

# State Budget 2014-15

## Service Delivery Statements

Department of Science, Information Technology,  
Innovation and the Arts

# **2014–15 State Budget Papers**

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The suite of Budget Papers is similar to that published in 2013-14.

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**Service Delivery Statements**

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# Department of Science, Information Technology, Innovation and the Arts

## Summary of portfolio budgets

Page	Agency	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
4	Department of Science, Information Technology, Innovation and the Arts – controlled	356,714	422,240	450,120
	Department of Science, Information Technology, Innovation and the Arts – administered	152,311	149,677	149,687
32	CITEC	164,777	174,931	167,113
40	Queensland Shared Services	189,409	175,738	168,320
48	Corporate Administration Agency	9,717	10,016	10,255
62	Library Board of Queensland	59,427	61,700	63,480
70	Queensland Art Gallery	46,426	44,312	40,855
78	Queensland Museum	34,417	35,871	37,514
86	Queensland Performing Arts Trust	47,137	46,975	47,544

### Notes:

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

# PORTFOLIO OVERVIEW

## Ministerial and portfolio responsibilities

The table below represents the agencies and services which are the responsibility of the Minister for Science, Information Technology, Innovation and the Arts:

**Minister for Science, Information Technology, Innovation and the Arts**  
The Honourable Ian Walker MP

### Department of Science, Information Technology, Innovation and the Arts

Director General: Sue Rickerby

Service Area 1: Science

Service Area 2: Strategic ICT

Service Area 3: Digital Productivity and Services

Service Area 4: Strategic Policy and Innovation

Service Area 5: Arts Queensland

### Queensland Government Chief Information Office

Queensland Government Chief Information Officer: Andrew Mills

**Objective:** The Queensland Government Chief Information Office provides independent quality advice to government ministers, directors-general and agencies on ICT management and investment issues. For the purposes of this document, the financials and FTEs of this office are reported under Service Area 2: Strategic ICT.

### Office of the Queensland Chief Scientist

Chief Scientist: Dr Geoff Garrett AO

**Objective:** The Office of the Queensland Chief Scientist assists with the development and implementation of science policy, and provides high level strategic advice to the State Government on the role of science, research and innovation in achieving the government's priorities. For the purposes of this document, the financials and FTEs of this office are reported under Service Area 1: Science.

## Shared Corporate Services

Assistant Director General: Dianne Jeans

### Corporate Administration Agency:

Corporate Administration Agency provides corporate services to 23 Queensland public sector entities which are principally small to medium statutory bodies. Services provided include human resource management and consulting; payroll and recruitment services; financial transaction services; and information management services, including information technology and business systems. For the purposes of this document, the financials and Full Time Equivalent employees (FTEs) of this shared service provider are reported as a separate entity.

### Queensland Shared Services:

Queensland Shared Services facilitates a range of corporate services to the rest-of-government cluster of departments including financial transaction services, facilities management, procurement, human resource, payroll and recruitment services and consulting, and mail support services. Queensland Shared Services also provides core finance and HR systems application support to the rest-of-government cluster. For the purposes of this document, the financials and FTEs of this shared service provider are reported as a separate entity.

## CITEC

General Manager: Vacant

**Objective:** CITEC delivers consolidated data centre, network and infrastructure services, including solutions integration and aggregation services for the whole of Government, in addition to delivering information brokerage services through CITEC Confirm. In accordance with the Government's ICT reform agenda, CITEC will continue providing these services until the State Government's commitment to divest CITEC has been met. For the purposes of this document, the financials and Full Time Equivalent employees (FTEs) are reported as a separate entity.

## Library Board of Queensland

State Librarian: Janette Wright

**Objective:** The State Library of Queensland provides free access to a wide range of print, digital and original resources; partners with local government to fund and support Queensland public libraries and Indigenous Knowledge Centres; offers public programs and exhibitions to schools, public libraries, museums and other community organisations; and is committed to engaging new audiences through the development of partnerships and use of innovative technologies. For the purposes of this document, the financials and Full Time Equivalent employees (FTEs) are reported as a separate entity.

## Queensland Art Gallery

**Director: Chris Saines**

**Objective:** The Queensland Art Gallery, incorporating the Gallery of Modern Art, develops, exhibits and cares for Queensland’s globally significant art collection; delivers exhibitions, programs and experiences that connect people with the enduring power of art; and delivers value for Queensland through partnerships and organisational best practice. For the purposes of this document, the financials and Full Time Equivalent employees (FTEs) are reported as a separate entity.

## Queensland Museum

**Chief Executive Officer: Professor Suzanne Miller**

**Objective:** The Queensland Museum Network uses research, education, public programs, exhibitions and loans to create experiences that explore our unique Queensland stories, natural environments and cultural heritage. Our museums connect real objects and contemporary research with communities across the state and beyond - on site, in the community, in classrooms and online. For the purposes of this document, the financials and Full Time Equivalent employees (FTEs) are reported as a separate entity.

## Queensland Performing Arts Trust

**Chief Executive Officer: John Kotzas**

**Objective:** The Queensland Performing Arts Trust manages Queensland’s flagship performing arts venue – the Queensland Performing Arts Centre (QPAC). QPAC presents and produces high-quality performing arts productions, connecting audiences with the best local, national and international artists and companies. For the purposes of this document, the financials and Full Time Equivalent employees (FTEs) are reported as a separate entity.

Additional information about the department and its divisions can be sourced from [www.qld.gov.au/dsitia](http://www.qld.gov.au/dsitia). Further information regarding the Office of the Queensland Chief Scientist can be found at [www.chiefscientist.qld.gov.au](http://www.chiefscientist.qld.gov.au); and the Queensland Government Chief Information Office at [www.qgcio.qld.gov.au](http://www.qgcio.qld.gov.au). Statutory authorities information is located at the State Library of Queensland ([www.slq.qld.gov.au](http://www.slq.qld.gov.au)), Queensland Art Gallery ([www.qagoma.qld.gov.au](http://www.qagoma.qld.gov.au)), Queensland Museum ([www.qm.qld.gov.au](http://www.qm.qld.gov.au)), and Queensland Performing Arts Trust ([www.qpac.com.au](http://www.qpac.com.au)) websites.

# RESOURCES AND PERFORMANCE

## DEPARTMENTAL OVERVIEW

### Strategic direction

The Department of Science, Information Technology, Innovation and the Arts (DSITIA) enables a creative, connected and clever Queensland and supports the strategic objectives of the Queensland Government.

DSITIA supports delivery of the Government's objectives for the community to revitalise front-line services, grow a four-pillar economy, lower the cost of living and deliver better infrastructure and better planning to provide better outcomes for Queenslanders by achieving the following through its portfolio of services:

- driving a sustainable economic future through effective leadership and application of science
- connecting Government business needs with value-for-money, service-based ICT solutions
- bringing the arts to all Queenslanders
- delivering better services through online Government initiatives
- helping agencies get on with their business by ensuring they have access to modern, value-for-money corporate services and trusted advice
- driving consistency and the connections across portfolios from a policy perspective and ensuring innovation is the unifying glue to all these service portfolios.

To support the Government's objectives, during 2013-14 the department:

- launched the One-Stop Shop Plan 2013-18 enabling the government to begin delivering the vision to provide Queenslanders with easy and convenient access to all government services
- released the Queensland Digital Economy Strategy and Action Plan outlining the ways digital technology and services will be used to improve productivity and innovation in both the Queensland Government and Queensland businesses
- launched DSITIA's Open Data Strategy, targeting 70 agency datasets to be published by June 2014, reaching an overall total of 94 published datasets
- commenced a one year pilot enabling Queensland Government Brisbane CBD based employees to 'telecommute' from Gold Coast and Moreton Bay Flexible Work Centres
- launched the Wastewater Tracking and Electronic Reporting System (WaTERS) to receive, store and provide timely reports on water monitoring data collected by licence holders under the *Environmental Protection Act 1994*
- released the *Science and Innovation Action Plan* to renew the state's science and innovation efforts and established the Science and Innovation Advisory Council to provide guidance, investment advice and review progress against the Queensland science and research priorities
- supported the Clem Jones Centre for Ageing Dementia Research by providing \$9 million, over five years, towards a new research-driven approach to dementia and Alzheimer's disease
- supported commercialisation within the Queensland startup community through the Minister's Startup Summit, Business Angels in Parliament and incubator services
- commenced the Queensland Innovation Hub Pilot Project, involving experts from the public and private sectors to tackle up to four complex Queensland Government issues
- commenced implementation of the *Arts for all Queenslanders strategy 2014-18*, including delivering a collaborative online platform for strategy engagement with the sector and public
- implemented the *Arts and Cultural Investment Framework 2013-14*, including investing in 35 arts and culture service organisations and managing Government owned companies and major performing arts organisations contracts, with a total investment of \$37.7 million

- commenced implementation of the Cultural Precinct Strategy by drafting the Cultural Precinct Master Plan to drive new cultural tourism outcomes for the state
- supported 36 touring productions to tour to 107 Queensland communities through the Playing Queensland Fund, increasing touring arts productions for Queenslanders
- released the *Queensland Government ICT strategy 2013-17* and accompanying ICT action plan to drive the government's ICT management and delivery reform agenda
- released the ICT Small to Medium Enterprise (SMEs) policy, making it easier to work with government through mechanisms such as allowing agencies to directly engage SMEs for innovative solutions up to \$500,000
- commenced the implementation of the Government Wireless Network (GWN), providing the Queensland Police Service, Queensland Fire and Emergency Services and the Queensland Ambulance Service with improved network reliability and coverage
- completed a series of Queensland Government's scientific capacity and capability audits which highlighted Queensland's significant skill set and enabled the provision of high level strategic advice to government on the role of science.

## 2014-15 Highlights

During 2014-15 the department will:

- lead implementation of the Queensland Digital Economy Strategy and Action Plan to achieve the vision for Queensland to be Australia's most digitally interactive state
- further implement the One-Stop Shop Plan through the addition of 100 new online transactions, establishing the first Service Outlet Pilot in the Lockyer Valley/Scenic Rim region and rolling out and assessing the pilots for social media and click to chat capabilities on [www.qld.gov.au](http://www.qld.gov.au)
- announce the recipients of \$8.75 million in funding available across the Accelerate Queensland Science and Innovation Program, as part of the implementation of the Science and Innovation Action Plan
- boost the Maps Online service to enhance the reporting packages available and provide a "one stop shop" for access to information on environmental values
- continue to support Queensland Startups by providing early-stage, high-growth potential businesses with access to high quality incubator services
- continue to implement the *Arts for all Queenslanders strategy 2014-18* to achieve growth of the arts sector and a strong community of arts
- implement a refreshed Arts and Cultural Investment Framework to grow economic, social, cultural and artistic returns on government investment in Queensland arts and culture
- continue to administer the Government's investment in Arts Statutory Bodies, Major Performing Arts Organisations and Government owned arts companies
- complete the implementation of the GWN for use by public safety agencies throughout the Gold Coast, Logan and Ipswich areas
- assist agencies in progressing from government-owned ICT to sourcing ICT-as-a-service
- complete an assessment of the state's investment in health and biomedical research
- lead the development of a Born Digital Stay Digital Policy to enhance digital recordkeeping maturity and capabilities across government
- continue to build on collaborations and research opportunities under Queensland's science and technology related agreements with China's Ministry of Science and Technology and the Chinese Academy of Sciences
- facilitate a series of Thought Labs to provide opportunities to co-design policy solutions with external stakeholders across the portfolio
- complete and assess the Queensland Government's Flexible Work Centres pilot
- commence construction of the Australian Institute of Tropical Health and Medicine
- continue to deliver on the Queensland Government's ICT renewal agenda to achieve fundamental change in the management and delivery of government ICT.



## Departmental Budget Summary

The table below shows the total resources available in 2014-15 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Department of Science, Information Technology, Innovation and the Arts	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
<b>CONTROLLED</b>			
<b>Income</b>			
Appropriation revenue <sup>1</sup>			
Deferred from previous year/s	16,663	43,266	44,935
Balance of service appropriation	255,999	292,221	317,854
Other revenue	84,849	86,982	89,262
<b>Total income</b>	<b>357,511</b>	<b>422,469</b>	<b>452,051</b>
<b>Expenses</b>			
Science	113,176	95,996	97,837
Strategic ICT <sup>2</sup>	12,943	80,604	99,031
Digital Productivity and Services	81,614	85,226	95,890
Strategic Policy and Innovation	7,426	5,237	9,262
Arts Queensland	119,284	120,185	113,999
Other	22,271	34,992	34,101
<b>Total expenses</b>	<b>356,714</b>	<b>422,240</b>	<b>450,120</b>
<b>Operating surplus/deficit</b>	<b>797</b>	<b>229</b>	<b>1,931</b>
<b>Net assets</b>	<b>761,508</b>	<b>763,261</b>	<b>739,891</b>
<b>ADMINISTERED</b>			
<b>Revenue</b>			
Commonwealth revenue	..	..	..
Appropriation revenue <sup>1,2</sup>	152,311	149,677	149,687
Other administered revenue	2,837	3,224	3,421
<b>Total revenue</b>	<b>155,148</b>	<b>152,901</b>	<b>153,108</b>
<b>Expenses</b>			
Transfers to government	..	..	..
Administered expenses	152,311	149,677	149,687
<b>Total expenses</b>	<b>152,311</b>	<b>149,677</b>	<b>149,687</b>
<b>Net assets</b>	<b>62,552</b>	<b>65,195</b>	<b>68,466</b>

Notes:

1. Includes State and Commonwealth funding.
2. Increase mainly due to expenditure related to the implementation of the GWN and whole of Government ICT charges.

## Budget Measures Summary<sup>1</sup>

The table shows a summary of Budget measures relating to the department since the 2013-14 Budget. Further details are contained in Budget Paper No. 4.

Name of Department	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Revenue measures</b>					
Administered	..	..	..	..	..
Departmental	..	..	..	..	..
<b>Expense measures</b>					
Administered	..	..	..	..	..
Departmental	19,488	81,713	52,320	50,420	41,540
<b>Capital measures</b>					
Administered	..	..	..	..	..
Departmental	..	1,100	..	..	..

Notes:

1. The total for 2014-15 reconciles with Budget Paper 4.

## Staffing<sup>1</sup>

Service Areas	Notes	2013-14	2013-14	2014-15
		Adjusted Budget	Est. Actual	Budget
Science	2	408	408	407
Strategic ICT	3,4	69	85	103
Digital Productivity and Services	5	584	578	583
Strategic Policy and Innovation	6	29	34	43
Arts Queensland	7	119	115	115
<b>Subtotal</b>		<b>1,209</b>	<b>1,220</b>	<b>1,248</b>
Corporate	8,9	208	262	254
<b>TOTAL</b>		<b>1,417</b>	<b>1,482</b>	<b>1,505</b>

### Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. FTE figures for Science division include those of the Office of the Queensland Chief Scientist
3. Increase due to additional resources engaged on the new initiatives of the GWN and the Tactical Cyber Security Plan (TCSP).
4. Increase due to ongoing work associated with the GWN and TCSP initiatives and deferrals from 2013-14 to complete implementation within existing timeframes.
5. Decrease in 2013-14 due to a reduction in demand for user charge services provided by Smart Service Queensland offset by resources engaged on the One-Stop Shop (OSS) initiative.
6. Increase in FTE relates to the establishment of the Customer and Market Insight and Strategic Policy units.
7. Decrease mainly relates to transfer of corporate communication staff to Change and Operations.
8. Corporate reflects the number of FTE engaged in providing corporate services including finance, human resource management, information technology and communications to the department including CITEC and Queensland Shared Services.
9. Increase mainly reflects transfer of ICT staff from the Department of Housing and Public Works who provide support to DSITIA together with the transfer of communications officers from Arts Queensland partially offset by a lower level of corporate service positions.

## SERVICE PERFORMANCE

### Services

Our service areas are:

#### Science

Science Division provides scientific and technical services and advice to government agencies that underpins decision making and legislative responsibilities. The division, in close collaboration with the Chief Scientist, also develops the Queensland Government's science policy and provides strategic leadership for the Government's investment in science. The division works in partnership with government agencies, universities and other research groups, as well as natural resource management groups and industry.

#### Strategic ICT

Strategic ICT Division strives to ensure quality ICT outcomes are achieved across government and is a key area in supporting frontline service delivery. The division is responsible for whole-of-government programs, such as the GWN and the One Government Network, and plays an integral role in implementing the government's ICT reforms as outlined in the *Queensland Government ICT Strategy 2013-17 Action Plan*. In addition, as the mega category lead for ICT procurement, the division prepares, negotiates and manages contracts to establish whole-of-government procurement arrangements. Some of the services the division provides include: strategic advice on ICT programs and projects; facilitation of engagement between the ICT industry and government; and management of whole-of-government infrastructure (including data centres and networks).

#### Digital Productivity and Services

The Digital Productivity and Services Division promotes the successful adoption of digital technologies and digital content to revitalise Queensland Government services, boost productivity and innovation within Queensland businesses, and to connect and enable our communities. The division is comprised of the Digital Economy and Productivity Office, Queensland State Archives, One-Stop-Shop and Smart Service Queensland. This diverse division's key services include: provision, expansion and improvement of customer access to a wide range of government information and services; collaborative projects and events to promote the adoption of digitally enabled technologies and services across Queensland; and management, preservation and facilitation of access to Queensland's permanent archival public records.

#### Arts Queensland

Arts Queensland aims to strengthen cultural and economic outcomes for Queensland through facilitation of resilience and innovation in the arts and cultural sector. Arts Queensland will use demand-driven approaches to grow the arts and cultural sector and foster a community of arts. Services include: policy and strategy advice, investment management, partnership and network building, knowledge and development brokering, arts promotion, support for Queensland's arts statutory bodies and government-owned companies and provision of capital infrastructure and management of the State Government's cultural assets.

#### Strategic Policy and Innovation

The Strategic Policy and Innovation Division aims to create the right environment to promote innovation and commercialisation of products and services that benefit Queensland and ensure departmental services and strategies align to customer needs and government priorities. In creating this environment, some of the key services provided include: facilitation of collaboration and partnerships between key stakeholders in areas such as policy development, commercialisation and innovation; helping to improve the environment for start-up businesses; facilitation of referrals to specialist advice on innovation and commercialisation; and coordination of research and analysis about our customers and emerging trends and issues that impact the department.

### **Shared Corporate Services**

The Shared Corporate Services division helps its customers get on with their business by ensuring they have access to modern, value for money corporate services and trusted advice. Combining the capabilities of Queensland Shared Services and the Corporate Administration Agency, the division facilitates a range of corporate services to the rest-of-government cluster of departments and an additional 27 public sector entities. Services provided include: financial transaction services; human resources services; payroll and recruitment services; and consulting.

## Red tape reduction

In support of the Government's commitment to reducing red tape, DSITIA has engaged in a range of initiatives that seek to reduce both administrative burden and regulatory burden across the scope of its operations. Notably, during the 2013-14 year, the department finalised a review of the *Gene Technology Act 2001* improving clarity, certainty and consistency for the regulated community. Other ongoing initiatives that will continue to be the focus of the department's red tape reform effort during the 2014-15 year are:

- One-Stop Shop access to government services that provides Queenslanders with easy and convenient access to a range of information and services through phone (13 QGOV), online ([www.qld.gov.au](http://www.qld.gov.au)) and at multi-agency service outlets. During the 2013-14 year, the One-Stop Shop Plan was launched with work on delivering phase one of the program which is due to be completed in October 2014
- The ICT procurement transformation program currently being undertaken will simplify procurement processes for ICT by revising existing arrangements and the processes and systems that support ICT procurement. This will include the simplification and earlier consideration of engagement with the ICT industry
- The Open Data project was matured during the 2013-14 year with datasets being released in line with the departmental Open Data Strategy; increasing community access to government datasets. In 2014-15, the department will further advance the maturity of the open data platform, enabling dynamic, data-driven products to be developed by government and industry
- The continued development and updating of innovative environmental information systems to provide government and the broader community with increased access to scientific information and maps. In 2014-15, the department will continue to streamline systems to facilitate customer interaction with the data and information it provides
- The leveraging of industry to accelerate the Government Information Technology Contract process and provide suppliers with easier access to government, reflecting the government's commitment to reducing barriers when working with the Queensland Government.

## 2014-15 Service Summary<sup>1</sup>

Service area	Sources of Revenue				
	Total cost \$'000	State Contribution \$'000	User Charges and Fees \$'000	C'wealth Revenue \$'000	Other Revenue \$'000
Science	97,837	86,014	1,154	..	12,600
Strategic ICT Digital Productivity Services	99,031	78,821	210	20,000	..
Strategic Policy and Innovation	95,890	65,648	30,242	..	..
	9,262	9,262	..	..	..
Arts Queensland	113,999	96,556	17,231	..	212
<b>Department</b>	<b>416,019</b>	<b>336,301</b>	<b>48,837</b>	<b>20,000</b>	<b>12,812</b>
Other - corporate	34,101	6,118	8,496	370	19,117
<b>TOTAL</b>	<b>450,120</b>	<b>342,419</b>	<b>57,333</b>	<b>20,370</b>	<b>31,929</b>

### Notes:

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

## Performance Statement

Department of Science, Information Technology, Innovation and the Arts	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
<b>Service Area: Science</b>	1			
<b>Service standards</b>				
Average time taken to upload quality checked air quality monitoring data to the DEHP website that shows the air quality conditions across the state	2	1 hour	55 minutes	1 hour
Percentage of clients from other government agencies satisfied with the natural resource and environmental science services and information provided	2,3	80%	97%	85%
Percentage of science funding recipients satisfied with contract management services provided for science related grant programs	4	New measure	New measure	85%
Percentage of clients (both government and non-government) satisfied that the various science engagement strategies (conferences, workshops, international delegations, web presence and programs) improve the profile and understanding of Queensland science and increase the opportunities for engagement, collaboration and investment	4	New measure	New measure	80%
Percentage of laboratory tests completed and made available within agreed timeframes and quality specifications to support Reef Plan 2013-2018 and the Government's Agricultural Strategy	5	New measure	New measure	85%
<b>State contribution (\$000)</b>		<b>101,353</b>	<b>84,173</b>	<b>86,014</b>
<b>Other revenue (\$000)</b>		<b>12,620</b>	<b>13,652</b>	<b>13,754</b>
<b>Total cost (\$000)</b>		<b>113,176</b>	<b>95,996</b>	<b>97,837</b>
<b>Service Area: Strategic ICT</b>	6			
<b>Service standards</b>				
Percentage of applications for valid Government Information Technology Contract (GITC) Head Agreements processed within five working days	7	New measure	New measure	>80%



<b>Department of Science, Information Technology, Innovation and the Arts</b>	<b>Notes</b>	<b>2013-14 Target/Est.</b>	<b>2013-14 Est. Actual</b>	<b>2014-15 Target/Est.</b>
Percentage of accountable action items from the Queensland Government ICT Strategy 2013-17 Action Plan completed on schedule	8	New measure	New measure	90%
<b>State contribution (\$000)</b>		<b>12,730</b>	<b>80,459</b>	<b>78,821</b>
<b>Other revenue (\$000)</b>		<b>213</b>	<b>145</b>	<b>20,210</b>
<b>Total cost (\$000)</b>		<b>12,943</b>	<b>80,604</b>	<b>99,031</b>
<b>Service Area: Digital Productivity and Services</b>	9			
<b>Service standards</b>				
Percentage of customers satisfied with the services provided by Smart Service Queensland on behalf of other government agencies	10,11	≥80%	88%	≥85%
Percentage of clients satisfied with the services provided by Smart Service Queensland on their behalf	10	≥80%	76%	≥80%
Proportion of stakeholders who are satisfied with digital economy and productivity services, consultative and engagement processes	12	New measure	New measure	85%
Customer satisfaction with Queensland State Archives' delivery of services to the public (QSA)	13	≥93%	93.4%	≥93%
<b>State contribution (\$000)</b>		<b>47,916</b>	<b>57,884</b>	<b>65,648</b>
<b>Other revenue (\$000)</b>		<b>33,698</b>	<b>25,742</b>	<b>30,242</b>
<b>Total cost (\$000)</b>		<b>81,614</b>	<b>85,226</b>	<b>95,890</b>
<b>Service Area: Strategic Policy and Innovation</b>	14			
<b>Service standards</b>				
Proportion of stakeholders who are satisfied with innovation and commercialisation, consultative and engagement processes	15	New measure	New measure	85%
<b>State contribution (\$000)</b>		<b>7,426</b>	<b>5,237</b>	<b>9,262</b>
<b>Other revenue (\$000)</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Total cost (\$000)</b>		<b>7,426</b>	<b>5,237</b>	<b>9,262</b>
<b>Service Area: Arts Queensland</b>	16			
<b>Service standards</b>				
Level of client satisfaction with Arts Queensland's service delivery	17	85%	84%	87%
Commercial revenue as a percentage of total revenue		12%	12%	13%

<b>Department of Science, Information Technology, Innovation and the Arts</b>	<b>Notes</b>	<b>2013-14 Target/Est.</b>	<b>2013-14 Est. Actual</b>	<b>2014-15 Target/Est.</b>
Utilisation of state-owned arts and cultural facilities	18	New measure	New measure	4,550,000 visitors
<b>State contribution (\$000)</b>		<b>101,761</b>	<b>102,742</b>	<b>96,556</b>
<b>Other revenue (\$000)</b>		<b>17,523</b>	<b>17,443</b>	<b>17,443</b>
<b>Total cost (\$000)</b>		<b>119,284</b>	<b>120,185</b>	<b>113,999</b>

Notes:

1. DSITIA has conducted an internal realignment of services. The Science service area now includes the areas that were presented in 2013-14 Service Delivery Statement as Science Delivery services and part of Innovation and Science Development Services.
2. This measure has been amended to more accurately describe its purpose and to identify its target groups following a review of Queensland Government service standards conducted by the Queensland Audit Office (QAO) in 2013. The method of calculating the results of this measure remains unchanged.
3. The baseline result for this measure was first established in 2013-14. Despite the high result of 97% for 2013-14, a target of 85% has been nominated for 2014-15 as more than one year of survey data is required in order to establish a robust and realistic target for this measure.
4. This is one of four new measures that replace a previous measure - *Proportion of stakeholders who are satisfied with Innovation and Science Development services, consultative and engagement processes*. The measure was discontinued to reflect the realignment of services within the Science, Digital Productivity and Services and Strategic Policy and Innovation service areas.
5. This is a new measure of effectiveness. The timeframes involved are negotiated per sample submission and quality will be measured through retention of bi-annual National Association of Testing Authorities (NATA) Australia accreditation.
6. Strategic ICT is a new division resulting from an internal realignment of services and now includes CITEC.
7. This is a new measure of effectiveness and reflects the portfolio's commitment to reducing barriers when working with the Queensland Government.
8. This measure only relates to items in the action plan for which DSITIA has responsibility.
9. As a result of an internal realignment of services, measures currently presented under Digital Productivity and Services have previously been presented under the service area Queensland Government Information Communication Technology Services.
10. This measure has been amended following a review of Queensland Government service standards conducted by the QAO in 2013. The method of calculating the results of this measure remains unchanged. Smart Service Queensland customers are defined as the Queensland public, whilst its clients are defined as other government agencies.
11. The overall customer satisfaction rating increased from 80% in 2012-13 to 88% in 2013-14 due to increased satisfaction with the online channel.
12. This is one of four new measures that replace a previous measure - *Proportion of stakeholders who are satisfied with Innovation and Science Development services, consultative and engagement processes*. The measure was discontinued to reflect the realignment of services within the Science, Digital Productivity and Services and Strategic Policy and Innovation service areas.
13. This is the result from the biennial customer satisfaction survey conducted by the Queensland Government Statistician's Office for Queensland State Archives in March 2013.
14. Following an internal realignment of services, the new Strategic Policy and Innovation division includes part of the service area previously presented under Innovation and Science Development Services.
15. This is one of four new measures that replace a previous measure - *Proportion of stakeholders who are satisfied with Innovation and Science Development services, consultative and engagement processes*. The measure was discontinued to reflect the realignment of services within the Science, Digital Productivity and Services and Strategic Policy and Innovation service areas.
16. As part of an internal realignment of services, Arts and Culture services has been renamed as Arts Queensland.
17. This measure has been amended following a review of Queensland Government service standards conducted by the QAO in 2013. The method of calculating the result of this measure remains unchanged.

18. This measure has been reintroduced as per advice provided by the QAO following their review of Queensland Government service standards in 2013. The target is based on the total estimated attendance figures in 2014-15 of Queensland Performing Arts Centre, Queensland Art Gallery, Queensland Museum, State Library of Queensland and the Judith Wright Centre of Contemporary Arts.

## Administered Items

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

The Department of Science, Information Technology, Innovation and the Arts administers funds on behalf of the State which include the arts statutory bodies including Library Board of Queensland, the Queensland Art Gallery, the Queensland Museum, the Queensland Performing Arts Trust, Queensland Theatre Company and Screen Queensland.

Administered funding provided for each entity in 2014-15 is:

- \$56.0 million for State Library of Queensland
- \$21.7 million for Queensland Museum
- \$28.7 million for Queensland Art Gallery
- \$8.2 million for Queensland Performing Arts Trust
- \$2.6 million for Queensland Theatre Company
- \$9.8 million for Screen Queensland
- \$18.1 million for Queensland Shared Services
- \$4.5 million for CITEC

The financial statements and variance notes for the Library Board of Queensland, the Queensland Art Gallery, the Queensland Museum and the Queensland Performing Arts Trust are reported within the Service Delivery Statements.

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

## CAPITAL

### Capital program

The capital program for 2014-15 for DSITIA (excluding its statutory bodies, commercialised business unit and shared service providers) is \$6.3 million.

The capital program invests in and maintains the State's art and cultural assets, its science research facilities and equipment, and provides reliable information systems, technologies and infrastructure to support service delivery across Government and to the community.

The main expenditure to be undertaken in 2014-15 includes:

- \$2.6 million for the procurement and replacement of essential scientific equipment used for environmental and natural resource projects undertaken by the department for a wide range of Queensland Government departments
- \$1.1 million to the Government Wireless Network (GWN) for the purchase of software to deliver an integrated digital wireless network to improve communications, safety and security for Queensland's public safety agencies and emergency workers.

### Capital budget statement

Department of Science, Information Technology, Innovation and the Arts	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Actual \$'000	2014-15 Budget \$'000
<b>Capital Purchases<sup>1</sup></b>				
Total land, buildings and infrastructure		..	..	..
Total plant and equipment		4,665	8,191	4,859
Total other capital		502	352	1,452
<b>Total Capital Purchases</b>		<b>5,167</b>	<b>8,543</b>	<b>6,311</b>

Notes:

1. For more detail on the agency's capital acquisitions please refer to Budget Paper 3.

# BUDGETED FINANCIAL STATEMENTS

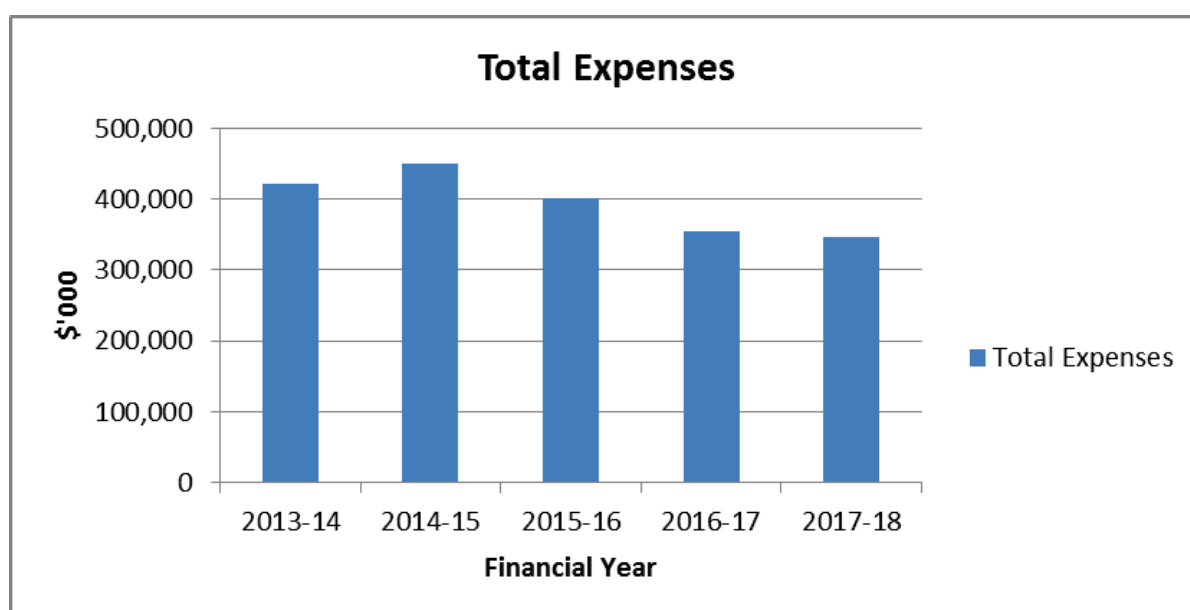
## ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of the department's budgeted financial statements (excluding its statutory bodies, commercialised business unit and shared service providers) is provided below.

### Departmental income statement

Total expenses are estimated to be \$450.1 million in 2014-15, an increase of approximately \$28 million from 2013-14. The increase is mainly due to the impact of new funding provided for the government wireless network (GWN). The decrease over the next few years is a result of completion of a number of limited life funded programs.

Chart: Total departmental expenses across the Forward Estimates period



### Departmental balance sheet

The department's total controlled assets are expected to amount to \$775.1 million in 2014-15, including \$693.9 million in property, plant and equipment. The department's liabilities are estimated to be \$34.4 million with a projected net asset position of \$739.9 million.

## CONTROLLED INCOME STATEMENT

Department of Science, Information Technology, Innovation and the Arts	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
Appropriation revenue	1,8	272,662	335,487	362,789
Taxes		..	..	..
User charges and fees	9	51,245	54,932	57,333
Royalties and land rents		..	..	..
Grants and other contributions		10,716	10,636	10,636
Interest		..	..	..
Other revenue		22,888	21,414	21,293
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>357,511</b>	<b>422,469</b>	<b>452,051</b>
<b>Expenses</b>				
Employee expenses	2	121,371	128,124	131,529
Supplies and services:				
- Outsourced service delivery	15	..	643	797
- Other supplies and services	3,10,16	94,252	164,376	194,850
Grants and subsidies	4,11	89,088	75,471	70,693
Depreciation and amortisation		49,981	50,438	50,850
Finance/borrowing costs	5,12,17	254	1,864	83
Other expenses	6,13	1,768	1,324	1,318
Losses on sale/revaluation assets		..	..	..
<b>Total expenses</b>		<b>356,714</b>	<b>422,240</b>	<b>450,120</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	7,14,18	<b>797</b>	<b>229</b>	<b>1,931</b>

## CONTROLLED STATEMENT OF CHANGES IN EQUITY

Department of Science, Information Technology, Innovation and the Arts	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	19,20	20,186	20,186	18,061
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>20,186</b>	<b>20,186</b>	<b>18,061</b>
Surplus/(deficit) for the period		797	229	1,931
<b>Total recognised income and expense for the period</b>		<b>20,983</b>	<b>20,415</b>	<b>19,992</b>
Equity injection/(withdrawal)		(43,491)	(44,558)	(43,362)
Equity adjustments (inc. MoG transfers)		653	1,194	..
<b>Total movement in equity for period</b>		<b>(21,855)</b>	<b>(22,949)</b>	<b>(23,370)</b>



## CONTROLLED BALANCE SHEET

Department of Science, Information Technology, Innovation and the Arts	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	21,34	6,552	5,659	6,714
Receivables		19,126	17,415	17,415
Other financial assets		..	..	..
Inventories		9	28	28
Other	22,28	645	6,998	6,998
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>26,332</b>	<b>30,100</b>	<b>31,155</b>
<b>NON-CURRENT ASSETS</b>				
Receivables	29	33,863	35,753	37,684
Other financial assets		..	..	..
Property, plant and equipment		724,450	721,606	693,907
Intangibles	23,35	13,158	11,220	12,425
Other		..	..	..
<b>Total non-current assets</b>		<b>771,471</b>	<b>768,579</b>	<b>744,016</b>
<b>TOTAL ASSETS</b>		<b>797,803</b>	<b>798,679</b>	<b>775,171</b>
<b>CURRENT LIABILITIES</b>				
Payables		24,671	25,788	25,788
Accrued employee benefits	24,30	2,756	3,092	3,092
Interest-bearing liabilities and derivatives	25,31	8,406	5,362	5,224
Provisions		..	..	..
Other		..	293	293
<b>Total current liabilities</b>		<b>35,833</b>	<b>34,535</b>	<b>34,397</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives	26,32	462	883	883
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>462</b>	<b>883</b>	<b>883</b>
<b>TOTAL LIABILITIES</b>		<b>36,295</b>	<b>35,418</b>	<b>35,280</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>761,508</b>	<b>763,261</b>	<b>739,891</b>
<b>EQUITY</b>				
Capital/contributed equity		766,272	774,702	731,340
Accumulated surplus/(accumulated deficit)		(43,575)	(41,778)	(39,847)
Reserves:				
- Asset revaluation surplus	27,33,36	38,811	30,337	48,398
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>761,508</b>	<b>763,261</b>	<b>739,891</b>

## CONTROLLED CASH FLOW STATEMENT

Department of Science, Information Technology, Innovation and the Arts	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
Appropriation receipts	37,46	272,662	370,063	362,789
User charges and fees	38,47,55	51,245	66,137	57,333
Royalties and land rent receipts		..	..	..
Grants and other contributions		10,716	10,636	10,636
Interest received		..	..	..
Taxes		..	..	..
Other	39,48	22,091	19,585	19,362
<b>Outflows</b>				
Employee costs		(121,371)	(128,124)	(131,529)
Supplies and services	40,49,56	(94,252)	(217,767)	(195,647)
Grants and subsidies	41,50	(89,088)	(75,471)	(70,693)
Borrowing costs		(83)	(83)	(83)
Other	42,51	(1,768)	(1,324)	(1,318)
<b>Net cash provided by/(used in) operating activities</b>		<b>50,152</b>	<b>43,652</b>	<b>50,850</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		16	16	16
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets	43,52,57	(5,167)	(8,543)	(6,311)
Payments for investments		..	..	..
Loans and advances made	53,58	(408)	(408)	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(5,559)</b>	<b>(8,935)</b>	<b>(6,295)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections	44,54,59	2,667	4,724	3,076
<b>Outflows</b>				
Borrowing redemptions	45,60	(138)	(2,268)	(138)
Finance lease payments		..	..	..
Equity withdrawals		(46,158)	(48,636)	(46,438)
<b>Net cash provided by/(used in) financing activities</b>		<b>(43,629)</b>	<b>(46,180)</b>	<b>(43,500)</b>
<b>Net increase/(decrease) in cash held</b>		<b>964</b>	<b>(11,463)</b>	<b>1,055</b>
<b>Cash at the beginning of financial year</b>		<b>5,588</b>	<b>17,122</b>	<b>5,659</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>6,552</b>	<b>5,659</b>	<b>6,714</b>

## ADMINISTERED INCOME STATEMENT

Department of Science, Information Technology, Innovation and the Arts	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
Appropriation revenue		152,311	149,677	149,687
Taxes		..	..	..
User charges and fees		..	..	..
Royalties and land rents		..	..	..
Grants and other contributions		..	..	..
Interest		..	..	..
Other revenue	61,65,68	2,837	3,224	3,421
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>155,148</b>	<b>152,901</b>	<b>153,108</b>
<b>Expenses</b>				
Employee expenses		..	..	..
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services	62,66,69	7,630	14,834	5,631
Grants and subsidies	63,70	144,681	134,843	144,056
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses		..	..	..
Losses on sale/revaluation assets		..	..	..
Transfers of Administered Revenue to Government		..	..	..
<b>Total expenses</b>		<b>152,311</b>	<b>149,677</b>	<b>149,687</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	64,67,71	<b>2,837</b>	<b>3,224</b>	<b>3,421</b>

## ADMINISTERED BALANCE SHEET

Department of Science, Information Technology, Innovation and the Arts	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	72,74	2,661	4,003	4,003
Receivables		..	..	..
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>2,661</b>	<b>4,003</b>	<b>4,003</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		59,891	61,192	64,463
Other financial assets		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>59,891</b>	<b>61,192</b>	<b>64,463</b>
<b>TOTAL ASSETS</b>		<b>62,552</b>	<b>65,195</b>	<b>68,466</b>
<b>CURRENT LIABILITIES</b>				
Payables		..	..	..
Transfers to Government Payable		..	..	..
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>..</b>	<b>..</b>	<b>..</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>..</b>	<b>..</b>	<b>..</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>62,552</b>	<b>65,195</b>	<b>68,466</b>
<b>EQUITY</b>				
Capital/contributed equity		53,901	54,792	54,642
Accumulated surplus/(accumulated deficit)	73,75,76	8,651	10,403	13,824
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>62,552</b>	<b>65,195</b>	<b>68,466</b>

## ADMINISTERED CASH FLOW STATEMENT

Department of Science, Information Technology, Innovation and the Arts	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
Appropriation receipts		152,311	149,311	149,687
User charges and fees	77,80	..	550	..
Royalties and land rent receipts		..	..	..
Grants and other contributions		..	..	..
Interest received		..	..	..
Taxes		..	..	..
Other		..	..	..
<b>Outflows</b>				
Employee costs		..	..	..
Supplies and services	78,79,81	(7,630)	(21,123)	(5,631)
Grants and subsidies		(144,681)	(134,843)	(144,056)
Borrowing costs		..	..	..
Other		..	..	..
Transfers to Government		..	..	..
<b>Net cash provided by/(used in) operating activities</b>		..	<b>(6,105)</b>	..
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	150
<b>Outflows</b>				
Payments for non-financial assets		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		..	..	<b>150</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections		6,019	8,185	7,906
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(6,019)	(8,185)	(8,056)
<b>Net cash provided by/(used in) financing activities</b>		..	..	<b>(150)</b>
<b>Net increase/(decrease) in cash held</b>		..	<b>(6,150)</b>	..
<b>Cash at the beginning of financial year</b>		<b>2,661</b>	<b>10,108</b>	<b>4,003</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>2,661</b>	<b>4,003</b>	<b>4,003</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

From 1 July 2014 departments (excluding commercialised business units) will no longer be liable for payroll tax. To provide comparable cost forecasts across all periods, the 2013-14 Adjusted budget and the 2013-14 Estimated actual have been recast to reflect the removal of payroll tax from Employee expenses and an associated reduction has been made to Appropriation revenue. The 2013-14 Adjusted budget Appropriation revenue and Employee expenses have been reduced by \$5.219 million. The 2013-14 Estimated actual Appropriation revenue and Employee expenses have been reduced by \$6.064 million.

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. Increase mainly due to funding provided for whole of government ICT arrangements, GWN, Smart Service Queensland, One-Stop Shop and Tactical Cyber Security Plan.
2. Increase mainly due to GWN and the transfer of internal ICT support arrangements from the Department of Housing and Public Works offset by a reduction in call centre activity within Smart Service Queensland.
3. Increase mainly due to whole of government ICT arrangements, GWN, Smart Service Queensland, One-Stop Shop and Tactical Cyber Security Plan and transfer of internal ICT support arrangements from the Department of Housing and Public Works.
4. Decrease due to the deferral of grants in line with contract commitments.
5. Increase relates to deferral of Innovation Building Fund in line with contract commitments.
6. Decrease mainly relates to bank charges on service transactions undertaken by Smart Service Queensland.
7. Decrease is due to a forecast operating deficit for Smart Service Queensland offset by an increase in interest capitalisation in relation to Innovation Building Fund loans.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

8. Increase mainly due to funding provided for whole of government ICT arrangements, Smart Service Queensland, GWN, One-Stop Shop and Tactical Cyber Security Plan.
9. Increase due to transfer of internal ICT support arrangements from the Department of Housing and Public Works offset by a reduction in forecast user charges within Smart Service Queensland.
10. Increase mainly due to whole of government ICT arrangements, Smart Service Queensland, GWN, One-Stop Shop and Tactical Cyber Security Plan and transfer of internal ICT support arrangements from the Department of Housing and Public Works.
11. Decrease due to the cessation of limited life grants offset by the deferral of grants in line with contract commitments from 2013-14 to 2014-15.
12. Decrease due to the Innovation Building Fund completing its final payment and associated fair value adjustment in 2014-15.
13. Decrease relates to bank charges on service transactions undertaken by Smart Service Queensland.
14. Increase is due to capitalised interest in relation to Innovation Building Fund loans.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

15. Increase relates to deferral of innovation services contract in line with milestone commitments.
16. Increase mainly due to GWN and One-Stop Shop offset by a reduction in whole of government ICT charges.
17. Decrease relates to Innovation Building Fund which is scheduled to conclude in 2013-14.
18. Increase is due to Smart Service Queensland improved operating result in 2014-15.

### Statement of Changes in Equity

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

19. Decrease due to the expected 2014-15 asset revaluation increment being less than that budgeted in 2013-14 for Arts Queensland.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

20. Decrease due to the expected 2014-15 asset revaluation increment being less than that budgeted in 2013-14 for Arts Queensland.

## Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

21. Decrease due to additional prepayments and reduced receivables and the cash receipt of the Natural Disaster Relief and Recovery Arrangements (NDRRA) claim for flood recovery works.
22. Increase due to the prepayment associated with a whole of government ICT contract.
23. Decrease mainly due to lower than forecast acquisitions and higher than forecast amortisation.
24. Increase reflects estimated higher level of FTEs at the end of the financial year associated with new projects such as the GWN, One-Stop Shop and Tactical Cyber Security Plan.
25. Balance reflects net movements of the Revolving Film Finance Fund.
26. Increase due to new loans raised through the Revolving Film Finance Fund.
27. Decrease due to no asset revaluation reserve adjustments being required in 2012-13 (although budgeted) as market indexation was immaterial for that year.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

28. Increase due to the prepayment associated with a whole of government ICT contract.
29. Increase is due to capitalised interest in relation to Innovation Building Fund loans and new loans raised through the Revolving Film Finance Fund.
30. Increase due to recalculation of costs based on actual FTEs at the end of the financial year.
31. Decrease is due to movements on the Revolving Film Finance Fund including new loans, repayments, capitalised interest and reclassification between non-current and current.
32. Increase due to new loans raised through the Revolving Film Finance Fund.
33. Increase is due to an expected increase in asset values resulting from the 2013-14 revaluation, offset by the lower reserve balance from 2012-13.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

34. Increase reflects estimated cash balance.
35. Increase primarily relates to GWN related software purchases.
36. Balance reflects anticipated increase in asset values resulting from the 2013-14 asset revaluation process.

## Cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

37. Increase mainly due to funding provided for whole of government ICT arrangements, GWN, Smart Service Queensland, One-Stop Shop and Tactical Cyber Security Plan coupled with a reduction in appropriation receivable from 2012-13.
38. Increase reflects higher than anticipated opening receivables balance from 2012-13.
39. Decrease due to the reduction of corporate charges to business units and the reclassification of recoverable Cultural Precinct utilities expenses to user charges.
40. Increase mainly due to whole of government ICT arrangements, GWN, Smart Service Queensland, One-Stop Shop and Tactical Cyber Security Plan and transfer of internal ICT support arrangements from the Department of Housing and Public Works coupled with a reduction in payables from 2012-13.
41. Decrease due to the deferral of grants in line with contract commitments.
42. Decrease relates to bank charges on service transactions undertaken by Smart Service Queensland.
43. Increase due to the deferral of capital funds from 2012-13 to meet contract commitments and One-Stop Shop deliverables.
44. Increase due to deferral of capital funds from 2012-13 to meet contract commitments and One-Stop Shop deliverables.
45. Increase due to the return of uncommitted funding to Consolidated Fund.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

46. Increase mainly due to funding provided for whole of government ICT arrangements, Smart Service Queensland, GWN, One-Stop Shop and Tactical Cyber Security Plan.
47. Increase due to transfer of internal ICT support arrangements from the Department of Housing and Public Works offset by a reduction in forecast user charges within Smart Service Queensland.
48. Decrease due to the reduction of corporate charges to business units and the reclassification of recoverable Cultural Precinct utilities expenses to user charges.

49. Increase mainly due to whole of government ICT arrangements, Smart Service Queensland, GWN, One-Stop Shop and Tactical Cyber Security Plan and transfer of internal ICT support arrangements from the Department of Housing and Public Works.
50. Decrease due to the cessation of limited life grants offset by the deferral of grants in line with contract commitments from 2013-14.
51. Decrease relates to bank charges on service transactions undertaken by Smart Service Queensland.
52. Increase mainly due to GWN for the purchase of software.
53. Decrease relates to Innovation Building Fund which is scheduled to conclude in 2013-14.
54. Increase relates to One-Stop Shop and GWN for the purchase of software.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

55. Decrease mainly due to reduction in operating receivable in 2013-14.
56. Decrease mainly due to a reduction in payables offset by additional payments in relation to GWN and One-Stop Shop.
57. Decrease due to reduction in capital deferrals from prior year and One-Stop Shop funding, offset by an increase for GWN for the purchase of software.
58. Decrease relates to Innovation Building Fund loan which is scheduled to conclude in 2013-14.
59. Decrease due to reduction in capital deferrals from prior year and One-Stop Shop funding, offset by an increase for GWN for the purchase of software.
60. Decrease due to the return of uncommitted funding to Consolidated Fund.

### **Administered income statement**

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

61. The increase relates to capitalised interest for Smart State Research Fund loans.
62. The increase is due to deferrals and equity to operating swaps of funding for CITEC and QSS.
63. The decrease is due to deferrals for QSS from 2013-14 into 2014-15 in relation to business capability and capacity projects.
64. The increase relates to capitalised interest for Smart State Research Fund loans.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

65. The increase relates to capitalised interest for Smart State Research Fund loans.
66. The decrease is due to a reduction in funding for CITEC in relation to Govnet and Polaris.
67. The increase relates to capitalised interest for Smart State Research Fund loans.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

68. The increase relates to capitalised interest for Smart State Research Fund loans.
69. The decrease is due to deferrals in 2013-14 and a reduction in funding for CITEC in 2014-15 in relation to Govnet and Polaris.
70. The increase is due to deferrals for QSS from 2013-14 into 2014-15 in relation to business capability and capacity projects.
71. The increase relates to capitalised interest for Smart State Research Fund loans.

### **Administered balance sheet**

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

72. The increase is due to a net reduction in receivables after adjusting for the capitalisation of interest.
73. The increase relates to capitalised interest for Smart State Research Fund loans.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

74. The increase is due to a net reduction in receivables after adjusting for the capitalisation of interest.
75. The increase relates to capitalised interest for Smart State Research Fund loans.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

76. The increase relates to capitalised interest for Smart State Research Fund loans.



## **Administered cash flow statement**

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

- 77. The increase is due to end of financial year actuals relating to operating receivables.
- 78. The increase is due to deferrals, equity to operating swaps of funding and the payment of outstanding funds for CITEC and QSS.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

- 79. The decrease is due to a reduction in funding for CITEC in relation to Govnet and Polaris.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

- 80. The decrease is due to the reversal of end of financial year actuals relating to operating receivables.
- 81. The decrease is due to a reduction in funding for CITEC, a reduction in funding deferrals into 2014-15 and the payment of outstanding funds to CITEC and QSS in 2013-14.



# COMMERCIALISED BUSINESS UNIT

## CITEC

### OVERVIEW

#### Strategic direction

CITEC is the Queensland Government's primary Information Communication Technology (ICT) services provider. CITEC also acts as the primary information broker for Queensland Government (CITEC Confirm) delivering information solutions to businesses, government and individuals Australia-wide on a fully commercial basis.

In 2013-14, the Queensland Government, in accordance with the recommendations of the Queensland Commission of Audit report, committed to discontinuing the role of CITEC as a centralised provider of ICT services within government. As a result, a process of divesting CITEC was initiated.

Throughout the divestment process, CITEC will continue targeting its financial performance to minimise operating losses. This will be achieved through ongoing programs to improve and maintain profitability, while maintaining high-levels of service.

CITEC uses "Earnings Before Interest and Tax, less Depreciation and Amortisation" (EBITDA) as its key financial performance measure as an indication of operational performance. Based on EBITDA, CITEC has improved its financial performance in the 2013-14 financial year compared to the 2012-13 financial year. It is expected that CITEC will record a positive EBITDA again in 2014-15.

### RESOURCES AND PERFORMANCE

In 2013-14 CITEC achieved a number of key objectives including:

- supported Queensland Shared Services with the Department of Transport and Main Roads and Queensland Health to upgrade their respective production SAP Finance and Payroll, and SAP Payroll/WorkBrain applications
- released the Queensland Courts bulk upload functionality which significantly reduced red tape, time and money for local law firms when filing court documents
- completed the Queensland Government Customer Identity Management Level 1 Authentication project for the One-Stop Shop initiative on time and under budget
- supported agency ICT service contestability plans by continuing to develop Infrastructure and Platform as a service offerings
- protected Queensland Government agencies from cyber security threats.

During 2014-15, CITEC will see ongoing consolidation of operations in preparedness for divestment.

## STATEMENTS

### Staffing<sup>1</sup>

CITEC	Notes	2013-14 Adjusted Budget	2013-14 Est. Actual	2014-15 Budget
	2	430	393	381

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The decrease in FTE relates to natural attrition.

### Performance Statement

CITEC	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
<b>Service standards</b>				
Earnings before interest and tax less				
Depreciation and Amortisation				
(EBITDA) (\$'000)	1	10,734	12,322	2,673

Notes:

1. The 2014-15 target is lower than that for 2013-14 due to forecast reductions in funding, reduced prices to agencies and a reduction in agency revenues. The 2014-15 target also assumes constant staff numbers with an enterprise bargaining increase. All other expenses are assumed to rise by at least CPI.

## INCOME STATEMENT

CITEC	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees	1,11	164,270	175,330	160,895
Grants and other contributions		..	..	..
Interest		334	260	264
Other revenue	2,6,12	275	224	..
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>164,879</b>	<b>175,814</b>	<b>161,159</b>
<b>Expenses</b>				
Employee expenses		48,534	44,650	45,323
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services	3	104,295	117,916	112,262
Grants and subsidies		..	..	..
Depreciation and amortisation	7,13	10,375	11,120	8,617
Finance/borrowing costs	8,14	604	592	286
Other expenses	4,9	953	624	617
Losses on sale/revaluation of assets		16	29	8
<b>Total expenses</b>		<b>164,777</b>	<b>174,931</b>	<b>167,113</b>
<b>Surplus or deficit before related income tax</b>	5,10,15	<b>102</b>	<b>883</b>	<b>(5,954)</b>
Income tax expense/revenue		31	265	(1,786)
<b>OPERATING SURPLUS/(DEFICIT) after related income tax</b>		<b>71</b>	<b>618</b>	<b>(4,168)</b>

## STATEMENT OF CHANGES IN EQUITY

CITEC	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>..</b>	<b>..</b>	<b>..</b>
Surplus/(deficit) for the period		71	618	(4,168)
<b>Total recognised income and expense for the period</b>		<b>71</b>	<b>618</b>	<b>(4,168)</b>
Equity injection/(withdrawal)		6,224	4,535	5,457
Equity adjustments (inc. MoG transfers)		..	..	..
Dividends paid or provided		..	..	..
<b>Total movement in equity for period</b>		<b>6,295</b>	<b>5,153</b>	<b>1,289</b>

## BALANCE SHEET

CITEC	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	16,24,34	13,522	9,579	9,735
Receivables	17,25,35	24,834	19,905	17,971
Other financial assets		..	..	..
Inventories		..	13	13
Other		4,642	4,702	4,823
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>42,998</b>	<b>34,199</b>	<b>32,542</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	26,36	17,322	17,143	11,861
Deferred tax assets	18,27,37	12,640	418	2,204
Intangibles	19	8,256	9,907	9,072
Other	20,28	1,648	1,186	1,252
<b>Total non-current assets</b>		<b>39,866</b>	<b>28,654</b>	<b>24,389</b>
<b>TOTAL ASSETS</b>		<b>82,864</b>	<b>62,853</b>	<b>56,931</b>
<b>CURRENT LIABILITIES</b>				
Payables	21,29	11,677	10,475	9,792
Current tax liabilities		..	..	..
Accrued employee benefits		1,919	1,892	1,934
Interest-bearing liabilities and derivatives	30,38	6,554	6,573	1,356
Provisions		..	..	..
Other	22,31	3,981	2,339	2,342
<b>Total current liabilities</b>		<b>24,131</b>	<b>21,279</b>	<b>15,424</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Deferred tax liabilities		..	..	..
Accrued employee benefits		73	73	73
Interest-bearing liabilities and derivatives	32,39	1,979	1,901	545
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>2,052</b>	<b>1,974</b>	<b>618</b>
<b>TOTAL LIABILITIES</b>		<b>26,183</b>	<b>23,253</b>	<b>16,042</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>56,681</b>	<b>39,600</b>	<b>40,889</b>
<b>EQUITY</b>				
Capital/contributed equity		105,573	99,598	105,055
Accumulated surplus/(accumulated deficit)	23,33	(48,892)	(59,998)	(64,166)
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>56,681</b>	<b>39,600</b>	<b>40,889</b>

## CASH FLOW STATEMENT

CITEC	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees		176,914	189,663	175,105
Grants and other contributions		..	..	..
Interest received		337	263	261
Other		6,884	6,660	5,879
<b>Outflows</b>				
Employee costs		(48,526)	(44,171)	(45,314)
Supplies and services	40	(110,414)	(123,438)	(117,792)
Grants and subsidies		..	..	..
Borrowing costs	43,45	(604)	(592)	(286)
Taxation equivalents paid		..	..	..
Other		(15,097)	(14,737)	(14,081)
<b>Net cash provided by/(used in) operating activities</b>		<b>9,494</b>	<b>13,648</b>	<b>3,772</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	41,46	(2,500)	(3,500)	(2,500)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(2,500)</b>	<b>(3,500)</b>	<b>(2,500)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections	42,44,47	6,224	4,535	5,457
<b>Outflows</b>				
Borrowing redemptions		(6,715)	(6,774)	(6,573)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Dividends paid		..	..	..
<b>Net cash provided by/(used in) financing activities</b>		<b>(491)</b>	<b>(2,239)</b>	<b>(1,116)</b>
<b>Net increase/(decrease) in cash held</b>		<b>6,503</b>	<b>7,909</b>	<b>156</b>
<b>Cash at the beginning of financial year</b>		<b>7,019</b>	<b>1,670</b>	<b>9,579</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>13,522</b>	<b>9,579</b>	<b>9,735</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. Increase in user charges and fees is attributable to higher than expected revenue in Third Party resales and Information brokerage.
2. Decrease is reduced commission revenue.
3. Increase associated with licences and maintenance charges, as well as information brokerage fees and third party resale costs which are offset by additional revenue.
4. Decrease due to revised estimates for insurance, merchant fees and audit fees.
5. Increase is attributable to additional revenue and lower employee expenses.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

6. Decrease is reduced commission revenue.
7. Decrease reflects reduced costs for technology replacement, principally in mainframe and Superdome replacements.
8. Decrease is due to the elimination of outstanding debt and reduced borrowing requirements.
9. Decrease is due to revised estimate for insurance, merchant fees and audit fees.
10. Decrease is mainly due to a decline in user charges and fees.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

11. Decrease is due to reduced estimates in Government revenue and Third Party Resales.
12. Decrease is reduced commission revenue.
13. Decrease reflects reduced costs for technology replacement, principally in mainframe and Superdome replacements.
14. Decrease due to the elimination of outstanding debt and reduced borrowing requirements.
15. Decrease mainly due to a decline in user charges and fees.

### Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

16. Decrease mainly associated with funding of capital program.
17. Decrease due to improved collection of outstanding invoices.
18. Decrease reflects the write off of deferred losses in prior years, offset by estimated tax loss for 2013-14.
19. Increase reflects internally developed software.
20. Decrease relates to a lower level of prepayments.
21. Decrease relates to anticipated lower business activity as government agencies will decrease ICT spending.
22. Decrease reflects a lower level of unearned revenue.
23. Additional costs associated with maintaining existing infrastructure as well as reduced ICT spending by government agencies has led to a decline in the overall financial position.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

24. Decrease mainly associated with funding of the capital program.
25. Decrease reflects reduced revenue expectations.
26. Decrease reflects a reduced capital investment program
27. Decrease reflects the write off of deferred losses in prior years, offset by estimated tax loss for 2013-14.
28. Decrease mainly relates to lower level of prepayments.
29. Decrease relates to anticipated lower business activity as government agencies will decrease ICT spending.
30. Decrease due to reduced borrowing requirements in respect to CITEC's internal ICT capital program.
31. Decrease due to a lower level of unearned revenue.
32. Decrease relates to reduced repayment of loan debt and reduced borrowing requirements in respect to CITEC's internal ICT capital program.
33. Anticipated reduction in revenue due to reduced ICT spending by government agencies is expected to result in a decline in the overall financial position.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

34. Increase reflects anticipated cash balance.
35. Decrease reflects reduced revenue expectations.



36. Decrease mainly reflects the reduced capital investment program.
37. Increase reflects the estimated tax loss for 2014-15.
38. Decrease due to reduced borrowing requirements in respect to CITEC's internal ICT capital program.
39. Decrease reflects expected repayment of loan debt and reduced borrowing requirements in respect to CITEC's internal ICT capital program.

### **Cash flow statement**

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

40. Increase is associated with licences and maintenance charges, as well as information brokerage fees and third party resale costs which are offset by additional revenue.
41. Increase primarily due to purchases of a Microsoft server and SHOC relocation.
42. Decrease due to equity transfer for Polaris and GovNet funding.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

43. Decrease due to the reduced borrowing requirements in respect to CITEC's internal ICT capital program and subsequent reduction in interest expense.
44. Decrease due a reduction in funding for the Information Communication Technology Consolidation (ICTC) borrowing program.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

45. Decrease due to the reduced borrowing requirements in respect to CITEC's internal ICT capital program and subsequent reduction in interest expense.
46. Decrease reflects expected capital investment program.
47. Increase due to funding required for the ICTC borrowing program.



# SHARED SERVICE PROVIDERS

## QUEENSLAND SHARED SERVICES

### OVERVIEW

#### Strategic direction

Queensland Shared Services supports the government's objectives through helping client agencies to get on with their business, ensuring they have access to modern, value for money corporate services and trusted advice.

Queensland Shared Services facilitates a range of corporate services, including finance, procurement, human resource management, facilities management and mail support services, to the rest-of-government cluster of departments – a total of 23 government agencies.

Queensland Shared Services' key responsibilities are to operate a business model that provides value for money services to its clients that are quantifiable and measurable; and consolidate, standardise and improve its business processes and systems to meet whole-of-government shared services objectives.

The key opportunity for Queensland Shared Services in this period is taking forward the reform agenda in line with the Government's contestability framework and demonstrating cost effective service delivery.

### RESOURCES AND PERFORMANCE

In 2013-14, QSS:

- managed fortnightly payroll for 67,000 staff across 23 agencies
- supported financial transactions and advisory services supporting agency budgets of approximately \$30 billion
- implemented the whole of government late payment policy, supporting the Government's election commitment to ensure that all bills from small businesses involving contracts up to \$1 million are paid within 30 days
- finalised the upgrade of the Aurion Version 9 HR/Payroll systems to a fully vendor supported Aurion Version 10 version and transitioned four agencies onto the upgraded Aurion platform.

In 2014-15, QSS will:

- undertake business transformation strategies to incorporate contestability principles and benchmarks, and improve efficiency and reduce costs both from a government and departmental perspective
- transform services for rest of government utilising opportunities to work across all agencies to implement changes
- move a further nine agencies off legacy unsupported systems onto the Aurion platform
- substantially enhance the current Employee Self Service functionality of the Aurion payroll platform
- investigate opportunities to automate current manual business processes using e-Form technology
- continue to develop a customer-focussed workforce with detailed planning for future capabilities.

## STATEMENTS

### Staffing<sup>1</sup>

Queensland Shared Services	Notes	2013-14 Adjusted Budget	2013-14 Est. Actual	2014-15 Budget
	2	1,285	1,094	1,090

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The decrease in FTEs is due to the transfer of Department of Education, Training and Employment from technology services and the reduction in demand for services from clients.

### Performance Statement

Queensland Shared Services	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
<b>Service standards</b>				
Labour as a percentage of total QSS costs		56%	51%	56%
Overheads as a percentage of total QSS costs		<10%	7.4%	<10%
Percentage of client services delivery within budget and within agreed timeframes (time and cost)	1	New measure	New measure	95%
Client satisfaction	2	≥75%	60%	≥80%

Notes:

1. This measure has been established in previous years as a measure of Corporate Administration Agency activity but will now also be employed by Queensland Shared Services for the first time for the 2013-14 year onwards.
2. The client satisfaction result of 60% will be the baseline for reporting over subsequent years as the methodology used for capturing this data was changed in 2013-14. While results identify areas for improvement, only 9% of clients indicated they were dissatisfied.

## INCOME STATEMENT

Queensland Shared Services	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees	5,9	173,493	166,924	150,213
Grants and other contributions	1,6,10	15,362	7,938	17,553
Interest		..	..	..
Other revenue	2,11	554	876	554
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>189,409</b>	<b>175,738</b>	<b>168,320</b>
<b>Expenses</b>				
Employee expenses	3,7	102,633	88,245	88,514
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services		78,264	81,284	75,382
Grants and subsidies:				
Depreciation and amortisation	4,8,12	6,965	4,664	3,001
Finance/borrowing costs		..	..	..
Other expenses		1,547	1,545	1,423
Losses on sale/revaluation of assets		..	..	..
<b>Total expenses</b>		<b>189,409</b>	<b>175,738</b>	<b>168,320</b>
<b>Surplus of deficit before related income tax</b>		..	..	..
<b>OPERATING SURPLUS/(DEFICIT)</b>		..	..	..

## STATEMENT OF CHANGES IN EQUITY

Queensland Shared Services	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		..	..	..
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		..	..	..
Equity injection/(withdrawal)		(6,218)	(3,650)	(2,449)
Equity adjustments (inc. MoG transfers)		..	..	..
<b>Total movement in equity for period</b>		<b>(6,218)</b>	<b>(3,650)</b>	<b>(2,449)</b>

## BALANCE SHEET

Queensland Shared Services	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		42,932	46,524	45,287
Receivables	13,18	21,594	17,386	17,128
Other financial assets		..	..	..
Inventories		..	..	..
Other	14,19	754	972	984
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>65,280</b>	<b>64,882</b>	<b>63,399</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	24	2,759	2,889	2,537
Intangibles	15,20	43,979	24,260	23,811
Other		..	..	..
<b>Total non-current assets</b>		<b>46,738</b>	<b>27,149</b>	<b>26,348</b>
<b>TOTAL ASSETS</b>		<b>112,018</b>	<b>92,031</b>	<b>89,747</b>
<b>CURRENT LIABILITIES</b>				
Payables	16,21	17,152	10,015	9,519
Accrued employee benefits	22,25	2,707	2,866	3,527
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>19,859</b>	<b>12,881</b>	<b>13,046</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>19,859</b>	<b>12,881</b>	<b>13,046</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>92,159</b>	<b>79,150</b>	<b>76,701</b>
<b>EQUITY</b>				
Capital/contributed equity		118,394	121,061	118,612
Accumulated surplus/(accumulated deficit)	17,23	(26,235)	(41,911)	(41,911)
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>92,159</b>	<b>79,150</b>	<b>76,701</b>

## CASH FLOW STATEMENT

Queensland Shared Services	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees	30,35	194,785	188,216	168,747
Grants and other contributions	26,31,36	15,362	7,938	17,553
Interest received		..	..	..
Other	37	8,639	8,961	8,090
<b>Outflows</b>				
Employee costs	27,32	(102,342)	(87,954)	(87,906)
Supplies and services		(87,516)	(90,536)	(83,379)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(19,815)	(19,813)	(19,693)
<b>Net cash provided by/ (used in) operating activities</b>		<b>9,113</b>	<b>6,812</b>	<b>3,412</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	28,33,38	(200)	(3,742)	(2,200)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(200)</b>	<b>(3,742)</b>	<b>(2,200)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals	29,34,39	(6,218)	(3,650)	(2,449)
<b>Net cash provided by/(used in) financing activities</b>		<b>(6,218)</b>	<b>(3,650)</b>	<b>(2,449)</b>
<b>Net increase/(decrease) in cash held</b>		<b>2,695</b>	<b>(580)</b>	<b>(1,237)</b>
<b>Cash at the beginning of financial year</b>		<b>40,237</b>	<b>47,104</b>	<b>46,524</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>42,932</b>	<b>46,524</b>	<b>45,287</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

From 1 July 2014 departments (excluding commercialised business units) will no longer be liable for payroll tax. To provide comparable cost forecasts across all periods, the 2013-14 Adjusted budget and the 2013-14 Estimated actual have been recast to reflect the removal of payroll tax from Employee expenses and an associated reduction has been made to Appropriation revenue. The 2013-14 Adjusted budget User charges and fees and Employee expenses have been reduced by \$5.798 million. The 2013-14 Estimated actual User Charges and fees and Employee expenses have been reduced by \$3.996 million.

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. Decrease is due to funding deferrals relating to business capability and capacity projects and Shared Systems Reform program of work.
2. Increase is due to a Workcover premium refund and sundry revenue.
3. Decrease is due to the part year impact of the transfer of Department of Education, Training and Employment finance technology services, reduction in demand for services from clients offset by the cost of redundancies and enterprise bargaining.
4. Decrease is due to the impairment of software due to client system transitions.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

5. Decrease is due to the transfer of Department of Education, Training and Employment from finance technology services, reduction in demand for services from clients and the cessation of payroll tax offset by enterprise bargaining.
6. Increase is due to funding relating to business capability and capacity projects.
7. Decrease is due to the transfer of Department of Education, Training and Employment finance technology services, reduction in demand for services from clients and the cessation of payroll tax offset by enterprise bargaining.
8. Decrease is due to the impairment of software due to client system transitions.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

9. Decrease is due to the part year impact of the transfer of Department of Education, Training and Employment finance technology services, reduction in demand for services from clients and the cessation of payroll tax offset by enterprise bargaining.
10. Increase is due to funding deferrals relating to business capability and capacity projects and Shared Systems Reform program of work.
11. Decrease is due to a 2013-14 Workcover premium refund and a reduction in sundry revenue.
12. Decrease is due to the impairment of software due to client system transitions.

### Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

13. Decrease is due to the reduction in monthly invoicing activity as a result of a reduction in client services.
14. Increase is due to prepayments for software maintenance and support agreements.
15. Decrease is due to the impairment of software due to client system transitions.
16. Decrease is due to increased efficiency and timely vendor payments.
17. Increase is due to the impairment of software due to client system transitions.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

18. Decrease is due to the reduction in monthly invoicing activity a result of a reduction in client services.
19. Increase is due to prepayments for software maintenance and support agreements.
20. Decrease is due to the impairment of software due to client system transitions.
21. Decrease is due to increased efficiency and timely vendor payments.
22. Increase is due to the timing of salary and wages payments.
23. Increase is due to the impairment of software due to client system transitions.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

24. Decrease is due to adjustments to useful life assumptions of leasehold improvements due to accommodation re-locations.
25. Increase is due to timing of salary and wages payments.



## Cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

26. Decrease is due to funding deferrals relating to business capability and capacity projects and Shared Systems Reform program of work.
27. Decrease is due to the part year impact of the transfer of Department of Education, Training and Employment finance technology services, reduction in demand for services from clients offset by the cost of redundancies and enterprise bargaining.
28. Increase is due to the 2013-14 Shared Systems Reform program of work.
29. Decrease is due to a reduction in software amortisation due to the impairment of software as a result of client system transitions.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

30. Decrease is due to the transfer of Department of Education, Training and Employment finance technology services, reduction in demand for services from clients and the cessation of payroll tax offset by enterprise bargaining.
31. Increase is due to funding relating to business capability and capacity projects.
32. Decrease is due to the transfer of Department of Education, Training and Employment finance technology services, reduction in demand for services from clients and the cessation of payroll tax offset by enterprise bargaining costs.
33. Increase is due to the 2014-15 Shared Systems Reform program of work.
34. Decrease is due to a reduction in software amortisation due to the impairment of software as a result of client system transitions.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

35. Decrease is due to the part year impact of the transfer of Department of Education, Training and Employment finance technology services, reduction in demand for services from clients offset by enterprise bargaining.
36. Increase is due to funding deferrals relating to business capability and capacity projects and Shared Systems Reform program of work.
37. Decrease is due to a 2013-14 Workcover premium refund and a reduction in sundry revenue and GST inputs tax credits.
38. Decrease is due to the 2014-15 Shared Systems Reform program of work.
39. Decrease is due to a reduction in software amortisation due to the impairment of software as a result of client system transitions.



# CORPORATE ADMINISTRATION AGENCY

## OVERVIEW

### Strategic direction

The Corporate Administration Agency supports the government's objectives through helping client agencies to get on with their business, ensuring they have access to modern, value for money corporate services and trusted advice.

The Corporate Administration Agency provides corporate services under Service Level Agreements to 24 Queensland public sector entities, which are principally small to medium statutory bodies. Services provided by the Corporate Administration Agency include human resource management consulting, payroll and recruitment services, financial transaction services and information management services, including information technology and business systems.

The Corporate Administration Agency operates in a dynamic environment with customers able to choose to purchase separate components on an annual retainer or project basis, depending on their specific business needs. The business model is non-mandated and requires that the Corporate Administration Agency actively maintains cost effectiveness and innovation for its customers, thereby supporting the reduction of duplication and waste.

## RESOURCES AND PERFORMANCE

In 2013-14, the Corporate Administration Agency:

- managed payroll for approximately 2,900 employees and up to 3,500 casuals across 23 statutory authorities
- processed financial transactions and provided advisory services, supporting agency budgets of approximately \$559.6 million
- expanded the content of customer extranets to enhance communication with clients and provide them with access to templates, information, systems and reports
- attracted and implemented two new government clients and assisted three more in transition arrangements due to machinery of government changes.

In 2014-15, the Corporate Administration Agency will:

- realign business practices to align with outcomes from the shared services contestability process
- continue to develop the capability of our people to provide innovative and flexible delivery of services to our customers.

## STATEMENTS

### Staffing<sup>1</sup>

Corporate Administration Agency	Notes	2013-14 Adjusted Budget	2013-14 Est. Actual	2014-15 Budget
	1	67	67	67

Notes:

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

### Performance Statement

Corporate Administration Agency	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
<b>Service standards</b>				
CAA Operating surplus/(deficit) (\$'000)	1	Break-even position	(\$385)	Break-even position
Client Satisfaction	2	New measure	New measure	≥80%
Percentage of client services delivered within agreed standards (time and cost)	3	95%	95%	95%

Notes:

1. In July 2013, the Corporate Administration Agency revised its prospective operating position to a potential deficit for 2013-14. The key factors were machinery of government arrangements affecting the retention of certain clients and additional expenses that were to be absorbed by the Corporate Administration Agency for the year. During the year, the revenue position improved with clients affected by machinery of government changes remaining longer than initially expected and the addition of two significant new clients. The anticipated deficit for the year is reduced and allows for some restructuring within the Corporate Administration Agency. The deficit is funded from within existing cash holdings.
2. This is a new measure that will enable the Corporate Administration Agency to demonstrate its service delivery effectiveness.
3. This measure shows the Corporate Administration Agency's effectiveness in meeting its service obligations (including budget) as outlined in client service level agreements. Quantitative outputs of financial processing, payroll, service desk enquiries and availability of access to software applications, were all delivered at performance of 95 percent or better.

## INCOME STATEMENT

Corporate Administration Agency	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees		9,523	9,537	10,161
Grants and other contributions	1,4	183	83	83
Interest		..	..	..
Other revenue		11	11	11
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>9,717</b>	<b>9,631</b>	<b>10,255</b>
<b>Expenses</b>				
Employee expenses		7,028	7,042	7,213
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services	2,5	2,201	2,486	2,542
Grants and subsidies:				
Depreciation and amortisation		274	274	280
Finance/borrowing costs		..	..	..
Other expenses		214	214	220
Losses on sale/revaluation of assets		..	..	..
<b>Total expenses</b>		<b>9,717</b>	<b>10,016</b>	<b>10,255</b>
<b>Surplus of deficit before related income tax</b>		..	..	..
<b>OPERATING SURPLUS/(DEFICIT)</b>	3	..	<b>(385)</b>	..

## STATEMENT OF CHANGES IN EQUITY

Corporate Administration Agency	Notes	2013-14 Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above	6	..	(3,730)	..
<b>Net income recognised directly in equity</b>		..	<b>(3,730)</b>	..
Surplus/(deficit) for the period		..	(385)	..
<b>Total recognised income and expense for the period</b>		..	<b>(4,115)</b>	..
Equity injection/(withdrawal)		..	..	..
Equity adjustments (inc. MoG transfers)		..	(3,730)	..
<b>Total movement in equity for period</b>		..	<b>(385)</b>	..

## BALANCE SHEET

Corporate Administration Agency	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		2,941	2,978	3,133
Receivables		998	916	916
Other financial assets		..	..	..
Inventories		..	..	..
Other	7,10	465	378	378
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>4,404</b>	<b>4,272</b>	<b>4,427</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	8,11	563	486	375
Intangibles	9,12	140	44	..
Other		..	..	..
<b>Total non-current assets</b>		<b>703</b>	<b>530</b>	<b>375</b>
<b>TOTAL ASSETS</b>		<b>5,107</b>	<b>4,802</b>	<b>4,802</b>
<b>CURRENT LIABILITIES</b>				
Payables		290	355	355
Accrued employee benefits		209	202	202
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	23	23
<b>Total current liabilities</b>		<b>499</b>	<b>580</b>	<b>580</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>499</b>	<b>580</b>	<b>580</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>4,608</b>	<b>4,222</b>	<b>4,222</b>
<b>EQUITY</b>				
Capital/contributed equity		786	4,516	4,516
Accumulated surplus/(accumulated deficit)		3,822	(294)	(294)
Reserves:				
- Asset revaluation surplus		..	..	..
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>4,608</b>	<b>4,222</b>	<b>4,222</b>

## CASH FLOW STATEMENT

Corporate Administration Agency	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees		9,523	9,537	10,161
Grants and other contributions	13,16	183	83	83
Interest received		..	..	..
Other		11	11	11
<b>Outflows</b>				
Employee costs		(7,028)	(7,042)	(7,213)
Supplies and services	14,17	(2,201)	(2,986)	(2,542)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(214)	(214)	(220)
<b>Net cash provided by/ (used in) operating activities</b>		<b>274</b>	<b>(611)</b>	<b>280</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	15,18	(200)	(100)	(125)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(200)</b>	<b>(100)</b>	<b>(125)</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/(used in) financing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>74</b>	<b>(711)</b>	<b>155</b>
<b>Cash at the beginning of financial year</b>		<b>2,867</b>	<b>3,689</b>	<b>2,978</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>2,941</b>	<b>2,978</b>	<b>3,133</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

From 1 July 2014 departments (excluding commercialised business units) will no longer be liable for payroll tax. To provide comparable cost forecasts across all periods, the 2013-14 Adjusted budget and the 2013-14 Estimated actual have been recast to reflect the removal of payroll tax from Employee expenses and an associated reduction has been made to Appropriation revenue. The 2013-14 Adjusted budget User charges and fees and Employee expenses have been reduced by \$0.320 million. The 2013-14 Estimated actual User charges and fees and Employee expenses have been reduced by \$0.320 million.

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. Decrease relates to a reduction in grant funding received in lieu of interest revenue as part of the former Cash Management Incentive Regime.
2. Increase is due to a contribution for services provided by the Department's corporate area.
3. The operating deficit is due to reduced grant funding received in lieu of interest revenue as part of the former Cash Management Incentive Regime and increased expenditure in Supplies and Services for once only costs and is offset by prior year retained earnings.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

4. Decrease relates to a reduction in grant funding received in lieu of interest revenue as part of the former Cash Management Incentive Regime.
5. Increase is due to a contribution for services provided by the Department's corporate area.

### Statement of Changes in Equity

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

6. Movement represents the transfer of Accumulated Funds to Non-Appropriated Equity. The changed recognition is due to Machinery of Government adjustments in 2012-13.

### Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

7. Decrease relates to the movement in prepaid expenses for software licensing.
8. Decrease is the net position of assets after depreciation expenses for the year.
9. Decrease is the result of amortisation expenses and the derecognition of Intangible assets.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

10. Decrease relates to the movement in prepaid expenses for software licensing.
11. Decrease is the net position after depreciation expenses for the year.
12. Decrease relates to the accumulated amortisation and the derecognition of Intangible assets.

### Cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

13. Decrease relates to a reduction in funding received in lieu of interest revenue as part of the former Cash Management Incentive Regime.
14. Increase is due to a contribution for services provided by the Department's corporate area.
15. Decrease reflects the reducing investment in information technology assets and a shift to procuring 'infrastructure as a service'.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

16. Decrease relates to a reduction in funding received in lieu of interest revenue as part of the former Cash Management Incentive Regime.
17. Increase is due to a contribution for services provided by the Department's corporate area.
18. Decrease reflects the reducing investment in information technology assets and a shift to procuring 'infrastructure as a service'.



# Department of Science, Information Technology, Innovation and the Arts Reporting Entity Financial Statements

Reporting Entity comprises:

- Department of Science, Information Technology, Innovation and the Arts (excluding administered);
- CITEC;
- Queensland Shared Services; and
- Corporate Administration Agency.

## REPORTING ENTITY INCOME STATEMENT

Department of Science, Information Technology, Innovation and the Arts	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
Appropriation revenue	1,9	272,662	335,487	362,789
Taxes		..	..	..
User charges and fees	10,18	364,081	371,268	345,017
Royalties and land rents		..	..	..
Grants and other contributions	2,11,19	26,178	18,574	28,189
Interest		334	260	264
Other revenue	3,12,20	4,672	3,240	2,741
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>667,927</b>	<b>728,829</b>	<b>739,000</b>
<b>Expenses</b>				
Employee expenses		279,566	268,061	272,579
Supplies and services:				
- Outsourced service delivery	21	..	643	797
- Other supplies and services	4,13	225,506	311,322	332,334
Grants and subsidies	5,14,22	89,005	75,388	70,610
Depreciation and amortisation		67,595	66,496	62,748
Finance/borrowing costs	6,15,23	858	2,456	369
Other expenses	7,16,24	4,482	3,707	3,578
Losses on sale/revaluation of assets		16	29	8
<b>Total expenses</b>		<b>667,028</b>	<b>728,102</b>	<b>743,023</b>
Surplus or deficit before related income tax		899	727	(4,023)
Income tax expense/revenue		31	265	(1,786)
<b>OPERATING SURPLUS/(DEFICIT)</b>	8,17,25	<b>868</b>	<b>462</b>	<b>(2,237)</b>

## REPORTING ENTITY STATEMENT OF CHANGES IN EQUITY

Department of Science, Information Technology, Innovation and the Arts	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve	26,27	20,186	20,186	18,061
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	(3,730)	..
<b>Net income recognised directly in equity</b>		<b>20,186</b>	<b>16,456</b>	<b>18,061</b>
Surplus/(deficit) for the period		868	462	(2,237)
<b>Total recognised income and expense for the period</b>		<b>21,054</b>	<b>16,918</b>	<b>15,824</b>
Equity injection/(withdrawal)		(43,485)	(43,673)	(40,354)
Equity adjustments (inc. MoG transfers)		653	4,924	..
Dividends paid or provided		..	..	..
<b>Total movement in equity for period</b>		<b>(21,778)</b>	<b>(21,831)</b>	<b>(24,530)</b>

## REPORTING ENTITY BALANCE SHEET

Department of Science, Information Technology, Innovation and the Arts	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets		65,947	64,740	64,869
Receivables	28,37	60,157	49,227	47,421
Other financial assets		..	..	..
Inventories		9	41	41
Other	29,38	6,506	13,050	13,183
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>132,619</b>	<b>127,058</b>	<b>125,514</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		33,863	35,753	37,684
Other financial assets		..	..	..
Property, plant and equipment		745,094	742,124	708,680
Deferred tax assets		12,640	418	2,204
Intangibles	30,39	65,533	45,431	45,308
Other	31,40,46	1,648	1,186	1,252
<b>Total non-current assets</b>		<b>858,778</b>	<b>824,912</b>	<b>795,128</b>
<b>TOTAL ASSETS</b>		<b>991,397</b>	<b>951,970</b>	<b>920,642</b>
<b>CURRENT LIABILITIES</b>				
Payables	32,41	47,395	40,238	39,445
Current tax liabilities		..	..	..
Accrued employee benefits	33,42,47	7,591	8,052	8,755
Interest-bearing liabilities and derivatives		14,960	11,935	6,580
Provisions		..	..	..
Other	34,43	3,981	2,655	2,658
<b>Total current liabilities</b>		<b>73,927</b>	<b>62,800</b>	<b>57,438</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Deferred tax liabilities		73	73	73
Accrued employee benefits		..	..	..
Interest-bearing liabilities and derivatives	35,44,48	2,441	2,784	1,428
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>2,514</b>	<b>2,857</b>	<b>1,501</b>
<b>TOTAL LIABILITIES</b>		<b>76,441</b>	<b>65,737</b>	<b>58,939</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>914,956</b>	<b>886,233</b>	<b>861,703</b>
<b>EQUITY</b>				
Capital/contributed equity		991,025	999,877	959,523
Accumulated surplus/(accumulated deficit)		(114,880)	(143,981)	(146,218)
Reserves:				
- Asset revaluation surplus	36,45,49	38,811	30,337	48,398
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>914,956</b>	<b>886,233</b>	<b>861,703</b>

## REPORTING ENTITY CASH FLOW STATEMENT

Department of Science, Information Technology, Innovation and the Arts	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
Appropriation receipts	50,57	272,662	370,063	362,789
User charges and fees	58,66	403,992	424,073	377,375
Royalties and land rent receipts		..	..	..
Grants and other contributions	51,59,67	26,178	18,574	28,189
Interest received		337	263	261
Taxes		..	..	..
Other	52,60,68	18,989	16,352	14,225
<b>Outflows</b>				
Employee costs		(279,267)	(267,291)	(271,962)
Supplies and services	53,61,69	(246,724)	(385,834)	(346,272)
Grants and subsidies	54,70	(89,005)	(75,388)	(70,610)
Borrowing costs	62,71	(687)	(675)	(369)
Taxation equivalents paid		..	..	..
Other		(37,442)	(36,636)	(35,312)
<b>Net cash provided by/(used in) operating activities</b>		<b>69,033</b>	<b>63,501</b>	<b>58,314</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		16	16	16
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets	55,63,72	(8,067)	(15,885)	(11,136)
Investments redeemed		..	..	..
Loans and advances made	64,73	(408)	(408)	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(8,459)</b>	<b>(16,277)</b>	<b>(11,120)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections	65,74	8,891	9,259	8,533
<b>Outflows</b>				
Borrowing redemptions	56,75	(6,853)	(9,042)	(6,711)
Finance lease payments		..	..	..
Equity withdrawals		(52,376)	(52,286)	(48,887)
Dividends paid		..	..	..
<b>Net cash provided by/(used in) financing activities</b>		<b>(50,338)</b>	<b>(52,069)</b>	<b>(47,065)</b>
<b>Net increase/(decrease) in cash held</b>		<b>10,236</b>	<b>(4,845)</b>	<b>129</b>
<b>Cash at the beginning of financial year</b>		<b>55,711</b>	<b>69,585</b>	<b>64,740</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>65,947</b>	<b>64,740</b>	<b>64,869</b>

## EXPLANATION OF VARIANCES IN THE REPORTING ENTITY FINANCIAL STATEMENTS

From 1 July 2014 departments (excluding commercialised business units) will no longer be liable for payroll tax. To provide comparable cost forecasts across all periods, the 2013-14 Adjusted budget and the 2013-14 Estimated actual have been recast to reflect the removal of payroll tax from Employee expenses and an associated reduction has been made to Appropriation revenue. The 2013-14 Adjusted budget Appropriation revenue, User charges and fees and Employee expenses have been reduced by \$5.219 million, \$6.118 million and \$11.337 million respectively. The 2013-14 Estimated actual Appropriation revenue, User charges and fees and Employee expenses have been reduced by \$6.064 million, \$4.316 million and \$10.380 million respectively.

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. Increase mainly due to funding provided for whole of government ICT arrangements, GWN, Smart Service Queensland, One-Stop Shop and Tactical Cyber Security Plan.
2. Decrease due to funding deferrals by Queensland Shared Services (QSS) relating to business capability and capacity projects and Shared Systems Reform program of work.
3. Decrease is due to the reclassification of recoverable Cultural Precinct utilities expenses to user charges.
4. Increase mainly due to whole of government ICT arrangements, GWN, Smart Service Queensland, One-Stop Shop and Tactical Cyber Security Plan and transfer of internal ICT support arrangements from the Department of Housing and Public Works.
5. Decrease due to the deferral of grants in line with contract commitments.
6. Increase relates to deferral of Innovation Building Fund in line with contract commitments.
7. Decrease mainly relates to bank charges on service transactions undertaken by Smart Service Queensland.
8. The decrease is due to reduced funding from the former Cash Management Incentive Regime and increased expenditure in Supplies and Services for once only costs and is offset by prior year retained earnings.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

9. Increase mainly due to funding provided for whole of government ICT arrangements, Smart Service Queensland, GWN, One-Stop Shop and Tactical Cyber Security Plan.
10. Decrease mainly due to the transfer of technology services from Queensland Shared Services (QSS) to the Department of Education, Training and Employment and the reduction in forecast demand for QSS services.
11. Increase due to QSS funding relating to business capability and capacity projects.
12. Decrease due to the reclassification of recoverable Cultural Precinct utilities expenses to user charges.
13. Increase mainly due to whole of government ICT arrangements, GWN, Smart Service Queensland, One-Stop Shop and Tactical Cyber Security Plan and transfer of internal ICT support arrangements from the Department of Housing and Public Works.
14. Decrease due to the deferral of grants in line with contract commitments.
15. Decrease due to Innovation Building Fund completing its final payment and associated fair value adjustments in 2013-14.
16. The decrease is associated with revised estimates for insurance, merchant fees and audit fees.
17. Decrease due to forecast operating deficit for CITEC offset by interest capitalisation in relation to the Innovation Building Fund loans.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

18. Decrease mainly due to the part year impact of the transfer of technology services from QSS to the Department of Education, Training and Employment and the reduction in forecast demand for QSS services.
19. Increase due to funding deferrals by QSS relating to business capability and capacity projects and Shared Systems Reform program of work.
20. The decrease is due to reduced commission revenue for CITEC.
21. Increase relates to deferral of innovation services contract in line with milestone commitments.
22. The increase is due to deferral of grants in line with contract commitments from 2013-14.
23. Decrease due to the completion of the Innovation Building Fund in 2014-15.
24. Decrease mainly relates to bank charges for Smart Service Queensland.

25. Decrease due to forecast operating deficit for CITEC offset by Smart Service Queensland not utilising retained earnings in 2014-15.

### Statement of Changes in Equity

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

26. Decrease due to the expected 2014-15 asset revaluation increment being less than that budgeted in 2013-14 for Arts Queensland.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

27. Decrease due to the expected 2014-15 asset revaluation increment being less than that budgeted in 2013-14 for Arts Queensland.

### Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

28. Decrease due to improved collection of outstanding invoices and the reduction in monthly invoicing activity within QSS as a result of a reduction in client services.
29. Increase due to the prepayment associated with a whole of government ICT contract.
30. Decrease due to the impairment of software due to client system transitions within QSS.
31. Decrease due to reduced prepayments for CITEC.
32. Decrease is due to increased efficiency and timely vendor payments.
33. Increase is due to movements of the Revolving Film Finance Fund including new loans, repayments, capitalised interest and classification between non-current and current.
34. Decrease is due to unearned revenue for 2013-14 for CITEC.
35. Increase due to new loans raised through the Revolving Film Finance Fund.
36. Decrease due to no asset revaluation reserve adjustments being required in 2012-13 (although budgeted) as market indexation was immaterial for that year.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

37. Decrease due to improved collection of outstanding invoices and the reduction in monthly invoicing activity within QSS as a result of a reduction in client services.
38. Increase due to the prepayment associated with a whole of government ICT contract.
39. Decrease due to the impairment of software due to client system transitions within QSS.
40. The decrease relates to reduced prepayments for CITEC.
41. Decrease is due to increased efficiency and timely vendor payments.
42. Increase is due to new loans raised through Revolving Film Finance Fund offset by reduced borrowing requirements in respect to CITEC's internal ICT capital program.
43. Decrease is due to unearned revenue for 2013-14 for CITEC.
44. Decrease is due to reduced repayment of loan debt and reduced borrowing requirements in respect to CITEC's internal capital program offset by new loans raised through the Revolving Film Finance Fund.
45. Increase is due to an expected increase in asset values resulting from the 2013-14 revaluation, offset by the lower reserve balance from 2012-13.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

46. Increase due to additional prepayments for CITEC for 2014-15.
47. Decrease is due to reduced borrowing requirements in respect to CITEC's internal ICT capital program.
48. Decrease is due to reduced repayment of loan debt and reduced borrowing requirements in respect to CITEC's internal capital program.
49. Increase is due to an expected increase in asset values resulting from the 2013-14 revaluation, offset by the lower reserve balance from 2012-13.

### Cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

50. Increase mainly due to funding provided for whole of government ICT charges, GWN, Smart Service Queensland, One-Stop Shop and Tactical Cyber Security Plan coupled with a reduction in appropriation receivable from 2012-13.
51. Decrease due to funding deferrals by Queensland Shared Services (QSS) relating to business capability and capacity projects and Shared Systems Reform program of work.
52. Decrease is due to the reclassification of recoverable Cultural Precinct utilities expenses to user charges.

53. Increase mainly due to whole of government ICT charges, GWN, Smart Service Queensland, One-Stop Shop and Tactical Cyber Security Plan and transfer of internal ICT support arrangements from the Department of Housing and Public Works.
54. Decrease due to the deferral of grants in line with contract commitments.
55. Increase due to the deferral of capital funds from 2012-13, One-Stop Shop and 2013-14 software development plan for Shared Systems Reform program of work.
56. Increase due to the return of uncommitted funding to Consolidated Fund.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

57. Increase mainly due to funding provided for whole of government ICT charges, Smart Service Queensland, GWN, One-Stop Shop and Tactical Cyber Security Plan.
58. Decrease due to a reduction in forecast user charges within Smart Service Queensland and Queensland Shared Services offset by the transfer of internal ICT support arrangements from the Department of Housing and Public Works.
59. Increase due to QSS funding relating to business capability and capacity projects.
60. Decrease due to the reclassification of recoverable Cultural Precinct utilities expenses to user charges.
61. Increase mainly due to whole of government ICT charges, GWN, Smart Service Queensland, One-Stop Shop and Tactical Cyber Security Plan and transfer of internal ICT support arrangements from the Department of Housing and Public Works.
62. The decrease is associated with revised estimates for insurance, merchant fees and audit fees for CITEC.
63. Increase mainly due to 2014-15 software development plan for Shared Systems Reform (formerly Corporate Solutions Program) program of work and GWN for the purchase of software.
64. Decrease relates to Innovation Building Fund.
65. Increase relates to One-Stop Shop and GWN for the purchase of software.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

66. Decrease mainly due to reduction in forecast user charges within Queensland Shared Services.
67. Increase due to funding deferrals by QSS relating to business capability and capacity projects and Shared Systems Reform (formerly Corporate Solutions Program) program of work.
68. The decrease is due to reduced commission revenue for CITEC.
69. Decrease mainly due to a reduction in payables from 2012-13.
70. The increase is due to deferral of grants in line with contract commitments from 2013-14.
71. Decrease due to the completion of the Innovation Building Fund in 2014-15.
72. Decrease due to reduction in capital deferrals from prior year, One-Stop Shop and Shared Systems Reform funding, offset by an increase for GWN for the purchase of software.
73. Decrease relates to Innovation Building Fund.
74. Decrease due to the return of uncommitted funding to Consolidated Fund in 2013-14.
75. Decrease relates to Innovation Building Fund loan.





# LIBRARY BOARD OF QUEENSLAND

## AGENCY OVERVIEW

### Strategic direction

State Library of Queensland (SLQ) is the primary custodian of Queensland's memory. SLQ provides free state-wide access to information resources and builds Queensland's reputation as a thriving arts and cultural place and tourism destination. SLQ's objectives are to improve access to library services, co-create Queensland's memory and extend the reach of learning and creative programs.

SLQ supports the Government's objectives for the community by revitalising frontline services and growing a four pillar economy through knowledge and skills development. With a strong focus on regional Queensland, SLQ plays a leadership role in building the capacity of 320 public libraries and Indigenous Knowledge Centres. SLQ partners with all facets of the community, including the mining, tourism and business sectors to support lifelong learning, literacy skills and stronger community connections. SLQ and Queensland public libraries support *The Queensland Plan: a 30 year vision for Queensland (current working draft) – final plan to be released mid-2014* and the *Arts for All Queenslanders strategy 2014-18* through strengthening public value, with over two million members and 21 million visits in 2012-13. For every \$100 invested, Queensland public libraries deliver \$230 in value to their communities.

## RESOURCES AND PERFORMANCE

During 2013-14, the State Library of Queensland:

- attracted over 1.4 million visits onsite, 1.8 million visits online and over eight million uses of the collection
- invested \$22.33 million in library collections and services and delivered literacy programs across regional Queensland, including *Dads Read* and *Creative Community Computing*
- launched *Pitch In!* with volunteers checking and text-correcting over 100,000 lines of newspaper text that may have been incorrectly translated by machines during digitisation and adding over 1,000 tags to original Queensland content to make it more discoverable online
- led the state-wide Australian South Sea Islanders 150th commemorations across the Cultural Precinct, and worked across the heritage sector to develop the legacy project *Q ANZAC 100: Memories for a New Generation*.

In 2014-15, the State Library of Queensland will:

- invest \$22.82 million in public library collections and services
- implement *Q ANZAC 100: Memories for a New Generation*, uncovering new stories and treasures, generating conversations that honour the Anzac spirit and leaving a digital legacy
- increase the diversity and equitable access to services, including through the Cultural Diversity Engagement Framework, Disability Action Plan and Literacy Framework review
- work with tourism partners to make Queensland stories, culture and creative outputs more visible to tourists and visitors seeking authentic Queensland experiences.

## STATEMENTS

### Staffing<sup>1</sup>

Library Board of Queensland	Notes	2013-14 Adjusted Budget	2013-14 Est. Actual	2014-15 Budget
	2,3,4	277	288	295

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. The increase in the 2013-14 Estimated actual result from the 2013-14 Adjusted budget figure is due to the transfer of the Government Research and Information Library Service to SLQ from the Department of the Premier and Cabinet.
3. The increase in the 2014-15 Budget figure from the 2013-14 Adjusted budget figure is due to the transfer of the Government Research and Information Library Service to SLQ from the Department of the Premier and Cabinet, and additional staffing for the new QANZAC 100 project.
4. The increase in the 2014-15 Budget figure and the 2013-14 Estimated actual result is due to additional staffing for the new QANZAC 100 project.

### Performance Statement

Library Board of Queensland	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
<b>Service standards</b>				
Client satisfaction with services and programs	1	80%	90%	85%
Percentage increase in the efficiency of service delivery	2	2.5%	2.5%	2%

Notes:

1. The 2014-15 target (85%) is less than the 2013-14 Estimated actual result (90%) to allow for a transition from a fixed period survey to a continuous measure gathered over the entire year. In future years, this target figure will be adjusted based on the ongoing analysis of results using this new method of data collection.
2. This was a new measure for 2013-14. The 2014-15 target is based on continuing increases in onsite and online visitation but has been adjusted in response to 2013-14 evaluation of the measure.

## INCOME STATEMENT

Library Board of Queensland	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees	1, 4, 10	2,211	3,168	3,391
Grants and other contributions	5	56,461	57,874	59,431
Interest	2, 6	975	778	778
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>59,647</b>	<b>61,820</b>	<b>63,600</b>
<b>Expenses</b>				
Employee expenses	7, 11	26,195	27,115	28,773
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services	3, 8	13,418	14,808	14,540
Grants and subsidies		18,844	18,844	19,338
Depreciation and amortisation	9, 12	738	701	594
Finance/borrowing costs		..	..	..
Other expenses		195	195	198
Losses on sale/revaluation of assets		37	37	37
<b>Total expenses</b>		<b>59,427</b>	<b>61,700</b>	<b>63,480</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>220</b>	<b>120</b>	<b>120</b>

## STATEMENT OF CHANGES IN EQUITY

Library Board of Queensland	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		500	500	500
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>500</b>	<b>500</b>	<b>500</b>
Surplus/(deficit) for the period		220	120	120
<b>Total recognised income and expense for the period</b>		<b>720</b>	<b>620</b>	<b>620</b>
Equity injection/(withdrawal)		..	..	..
Equity adjustments (inc. MoG transfers)		..	..	..
<b>Total movement in equity for period</b>		<b>720</b>	<b>620</b>	<b>620</b>

## BALANCE SHEET

Library Board of Queensland	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	13, 18, 23	10,453	12,997	12,038
Receivables	14, 19	1,153	1,009	1,009
Other financial assets		..	..	..
Inventories		275	265	265
Other		753	729	729
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>12,634</b>	<b>15,000</b>	<b>14,041</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		106,138	104,151	105,506
Intangibles	15, 20, 24	..	961	1,185
Other		..	..	..
<b>Total non-current assets</b>		<b>106,138</b>	<b>105,112</b>	<b>106,691</b>
<b>TOTAL ASSETS</b>		<b>118,772</b>	<b>120,112</b>	<b>120,732</b>
<b>CURRENT LIABILITIES</b>				
Payables	16, 21	1,688	1,451	1,451
Accrued employee benefits		1,668	1,705	1,705
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	17, 22	65	12	12
<b>Total current liabilities</b>		<b>3,421</b>	<b>3,168</b>	<b>3,168</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		481	530	530
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>481</b>	<b>530</b>	<b>530</b>
<b>TOTAL LIABILITIES</b>		<b>3,902</b>	<b>3,698</b>	<b>3,698</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>114,870</b>	<b>116,414</b>	<b>117,034</b>
<b>EQUITY</b>				
Capital/contributed equity		1,465	1,465	1,465
Accumulated surplus/(accumulated deficit)		56,656	59,277	59,397
Reserves:				
- Asset revaluation surplus		56,749	55,672	56,172
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>114,870</b>	<b>116,414</b>	<b>117,034</b>

## CASH FLOW STATEMENT

Library Board of Queensland	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees	25, 29, 35	2,634	3,591	3,814
Grants and other contributions	30	56,311	57,874	59,431
Interest received		..	..	..
Taxes	26,31	975	778	778
Interest received		..	..	..
Other		323	323	311
<b>Outflows</b>				
Employee costs	32, 36	(26,195)	(27,115)	(28,773)
Supplies and services	27, 33	(13,268)	(14,808)	(14,540)
Grants and subsidies		(18,844)	(18,844)	(19,338)
Borrowing costs		..	..	..
Other		(941)	(941)	(932)
<b>Net cash provided by/(used in) operating activities</b>		<b>995</b>	<b>858</b>	<b>751</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		(37)	(37)	(37)
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets	28, 34, 37	(2,094)	(1,495)	(1,673)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(2,131)</b>	<b>(1,532)</b>	<b>(1,710)</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/(used in) financing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>(1,136)</b>	<b>(674)</b>	<b>(959)</b>
<b>Cash at the beginning of financial year</b>		<b>11,589</b>	<b>13,671</b>	<b>12,997</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>10,453</b>	<b>12,997</b>	<b>12,038</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. Increase due to the transfer of Government Research and Information Library services (providing services to other government agencies) to SLQ from DPC.
2. Decrease due to the lower rates on investments.
3. Increase due to additional costs related to the new QANZAC 100 project and the transfer of Government Research and Information Library service to SLQ from DPC.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

4. Increase due to transfer of Government Research and Information Library services to SLQ from DPC
5. An increase in grants and other contributions is due to the new QANZAC 100 project funding, accounting for population growth funding for public library grants and enterprise bargaining arrangements.
6. Decrease due to the lower rates paid on funds invested.
7. Increase principally due to the staffing costs associated with the transfer of Government Research and Information Library services to SLQ from DPC, enterprise bargaining arrangements and staffing for the new QANZAC 100 project.
8. Increase due to the increase in costs associated with delivering the new QANZAC 100 project.
9. Decrease principally reflects the decline in value of the library management software being replaced by a hosted cloud service.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

10. Increase due to the anticipated increase in venue hire.
11. Increase principally due to enterprise bargaining arrangements and increased staffing for the new QANZAC 100 project.
12. Decrease principally reflects the decline in value of the library management software being replaced by a hosted cloud service.

### Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

13. Increase due to a higher than anticipated 2013-14 cash surplus resulting from delays to projects such as the Vision 2017 grants (in consultation with Public Libraries), ALMA (replacement library management system) implementation, Commonwealth funded Indigenous projects, deferral of some plant and equipment purchases and facilities projects including head lease negotiations.
14. Decrease reflects the anticipated reduction in outstanding trade debtors due to improved debt management processes.
15. Increase reflects the recognition of digital collections as intangibles for the first time following an independent valuation.
16. Decrease due to an expected reduction in year-end accruals resulting from improvements in both supplier management and administrative functions.
17. A decrease on other current liabilities is due to an expected reduction in unearned revenue.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

18. Increase due to a higher than anticipated 2011-12 cash surplus resulting from delays to projects, such as the Vision 2017 grants to Local Governments (program to be delivered in 14-15), ALMA (replacement library management system) implementation, Commonwealth funded Indigenous projects, deferral of some plant and equipment purchases and facilities projects delayed by lease negotiations.
19. Decrease reflects the anticipated reduction in outstanding trade debtors due to improved debt management processes.
20. Increase reflects the inclusion of digital collections as intangibles for the first time following an independent valuation and planned additional collection items to be digitised and purchased.
21. Decrease due to an expected reduction in year-end accruals resulting from improvements in supplier management and administrative functions.
22. A decrease on other current liabilities is due to an expected reduction in unearned revenue resulting from reduced time between Venue Hire bookings and delivery of the service.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

23. Decrease principally due to the increased asset spending in 2014-15 due to the ALMA (replacement library management systems) implementation and the cyclical replacement of larger assets.
24. Increase due to the planned additional collection items to be digitised and digital collections purchased.

### **Cash flow statement**

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

25. Increase due to the expected increase in revenue resulting from the transfer of the Government Research and Information Library service provided to other government agencies to SLQ from DPC.
26. Decrease due to the lower rates paid on funds invested.
27. Increase due to the costs associated with the delivering of the new QANZAC 100 project and the transfer of the Government Research and Information Library service to SLQ from DPC.
28. Decrease reflects the deferral of some plant and equipment purchases due to a review of the useful lives of existing assets and consideration of technological changes affecting the way in which services are delivered.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

29. Increase due to the expected increase in revenue resulting from the transfer of the Government Research and Information Library service provided to other government agencies to SLQ from DPC.
30. Increase is due to the new QANZAC 100 project funding, accounting for population growth funding for public library grants and enterprise bargaining arrangements.
31. Decrease due to the lower rates paid on funds invested.
32. Increase due to the staffing costs associated with the transfer of Government Research and Information Library service provided to other government agencies to SLQ from DPC, enterprise bargaining arrangements and staffing for the new QANZAC 100 project.
33. Increase due to the increase in costs associated with the delivering of the new QANZAC 100 project.
34. Decrease due to cyclical nature of plant and equipment replacement with annual purchases varying from year to year, reviews of useful lives of assets and considerations of technological changes affecting the way in which services are delivered.

Major variations between 2013-14 Estimated actual and the 2014-15 budget include:

35. Increase due to the anticipated increase in venue hire.
36. Increase due to enterprise bargaining arrangements and increased staffing for the QANZAC 100 project.
37. Increase due to cyclical nature of plant and equipment replacement with annual purchases varying from year to year.





# QUEENSLAND ART GALLERY

## AGENCY OVERVIEW

### Strategic direction

The Queensland Art Gallery | Gallery of Modern Art ('the Gallery') is Queensland's leading centre for visual arts. The 16,000 strong state art collection and the internationally renowned Asia Pacific Triennial of Contemporary Art exhibition series places the Gallery at the forefront of the contemporary art of Australia, Asia and the Pacific. The Gallery's dynamic program includes Australian and international exhibitions that draw on the Gallery's scholarship and build on institutional partnerships. Diverse and inclusive free public programs, events and interactive experiences support community engagement and life-long learning about art and culture. The Gallery's touring exhibitions and programs take art and artists to Queenslanders across the state. A new touring strategy will extend to major national and international venues.

The Gallery makes a significant contribution to the Government's objective to grow a four pillar economy by growing Queensland's cultural tourism reputation and presenting major exhibitions. Since the Gallery of Modern Art opened in 2006, exhibition visitation has exceeded 10 million and contributed \$91.56 million to the economy. The Gallery takes a leading role within the arts through research, learning and innovation. It supports the Government's vision to strengthen Queensland's arts sector by growing the public value of arts and culture as outlined in the *Arts for all Queenslanders Strategy 2014–2018*. The Gallery is also a strategic partner for the delivery of the *Cultural Precinct Strategy 2013–15*, which aims to maximise the return on public investment. The Queensland Art Gallery | Gallery of Modern Art Foundation ('the Foundation') cultivates philanthropic support, while innovative fundraising, sponsorship and commercial activities develop sustainable revenue sources.

## RESOURCES AND PERFORMANCE

During 2013–14, the Gallery:

- attracted 1.25 million visits (approximately 30% were national or international visitors)
- presented two major international exhibitions — *Cai Guo-Qiang: Falling Back to Earth*; and *California Design 1930-1965: Living in a Modern Way*, from the Los Angeles County Museum of Art
- continued the popular program of exhibitions of Queensland art and artists with exhibitions of works by quilter Ruth Stoneley, photographer Richard Stringer and painter Sam Fullbrook
- opened the major Collection exhibition, *Harvest*, with accompanying film and public programs
- toured three exhibitions throughout regional Queensland and developed two Kids on Tour programs which were presented at more than 70 regional and remote venues.

In 2014–15, the Gallery will:

- present major new solo exhibitions by Australian and international artists, including Tracey Moffatt (Australia/United States) and Michael Parekowhai (New Zealand)
- present two exhibitions focused on contemporary Japanese art and culture supported by Children's Art Centre programs
- continue to showcase Queensland art, presenting *Madonna Staunton: Out of a Clear Blue Sky* and an exhibition commemorating the 120th anniversary of the Queensland Art Gallery
- launch the regional Queensland tour of *Transparent: Watercolour in Queensland 1850s–1980s* and continue touring two additional exhibitions
- commence implementation of a five-year Foundation fundraising strategy.

## STATEMENTS

### Staffing<sup>1</sup>

Queensland Art Gallery	Notes	2013-14 Adjusted Budget	2013-14 Est. Actual	2014-15 Budget
		270	270	260

Notes:

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

### Performance Statement

Queensland Art Gallery	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
<b>Service standards</b>				
Audience satisfaction with exhibitions and programs	1	90%	95%	90%
Non-government revenue as percentage of total revenue	2	New measure	New measure	25%

Notes:

1. From 1 July 2014, the Queensland Art Gallery | Gallery of Modern Art (QAGOMA) will move from a four point to a five point scale satisfaction measurement framework which includes a neutral response option. This is expected to have a modest impact on measured levels of satisfaction as a result of the exclusion of neutral responses. The satisfaction measurement framework is the preferred method of calculation across Queensland Government agencies.
2. This new measure encompasses all Gallery services and provides a better snapshot of service delivery efficiency including commercial approaches. It aligns well with the Government proposal, through the Cultural Precinct Strategy, to develop common measures for performance across the arts statutory bodies.

## INCOME STATEMENT

Queensland Art Gallery	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees	1,8,14	10,200	11,186	7,600
Grants and other contributions	9,15	37,226	37,256	33,822
Interest	2,10	790	580	570
Other revenue	3,16	60	162	41
Gains on sale/revaluation of assets	4,17	1,000	1,400	1,000
<b>Total income</b>		<b>49,276</b>	<b>50,584</b>	<b>43,033</b>
<b>Expenses</b>				
Employee expenses	11,18	26,145	25,661	24,920
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services	5,12,19	19,261	17,737	14,974
Grants and subsidies		..	..	..
Depreciation and amortisation	6,13	850	712	750
Finance/borrowing costs		..	..	..
Other expenses		170	202	211
Losses on sale/revaluation of assets		..	..	..
<b>Total expenses</b>		<b>46,426</b>	<b>44,312</b>	<b>40,855</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	7,20	<b>2,850</b>	<b>6,272</b>	<b>2,178</b>

## STATEMENT OF CHANGES IN EQUITY

Queensland Art Gallery	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		5,000	5,000	5,000
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	(18,593)	..
<b>Net income recognised directly in equity</b>		<b>5,000</b>	<b>(13,593)</b>	<b>5,000</b>
Surplus/(deficit) for the period		2,850	6,272	2,178
<b>Total recognised income and expense for the period</b>		<b>7,850</b>	<b>(7,321)</b>	<b>7,178</b>
Equity injection/(withdrawal)		..	..	..
Equity adjustments (inc. MoG transfers)		..	18,593	..
<b>Total movement in equity for period</b>		<b>7,850</b>	<b>11,272</b>	<b>7,178</b>

## BALANCE SHEET

Queensland Art Gallery	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	21,32,43	5,679	4,474	2,500
Receivables	22,33	994	761	761
Other financial assets	23,34	6,025	..	..
Inventories	24,35	1,106	1,006	1,006
Other		119	101	101
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>13,923</b>	<b>6,342</b>	<b>4,368</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets	25,36	11,372	20,176	21,708
Property, plant and equipment		322,623	326,787	334,407
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>333,995</b>	<b>346,963</b>	<b>356,115</b>
<b>TOTAL ASSETS</b>		<b>347,918</b>	<b>353,305</b>	<b>360,483</b>
<b>CURRENT LIABILITIES</b>				
Payables	26,37	2,511	1,087	1,087
Accrued employee benefits	27,38	1,173	1,368	1,368
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	28,39	10	157	157
<b>Total current liabilities</b>		<b>3,694</b>	<b>2,612</b>	<b>2,612</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits	29,40	736	561	561
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>736</b>	<b>561</b>	<b>561</b>
<b>TOTAL LIABILITIES</b>		<b>4,430</b>	<b>3,173</b>	<b>3,173</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>343,488</b>	<b>350,132</b>	<b>357,310</b>
<b>EQUITY</b>				
Capital/contributed equity	30,41	721	19,314	19,314
Accumulated surplus/(accumulated deficit)	31,42,44	174,229	161,679	163,857
Reserves:				
- Asset revaluation surplus		168,538	169,139	174,139
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>343,488</b>	<b>350,132</b>	<b>357,310</b>

## CASH FLOW STATEMENT

Queensland Art Gallery	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees	45,52,60	10,200	11,186	7,600
Grants and other contributions	53,61	34,726	34,818	31,822
Interest received	46,54	790	580	570
Taxes	47,62	..	..	..
Other		90	192	71
<b>Outflows</b>				
Employee costs	55,63	(26,145)	(25,661)	(24,920)
Supplies and services	48,56,64	(19,291)	(17,179)	(14,004)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(170)	(202)	(211)
<b>Net cash provided by/(used in) operating activities</b>		<b>200</b>	<b>3,734</b>	<b>928</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		..	..	..
Investments redeemed	49,57,65	1,514	2,000	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets	50,58,66	(1,200)	(4,200)	(2,370)
Payments for investments	51,59	..	(1,202)	(532)
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>314</b>	<b>(3,402)</b>	<b>(2,902)</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/(used in) financing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>514</b>	<b>332</b>	<b>(1,974)</b>
<b>Cash at the beginning of financial year</b>		<b>5,165</b>	<b>4,142</b>	<b>4,474</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>5,679</b>	<b>4,474</b>	<b>2,500</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. Increase primarily due to greater than expected retail sales, food and beverage sales, and recoveries from touring exhibitions.
2. Decrease due to the redemption of term deposits and a lower rate of return on term deposits.
3. Increase due to one-off insurance recoveries in respect of the 2011 flood.
4. Increase due to greater than expected returns on QAGOMA Foundation investments with the Queensland Investment Corporation.
5. Decrease primarily due to savings in exhibition related expenditure.
6. Decrease due to property, plant and equipment reaching the end of its depreciable life.
7. Increase due to savings that will be carried forward to the 2014-15 exhibition program and greater than expected QAGOMA Foundation income which is used for acquisition of artwork.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

8. Decrease due to a forecast reduction in admission revenue.
9. Decrease due to the 2014-15 grants for blockbuster events being applied for from the Department of Tourism, Major Events, Small Business and the Commonwealth Games going forward, for which the quantum to be secured is yet to be identified.
10. Decrease due to the redemption of term deposits and a lower rate of return on term deposits.
11. Decrease due to costs related to blockbuster exhibition staffing being applied for from the Department of Tourism, Major Events, Small Business and the Commonwealth Games going forward, for which the quantum to be secured is yet to be identified.
12. Decrease due to costs related to blockbuster exhibitions being applied for from the Department of Tourism, Major Events, Small Business and the Commonwealth Games going forward, for which the quantum to be secured is yet to be identified.
13. Decrease due to property, plant and equipment reaching the end of its depreciable life.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

14. Decrease primarily due to a forecast reduction in admission revenue.
15. Decrease due to 2014-15 grants for blockbuster events being applied for from the Department of Tourism, Major Events, Small Business and the Commonwealth Games going forward, for which the quantum to be secured is yet to be identified.
16. Decrease due to a one-off insurance recovery in 2013-14 in respect of the 2011 flood.
17. Decrease due to the return of expected gains on investments to more normal levels.
18. Decrease due to costs related to blockbuster exhibition staffing being applied for from the Department of Tourism, Major Events, Small Business and the Commonwealth Games going forward, for which the quantum to be secured is yet to be identified.
19. Decrease due to costs related to blockbuster exhibitions being applied for from the Department of Tourism, Major Events, Small Business and the Commonwealth Games going forward, for which the quantum to be secured is yet to be identified.
20. Decrease primarily due to savings from the 2013-14 year not recurring in 2014-15. The operating surplus primarily represents projected donations of artwork and QAGOMA Foundation income which is used for acquisition of artwork.

### Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

21. Decrease due to the reclassification of QAGOMA Foundation financial investments to other financial assets (non-current).
22. Decrease due to sundry debtors being less than expected at 30 June 2013.
23. Decrease due to the reclassification of QAGOMA Foundation financial investments to other financial assets (non-current).
24. Decrease due to inventory of publications being less than expected at 30 June 2013.
25. Increase due to the reclassification of QAGOMA Foundation financial investments from cash assets and from other financial assets (current).
26. Decrease due to a reduction in end of year accruals for the exhibition program.
27. Increase due to the reclassification of some employee benefits from accrued employee benefits (non-current).

28. Increase due to the recognition of deposits paid in advance for functions held at the Gallery.
29. Decrease due to the reclassification of some employee benefits to accrued employee benefits (current).
30. Increase due to the transfer of net equity of the QAGOMA Foundation to the Gallery that occurred in April 2013.
31. Decrease due to the transfer of net equity of the QAGOMA Foundation to the Gallery that occurred in April 2013.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

32. Decrease due to the reclassification of QAGOMA Foundation financial investments to other financial assets (non-current) and the expenditure in 2014-15 of funds carried forward from 2013-14 for the exhibition program.
33. Decrease due to sundry debtors being less than expected at 30 June 2013.
34. Decrease due to the reclassification of QAGOMA Foundation financial investments to other financial assets (non-current).
35. Decrease due to inventory of publications being less than expected at 30 June 2013.
36. Increase due to the reclassification of QAGOMA Foundation financial investments from cash assets and from other financial assets (current).
37. Decrease due to a reduction in end of year accruals for the exhibition program.
38. Increase due to the reclassification of some employee benefits from accrued employee benefits (non-current).
39. Increase due to the recognition of deposits paid in advance for functions held at the Gallery.
40. Decrease due to the reclassification of some employee benefits to accrued employee benefits (current).
41. Increase due to the transfer of net equity of the QAGOMA Foundation to the Gallery that occurred in April 2013.
42. Decrease due to the transfer of net equity of the QAGOMA Foundation to the Gallery that occurred in April 2013, offset by the expected operational surpluses for 2013-14 and 2014-15, which are mainly derived from projected donations of artwork and QAGOMA Foundation income which is used for the acquisition of artwork.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

43. Decrease due to the expenditure in 2014-15 of funds carried forward from 2013-14 for the exhibition program.
44. Increase due the expected operational surplus in 2014-15, which is mainly derived from projected donations of artwork and QAGOMA Foundation income which is used for acquisition of artwork.

## Cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

45. Increase primarily due to greater than expected retail sales, food and beverage sales, and recoveries from touring exhibitions.
46. Decrease due to the redemption of term deposits and a lower rate of return on term deposits.
47. Increase due to one-off insurance recoveries in respect of the 2011 flood.
48. Decrease primarily due to savings in exhibition related expenditure.
49. Increase due to the redemption of term deposits and reinvestment in cash assets.
50. Increase due to greater than expected acquisition of artwork.
51. Increase due to the reclassification of QAGOMA Foundation financial investments from cash assets.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

52. Decrease primarily due to a forecast reduction in admission revenue.
53. Decrease due to the 2014-15 grants for blockbuster events being applied for from the Department of Tourism, Major Events, Small Business and the Commonwealth Games going forwards, for which the quantum to be secured is yet to be identified.
54. Decrease due to the redemption of term deposits and a lower rate of return on term deposits.
55. Decrease due to costs related to blockbuster exhibition staffing being applied for from the Department of Tourism, Major Events, Small Business and the Commonwealth Games going forward, for which the quantum to be secured is yet to be identified.
56. Decrease due to costs related to blockbuster exhibitions being applied for from the Department of Tourism, Major Events, Small Business and the Commonwealth Games going forward, for which the quantum to be secured is yet to be identified.

57. Decrease due to the redemption of term deposits that occurred in 2013-14.
58. Increase primarily due to increased acquisition of artwork.
59. Increase due to an expected increase in QAGOMA Foundation investments.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

60. Decrease due to a forecast reduction in admission revenue.
61. Decrease due to the 2014-15 grants for blockbuster events being applied for from the Department of Tourism, Major Events, Small Business and the Commonwealth Games going forwards, for which the quantum to be secured is yet to be identified.
62. Decrease due to one-off insurance recovery in 2013-14 in respect of the 2011 flood.
63. Decrease relates to costs related to blockbuster exhibition staffing being applied for from the Department of Tourism, Major Events, Small Business and the Commonwealth Games going forward, for which the quantum to be secured is yet to be identified.
64. Decrease relates to costs related to blockbuster exhibitions being applied for from the Department of Tourism, Major Events, Small Business and the Commonwealth Games going forward, for which the quantum to be secured is yet to be identified.
65. Decrease due to the redemption of term deposits that occurred in 2013-14.
66. Decrease primarily due to the return of acquisition of artwork to more normal levels.



# QUEENSLAND MUSEUM

## AGENCY OVERVIEW

### Strategic direction

The Queensland Museum Network (the Museum) inspires Queenslanders to discover, celebrate and value the State's distinctive cultural and natural environment. It does this through a state-wide network of five public museums that are popular cultural tourism attractions. With a focus on growing and caring for the State collection, developing research capabilities and engaging diverse communities, the Museum delivers an active program through its museum network helping to build Queensland's reputation as a cultural destination. The Museum provides accessible, compelling physical and online experiences, both inside its museums and in communities and classrooms across the state.

The Queensland Museum supports the Government's vision of arts for all Queenslanders through strengthening cultural tourism and growing the public value of arts and culture as outlined in *Arts for All Queenslanders Strategy 2014-2018*. The Museum is also a strategic partner in the delivery of the *Cultural Precinct Strategy 2013-15*, which aims to maximise the return on public investment that the precinct's unique co-location offers to the people of Queensland and cultural visitors to our State. Through these and other initiatives, the Museum supports the growth of a four pillar economy, particularly by increasing cultural tourism opportunities.

## RESOURCES AND PERFORMANCE

In 2013-14, the Museum:

- attracted more than 1.1 million visitors, distributed loans kits throughout Queensland to 750,000 school children and had more than one million online visitors
- hosted *Afghanistan: Hidden Treasures from the National Museum, Kabul* visited by 48,000 people and commemorated the centenary of World War One through *Remember Me: The Lost Diggers of Vignacourt*
- renewed major permanent exhibition experiences across the network including *Colour: Secret Language of the Reef* and a new permanent exhibition *Lost Creatures: Stories from Ancient Queensland*
- presented the successful *Have a Go Festival* and *Rapt in Reptiles* school holiday program attracting more than 3,300 visitors and hosted engaging science themed exhibitions, including *Deep Oceans* and *Science Fiction – Science Future*.

In 2014-15, the Museum will:

- present an exciting program of international, national and touring experiences at the Queensland Museum and Sciencentre including – *Undressed: 350 years of underwear in fashion from the Victoria and Albert Museum, London, Inside Children's Homes, Top Secret, Humanoid Discovery* and *Deep Oceans*
- commence planning for the *ANZAC Legacy Gallery* focussing on Queensland stories and heroes of World War One and continue planning for the renewal of permanent exhibitions
- deliver compelling visitor experiences in regional Queensland through *Crocodile Country* and *Creepy Crawlies Alive* (Museum of Tropical Queensland, Townsville), *A Day out with Thomas* (The Workshops Rail Museum, Ipswich) and *Have a Go Festival* and *Rapt in Reptiles* (Cobb&Co, Toowoomba).

## STATEMENTS

### Staffing<sup>1</sup>

Queensland Museum	Notes	2013-14 Adjusted Budget	2013-14 Est. Actual	2014-15 Budget
		237	234	230

Notes:

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

### Performance Statement

Queensland Museum	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
<b>Service standards</b>				
Satisfaction of audiences with museum experiences		96%	96%	96%
Percentage of self-generated revenue to total revenue	1	36%	37%	38%

Notes:

1. This measure provides an indication of Queensland Museum's efficiency in building revenue streams. This aligns with the Government's commitment to growing the arts sector and encouraging commercial activity and entrepreneurialism.

## INCOME STATEMENT

Queensland Museum	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees	7,14	6,990	6,930	9,099
Grants and other contributions	1,8,15	25,563	27,137	24,794
Interest	2,9,16	349	410	470
Other revenue	3,17	165	94	158
Gains on sale/revaluation of assets		50	..	53
<b>Total income</b>		<b>33,117</b>	<b>34,571</b>	<b>34,574</b>
<b>Expenses</b>				
Employee expenses		21,154	21,189	21,482
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services	4,10,18	9,488	10,153	11,488
Grants and subsidies		14	..	..
Depreciation and amortisation	5,11,19	3,268	3,888	4,258
Finance/borrowing costs		..	..	..
Other expenses	6,12,20	493	641	286
Losses on sale/revaluation of assets		..	..	..
<b>Total expenses</b>		<b>34,417</b>	<b>35,871</b>	<b>37,514</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	13,21	<b>(1,300)</b>	<b>(1,300)</b>	<b>(2,940)</b>

## STATEMENT OF CHANGES IN EQUITY

Queensland Museum	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		4,179	13,785	14,344
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>4,179</b>	<b>13,785</b>	<b>14,344</b>
Surplus/(deficit) for the period		(1,300)	(1,300)	(2,940)
<b>Total recognised income and expense for the period</b>		<b>2,879</b>	<b>12,485</b>	<b>11,404</b>
Equity injection/(withdrawal)		(926)	(926)	(926)
Equity adjustments (inc. MoG transfers)		..	..	..
<b>Total movement in equity for period</b>		<b>1,953</b>	<b>11,559</b>	<b>10,478</b>

## BALANCE SHEET

Queensland Museum	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	24,27	6,004	6,389	4,902
Receivables		1,126	863	865
Other financial assets		..	..	..
Inventories		558	517	517
Other		13	23	23
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>7,701</b>	<b>7,792</b>	<b>6,307</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	22,25,28	502,619	550,335	562,281
Intangibles		641	785	816
Other		..	..	..
<b>Total non-current assets</b>		<b>503,260</b>	<b>551,120</b>	<b>563,097</b>
<b>TOTAL ASSETS</b>		<b>510,961</b>	<b>558,912</b>	<b>569,404</b>
<b>CURRENT LIABILITIES</b>				
Payables		1,198	1,201	1,202
Accrued employee benefits		1,407	1,653	1,655
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total current liabilities</b>		<b>2,605</b>	<b>2,854</b>	<b>2,857</b>
<b>NON-CURRENT LIABILITIES</b>				
Payables		..	..	..
Accrued employee benefits		407	362	373
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
<b>Total non-current liabilities</b>		<b>407</b>	<b>362</b>	<b>373</b>
<b>TOTAL LIABILITIES</b>		<b>3,012</b>	<b>3,216</b>	<b>3,230</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>507,949</b>	<b>555,696</b>	<b>566,174</b>
<b>EQUITY</b>				
Capital/contributed equity		(6,011)	(6,011)	(6,937)
Accumulated surplus/(accumulated deficit)		141,384	142,118	139,178
Reserves:				
- Asset revaluation surplus	23,26,29	372,576	419,589	433,933
- Other (specify)		..	..	..
<b>TOTAL EQUITY</b>		<b>507,949</b>	<b>555,696</b>	<b>566,174</b>

## CASH FLOW STATEMENT

Queensland Museum	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees	31,33	6,990	6,930	9,099
Grants and other contributions		24,563	24,445	24,044
Interest received		349	410	470
Taxes		..	..	..
Other		674	600	665
<b>Outflows</b>				
Employee costs		(21,144)	(21,379)	(21,469)
Supplies and services	32,34	(9,488)	(9,667)	(11,489)
Grants and subsidies		(14)	..	..
Borrowing costs		..	..	..
Other		(997)	(1,161)	(793)
<b>Net cash provided by/(used in) operating activities</b>		<b>933</b>	<b>178</b>	<b>527</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		50	..	53
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets	30,35	(1,350)	(2,174)	(1,141)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(1,300)</b>	<b>(2,174)</b>	<b>(1,088)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Inflows</b>				
Borrowings		..	..	..
Equity injections		..	..	..
<b>Outflows</b>				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(926)	(926)	(926)
<b>Net cash provided by/(used in) financing activities</b>		<b>(926)</b>	<b>(926)</b>	<b>(926)</b>
<b>Net increase/(decrease) in cash held</b>		<b>(1,293)</b>	<b>(2,922)</b>	<b>(1,487)</b>
<b>Cash at the beginning of financial year</b>		<b>7,297</b>	<b>9,311</b>	<b>6,389</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>6,004</b>	<b>6,389</b>	<b>4,902</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. Increase due to higher than expected donations to the State Collection and recognition of in-kind services received in relation to the Afghanistan exhibition.
2. Increase due to higher than expected returns from the Henry Thomas West bequest and other investments.
3. Decrease due to lower than expected recoveries and sundry revenues from various programming and commercial activities.
4. Increase due to higher than expected in-kind services received in relation to the Afghanistan exhibition.
5. Increase due to Increase investment in new assets including exhibition renewal.
6. Increase other expenses is due to the timing of cost increases associated with exhibition, commercial and other business activities.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

7. Increase due to increased temporary exhibitions and associated retail and programming activity.
8. Decrease due to the cessation of funding for the rejuvenation of Queensland Museum & Sciencecentre and a forecast reduction in donations to the State Collection.
9. Increase due to higher than expected returns from the Henry Thomas West bequest and other investments.
10. Increase due to increased temporary exhibitions and associated retail and programming activity.
11. Increase due to Increase investment in new assets including exhibition renewal.
12. Decrease due to expected cost reductions associated with exhibition, commercial and other business activities.
13. Increase due to investment in long term exhibition programs, asset replacement and investment, operating costs including depreciation.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

14. Increase due to increased temporary exhibitions and associated retail and programming activity.
15. Decrease is due to a forecast reduction in donations to the State Collection.
16. Increase due to continuing higher than expected returns from the Henry Thomas West bequest and other investments.
17. Increase due to an expected resumption of recoveries and sundry revenues from various programming and commercial activities.
18. Increase due to increased temporary exhibitions and associated retail and programming activity.
19. Increase due to Increase investment in new assets including exhibition renewal.
20. Decrease due to expected cost reductions associated with exhibition, commercial and other business activities.
21. Increase due to investment in long term exhibition programs, asset replacement and investment, operating costs including depreciation.

### Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

22. Increase due to Increase the value of the State Collection at 30 June 2013 (following a full revaluation in 2012-13), which was not included in the 2013-14 budget.
23. Increase due to Increase the value of the State Collection at 30 June 2013 (following a full revaluation in 2012-13), which was not included in the 2013-14 budget.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

24. Decrease due to continued investment from cash reserves to deliver new exhibitions, programming and other strategic priorities.
25. Increase due to the increase in the value of the State Collection at 30 June 2013 (following a full revaluation in 2012-13), which was not included in the 2013-14 budget. The 2014-15 estimate includes a revised amount for the revaluation of assets to fair value.
26. Increase due to the increase in the value of the State Collection at 30 June 2013 (following a full revaluation in 2012-13), which was not included in the 2013-14 budget. The 2014-15 estimate includes a revised amount for the revaluation of assets to fair value.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

27. Decrease due to continued investment from cash reserves to deliver new exhibitions, programming and other strategic priorities.
28. Increase mainly due to a revaluation of assets to fair value.
29. Increase due to a revaluation of assets to fair value.

### **Cash flow statement**

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

30. Increase is due to higher than planned for investment in new assets including exhibition renewal.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

31. Increase due to increased temporary exhibitions and associated retail and programming activity.
32. Increase due to increased temporary exhibitions and associated retail and programming activity.

Major variations between 2013-14 Estimated actual and the 2014-15 budget include:

33. Increase due to increased temporary exhibitions and associated retail and programming activity.
34. Increase due to increased temporary exhibitions and associated retail and programming activity.
35. Decrease due to a reduced capital program in 2014-15.





# QUEENSLAND PERFORMING ARTS TRUST

## AGENCY OVERVIEW

### Strategic direction

The Queensland Performing Arts Trust (QPAT) manages Queensland's flagship performing arts venue – the Queensland Performing Arts Centre (QPAC). QPAC's strategic direction is summarised by its four objectives of curating a balanced artistic program, enhancing arts learning and creating multidimensional experiences to attract local, national and international audiences through a financially sound and responsive organisation. QPAC's vision is for a world where the performing arts matter to everyone.

QPAC contributes to Queensland's cultural and economic development and delivers on a range of Government priorities under the *Arts for all Queenslanders strategy 2014-18*. QPAC supports the growth of tourism in the four pillar economy through presenting events that attract international and interstate visitors, which supports cultural tourism and positions Queensland as a significant force in the events industry. QPAC is a recognised cultural leader and delivers artistic, social, economic and cultural returns on arts and cultural investment for Queenslanders and Queensland artists and arts companies. QPAC's contribution to the growth of public value can be seen through the Centre's diverse programming which brings a range of exceptional experiences to wide audiences. In addition, QPAC's community engagement, education and participation programs help foster a community of the arts, providing a breadth and depth of support to Queensland artists and arts companies.

QPAC continued to perform strongly in 2013-14 with a wide range of performing arts experiences including The Royal Concertgebouw Orchestra, international musicals and drama, the best local and national companies and the return of QPAC's *Clancestry, A Celebration of Country* and the biennial festival for children – *Out of the Box*.

## RESOURCES AND PERFORMANCE

During 2013-14, QPAC:

- attracted more than 1.1 million visitors and presented the National Theatre of Great Britain's production of *War Horse* and the Netherlands' Royal Concertgebouw Orchestra
- produced and presented the biennial *Out of the Box* Festival for children as part of QPAC's commitment to create quality arts and learning experiences for young children
- produced and presented the second annual *Clancestry, A Celebration of Country* festival, celebrating the arts and cultural practices of the world's First Nations Peoples
- presented popular musical theatre works including *Grease*, *Chitty Chitty Bang Bang* and *The Rocky Horror Show*.

In 2014-15, QPAC will:

- present an exclusive season by the American Ballet Theatre, continuing QPAC's International Series, which is a four year collaboration with Tourism and Events Queensland, driving cultural tourism
- present two major musicals, *The Lion King* and *Wicked*, to attract a diverse audience from across Queensland and interstate
- present *The Perfect American* in partnership with Brisbane Festival and Opera Queensland, as part of QPAC's commitment to supporting the cultural investment in Queensland arts companies.

## STATEMENTS

### Staffing<sup>1</sup>

Queensland Performing Arts Trust	Notes	2013-14 Adjusted Budget	2013-14 Est. Actual	2014-15 Budget
		340	340	340

Notes:

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

### Performance Statement

Queensland Performing Arts Trust	Notes	2013-14 Target/Est.	2013-14 Est. Actual	2014-15 Target/Est.
<b>Service standards</b>				
Venue Utilisation	1,2,3,4	78%	80%	80%
Level of audience satisfaction		90%	90%	90%

Notes:

1. Venue utilisation for all theatres has been combined into one measure for the 2014-15 Service Delivery Statement. In previous years, the results for each theatre – the Concert Hall, the Lyric Theatre, the Playhouse and the Cremorne Theatre - have been itemised.
2. An overall increase in 2013-14 Estimated actual and 2014-15 Target Estimated for aggregated venue utilisation is primarily due to the purchase of a proscenium arch for the Concert Hall which enables a greater variety of performing art forms to be booked for this venue.
3. 2013-14 Estimated actual and 2014-15 Target utilisations for the Lyric Theatre, Playhouse and Cremorne Theatre are unchanged from their respective 2013-14 Estimated targets of 95%, 90% and 78%.
4. An increase in 2013-14 Estimated actual and 2014-15 Target utilisation for the Concert Hall from 51% to 56% is due to the upgrade stated above, and increases the 2013-14 Estimated actual and 2014-15 Target overall venue utilisation to 80%.

## INCOME STATEMENT

Queensland Performing Arts Trust	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>Income</b>				
User charges and fees		36,961	36,657	38,168
Grants and other contributions	3,6	9,111	9,111	8,219
Interest		975	957	957
Other revenue	1,4,7	90	250	200
Gains on sale/revaluation of assets		..	..	..
<b>Total income</b>		<b>47,137</b>	<b>46,975</b>	<b>47,544</b>
<b>Expenses</b>				
Employee expenses		26,544	26,179	26,831
Supplies and services:				
- Outsourced service delivery		..	..	..
- Other supplies and services		19,613	19,679	19,553
Grants and subsidies		..	..	..
Depreciation and amortisation		750	750	780
Finance/borrowing costs		..	..	..
Other expenses	2,5	230	367	380
Losses on sale/revaluation of assets		..	..	..
<b>Total expenses</b>		<b>47,137</b>	<b>46,975</b>	<b>47,544</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>..</b>	<b>..</b>	<b>..</b>

## STATEMENT OF CHANGES IN EQUITY

Queensland Performing Arts Trust	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
Net effect of the changes in accounting policies and prior year adjustments		..	..	..
Increase/(decrease) in asset revaluation reserve		..	..	..
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
<b>Net income recognised directly in equity</b>		<b>..</b>	<b>..</b>	<b>..</b>
Surplus/(deficit) for the period		..	..	..
<b>Total recognised income and expense for the period</b>		<b>..</b>	<b>..</b>	<b>..</b>
Equity injection/(withdrawal)		..	..	..
Equity adjustments (inc. MoG transfers)		..	..	..
<b>Total movement in equity for period</b>		<b>..</b>	<b>..</b>	<b>..</b>

## BALANCE SHEET

Queensland Performing Arts Trust	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CURRENT ASSETS</b>				
Cash assets	8,13	11,448	10,379	10,453
Receivables	9,14	2,609	3,205	3,140
Other financial assets		..	..	..
Inventories		241	287	277
Other		141	193	188
Non-financial assets held for sale		..	..	..
<b>Total current assets</b>		<b>14,439</b>	<b>14,064</b>	<b>14,058</b>
<b>NON-CURRENT ASSETS</b>				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment	10,15	8,869	9,873	10,093
Intangibles		..	..	..
Other		..	..	..
<b>Total non-current assets</b>		<b>8,869</b>	<b>9,873</b>	<b>10,093</b>
<b>TOTAL ASSETS</b>		<b>23,308</b>	<b>23,937</b>	<b>24,151</b>
<b>CURRENT LIABILITIES</b>				
Payables	11,16	4,052	4,924	5,044
Accrued employee benefits		1,248	1,309	1,314
Interest-bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other	12,17,18	887	71	160
<b>Total current liabilities</b>		<b>6,187</b>	<b>6,304</b>	<b>6,518</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>6,187</b>	<b>6,304</b>	<b>6,518</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>17,121</b>	<b>17,633</b>	<b>17,633</b>
<b>EQUITY</b>				
Capital/contributed equity		1,033	1,033	1,033
Accumulated surplus/(accumulated deficit)		2,850	3,879	3,748
Reserves:				
- Asset revaluation surplus		3,580	3,580	3,580
- Other (specify)		9,658	9,141	9,272
<b>TOTAL EQUITY</b>		<b>17,121</b>	<b>17,633</b>	<b>17,633</b>

## CASH FLOW STATEMENT

Queensland Performing Arts Trust	Notes	2013-14 Adjusted Budget \$'000	2013-14 Est. Act. \$'000	2014-15 Budget \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Inflows</b>				
User charges and fees		36,961	36,707	38,297
Grants and other contributions	22,25	9,111	9,111	8,219
Interest		975	957	957
Other	19,23	90	200	225
<b>Outflows</b>				
Employee costs		(26,544)	(26,209)	(26,826)
Supplies and services		(19,288)	(19,324)	(19,408)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other	20,24,26	(295)	(482)	(390)
<b>Net cash provided by/(used in) operating activities</b>		<b>1,010</b>	<b>960</b>	<b>1,074</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Inflows</b>				
Sales of non-financial assets		(80)	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
<b>Outflows</b>				
Payments for non-financial assets	21,27	(1,000)	(2,000)	(1,000)
Payments for investments		..	..	..
Loans and advances made		..	..	..
<b>Net cash provided by/(used in) investing activities</b>		<b>(1,080)</b>	<b>(2,000)</b>	<b>(1,000)</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/(used in) financing activities</b>		<b>..</b>	<b>..</b>	<b>..</b>
<b>Net increase/(decrease) in cash held</b>		<b>(70)</b>	<b>(1,040)</b>	<b>74</b>
<b>Cash at the beginning of financial year</b>		<b>11,518</b>	<b>11,419</b>	<b>10,379</b>
Cash transfers from restructure		..	..	..
<b>Cash at the end of financial year</b>		<b>11,448</b>	<b>10,379</b>	<b>10,453</b>

## EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

### Income statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

1. Increase due to higher than anticipated return on investments in stage productions.
2. Increase due to re-categorising insurance premium costs from supplies and services.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

3. Decrease due to funding brought forward from 2014-15 to 2013-14 to fund the Out of the Box festival which is a biennial event.
4. Increase due to anticipated returns on investments in stage productions.
5. Increase due to re-categorising insurance premium costs from supplies and services.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

6. Decrease due to funding brought forward from 2014-15 to 2013-14 to fund the Out of the Box festival which is a biennial event.
7. Decrease due to reduced rates of return on cash deposits.

### Balance sheet

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

8. Decrease due to asset purchases and investments in stage productions.
9. Increase due to an increase in investments in stage productions.
10. Increase due to capital purchases including improvements to Concert Hall functionality.
11. Increase due to higher than expected CPI increases and increased electricity costs.
12. Decrease due to the writing-off of a contingency liability to the Federal Government surrounding a 2011 Flood insurance claim.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

13. Decrease due to asset purchases and investments in stage productions.
14. Increase due to an increase in investments in stage productions.
15. Increase due to capital purchases including improvements to Concert Hall functionality.
16. Increase due to higher than expected CPI increases and electricity costs.
17. Decrease due to the writing-off of a contingency liability to the Federal Government surrounding a 2011 Flood insurance claim.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

18. Increase due to greater unearned revenue in the form of deposits and pre-purchases by customers.

### Cash flow statement

Major variations between 2013-14 Adjusted budget and 2013-14 Estimated actual include:

19. Increase due to higher than anticipated return on investments in stage productions.
20. Increase due to re-categorising insurance premium costs from supplies and services.
21. Increase due to capital purchases including improvements to Concert Hall functionality.

Major variations between 2013-14 Adjusted budget and 2014-15 Budget include:

22. Decrease due to funding brought forward from 2014-15 to 2013-14 to fund the Out of the Box festival which is a biennial event.
23. Increase due to anticipated returns on investments in stage productions.
24. Increase due to re-categorising insurance premium costs from supplies and services.

Major variations between 2013-14 Estimated actual and the 2014-15 Budget include:

25. Decrease due to funding brought forward from 2014-15 to 2013-14 to fund the Out of the Box festival which is a biennial event.
26. Decrease due to reduced internal audit expenses.
27. Decrease due to a return to normal ongoing capital purchases.

# GLOSSARY OF TERMS

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**Accrual Accounting** — Recognition of economic events and other financial transactions involving revenue, expenses, assets, liabilities and equity as they occur and reporting in financial statements in the period to which they relate, rather than when a flow of cash occurs.

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**Administered Items** — Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.

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**Agency/Entity** — Used generically to refer to the various organisational units within Government that deliver services or otherwise service Government objectives. The term can include departments, commercialised business units, statutory bodies or other organisations established by Executive decision.

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**Appropriation** — Funds issued by the Treasurer, under Parliamentary authority, to agencies during a financial year for:

- delivery of agreed services
- administered items
- adjustment of the Government’s equity in agencies, including acquiring of capital.

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**Balance Sheet** — A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.

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**Capital** — A term used to refer to an entity’s stock of assets and the capital grants it makes to other agencies. Assets include property, plant and equipment, intangible items and inventories that an entity owns/controls and uses in the delivery of services.

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**Cash Flow Statement** — A financial statement reporting the cash inflows and outflows for an entity’s operating, investing and financing activities in a particular period.

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**Controlled Items** — Assets, liabilities, revenues and expenses that are controlled by departments. These relate directly to the departmental operational objectives and arise at the discretion and direction of that department.

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**Depreciation** — The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.

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**Equity** — Equity is the residual interest in the assets of the entity after deduction of its liabilities. It usually comprises the entity’s accumulated surpluses/losses, capital injections and any reserves.

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**Equity Injection** — An increase in the investment of the Government in a public sector agency.

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<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 well being. 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.

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).





