statement

Shared Service Agency	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	16,24	237,362	254,438	231,447
Grants and other contributions	17	13,579	3,904	5,469
Other	18	18	8,427	7,425
Outflows:				
Employee costs	19	(150,676)	(137,498)	(136,271)
Supplies and services	20,25	(74,266)	(84,695)	(68,423)
Grants and subsidies	21	(2,290)	..	..
Borrowing costs		..	..	..
Other	22	(21,983)	(40,138)	(37,037)
Net cash provided by/(used in) operating activities		1,744	4,438	2,610
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	26	(3,961)	(3,961)	(939)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(3,961)	(3,961)	(939)
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	23,27	(2,217)	477	1,671
Cash at the beginning of financial year		15,266	13,277	13,904
Cash transfers from restructure		..	150	..
Cash at the end of financial year		13,049	13,904	15,575

Explanation of Variances in the Financial Statements

Income Statement

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

1. The decrease is mainly due to the transfer of functions of the Shared Service Initiative Policy and Program Office from the Shared Service Agency to a separate business area within Queensland Treasury on 1 July 2007, the part year impact of the administrative realignment of corporate support (finance) to QBuild and the transfer of the provision of shared services for vocational education and training services to the Department of Education, Training and the Arts during the year.
2. The decrease is due to the transfer of functions of the Shared Service Initiative Policy and Program Office from the Shared Service Agency to a separate business area within Queensland Treasury on 1 July 2007.
3. Refer to Note 1.
4. The decrease is due to the transfer of functions of the Shared Service Initiative Policy and Program Office from the Shared Service Agency to a separate business area within Queensland Treasury on 1 July 2007.
5. The increase is mainly due to a revision of the estimated useful life relating to current year capital acquisitions which has resulted in an increase to depreciation expenditure for the period.
6. Refer to Note 1.
7. The increase is mainly due to the transfer of functions of the Shared Service Initiative Policy and Program Office from the Shared Service Agency to a separate business area within Queensland Treasury on 1 July 2007, the impact of the administrative realignment of corporate support (finance) to QBuild and the transfer of the provision of shared services for vocational education and training services to the Department of Education, Training and the Arts during the year.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

8. The decrease is mainly due to the full year impact of the administrative realignment of corporate support (finance) to QBuild and the transfer of the provision of shared services for vocational education and training services to the Department of Education, Training and the Arts.
9. The increase is mainly due to the provision of miscellaneous training.
10. Refer to Note 8.
11. The increase is mainly due to a revision of the estimated useful life relating to 2007-08 capital acquisitions which has resulted in an increase to depreciation expenditure for the period.
12. Refer to Note 8.

Balance Sheet

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

13. The increase is due to the transfer of Employee benefits obligations to other departments as detailed in Note 1.

Major variations between 2007-08 Estimated Actual and 2008-09 Estimate include:

14. The decrease in property, plant and equipment is due to the consolidation of the Information, Communication and Technology (ICT) Network for the Shared Service Agency and more efficient capital management.
15. The decrease reflects the management of employee leave entitlements and the organisation's commitment to achieving an acceptable work life balance for staff.

Cash Flow Statement

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

16. The increase is due to the escalation for Goods and Services Tax (GST) on user charges and a reduction to receivables.
17. The decrease is due to the transfer of functions of the Shared Service Initiative Policy and Program Office from the Shared Service Agency to a separate business area within Queensland Treasury on 1 July 2007.
18. The increase is due to the reporting of GST tax input credits received from the Australian Taxation Office.
19. Refer to Note 1.
20. The increase is due to the escalation for GST on supplies and services.
21. The decrease is due to the transfer of functions of the Shared Service Initiative Policy and Program Office from the Shared Service Agency to a separate business area within Queensland Treasury on 1 July 2007.
22. The increase is due to the reporting of GST remitted to the Australian Taxation Office.
23. The increase in cash held is mainly due to improved cash flows from operating activities.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

24. The decrease is mainly due to the full year impact of the administrative realignment of corporate support (finance) to QBuild and the transfer of the provision of shared services for vocational education and training services to the Department of Education, Training and the Arts.
25. The decrease is mainly due to the full year impact of the administrative realignment of corporate support (finance) to QBuild and the transfer of the provision of shared services for vocational education and training services to the Department of Education, Training and the Arts.
26. The decrease in capital acquisitions is due to the completion of the ICT Network in 2007-08.
27. The increase in cash held is mainly due to a reduction in forecast capital acquisitions.

CorpTech

Overview

CorpTech provides high quality, cost-effective business solutions including finance, human resources and other corporate information systems to shared service providers and agencies.

In its role as a technology centre of skill, CorpTech is implementing standardised corporate services, consolidating technological platforms and pooling resources and expertise to achieve financial and business benefits across the Queensland Government shared service providers (SSPs) and their customer agencies.

Key factors and challenges impacting on CorpTech include:

- refining the business solution model, policies, governance and funding approach to support the ongoing implementation of the new human resource and finance business solutions
- transferring CorpTech from Queensland Treasury to the Department of Public Works from 1 July 2008, in line with DPW's role as the lead agency in whole-of-Government information and communication technology.

Working with SSPs, CorpTech has established a revised model for the delivery of new business solutions under a Prime Contractor arrangement. This approach will increase program efficiencies and support the sector in realising business benefits.

Review of Performance

Recent achievements

CorpTech's recent achievements include the:

- implementation of the new whole-of-Government finance solution in the Queensland Police Service and the Department of Education, Training and the Arts, bringing the total number of agencies on the new solution to 11
- provision of enhanced capability to seven agencies servicing 44,000 staff through a coordinated upgrade of all Aurion Human Resource (HR) Payroll solutions
- completion of the consolidation of all Shared Service Agency personnel onto a single combined SAP Finance and HR solution.

Future developments

In the future, CorpTech will:

- undertake ongoing refinement to the program approach and organisational structure to best meet solution implementation and support commitments
- continue to roll out new business solutions, including the implementation of the human resource solution to Queensland Health and the Department of Education, Training and the Arts
- finalise the implementation of an enhanced Internal Control Framework to more transparently support risk and compliance management

Statements

Performance Statement

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Financial performance measures				
Dollar SSP operating surplus/(deficit)	3	..	..	N/A
Labour costs as percentage of total expenses	4	23%	25%	32%
Non-financial performance measures				
Number of full-time equivalents in SSP	5	493	460	N/A
Percentage of OLAs signed	1	100%	66%	100%
Percentage of Incidents and Service Requests completed on time		New measure	New measure	80%
Percentage of system availability		New measure	New measure	98%
Number of Phase 1 agency implementations substantially complete		New measure	New measure	4
Customer Satisfaction Index	2	≥ 60	N/A	N/A
Client Satisfaction Index	2	≥ 50	N/A	N/A

Notes:

Variations between 2007-08 Target/Estimate and 2007-08 Estimated Actual include:

- Two of the six Operating Level Agreements (OLAs) with client agencies and shared service providers (SSPs) for the provision of system support and infrastructure have not been formally finalised due to ongoing refinements to documentation. This has not impacted on service provision.
- These measures were previously reported on a whole-of-Initiative basis within the Shared Service Agency report. Over 2007-08, the central policy and program management function has been progressively discontinued as shared services transitions from a centrally driven Initiative into the mainstream business practice of the Queensland Government. Related measures have therefore been discontinued, or devolved to shared service providers (SSPs) accordingly. The Client and Customer Survey was deferred at a whole-of-Initiative level in 2007-08. Subject to a review of the analysis methodology to enhance statistical validity, customers and clients will be surveyed in future using a revised version of that survey tool or through another feedback mechanism.

Variations between 2007-08 Estimated Actual and 2008-09 Target/Estimate include:

- This measure is readily available from the Income Statement and does not need to be included here.
- The percentage of labour costs has increased from 2007-08 to 2008-09 as the planned spend on supplies and services, including contractors, has reduced as a result of the appointment of a Prime Contractor to the SSS Program of Works, while the number of FTE's has remained steady.
- FTE staff numbers are reported separately in this document under the staffing table in the Departmental overview.

Income Statement

CorpTech	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Income				
User charges		84,842	86,295	85,647
Grants and other contributions	1,5	25,095	61,227	25,756
Other revenue		1,000	1,999	1,390
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		110,937	149,521	112,793
Expenses				
Employee expenses	2	25,505	37,563	35,550
Supplies and services	2,6	43,552	76,763	42,948
Grants and subsidies		..	..	..
Depreciation and amortisation	3	31,580	27,312	28,862
Finance/borrowing costs		..	..	..
Other expenses		10,300	7,862	5,433
Losses on sale/revaluation of property, plant and equipment and investments		..	21	..
Total expenses		110,937	149,521	112,793
OPERATING SURPLUS/(DEFICIT)		..	..	..

Statement of Changes in Equity

CorpTech	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 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		..	..	..
Total recognised income and expense for the period		..	..	..
Equity injection/(withdrawal)	4,7	36,042	55,666	9,154
Equity adjustments (MoG transfers)		..	(688)	..
Total movement in equity for period		36,042	54,978	9,154

Balance Sheet

CorpTech	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CURRENT ASSETS				
Cash assets	8	46,202	23,057	22,794
Receivables		15,667	19,561	19,559
Other financial assets		..	..	..
Inventories		..	..	..
Other		476	2,936	2,936
Non-financial assets held for sale		..	20	20
Total current assets		62,345	45,574	45,309
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		2,710	1,738	1,907
Intangibles	9	159,053	175,069	184,056
Other		..	..	..
Total non-current assets		161,763	176,807	185,963
TOTAL ASSETS		224,108	222,381	231,272
CURRENT LIABILITIES				
Payables		18,407	16,921	17,253
Employee benefits obligations		5,044	5,136	4,541
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	10	4,587	..	..
Total current liabilities		28,038	22,057	21,794
NON-CURRENT LIABILITIES				
Payables		..	..	..
Employee benefits obligations		716	1,020	1,020
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		716	1,020	1,020
TOTAL LIABILITIES		28,754	23,077	22,814
NET ASSETS (LIABILITIES)		195,354	199,304	208,458
EQUITY				
Capital/contributed equity		193,435	197,357	206,511
Retained surplus/(Accumulated deficit)		1,919	1,947	1,947
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		195,354	199,304	208,458

Cash Flow Statement

CorpTech	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	11	84,842	90,520	94,353
Grants and other contributions	12,19	25,095	44,835	25,756
Other	13,20	1,000	17,005	8,097
Outflows:				
Employee costs	14	(25,450)	(37,508)	(36,145)
Supplies and services	15,21	(44,239)	(92,456)	(49,323)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other	16,22	(10,300)	(27,691)	(14,137)
Net cash provided by/(used in) operating activities		30,948	(5,295)	28,601
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	17,23	(57,926)	(66,844)	(38,018)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(57,926)	(66,844)	(38,018)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections	18,24	51,042	70,666	9,154
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	25	(15,000)	(15,000)	..
Net cash provided by/(used in) financing activities		36,042	55,666	9,154
Net increase/(decrease) in cash held		9,064	(16,473)	(263)
Cash at the beginning of financial year		37,138	40,029	23,057
Cash transfers from restructure		..	(499)	..
Cash at the end of financial year		46,202	23,057	22,794

Explanation of Variances in the Financial Statements

Income Statement

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

1. The increase is due to carry-overs of grant funding from 2006-07, additional funding approved to be drawn down for the shared services solution and the transfer of the Corporate Services Reform Office (CSRO) to CorpTech.
2. The increase in Employee expenses and Supplies and services is due to the implementation effort relating to the shared services solution project being carried over from 2006-07, the ongoing requirement for the use of contractor resources due to system complexity, the introduction of a Prime Contractor resource to manage the project and the transfer of the CSRO to CorpTech.
3. The reduction in Depreciation and amortisation is due to the delays in the capitalisation of the new shared services solution system.
4. The increase is as a result of the approved equity injection, originally budgeted in 2006-07, not being drawn down until 2007-08.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

5. The decrease is due to most of the grants provided for the shared services solution and increased CorpTech costs following system roll-outs, ceasing in 2007-08.
6. The decrease is due to the lower expected expenditure in respect of the shared services solution project.
7. The decrease is in accordance with the planned timing of the equity funding for the shared services solution.

Balance Sheet

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

8. The decrease in cash balances is as a result of the utilisation of cash balances and carryovers for the shared services solution program of works.
9. The increase in Intangibles reflects planned expenditure on the shared service solution program of works.
10. The decrease in Other in Current Liabilities reflects an assumption of no unearned revenue at the end of the year.

Cash Flow Statement

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

11. The increase is mainly due to cashflows for GST collected on User charges being included in the 2007-08 Estimated Actuals. GST cashflows were reported on a net basis in the 2007-08 Budget.
12. The increase is due to carry-overs of grant funding from 2006-07, additional funding approved to be drawn down for the shared services solution and the transfer of the Corporate Services Reform Office (CSRO) to CorpTech.
13. The increase is due to GST input tax credits to be received included in the 2007-08 Estimated Actuals. GST cashflows were reported on a net basis in the 2007-08 Budget.
14. The increase in Employee expenses and Supplies and services is due to the implementation effort relating to the shared services solution project being carried over from 2006-07, the ongoing requirement for the use of contractor resources due to system complexity, the introduction of a Prime Contractor resource to manage the project and the transfer of the CSRO to CorpTech.
15. The increase is due to the additional expenditure outlined in note 2 above and for GST to be paid on purchases included in the 2007-08 Estimated Actuals. GST cashflows were reported on a net basis in the 2007-08 Budget.
16. The increase relates to additional expenditure on the shared services solution program of work as well as the inclusion of GST payments to the Australian Taxation Office. GST cashflows were reported on a net basis in the 2007-08 Budget.
17. The increase reflects the planned pattern of expenditure associated with the shared services solution program of works.
18. The increase is as a result of the approved equity injection, originally budgeted in 2006-07, not being drawn down until 2007-08.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

19. The decrease is due to most of the grants provided for the shared services solution and increased CorpTech costs following system roll-outs, ceasing in 2007-08.
20. The decrease is due to estimates of GST input tax credits received having reduced in line with expenditure reductions.
21. The decrease is due to the lower expected expenditure in respect of the shared services solution project.
22. The decrease is due to a reduction in planned expenditure on the shared services solution and one-off licensing costs in 2007-08 not required in 2008-09.
23. The decrease reflects a reduction in planned expenditure on the shared services solution program of works.
24. The decrease is in accordance with the planned timing of the equity funding for the shared services solution.
25. An equity withdrawal is no longer required in 2008-09 with funds retained for the services solution program of works.

Department of Housing

Departmental Overview

Strategic Issues

Strong growth in housing prices, increasing rents and low levels of vacancy, combined with strong population growth and the resources boom continue to place pressure on the Queensland housing market's ability to supply affordable housing, particularly to low to moderate income households. These market conditions are placing ever increasing pressure on scarce social housing. In response, the Government has allocated \$759 million towards housing assistance in 2008-09.

In this environment, a priority will be to increase the stock available for social housing responses. Furthermore, in partnership with the community sector and local governments it will be critical to ensure all housing resources funded or subsidised by the Government operate as part of an integrated system of housing support.

In 2008-09, the department will continue to strengthen service provision to clients for the duration of their need through a series of reforms to achieve improved service integration and a more cohesive system of delivering assistance. Key initiatives to be implemented to deliver improved client outcomes include the:

- new client intake and assessment process
- realignment of transitional housing responses
- redevelopment of the resourcing framework to support registered housing organisations.

The success of one social housing system relies on Government and non-Government agencies working together. In 2008-09, the department will continue to focus on building capacity within the community-based sector, strengthening communication and collaboration, and supporting registered housing providers to deliver integrated and efficient services to clients.

At the national level, the department will participate in negotiations for a new National Affordable Housing Agreement to replace the existing Commonwealth State Housing Agreement and a new Indigenous Housing Agreement. This work is being progressed in the context of the Council of Australian Governments (COAG) 2008 agenda which includes housing and Indigenous reform as two key priorities. The department will work through 2008-09 to implement commitments made under the COAG Housing Working Group.

2008-09 Highlights

One Social Housing System

A number of new initiatives will be progressed in 2008-09 to continue to bring elements of the housing system together. Among these initiatives will be a new client intake and assessment process to assess an applicant's housing need and determine the most appropriate form of housing assistance from a range of housing programs funded or subsidised by the Government. This process will be implemented by October 2008 and will improve the targeting of services, be more responsive to the housing needs of clients and provide assistance to those in greatest need. In addition, a range of assistance products to provide alternatives for eligible clients will be further developed, such as the trial of Rent Start, a headleasing program to secure private rental properties for low-income social rental housing applicants assessed as capable of affording private market rent within four years.

In 2008-09, the department will invest \$56.9 million to assist Queenslanders to enter into the private market or maintain their current private market tenancy. This will include \$3.5 million to continue the Pathways Shared Equity Loan product to assist social housing tenants to transition into home ownership and \$0.69 million to pilot the RentConnect Advisory Service and RentConnect Loan. The RentConnect Advisory Service will assist eligible clients to locate and establish a private market tenancy. The RentConnect Loan will also assist low-income earners to meet some of the costs associated with establishing a private market tenancy.

Expanding the Queensland Social Housing Base

In 2008-09, a further \$125 million from the Queensland Future Growth Fund (\$500 million over five years) will be invested to support a \$510.7 million capital program to accelerate the expansion of Queensland's social housing base, and assist low-income households experiencing severe housing stress. Through this funding, over 1,260 dwellings will be added to the social rental housing stock and construction will commence on a further 561.

Indigenous Community Housing

In 2008-09, \$90.2 million (including \$25 million under Government's Rural and Remote Indigenous housing initiative) has been allocated through the Housing Improvement Program to continue the department's commitment to provide housing to regional and remote Indigenous communities. This funding will be spent to complete 103 dwellings, commence construction on another seven dwellings and replace 35 existing dwellings as well as purchase 14 properties outside of the communities. Maintenance will also be undertaken on more than 4,200 dwellings and 271 upgrades will be completed.

Indigenous Councils and the department will also implement Housing Improvement Plans to ensure housing stock continues to improve and increase on these communities and tenancy management practices are enhanced.

Responding to Homelessness

In 2008-09, as part of the Queensland Government's four year, \$235.5 million Responding to Homelessness initiative, the department will commit \$12.2 million to further expand the housing supply to accommodate people at risk or already experiencing homelessness and includes the completion of the redevelopment of the Lady Bowen Complex.

Service Delivery Initiatives

The department will continue to support important whole-of-Government projects to achieve positive community outcomes. In 2008-09:

- a total of \$12.4 million (as part of the Government's four year \$42.5 million Spinal Cord Injuries Initiative) has been allocated to assist people with spinal cord injuries who no longer require hospital care. These funds will be spent to commence construction of 11 dwellings, complete 23 dwellings, acquire land to facilitate future construction and modify existing housing
- a budget of \$10 million (from the Government's four year \$40 million allocation under the Mental Health initiative) will enable the department to continue to source and provide suitable alternative accommodation for eligible clients with a mental illness.

2007-08 Achievements

One Social Housing System

In 2007-08, the implementation of one social housing system provided a fairer way for clients to access social housing assistance and ensured this assistance is provided for the duration of a client's need through the introduction of:

- consistent eligibility and application processes, including an expanded Assets Test for tenants, household members and applicants
- one combined wait list for department, community and local government-managed social housing
- four- or ten-year lease periods for new tenants.

The department also initiated the Rent Start trial, which assisted 18 clients assessed as capable of affording private market rent within four years to transition from the social housing wait list to housing headleased through the private rental market.

A range of housing assistance and housing supply responses were also provided during 2007-08 that enabled Queenslanders to successfully access or sustain appropriate private market housing, including:

- information and advice, loans and grants at a total cost of \$45 million
- investment of \$1.5 million to introduce a new Pathways Shared Equity Loan product targeted to tenants who have expressed an interest in purchasing their social rental property and who are no longer eligible for social housing
- expenditure of \$15 million under the Keeping the Australian Dream Alive initiative to purchase properties to provide alternative housing solutions for low-income people.

Expanding the Queensland Social Housing Base

In 2007-08, departmental capital works and capital grants at a cost of \$412.7 million (incorporating \$85 million from the Queensland Future Growth Fund):

- added 1,091 dwellings to the social rental housing stock through purchase or construction
- commenced construction on a further 718 dwellings
- made improvements to the amenity of existing social housing accommodation.

Indigenous Community Housing

In 2007-08, the department completed housing improvement plans for all 34 Indigenous communities and entered into tenancy management agreements with five communities. In addition, funds totalling \$76.3 million (including \$5 million under the Government's Rural and Remote Indigenous housing program) were successfully invested through the Housing Improvement Program to address housing services for discrete Indigenous communities to:

- complete construction of 64 dwellings and commence construction on 46 dwellings
- upgrade 272 dwellings and begin upgrade work on another 84 dwellings
- purchase 45 dwellings outside of communities
- undertake maintenance of 4,110 dwellings.

Responding to Homelessness

The department supported the Responding to Homelessness initiative through:

- the purchase of a 12-bed facility for homeless people on the Gold Coast (at a cost of \$2.3 million) under the Crisis Accommodation Program
- construction of 34 studio apartments and continued upgrade works on 21 studio units at the Lady Bowen Complex, at a total cost of \$5.6 million.

Service Delivery Initiatives

In 2007-08 the department:

- provided grant funding and access to departmental dwellings for not-for-profit organisations to headlease and manage 1,902 properties for transitional social housing at a cost of \$12.9 million
- undertook a \$127.2 million maintenance program to ensure dwellings were maintained to an acceptable and appropriate standard including the installation of 20,500 water-efficient devices at a cost of \$6.2 million under the Home Water Saving Scheme to assist Queenslanders in social housing to reduce their water consumption
- expended \$16.9 million through the Spinal Cord Injuries Initiative to complete 12 and commence a further five dwelling modifications, and to complete construction and purchase of 33 dwellings, commence construction of another 24 dwellings and acquire land to provide housing solutions to assist clients being discharged from the Princess Alexandra Spinal Cord Injuries Unit to move into appropriate housing
- purchased 37 dwellings (at a cost of \$10.3 million) to provide additional accommodation solutions to support 40 Queensland Health clients as part of the Mental Health Housing with Support Strategy
- managed more than 185 projects under the Community Renewal program at a cost of \$16.3 million in approved funds. These projects build the capacity of local residents and organisations, re-engage youth in the community and the education system, support and develop families, and provide economic development and cultural programs to reconnect communities and improve local amenities and infrastructure.

Departmental Outputs

The department contributes to the Community Outcomes of Strengthening Queensland Communities and Building Queensland's Economy by delivering against three Queensland Government priorities, namely Fostering Healthy Individuals and Communities, Strengthening Indigenous Communities and Embracing Growth in Cities and Regions.

The department's output structure has been revised to more appropriately align with the way housing assistance is delivered in Queensland and to demonstrate achievements against its goals of integrated social housing services, supporting households in the private market and building sustainable communities. The new outputs and their objectives are:

- **Social Rental Housing** – secure and affordable rental housing for low- to moderate-income families and individuals, in particular, those who have difficulties in the private market
- **Indigenous Community Housing** – the provision of appropriate housing in regional and remote Indigenous communities
- **Crisis Housing** – assistance to people who are homeless or at risk of homelessness
- **Private Market Assistance** – products and services to improve options for people with housing needs that can be met in the private rental and home purchase markets
- **Community Renewal** – brokering integrated Queensland Government responses to complex and interrelated community issues in selected areas of the State.

Staffing¹

Output	Notes	2007-08 Adjusted Budget ²	2007-08 Est. Actual	2008-09 Estimate
Outputs				
Social Rental Housing		905	941	922
Indigenous Community Housing		60	60	63
Crisis Housing		19	21	20
Private Market Assistance		199	209	197
Community Renewal		84	88	83
Total Outputs	3	1,267	1,319	1,285
Total		1,267	1,319	1,285

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Full-time equivalents have been re-cast to reflect the revised departmental output structure.
3. Corporate FTEs are allocated across the outputs to which they relate.

2008-09 Output Summary¹

Output	Total cost \$'000	Sources of revenue			
		Appropriation \$'000	User charges \$'000	C'wealth revenue \$'000	Other revenue \$'000
Social Rental Housing	519,458	72,666	300,429	114,922	8,840
Indigenous Community Housing	95,686	41,755	..	53,811	120
Crisis Housing	18,547	3,852	1,789	12,786	120
Private Market Assistance	70,789	11,406	1,149	15,443	42,791
Community Renewal	24,379	18,796	..	..	1,422
Total	728,859	148,475	303,367	196,962	53,293

Notes:

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

Statements

Performance Statement

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Output name: Social Rental Housing				
Number of new households assisted	1, 36	7,704	6,180	6,750
Total number of households assisted	36	65,220	64,000	67,545
Number of applications on the combined wait list		36,000	34,150	34,000
Number of Indigenous applications on the combined wait list	2	3,400	4,300	4,000
% of Indigenous households in Public Rental Housing and Aboriginal and Torres Strait Islander Housing Rental Program dwellings		New Measure	12.4%	12.8%
Level of client satisfaction	21, 37	New Measure	80%	*
% of departmentally owned dwellings in acceptable condition		98%	98%	98%
Property Standard Index - Public Rental Housing and Aboriginal and Torres Strait Islander Housing Rental Program dwellings	3, 38, 39	New Measure	*	5.6
% of registered Community Housing providers meeting prescribed requirements under the <i>Housing Act 2003</i> and the <i>Housing Regulation 2003</i>		95%	95%	95%
Average wait time for assistance (years)	40	New Measure	2.1	2.1
% of new households assisted within three years		New Measure	69%	69%
% of dwellings in regional and remote locations				
• Public Rental Housing and Aboriginal and Torres Strait Islander Housing Rental Program		New Measure	41%	41%
• Community Housing – Long Term Accommodation	41	75%	69%	70%
• Community Housing – Transitional	42	New Measure	47%	45%
Total average concession (\$)	22	New Measure	5,103	5,703
Average tenancy and property management administration cost per household assisted (\$)		New Measure	1,078	1,087
State contribution (\$000)	4, 12	61,229	67,973	72,666
Other revenue (\$000)	5, 13	387,309	431,658	424,191
Total cost (\$000)	14, 23	476,569	459,350	519,458

Output name: Indigenous Community Housing

Total number of households assisted through the Aboriginal and Torres Strait Islander Housing Community Program	4,080	4,110	4,213
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Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Number of Indigenous communities tenancy-managed by the Department of Housing	24	New measure	5	7
Number of dwellings delivered through the capital program to Indigenous communities	25	New measure	64	148
% of registered Indigenous community housing providers meeting prescribed requirements under the <i>Housing Act 2003</i> and the <i>Housing Regulation 2003</i>	6	New measure	*	95%
Average maintenance per dwelling (\$)	26	New Measure	6,873	3,784
State contribution (\$000)	7,15,27	25,707	14,609	41,755
Other revenue (\$000)	7, 16	69,657	55,249	53,931
Total cost (\$000)	8, 28	95,364	69,858	95,686

Output name: Crisis Housing

Total number of households assisted with crisis housing	43	9,500	9,700	10,000
Property Standard Index – Crisis Accommodation Program dwellings	3, 39	5.0	*	5.6
% of dwellings in regional and remote locations				
• Crisis accommodation		60%	63%	60%
• Drug Court		New Measure	29%	30%
State contribution (\$000)	7, 29	3,770	1,353	3,852
Other revenue (\$000)	7, 29	14,504	11,526	14,695
Total cost (\$000)	9, 30	18,274	12,879	18,547

Output name: Private Market Assistance

Total number of new households assisted	44	141,780	149,835	142,662
Total number of households assisted	44	174,281	181,541	173,313
Level of client satisfaction				
• Bond Loans	31	90%	95%	*
• Home Assist Secure	31	85%	85%	*
• Tenant Advice and Advocacy Service	10	*	*	90%
• Home Purchase Assistance	10	*	*	85%
% of registered providers meeting prescribed requirements under the <i>Housing Act 2003</i> and the <i>Housing Regulation 2003</i>		95%	95%	95%
% of home loan offers proceeding to approval		25%	22%	25%
% of Bond Loan payments to the Residential Tenancies Authority within 24 hours of confirmation of tenancy		100%	100%	100%
% of grants paid by date specified in funding agreement		100%	100%	100%
% of new loan applications processed with 28 days		95%	100%	95%

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
% of assistance in regional and remote locations				
• Private rental	45	51%	43%	45%
• Home Assist Secure		50%	50%	50%
• Tenant Advice and Advocacy Service		27%	27%	25%
• Home Loans	46	41%	33%	35%
Average Bond Loan assistance (\$)		New Measure	933	970
Average Home Assist Secure assistance (\$)		New Measure	223	244
State contribution (\$000)	11,16,29	15,020	9,352	11,406
Other revenue (\$000)	17	50,074	54,943	59,383
Total cost (\$000)	32	65,094	64,295	70,789

Output name: Community Renewal

% of funds used on education and skills related projects		New measure	6%	6%
% of project funds used for community facilities		New measure	17%	10%
% of Community Renewal projects with service integration outcomes		New measure	46%	50%
% of Indigenous people in Community Renewal zones who participate in Community Renewal		New measure	22%	20%
Level of resident satisfaction with renewal zone as a place to live		85%	89%	85%
% of total project funds contributed by partner agencies		50%	55%	55%
Resident satisfaction with level of changes in renewal zone since Community Renewal commenced		85%	81%	80%
% of Community Renewal projects demonstrating sustainable outcomes		New measure	90%	90%
Level of resident satisfaction with services available locally in Community Renewal zones		60%	56%	60%
Average value of assistance per renewal zone (\$000)	33	1,093	1,059	1,281
State contribution (\$000)	18, 29	16,511	15,745	18,796
Other revenue (\$000)	19, 34	60	109	1,422
Total cost (\$000)	20, 35	20,519	20,980	24,379

Notes:

Variations between 2007-08 Target/Estimate and 2007-08 Estimated Actual:

1. The decrease in the number of new households assisted is primarily attributed to an increase in the average length of tenancies which has reduced the availability of Social Rental Housing accommodation for new tenants.
2. The 2007-08 Target/Estimate was based on trends for the percentage of Indigenous applications on the Public Rental Housing and Aboriginal and Torres Strait Islander Housing Rental Program wait lists. The inclusion of Community Housing applications on the combined wait list has resulted in an increase in the number of Indigenous applications for Social Rental Housing.
3. Data for the 2007-08 Estimated Actual is not available due to a methodology review being undertaken in conjunction with CSIRO.
4. Increase primarily relates to reallocation of some grants from other outputs offset by deferral of grant drawdown to 2008-09.
5. Increase primarily relates to reallocation of some grants from other outputs together with property assets returned to the department.

6. This measure cannot be reported for 2007-08 as service reviews will commence in 2008-09.
7. Decrease due to a lower level of grant expenditure under this output.
8. Decrease mainly relates to delays in some Deed of Grant in Trust community capital programs with allocation being carried forward to 2008-09 together with the transfer of funds to capital works.
9. Decrease mainly due to transfer of funds to Crisis Accommodation Program capital works and carry forward of some grants budget allocation to 2008-09.
10. Data for this measure are sourced from a biennial survey. The next survey will be conducted in 2008-09.
11. Decrease due to reallocation of some grants to the Social Rental Housing output as a result of an increase in other revenue.

Variations between 2007-08 Target/Estimate and 2008-09 Target/Estimate:

12. Increase mainly due to additional grants allocation to this output and some grants budget allocation carried over from 2007-08.
13. Increase primarily due to increased rent revenue and additional grants allocation to this output.
14. Increase mainly due to higher maintenance and other operating costs.
15. Variation due to increased grants allocation.
16. Decrease due to lower grants allocation.
17. Increase mainly due to higher sales relating to the Kelvin Grove Urban Village project.
18. Increase primarily relates to higher level of grant expenditure under this output.
19. Increase due to funding provided under the Social Inclusion Pilot.
20. Increase primarily relates to increased grant expenditure. The 2007-08 Target/Estimate reflects adjusted cost as a result of the new output structure.

Variations between 2007-08 Estimated Actual and 2008-09 Target/Estimate:

21. Data for this measure are sourced from a biennial survey. The next survey will be conducted in 2008-09.
22. Variation is due to the growth in the differential between market rents and the rent paid by Social Housing tenants.
23. Variation primarily relates to increased maintenance expenditure and some grants budget allocation carryover from 2007-08.
24. The Indigenous communities of Doomadgee and Yarrabah will be tenancy-managed by the department in 2008-09.
25. Increase primarily due to increased capital works activity.
26. The 2007-08 maintenance program was focussed on urgent health and safety works and legislative compliance activities and this work has primarily been completed.
27. Increase due to additional grant funding.
28. Refer to note 8.
29. Increase represents higher level of expenditure under this output.
30. Increase primarily relates to increased maintenance and some grants budget allocation carried over from 2007-08.
31. Data for this measure are sourced from a triennial survey. The next survey will be conducted in 2010-11.
32. Increase relates to higher computer systems amortisation together with a higher cost of sales associated with the Kelvin Grove Urban Village project offset by lower cost of sales relating to the Government Land Register project.
33. The successful completion of the Community Renewal operation in one of the ten renewal zones has led to the total approved funds to be distributed among nine rather than ten renewal zones.
34. Increase due to funding provided under the Social Inclusion Pilot.
35. Increase primarily relates to increased grant expenditure.

Comments:

36. Social Rental Housing comprises Public Rental Housing, the Aboriginal and Torres Strait Islander Housing Rental Program Community Rent Scheme, Long Term Community Housing Program, the Brisbane Housing Company, Community-managed Housing – Studio Units and Same House Different Landlord.
37. This measure relates to Public Rental Housing, the Aboriginal and Torres Strait Islander Housing Rental Program, Community Rent Scheme, Long Term Community Housing Program, the Brisbane Housing Company, and Community-managed Housing – Studio Units.
38. The 2008-09 Target/Estimate is based on a revised methodology. Data from previous years are not comparable.
39. The Property Standard Index provides a State-wide rating based on property condition (maintenance), age and amenity, with a rating of three or above being considered acceptable.
40. The average wait time for assistance is calculated using Public Rental Housing and Aboriginal and Torres Strait Islander Housing Rental Program data. Community Housing data will become available in 2008-09.
41. Long term accommodation includes Long Term Community Housing and Community-managed Housing - Studio Units programs.
42. Transitional housing includes Community Rent Scheme and Same House Different Landlord programs.
43. Crisis Housing is comprised of the Crisis Accommodation Program and the Drug Court Program.
44. Households included are assisted through bond loans, rental grants, Home Assist Secure, Tenant Advice and Advocacy Service, Home and Community Care (HACC) home modifications, caravan parks, housing loans, deposit assistance, grants, mortgage relief and RentConnect.
45. The private rental category is comprised of bond loans and rental grants.
46. The home loans category is comprised of Queensland State Housing Loans, Queensland Housing Finance Loans and Pathways Shared Equity Loans as well as all products in the existing home loans portfolio.

Income Statement

Department of Housing	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Income				
Output revenue	1,10,18	122,237	109,032	148,475
User charges	11, 19	287,858	291,858	303,367
Grants and other contributions	2	207,027	225,602	214,692
Other revenue	3,12,20	22,984	17,025	30,711
Gains on sale/revaluation of property, plant and equipment and investments	4,13,21	3,735	19,000	4,852
Total income		643,841	662,517	702,097
Expenses				
Employee expenses		94,577	94,687	102,650
Supplies and services	5,14,22	243,107	256,953	281,285
Grants and subsidies	6,23	192,228	135,094	197,838
Depreciation and amortisation		102,719	100,789	109,829
Finance/borrowing costs		19,479	19,479	18,971
Other expenses	7,15,24	28,110	16,260	20,811
Losses on sale/revaluation of property, plant and equipment and investments	8,16,25	(4,400)	4,100	(2,525)
Total expenses		675,820	627,362	728,859
OPERATING SURPLUS/(DEFICIT)		(31,979)	35,155	(26,762)

Statement of Changes in Equity

Department of Housing	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	9,17,26	728,578	310,743	296,796
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		728,578	310,743	296,796
Surplus/(deficit) for the period		(31,979)	35,155	(26,762)
Total recognised income and expense for the period		696,599	345,898	270,034
Equity injection/(withdrawal)	27	164,635	155,438	172,011
Equity adjustments (MoG transfers)		..	..	..
Total movement in equity for period		861,234	501,336	442,045

Balance Sheet

Department of Housing	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CURRENT ASSETS				
Cash assets	28,41, 54	12,665	76,730	14,767
Receivables	29, 42	63,393	58,016	54,966
Other financial assets	30, 43	10,000	9,000	9,000
Inventories	31, 44,55	9,502	12,590	16,133
Other	32, 45	5,406	7,043	7,178
Non-financial assets held for sale	33, 46,56	53,100	67,256	21,656
Total current assets		154,066	230,635	123,700
NON-CURRENT ASSETS				
Receivables	29,42	42,428	34,339	37,268
Other financial assets	34,47,57	170,770	194,878	182,089
Property, plant and equipment	35,48, 58	12,160,853	11,873,525	12,432,189
Intangibles	36,49	16,278	13,112	14,059
Other		..	..	..
Total non-current assets		12,390,329	12,115,854	12,665,605
TOTAL ASSETS		12,544,395	12,346,489	12,789,305
CURRENT LIABILITIES				
Payables	37	60,927	66,197	66,247
Employee benefit obligations	38, 50	8,552	9,927	9,927
Interest-bearing liabilities and derivatives		12,179	12,179	12,357
Provisions		..	..	..
Other	51, 59	11,013	11,631	9,531
Total current liabilities		92,671	99,934	98,062
NON-CURRENT LIABILITIES				
Payables		..	..	..
Employee benefits obligations		..	..	..
Interest-bearing liabilities and derivatives		416,719	416,719	419,362
Provisions		..	..	..
Other		..	55	55
Total non-current liabilities		416,719	416,774	419,417
TOTAL LIABILITIES		509,390	516,708	517,479
NET ASSETS/(LIABILITIES)		12,035,005	11,829,781	12,271,826
EQUITY				
Capital/contributed equity	52, 60	429,655	417,441	589,452
Retained surplus/(accumulated deficit)	39, 53	3,686,175	3,788,405	3,761,643
Reserves:				
- Asset revaluation reserve	40, 61	7,919,175	7,623,935	7,920,731
- Other (specify)		..	..	..
TOTAL EQUITY		12,035,005	11,829,781	12,271,826

Cash Flow Statement

Department of Housing	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Output receipts	62,74,89	122,237	111,498	148,475
User charges	75,90	285,858	289,858	301,366
Grants and other contributions	63	207,027	214,277	212,592
GST collected on sales	64,76,91	3,136	2,806	7,303
GST input tax credits received	77	137,630	150,387	161,122
Other	78, 92	38,663	34,947	47,099
Outflows:				
Employee costs		(94,577)	(94,687)	(102,650)
Supplies and services	65,79,93	(243,107)	(261,524)	(281,235)
Grants and subsidies	66, 94	(192,228)	(135,094)	(197,838)
Borrowing costs		(19,479)	(19,479)	(18,971)
GST paid on purchases	67,80,95	(27,762)	(18,869)	(24,855)
GST remitted to Australian Taxation Office	68, 81	(127,121)	(149,585)	(158,396)
Other	69,82,96	(14,438)	(5,574)	(6,653)
Net cash provided by/(used in) operating activities		75,839	118,961	87,359
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment	83, 97	57,300	52,786	69,756
Investments redeemed	70, 84	10,000	9,000	9,000
Loans and advances redeemed	85	22,020	20,520	18,725
Outflows:				
Payments for property, plant and equipment and intangibles	71,86,98	(387,037)	(366,516)	(399,185)
Payments for investments	72, 99	(300)	(150)	(300)
Loans and advances made	73, 100	(24,300)	(15,320)	(22,150)
Net cash provided by/(used in) investing activities		(322,317)	(299,680)	(324,154)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	87, 101	..	..	15,000
Equity injections	102	164,636	155,439	172,127
Outflows:				
Borrowing redemptions		(11,791)	(11,791)	(12,179)
Finance lease payments		..	..	..
Equity withdrawals	88, 103	(1)	(1)	(116)
Net cash provided by/(used in) financing activities		152,844	143,647	174,832
Net increase/(decrease) in cash held		(93,634)	(37,072)	(61,963)
Cash at the beginning of financial year		106,299	113,802	76,730
Cash transfers from restructure		..	..	..
Cash at the end of financial year		12,665	76,730	14,767

Explanation of Variances in the Financial Statements

Income Statement

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

1. Decrease mainly due to deferral of drawdown of some grant funds to 2008-09.
2. Increase mainly due to property assets returned to the department together with additional grant funding.
3. Decrease mainly due to lower than expected sales relating to the Kelvin Grove Urban Village project offset by Government Land Register project sales.
4. Increase due to gain on revaluation of Rental Purchase Plan properties.
5. Increase relates to higher maintenance expenditure together with reclassification of rent expenditure from Other Expenses.
6. Decrease mainly due to lower than anticipated expenditure on capital and recurrent grants together with transfer of funds to capital works.
7. Decrease mainly relates to reclassification of rent expenditure to Supplies and Services.
8. Relates to lower than expected gains on sale of departmental property assets.
9. Reflects lower than anticipated increase in value of departmental property assets.

Major variations between 2007-08 Budget and 2008-09 Estimate include:

10. Increase mainly due to additional grant funds provided under the Government's Rural and Remote Indigenous housing program.
11. Increase due to anticipated higher level of rent revenue.
12. Increase mainly due to anticipated higher level of sales under the Kelvin Grove Urban Village project.
13. Increase due to anticipated additional gains on revaluation of Rental Purchase Plan properties.
14. Increase relates to higher maintenance and rates expenditure together with reclassification of rent expenditure from Other Expenses.
15. Decrease mainly due to reclassification of rent expenditure to Supplies and Services.
16. Represents anticipated lower level of gains on sale of departmental property assets.
17. Reflects expected lower increase in value of departmental property assets.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

18. Increase mainly due to additional grant funds provided under the Government's Rural and Remote Indigenous housing program together with some 2007-08 grant funds drawn down in 2008-09.
19. Increase due to anticipated higher level of rent revenue.
20. Increase mainly due to higher level of sales under the Kelvin Grove Urban Village project offset by lower Government Land Register sales.
21. Decrease due to anticipated lower gains on revaluation of Rental Purchase Plan properties.
22. Increase mainly due to higher maintenance and rates expenditure.
23. Increase mainly due to the grants budget allocation primarily associated with the Social Rental Housing and Indigenous Community Housing outputs being carried over from 2007-08.
24. Increase mainly due to higher cost of sales relating to the Kelvin Grove Urban Village project offset by lower cost of sales relating to the Government Land Register project.
25. Represents expected higher level of gains on sale of departmental property assets.
26. Represents lower expected increase in value of departmental property assets.
27. Increase mainly due to additional capital grant funds together with some 2007-08 capital grant funds to be drawn down in 2008-09.

Balance Sheet

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

28. Increase mainly due to grants and capital works expenditure being lower than anticipated.
29. Decrease mainly due to lower than anticipated level of lending together with lower level of sundry debtors.
30. Reflects lower than anticipated proceeds from the sale of Rental Purchase Plan properties.
31. Increase mainly due to lower level of land sales relating to the Kelvin Grove Urban Village project.
32. Increase relates to a change in level of prepayments.
33. Increase due to higher than anticipated level of property assets held for sale.
34. Increase mainly due to gains on revaluation of Rental Purchase Plan properties.
35. Decrease mainly due to lower than anticipated gains on revaluation of departmental property assets offset by higher opening balance.
36. Decrease due to lower computer system expenditure.
37. Increase mainly due to higher than anticipated opening balance from 2006-07.
38. Increase mainly due to higher than anticipated opening balance from 2006-07.
39. Increase reflects higher than anticipated opening balance together with expected surplus in 2007-08.
40. Variation primarily relates to lower than anticipated increase in the value of departmental property assets offset by higher opening balance.

Major variations between 2007-08 Budget and 2008-09 Estimate

41. Reflects anticipated closing cash balance.
42. Decrease mainly relates to lower level of sundry debts and declining loan portfolio.
43. Reflects lower than anticipated proceeds from the sale of Rental Purchase Plan properties.
44. Mainly reflects increase in property assets held for sale relating to the Government Land Register project offset by higher level of sales relating to the Kelvin Grove Urban Village project.
45. Increase relates to a change in level of prepayments.
46. Represents expected level of property assets held for sale.
47. Increase mainly due to gains on revaluation of Rental Purchase Plan properties and adjustment to 2007-08 opening balance in relation to purchase of caravan parks.

48. Increase mainly due to anticipated capital works activity together with higher value of property assets portfolio offset by lower than expected increase in property values relating to the 2006-07 annual asset revaluation process.
49. Decrease reflects expected value of computer systems.
50. Increase mainly due to higher than anticipated opening balance from 2006-07.
51. Represents anticipated level of unearned revenue.
52. Increase mainly reflects additional funds provided for capital related projects.
53. Increase reflects higher than anticipated 2007-08 opening balance together with expected surplus in 2007-08 offset by anticipated deficit in 2008-09.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

54. Decrease mainly relates to funds being applied to capital expenditure.
55. Increase mainly due to land held for sale relating to the Government Land Register project offset by higher level of sales relating to the Kelvin Grove Urban Village project.
56. Represents expected level of property assets held for sale.
57. Decrease mainly due to reclassification of caravan parks to property, plant and equipment, anticipated sales of Rental Purchase Plan properties offset by gain on revaluation.
58. Increase mainly due to anticipated higher value of property assets portfolio together with anticipated capital works activity.
59. Represents anticipated lower level of unearned revenue.
60. Increase mainly reflects additional funds provided for capital related projects.
61. Increase due to anticipated increase in property assets values.

Statement of Cash Flows

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

62. Decrease mainly due to deferral of drawdown of some grant funds to 2008-09.
63. Increase mainly due to property assets returned to the department together with additional grant funding.
64. Relates to lower level of property sales subject to GST being lower than anticipated.
65. Increase relates to higher maintenance expenditure together with reclassification of rent expenditure from Other Expenses.
66. Decrease mainly due to lower than anticipated expenditure on capital and recurrent grants together with transfer of funds to capital works.
67. Relates to a lower level of grant expenditure subject to GST.
68. Increase mainly due to a higher level of capital works activity being undertaken by Project Services and QBuild resulting in increased GST remitted to the Australian Tax Office.
69. Decrease mainly relates to reclassification of rent expenditure to Supplies and Services.
70. Reflects lower than anticipated proceeds from the sale of Rental Purchase Plan properties.
71. Decrease due to slower than anticipated capital works activity.
72. Decrease due to lower than expected level of Rental Purchase Plan share buy backs.
73. Decrease due to lower than anticipated level of lending.

Major variations between 2007-08 Budget and 2008-09 Estimate

74. Increase mainly due to additional grant funds provided under the Government's Rural and Remote Indigenous housing program.
75. Increase due to anticipated higher level of rent revenue.
76. Relates to anticipated higher level of property sales subject to GST.
77. Increase mainly due to anticipated higher level of capital works activity undertaken by Project Services and QBuild resulting in increased input tax credits to be received from the Australian Tax Office.
78. Increase mainly due to anticipated higher level of sales under the Kelvin Grove Urban Village project offset by lower sales associated with the Government Land Register project.
79. Increase relates to higher maintenance and rates expenditure together with reclassification of rent expenditure from Other Expenses.
80. Relates to a lower level of grant expenditure subject to GST.
81. Increase mainly due to a higher level of capital works activity being undertaken by Project Services and QBuild resulting in increased GST remitted to the Australian Tax Office.
82. Decrease mainly relates to reclassification of rent expenditure to Supplies and Services.
83. Reflects expected higher level of proceeds from the sale of departmental properties.
84. Reflects lower than anticipated proceeds from the sale of Rental Purchase Plan properties .
85. Reflects anticipated lower level of loan repayments.
86. Represents increase in planned activity level.
87. Relates to borrowing from Queensland Treasury Corporation.
88. Relates to the department's capital contribution to whole-of-Government computer system enhancements.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

89. Increase mainly due to additional grant funds provided under the Government's Rural and Remote Indigenous housing program together with some 2007-08 grant funds drawn down in 2008-09.
90. Increase due to anticipated higher level of rent revenue.
91. Relates to anticipated higher level of property sales subject to GST.
92. Increase mainly due to anticipated higher level of sales under the Kelvin Grove Urban Village project offset by lower sales associated with the Government Land Register project.
93. Increase mainly due to higher maintenance and rates expenditure.
94. Increase mainly due to the grants budget allocation primarily associated with the Social Rental Housing and Indigenous Community Housing outputs being carried over from 2007-08.
95. Relates to higher level of grant expenditure subject to GST.
96. Increase mainly due to higher cost of sales relating to the Kelvin Grove Urban Village project offset by lower cost of sales relating to the Government Land Register project.
97. Reflects expected higher level of proceeds from the sale of departmental properties.
98. Allocation represents planned activity level.
99. Allocation represents anticipated Rental Purchase Plan share buy backs.

- 100. Relates to anticipated increase in lending activity.
- 101. Relates to borrowing from Queensland Treasury Corporation.
- 102. Increase mainly due to additional capital grant funds together with some 2007-08 capital grant funds to be drawn down in 2008-09.
- 103. Relates to the department's capital contribution to whole-of-Government computer system enhancements.

Statutory Bodies

Queensland Building Services Authority

Overview

The Queensland Building Services Authority (the Authority) is a statutory body established under the *Queensland Building Services Authority Act 1991* (the Act). The Authority provides a comprehensive licensing regime for the building industry and performs regulatory functions under this Act.

A principal role of the Authority is the provision of remedies for defective building work which includes an insurance scheme providing compensation to consumers for defective or incomplete construction. The Authority delivers information and advice to consumers, builders and contractors through a variety of mechanisms including publications, education shows and consumer seminars.

Following the implementation of several proactive initiatives within the Authority the estimated full-time equivalents at 30 June 2008 was 321, with estimated full-time equivalents of 327 at 30 June 2009.

Review of Performance

Recent achievements

- Issued 93,000 home warranty insurance policies for residential building work valued at \$11.4 billion and paid \$30 million in home warranty insurance claims.
- Negotiated a new two-year reinsurance agreement for the home warranty insurance scheme.
- Issued five-year bans to 120 individuals and 70 companies as a result of financial failure and issued two three-year bans to individuals who performed grossly defective work.
- Completed eight Contractor Education Super Shows and numerous mini-shows throughout the State addressing recurring building defects and legislation changes with an aim to improve building standards.
- Assisted flood affected residents of Central Queensland.
- Decided 380 adjudication applications for a total amount of \$100 million.
- Introduced Amendments to the Act, including the introduction of licensing for all employees in the fire industry and site supervisor licensing for the construction industry.
- Undertook three state-wide certifier audits to establish compliance with the provisions of the *Building Act 1975*.

Future developments

- Introduce additional benefits under the home warranty insurance scheme to cover against fire, storm and tempest, wilful damage and theft.
- Continue to conduct a major media campaign, focusing on consumers and their journey through the building process using newspapers, radio and television.
- Continue to assist with Central Queensland flood recovery efforts.
- Continue to deliver targeted and effective consumer and contractor education programs.

Statements

Performance Statement

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Insurance policies issued	1, 5, 10	87,000	93,600	96,400
Licensees including Accredited Building Certifiers	6, 11	75,541	73,250	81,000
License applications received	7, 12	12,275	11,200	8,000
Renewal reviews finalised		66,024	67,121	70,500
Unlicensed contractor investigations initiated		800	725	750
Performance audits initiated (financial)	2, 3, 8	500	150	500
Dispute notifications finalised	4, 9	4,900	5600	5000
Insurance claims finalised		1,400	1,400	1,400
Customers advised by telephone		310,000	285,000	295,000
Contractual investigations	13	345	371	400
Performance Audits (second financial failure – life bans)		15	15	20
Reviews of Building Service Authority decisions satisfactorily resolved		93	86	90
Disputes satisfactorily resolved		75	70	75
Approved claimants fully compensated		98.5	98.5	98.5
Movement in Customer Continuum		4.5	4.9	4.5
% Contractors compliant with -				
• Certifiers technical audit requirements		75	80	75
• Licensing		98	98	98
• Request to rectify		80	75	80
• Allowable Annual Turnover		99	98	99
• Domestic Building Contracts Act		80	80	80
Days to finalise 50% of license applications		5	6	5
Days to finalise 50% of disputes		50	45	45
Days to admit 50% of insurance claims		25	20	20
Average wait time to be assisted over the phone (seconds)		65	70	65
State Contribution (\$'000)		0	0	0
Other Revenue (\$'000)		64,195	77,241	86,112
Total Cost (\$'000)		48,645	68,636	74,384

Notes:

Variations between the 2007-08 Target/Estimate and the 2007-08 Estimated Actual

- Forecast slow down in the residential building sector has not materialised. Queensland's strong economy and record low vacancy rates have seen a rise in residential property investment particularly by interstate investors.
- Due to other initiatives and events such as financial investigation of companies placed into administration eg. Real Property Construction Pty Ltd and Enric Pty Ltd, fewer investigations could be performed.
- Emphasis is again to be placed on annual allowable turnover breaches using a newly formed proactive compliance team.
- Number of disputes received is higher than forecast due to large builder collapses including Real Property Construction Pty Ltd and Enric Pty Ltd.

Variations between the 2007-08 Estimated Actual and the 2008-09 Estimate

- Refer Note 1.
- The introduction of new supervisor and fire occupational licences has increased licensee numbers.
- Higher new application numbers in 2007-2008 due to introduction of site supervisor license class.
- Refer Note 3.
- Return to normal patterns following increased numbers in 2007-2008 due to several builder failures.

Variations between the 2007-2008 Target Estimate and the 2008-2009 Target Estimate

- Refer Note 1.
- Refer Note 6.
- Refer Note 7.
- Increased focus on compliance with Domestic Building Contracts Act

Income Statement

Queensland Building Services Authority	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Income				
User charges	5, 12	28,460	28,776.	30,655
Grants and other contributions		..	..	..
Other revenue	1, 7, 13	35,735	48,447	55,551
Gains on sale/revaluation of property, plant and equipment and investments	6, 14	..	18	(94)
Total income		64,195	77,241	86,112
Expenses				
Employee expenses	8, 15	22,675	22,315	24,502
Supplies and services	2, 9, 16	11,132	13,524	12,266
Grants and subsidies		..	..	..
Depreciation and amortisation	3, 10, 17	1,552	1,887	2,852
Finance/borrowing costs		..	..	..
Other expenses	4, 18	13,286	15,566	15,681
Losses on sale/revaluation of property, plant and equipment and investments	11, 19	..	15,344	19,083
Total expenses		48,645	68,636	74,384
OPERATING SURPLUS/(DEFICIT)		15,550	8,605	11,728

Statement of Changes in Equity

Queensland Building Services Authority	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve	
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity	
Surplus/(deficit) for the period		15,550	8,605	11,728
Total recognised income and expense for the period		15,550	8,605	11,728
Equity injection/(withdrawal)	
Equity adjustments (MoG transfers)	
Total movement in equity for period		15,550	8,605	11,728

Balance Sheet

Queensland Building Services Authority	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CURRENT ASSETS				
Cash assets	20, 33	5,500	12,330	12,329
Receivables	21,34	18,656	23,821	24,169
Other financial assets	22, 29, 35	134,000	129,328	146,911
Inventories		..	..	..
Other	23, 30, 36	10,927	18,297	16,979
Non-financial assets held for sale		..	..	..
Total current assets		169,083	183,776	200,388
NON-CURRENT ASSETS				
Receivables		65,000	62,529	70,091
Other financial assets		..	..	..
Property, plant and equipment	24, 31, 37	1,390	5,132	6,205
Intangibles		1,310	602	1,184
Other		..	..	..
Total non-current assets		67,700	68,263	77,480
TOTAL ASSETS		236,783	252,039	277,868
CURRENT LIABILITIES				
Payables	25, 38	12,470	18,849	19,334
Employee benefits obligations	26, 32, 39	2,400	3,860	4,725
Interest-bearing liabilities and derivatives		..	..	..
Provisions	27, 40	23,389	32,668	32,668
Other	28, 41	16,230	24,460	24,272
Total current liabilities		54,489	79,837	80,999
NON-CURRENT LIABILITIES				
Payables		..	..	..
Employee benefits obligations		2,300	2,322	2,322
Interest-bearing liabilities and derivatives		..	..	..
Provisions		104,441	103,995	116,934
Other		11,000	..	..
Total non-current liabilities		117,741	106,317	119,256
TOTAL LIABILITIES		172,230	186,154	200,255
NET ASSETS (LIABILITIES)		64,553	65,885	77,613
EQUITY				
Capital/contributed equity		..	..	..
Retained surplus/(Accumulated deficit)		64,553	65,885	77,613..
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		64,553	65,885	77,613

Cash Flow Statement

Queensland Building Services Authority	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	42, 49, 56	4,628	8,888	3,474
Grants and other contributions		..	..	..
Other	43, 50, 57	42,788	39,416	48,470
Outflows:				
Employee costs	44, 51, 58	(22,286)	(20,511)	(23,637)
Supplies and services	45, 52, 59	(6,948)	(19,607)	(10,880)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other	46, 53, 60	(16,835)	(5,501)	(2,639)
Net cash provided by/(used in) operating activities		1,347	2,685	14,788
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment	47, 54, 61	(6,537)	(279)	(94)
Investments redeemed		531	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles	48, 55	4,854	(1,398)	(4,507)
Payments for investments		..	(3,404)	(10,188)
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(1,152)	(5,081)	(14,789)
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		195	(2,396)	(1)
Cash at the beginning of financial year		5,305	14,726	12,330
Cash transfers from restructure		..	..	..
Cash at the end of financial year		5,500	12,330	12,329

Explanation of Variances in the Financial Statements

Income Statement

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

1. Continuing high levels of residential building activity and growth in average building costs has resulted in higher than forecast policy numbers and premium values.
2. Relocation to new premises, implementation of several proactive initiatives and assistance with the Central Queensland flood recovery has increased supplies and services.
3. Depreciation and amortisation increased due to relocation to new premises, associated leasehold improvements and investment in Electronic Content Management.
4. Increase in claim payments made due to financial failure of several licensees.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

5. Introduction of new supervisor and fire occupational licence classes combined with high building activity levels increased income base.
6. Anticipated loss as a result of decrease in trade-in values of motor vehicles due for replacement.
7. Continuing high levels of residential building activity and growth in average building costs has resulted in higher than forecast policy numbers and premium values.
8. Implementation of new proactive services combined with 4% Enterprise Bargaining Agreement increase have increased salary base.
9. The establishment costs associated with proactive initiatives and Central Queensland flood assistance will not be incurred in 2008-09.
10. Depreciation and amortisation increased due to relocation to new premises, associated lease hold improvements & investment in Electronic Content Management.
11. Lower than forecast returns on investment due to equities market instability were experienced in 2007-08.

Major variations between 2007-2008 Budget and 2008-2009 Estimate include:

12. Introduction of new supervisor and fire occupational licence classes combined with high building activity levels increased income base.
13. Continuing high levels of residential building activity and growth in average building costs has resulted in higher than forecast policy numbers and premium values.
14. Anticipated loss as a result of decrease in trade-in values of motor vehicles due for replacement.
15. Implementation of new proactive services combined with 4% Enterprise Bargaining Agreement increase have increased salary base.
16. Relocation to new premises, implementation of several proactive initiatives and assistance with the Central Queensland flood recovery has increased supplies and services.
17. Depreciation and amortisation increased due to relocation to new premises, associated leasehold improvements and investment in Electronic Content Management.
18. Increase in claim payments made due to financial failure of several licensees.
19. Lower than forecast returns on investment due to equities market instability were experienced in 2007-08.

Balance Sheet

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

20. Increase in cash assets due to funds being held for as yet unpaid Cyclone Larry uninsured claims.
21. Increase in claim payment made due to financial failure of several licensees.
22. Cash balances in investments held by BSA decreased due to costs associated with relocation and associated leasehold improvements and decrease in investments due to instability in equity markets.
23. Increase due to reinsurers share of unearned premium being higher due to increased premium income.
24. Increase due to relocation to new premises, associated leasehold improvements & investment in Electronic Content Management.
25. Increase in claim payment made due to financial failure of several licensees.
26. Implementation of several proactive initiatives and assistance with the Central Queensland flood recovery has increased employee numbers.
27. Increase in claim provisions as a result of failure of several licensees.
28. Unearned premium increased due to overall increase in gross premium receipts.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

29. Costs associated with leasehold improvements will not be incurred in 2008-09.
30. Insurance premium income expected to not increase at same rate therefore reinsurers share of unearned premium will reduce.
31. Increase due to anticipated five regional office refits.
32. Increase in number and longevity of service of employees. Numbers increased due to implementation of proactive initiatives.

Major variations between 2007-2008 Budget and 2008-2009 Estimate include:

33. Increase in cash assets due to funds being held for as yet unpaid Cyclone Larry uninsured claims.
34. Increase in claim payment made due to financial failure of several licensees.
35. Costs associated with leasehold improvements will not be incurred in 2008-09.
36. Insurance premium income expected to not increase at same rate therefore reinsurers share of unearned premium will reduce.
37. Increase due to anticipated five regional office refits.
38. Increased in claims payments forecast due to on going defects claims as a result of financial failure of several licensees in 2007-2008.
39. Increase in number and longevity of service of employees. Numbers increased due to implementation of proactive initiatives.

- 40. Increase in claims provisions due to increased building activity and failure of several licensees.
- 41. Unearned premium increased due to overall increase in gross premium receipts.

Statement of Cash Flows

Major variations between 2007-08 Budget and 2007-08 Estimated Actual include:

- 42. Introduction of new supervisor and fire occupational licence classes combined with high building activity levels increased income base.
- 43. Movement due to Insurance receivables increasing as a result of failure of several licensees.
- 44. Movement due to loss of several long term employees and several employees taking extended leave without pay.
- 45. Relocation to new premises, implementation of several proactive initiatives and assistance with the Central Queensland flood recovery has increased supplies and services.
- 46. Movement due to decrease in value of investments due to instability in equities markets.
- 47. Movement due to equity returns (non-cash) and Investment returns (cash).
- 48. Movement due to equity returns (non-cash) and Investment returns (cash).

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

- 49. Movement due to fluctuations in provisions and impact of unearned revenue adjustments under the insurance accounting standards.
- 50. Movement due to Insurance receivables increasing as a result of failure of several licensees.
- 51. Movement due to increased number of employees due to implementation of new proactive services combined with 4% EBA increase have increased salary base.
- 52. Movement due to costs associated with proactive initiatives and Central Queensland flood assistance.
- 53. Movement due to decrease in value of investments due to instability in equities markets.
- 54. Movement due to equity returns (non-cash) and Investment returns (cash).
- 55. Movement due to equity returns (non-cash) and Investment returns (cash).

Major variations between 2007-2008 Budget and 2008-09 Estimate include:

- 56. Movement due to fluctuations in provisions and impact of unearned revenue adjustments under the insurance accounting standards.
- 57. Movement due to Insurance receivables increasing as a result of failure of several licensees.
- 58. Movement due to increased number of employees due to implementation of new proactive services combined with 4% EBA increase have increased salary base.
- 59. Movement due to costs associated with proactive initiatives and Central Queensland flood assistance.
- 60. Movement due to decrease in value of investments due to instability in equities markets.
- 61. Movement due to equity returns (non-cash) and Investment returns (cash).

Residential Tenancies Authority

Overview

The Residential Tenancies Authority (RTA) is a statutory authority established under the *Residential Tenancies Act 1994*, accountable to a Board of Directors, and under the portfolio responsibility of the Minister for Public Works, Housing and Communication and Information Technology. The RTA administers the *Residential Tenancies Act 1994* and the *Residential Services (Accommodation) Act 2002*, which regulate the residential rental sector in Queensland.

The RTA contributes to the Government's community outcome of a fair, socially cohesive and culturally vibrant society by providing services within a legislative framework that balance the tenancy rights and responsibilities of all parties in the residential rental sector. The RTA assists tenants, lessors, property managers, park managers, residents and service providers through the management of rental bonds, tenancy information, dispute resolution and compliance activities.

The Queensland rental market continues to grow, primarily due to population growth. The RTA continues to build its capacity to effectively inform, regulate and support the growing and changing residential rental sector. The estimated full-time equivalents of staff at 30 June 2008 was 151 with estimated full-time equivalents at 30 June 2009 of 159.

Review of Performance

Recent achievements

- progressed the reviews of the *Residential Services (Accommodation) Act 2002* and the *Residential Tenancies Act 1994*, with approval to prepare amending legislation and commence drafting;
- provided \$3.2 million to the Department of Housing to support affordable housing initiatives;
- implemented the first stage of e-Services, enabling client access to Internet-based bond information services.

Future developments

- facilitate implementation of legislative amendments following the reviews of tenancy legislation in Queensland;
- provide a coordinated community education program to ensure all sector participants are aware of their tenancy rights and responsibilities under the amended legislation;
- provide \$9.3 million to the Department of Housing for the administration of the Tenant Advice and Advocacy Service (Queensland) (\$3.2 million) and to support affordable housing initiatives (\$6.1 million);
- implement the second stage of e-Services to enable client internet access to the full range of bond administration services including lodgements and refunds.

Statements

Performance Statement

Measures	Notes	2007-08 Target/Est.	2007-08 Est. Actual	2008-09 Target/Est.
Bond lodgements	1	235,825	235,800	241,255
Claims forms received (Forms 3 - 6)	2	320,000	329,400	343,423
Call Centre calls answered	3	357,000	357,354	378,169
Dispute resolution requests - Form 16	4	17,250	18,408	19,899
Investigations (into non-compliance) commenced	5,6	900	750	750
User sessions on website		1,000,000	980,000	1,000,000
Proportion of disputes lodged resolved after parties participated in conciliation process		65%	66%	65%
Proportion of investigations finalised successfully		85%	90%	85%
Proportion of bond refunds (lodged through Australia Post) processed within 15 minutes		95%	96%	95%
Proportion of bond refunds (via mail or counter) processed within 2 working days		85%	83%	85%
Proportion of bond lodgements processed within 1 working day		90%	95%	90%
Proportion of Call Centre calls answered by Operator within 120 seconds		90%	92%	90%
Proportion of disputes finalised within 28 days of receipt	7	70%	80%	70%
Proportion of Investigations finalised within 6 months of commencement		90%	90%	90%
Access to RTA Services - Proportion of clients/properties from outside of the Brisbane Statistical Division				
• Bonds held		51%	51%	51%
• Call Centre contacts		50%	50%	50%
• Dispute resolution requests		50%	48%	50%
• Investigations commenced		50%	47%	50%
Australia Post agencies operating as RTA Agents		582	582	582
Average return on investment (%)		7.25%	7.25%	7.75%
Total cost for RTA output (excluding grants to Dept of Housing) as a proportion of the value of bonds held		4.4%	4.4%	4.5%
State Contribution (\$'000)		..	..	..
Other Revenue (\$'000)		30,443	30,443	38,492
Total Cost (\$'000)		24,763	24,763	31,183

Notes:

Major variations between 2007-08 Target/Estimate and 2008-09 Target/Estimate:

1. Increase due to growth in sector.
2. Increase due to growth in sector.
3. Increase due to growth in sector.
4. Increase due to growth in sector and greater community awareness of RTA's dispute resolution services.
5. Decrease to reflect lower than anticipated complaints received in 2007-08.

Major variations between 2007-08 Target/Estimate and 2007-08 Estimated Actual:

6. Lower than anticipated number of complaints received about non-compliance resulted in the number of investigations commenced not reaching the estimated target.
7. Benefits of business improvement activities resulted in an increase in the proportion of disputes finalised within 28 days of receipt.

Income Statement

Residential Tenancies Authority	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Income				
User charges		..	..	..
Grants and other contributions		..	..	..
Other revenue	1,6	30,443	30,443	38,492
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		30,443	30,443	38,492
Expenses				
Employee expenses	2,7	10,431	10,464	11,954
Supplies and services	3,8	6,475	6,443	8,135
Grants and subsidies	4,9	6,730	6,730	9,760
Depreciation and amortisation	5,10	1,089	1,088	1,260
Finance/borrowing costs		..	..	..
Other expenses		18	18	22
Losses on sale/revaluation of property, plant and equipment and investments		20	20	52
Total expenses		24,763	24,763	31,183
OPERATING SURPLUS/(DEFICIT)		5,680	5,680	7,309

Statement of Changes in Equity

Residential Tenancies Authority	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
Net effect of the changes in accounting policies and prior year adjustments	
Increase/(decrease) in asset revaluation reserve		..	2,900	2,900
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity		..	2,900	2,900
Surplus/(deficit) for the period		5,680	5,680	7,309
Total recognised income and expense for the period		5,680	8,580	10,209
Equity injection/(withdrawal)	
Equity adjustments (MoG transfers)	
Total movement in equity for period		5,680	8,580	10,209

Balance Sheet

Residential Tenancies Authority	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CURRENT ASSETS				
Cash assets	11,17	910	501	501
Receivables		111	209	209
Other financial assets	12,18,26	457,679	477,717	544,628
Inventories		..	..	..
Other		58	239	239
Non-financial assets held for sale		..	..	..
Total current assets		458,758	478,666	545,577
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	13,19,27	7,353	13,830	16,768
Intangibles	14,20,28	3,465	3,033	3,758
Other		..	..	..
Total non-current assets		10,818	16,863	20,526
TOTAL ASSETS		469,576	495,529	566,103
CURRENT LIABILITIES				
Payables	21	900	713	713
Employee benefits obligations	15,22	630	1,136	1,369
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		1,530	1,849	2,082
NON-CURRENT LIABILITIES				
Payables	23	413,706	432,870	492,870
Employee benefits obligations		1,100	1,186	1,318
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	24	3,350	..	..
Total non-current liabilities		418,156	434,056	494,188
TOTAL LIABILITIES		419,686	435,905	496,270
NET ASSETS/(LIABILITIES)		49,890	59,624	69,833
EQUITY				
Capital/contributed equity				
Retained surplus/(Accumulated deficit)		37,313	36,249	43,558
Reserves:				
- Asset revaluation reserve	29	1,777	8,575	11,475
- Other – Investment Fluctuation Reserve	16,25	10,800	14,800	14,800
TOTAL EQUITY		49,890	59,624	69,833

Cash Flow Statement

Residential Tenancies Authority	Notes	2007-08 Budget \$'000	2007-08 Est. Act. \$'000	2008-09 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges		(20)	(20)	(32)
Grants and other contributions		..	..	..
Other	30,35	30,665	30,443	38,492
Outflows:				
Employee costs	31,36	(10,355)	(10,261)	(11,589)
Supplies and services	32,37	(6,479)	(6,443)	(8,135)
Grants and subsidies	33,38	(6,730)	(6,730)	(9,760)
Borrowing costs		..	..	..
Other		(18)	(18)	(22)
Net cash provided by/(used in) operating activities		7,063	6,971	8,954
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	20	12
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment and intangibles		(2,057)	(2,065)	(2,055)
Payments for investments	34,39	(5,012)	(4,921)	(6,911)
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(7,069)	(6,966)	(8,954)
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		(6)	5	..
Cash at the beginning of financial year		916	496	501
Cash transfers from restructure		..	..	..
Cash at the end of financial year		910	501	501

Explanation of Variances in the Financial Statements

Income Statement

Major variations between 2007-08 Budget and 2008-09 Estimate include:

1. Increase due to overall growth in bonds under management and projected return on investments.
2. Increase in employee expense due to activity and service demand.
3. Increase due to activity driven costs such as investment fees, service delivery and systems support.
4. Increase due to further support for affordable housing initiatives.
5. Increase due to capitalisation of internally generated software acquisitions.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

6. Increase due to overall growth in bonds under management and projected return on investments.
7. Increase in employee expense due to activity and service demand.
8. Increase due to activity driven costs such as investment fees, service delivery and systems support.
9. Increase due to further support for affordable housing initiatives.
10. Increase due to capitalisation of internally generated software acquisitions.

Balance Sheet

Major variations between the 2007-08 Budget and the 2007-08 Estimated Actuals:

11. Decrease due to reclassification of accounts.
12. Increase due to growth in bond values reflecting current rental market.
13. Increase due to revaluation of RTA land and building.
14. Decrease due to timing of development of internally generated software.
15. Increase due to review of employee leave entitlements.
16. Increase due to increase in reserve.

Major variations between 2007-08 Budget and 2008-09 Estimate include:

17. Decrease due to reclassification of accounts.
18. Increase due to growth in bond values reflecting current rental market.
19. Increase due to revaluation of RTA land and building.
20. Increase due to continued development of internally generated software.
21. Decrease due to reclassification of accounts.
22. Increase due to review of employee leave entitlements.
23. Increase due to growth in bond values reflecting current rental market.
24. Decrease due to reclassification of accounts.
25. Increase due to increase in reserve.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

26. Increase due to growth in bond values reflecting current rental market.
27. Increase due to revaluation of RTA land and building.
28. Increase due to continued development of internally generated software.
29. Increase due to increase in reserve.

Statement of Cash Flows

Major variations between 2007-08 Budget and 2008-09 Estimate include:

30. Increase due to overall growth in bonds under management and projected return on investments.
31. Increase in employee expense due to activity and service demand.
32. Increase due to activity driven costs such as investment fees, service delivery and systems support.
33. Increase due to further support for affordable housing initiatives.
34. Increase due to overall growth in bonds under management and projected return on investments.

Major variations between 2007-08 Estimated Actual and the 2008-09 Estimate include:

35. Increase due to overall growth in bonds under management and projected return on investments.
36. Increase in employee expense due to activity and service demand.
37. Increase due to activity driven costs such as investment fees, service delivery and systems support.
38. Increase due to further support for affordable housing initiatives.
39. Increase due to overall growth in bonds under management and projected return on investments.