

QUEENSLAND BUDGET 2019–20

Service Delivery Statements

Department of Local Government,
Racing and Multicultural Affairs

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2019–20 Queensland Budget Papers

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Service Delivery Statements

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Department of Local Government, Racing and Multicultural Affairs

Summary of portfolio

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Portfolio overview

Ministerial and portfolio responsibilities

The table below represents the agency and services which are the responsibility of the Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs:

<p>Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs</p>

<p>The Honourable Stirling Hinchliffe MP</p>

<p>Department of Local Government, Racing and Multicultural Affairs</p>
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<p>Director-General: Warwick Agnew</p>

<p>Service area 1: Local Government</p>
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<p>Service area 2: Racing</p>

<p>Service area 3: Multicultural Affairs Queensland</p>
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<p>Service area 4: Independent Assessor</p>
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Additional information about these agencies can be sourced from:

www.dlgrma.qld.gov.au

www.oia.qld.gov.au

Departmental overview

The Department of Local Government, Racing and Multicultural Affairs has a vision for a contemporary organisation enabling sustainable, vibrant, inclusive and confident local communities. The vision and objectives will be realised through the department's primary purpose to lead, engage and collaborate to design and administer frameworks that inspire confidence and trust in systems of governance, increase stakeholder capability and encourage and support communities to thrive.

The department contributes to the Government's objectives for the community *Our Future State: Advancing Queensland's Priorities*:

- Create jobs in a strong economy by funding local government infrastructure projects, racing industry activities and community-focused projects to stimulate job growth and develop policies and programs to maximise the contribution of Queensland's multicultural community
- Be a responsive government by providing integrated services to our partners, stakeholders and communities across Queensland ensuring they have easy and consistent access to our information and services
- Keep Queenslanders healthy by funding local government programs for healthy lifestyles and critical infrastructure, as well as providing funding for programs affecting Culturally and Linguistically Diverse community members.

The department will continue to deliver the Government's commitments to the people of Queensland including:

- extending the Works for Queensland program until 2020-21
- working with key stakeholders to implement the recommendations of the Crime and Corruption Commission report *Operation Belcarra: A blueprint for integrity and addressing corruption risk in local government*
- continuing delivery of the \$70.4 million four-year country racing package for prize money, support for clubs, jockey riding fees, club meeting payments, and superannuation and WorkCover expenses, which commenced in 2017-18
- finalising and implementing the Multicultural Affairs Queensland engagement strategy.

To address concerns in the current environment about the conduct of some councillors and local government election processes, the department is continuing to pursue reforms to strengthen integrity and ensure greater transparency in council elections and decision-making. To support multicultural goals, the department's work will focus on delivering the benefits of welcoming, diverse and inclusive communities. Racing is integral to the State's social fabric and while it is facing challenges, the department will drive initiatives and policies to support a sustainable racing industry.

The department's strategic plan sets out the following strategic objectives: accountable, well-managed community-focused local governments; a sustainable racing industry in Queensland; policies, programs and services responsive to Queensland's cultural diversity; efficient and effective funding programs promoting vibrant communities; and an agile, capable, collaborative and inclusive workforce.

Key priorities and initiatives for 2019-20 include:

- continuing to progress the system of local government in Queensland through a rolling reform agenda focused on strengthening integrity, transparency, diversity and consistency measures
- rolling out the third round of the Works for Queensland program supporting regional councils to undertake job-creating maintenance and minor infrastructure projects
- supporting councils through the Local Government Grants and Subsidies Program for 2019-21, focusing on infrastructure and essential services
- partnering with Welcoming Cities to support interested local governments to strengthen welcome and inclusion in their communities
- supporting vulnerable refugees and asylum seekers through expanded community coordination of financial and material assistance, and mental health and wellbeing support
- a committed engagement and communication program with councils, including working closely with the sector through training and information sessions, providing the most up to date information on legislation changes and capacity building
- assessing and, where appropriate, investigating and prosecuting complaints of inappropriate conduct and/or misconduct against local government councillors in a timely manner
- working with racing industry stakeholders to develop and implement key governance and industry reform initiatives that will create a more competitive and sustainable racing industry.

Service Performance

Performance Statement

Local Government

Service Area Objective

Provide high quality and timely administration of both the local government system and local government funding programs.

Services

- Administration of the local government system
- Administration of funding programs

Description

In achieving its objective, the service area:

- administers the *Local Government Act 2009*, the *City of Brisbane Act 2010*, the *Local Government Electoral Act 2011* and the *Aboriginal and Torres Strait Islander Communities (Justice, Land and Other Matters) Act 1984* (Part 9, Division 2 and Part 10), providing a strategic policy and legislative framework for local government in Queensland
- administers local government funding programs, including the assessment and evaluation of funding submissions, supporting councils to deliver vital services and essential infrastructure in their communities
- develops and delivers targeted and high-quality capacity building resources, training and solutions for councils to underpin strong and responsive local government for Queensland
- assists local governments to identify opportunities for inter-council collaboration to build capacity and create efficiencies
- supports local governments to build their integrity, governance and financial sustainability.

Sources of revenue

Total cost \$'000	State contribution \$'000	User charges & fees \$'000	C'wth revenue \$'000	Other revenue \$'000
234,735	221,266	195	723	289

Staffing^{1,2,3,4}

2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget
134	118	113

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the service to which they relate.
3. Decrease in FTEs in 2018-19 is due to the establishment of the Office of the Independent Assessor on 3 December 2018.
4. Decrease in FTEs in 2019-20 is principally due to the cessation of the local government grants review project.

2019-20 service area highlights

In 2019-20 the service area will:

- continue to progress the system of local government in Queensland through a rolling reform agenda in the local government sector focused on strengthening the integrity, transparency, diversity and consistency measures which apply to the system of local government
- progress recommendations from the Crime and Corruption Commission report *Operation Belcarra: A blueprint for integrity and addressing corruption risk in local government*
- progress the findings of the *Review of Grants to Local Governments: Current and Future State Assessments*, working towards a more simplified, outcome-focused grants system across government
- roll-out the third round of the Works for Queensland program supporting regional councils to undertake job-creating maintenance and minor infrastructure projects
- supporting councils through the Local Government Grants and Subsidies Program for 2019-21, focusing on infrastructure and essential services
- continue to provide capacity building support to local governments, focused on councillor candidates in the lead-up to the local government general election in March 2020.

Local Government	2018-19 Target/Est	2018-19 Est Actual	2019-20 Target/Est
Service: Administration of the local government system			
Service standards <i>Effectiveness measure</i> Level of satisfaction of local governments (Mayors and CEOs) with the effectiveness, timeliness and quality of advice, services and support provided by the department ¹	85%	90%	85%
<i>Efficiency measure</i> Cost of capacity building per local government ²	\$22,100	\$35,300	\$35,300
Service: Administration of funding programs			
Service standards <i>Effectiveness measure</i> Level of satisfaction of local governments (Mayors and CEOs) with the administration of local government funding programs ³	85%	89%	85%
<i>Efficiency measure</i> Administration costs as a percentage of all funding distributed ⁴	<0.65%	0.31%	<0.65%

Notes:

1. This service standard measures the overall level of stakeholder satisfaction with all dimensions of the service.
2. Costs include capital and labour costs involved in developing resources and publications and in delivering training programs that focus on building the capacity of councils to undertake their roles and responsibilities, averaged across the 77 local governments. The variance between the 2018-19 Target/Estimate and the 2018-19 Estimated Actual is due to additional training and support provided as part of the local government rolling reform agenda and the implementation of recommendations from the Crime and Corruption Commission report *Operation Belcarra: A blueprint for integrity and addressing corruption risk in local government*. This additional support will continue into 2019-20.
3. This service standard measures the overall level of stakeholder satisfaction with the administration of the local government funding programs.
4. Total administration costs include labour and related costs and are expressed as a percentage of the total value of local government funding programs distributed.

Racing

Service Area Objective

Administer the *Racing Act 2002* and manage programs that support a viable, prosperous racing industry in Queensland.

Description

The service area:

- provides policy advice to government on the administration of the *Racing Act 2002* and matters relevant to the commercial operation and sustainability of the racing industry
- administers programs related to the provision of Queensland Government funding to the racing industry.

Sources of revenue¹

Total cost \$'000	State contribution \$'000	User charges & fees \$'000	C'wth revenue \$'000	Other revenue \$'000
32,875	32,875	..	..	..

Notes:

1. Total cost incorporates \$17.6 million for the country racing package, \$12.4 million for the Racing Infrastructure Fund, \$2 million for the Training Track Subsidy Scheme.

Staffing^{1,2}

2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget
6	6	6

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the service to which they relate.

2019-20 service area highlights

In 2019-20 the service area will:

- support the delivery of a racing industry reform agenda that will enhance the industry's contribution to its participants and the broader community
- develop, implement and promote governance frameworks that support Racing Queensland to deliver its key strategic and operational objectives
- provide policy advice to government on matters relevant to the commercial operation, viability and long-term sustainability of the racing industry
- continue to support racing in regional communities with funding for country racing clubs across Queensland as part of the \$70.4 million four-year country racing package which commenced in 2017-18
- administer funding from the Racing Infrastructure Fund to Racing Queensland for the delivery of key infrastructure projects that support the racing industry.

Racing	2018-19 Target/Est	2018-19 Est Actual	2019-20 Target/Est
Service standards <i>Effectiveness measure</i> Percentage of country race meetings in the approved schedule that are conducted ¹	95%	95%	95%
<i>Efficiency measure</i> Average cost per hour of policy advice and support ²	New measure	New measure	\$98.00

Notes:

1. The Country Racing Program (CRP) supports the continued provision of country race meetings. Under the CRP Grant Deed, Racing Queensland will, by 30 April each year, provide the department with a schedule of each race meeting for the upcoming financial year of the program. The measure will report the proportion of meetings scheduled prior to commencement of the financial year that are actually held. A small proportion of meetings can be expected to be cancelled each year due to unpredictable causes, such as, weather events or unforeseen issues with infrastructure. This service standard measures the effectiveness of the department in supporting country racing through funding prize money to enable events to be held across the State.
2. This is a new service standard and informs on the total cost per hour for the provision of policy advice and support. The calculation methodology applied to determine the average cost per hour is the total cost of budgeted FTEs per financial year divided by the total of cumulative recurrent standard hours per financial year.

Multicultural Affairs Queensland

Service Area Objective

Promote Queensland as a unified, harmonious and inclusive community.

Description

The service area:

- leads the implementation of the *Multicultural Recognition Act 2016* and the *Queensland Multicultural Policy and Action Plan*
- promotes the principles of the *Multicultural Queensland Charter* across all levels of government, business and the community
- leads strategies to improve access and opportunities for people from culturally and linguistically diverse backgrounds
- invests in community events that celebrate and promote Queensland's multiculturalism and intercultural connections
- invests in projects that support pathways to participation, particularly for migrants and refugees
- invests in programs that facilitate social connectedness across and between groups.

Sources of revenue

Total cost \$'000	State contribution \$'000	User charges & fees \$'000	C'wth revenue \$'000	Other revenue \$'000
13,411	13,411	..	..	..

Staffing^{1,2}

2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget
48	48	48

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the service to which they relate.

2019-20 service area highlights

In 2019-20 the service area will:

- lead policy and actions that will implement the principles of the *Multicultural Queensland Charter* including the Multicultural Queensland Ambassador program
- finalise and implement the Multicultural Affairs Queensland engagement strategy
- support and invest in activities that celebrate and promote multiculturalism and social connectedness through the Community Action for a Multicultural Society program and the Celebrating Multicultural Queensland program
- partner with *Welcoming Cities* to support interested local councils to strengthen welcome and inclusion in their communities
- support vulnerable refugees and asylum seekers through expanded community coordination of financial and material assistance, and mental health and wellbeing support
- lead the development of a new whole-of-government *Queensland Multicultural Action Plan 2019-22*
- release a report for tabling in Parliament outlining Queensland Government's progress against outcomes in the Queensland Multicultural Policy, as required by the *Multicultural Recognition Act 2016*
- work with other government agencies to improve diversity on Queensland Government boards.

Multicultural Affairs Queensland	2018-19 Target/Est	2018-19 Est Actual	2019-20 Target/Est
Service standards			
<i>Effectiveness measure</i> Number of people attending events funded by Multicultural Affairs Queensland ^{1,2}	1 million	1.1 million	1 million
<i>Efficiency measure</i> Average cost per hour of policy advice and support ³	New measure	New measure	\$68.00

Notes:

1. The attendance count at funded events is a key proxy measure of intercultural connections, respect for and valuing of diversity within communities. Attendance at events is estimated through funding proposals and acquittal reports submitted by organisations funded under the Celebrating Multicultural Queensland (CMQ) grants program.
2. The 2018-19 Estimated Actual has been collated by counting the total number of attendance as reported in event funding acquittals and the attendance numbers as anticipated by event organisers who are yet to submit acquittal reports.
3. This is a new service standard and informs on the total cost per hour for the provision of policy advice and support. The calculation methodology applied to determine the average cost per hour is the total cost of budgeted FTEs per financial year divided by the total of cumulative recurrent standard hours per financial year.

Independent Assessor

Service Area Objective

Enhance the integrity and sustainability of the local government system by administering the councillor complaints framework.

Description

The Office of the Independent Assessor (OIA) was established on 3 December 2018 as part of a wider reform designed to streamline and simplify the councillor complaints framework.

The service area:

- undertakes the initial assessment of all complaints about councillor conduct
- investigates misconduct complaints against local government mayors and councillors and where appropriate, prosecutes those complaints in the Councillor Complaints Conduct Tribunal and the Magistrates Court
- works with local governments to improve integrity and reduce instances of inappropriate conduct, misconduct and corrupt conduct.

Sources of revenue

Total cost \$'000	State contribution \$'000	User charges & fees \$'000	C'wth revenue \$'000	Other revenue \$'000
3,276	3,276	..	..	..

Staffing^{1,2,3}

2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget
..	16	16

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Corporate FTEs are allocated across the service to which they relate.
3. Increase in FTEs in 2018-19 is due to the establishment of the Office of the Independent Assessor on 3 December 2018. These were previously recorded under the Local Government service area.

2019-20 service area highlights

In 2019-20 the service area will:

- design and implement a new case management software system to suit the business requirements of the OIA
- utilise complaints data to identify and address live issues relating to councillor conduct and exploit opportunities to strengthen accountabilities and ethical practice in conjunction with stakeholders.

As the OIA is in the establishment phase, service standards are not reported in the 2019-20 *Service Delivery Statement (SDS)*. The OIA will work towards introducing service standards to measure performance in the 2020-21 SDS.

Discontinued measures

Performance measures included in the *2018-19 Service Delivery Statements* that have been discontinued or replaced are reported in the following table with estimated actual results.

Department of Local Government, Racing and Multicultural Affairs	2018-19 Target/Est	2018-19 Est Actual	2019-20 Target/Est
Service area: Local Government			
Average cost of administering and managing the councillor conduct complaints process per local government ¹	\$12,600	\$10,200	Discontinued measure
Service area: Racing			
Grant monies paid as a percentage of the total non-capital grant budget ²	100%	100%	Discontinued measure

Notes:

1. This service standard has been discontinued as the councillor complaints management and administration functions transitioned from DLGRMA to the Office of the Independent Assessor on 3 December 2018. The Office of the Independent Assessor operates under different jurisdictions and frameworks to those that were used within DLGRMA and will work towards introducing service standards in the *2020-21 Service Delivery Statement*.
2. This service standard has been discontinued as it does not meet the definition for an efficiency measure outlined in the Queensland Government Performance Management Framework. It will not be reported on elsewhere. It has been replaced with a new efficiency service standard in the *2019-20 Service Delivery Statement* - Average cost per hour of policy advice and support.

Administered items

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

The Department of Local Government, Racing and Multicultural Affairs administers funds on behalf of the State which include:

- Queensland Racing Industry Sustainability: the Government has provided funding of \$131.1 million over five years for Racing Queensland to increase prize money and support viability initiatives for the racing industries, including \$119.1 million for the Queensland thoroughbred racing industry and \$12 million for the greyhound and harness racing codes.

The department also administers Australian Government funding on behalf of the State which include:

- Australian Government Financial Assistance Grants: under the *Local Government (Financial Assistance) Act 1995* the Australian Government provides grant funding to support Queensland councils in delivering services to their communities. In 2018-19, \$492 million in funding was made available to local governments which includes an advance payment in June 2019 that applies to 2019-20.

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

Departmental budget summary

The table below shows the total resources available in 2019-20 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Department of Local Government, Racing and Multicultural Affairs	2018-19 Budget \$'000	2018-19 Est Actual \$'000	2019-20 Budget \$'000
CONTROLLED			
Income			
Appropriation revenue ¹			
Deferred from previous year/s	45,651	53,846	40,702
Balance of service appropriation	376,648	355,917	230,849
Other revenue	1,351	430	484
Total income	423,650	410,193	272,035
Expenses			
Local Government	348,716	356,686	234,735
Multicultural Affairs	71,841	41,641	32,875
Racing	15,506	14,980	13,411
Office of the Independent Assessor ²	..	2,786	3,276
Total expenses	436,063	416,093	284,297
Operating surplus/deficit	(12,413)	(5,900)	(12,262)
Net assets	58,713	68,931	58,434
ADMINISTERED			
Revenue			
Commonwealth revenue	246,380	496,980	250,600
Appropriation revenue	242,144	543,656	326,714
Other administered revenue	444	444	444
Total revenue	488,968	1,041,080	577,758
Expenses			
Transfers to government	241,844	492,444	251,044
Administered expenses	247,124	548,636	326,714
Total expenses	488,968	1,041,080	577,758
Net assets	98	98	98
CAPITAL			
Capital purchases³			
Total land, buildings and infrastructure	1,965	2,926	1,700
Total plant and equipment	25	25	25
Total other capital	1,300	191	1,109
Total capital purchases	3,290	3,142	2,834

Note:

1. Includes State and Commonwealth funding.

2. The Office of the Independent Assessor was established on 3 December 2018. Prior to this the budget was reported within the Local Government service area.
3. For more detail on the agency's capital acquisitions please refer to *Capital Statement (Budget Paper 3)*.

Budgeted financial statements

Analysis of budgeted financial statements

An analysis of the department's financial position, as reflected in the department's financial statements, is provided below.

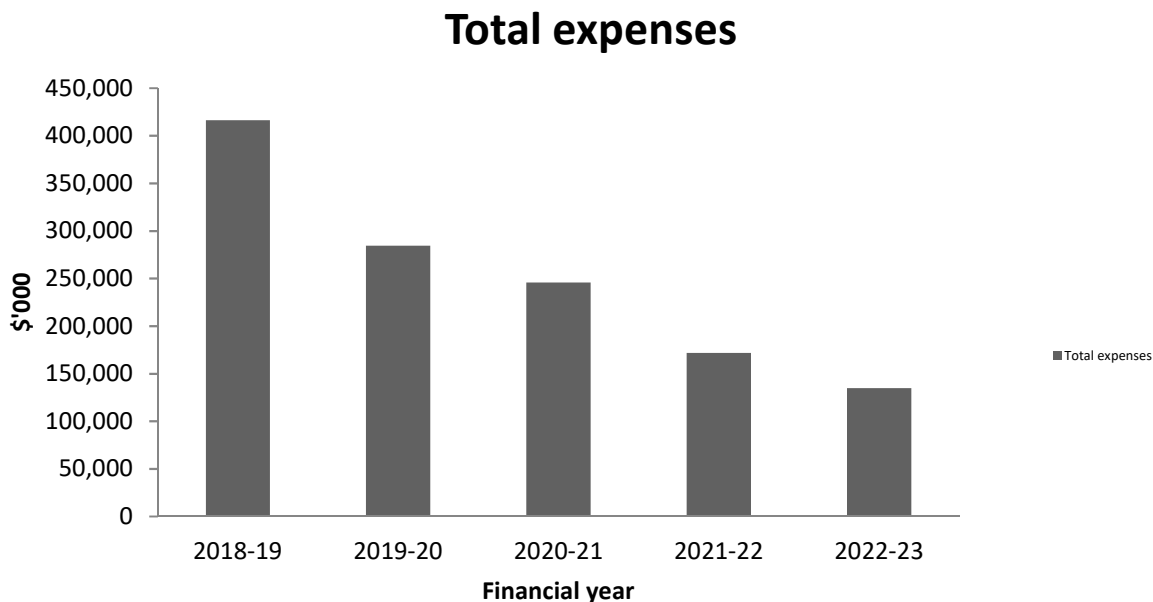
Departmental income statement

Total expenses are estimated to be \$284.3 million in 2019-20, a decrease of \$131.8 million from the 2018-19 financial year. The decrease is primarily due to the advance payment of the 2019-21 Works for Queensland program in May 2019 which is partially offset by additional funding for the:

- Torres Strait Islands seawalls and coastal inundation mitigation upgrades
- Paroo Shire Council upgrades to critical sewerage infrastructure.

The forecast deficit for the department in 2019-20 is \$12.3 million. This is primarily due to the planned transfer of the Cherbourg wastewater infrastructure asset to the Cherbourg Aboriginal Shire Council for nil consideration.

Chart: Total departmental expenses across the Forward Estimates period



The reduction in expenditure over the forward estimates shown in the graph above is mainly due to the completion of a number of capital grant programs, including the Works for Queensland program and the Indigenous Councils Critical Infrastructure Program.

Departmental balance sheet

The department's major assets are in property, plant and equipment (\$57.2 million), mainly comprising water infrastructure assets such as reservoirs, treatment facilities and distribution systems over six managed sites located in the Northern Peninsula Area Regional Council and Cherbourg wastewater infrastructure assets.

Property, plant and equipment is expected to decrease in 2019-20 as construction of Cherbourg wastewater infrastructure assets are completed and transferred to the Cherbourg Aboriginal Shire Council.

Controlled income statement

Department of Local Government, Racing and Multicultural Affairs	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
INCOME				
Appropriation revenue	1,4	422,299	409,763	271,551
Taxes		..	..	..
User charges and fees		103	103	195
Royalties and land rents		..	..	..
Grants and other contributions		..	..	..
Interest and distributions from managed funds		327	327	289
Other revenue		921	..	..
Gains on sale/revaluation of assets		..	..	..
Total income		423,650	410,193	272,035
EXPENSES				
Employee expenses		22,991	23,004	23,418
Supplies and services	2,5	21,638	17,771	15,059
Grants and subsidies	3,6	391,138	375,022	245,394
Depreciation and amortisation		25	25	155
Finance/borrowing costs		..	..	..
Other expenses		271	271	271
Losses on sale/revaluation of assets		..	..	..
Total expenses		436,063	416,093	284,297
OPERATING SURPLUS/(DEFICIT)		(12,413)	(5,900)	(12,262)

Controlled balance sheet

Department of Local Government, Racing and Multicultural Affairs	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CURRENT ASSETS				
Cash assets		8,699	8,860	8,860
Receivables		2,465	2,585	2,585
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		11,164	11,445	11,445
NON-CURRENT ASSETS				
Receivables		4,009	4,010	3,385
Other financial assets		..	..	..
Property, plant and equipment	7,9	45,833	57,207	46,356
Intangibles	8,10	1,300	191	1,170
Other		..	..	..
Total non-current assets		51,142	61,408	50,911
TOTAL ASSETS		62,306	72,853	62,356
CURRENT LIABILITIES				
Payables		2,696	2,659	2,882
Accrued employee benefits		897	914	914
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		3,593	3,573	3,796
NON-CURRENT LIABILITIES				
Payables		..	126	126
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	223	..
Total non-current liabilities		..	349	126
TOTAL LIABILITIES		3,593	3,922	3,922
NET ASSETS/(LIABILITIES)		58,713	68,931	58,434
EQUITY				
TOTAL EQUITY		58,713	68,931	58,434

Controlled cash flow statement

Department of Local Government, Racing and Multicultural Affairs	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts		422,299	380,431	271,774
User charges and fees		103	853	195
Royalties and land rent receipts	
Grants and other contributions	
Interest and distribution from managed funds received	
Taxes	
Other		921	890	..
Outflows:				
Employee costs		(22,991)	(23,004)	(23,418)
Supplies and services		(21,638)	(19,271)	(15,059)
Grants and subsidies		(378,398)	(370,837)	(232,843)
Borrowing costs	
Other		(271)	(731)	(494)
Net cash provided by or used in operating activities		25	(31,669)	155
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets	
Investments redeemed	
Loans and advances redeemed		914	914	914
Outflows:				
Payments for non-financial assets		(3,290)	(3,142)	(2,834)
Payments for investments	
Loans and advances made	
Net cash provided by or used in investing activities		(2,376)	(2,228)	(1,920)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	
Equity injections		3,265	853	2,809
Outflows:				
Borrowing redemptions	
Finance lease payments	
Equity withdrawals		(914)	(914)	(1,044)
Net cash provided by or used in financing activities		2,351	(61)	1,765
Net increase/(decrease) in cash held		..	(33,958)	..
Cash at the beginning of financial year		8,699	42,818	8,860
Cash transfers from restructure	
Cash at the end of financial year		8,699	8,860	8,860

Administered income statement

Department of Local Government, Racing and Multicultural Affairs	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
INCOME				
Appropriation revenue	11,15	242,144	543,656	326,714
Taxes		..	..	..
User charges and fees		444	444	444
Royalties and land rents		..	..	..
Grants and other contributions	12,16	246,380	496,980	250,600
Interest and distributions from managed funds		..	..	..
Other revenue		..	..	..
Gains on sale/revaluation of assets		..	..	..
Total income		488,968	1,041,080	577,758
EXPENSES				
Employee expenses		..	..	..
Supplies and services		..	..	..
Grants and subsidies	13,17	247,124	548,636	326,714
Depreciation and amortisation		..	..	..
Finance/borrowing costs		..	..	..
Other expenses		..	..	..
Losses on sale/revaluation of assets		..	..	..
Transfers of Administered Revenue to Government	14,18	241,844	492,444	251,044
Total expenses		488,968	1,041,080	577,758
OPERATING SURPLUS/(DEFICIT)		..	..	..

Administered balance sheet

Department of Local Government, Racing and Multicultural Affairs	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CURRENT ASSETS				
Cash assets	19	..	3,667	3,750
Receivables		..	..	..
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		..	3,667	3,750
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Property, plant and equipment		98	98	98
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		98	98	98
TOTAL ASSETS		98	3,765	3,848
CURRENT LIABILITIES				
Payables	20	..	3,667	3,750
Transfers to Government payable		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total current liabilities		..	3,667	3,750
NON-CURRENT LIABILITIES				
Payables		..	..	..
Accrued employee benefits		..	..	..
Interest bearing liabilities and derivatives		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		..	3,667	3,750
NET ASSETS/(LIABILITIES)		98	98	98
EQUITY				
TOTAL EQUITY		98	98	98

Administered cash flow statement

Department of Local Government, Racing and Multicultural Affairs	Notes	2018-19 Budget \$'000	2018-19 Est. Act. \$'000	2019-20 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Appropriation receipts		242,144	543,582	326,714
User charges and fees		444	444	444
Royalties and land rent receipts	
Grants and other contributions		246,380	496,980	250,600
Interest and distribution from managed funds received	
Taxes	
Other	
Outflows:				
Employee costs	
Supplies and services		..	3,667	83
Grants and subsidies		(247,124)	(548,636)	(326,714)
Borrowing costs	
Other		..	(6)	..
Transfers to Government		(241,844)	(492,444)	(251,044)
Net cash provided by or used in operating activities		..	3,587	83
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of non-financial assets	
Investments redeemed	
Loans and advances redeemed	
Outflows:				
Payments for non-financial assets	
Payments for investments	
Loans and advances made	
Net cash provided by or used in investing activities	
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	
Equity injections	
Outflows:				
Borrowing redemptions	
Finance lease payments	
Equity withdrawals	
Net cash provided by or used in financing activities	
Net increase/(decrease) in cash held		..	3,587	83
Cash at the beginning of financial year		..	80	3,667
Cash transfers from restructure	
Cash at the end of financial year		..	3,667	3,750

Explanation of variances in the financial statements

Income statement

Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

1. The decrease is primarily due to the realignment of funding for the Racing Infrastructure Fund and the Indigenous Councils Critical Infrastructure Program. This is offset by the advance payment for the 2019-21 Works for Queensland program in May 2019.
2. The decrease is primarily due to the reclassification of Multicultural Affairs Queensland programs to grants and subsidies.
3. The decrease is primarily due to the realignment of funding for the Racing Infrastructure Fund and the Indigenous Councils Critical Infrastructure Program. This is offset by the advance payment for the 2019-21 Works for Queensland program in May 2019.

Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

4. The decrease is primarily due to the advance payment of the 2019-21 Works for Queensland program in May 2019. This is offset by increased funding for the Torres Strait Islands seawalls and coastal inundation mitigation upgrades.
5. The decrease is primarily due to reduced funding for the local government grants review project and the Bundaberg 10-year action plan.
6. The decrease is primarily due to the advance payment of the 2019-21 Works for Queensland program in May 2019. This is offset by increased funding for the Torres Strait Islands seawalls and coastal inundation mitigation upgrades.

Balance sheet

Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

7. The increase is primarily due to the delay in finalisation and transfer of the Cherbourg wastewater infrastructure asset to the Cherbourg Aboriginal Shire Council.
8. The decrease is primarily due to the change in scope of the implementing more effective funding grants to local governments project.

Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

9. The decrease is primarily due to the finalisation and transfer of the Cherbourg wastewater infrastructure asset to the Cherbourg Aboriginal Shire Council.
10. The increase is primarily due to the delay in finalisation of a new grants management system.

Administered income statement

Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

11. The increase is primarily due to the advance payment for the Financial Assistance Grants in June 2019 that applies to 2019-20 and increased funding for Racing Queensland.
12. The increase is primarily due to the advance payment for the Financial Assistance Grants in June 2019 that applies to 2019-20.
13. The increase is primarily due to the advance payment for the Financial Assistance Grants in June 2019 that applies to 2019-20 and increased funding for Racing Queensland.
14. The increase is primarily due to the advance payment for the Financial Assistance Grants in June 2019 that applies to 2019-20.

Major variations between 2018-19 Estimated Actual and the 2019-20 Budget include:

15. The decrease is primarily due to the advance payment of the 2019-20 Financial Assistance Grants in June 2019. This is offset by increased funding for Racing Queensland.

16. The decrease is primarily due to the advance payment of the 2019-20 Financial Assistance Grants in June 2019.
17. The decrease is primarily due to the advance payment of the 2019-20 Financial Assistance Grants in June 2019. This is offset by increased funding for Racing Queensland.
18. The decrease is primarily due to the advance payment of the 2019-20 Financial Assistance Grants in June 2019.

Administered balance sheet

Major variations between 2018-19 Budget and 2018-19 Estimated Actual include:

19. The increase is due to the timing of payments to Racing Queensland.
20. The increase is due to the timing of payments to Racing Queensland.

Glossary of terms

Accrual accounting	Recognition of economic events and other financial transactions involving revenue, expenses, assets, liabilities and equity as they occur and reporting in financial statements in the period to which they relate, rather than when a flow of cash occurs.
Administered items	Assets, liabilities, revenues and expenses an entity administers, without discretion, on behalf of the Government.
Agency/entity	Used generically to refer to the various organisational units within Government that deliver services or otherwise service Government objectives. The term can include departments, commercialised business units, statutory bodies or other organisations established by Executive decision.
Appropriation	Funds issued by the Treasurer, under Parliamentary authority, to agencies during a financial year for: <ul style="list-style-type: none"> • delivery of agreed services • administered items • adjustment of the Government's equity in agencies, including acquiring of capital.
Balance sheet	A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.
Capital	A term used to refer to an entity's stock of assets and the capital grants it makes to other agencies. Assets include property, plant and equipment, intangible items and inventories that an entity owns/controls and uses in the delivery of services.
Cash Flow Statement	A financial statement reporting the cash inflows and outflows for an entity's operating, investing and financing activities in a particular period.
Controlled Items	Assets, liabilities, revenues and expenses that are controlled by departments. These relate directly to the departmental operational objectives and arise at the discretion and direction of that department.
Depreciation	The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a specified time.
Equity	Equity is the residual interest in the assets of the entity after deduction of its liabilities. It usually comprises the entity's accumulated surpluses/losses, capital injections and any reserves.
Equity injection	An increase in the investment of the Government in a public sector agency.
Financial statements	Collective description of the Income Statement, the Balance Sheet and the Cash Flow Statement for an entity's controlled and administered activities.
Income statement	A financial statement highlighting the accounting surplus or deficit of an entity. It provides an indication of whether the entity has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation.
Outcomes	Whole-of-government outcomes are intended to cover all dimensions of community wellbeing. They express the current needs and future aspirations of communities, within a social, economic and environment context.
Own-source revenue	Revenue that is generated by an agency, generally through the sale of goods and services, but it may also include some Commonwealth funding.
Priorities	Key policy areas that will be the focus of Government activity.
Services	The actions or activities (including policy development) of an agency which contribute to the achievement of the agency's objectives.
Service area	Related services grouped into a high level service area for communicating the broad types of services delivered by an agency.
Service standard	Define a level of performance that is expected to be achieved appropriate for the service area or service. Service standards are measures of efficiency or effectiveness.



Queensland Budget 2019–20

Service Delivery Statements

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