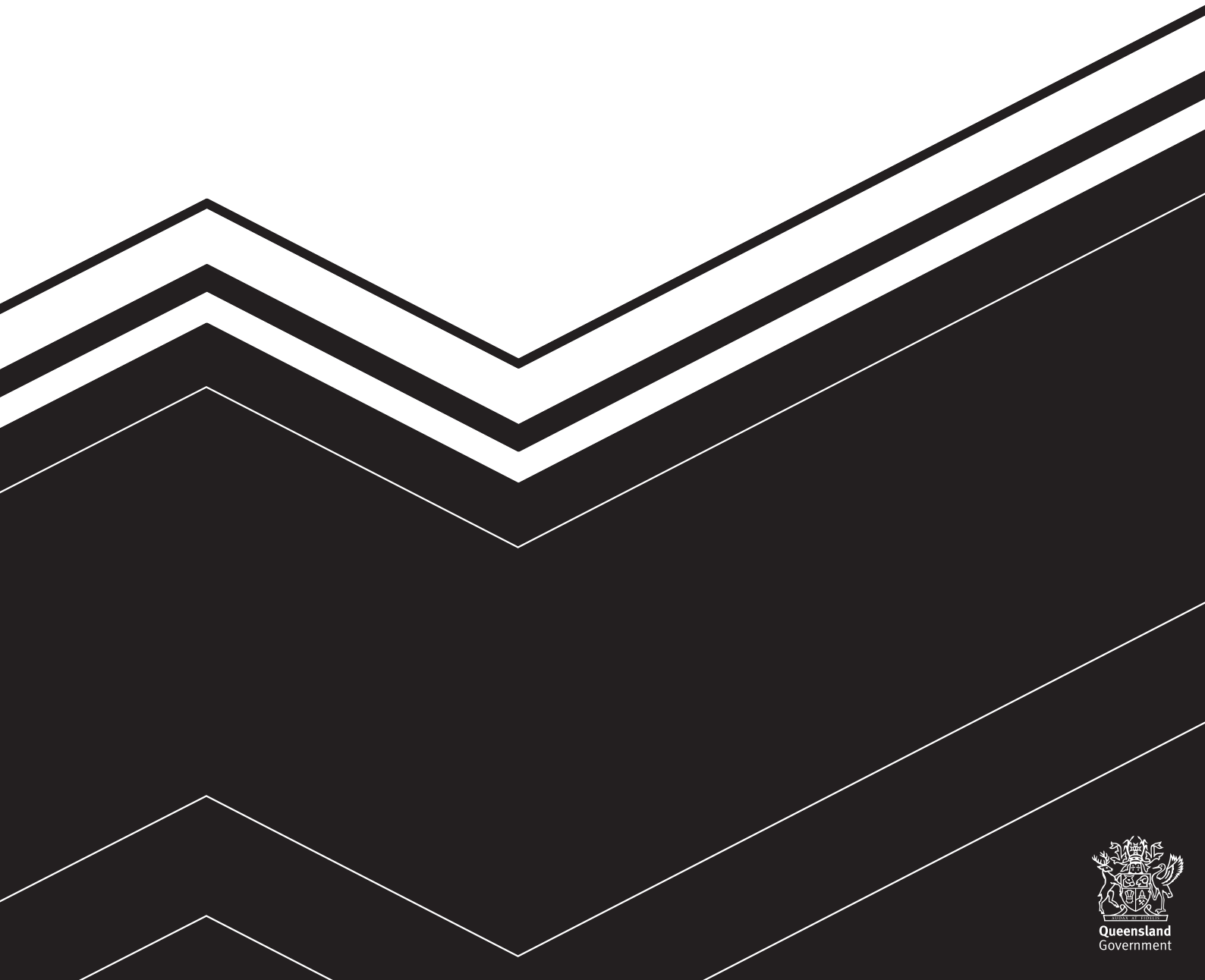


Service Delivery Statements

# Queensland Treasury



# **2016-17 Queensland Budget Papers**

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

**Appropriation Bills**

**Budget Highlights**

The Budget Papers are available online at

[www.budget.qld.gov.au](http://www.budget.qld.gov.au)

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**Service Delivery Statements**

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# Queensland Treasury

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# Portfolio overview

## Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport and the Minister for Industrial Relations, Minister for Racing and Minister for Multicultural Affairs:

<p style="text-align: center;"><b>Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport</b></p> <p style="text-align: center;">The Honourable Curtis Pitt MP</p>
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<p style="text-align: center;"><b>Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs</b></p> <p style="text-align: center;">The Honourable Grace Grace MP</p>
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<p style="text-align: center;"><b>Queensland Treasury</b></p> <p style="text-align: center;">Under Treasurer: Jim Murphy</p>
<b>Service area 1:</b> Fiscal
<b>Service area 2:</b> Economic
<b>Service area 3:</b> Commercial Services
<b>Service area 4:</b> Revenue Management
<b>Service area 5:</b> Industrial Relations

The Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport is also responsible for:

<p style="text-align: center;"><b>Motor Accident Insurance Commission/Nominal Defendant</b></p> <p style="text-align: center;"><b>Insurance Commissioner: Neil Singleton</b></p> <p><b>Objective:</b> The Motor Accident Insurance Commission and the Nominal Defendant statutory bodies are focused on ensuring financial protection that makes Queensland stronger, fairer and safer.</p>
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# Queensland Productivity Commission

**Principal Commissioner: Kim Wood**

**Objective:** The Queensland Productivity Commission provides independent advice on complex economic and regulatory issues, and proposes policy reforms, with the objective of driving economic growth, lifting productivity, and improving living standards across Queensland.

Additional information about these agencies can be sourced from:

[www.treasury.qld.gov.au](http://www.treasury.qld.gov.au)

[www.maic.qld.gov.au](http://www.maic.qld.gov.au)

[www.qpc.qld.gov.au](http://www.qpc.qld.gov.au)

# Departmental overview

Queensland Treasury's vision is to grow the Queensland economy and improve the wellbeing of all Queenslanders. It aims to support this through providing the Government with trusted, impartial advice on State finances and the economy, innovative revenue and commercial services and support for fair, safe and productive workplaces. This includes managing the State's finances in line with the Government's fiscal principles listed in the Charter of Fiscal Responsibility.

Queensland Treasury contributes to the Government's objectives for the community by ensuring the annual State Budget reduces debt while providing funding to achieve Government priorities now and into the future. The department directly contributes to delivering quality frontline services, creating jobs and a diverse economy through providing economic, fiscal, commercial, revenue management and industrial relations services and policies. This includes employment policy and a focus on regional employment. The department also contributes to building safe, caring and connected communities by ensuring Queensland workplaces, homes and communities are safe, and free of hazards and electrical harm.

Queensland Treasury's strategic objectives are to:

- support economic growth through fiscal strength and employment
- improve services for Queenslanders
- ensure safe, productive and fair workplaces.
- empower our people.

Queensland Treasury's key priorities in 2016-17 include:

- delivering the 2016-17 Queensland Budget, new service delivery priorities and associated funding reprioritisations
- providing analysis and advice on further options to reduce debt as part of the Government's Debt Action Plan
- undertaking a review of the State's financial assurance framework, in conjunction with the Department of Environment and Heritage Protection and the Department of Natural Resources and Mines
- developing measures of success frameworks for child and family reforms and domestic and family violence
- delivering the Social Benefit Bonds Pilot Program
- leading the Back to Work - Regional Employment Package initiative on behalf of Government
- monitoring the Business Development Fund as it continues to invest in innovative Queensland businesses
- contributing to the ongoing work program of the independent Queensland Productivity Commission
- working with stakeholders to finalise the merger of the energy network businesses and to drive efficiencies
- delivering the Queensland Government 2016 Census awareness campaign
- increasing private sector investment in Queensland through the Government's market-led proposals initiative
- stimulating new infrastructure and investment in Queensland through contributing to policy development, including the Northern Australia White Paper, and by maximising value from the Northern Australia Infrastructure Facility
- improving State penalty debt recovery through new systems, risk-based approaches and alternative hardship options
- securing the integrity of the State revenue base and improving services into the future, including digital service delivery
- ensuring a fair and modern industrial relations system, including implementing the Government's response to the Industrial Relations Legislative Reform Reference Group report
- progressing initiatives under the Safety for Queenslanders at Work Policy.

The major external factors that could impact on Queensland Treasury in 2016-17 include:

- financial and economic volatility nationally and internationally impacting Queensland and its trading partners
- Australian Government funding decisions, including for Northern Australia large scale water infrastructure
- volatility in coal and petroleum royalties and volatility in energy costs
- impacts of a competitive labour market and advances in workplace design and technology
- continued importation of non-compliant or illegal products posing health and safety risks to Queenslanders.

# Service performance

## Performance statement

### Fiscal

#### Service area objective

To deliver the Government's policy objectives in relation to the State Budget and the State Balance Sheet and to fulfil our role as the Queensland Government's principal source of fiscal advice.

#### Service area description

The service area provides policies, strategies and advice at a whole-of-government level to promote value-for-money service delivery, manage the State's finances in accordance with the Charter of Fiscal Responsibility, and advance the performance of the Queensland economy to support growth and employment.

Key activities undertaken by this service area include:

- developing and monitoring the State Budget
- managing the State's debt and balance sheet in accordance with Government policies
- promoting Queensland's financial position in negotiations with the Australian Government and other states and territories
- providing financial advice to foster statewide infrastructure development on behalf of the Government
- implementing new whole-of-government banking and payment services contracts, and working with Government agencies to improve the way financial dealings with suppliers, service providers and clients are managed.

#### 2016-17 service area highlights

The service area's key priorities for 2016-17 are to:

- deliver the 2016-17 State Budget, new service delivery priorities and associated funding reprioritisations
- undertake analysis and provide advice to Government on further options to reduce debt as part of the Government's Debt Action Plan
- undertake a review of the State's financial assurance framework, in conjunction with the Department of Environment and Heritage Protection and the Department of Natural Resources and Mines
- develop measures of success frameworks for child and family reforms and domestic and family violence
- attract private investment to deliver social outcomes for Queenslanders through the Social Benefit Bonds Pilot Program.

Queensland Treasury	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
<b>Service area: Fiscal</b>				
<b>Service standards</b> <i>Effectiveness measures</i> Target ongoing reduction in Queensland's relative debt burden, as measured by the General Government debt to revenue ratio	1	75%	71%	71%

Queensland Treasury	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Target net operating surpluses that ensure any new capital investment in the General Government sector is funded primarily through recurrent revenues rather than borrowing	1	83%	115%	65%
Manage the capital program to ensure a consistent flow of works to support jobs and the economy and reduce the risk of backlogs emerging	1	Met	Met	Met
Maintain competitive taxation - own-source revenue to remain at or below 8.5 per cent as a proportion of nominal gross state product	1	8.1%	8.3%	7.8%
Target full funding of long term liabilities such as superannuation and WorkCover in accordance with actuarial advice	1	Met	Met	Met
<i>Efficiency measure<sup>2</sup></i>				

Notes:

1. These measures are in line with the Government's fiscal principles and further information regarding these measures can be found in *Budget Paper 2*.
2. An efficiency measure is being developed and will be included in a future *Service Delivery Statement*.



## Economic

### Service area objective

To deliver the Government's policy commitments in relation to jobs and the economy, and fulfil our role as the Queensland Government's principal source of economic advice.

### Service area description

The service area undertakes a range of key activities, including:

- providing advice and oversight of macroeconomic, microeconomic and competition policies, including administering the frameworks under which the Queensland Competition Authority regulates declared monopoly business activities
- developing employment policy and programs to support the Working Queensland strategy and providing advice on broader Queensland labour market issues
- delivering statistical and demographic research services across Government through the Queensland Government Statistician's Office
- managing and coordinating intergovernmental fiscal relations issues, including national financial agreements, the distribution of the goods and services tax and national tax reform
- assessing government-owned corporations' (GOCs) capital investments and monitoring their financial and non-financial performance
- driving a focus within GOCs on maximising performance and rates of return through improved commercial focus and better management of capital and operating expenses
- providing advice on economic issues affecting energy, water, transport and competition matters.

### 2016-17 service area highlights

The service area's key priorities for 2016-17 are to:

- collaborate with relevant agencies to deliver Advance Queensland initiatives
- collaborate with relevant agencies to continue to deliver the Working Queensland strategy, including evaluation of employment outcomes
- lead the Back to Work - Regional Employment Package initiative on behalf of Government
- deliver the Queensland Government 2016 Census awareness campaign
- monitor the Business Development Fund as it continues to invest in innovative and growing businesses based in Queensland
- engage with agencies to promote the Queensland Government Program Evaluation Guidelines and the role of evaluation in the development and implementation of government programs
- advance the Queensland Government's statistical priorities within the Australian Bureau of Statistics transformation agenda
- contribute to the ongoing work program of the independent Queensland Productivity Commission and assist in any Government responses to the reports
- work with stakeholders to finalise the merger of the energy network businesses and to drive efficiencies
- work with stakeholders to progress energy and water sector reforms in line with Government objectives and to further understand Queensland's requirements for future large scale water infrastructure
- collaborate with the Department of the Premier and Cabinet and other relevant agencies to grow the biofuels industry
- work with the Department of Energy and Water Supply on the potential transfer of SunWater's channel irrigation schemes to local ownership and management, subject to agreement being reached between the Government and irrigators, and further investigations where required.

Queensland Treasury	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
<b>Service area: Economic</b>				
<b>Service standards</b>				
<i>Effectiveness measures</i>				
Stakeholder and customer satisfaction with Queensland Government Statistician outputs (rated satisfied or very satisfied)	1	95%	100%	95%
Development of labour market policies to assist disadvantaged cohorts		Met	Met	Met
Provision of regular, timely and high quality advice on Queensland economic and employment conditions and performance		Met	Met	Met
Provision of regular and timely analysis and advice on the Government's economic agenda, especially in terms of economic impacts (eg benefit-cost analysis)		Met	Met	Met
<i>Efficiency measure<sup>2</sup></i>				

Notes:

1. This measures customers' overall satisfaction with service provided. The customers are primarily Queensland Government agencies.
2. An efficiency measure is being developed and will be included in a future *Service Delivery Statement*.

## Commercial Services

### Service area objective

To support economic growth in Queensland by providing timely financial and commercial advice to Government and by leading major commercial government projects.

### Service area description

The service area's key functions include:

- administering the Government's market-led proposal framework, including assessing and negotiating proposals submitted from the private sector under this process
- providing commercial and financial advice to Government in relation to infrastructure projects
- managing the procurement of privately financed major public infrastructure and service projects
- working with government agencies to realise the contracted value of major public infrastructure projects through the delivery phase
- providing policy advice on private sector investment in Queensland
- ensuring rigorous project procurement across government through administration of the State's project assurance framework.

### 2016-17 service area highlights

The service area's key priorities for 2016-17 are to:

- attract, assess and negotiate market-led proposals to increase private sector investment in Queensland, including facilitating the development of the following detailed proposals:
  - Logan Motorway Enhancement Project
  - Brisbane International Cruise Terminal
  - Queensland Aquarium and Maritime Museum (assisting the Department of State Development)
  - Mount Cotton Driver Training Centre (assisting the Department of Transport and Main Roads)
- finalise procurement and enter development agreements for the Herston Quarter redevelopment project
- provide commercial and financial advice to major Government projects, such as:
  - Gold Coast Light Rail Stage 2
  - Cross River Rail
  - Queen's Wharf Brisbane
  - Integrated resort developments
  - North Queensland Sports Stadium
  - Inland Rail
- stimulate new infrastructure and investment in northern Queensland through contributing to policy development and maximise benefit from the White Paper on Developing Northern Australia
- maximise value to Queensland from the Northern Australia Infrastructure Facility, including liaising with the Australian Government to develop the facility
- deliver the 1 William Street project through managing the State's tenancy brief and specifications in line with the project delivery agreement.

Queensland Treasury	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
<b>Service area: Commercial Services</b>				
<b>Service standards</b>				
<i>Effectiveness measures</i>				
Percentage of key project milestones met		85%	89%	85%

Queensland Treasury	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
Achievement of agreed cost targets for projects	1	85%	100%	85%
<i>Efficiency measure<sup>2</sup></i>				

Notes:

1. The 2015-16 Target/Estimate of 85 per cent represents a degree of uncertainty that exists in the annual program of work as projects are approved by Government progressively throughout the year. This target may be exceeded depending on the degree of variation to the original program of work.
2. An efficiency measure is being developed and will be included in a future *Service Delivery Statement*.

## Revenue Management

### Service area objective

To enable government, business and community prosperity in Queensland through best practice revenue, grants and debt management collection.

### Service area description

The service area administers a revenue base of around \$13 billion by delivering and administering simple, efficient and equitable revenue management services for State taxes and royalty revenue. Additional responsibilities include undertaking revenue compliance, grant schemes and debt recovery and enforcement activities for the State.

This service area achieves its revenue responsibilities by:

- adopting leading e-business practices with high level client support and firm and fair enforcement
- providing ongoing legislation and revenue policy advice to the State Government
- further progressing the development and implementation of the Revenue Management System to support innovative business practices
- developing and implementing targeted, fair and efficient infringement enforcement strategies
- leading end-to-end penalty debt management improvements through collaborative stakeholder engagement
- providing business intelligence and behaviour insights to inform enforcement and debt recovery policy and strategies.

### 2016-17 service area highlights

The service area's key priorities for 2016-17 are to:

- implement a new software solution as part of a broader program of modernisation
- implement a risk based approach to penalty debt recovery which includes the reactivation of field enforcement by State Penalties Enforcement Registry (SPER) and active customer contact in consultation with Smart Services Queensland
- secure the integrity of the State revenue base and improve services into the future
- prepare policy and legislative changes to support the introduction of alternative debt discharge options for SPER customers experiencing hardship
- progress the development of digital service delivery options for clients
- continue to develop a client centric service
- work in a consultative manner to identify compliance initiatives that work with natural systems to enhance efficiency and effectiveness.

Queensland Treasury	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
<b>Service area: Revenue Management</b>				
<b>Service standards</b>				
<i>Effectiveness measure</i>				
Customer satisfaction with services provided	1	70%	77.6%	70%
<i>Efficiency measures</i>				
Average overdue debt as a percentage of total revenue collected		2%	2%	2%
Total revenue dollars administered per dollar expended – accrual		\$203	\$202	\$200
SPER (finalisations/lodgements)		60%	60%	60%

Queensland Treasury	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
SPER percentage of debt pool under active management (payment arrangements and enforcement)	2	64%	63%	63%

Notes:

1. This measures customers' overall satisfaction with service provided. Key customers include State tax and royalties payers and grant recipients.
2. The description of this measure formerly read: SPER percentage of debt pool under compliance. The new wording more accurately reflects the intent of the measure. The methodology underpinning the measure remains unchanged.

## Industrial Relations

### Service area objective

To increase workplace safety and electrical safety; help Queensland business, Queensland Government entities, the community and not-for profit sector to operate effectively; and make Queensland workplaces a fairer and more just place to work.

### Service area description

The service area contributes to a fair, safe and just Queensland through a range of activities, including:

- workplace health and safety services
- advice and standards to keep Queenslanders safe at work
- standards and strategies for electrical safety and improved electrical safety performance
- workers' compensation services
- industrial relations framework and public sector bargaining.

The Office of Industrial Relations works collaboratively with business, the community, Government entities and the not-for-profit sector to reduce regulatory burden and make it easier and cheaper to run a business.

### Services

- Industrial relations policy and regulation
- Public sector industrial relations
- Administration of the Industrial Court and Commission system
- Work health and safety services
- Electrical safety services
- Workers' compensation services

### 2016-17 service area highlights

The service area's key priorities for 2016-17 are to:

- implement the Government's response to the Industrial Relations Legislative Reform Reference Group report
- apply the Government's wages policies, award modernisation and enterprise agreements for public sector and GOCs
- progress initiatives under the Government's Improving Safety for Queenslanders at Work Policy, including:
  - conducting targeted compliance and advisory activities for priority hazards and industries
  - improving work health and safety outcomes for high risk industry subsectors and the priority work-related disorders
  - rolling out initiatives to address work-related injuries and disease
  - working with the Commissioner for Electrical Safety and restored electrical safety committees to implement the five year electrical safety plan for Queensland
- implement workers' compensation initiatives aimed at improving rehabilitation and return to work outcomes across the scheme. Specific initiatives include:
  - a new Queensland workers' compensation capacity certificate
  - a dedicated website, education and engagement initiatives for doctors to promote the scheme and recovery at work
  - delivery of return to work education and awareness initiatives including tools for small businesses.

Queensland Treasury	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
<b>Service area: Industrial Relations</b>				
<b>Service: Industrial relations policy and regulation (IRPR)</b>				
<b>Service standards</b> <i>Effectiveness measure</i> Overall client satisfaction with inspectorate's effectiveness and professionalism	1	85%	93%	85%
<i>Efficiency measure</i> Cost of IRPR services per Queensland worker	2	\$3.24	\$2.51	\$2.51
<b>Service: Public sector industrial relations</b>				
<b>Service standards</b> <i>Effectiveness measure</i> Employee wage increases contained within Government wages policy, unless Cabinet Budget Review Committee approves otherwise	3	100%	100%	100%
<i>Efficiency measure</i> The average number of enterprise negotiations undertaken per full-time equivalent staff member working on enterprise bargaining matters	4	2	3	2
<b>Service: Administration of the Industrial Court and Commission system</b>				
<b>Service standards</b> <i>Effectiveness measure</i> Percentage of matters resolved at conference	5	65%	68%	65%
<i>Efficiency measure</i> Average time for decisions to be published and made available to the community (days)		4	4	4
<b>Service: Work health and safety services</b>				
<b>Service standards</b> <i>Effectiveness measures</i> Number of workplace health and safety incidents notified to Workplace Health and Safety Queensland (WHSQ) per 10,000 employing businesses	6	166	167	166
Overall client satisfaction with inspectorate's effectiveness and professionalism		85%	85%	85%



Queensland Treasury	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
<i>Efficiency measure</i> Cost of WHSQ services per worker covered by the workers' compensation scheme	7	\$27.88	\$28.06	\$28.20
<b>Service: Electrical safety services</b>				
<b>Service standards</b> <i>Effectiveness measures</i> The number of reported serious electrical incidents involving powerlines, installations and electrical equipment per million population		6	6	6
Overall client satisfaction with inspectorate's effectiveness and professionalism		85%	85%	85%
<i>Efficiency measure</i> Cost of electrical safety services per person in Queensland	8	\$3.82	\$3.60	\$3.65
<b>Service: Workers compensation services</b>				
<b>Service standards</b> <i>Effectiveness measure</i> Cost of Workers' Compensation Regulator service per worker covered by the workers' compensation scheme		\$7.00	\$7.00	\$7.00
<i>Efficiency measure</i> Percentage of dispute resolution completed within three months		85%	85%	85%

Notes:

1. The increase in client satisfaction is due to performance development of staff and efficiencies in investigations process.
2. The reduction from \$3.24 to \$2.51 is due to a reduction in the budget for IRPR as a result of the conclusion of several large projects.
3. This measure is re-worded from 'Employee costs contained within Government wages policy' to ensure more accurate wording.
4. This measure is re-worded from 'The average number of enterprise negotiations undertaken per full-time equivalent' to ensure more accurate wording.
5. This increase is as a result of fewer matters being filed that require a conference.
6. The estimated number of incidents reported to WHSQ in 2015-16 is higher than what was originally estimated for the year based on previous year's trends. This has occurred as WHSQ has no control over the number of incidents reported by the public.
7. The increase from \$27.88 to \$28.06 is due to the Estimated Actual WHSQ budget estimate being revised up from the initial budget estimate and a slightly slower rate of growth of the number of workers than forecast.
8. This measure reduced from \$3.82 to \$3.60 due to a reduction in the Electrical Safety Office budget as a result of lower than expected electricity connections.

## **Administered items**

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

Queensland Treasury is responsible for overseeing significant administered revenue and expenses. The department receives a large proportion of the State's taxation, royalties and Australian Government revenue which is used to fund Government priorities.

In addition, the department administers major grant programs and the Government's cash balances and financing requirements.

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

# Departmental budget summary

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

Queensland Treasury	2015-16 Budget \$'000	2015-16 Est. Actual \$'000	2016-17 Budget \$'000
<b>CONTROLLED</b>			
<b>Income</b>			
Appropriation revenue <sup>1</sup>			
Deferred from previous year/s	14,116	875	33,097
Balance of service appropriation	206,210	212,482	218,389
Other revenue	111,038	125,833	122,786
<b>Total income</b>	<b>331,364</b>	<b>339,190</b>	<b>374,272</b>
<b>Expenses</b>			
Fiscal	28,680	24,505	25,577
Economic	27,164	27,349	30,439
Commercial Services <sup>2</sup>	5,566	19,419	11,145
Revenue Management <sup>3</sup>	131,329	128,193	162,645
Industrial Relations <sup>4</sup>	135,598	140,237	141,415
Queensland Productivity Commission <sup>5</sup>	1,433	1,433	..
Other <sup>6</sup>	2,692	2,952	3,874
Reconciliation Adjustment to the Income Statement <sup>7</sup>	(1,098)	(1,098)	(823)
<b>Total expenses</b>	<b>331,364</b>	<b>342,990</b>	<b>374,272</b>
<b>Operating surplus/deficit</b>	<b>..</b>	<b>(3,800)</b>	<b>..</b>
<b>Net assets</b>	<b>62,390</b>	<b>54,471</b>	<b>65,529</b>
<b>ADMINISTERED</b>			
<b>Revenue</b>			
Commonwealth revenue	18,226,350	17,131,665	19,250,589
Appropriation revenue	6,139,437	5,864,239	5,762,535
Other administered revenue	13,470,921	13,096,686	13,275,965
<b>Total revenue</b>	<b>37,836,708</b>	<b>36,092,590</b>	<b>38,289,089</b>
<b>Expenses</b>			
Transfers to government	31,530,877	30,046,743	32,393,689
Administered expenses	6,305,831	6,045,847	5,895,400
<b>Total expenses</b>	<b>37,836,708</b>	<b>36,092,590</b>	<b>38,289,089</b>
<b>Net assets</b>	<b>(36,902,747)</b>	<b>(35,076,600)</b>	<b>(36,006,600)</b>

Note:

1. Appropriation revenue includes State and Commonwealth funding.
2. The movement between 2015-16 Adjusted Budget, 2015-16 Estimated Actual and 2016-17 Budget is mainly due to the level of reimbursable projects managed by the Commercial Group being included. Government projects are allocated to the Commercial Group

progressively and funding models and accurate budgeting outcomes will only be available when projects are approved and allocated to the Commercial Group.

3. The increase in 2016-17 Budget is mainly due to costs for the Office of State Revenue to deliver improved revenue management services into the future. Also contributing are costs associated with the implementation of an alternate service delivery model by the State Penalties Enforcement Registry.
4. The increase between the 2015-16 Adjusted Budget and 2015-16 Estimated Actual is mainly due to the costs associated with the 'Getting Back', 'One safety switch may not be enough' and 'Stay safe up there, switch off down here' campaigns, which are funded by retained earnings. The increase in the 2016-17 Budget mainly relates to costs associated with the Workers' Compensation Services and Workplace Health and Safety Queensland, which are funded by additional funding from WorkCover Queensland.
5. Queensland Productivity Commission became a statutory body effective 1 December 2015.
6. This represents corporate services to non-departmental services (Motor Accident Insurance Commission and Nominal Defendant).
7. This represents the eliminations upon consolidation for internal trading between services.

## Service area sources of revenue<sup>1</sup>

Sources of revenue 2016-17 Budget					
Queensland Treasury	Total cost \$'000	State contribution \$'000	User charges and fees \$'000	C'wealth revenue \$'000	Other revenue \$'000
Fiscal	25,577	25,252	325	..	..
Economic	30,439	25,686	4,753	..	..
Commercial Services	11,145	8,182	2,963	..	..
Revenue Management	162,645	159,987	2,214	..	444
Industrial Relations	141,415	28,636	12,218	..	100,561
<b>Departmental</b>	<b>371,221</b>	<b>247,743</b>	<b>22,473</b>	<b>..</b>	<b>101,005</b>
Other <sup>2</sup>	3,874	3,743	131	..	..
Reconciliation adjustment to the Income Statement <sup>3</sup>	(823)	..	(823)	..	..
<b>Total</b>	<b>374,272</b>	<b>251,486</b>	<b>21,781</b>	<b>..</b>	<b>101,005</b>

Note:

1. Explanations of variances are provided in the financial statements.
2. This represents corporate services provided to non-departmental services (Motor Accident Insurance Commission and Nominal Defendant).
3. This represents eliminations upon consolidation for internal trading between services.

## Budget measures summary

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

Queensland Treasury	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
<b>Revenue measures</b>					
Administered	..	14,900	27,050	27,700	23,100
Departmental	..	..	..	..	..
<b>Expense measures</b>					
Administered	..	66,745	66,811	1,879	1,948
Departmental <sup>1</sup>	3,578	19,409	22,242	23,049	21,600
<b>Capital measures</b>					
Administered	..	..	..	..	..
Departmental	..	4,691	504	127	..

Note:

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

## Departmental capital program

Queensland Treasury's capital purchases for 2016-17 will be \$7.1 million primarily relating to \$4.7 million in capital expenditure to implement a private Brisbane based cloud service and improve compliance, client interaction and service delivery. This will assist the Office of State Revenue to deliver the first phase of a transformational program of work to implement improved revenue management services into the future.

The remaining capital expenditure of \$2.4 million mainly relates to ongoing asset replacement for the Office of Industrial Relations, including leasehold improvements and the replacement of information technology software, hardware and office equipment.

## Capital budget

Queensland Treasury	Notes	2015-16 Adj. Budget \$'000	2015-16 Est. Actual \$'000	2016-17 Budget \$'000
<b>Capital purchases<sup>1</sup></b>				
Total land, buildings and infrastructure		..	..	..
Total plant and equipment	2	6,569	29	1,454
Total other capital	3	453	7,013	5,642
<b>Total capital purchases</b>		<b>7,022</b>	<b>7,042</b>	<b>7,096</b>

Notes:

1. For more detail on the agency's capital acquisitions please refer to *Budget Paper 3*.
2. The decrease in 2015-16 Estimated Actual reflects a revised methodology for procuring ICT services for the State Penalties Enforcement Registry (SPER). Instead of investing in a capital system, SPER will implement an ICT Software as a Service solution to support the modernisation of its business.
3. The increase in 2015-16 Estimated Actual is primarily due to capital investments in a number of business critical information technology systems.

## Staffing<sup>1, 2</sup>

Queensland Treasury	Notes	2015-16 Adjusted Budget	2015-16 Est. actual	2016-17 Budget
Fiscal		116	118	114
Economic		169	166	166
Commercial Services	3	29	46	40
Revenue Management	4	673	648	660
Industrial Relations		823	823	823
<b>Services areas Subtotal</b>		<b>1,810</b>	<b>1,801</b>	<b>1,803</b>
Corporate services provided to other agencies	5	11	9	10
<b>TOTAL</b>		<b>1,821</b>	<b>1,810</b>	<b>1,813</b>

### Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the service to which they relate.
3. The increase in the 2015-16 Estimated Actual is mainly due to additional positions for the Commercial Advisory function and the replacement of Queensland Treasury Corporation secondees with permanent staff. Also contributing are temporary project resources required. The decrease in the 2016-17 Budget relating to finalisation of temporary project resources.
4. The decrease in the 2015-16 Estimated Actual is mainly due to delays in filling vacancies. The increase in 2016-17 Budget reflects the completion of recruitment activities.
5. Includes staff providing corporate support to the Motor Accident Insurance Commission and the Nominal Defendant.



# Budgeted financial statements

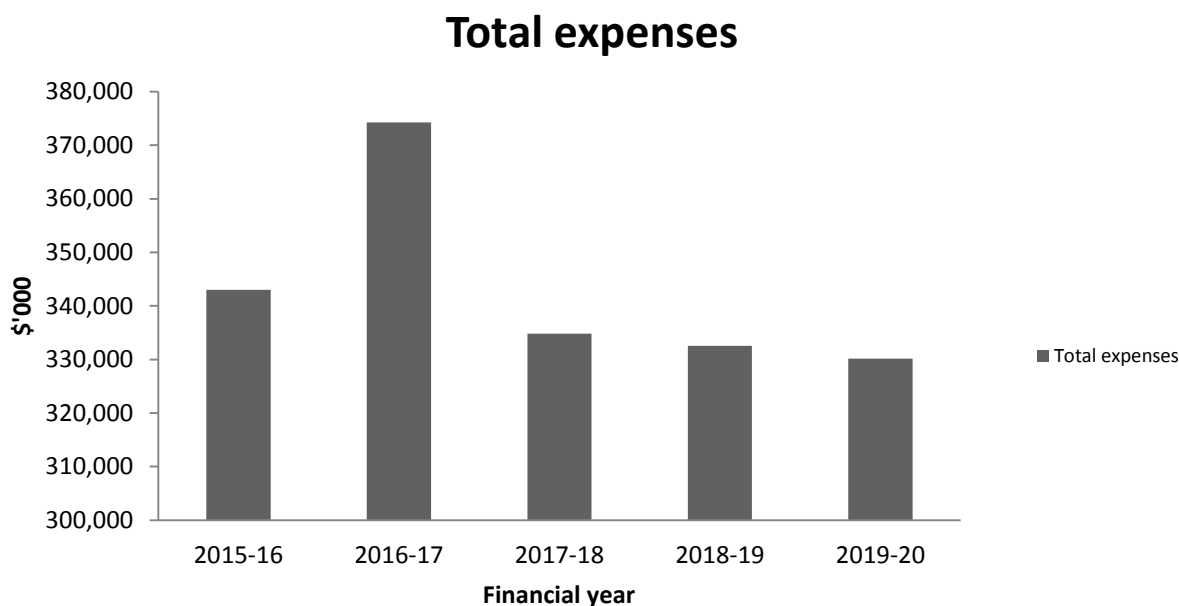
## Departmental income statement

Total expenses are estimated to be \$374.3 million in 2016-17, an increase of \$31.3 million from the 2015-16 Estimated Actual. This increase mainly relates to costs for the Office of State Revenue (OSR) to deliver improved revenue management services into the future and costs associated with implementing an alternate service delivery model for the State Penalties Enforcement Registry (SPER). Also contributing are costs associated with Workers' Compensation Services and Workplace Health and Safety Queensland, which is funded by additional funding from WorkCover Queensland.

The increases are partially offset by the assumption that only approved reimbursable projects managed by the Commercial Group have been budgeted for in 2016-17. Government projects are allocated to the Commercial Group progressively and funding models and accurate budgeting outcomes will only be available when projects are approved and allocated.

The decrease in expenses in 2017-18 and the remaining forward estimates is primarily due to the finalisation of a number of departmental projects, a reduction in costs over time for OSR to deliver improved revenue management services into the future, and implementation of the alternate service delivery model for SPER.

**Chart: Total departmental expenses across the Forward Estimates period**



## Departmental balance sheet

The department's main liabilities at the end of 2016-17 relate to operational payables (\$10.7 million) and accrued employee benefits (\$6.1 million). There are no known factors that will significantly vary these over the next three years.

The department's major assets at the end of 2016-17 are in cash (\$32.8 million), investments (\$26.8 million), intangibles (\$10.6 million) and operational receivables (\$7.1 million). Investments include the State's investment in Property Exchange Australia Ltd and investments in innovative businesses based in Queensland by the Business Development Fund (expected to grow by \$10 million per annum over the next two years).

# Controlled income statement

Queensland Treasury	Notes	2015-16 Adjusted Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
<b>INCOME</b>				
Appropriation revenue	1,8,16	220,326	213,357	251,486
Taxes		..	..	..
User charges and fees	2,17	19,293	33,589	21,781
Royalties and land rents		..	..	..
Grants and other contributions	9,18	91,020	91,020	99,788
Interest		..	..	..
Other revenue	3,10	725	1,224	1,217
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>331,364</b>	<b>339,190</b>	<b>374,272</b>
<b>EXPENSES</b>				
Employee expenses	4,11,19	199,996	195,843	211,850
Supplies and services	5,12,20	108,625	126,431	147,098
Grants and subsidies	6,13	5,647	4,627	4,754
Depreciation and amortisation	14,21	11,738	11,481	6,372
Finance/borrowing costs		..	..	..
Other expenses	15	5,358	4,608	4,198
Losses on sale/revaluation of assets		..	..	..
<b>Total expenses</b>		<b>331,364</b>	<b>342,990</b>	<b>374,272</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	7,22	..	<b>(3,800)</b>	..

# Controlled balance sheet

Queensland Treasury	Notes	2015-16 Adjusted Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	23,28	38,345	32,547	32,815
Receivables		6,783	7,095	7,095
Other financial assets		..	..	..
Inventories		..	..	..
Other		4,684	4,342	4,408
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>49,812</b>	<b>43,984</b>	<b>44,318</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets	29,33	16,832	16,832	26,832
Property, plant and equipment	24,30	8,421	2,806	1,507
Intangibles	25,31	2,518	8,556	10,579
Other		..	..	..
<b>Total non-current assets</b>		<b>27,771</b>	<b>28,194</b>	<b>38,918</b>
<b>TOTAL ASSETS</b>		<b>77,583</b>	<b>72,178</b>	<b>83,236</b>
<b>CURRENT LIABILITIES</b>				
Payables	26,32	7,695	10,708	10,708
Accrued employee benefits		6,584	6,053	6,053
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		645	677	677
<b>Total current liabilities</b>		<b>14,924</b>	<b>17,438</b>	<b>17,438</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		269	269	269
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>269</b>	<b>269</b>	<b>269</b>
<b>TOTAL LIABILITIES</b>		<b>15,193</b>	<b>17,707</b>	<b>17,707</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>62,390</b>	<b>54,471</b>	<b>65,529</b>
<b>EQUITY</b>				
<b>TOTAL EQUITY</b>	27	<b>62,390</b>	<b>54,471</b>	<b>65,529</b>

# Controlled cash flow statement

Queensland Treasury	Notes	2015-16 Adjusted Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Appropriation receipts	34,41,48	220,326	211,257	251,486
User charges and fees	35,49	24,116	43,787	26,604
Royalties and land rent receipts		..	..	..
Grants and other contributions	42,50	91,020	91,020	99,788
Interest received		..	..	..
Taxes		..	..	..
Other	36,51	6,929	11,377	7,421
<b>Outflows:</b>				
Employee costs	37,43,52	(199,996)	(195,693)	(211,850)
Supplies and services	38,44,53	(114,895)	(135,001)	(153,368)
Grants and subsidies	39,45	(5,647)	(4,627)	(4,754)
Borrowing costs		..	..	..
Other		(10,181)	(9,431)	(9,021)
<b>Net cash provided by or used in operating activities</b>		<b>11,672</b>	<b>12,689</b>	<b>6,306</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for non-financial assets		(7,022)	(7,042)	(7,096)
Payments for investments		(10,000)	(10,000)	(10,000)
Loans and advances made		..	..	..
<b>Net cash provided by or used in investing activities</b>		<b>(17,022)</b>	<b>(17,042)</b>	<b>(17,096)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections	40,54	15,500	11,511	14,691
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	46,55	(11,038)	(11,671)	(3,633)
<b>Net cash provided by or used in financing activities</b>		<b>4,462</b>	<b>(160)</b>	<b>11,058</b>
<b>Net increase/(decrease) in cash held</b>		<b>(888)</b>	<b>(4,513)</b>	<b>268</b>
<b>Cash at the beginning of financial year</b>		<b>22,244</b>	<b>22,541</b>	<b>32,547</b>
Cash transfers from restructure	47,56	16,989	14,519	..
<b>Cash at the end of financial year</b>		<b>38,345</b>	<b>32,547</b>	<b>32,815</b>

# Administered income statement

Queensland Treasury	Notes	2015-16 Adjusted Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
<b>INCOME</b>				
Appropriation revenue	57,68,78	6,139,437	5,864,239	5,762,535
Taxes	58,69,79	10,576,397	10,362,053	10,829,160
User charges and fees	59,70,80	110,855	127,195	95,215
Royalties and land rents	60,71,81	2,222,046	1,977,127	1,913,929
Grants and other contributions	61,72,82	18,227,400	17,132,693	19,250,589
Interest	62,83	30,969	97,467	29,915
Other revenue	63,73,84	529,604	531,816	407,746
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>37,836,708</b>	<b>36,092,590</b>	<b>38,289,089</b>
<b>EXPENSES</b>				
Employee expenses		..	..	..
Supplies and services		158,521	156,376	159,321
Grants and subsidies	74,85	103,017	107,237	178,451
Depreciation and amortisation		..	..	..
Finance/borrowing costs	64,75,86	1,904,076	1,996,531	1,442,521
Other expenses	65,87	3,973,823	3,604,095	3,982,242
Losses on sale/revaluation of assets	66,76,88	166,394	181,608	132,865
Transfers of Administered Revenue to Government	67,77,89	31,530,877	30,046,743	32,393,689
<b>Total expenses</b>		<b>37,836,708</b>	<b>36,092,590</b>	<b>38,289,089</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

# Administered balance sheet

Queensland Treasury	Notes	2015-16 Adjusted Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	90,93	(2,276,648)	(2,531,644)	(2,521,625)
Receivables		616,224	669,110	687,090
Other financial assets		..	..	..
Inventories		..	..	..
Other		11,171	2,424	2,424
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>(1,649,253)</b>	<b>(1,860,110)</b>	<b>(1,832,111)</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		145,030	125,999	119,236
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>145,030</b>	<b>125,999</b>	<b>119,236</b>
<b>TOTAL ASSETS</b>		<b>(1,504,223)</b>	<b>(1,734,111)</b>	<b>(1,712,875)</b>
<b>CURRENT LIABILITIES</b>				
Payables		28,569	45,848	45,848
Transfers to Government payable		594,059	659,555	676,724
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		9,483	17,675	17,572
Provisions		..	..	..
Other		62,788	41,430	41,100
<b>Total current liabilities</b>		<b>694,899</b>	<b>764,508</b>	<b>781,244</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives	91,94,96	34,703,625	32,577,981	33,512,481
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>34,703,625</b>	<b>32,577,981</b>	<b>33,512,481</b>
<b>TOTAL LIABILITIES</b>		<b>35,398,524</b>	<b>33,342,489</b>	<b>34,293,725</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>(36,902,747)</b>	<b>(35,076,600)</b>	<b>(36,006,600)</b>
<b>EQUITY</b>				
<b>TOTAL EQUITY</b>	92,95,97	<b>(36,902,747)</b>	<b>(35,076,600)</b>	<b>(36,006,600)</b>

# Administered cash flow statement

Queensland Treasury	Notes	2015-16 Adjusted Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
Appropriation receipts	98,111,123	6,028,382	5,767,130	5,762,535
User charges and fees	99,112,124	77,660	94,000	62,020
Royalties and land rent receipts	100,113,125	2,165,487	1,920,568	1,857,370
Grants and other contributions	101,114,126	18,227,400	17,132,693	19,250,589
Interest received	102,127	25,764	92,262	25,562
Taxes	103,115,128	10,576,397	10,362,053	10,829,160
Other		468,655	470,867	346,797
<b>Outflows:</b>				
Employee costs		..	..	..
Supplies and services		(158,521)	(156,376)	(159,321)
Grants and subsidies	116,129	(103,017)	(107,237)	(178,451)
Borrowing costs	104,117,130	(1,904,076)	(1,996,531)	(1,442,521)
Other	105,131	(3,973,823)	(3,605,594)	(3,982,242)
Transfers to Government	106,118,132	(31,547,237)	(30,078,317)	(32,376,520)
<b>Net cash provided by or used in operating activities</b>		<b>(116,929)</b>	<b>(104,482)</b>	<b>(5,022)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		27,791	27,791	19,644
<b>Outflows:</b>				
Payments for non-financial assets		..	..	..
Payments for investments		..	..	..
Loans and advances made		(6,000)	(6,000)	(6,000)
<b>Net cash provided by or used in investing activities</b>		<b>21,791</b>	<b>21,791</b>	<b>13,644</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings	107,119,133	1,652,137	504,500	934,500
Equity injections	108,120,134	7,033,637	7,703,462	..
<b>Outflows:</b>				
Borrowing redemptions	109,121,135	(7,036,740)	(7,794,103)	(3,103)
Finance lease payments		..	..	..
Equity withdrawals	110,122,136	(1,536,582)	(301,407)	(930,000)
<b>Net cash provided by or used in financing activities</b>		<b>112,452</b>	<b>112,452</b>	<b>1,397</b>
<b>Net increase/(decrease) in cash held</b>		<b>17,314</b>	<b>29,761</b>	<b>10,019</b>
<b>Cash at the beginning of financial year</b>		<b>(2,294,439)</b>	<b>(2,561,882)</b>	<b>(2,531,644)</b>
Cash transfers from restructure		477	477	..
<b>Cash at the end of financial year</b>		<b>(2,276,648)</b>	<b>(2,531,644)</b>	<b>(2,521,625)</b>

# Explanation of variances in the financial statements

## Income statement

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

1. The decrease in appropriation revenue is primarily due to funding carried over to future years for departmental projects and initiatives.
2. The increase in user charges and fees is due to the volume of reimbursable projects managed by the Commercial Group being unknown when the 2015-16 Budget was developed. Also contributing is additional survey revenue for the Queensland Government Statistician's Office.
3. The increase in other revenue reflects the reclassification of revenue between user charges and fees and other revenue.
4. The decrease in employee expenses is mainly due to delays in filling vacancies across the department.
5. The increase in supplies and services primarily relates to costs associated with projects managed by the Commercial Group and promotional costs for the 'Getting Back', 'One safety switch may not be enough' and 'Stay safe up there, switch off down here' campaigns in the Office of Industrial Relations (OIR).
6. The decrease in grants and subsidies is primarily due to grant payments by the Social Benefit Bond Pilots being deferred from 2015-16 to 2016-17.
7. The deficit in the 2015-16 Estimated Actual relates to using retained earnings to fund the 'Getting Back', 'One safety switch may not be enough' and 'Stay safe up there, switch off down here' campaigns in OIR.

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

8. The increase in appropriation revenue is primarily due to funding carried over from 2015-16 for departmental projects and initiatives, funding provided for the Office of State Revenue (OSR) to deliver improved revenue management services into the future, additional funding for the State Penalties Enforcement Registry (SPER) to implement an alternate service delivery model and additional funding for enterprise bargaining. These increases are partially offset by a decrease in amortisation funding due to components of the Revenue Management System reaching the end of their accounting useful life in 2015-16.
9. The increase in grants and other contributions is primarily due to additional funding from WorkCover Queensland for the Workers' Compensation Services and Workplace Health and Safety Queensland.
10. The increase in other revenue reflects the reclassification of revenue between user charges and fees and other revenue.
11. The increase in employee expenses is primarily due to reclassification of expenditure for Medical Assessment Tribunal members from supplies and services, additional expenditure resulting from enterprise bargaining and costs for SPER to implement an alternate service delivery model.
12. The increase in supplies and services is primarily due to costs associated with OSR to deliver improved revenue management services into the future and the implementation of an alternate service delivery model by SPER. Also contributing are the increased accommodation costs as a result of relocation to 1 William Street and reclassification of expenditure between supplies and services and other expenses. These increases are partially offset by reclassification of expenditure for Medical Assessment Tribunal members to employee expenses.
13. The decrease in grants and subsidies is primarily due to reduced grant payments associated with the Healthy Workers Initiatives.
14. The decrease in depreciation and amortisation is primarily due to components of the Revenue Management System reaching the end of their accounting useful life in 2015-16.
15. The decrease in other expenses is primarily due to reclassification of expenditure between supplies and services and other expenses.

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

16. The increase in appropriation revenue is primarily due to funding carried over from 2015-16 for departmental projects and initiatives, funding provided for OSR to deliver improved revenue management services into the future, funding for SPER to implement an alternate service delivery model and additional funding for enterprise bargaining. These increases are partially offset by a decrease in amortisation funding due to components of the Revenue Management System reaching the end of their accounting useful life in 2015-16.



17. The decrease in user charges and fees is mainly due to only approved reimbursable projects managed by the Commercial Group being included in the 2016-17 Budget. Government projects are allocated to the Commercial Group progressively and funding models and accurate budgeting outcomes will only be available when projects are approved and allocated to the Commercial Group.
18. The increase in grants and other contributions is primarily due to additional funding from WorkCover Queensland for the Workers' Compensation Services and Workplace Health and Safety Queensland.
19. The increase in employee expenses is primarily due to reclassification of expenditure for Medical Assessment Tribunal members from supplies and services, additional expenditure resulting from enterprise bargaining and costs for SPER to implement an alternate service delivery model. Also contributing is the filling of vacant positions.
20. The increase in supplies and services is primarily due to costs associated with OSR to deliver improved revenue management services into the future and costs for SPER to implement an alternate service delivery model. Also contributing are the increased accommodation costs as a result of relocation to 1 William Street. These increases are partially offset by reclassification of expenditure for Medical Assessment Tribunal members to employee expenses, finalisation of the one-off promotional costs in 2015-16 for the 'Getting Back', 'One safety switch may not be enough' and 'Stay safe up there, switch off down here' campaigns in OIR, and that the 2016-17 Budget only includes approved reimbursable projects managed by the Commercial Group.
21. The decrease in depreciation and amortisation is primarily due to components of the Revenue Management System reaching the end of their accounting useful life in 2015-16.
22. The deficit in the 2015-16 Estimated Actual relates to using retained earnings to fund the 'Getting Back', 'One safety switch may not be enough' and 'Stay safe up there, switch off down here' campaigns in OIR.

## Balance sheet

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

23. The decrease in cash assets is primarily due to capital investments in a number of business critical information technology systems in 2015-16 and using retained earnings to fund the 'Getting Back', 'One safety switch may not be enough' and 'Stay safe up there, switch off down here' campaigns in OIR.
24. The decrease in property, plant and equipment is primarily due to revised methodology for procuring ICT for SPER. Instead of investing in a capital system, SPER will implement an ICT Software as a Service solution to support the modernisation of its business.
25. The increase in intangibles is primarily due to capital investments in a number of business critical information technology systems in 2015-16.
26. The increase in payables primarily reflects increased accrued expenses based on past trends.
27. The decrease in total equity is primarily due to a revised methodology for procuring ICT services for SPER. Instead of investing in a capital system, SPER will implement an ICT Software as a Service solution to support the modernisation of its business. The decrease also relates to the 'Getting Back', 'One safety switch may not be enough' and 'Stay safe up there, switch off down here' campaigns funded by retained earnings in OIR.

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

28. The decrease in cash assets is primarily due to capital investments in a number of business critical information technology systems in 2015-16 and using retained earnings to fund the 'Getting Back', 'One safety switch may not be enough' and 'Stay safe up there, switch off down here' campaigns in OIR.
29. The increase in other financial assets reflects increased investment by the Business Development Fund (the Fund). The Fund will provide early stage venture capital by investing in innovative businesses based in Queensland to create new opportunities and productive capacity.
30. The decrease in property, plant and equipment is primarily due to revised methodology for procuring ICT services for SPER. Instead of investing in a capital system, SPER will implement an ICT Software as a Service solution to support the modernisation of its business.
31. The increase in intangibles is primarily due to capital investments in a number of business critical information technology systems in 2015-16, and capital investment in 2016-17 for OSR to implement a private Brisbane-based cloud service and improve compliance, client interaction and service delivery.
32. The increase in payables primarily reflects increased accrued expenses based on past trends.

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

33. The increase in other financial assets reflects increased investment by the Fund. The Fund will provide early stage venture capital by investing in innovative businesses based in Queensland to create new opportunities and productive capacity.

## Cash flow statement

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

34. The decrease in appropriation receipts is primarily due to funding carried over to future years for departmental projects and initiatives.
35. The increase in user charges and fees is due to the volume of reimbursable projects managed by the Commercial Group being unknown when the 2015-16 Budget was developed. Also contributing is additional survey revenue for the Queensland Government Statistician's Office.
36. The increase in other operating inflow is primarily due to cash receipts for 2014-15 goods and services tax (GST) receivables associated with expenditure incurred to reimburse QTC's costs relating to the former Government's preparatory and due diligence activities for transactions associated with the State's income-generating assets.
37. The decrease in employee expenses is mainly due to delays in filling vacancies across the department.
38. The increase in supplies and services primarily relates to costs associated with projects managed by the Commercial Group and promotional costs for the 'Getting Back', 'One safety switch may not be enough', and 'Stay safe up there, switch off down here' campaigns in OIR.
39. The decrease in grants and subsidies is primarily due to grant payments by the Social Benefit Bond Pilots being deferred from 2015-16 to 2016-17.
40. The decrease in equity injection reflects a revised methodology for procuring ICT for SPER. Instead of investing in a capital system, SPER will implement an ICT Software as a Service solution to support the modernisation of its business.

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

41. The increase in appropriation receipts is primarily due to funding carried over from 2015-16 for departmental projects and initiatives, funding provided for OSR to deliver improved revenue management services into the future, additional funding for SPER to implement an alternate service delivery model and additional funding for enterprise bargaining. These increases are partially offset by a decrease in amortisation funding due to components of the Revenue Management System reaching the end of their accounting useful life in 2015-16.
42. The increase in grants and other contributions is primarily due to additional funding from WorkCover Queensland for the Workers' Compensation Services and Workplace Health and Safety Queensland.
43. The increase in employee expenses is primarily due to reclassification of expenditure for Medical Assessment Tribunal members from supplies and services, additional expenditure resulting from enterprise bargaining and costs for SPER to implement an alternate service delivery model.
44. The increase in supplies and services is primarily due to costs associated with OSR to deliver improved revenue management services into the future and the implementation of an alternate service delivery model by SPER. Also contributing are the increased accommodation costs as a result of relocation to 1 William Street and reclassification of expenditure between supplies and services and other expenses. These increases are partially offset by reclassification of expenditure for Medical Assessment Tribunal members to Employee expenses.
45. The decrease in grants and subsidies is primarily due to reduced grant payments associated with the Healthy Workers Initiatives.
46. The decrease in equity withdrawals primarily reflects a lower returning of amortisation funding due to components of the Revenue Management System reaching the end of their accounting useful life in 2015-16.
47. The decrease in cash transfers from restructure represents the finalisation of machinery-of-government changes for the transfer of OIR from the Department of Justice and Attorney-General effective 1 July 2015, and transfer of the Queensland Productivity Commission for its establishment as a statutory body effective 1 December 2015.

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

48. The increase in appropriation receipts is primarily due to funding carried over from 2015-16 for departmental projects and initiatives, funding provided for OSR to deliver improved revenue management services into the future, additional funding for SPER to implement an alternate service delivery model and additional funding for enterprise bargaining. These increases are partially offset by a decrease in amortisation funding due to components of the Revenue Management System reaching the end of their accounting useful life in 2015-16.
49. The decrease in user charges and fees is mainly due to only approved reimbursable projects managed by the Commercial Group being included in the 2016-17 Budget. Government projects are allocated to the Commercial Group progressively and funding models and accurate budgeting outcomes will only be available when projects are approved and allocated to the Commercial Group.
50. The increase in grants and other contributions is primarily due to additional funding from WorkCover Queensland for the Workers' Compensation Services and Workplace Health and Safety Queensland.
51. The decrease in other operating inflow is primarily due to one-off cash receipts in 2015-16 for 2014-15 GST receivables associated with expenditure incurred to reimburse QTC's costs relating to the former Government's preparatory and due diligence activities for transactions associated with the State's income-generating assets.
52. The increase in employee expenses is primarily due to reclassification of expenditure for Medical Assessment Tribunal members from supplies and services, additional expenditure resulting from enterprise bargaining and costs for SPER to implement an alternate service delivery model. Also contributing is the filling of vacant positions.
53. The increase in supplies and services is primarily due to costs associated with OSR to deliver improved revenue management services into the future, and costs for SPER to implement an alternate service delivery model. Also contributing are the increased accommodation costs as a result of relocation to 1 William Street. These increases are partially offset by reclassification of expenditure for Medical Assessment Tribunal members to employee expenses, finalisation of the one-off promotional costs in 2015-16 for the 'Getting Back', 'One safety switch may not be enough' and 'Stay safe up there, switch off down here' campaigns in OIR, and that the 2016-17 Budget only includes approved reimbursable projects managed by the Commercial Group.
54. The increase in equity injection primarily reflects capital investment for OSR to implement a private Brisbane-based cloud service and improve compliance, client interaction and service delivery.
55. The decrease in equity withdrawals primarily reflects a lower returning of amortisation funding due to components of the Revenue Management System reaching the end of their accounting useful life in 2015-16.
56. The decrease in cash transfers from restructure represents the finalisation of machinery-of-government changes for the transfer of OIR from the Department of Justice and Attorney-General effective 1 July 2015 and transfer of the Queensland Productivity Commission for its establishment as a statutory body effective 1 December 2015.

## **Administered income statement**

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

57. Administered appropriation is received from the Consolidated Fund to fund administered expenses. Material changes in administered expenses are outlined in Notes 64 to 66.
58. The decrease in taxes primarily relates to the decrease in payroll tax as a result of lower collections from a number of industries, including mining and construction.
59. The increase in user charges and fees relates to increased SPER fee income due to increased volume of debt referrals.
60. The decrease in royalties and land rents reflects the impact of lower commodity prices on royalties, partially offset by compliance reassessments.
61. The decrease in grants and other contributions reflects the decision of the Australian Government to defer Natural Disaster Relief and Recovery Arrangements (NDRRA) funding.
62. The increase in interest revenue relates to balances held in working capital funds during the year in the implementation of the Government's enhanced Debt Action Plan.
63. The increase in other revenue relates to an increase in unpaid fines and other monetary penalties referred to SPER which are recognised as revenue.

64. The increase in finance/borrowing costs relates to the timing of the reduction in debt (which is now expected to occur later in the year) and is largely offset by the increase in interest revenue. Refer to Note 62.
65. The decrease in other expenses largely reflects lower than anticipated State share of the superannuation beneficiary payments.
66. The increase in losses on sale/revaluation of assets is primarily associated with higher than expected impairments in SPER, due to increased tolling debt referrals.
67. This represents revenues collected on behalf of the Queensland Government which are transferred to the Consolidated Fund. Material changes in administered revenue are outlined in Notes 58 to 63.

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

68. Administered appropriation is received from the Consolidated Fund to fund administered expenses. Material changes in administered expenses are outlined in Notes 74 to 76.
69. The increase in taxes relates to growth across a range of taxes.
70. The decrease in user charges and fees relates to decreased SPER fee income due to expected lower future volumes of debt referrals.
71. The decrease in royalties and land rents reflects the impact of lower coal prices on coal royalties and oil prices on petroleum royalties.
72. The increase in grants and other contributions is primarily due to growth in GST payments to Queensland relative to 2015-16.
73. The decrease in other revenue relates to a decrease in unpaid fines and other monetary penalties referred to SPER. This mainly relates to streamlined arrangements with tolling operators.
74. The increase in grants and subsidies primarily relates to the Back to Work - Regional Employment Package and an increase in the Queensland First Home Owners Grant.
75. The decrease in finance/borrowing costs is due to reduction in borrowings as part of the Government's enhanced Debt Action Plan.
76. The decrease in losses on sale/revaluation of assets is primarily associated with lower than expected impairments in SPER, due to estimated lower future volumes of tolling debt referrals.
77. This represents revenues collected on behalf of the Queensland Government which are transferred to the Consolidated Fund. Material changes in administered revenue are outlined in Notes 69 to 73.

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

78. Administered appropriation is received from the Consolidated Fund to fund administered expenses. Material changes in administered expenses are outlined in Notes 85 to 88.
79. The increase in taxes primarily relates to transfer duty reflecting stronger property market activity expected in 2016-17.
80. The decrease in user charges and fees relates to decreased SPER fee income due to expected lower future volumes of debt referrals.
81. The decrease in royalties and land rents is largely due to the 2015-16 Estimated Actual including compliance reassessments.
82. The increase in grants and other contributions is due to growth in GST payments to Queensland relative to 2015-16, and transport and road funding from the Australian Government.
83. The decrease in interest revenue relates to the use of working capital funds to repay general government debt as part of the Government's enhanced Debt Action Plan.
84. The decrease in other revenue relates to a decrease in unpaid fines and other monetary penalties referred to SPER. This mainly relates to streamlined arrangements with tolling operators.
85. The increase in grants and subsidies primarily relates to the Back to Work - Regional Employment Package and an increase in the Queensland First Home Owners Grant.
86. The decrease in finance/borrowing costs is due to a reduction in borrowings as part of the Government's enhanced Debt Action Plan.
87. The increase in other expenses mainly relates to the State share of superannuation beneficiary payments and higher Annual Leave Central Scheme payments.
88. The decrease in losses on sale/revaluation of assets is primarily associated with lower than expected impairments in SPER, due to estimated lower future volumes of tolling debt referrals.
89. This represents revenues collected on behalf of the Queensland Government which are transferred to the Consolidated Fund. Material changes in administered revenue are outlined in Notes 79 to 84.

## Administered balance sheet

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

90. The decrease in cash assets is due to a reduction in the Queensland Treasury (Treasury) Offset account as a result of an increase in departmental and Consolidated Fund surpluses under the whole-of-government offset arrangements.
91. The decrease in Interest bearing liabilities and derivatives represents lower net borrowing requirements for 2015-16 than originally expected and includes additional debt reduction strategies under the Government's enhanced Debt Action Plan.
92. The increase in total equity reflects lower than anticipated transfer of proceeds of borrowings to the Consolidated Fund, and higher than expected equity appropriation from the Consolidated Fund to repay borrowings as part of the Government's enhanced Debt Action Plan.

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

93. The decrease in cash assets is due to a reduction in the Treasury Offset account as a result of an increase in departmental and Consolidated Fund surpluses under the whole-of-government offset arrangements.
94. The decrease in interest bearing liabilities and derivatives represents lower net borrowing requirements for 2015-16 than originally expected and includes additional debt reduction strategies under the Government's enhanced Debt Action Plan.
95. The increase in total equity mainly reflects higher than expected equity appropriation from Consolidated Fund to repay borrowings as part of the Government's enhanced Debt Action Plan.

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

96. The increase in interest bearing liabilities and derivatives represents the net borrowing requirement for the 2016-17 financial year.
97. The decrease in total equity reflects the anticipated transfer of proceeds of borrowing to the Consolidated Fund in 2016-17.

## Administered cash flow statement

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

98. Appropriation receipts are received from the Consolidated Fund to fund administered expenses. Material changes in administered expenses are outlined in Notes 104 and 105.
99. The increase in user charges and fees relates to increased SPER fee income due to increased volume of debt referrals.
100. The decrease in royalties and land rents reflects the impact of lower commodity prices on royalties, partially offset by compliance reassessments.
101. The decrease in grants and other contributions reflects the decision of the Australian Government to defer NDRRA funding.
102. The increase in interest revenue relates to balances held in working capital funds during the year in the implementation of the Government's enhanced Debt Action Plan.
103. The decrease in taxes primarily relates to the decrease in payroll tax as a result of lower collections from a number of industries, including mining and construction.
104. The increase in borrowing costs relates to the timing of the reduction in debt (which is now expected to occur later in the year) and is largely offset by the increase in interest revenue. Refer to Note 102.
105. The decrease in other outflows largely reflects lower than anticipated State share of the superannuation beneficiary payments.
106. This represents revenues collected on behalf of the Queensland Government which are transferred to the Consolidated Fund. Material changes in administered revenue are outlined in Notes 99 to 103.
107. The decrease in borrowings reflects lower new borrowing requirement based primarily on a higher whole-of-government cash surplus than originally expected.
108. The increase in Equity Injections represents higher than expected equity appropriation from the Consolidated Fund to repay borrowings as part of the Government's enhanced Debt Action Plan.
109. The increase in Borrowing Redemptions represents higher than expected reduction in borrowings as part of the Government's enhanced Debt Action Plan.
110. The decrease in equity withdrawals represents the lower new borrowing transfer to Consolidated Fund based primarily on a higher whole-of-Government cash surplus.

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

111. Appropriation receipts are received from the Consolidated Fund to fund administered expenses. Material changes in administered expenses are outlined in Notes 116 and 117.
112. The decrease in user charges and fees relates to decreased SPER fee income due to expected lower future volume of debt referrals.
113. The decrease in royalties and land rents reflects the impact of lower coal prices on coal royalties and oil prices on petroleum royalties.
114. The increase in grants and other contributions is primarily due to growth in GST payments to Queensland relative to 2015-16.
115. The increase in Taxes relates to growth across a range of taxes.
116. The increase in grants and subsidies primarily relates to the Back to Work - Regional Employment Package and an increase in the Queensland First Home Owners Grant.
117. The decrease in borrowing costs is due to reduction of borrowings as part of the Government's enhanced Debt Action Plan.
118. This represents revenues collected on behalf of the Queensland Government which are transferred to the Consolidated Fund. Material changes in administered revenue are outlined in Notes 112 to 115.
119. The 2016-17 Budget reflects the anticipated whole-of-Government borrowings during 2016-17.
120. The 2015-16 Adjusted Budget reflects an equity injection for the anticipated repayment of borrowings as part of the Government's enhanced Debt Action Plan.
121. The 2015-16 Adjusted Budget reflects the anticipated reduction in borrowings during 2015-16 as part of the Government's enhanced Debt Action Plan.
122. The 2016-17 Budget reflects the transfer of the anticipated proceeds of whole-of-Government borrowings to the Consolidated Fund.

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

123. Appropriation receipts are received from the Consolidated Fund to fund administered expenses. Material changes in administered expenses are outlined in Notes 129 to 131.
124. The decrease in user charges and fees relates to decreased SPER fee income due to expected lower future volumes of debt referrals.
125. The decrease in royalties and land rents is largely due to the 2015-16 Estimated Actual including compliance reassessments.
126. The increase in grants and other contributions is due to growth in GST payments to Queensland relative to 2015-16, and transport and road funding from the Australian Government.
127. The decrease in interest received relates to the withdrawal of deposits from working capital funds to repay general government debt as part of the Government's enhanced Debt Action Plan.
128. The increase in Taxes primarily relates to transfer duty reflecting stronger property market activity expected in 2016-17.
129. The increase in Grants and subsidies primarily relates to the Back to Work - Regional Employment Package package and an increase in the Queensland First Home Owners Grant.
130. The decrease in Borrowing costs is as a result of lower borrowings in line with the Government's enhanced Debt Action Plan.
131. The increase in other outflows mainly relates to the State share of superannuation beneficiary payments and higher Annual Leave Central Scheme payments.
132. This represents revenues collected on behalf of the Queensland Government which are transferred to the Consolidated Fund. Material changes in administered revenue are outlined in Notes 124 to 128.
133. The 2016-17 Budget reflects the anticipated whole-of-Government borrowings during 2016-17.
134. The 2015-16 Estimated Actual reflects an equity injection for the anticipated repayment of borrowings as part of the Government's enhanced Debt Action Plan.
135. The 2015-16 Estimated Actual reflects the anticipated reduction in borrowings as part of the Government's enhanced Debt Action Plan.
136. The 2016-17 Budget reflects the transfer of the anticipated proceeds of whole-of-government borrowings to the Consolidated Fund.

# Statutory bodies

## Motor Accident Insurance Commission/Nominal Defendant

### Overview

The Motor Accident Insurance Commission (MAIC) and Nominal Defendant statutory bodies share the vision of ensuring financial protection that makes Queensland stronger, fairer and safer. To deliver this protection:

- MAIC's role is to regulate and improve Queensland's compulsory third party (CTP) insurance scheme and manage the Motor Accident Insurance and Nominal Defendant funds.
- The Nominal Defendant's role is to compensate people who are injured as a result of negligent driving of unidentified motor vehicles and motor vehicles with no CTP insurance, and act as the insurer of last resort by meeting the claim costs of any licensed insurer who may become insolvent.

In 2016-17, MAIC and the Nominal Defendant's strategic objectives are to:

- provide a viable and equitable personal injury motor accident insurance scheme
- continually improve the operational performance of the Nominal Defendant.

In 2016-17, the Queensland Government's objectives for the community will be supported by:

- building safe, caring and connected communities by investing in road safety initiatives to reduce the frequency of motor vehicle accidents and minimise their impact on the community
- delivering quality front line services by investing in targeted research and service delivery initiatives to improve health outcomes for people injured in motor vehicle crashes.

The major factors that may impact on MAIC and the Nominal Defendant's objectives include unexpected adverse claim trends, broader economic volatility and the risk of licensed insurer insolvency.

### Service summary

Key achievements for 2015-16 will be further progressed in 2016-17 and these include:

- establishing the Road Trauma Mitigation Advisory Group and fund in partnership with the Department of Transport and Main Roads (DTMR) and the Queensland Police Service to reduce the incidence and effects of road trauma
- investing \$14.8 million in a transitional rehabilitation service pilot at Princess Alexandra Hospital's Brain Injury Rehabilitation Unit targeting improved in-patient rehabilitation. This investment will assist people who have sustained a brain injury to transition back into the community and the workplace
- delivering cost reductions through process improvements.

MAIC and the Nominal Defendant's key priorities for 2016-17 include:

- working with the National Injury Insurance Agency Queensland to implement the National Injury Insurance Scheme Queensland (NIISQ) for motor vehicle accidents from 1 July 2016
- responding to the outcome of the Opportunities in Personalised Transport Review Taskforce and the introduction of the NIISQ through legislative and regulatory amendments
- developing a National Heavy Vehicle Registration System with the National Heavy Vehicle Regulator and DTMR
- establishing a road safety innovation fund to invest in research and targeted initiatives aimed at reducing the incidence of road traffic crashes
- exploring opportunities that position MAIC and the CTP scheme to manage future innovation and disruption
- continuing to support a culture of innovation and improvement in service delivery within MAIC, Nominal Defendant and across the CTP scheme
- continuing to undertake supervision activities to strengthen licensed insurer governance and compliance monitoring regimes.

# Service performance

## Performance statement

### Motor Accident Insurance Commission/Nominal Defendant

#### Service area objective

To provide a viable and equitable personal injury motor accident insurance scheme, continually improve the operational performance of the Nominal Defendant, and provide a corporate governance model that facilitates MAIC's vision and meets the State's financial and performance requirements.

#### Service area description

MAIC's role is to regulate and improve Queensland's compulsory third party (CTP) insurance scheme and manage the Motor Accident Insurance and Nominal Defendant funds. The Nominal Defendant's role is to compensate people who are injured as a result of negligent driving of unidentified motor vehicles and motor vehicles with no CTP insurance, and act as the insurer of last resort by meeting the claim costs of any licensed insurer who may become insolvent.

Motor Accident Insurance Commission/ Nominal Defendant	Notes	2015-16 Target/Est.	2015-16 Est. Actual	2016-17 Target/Est.
<b>Service standards</b> <i>Effectiveness measure</i> Highest filed CTP premium for Class 1 vehicles (sedans and wagons) as a percentage of average weekly earnings		<45%	<45%	<45%
<i>Efficiency measures</i> Percentage of Nominal Defendant claims finalised compared to the number outstanding at the start of the financial year		50%	50%	50%
Percentage of Nominal Defendant claims settled within two years of compliance		50%	50%	50%
Percentage of Nominal Defendant claims with General Damages paid within 60 days of the settlement date		95%	95%	95%



# Staffing<sup>1</sup>

<b>Motor Accident Insurance Commission/ Nominal Defendant</b>	<b>Notes</b>	<b>2015-16 Budget</b>	<b>2015-16 Est. Actual</b>	<b>2016-17 Budget</b>
Motor Accident Insurance Commission/Nominal Defendant	2	35	35	37

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The increase in the 2016-17 Budget reflects additional staff to support an increase in claims brought against the Nominal Defendant and to perform an in-house injury management advisory function.

# Income statement

Motor Accident Insurance Commission	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
<b>INCOME</b>				
Taxes		6,013	6,013	6,128
User charges and fees		..	..	..
Grants and other contributions		..	..	..
Interest	1,7	11,965	..	11,424
Other revenue		5,000	6,500	6,750
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>22,978</b>	<b>12,513</b>	<b>24,302</b>
<b>EXPENSES</b>				
Employee expenses	2,8	2,840	2,640	2,945
Supplies and services	3,5,9	3,967	4,557	3,226
Grants and subsidies	4,6,10	16,000	12,000	20,000
Depreciation and amortisation		10	10	..
Finance/borrowing costs		..	..	..
Other expenses		161	331	277
Losses on sale/revaluation of assets		..	..	..
<b>Total expenses</b>		<b>22,978</b>	<b>19,538</b>	<b>26,448</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>(7,025)</b>	<b>(2,146)</b>

# Balance sheet

Motor Accident Insurance Commission	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		2,000	2,370	2,370
Receivables		55	425	423
Other financial assets	11,14	22,996	26,420	26,601
Inventories		..	..	..
Other		193	209	209
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>25,244</b>	<b>29,424</b>	<b>29,603</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets	12,15	142,418	130,355	128,036
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>142,418</b>	<b>130,355</b>	<b>128,036</b>
<b>TOTAL ASSETS</b>		<b>167,662</b>	<b>159,779</b>	<b>157,639</b>
<b>CURRENT LIABILITIES</b>				
Payables		854	367	371
Accrued employee benefits		137	78	80
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>991</b>	<b>445</b>	<b>451</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>TOTAL LIABILITIES</b>		<b>991</b>	<b>445</b>	<b>451</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>166,671</b>	<b>159,334</b>	<b>157,188</b>
<b>EQUITY</b>				
<b>TOTAL EQUITY</b>	13,16	<b>166,671</b>	<b>159,334</b>	<b>157,188</b>

# Cash flow statement

Motor Accident Insurance Commission	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges and fees		..	..	2
Grants and other contributions		..	..	..
Interest received	17,25	11,965	..	11,424
Taxes		6,013	6,013	6,128
Other		5,000	6,500	6,750
<b>Outflows:</b>				
Employee costs	18,26	(2,838)	(2,638)	(2,943)
Supplies and services	19,22,27	(3,961)	(4,551)	(3,222)
Grants and subsidies	20,23,28	(16,000)	(12,000)	(20,000)
Borrowing costs		..	..	..
Other		(161)	(331)	(277)
<b>Net cash provided by or used in operating activities</b>		<b>18</b>	<b>(7,007)</b>	<b>(2,138)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of non-financial assets		..	..	..
Investments redeemed	21,24,29	..	7,007	2,138
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for non-financial assets		..	..	..
Payments for investments		(18)	..	..
Loans and advances made		..	..	..
<b>Net cash provided by or used in investing activities</b>		<b>(18)</b>	<b>7,007</b>	<b>2,138</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by or used in financing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Cash at the beginning of financial year</b>		<b>2,000</b>	<b>2,370</b>	<b>2,370</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>2,000</b>	<b>2,370</b>	<b>2,370</b>

# Explanation of variances in the financial statements

## Income statement

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

1. The decrease in the 2015-16 Estimated Actual is due to a lower than expected rate of return on Queensland Investment Corporation (QIC) investments as a result of a decline in the global equity markets. The 2015-16 Budget was based on QIC's estimate of long term average annual rate of return for the portfolio.
2. The decrease in employee expenses is primarily due to vacancies during the year.
3. The increase in supplies and services is due to the costs incurred in the implementation phase for the delivery of the National Injury Insurance Scheme (NIIS) in Queensland.
4. The decrease in grants and subsidies is due to proposed investments in research activities not eventuating in 2015-16.

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

5. The decrease in supplies and services is due to the NIIS implementation costs being carried in the 2015-16 Budget. It is anticipated that future operational NIIS costs will be paid from the NIIS Fund in 2016-17.
6. An increase in grants and subsidies is due to proposed investment in targeted research and service delivery initiatives which benefit motorists through reducing the incidence and cost of road trauma.

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

7. The budget assumption for 2016-17 is based on QIC's estimate of the long term average annual rate of return for the investment portfolio on the projected QIC balance as at 30 June 2016.
8. An increase in employee expenses reflects an expected reduction in the number of vacancies.
9. The decrease in supplies and services is due to the NIIS implementation costs being carried in the 2015-16 Estimated Actual. It is anticipated that future operational NIIS costs will be paid from the NIIS Fund in 2016-17.
10. An increase in grants and subsidies is due to proposed investment in targeted research and service delivery initiatives to benefit motorists through reducing the incidence and cost of road trauma.

## Balance sheet

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

11. An increase in current other financial assets is due to reclassification from non-current to current investments.
12. A decrease in non-current other financial assets is due to a reclassification from non-current to current investments and a decrease in the projected operating result available for investment.
13. A decrease in total equity is a result of a decrease in the projected operating result primarily relating to lower than expected rate of return on QIC investment.

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

14. An increase in current other financial assets is due to reclassification from non-current to current investments.
15. A decrease in non-current other financial assets is due to a reclassification from non-current to current investments and a decrease in the projected operating result available for investment.
16. A decrease in total equity reflects the projected operating result for 2015-16 and 2016-17.

## Cash flow statement

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

17. The decrease in interest received is due to a lower than expected rate of return on QIC investments as a result of a decline in the global equity markets.
18. The decrease in employee expenses is primarily due to vacancies during the year.
19. The increase in supplies and services is due to the costs incurred in the implementation phase for the delivery of the NIIS in Queensland.

20. The decrease in the grants and subsidies is due to proposed investments in research activities not eventuating in 2015-16.
21. The increase in investments redeemed reflects the projected reduction in the 2015-16 operating result, resulting in a redemption of investments.

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

22. The decrease in supplies and services is due to the NIIS implementation costs being carried in the 2015-16 Budget. It is anticipated that future operational NIIS costs will be paid from the NIIS Fund in 2016-17.
23. An increase in grants and subsidies is due to proposed investment in targeted research and service delivery initiatives which benefit motorists through reducing the incidence and cost of road trauma.
24. The increase in investments redeemed reflects the projected reduction in the 2016-17 operating result, resulting in a redemption of investments.

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

25. The budget assumption for 2016-17 is based on QIC's estimate of the long term average annual rate of return for the investment portfolio on the projected QIC balance as at 30 June 2016.
26. An increase in employee costs reflects an expected reduction in the number of vacancies.
27. The decrease in supplies and services is due to the NIIS implementation costs being carried in the 2015-16 Estimated Actual. It is anticipated that future operational NIIS costs will be paid from the NIIS Fund in 2016-17.
28. An increase in grants and subsidies is due to proposed investment in targeted research and service delivery initiatives to benefit motorists through reducing the incidence and cost of road trauma.
29. The decrease in investments redeemed reflects the projected level of 2016-17 operating result.

# Income statement

Nominal Defendant	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
<b>INCOME</b>				
Taxes		43,787	43,787	44,529
User charges and fees		..	..	..
Grants and other contributions		..	..	..
Interest	1,3,7	66,375	..	51,808
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>110,162</b>	<b>43,787</b>	<b>96,337</b>
<b>EXPENSES</b>				
Employee expenses	4,8	1,303	1,363	1,515
Supplies and services	5,9	5,370	5,119	3,254
Grants and subsidies		..	..	..
Depreciation and amortisation		523	523	519
Finance/borrowing costs		..	..	..
Other expenses	2,6,10	51,642	44,848	48,339
Losses on sale/revaluation of assets		..	..	..
<b>Total expenses</b>		<b>58,838</b>	<b>51,853</b>	<b>53,627</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>51,324</b>	<b>(8,066)</b>	<b>42,710</b>

# Balance sheet

Nominal Defendant	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		3,000	3,118	3,118
Receivables		1,132	1,047	1,047
Other financial assets	11,16,21	219,916	213,385	234,292
Inventories		..	..	..
Other		..	228	228
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>224,048</b>	<b>217,778</b>	<b>238,685</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		4,171	3,895	3,895
Other financial assets	12,17,22	798,868	734,309	775,170
Property, plant and equipment		..	..	..
Intangibles		2,513	2,509	1,990
Other		..	..	..
<b>Total non-current assets</b>		<b>805,552</b>	<b>740,713</b>	<b>781,055</b>
<b>TOTAL ASSETS</b>		<b>1,029,600</b>	<b>958,491</b>	<b>1,019,740</b>
<b>CURRENT LIABILITIES</b>				
Payables		552	428	478
Accrued employee benefits		76	39	40
Interest bearing liabilities and derivatives		..	..	..
Provisions	13,18,23	39,763	34,779	38,661
Other		22,128	22,447	22,447
<b>Total current liabilities</b>		<b>62,519</b>	<b>57,693</b>	<b>61,626</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions	14,19,24	149,585	130,835	145,441
Other		..	..	..
<b>Total non-current liabilities</b>		<b>149,585</b>	<b>130,835</b>	<b>145,441</b>
<b>TOTAL LIABILITIES</b>		<b>212,104</b>	<b>188,528</b>	<b>207,067</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>817,496</b>	<b>769,963</b>	<b>812,673</b>
<b>EQUITY</b>				
<b>TOTAL EQUITY</b>	15,20,25	<b>817,496</b>	<b>769,963</b>	<b>812,673</b>



# Cash flow statement

Nominal Defendant	Notes	2015-16 Budget \$'000	2015-16 Est. Act. \$'000	2016-17 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows:</b>				
User charges and fees		..	..	..
Grants and other contributions		..	..	..
Interest received	26,31,35	66,375	..	51,808
Taxes		43,787	43,787	44,529
Other		..	..	..
<b>Outflows:</b>				
Employee costs	27,36	(1,302)	(1,362)	(1,514)
Supplies and services	28,32	(5,320)	(5,069)	(3,204)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other	29,33,37	(32,029)	(26,196)	(29,851)
<b>Net cash provided by or used in operating activities</b>		<b>71,511</b>	<b>11,160</b>	<b>61,768</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows:</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows:</b>				
Payments for non-financial assets	34	..	..	..
Payments for investments	30,38	(71,511)	(11,160)	(61,768)
Loans and advances made		..	..	..
<b>Net cash provided by or used in investing activities</b>		<b>(71,511)</b>	<b>(11,160)</b>	<b>(61,768)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows:</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows:</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
<b>Net cash provided by or used in financing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Cash at the beginning of financial year</b>		<b>3,000</b>	<b>3,118</b>	<b>3,118</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>3,000</b>	<b>3,118</b>	<b>3,118</b>

# Explanation of variances in the financial statements

## Income statement

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

1. A decrease in interest revenue is due to lower than expected rate of return on Queensland Investment Corporation (QIC) investments. The 2015-16 Budget is based on QIC's estimate of long term average annual rate of return for the portfolio.
2. A decrease in other expenses is due to a projected decrease in Nominal Defendant claims costs.

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

3. A decrease in interest revenue reflects a change in the investment mandate for funds invested with QIC. The 2016-17 Budget is based on QIC's estimate of long term average annual rate of return for the portfolio and the revised investment mandate, on the projected balance as at 30 June 2016.
4. An increase in employee expenses reflects additional staff to support an increase in claims brought against the Nominal Defendant and to perform an in-house injury management advisory function.
5. A decrease in supplies and services is primarily due to the cessation of the Nominal Defendant reinsurance program from 1 July 2016.
6. A decrease in other expenses is due to a projected decrease in Nominal Defendant claims costs.

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

7. The budget assumption for 2016-17 is based on QIC's estimate of longer term average annual rate of return for the portfolio and the revised investment mandate, on the projected balance as at 30 June 2016.
8. An increase in employee expenses reflects additional staff to support an increase in claims brought against the Nominal Defendant and to perform an in-house injury management advisory function.
9. A decrease in supplies and services is primarily due to the cessation of the Nominal Defendant reinsurance program from 1 July 2016.
10. An increase in other expenses is due to a projected increase in Nominal Defendant claims costs.

## Balance sheet

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

11. A decrease in current other financial assets reflects the level of surplus funding being invested.
12. A decrease in non-current other financial assets reflects the level of surplus funding being invested.
13. A decrease in current provisions relates to the movement in outstanding claims liability. The outstanding claims liability is based on actuarial assessment outcomes.
14. A decrease in non-current provisions relates to the movement in outstanding claims liability. The outstanding claims liability is based on actuarial assessment outcomes.
15. A decrease in total equity is a result of a decrease in the projected operating result primarily relating to lower than expected rate of return on QIC investment.

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

16. An increase in current other financial assets reflects the level of surplus funding being invested.
17. A decrease in non-current other financial assets reflects the level of surplus funding being invested.
18. A decrease in current provisions relates to the movement in outstanding claims liability. The outstanding claims liability is based on actuarial assessment outcomes.
19. A decrease in non-current provisions relates to the movement in outstanding claims liability. The outstanding claims liability is based on actuarial assessment outcomes.
20. A decrease in total equity reflects the projected operating result for 2015-16 and 2016-17.

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

21. An increase in current other financial assets reflects the investment of surplus funding.
22. An increase in non-current other financial assets reflects the investment of surplus funding.
23. An increase in current provisions relates to the movement in outstanding claims liability. The outstanding claims liability is based on actuarial assessment outcomes.
24. An increase in non-current provisions relates to the movement in outstanding claims liability. The outstanding claims liability is based on actuarial assessment outcomes.
25. An increase in total equity reflects projected operating result for 2016-17.

## Cash flow statement

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

26. A decrease in interest received is due to lower than expected rate of return on QIC investments. The 2015-16 Budget is based on QIC's estimate of long term average annual rate of return for the portfolio.
27. An increase in employee costs reflects additional staff to support an increase in claims brought against the Nominal Defendant and to perform an in-house injury management advisory function.
28. A decrease in supplies and services is primarily due to the cessation of the Nominal Defendant reinsurance program from 1 July 2016.
29. A decrease in other operating outflows is due to a projected decrease in Nominal Defendant claims costs.
30. A decrease for payments for investments reflects the investment of lower than expected surplus funding provided by operating activities.

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

31. A decrease in interest received reflects a change in the portfolio investment mandate for funds invested with QIC. The 2016-17 Budget is based on QIC's estimate of long term average annual rate of return for the portfolio and the revised investment mandate, on the projected balance as at 30 June 2016.
32. A decrease in supplies and services is primarily due to the cessation of the Nominal Defendant reinsurance program from 1 July 2016.
33. A decrease in other operating outflows is due to a projected decrease in Nominal Defendant claims costs.
34. A decrease for payments for investments reflects a projected decrease in operating result for 2016-17, resulting in less funding available for investment.

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

35. The budget assumption for 2016-17 is based on QIC's estimate of longer term average annual rate of return for the portfolio, based on the revised investment mandate, on the projected balance as at 30 June 2016.
36. An increase in employee costs reflects additional staff to support an increase in claims brought against the Nominal Defendant and to perform an in-house injury management advisory function.
37. An increase in other operating outflows is due to a projected increase in Nominal Defendant claims costs.
38. An increase for payments for investments reflects a projected increase in operating result for 2016-17, resulting in more funding available for investment.

# Queensland Productivity Commission

## Overview

The Queensland Productivity Commission (QPC) provides independent advice on complex economic and regulatory issues, and proposes policy reforms, to meet its objectives of:

- driving economic growth
- lifting productivity
- improving living standards across Queensland.

The *Queensland Productivity Commission Act 2015* requires that the QPC operate based on the principles of independence, rigour, responsiveness, openness, transparency, equity, efficiency and effectiveness.

The QPC's work encompasses three key streams:

- economic reform and policy
- regulatory advice and guidance to departments
- economic research into private and public sector productivity.

In 2016-17 the QPC will contribute towards the Queensland Government's objectives for the community, specifically the Government's focus on creating jobs and a diverse economy and delivering quality frontline services. The QPC will support these objectives by stimulating economic growth and innovation, and providing responsive and integrated government services through independent, expert policy advice on issues relating to productivity, best practice regulation and competitive neutrality.

A key risk for the QPC is the willingness of stakeholders to engage in the inquiry and competitive neutrality investigation processes to inform well-considered recommendations to Government.

## Service summary

In 2015-16 the Commission conducted two major inquiries as directed by the Treasurer.

The Electricity Pricing Inquiry (Draft) Report provided a suite of recommendations to put downward pressure on prices and ensure electricity is delivered to customers at the most competitive price, while protecting consumers. The final report was delivered to Government on 31 May 2016.

The Solar Feed-In Pricing in Queensland Inquiry investigated the public and consumer benefits of exported solar energy and how a price should be determined that is fair for all electricity customers and businesses, and the Queensland economy. The final report will be delivered to the Government in June 2016.

As part of its ongoing regulatory review function, the QPC undertook an independent impact assessment of the *Sugar Industry (Real Choice in Marketing) Amendment Bill 2015*, and provided advice to departments on best practice regulation principles.

Four competitive neutrality complaints were investigated and recommendations made.

In 2016-17, the QPC will continue to deliver independent regulatory advice and guidance to departments and investigate any competitive neutrality complaints against Queensland State and local government businesses. The QPC will also undertake inquiries on matters related to productivity, economic development or industry as directed by the Treasurer.

# Service performance

## Performance statement

### Queensland Productivity Commission

#### Service area objective

To undertake independent, in-depth reviews of complex economic, industry and regulatory issues through open and transparent processes informed by wide public consultation, and formulate policy proposals and recommendations to Government to encourage economic growth, productivity and improved living standards across Queensland.

#### Service area description

The QPC's key functions include:

- conducting public inquiries
- regulatory guidance and advice
- competitive neutrality advice
- productivity research.

The QPC became an independent statutory body under the *Queensland Productivity Commission Act 2015* on 20 November 2015. The QPC operates and reports independently, on the basis of tasks referred to it by Government via the Treasurer as the responsible Minister. The QPC's functions are advisory only. Any policy action arising from the recommendations of the QPC is a matter for the Queensland Government.

Details of QPC's performance information will be available in QPC's 2015-16 Annual Report.

# Staffing<sup>1</sup>

Queensland Productivity Commission	Notes	2015-16 Budget	2015-16 Est. Actual	2016-17 Budget
Queensland Productivity Commission	2, 3	22	17	28

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The decrease of five FTEs between 2015-16 Budget and 2015-16 Estimated Actual is primarily due to secondees returning to their substantive positions in their agency after the completion of two inquiries.
3. The increase of 11 FTEs between 2015-16 Estimated Actual and 2016-17 Budget is primarily due to the forecasted addition of one small inquiry/research project and a medium size inquiry, and two part time Assistant Commissioners (one FTE).

# Glossary of terms

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

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

For a more detailed Glossary of Terms, please refer to the Reader's Guide available on the Budget website at [www.budget.qld.gov.au](http://www.budget.qld.gov.au)





