



SERVICE DELIVERY STATEMENTS

Department of Energy and Public Works



2023–24 Queensland Budget Papers

1. Budget Speech

2. Budget Strategy and Outlook

3. Capital Statement

4. Budget Measures

Service Delivery Statements

Appropriation Bills

Budget Overview

Regional Action Plans

The budget papers are available online at budget.qld.gov.au

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Service Delivery Statements

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Department of Energy and Public Works

Portfolio overview

**Minister for Energy, Renewables and Hydrogen and
Minister for Public Works and Procurement**
The Honourable Michael (Mick) de Brenni MP

Assistant Minister for Energy
Lance McCallum MP

Department of Energy and Public Works
Director-General: Paul Martyn

QBuild
Assistant Director-General: Paul Hyde

QFleet
General Manager: Vince White

The Minister for Energy, Renewables and Hydrogen and the Minister for Public Works and Procurement is also responsible for:

Queensland Building and Construction Commission
Commissioner: Anissa Levy

Additional information about these agencies can be sourced from:

www.epw.qld.gov.au

www.qbcc.qld.gov.au

Department of Energy and Public Works

Overview

The Department of Energy and Public Works' purpose is to: Power. Build. Buy. Together. For Queensland.

Our vision is: generating and building a sustainable future for all Queenslanders.

Contribution to the government's objectives for the community

The department supports the government's objectives for the community¹:

- Good jobs: Good, secure jobs in our traditional and emerging industries.
- Better services: Deliver even better services right across Queensland
- Great lifestyle: Protect and enhance our Queensland lifestyle as we grow

Department service areas

The service areas within the department align with the following department objectives:

Department's objectives	Department's service areas
An affordable, cleaner energy future Underpin long-term prosperity by ensuring reliable, sustainable and affordable energy services and growing the hydrogen industry.	Grow Queensland's energy sector Lead the energy sector to deliver reliable, affordable and renewable energy to Queensland households and businesses.
Building for Queensland's future Be the trusted experts to government and industry for excellence in building and design, industry regulatory reform, and government building and accommodation.	Building and government accommodation services Deliver professional management of government infrastructure projects, that maximises opportunities for local businesses, as well as fit for purpose, well utilised and sustainable government office accommodation and employee housing.
Nation-leading procurement Prioritise Queensland businesses and jobs through leading-edge, ethical procurement practices that leverage Government's buying power.	Procurement policy and enabling services Lead whole of government procurement practices that leverage Government's buying power to prioritise Queensland businesses and jobs and ethical supply chains.

Department highlights

In 2023–24, the department will:

- implement key measures under the *Queensland Energy and Jobs Plan* to support an optimal pathway to support affordable, reliable and renewable energy and jobs. These include: the introduction of a new legislative framework for the Queensland Government's renewable energy targets and renewable energy zones; preparation of the first annual market snapshot; commencement of new customer facing programs to reduce household bills and drive savings for small businesses; action to facilitate private investment in energy infrastructure; and implementation of the Queensland Energy Workers' Charter and the Job Security Guarantee Fund
- continue to undertake actions to support Queensland's renewable energy targets of 50 per cent renewable energy by 2030, 70 per cent renewable energy by 2032 and 80 per cent renewable energy by 2035

¹ To find out more, go to www.qld.gov.au and search "Government's objectives for the community."

- continue to provide concessional support and rebates to Queensland electricity customers to reduce cost of living pressures and work with the Australian Government to secure funding to progress initiatives under the *Queensland Energy and Jobs Plan*
- lead and coordinate government actions to support the growth of a safe and sustainable renewable hydrogen industry, including by progressing the development of strong policy frameworks and planning at strategic hydrogen hubs in Queensland
- build connections with industry and the community to inform Queenslanders about the opportunities of our renewable energy future, including hydrogen, and lay the foundations for social licence
- continue to invest in the delivery of safe and secure government employee housing as part of the government's commitment to attract and retain key frontline staff such as police, health workers and teachers in remote locations, as well as renew and upgrade current owned assets
- continue to Rebuild QBuild by strengthening its regional footprint, creating more jobs for trade-qualified staff and providing training for apprentices which will help address longer term trade skills shortages
- deliver the Modern Methods of Construction (MMC) Program, in partnership with the MMC industry, to fast track the delivery of much needed housing for essential workers and vulnerable Queenslanders, increase housing supply and put downward pressure on housing and rental costs for the community
- continue to deliver professional management of government's delivery of significant capital works programs such as the New Performing Arts Precinct, Southern Queensland Correctional Precinct Stage 2 and Satellite Hospital Program
- partner with other agencies that are working on the new youth justice building programs and supporting the delivery of the Brisbane 2032 infrastructure projects program of works
- continue delivery of components of the \$761.6 million Resilient Homes Fund to provide Queenslanders whose homes were badly damaged by flooding with a range of options that may include resilience retrofitting or house raising
- in consultation with industry, continue the implementation of the Queensland Building Plan 2021 priorities including developing reform options to strengthen the Queensland Home Warranty Scheme, and security of payment in the building industry and progressing reforms within the National Construction Code 2022
- prioritise local businesses and Queensland jobs, by maturing procurement capabilities including providing advice, support (including to whole-of-government governance and engagement), frameworks and tools (including digital systems), that enable government agencies to make responsible public procurement choices and deliver economic, ethical, social and environmental benefits to Queensland
- increase opportunities for diverse suppliers to participate in procurement, including for example, regional businesses, small and medium enterprises, Aboriginal and/or Torres Strait Islander businesses, social enterprises, women-owned and/or women-led businesses, businesses owned or operated by people with disability, and culturally and linguistically diverse suppliers
- continue to transition the government's vehicle fleet to low emission options.

Budget highlights

In the 2023–24 Queensland Budget, the government is providing:

- \$68.6 million (\$39.1 million operational and \$29.5 million capital) over 4 years, \$24.8 million (\$15.3 million operational and \$9.5 million capital) in 2023–24, to support Rebuild QBuild, re-introducing funding for apprentice training, upgrading depots and support for the initial operating costs and investment in the QBuild Rapid Accommodation and Apprentice Centres in Eagle Farm and Cairns
- \$60 million over 2 years (\$40 million in 2023–24), to complement Australian Government initiatives, to deliver energy efficiency measures to keep costs down for households, enabling more choice and greater energy equity
- \$35 million over 3 years (\$14.5 million in 2023–24), to deliver the *Queensland Business Energy Saving and Transformation Program* to support businesses in Queensland to reduce their electricity bills
- \$35 million over 4 years (\$12 million in 2023–24), to undertake strategic planning and community engagement activities to develop Queensland Renewable Energy Zones in a coordinated way and increase community benefits
- \$30 million over 4 years (\$12.5 million in 2023–24), for charging infrastructure to make government buildings Zero Emission Vehicle ready.

Further information about new policy decisions can be found in *Budget Paper No.4: Budget Measures*.

Performance statement

Grow Queensland's energy sector

Objective

Lead the energy sector to deliver reliable, affordable and renewable energy to Queensland households and businesses.

Description

The service area:

- undertakes policy and economic analysis, and provides advice to the Minister for Energy, Renewables and Hydrogen and the Minister for Public Works and Procurement on matters related to energy and hydrogen policy at the state and national level
- facilitates economic growth and innovation by helping to unlock the state's renewable energy potential to new industries and new jobs while driving broader productivity improvements across the energy sector and supporting the emerging hydrogen industry to underpin Queensland's economic growth
- delivers simple and effective regulation to support the efficient and secure operation of the energy sector, while meeting the needs of the community and maximising the value and productivity of the government's own operations
- enhances customer value for Queenslanders by acting to ensure they have access to reliable, cost-effective, safe and sustainable energy and provides a framework for consumer protection.

Service standards	2022–23 Target/Est.	2022–23 Est. Actual	2023–24 Target/Est.
Effectiveness measures			
Renewable energy as per cent of total energy consumed in Queensland	23%	24.1%	25.9%
Average time of energy (electricity and gas) licensing assessment ¹	<120 days	73 days	<120 days
Efficiency measure			
Cost of biofuels exemption application assessed ²	<\$4,680	\$3,510	<\$4,680

Notes:

1. The favourable variance between the 2022–23 Target/Estimate and the 2022–23 Estimated Actual is the result of improved efficiency when processing and assessing applications.
2. The favourable variance between the 2022–23 Target/Estimate and the 2022–23 Estimated Actual is due to an increase in the number of applications resulting in a reduced average cost per application.

Building and government accommodation services

Objective

Deliver professional management of government infrastructure projects, that maximises opportunities for local businesses, as well as fit for purpose, well utilised and sustainable government office accommodation and employee housing.

Description

The service area:

- assists government agencies in the delivery of major government building and construction projects, quality office accommodation and property solutions, and safe and secure government employee housing for frontline workers to support Queensland's growing communities
- contributes to a safer, fairer and more sustainable building and construction industry and responds to emerging issues
- provides leadership and strategic advice on urban design and the built environment to government departments, local councils and the private sector.

Service standards	2022–23 Target/Est.	2022–23 Est. Actual	2023–24 Target/Est.
Effectiveness measures			
Return on investment:			
• Commercial properties included in the office portfolio	≥6%	5.4%	≥6%
• Government employee housing	≥1.5%	1.35%	≥1.5%
Vacancy rate:			
• Office portfolio ¹	≤3.5%	1.65%	≤3.5%
• Government employee housing ²	≤6%	1.60%	≤4%
Percentage of government-owned employee housing with an acceptable facility condition index rating	≥90%	93%	≥90%
Energy performance - percentage of occupied government office accommodation achieving a rating greater than or equal to 5 star under the National Australian Built Environmental Rating System ³	80%	74%	80%
Work point density:			
• Average ⁴	13.5m ² per person	13.49m ²	13.5m ² per person
• New fit out ⁴	12m ² per person	11.53m ²	12m ² per person
Percentage of sub-contracts awarded to local companies	New measure	New measure	75%
Efficiency measure			
New and refurbished office fitout - cost per square metre	New measure	New measure	≤ \$1,174 per square metre

Notes:

1. The favourable variance between the 2022–23 Target/Estimate and 2022–23 Estimated Actual is due to the centralised management of government demand and optimised utilisation of the portfolio.
2. The favourable variance between the 2022–23 Target/Estimate and 2022–23 Estimated Actual is due to the realignment of the portfolio to better suit agency requirements.
3. The variance between the 2022–23 Target/Estimate and the 2022–23 Estimated Actual is due to reduced building occupancy while energy is still consumed to maintain core building functions, decreasing building performance of the portfolio.

4. This service standard has been reclassified to a measure of effectiveness and was previously presented as a measure of efficiency in the *2022–23 Service Delivery Statements*. The measure has been reclassified to meet the requirements of the *Queensland Government Performance Management Framework* policy.

Procurement policy and enabling services

Objective

Lead whole of government procurement practices that leverage Government's buying power to prioritise Queensland businesses and jobs and ethical supply chains.

Description

The service area:

- provides expert advisory, compliance, enabling and support procurement services to government agencies, including category management for general goods and services
- provides procurement services that enable suppliers to reduce the cost of doing business with the Queensland Government and supports employment and better social outcomes for communities.

Service standards	2022–23 Target/Est.	2022–23 Est. Actual	2023–24 Target/Est.
<i>Effectiveness measure</i>			
Overall customer satisfaction with the enabling activities that support agency implementation of the Queensland Procurement Policy	≥90%	88.8%	≥90%
<i>Efficiency measure</i>			
Operating cost per \$1,000 of managed spend on general goods and services	<\$2	\$1.10	<\$2

Departmental budget summary

The table below shows the total resources available in 2023–24 from all sources and summarises how resources will be applied by service area and by controlled and administered classifications.

Department of Energy and Public Works	2022–23 Budget \$'000	2022–23 Est. Actual \$'000	2023–24 Budget \$'000
CONTROLLED			
Income			
Appropriation revenue ¹	206,541	316,896	271,400
Other revenue	897,686	791,561	1,036,224
Total income	1,104,227	1,108,457	1,307,624
Expenses			
Grow Queensland's Energy Sector	57,590	148,385	143,607
Building and Government Accommodation Services	957,391	871,585	1,090,042
Procurement Policy and Enabling Services	27,178	26,222	26,938
Corporate Services ²	81,295	82,738	87,507
Eliminations ³	(20,372)	(21,325)	(24,791)
Total expenses	1,103,082	1,107,605	1,323,303
Operating surplus/deficit	1,145	852	(15,679)
Net assets	3,050,865	3,162,729	3,222,265
ADMINISTERED			
Revenue			
Commonwealth revenue	..	..	..
Appropriation revenue ¹	667,960	719,214	640,441
Other administered revenue	332	436	332
Total revenue	668,292	719,650	640,773
Expenses			
Transfers to government	332	436	332
Administered expenses	667,960	719,214	640,441
Total expenses	668,292	719,650	640,773
Net assets	(220,020)	(93,382)	(93,382)

Notes:

1. Includes state and Australian Government funding.
2. Corporate Services costs have been allocated to services. The amounts shown in the above table for corporate service costs mainly represent recoveries from the commercialised business units and external departments.
3. Eliminations are costs that represent internal trading transactions within the departmental entity such as rent that is charged by the accommodation office to the services shown. The services cost is the gross cost before eliminations.

Staffing

The table below shows the Full Time Equivalents (FTEs) as at the 30 June in the respective years.

Service area	2022–23 Budget	2022–23 Est. Actual	2023–24 Budget
Grow Queensland's energy sector ¹	123	137	137
Building and government accommodation services	242	242	242
Procurement policy and enabling services	111	111	111
Total FTEs²	476	490	490

Notes:

1. The variance between 2022–23 Budget and 2022–23 Estimated Actual is due the delivery of the *Queensland Energy and Jobs Plan*.
2. Corporate FTEs are allocated across the service to which they relate.

Capital program

Total capital purchases for the department are \$149.7 million in 2023–24. Program highlights include:

- \$118.2 million investment to deliver safe and secure government employee housing including in remote and regional communities as part of government's commitment to attract and retain key frontline staff. The program will include new accommodation for staff delivering critical services, replacement or refurbishment of residences at the end of their useful life to modern design standards and the upgrade of residences to ensure they remain fit-for-purpose and appropriate for employees
- \$12.5 million for charging infrastructure to make Queensland government buildings Zero Emission Vehicle (ZEV) ready.

Total capital grants for the department are \$207.6 million in 2023–24 and include:

- \$201.6 million to eligible homeowners to raise, repair, or retrofit their homes to incorporate flood resilient design and materials to reduce the impacts of future flood events.

The table below shows the capital purchases by the agency in the respective years.

	2022–23 Budget \$'000	2022–23 Est. Actual \$'000	2023–24 Budget \$'000
Capital purchases	188,416	166,486	149,711
Capital grants	112,500	12,500	207,557
Total capital outlays	300,916	178,986	357,268

Further information about the Department of Energy and Public Works capital outlays can be found in *Budget Paper No. 3: Capital Statement*.

Budgeted financial statements

Departmental income statement

Controlled income statement

Total expenses are estimated to be \$1.3 billion in 2023–24, an increase of \$216 million from the 2022–23 financial year. The increase in expenditure is mainly due to grant payments for the Resilient Homes Fund and Household Energy initiatives programs commencing in 2023–24.

Total revenue is estimated to be \$1.3 billion in 2023–24, an increase of \$199 million from the 2022–23 financial year. The increase in revenue is mainly due to grant revenue received in relation to payments for the Resilient Homes Fund and Household Energy initiative programs commencing in 2023–24.

Administered income statement

Total revenue and expenses are estimated to be \$641 million in 2023–24, a decrease of \$79 million from the 2022–23 financial year. The decrease is mainly due to lower estimated funding required in 2023–24 for the Energy Queensland Community Service Obligations.

Departmental balance sheet

The department's major assets estimated as at 30 June 2024 are in commercial and residential buildings, right-of-use assets and in land. There is no assumption around the impact of inflation on land and building values.

The department's major liabilities estimated as at 30 June 2024 relate to interest-bearing liabilities.

Interest-bearing liabilities relate to the AASB 16 accounting treatment for the recognition of leases recorded on the balance sheet as right-of-use assets with corresponding interest-bearing liabilities.

Controlled income statement

Department of Energy and Public Works	2022–23 Budget \$'000	2022–23 Est. Actual \$'000	2023–24 Budget \$'000
INCOME			
Appropriation revenue	206,541	316,896	271,400
Taxes	..	..	..
User charges and fees	770,750	748,925	804,253
Royalties and land rents	..	..	..
Grants and other contributions	122,761	38,461	227,873
Interest and distributions from managed funds	2,443	2,443	2,366
Other revenue	1,732	1,732	1,732
Gains on sale/revaluation of assets	..	..	..
Total income	1,104,227	1,108,457	1,307,624
EXPENSES			
Employee expenses	116,270	124,926	129,865
Supplies and services	308,276	339,054	352,492
Grants and subsidies	144,688	113,891	277,954
Depreciation and amortisation	497,314	487,860	516,757
Finance/borrowing costs	29,609	34,766	39,766
Other expenses	6,925	7,108	6,469
Losses on sale/revaluation of assets	..	..	..
Total expenses	1,103,082	1,107,605	1,323,303
OPERATING SURPLUS/(DEFICIT)	1,145	852	(15,679)

Controlled balance sheet

Department of Energy and Public Works	2022–23 Budget \$'000	2022–23 Est. Actual \$'000	2023–24 Budget \$'000
CURRENT ASSETS			
Cash assets	105,830	150,095	114,136
Receivables	21,266	27,860	33,460
Other financial assets	..	..	..
Inventories	250	194	196
Other	6,208	6,324	7,177
Non-financial assets held for sale	1,254	1,341	1,341
Total current assets	134,808	185,814	156,310
NON-CURRENT ASSETS			
Receivables	58,572	58,572	54,853
Other financial assets	..	..	..
Property, plant and equipment	4,809,640	4,939,017	4,768,442
Intangibles	..	..	171,835
Other	..	..	..
Total non-current assets	4,868,212	4,997,589	4,995,130
TOTAL ASSETS	5,003,020	5,183,403	5,151,440
CURRENT LIABILITIES			
Payables	99,126	119,893	45,208
Accrued employee benefits	3,013	3,278	3,070
Interest bearing liabilities and derivatives	402,233	396,230	393,363
Provisions	26,916	26,993	3,013
Other	22,072	20,700	20,724
Total current liabilities	553,360	567,094	465,378
NON-CURRENT LIABILITIES			
Payables	48,141	48,142	48,142
Accrued employee benefits	..	..	..
Interest bearing liabilities and derivatives	1,323,043	1,376,774	1,390,232
Provisions	4,971	5,188	3,190
Other	22,640	23,476	22,233
Total non-current liabilities	1,398,795	1,453,580	1,463,797
TOTAL LIABILITIES	1,952,155	2,020,674	1,929,175
NET ASSETS/(LIABILITIES)	3,050,865	3,162,729	3,222,265
EQUITY			
TOTAL EQUITY	3,050,865	3,162,729	3,222,265

Controlled cash flow statement

Department of Energy and Public Works	2022–23 Budget \$'000	2022–23 Est. Actual \$'000	2023–24 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Inflows:			
Appropriation receipts	205,242	280,124	270,433
User charges and fees	833,777	803,145	863,982
Royalties and land rent receipts	..	..	..
Grants and other contributions	122,761	38,461	227,873
Interest and distribution from managed funds received	566	566	579
Taxes	..	..	..
Other	4,578	39,761	33,921
Outflows:			
Employee costs	(116,233)	(124,687)	(130,030)
Supplies and services	(324,676)	(390,792)	(401,694)
Grants and subsidies	(144,688)	(113,891)	(277,954)
Borrowing costs	(29,609)	(34,766)	(39,766)
Other	(73,793)	(65,169)	(70,039)
Net cash provided by or used in operating activities	477,925	432,752	477,305
CASH FLOWS FROM INVESTING ACTIVITIES			
Inflows:			
Sales of non-financial assets	4,100	7,100	4,100
Investments redeemed	..	..	..
Loans and advances redeemed	1,323	1,323	1,323
Outflows:			
Payments for non-financial assets	(188,416)	(166,486)	(149,711)
Payments for investments	..	..	..
Loans and advances made	..	..	..
Net cash provided by or used in investing activities	(182,993)	(158,063)	(144,288)
CASH FLOWS FROM FINANCING ACTIVITIES			
Inflows:			
Borrowings	..	..	..
Equity injections	608,960	544,526	595,929
Outflows:			
Borrowing redemptions	..	..	..
Finance lease payments	(420,012)	(392,584)	(442,348)
Equity withdrawals	(497,306)	(486,995)	(522,557)
Net cash provided by or used in financing activities	(308,358)	(335,053)	(368,976)
Net increase/(decrease) in cash held	(13,426)	(60,364)	(35,959)
Cash at the beginning of financial year	119,256	210,459	150,095
Cash transfers from restructure	..	..	..
Cash at the end of financial year	105,830	150,095	114,136

Administered income statement

Department of Energy and Public Works	2022–23 Budget \$'000	2022–23 Est. Actual \$'000	2023–24 Budget \$'000
INCOME			
Appropriation revenue	667,960	719,214	640,441
Taxes	..	..	..
User charges and fees	332	332	332
Royalties and land rents	..	..	..
Grants and other contributions	..	..	..
Interest and distributions from managed funds	..	..	..
Other revenue	..	104	..
Gains on sale/revaluation of assets	..	..	..
Total income	668,292	719,650	640,773
EXPENSES			
Employee expenses	..	..	..
Supplies and services	14,452	55,405	42,045
Grants and subsidies	653,508	663,809	598,396
Depreciation and amortisation	..	..	..
Finance/borrowing costs	..	..	..
Other expenses	..	..	..
Losses on sale/revaluation of assets	..	..	..
Transfers of Administered Revenue to Government	332	436	332
Total expenses	668,292	719,650	640,773
OPERATING SURPLUS/(DEFICIT)	..	..	..

Administered balance sheet

Department of Energy and Public Works	2022–23 Budget \$'000	2022–23 Est. Actual \$'000	2023–24 Budget \$'000
CURRENT ASSETS			
Cash assets	31,803	44,731	44,361
Receivables	3,897	5,912	6,282
Other financial assets	..	..	..
Inventories	..	..	..
Other	..	..	..
Non-financial assets held for sale	..	..	..
Total current assets	35,700	50,643	50,643
NON-CURRENT ASSETS			
Receivables	..	..	..
Other financial assets	..	..	..
Property, plant and equipment	..	..	..
Intangibles	..	..	..
Other	..	..	..
Total non-current assets	..	..	..
TOTAL ASSETS	35,700	50,643	50,643
CURRENT LIABILITIES			
Payables	35,264	50,193	50,193
Transfers to Government payable	357	370	370
Accrued employee benefits	..	..	..
Interest bearing liabilities and derivatives	..	..	..
Provisions	..	..	..
Other	..	..	..
Total current liabilities	35,621	50,563	50,563
NON-CURRENT LIABILITIES			
Payables	..	..	..
Accrued employee benefits	..	..	..
Interest bearing liabilities and derivatives	220,099	93,462	93,462
Provisions	..	..	..
Other	..	..	..
Total non-current liabilities	220,099	93,462	93,462
TOTAL LIABILITIES	255,720	144,025	144,025
NET ASSETS/(LIABILITIES)	(220,020)	(93,382)	(93,382)
EQUITY			
TOTAL EQUITY	(220,020)	(93,382)	(93,382)

Administered cash flow statement

Department of Energy and Public Works	2022–23 Budget \$'000	2022–23 Est. Actual \$'000	2023–24 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Inflows:			
Appropriation receipts	667,960	722,598	640,441
User charges and fees	365	(5)	(5)
Royalties and land rent receipts	..	..	..
Grants and other contributions	..	..	..
Interest and distribution from managed funds received	..	..	..
Taxes	..	..	..
Other	53,796	68,095	53,776
Outflows:			
Employee costs	..	..	..
Supplies and services	(68,248)	(123,396)	(95,821)
Grants and subsidies	(663,413)	(660,639)	(598,396)
Borrowing costs	..	..	..
Other	(33)	(33)	(33)
Transfers to Government	(332)	(446)	(332)
Net cash provided by or used in operating activities	(9,905)	6,174	(370)
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	391	298,182	249,946
Outflows:			
Borrowing redemptions	..	..	..
Finance lease payments	..	..	..
Equity withdrawals	(391)	(298,182)	(249,946)
Net cash provided by or used in financing activities	..	..	..
Net increase/(decrease) in cash held	(9,905)	6,174	(370)
Cash at the beginning of financial year	41,708	38,557	44,731
Cash transfers from restructure	..	..	..
Cash at the end of financial year	31,803	44,731	44,361

Reporting Entity Financial Statements

Reporting Entity comprises:

- Department of Energy and Public Works (excluding Administered)
- QBuild
- Q-Fleet

Reporting entity income statement

Department of Energy and Public Works	2022-23 Budget \$'000	2022-23 Est. Actual \$'000	2023-24 Budget \$'000
INCOME			
Appropriation revenue	206,541	316,896	271,400
Taxes	..	..	..
User charges and fees	1,905,496	1,877,553	1,906,345
Royalties and land rents	..	..	..
Grants and other contributions	124,231	41,365	230,380
Interest and distributions from managed funds	2,443	2,443	2,366
Other revenue	13,750	23,737	48,250
Gains on sale/revaluation of assets	..	..	..
Total income	2,252,461	2,261,994	2,458,741
EXPENSES			
Employee expenses	291,237	302,433	348,486
Supplies and services	1,217,209	1,246,759	1,212,971
Grants and subsidies	146,158	115,165	277,954
Depreciation and amortisation	548,704	535,169	572,429
Finance/borrowing costs	33,424	38,919	46,633
Other expenses	8,380	8,346	7,914
Losses on sale/revaluation of assets	..	434	..
Total expenses	2,245,112	2,247,225	2,466,387
Income tax expense/revenue	1,861	4,173	2,410
OPERATING SURPLUS/(DEFICIT)	5,488	10,596	(10,056)

Reporting entity balance sheet

Department of Energy and Public Works	2022–23 Budget \$'000	2022–23 Est. Actual \$'000	2023–24 Budget \$'000
CURRENT ASSETS			
Cash assets	219,067	286,394	259,638
Receivables	132,775	140,582	158,602
Other financial assets	..	..	..
Inventories	7,441	5,093	7,739
Other	67,535	66,371	66,931
Non-financial assets held for sale	1,254	1,341	1,341
Total current assets	428,072	499,781	494,251
NON-CURRENT ASSETS			
Receivables	58,572	58,572	54,853
Other financial assets	..	..	..
Property, plant and equipment	5,101,484	5,199,863	5,029,903
Deferred tax assets	1,296	2,292	2,232
Intangibles	484	420	172,040
Other	..	..	..
Total non-current assets	5,161,836	5,261,147	5,259,028
TOTAL ASSETS	5,589,908	5,760,928	5,753,279
CURRENT LIABILITIES			
Payables	224,197	231,782	165,831
Current tax liabilities	(5,157)	(2,627)	(4,543)
Accrued employee benefits	7,380	8,132	8,541
Interest bearing liabilities and derivatives	402,233	396,230	393,363
Provisions	26,916	27,645	3,013
Other	29,543	31,797	31,821
Total current liabilities	685,112	692,959	598,026
NON-CURRENT LIABILITIES			
Payables	48,141	48,142	48,142
Deferred tax liabilities	18,891	19,000	20,074
Accrued employee benefits	..	..	..
Interest bearing liabilities and derivatives	1,529,555	1,573,286	1,596,744
Provisions	4,971	5,188	3,190
Other	22,640	23,476	22,233
Total non-current liabilities	1,624,198	1,669,092	1,690,383
TOTAL LIABILITIES	2,309,310	2,362,051	2,288,409
NET ASSETS/(LIABILITIES)	3,280,598	3,398,877	3,464,870
EQUITY			
TOTAL EQUITY	3,280,598	3,398,877	3,464,870

Reporting entity cash flow statement

Department of Energy and Public Works	2022–23 Budget \$'000	2022–23 Est. Actual \$'000	2023–24 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Inflows:			
Appropriation receipts	205,242	280,124	270,433
User charges and fees	2,053,714	2,048,319	2,045,585
Royalties and land rent receipts	..	..	..
Grants and other contributions	124,231	41,164	230,380
Interest and distribution from managed funds received	566	566	579
Taxes	..	..	..
Other	50,116	90,219	109,370
Outflows:			
Employee costs	(291,857)	(303,851)	(349,568)
Supplies and services	(1,413,640)	(1,446,099)	(1,408,826)
Grants and subsidies	(146,158)	(115,165)	(277,954)
Borrowing costs	(33,373)	(38,853)	(46,387)
Taxation equivalents paid	(6,759)	(4,715)	(3,192)
Other	(92,607)	(80,442)	(88,345)
Net cash provided by or used in operating activities	449,475	471,267	482,075
CASH FLOWS FROM INVESTING ACTIVITIES			
Inflows:			
Sales of non-financial assets	4,100	7,067	4,100
Investments redeemed	..	..	..
Loans and advances redeemed	1,323	1,323	1,323
Outflows:			
Payments for non-financial assets	(189,671)	(169,777)	(154,054)
Payments for investments	..	..	..
Loans and advances made	..	..	..
Net cash provided by or used in investing activities	(184,248)	(161,387)	(148,631)
CASH FLOWS FROM FINANCING ACTIVITIES			
Inflows:			
Borrowings	10,000	..	10,000
Equity injections	608,960	547,817	599,575
Outflows:			
Borrowing redemptions	..	..	..
Finance lease payments	(420,012)	(392,584)	(442,348)
Equity withdrawals	(497,306)	(486,995)	(522,557)
Dividends paid	(6,818)	(7,240)	(4,870)
Net cash provided by or used in financing activities	(305,176)	(339,002)	(360,200)
Net increase/(decrease) in cash held	(39,949)	(29,122)	(26,756)
Cash at the beginning of financial year	259,016	315,516	286,394
Cash transfers from restructure	..	..	..
Cash at the end of financial year	219,067	286,394	259,638

Commercialised business units

QBuild

Overview

QBuild's vision is to ensure customers benefit from better operating efficiencies, greater value for money and strong business partnerships.

QBuild's purpose is to deliver state-wide planning, building, maintenance and recovery services that support Queensland Government agencies to deliver their core services to Queenslanders.

Contribution to the government's objectives for the community

The QBuild supports the government's objectives for the community¹:

- Good jobs: Good, secure jobs in our traditional and emerging industries
- Better services: Deliver even better services right across Queensland
- Great lifestyle: Protect and enhance our Queensland lifestyle as we grow.

Agency service area

The service area within QBuild aligns with the following agency objective:

Agency's objective	Agency's service area
Building for Queensland's future Be the trusted experts to government and industry for excellence in building and design, industry regulatory reform, and government building and accommodation.	QBuild To support Queensland regional jobs and be the trusted building experts for Queensland government agencies, by providing state-wide planning, building, maintenance and recovery services that utilise local suppliers and QBuild apprentices.

Key deliverables

In 2023–24, QBuild will:

- grow our trade based workforce by up to 150 staff including 30 apprentices and implement ongoing workforce strategies to grow QBuild to 1,000 trade and apprentice positions by 2026, creating new skilled labour for the state's building industry
- progress a high-quality apprenticeship program ensuring a skilled workforce to deliver government construction and maintenance services and effective natural disaster responses
- continue to apply the Queensland Procurement Policy by engaging and utilising local suppliers to support Queensland regional jobs and economies
- ensure a safe work environment for our clients, contractors and the community
- deliver the Modern Methods of Construction (MMC) Program through QBuild's Rapid Accommodation and Apprenticeship Centres, in partnership with the MMC industry, to initially fast track the delivery of much needed housing for essential workers and vulnerable Queenslanders.

¹ To find out more, go to www.qld.gov.au and search "Government's objectives for the community."

Performance statement

QBuild

Objective

To support Queensland regional jobs and be the trusted building experts for Queensland government agencies, by providing state-wide planning, building, maintenance and recovery services that utilise local suppliers and QBuild apprentices.

Description

QBuild is a commercialised business unit, working in and for communities, including regional areas across Queensland, supporting government agencies with building, maintenance, rebuilding and recovery services whilst committing to the highest standards of workplace health and safety. An asset life cycle management approach to service delivery adds value to boost Queensland's growing communities by providing critical, cost-effective and streamlined services to customer agencies.

Leveraging a strong and skilled workforce, QBuild works directly with industry to maximise local supplier participation and create jobs state-wide through the QBuild apprenticeship program. QBuild's geographic presence enables immediate response to communities affected by natural disasters and other major events, working with government agencies to ensure assets become operational quickly and services are returned to Queenslanders.

Service standards	2022–23 Target/Est.	2022–23 Est. Actual	2023–24 Target/Est.
Effectiveness measures			
Overall customer satisfaction ^{1, 2}	..	..	70%
Percentage of outsourced maintenance spend on QBuild's customers' facilities with Local Zone 1 suppliers (based on physical location of contractor's workplace) ¹	80%	82.1%	80%
Percentage of successful QBuild apprentice completions ³	60%	81%	60%
Efficiency measures			
Total current assets over total current liabilities	2.05:1	1.98:1	2.01:1
Gross profit as a percentage of revenue generated from work delivered on behalf of QBuild customers ⁴	8.3%	6.7%	5.1%
Net profit before tax and dividends as a percentage of sales	0%	0%	0%

Notes:

1. The wording of this service standard has changed from the 2022–23 *Service Delivery Statements* to replace the word "client" with "customer" to provide a more accurate representation of QBuild's relationship with agencies. The calculation methodology for the service standard remains unchanged.
2. A 2022–23 Target/Estimate and 2022–23 Estimated Actual is not presented as this is a biennial service standard with the next survey to be undertaken in 2023–24.
3. The favourable variance between the 2022–23 Target/Estimate and the 2022–23 Estimated Actual is due to higher than industry completion rates.
4. The variance between 2022–23 Target/Estimate to 2022–23 Estimated Actual mainly reflects products and services delivered, and the related gross profits achieved, and the impacts of Enterprise Bargaining Agreements funded through other revenue. The decrease between 2022–23 Target/Estimate and 2023–24 Target/Estimate mainly reflects the impacts of Enterprise Bargaining Agreements and support to Rebuild QBuild funded through other revenue.

Budget summary

Staffing

The table below shows the Full Time Equivalents (FTEs) as at the 30 June in the respective years.

Service area	2022–23 Budget	2022–23 Est. Actual	2023–24 Budget
QBuild	1,780	1,780	2,039
Total FTEs^{1,2}	1,780	1,780	2,039

Notes:

1. Corporate FTEs are allocated across the service to which they relate.
2. The variance between 2022–23 Estimated Actual and 2023–24 Budget is due to Rebuild QBuild's next steps for sustainability and growth including engagement of trade staff, apprentices, and support staff for the revitalisation of the QBuild Trade and Apprentice Program.

Capital program

Total capital purchases for QBuild are \$4.3 million in 2023–24. Program highlights include:

- \$2.7 million investment for establishment of a QBuild Rapid Accommodation and Apprenticeship Centre in Cairns
- \$0.9 million for regional infrastructure for depots in Palm Island, Sunshine Coast and Gold Coast.

	2022–23 Budget \$'000	2022–23 Est. Actual \$'000	2023–24 Budget \$'000
Capital purchases	1,255	3,291	4,343
Capital grants	..	..	..
Total capital outlays	1,255	3,291	4,343

Further information about QBuild capital outlays can be found in *Budget Paper No. 3: Capital Statement*.

Financial statements

Income statement

Total income in 2023–24 is \$1.173 billion, a marginal decrease of \$5.2 million from the 2022–23 financial year reflecting minor adjustments in client agencies programs of works and an increase in other revenue for the budgeted impacts of Enterprise Bargaining Agreements and support to Rebuild QBuild.

Total expenses are budgeted to be \$1.172 billion, a decrease of \$5.9 million from the 2022–23 financial year reflecting an increase in employee expenses mainly due to Rebuild QBuild and scheduled Enterprise Bargaining Agreement increases offset by a decrease in supplies and services.

Balance sheet

Net assets are budgeted at \$139.1 million for 2023–24 which is consistent with the 2022–23 year.

Income statement

QBuild	2022–23 Budget \$'000	2022–23 Est. Actual \$'000	2023–24 Budget \$'000
INCOME			
User charges and fees	1,101,949	1,153,206	1,123,849
Grants and other contributions	1,643	3,077	2,680
Interest and distributions from managed funds	..	..	..
Other revenue	14,456	22,094	46,646
Gains on sale/revaluation of assets	..	..	..
Total income	1,118,048	1,178,377	1,173,175
EXPENSES			
Employee expenses	168,834	171,702	211,640
Supplies and services	945,468	1,003,226	958,738
Grants and subsidies	1,470	1,274	..
Depreciation and amortisation	612	447	534
Finance/borrowing costs	..	..	..
Other expenses	1,363	1,141	1,364
Losses on sale/revaluation of assets	..	434	..
Total expenses	1,117,747	1,178,224	1,172,276
Income tax expense/revenue	90	44	270
OPERATING SURPLUS/(DEFICIT)	211	109	629

Balance sheet

QBuild	2022–23 Budget \$'000	2022–23 Est. Actual \$'000	2023–24 Budget \$'000
CURRENT ASSETS			
Cash assets	95,472	89,758	87,673
Receivables	101,608	116,509	115,204
Other financial assets	..	..	..
Inventories	93	95	95
Other	54,739	53,639	53,254
Non-financial assets held for sale	..	..	..
Total current assets	251,912	260,001	256,226
NON-CURRENT ASSETS			
Receivables	..	..	..
Other financial assets	..	..	..
Property, plant and equipment	2,042	3,896	7,920
Deferred tax assets	1,290	2,286	2,226
Intangibles	484	420	205
Other	..	..	..
Total non-current assets	3,816	6,602	10,351
TOTAL ASSETS	255,728	266,603	266,577
CURRENT LIABILITIES			
Payables	114,086	119,146	115,238
Current tax liabilities	90	3	22
Accrued employee benefits	4,241	4,715	5,330
Interest bearing liabilities and derivatives	..	..	..
Provisions	..	652	..
Other	4,269	6,853	6,853
Total current liabilities	122,686	131,369	127,443
NON-CURRENT LIABILITIES			
Payables	..	..	..
Deferred tax liabilities	313	69	9
Accrued employee benefits	..	..	..
Interest bearing liabilities and derivatives	..	..	..
Provisions	..	..	..
Other	..	..	..
Total non-current liabilities	313	69	9
TOTAL LIABILITIES	122,999	131,438	127,452
NET ASSETS/(LIABILITIES)	132,729	135,165	139,125
EQUITY			
TOTAL EQUITY	132,729	135,165	139,125

Cash flow statement

QBuild	2022–23 Budget \$'000	2022–23 Est. Actual \$'000	2023–24 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Inflows:			
User charges and fees	1,171,390	1,240,677	1,200,815
Grants and other contributions	1,643	2,876	2,680
Interest and distribution from managed funds received	..	..	..
Other	32,660	41,559	62,550
Outflows:			
Employee costs	(169,461)	(173,352)	(212,559)
Supplies and services	(1,034,622)	(1,084,302)	(1,052,722)
Grants and subsidies	(1,470)	(1,274)	..
Borrowing costs	..	..	..
Taxation equivalents paid	(916)	410	(251)
Other	(3,083)	(1,350)	(1,849)
Net cash provided by or used in operating activities	(3,859)	25,244	(1,336)
CASH FLOWS FROM INVESTING ACTIVITIES			
Inflows:			
Sales of non-financial assets	..	(33)	..
Investments redeemed	..	..	..
Loans and advances redeemed	..	..	..
Outflows:			
Payments for non-financial assets	(1,255)	(3,291)	(4,343)
Payments for investments	..	..	..
Loans and advances made	..	..	..
Net cash provided by or used in investing activities	(1,255)	(3,324)	(4,343)
CASH FLOWS FROM FINANCING ACTIVITIES			
Inflows:			
Borrowings	..	..	..
Equity injections	..	3,291	3,646
Outflows:			
Borrowing redemptions	..	..	..
Finance lease payments	..	..	..
Equity withdrawals	..	..	..
Dividends paid	(1,069)	(263)	(52)
Net cash provided by or used in financing activities	(1,069)	3,028	3,594
Net increase/(decrease) in cash held	(6,183)	24,948	(2,085)
Cash at the beginning of financial year	101,655	64,810	89,758
Cash transfers from restructure	..	..	..
Cash at the end of financial year	95,472	89,758	87,673

QFleet

Overview

QFleet's vision is to provide whole-of-government mobility solutions and services that are fit-for-purpose, safe and environmentally responsible.

QFleet's purpose is to provide efficient, value for money mobility solutions enabling the delivery of frontline services to the community and to support agencies in achieving reduced vehicle emissions. We achieve this by supporting customers in selecting fit-for-purpose mobility options, providing them with information and advice on how to get the most out of their fleet through the introduction of innovative technology such as low emission vehicles.

Contribution to the government's objectives for the community

The QFleet supports the government's objectives for the community¹:

- Good jobs: Good, secure jobs in our traditional and emerging industries
- Better services: Deliver even better services right across Queensland
- Great lifestyle: Protect and enhance our Queensland lifestyle as we grow.

Agency service area

The service area within the agency align with the following agency objective:

Agency's objective	Agency's service area
Nation-leading procurement Prioritise Queensland businesses and jobs through leading-edge procurement practices that consider environmental, social and governance factors.	QFleet To provide a central pool of expertise in fleet management and fleet management services, to enable government and government-funded organisations to safely deliver frontline services to the community.

Key deliverables

In 2023–24, QFleet will:

- continue to support government agencies to achieve 30 per cent reduction in emissions by 2030 and zero net emissions by 2050 through fleet efficiencies and the offering of low emission vehicle options
- continue to deliver against the *QFleet Transition Strategy 2023–2026* and *Queensland's Zero Emission Vehicle Strategy 2022–2032* to transition 100 per cent of its eligible fleet passenger vehicles to zero emission vehicles by 2026, increasing the percentage of zero emission vehicles in fleet each year.

¹ To find out more, go to www.qld.gov.au and search "Government's objectives for the community."

Performance statement

QFleet

Objective

To provide a central pool of expertise in fleet management and fleet management services, to enable government and government-funded organisations to safely deliver frontline services to the community.

Description

QFleet is a commercialised business unit and is responsible for whole-of-government fleet management and advisory services. These services include vehicle procurement and contract management, fleet advisory services to public sector departments, as well as government-funded organisations, in-service maintenance, accident management, end-of-life repairs and vehicle remarketing.

Service standards	2022–23 Target/Est.	2022–23 Est. Actual	2023–24 Target/Est.
Effectiveness measures			
Percentage of QFleet vehicles with a 5-star ANCAP safety rating	90%	93%	90%
Fleet vehicle utilisation compared to agreed leased parameters ¹	90%	80%	90%
Efficiency measures			
Total current assets over total current liabilities ²	4.01:1	7.4:1	12:1
Financial return as a percentage of total net assets ³	3.3%	6.4%	5.1%
Total net debt as a percentage of total capital ⁴	66.1%	59.8%	59.1%

Notes:

1. The variance between the 2022–23 Target/Estimate and the 2022–23 Estimated Actual is mainly due to how agencies have adapted to flexible working requirements and the reduced demands on motor vehicle use.
2. The variance between the 2022–23 Target/Estimate and the 2022–23 Estimated Actual is mainly due to an increased cash balance. The change between the 2022–23 Target/Estimate and the 2023–24 Target/Estimate is due to an anticipated increase in the cash balance.
3. The variance between the 2022–23 Target/Estimate and the 2022–23 Estimated Actual is mainly due to a higher operating surplus achieved than budgeted. The change between the 2022–23 Target/Estimate and the 2023–24 Target/Estimate is mainly due to a higher operating surplus anticipated in 2023–24.
4. The variance between the 2022–23 Target/Estimate and the 2022–23 Estimated Actual is mainly due to a higher operating surplus after tax and dividend resulting in higher equity and lower net debt due to an increased cash balance.

Budget summary

Staffing

The table below shows the Full Time Equivalents (FTEs) as at the 30 June in the respective years.

Service area	2022–23 Budget	2022–23 Est. Actual	2023–24 Budget
QFleet	47	47	47
Total FTEs¹	47	47	47

Notes:

- 1. Corporate FTEs are allocated across the service to which they relate.

Financial statements

Income statement

Total income in 2023–24 is \$164.6 million, an increase of \$25.2 million from the 2022–23 financial year. The increase is mainly due to higher proceeds on sale of vehicles due to an increase in the number of vehicles budgeted for sale in 2023–24 and an increase in lease revenue due to an increase in the average monthly lease rate.

Total expenses are budgeted to be \$157.4 million, an increase of \$31.8 million. This increase is mainly due to a higher written down value for vehicles sold as a result of an increase in the number of vehicles budgeted for sale in 2023–24 and an increase in depreciation.

Balance sheet

Net assets are budgeted at \$103.5 million for 2023–24 which is consistent with the 2022–23 year.

Income statement

QFleet	2022–23 Budget \$'000	2022–23 Est. Actual \$'000	2023–24 Budget \$'000
INCOME			
User charges and fees	158,994	138,882	164,135
Grants and other contributions	..	..	..
Interest and distributions from managed funds	..	..	..
Other revenue	397	463	424
Gains on sale/revaluation of assets	..	..	..
Total income	159,391	139,345	164,559
EXPENSES			
Employee expenses	6,133	5,805	6,981
Supplies and services	92,670	68,664	88,358
Grants and subsidies	..	..	..
Depreciation and amortisation	50,778	46,862	55,138
Finance/borrowing costs	3,815	4,153	6,867
Other expenses	92	97	81
Losses on sale/revaluation of assets	..	..	..
Total expenses	153,488	125,581	157,425
Income tax expense/revenue	1,771	4,129	2,140
OPERATING SURPLUS/(DEFICIT)	4,132	9,635	4,994

Balance sheet

QFleet	2022–23 Budget \$'000	2022–23 Est. Actual \$'000	2023–24 Budget \$'000
CURRENT ASSETS			
Cash assets	17,765	46,541	57,829
Receivables	11,554	11,025	11,719
Other financial assets	..	..	..
Inventories	7,098	4,804	7,448
Other	6,588	6,408	6,500
Non-financial assets held for sale	..	..	..
Total current assets	43,005	68,778	83,496
NON-CURRENT ASSETS			
Receivables	..	..	..
Other financial assets	..	..	..
Property, plant and equipment	289,802	256,950	253,541
Deferred tax assets	6	6	6
Intangibles	..	..	..
Other	..	..	..
Total non-current assets	289,808	256,956	253,547
TOTAL ASSETS	332,813	325,734	337,043
CURRENT LIABILITIES			
Payables	12,638	7,555	7,166
Current tax liabilities	(5,247)	(2,630)	(4,565)
Accrued employee benefits	126	139	141
Interest bearing liabilities and derivatives	..	..	..
Provisions	..	..	..
Other	3,202	4,244	4,244
Total current liabilities	10,719	9,308	6,986
NON-CURRENT LIABILITIES			
Payables	..	..	..
Deferred tax liabilities	18,578	18,931	20,065
Accrued employee benefits	..	..	..
Interest bearing liabilities and derivatives	206,512	196,512	206,512
Provisions	..	..	..
Other	..	..	..
Total non-current liabilities	225,090	215,443	226,577
TOTAL LIABILITIES	235,809	224,751	233,563
NET ASSETS/(LIABILITIES)	97,004	100,983	103,480
EQUITY			
TOTAL EQUITY	97,004	100,983	103,480

Cash flow statement

QFleet	2022–23 Budget \$'000	2022–23 Est. Actual \$'000	2023–24 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Inflows:			
User charges and fees	174,809	153,385	179,394
Grants and other contributions	..	..	..
Interest and distribution from managed funds received	..	..	..
Other	15,713	9,211	13,768
Outflows:			
Employee costs	(6,163)	(5,812)	(6,979)
Supplies and services	(183,612)	(120,378)	(154,058)
Grants and subsidies	..	..	..
Borrowing costs	(3,764)	(4,087)	(6,621)
Taxation equivalents paid	(5,843)	(5,125)	(2,941)
Other	(15,731)	(13,923)	(16,457)
Net cash provided by or used in operating activities	(24,591)	13,271	6,106
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	10,000	..	10,000
Equity injections	..	..	..
Outflows:			
Borrowing redemptions	..	..	..
Finance lease payments	..	..	..
Equity withdrawals	..	..	..
Dividends paid	(5,749)	(6,977)	(4,818)
Net cash provided by or used in financing activities	4,251	(6,977)	5,182
Net increase/(decrease) in cash held	(20,340)	6,294	11,288
Cash at the beginning of financial year	38,105	40,247	46,541
Cash transfers from restructure	..	..	..
Cash at the end of financial year	17,765	46,541	57,829

Statutory body

Queensland Building and Construction Commission

Overview

The Queensland Building and Construction Commission's (QBCC) vision is to see a thriving and resilient building and construction industry inspiring confidence, and supporting social, environmental and economic outcomes for Queenslanders. The QBCC's purpose is to deliver excellence in regulatory services to reduce risk and offer protection from harm.

Contribution to the government's objectives for the community

The agency supports the government's objectives for the community¹:

- Good jobs: Good, secure jobs in our traditional and emerging industries
- Better services: Deliver even better services right across Queensland
- Great lifestyle: Protect and enhance our Queensland lifestyle as we grow.

Agency service areas

The service areas within the QBCC aligns with the following agency objectives:

Agency's objectives	Agency's service areas
Support a strong, safe and sustainable industry through responsive regulatory activity to reduce risk and harm. Improve the customer experience through the provision of information, advice and decisions that are practical, clearly communicated, transparent and timely. Be a sustainable and digitally enabled organisation.	QBCC To deliver excellence in regulatory services in the building and construction industry to reduce risk and offer protection from harm, by striving for the highest standards of efficiency, effectiveness, transparency, and integrity in our regulatory and customer services.

Key deliverables

In 2023–24, QBCC will be focused on delivering better services and outcomes to licensees and the community by:

- increasing frontline staff to deliver improvements across critical service areas like dispute resolution, building inspections, licensing, home warranty claims management and maintaining security of payment for subcontractors
- implementing the Regulatory Assurance Framework to provide quality assurance that will result in greater clarity and consistency in decision-making
- setting up the QBCC Regulatory Academy to improve quality of decisions through training staff to ensure they act consistently, transparently, fairly and impartially, and to provide information and education opportunities to our customers
- investing in customer research and data analysis initiatives that will derive better insights and drive QBCC's priorities and deliverables and improvements in the customer experience.

QBCC will also progress a range of structural changes to deliver better outcomes for our customers, support our people, and help to improve our efficiency and effectiveness as a regulator. Specific changes include:

- implementing a revised organisational structure, realigning functions to better serve our customers

¹ To find out more, go to www.qld.gov.au and search "Government's objectives for the community."

- progressing the establishment of an independent, quarantined dispute resolution service within the QBCC, by commencing a pilot in late 2023
- continuing to deliver against the digital services strategy and roadmap to ensure the QBCC's information systems are contemporary and integrated; making it easier for customers and stakeholders to interact with the QBCC.

These activities will improve QBCC's performance and contribute to delivery of Governance Review recommendations.

Performance statement

Queensland Building and Construction Commission

Objective

To deliver excellence in regulatory services in the building and construction industry to reduce risk and offer protection from harm, by striving for the highest standards of efficiency, effectiveness, transparency, and integrity in our regulatory and customer services.

Description

The Queensland Building and Construction Commission (QBCC) envisions a thriving and resilient industry, inspiring confidence, and supporting sustainable social, environmental, and economic outcomes for Queenslanders. The QBCC provides regulatory services to the building and construction industry and its users. Our regulatory services aim to reduce physical and financial risk and offer our customers (licensees and consumers) protection from associated harms. We do this through the responsive and timely provision of advice, information and engagement activities and by making fair, consistent, timely, and transparent decisions in line with the legislation we administer.

The Service Trades Council (established under the *Plumbing and Drainage Act 2008*) forms part of the QBCC and supports the QBCC in regulating Queensland's plumbing and drainage trades.

Service standards	2022–23 Target/Est.	2022–23 Est. Actual	2023–24 Target/Est.
Effectiveness measures			
Perception of fairness in decision-making: percentage of survey respondents agree the final decision was fair	65%	63%	65%
Percentage of QBCC decisions set aside (within the financial year period) by the Queensland Civil and Administrative Tribunal ¹	7%	5%	7%
Percentage of licensees in category 4–7 who improved their financial position to meet minimum financial requirements to operate sustainably as a result of QBCC regulatory action	New measure	New measure	80%
Efficiency measures			
Cost to assess and finalise a new licence application made under the <i>Queensland Building and Construction Act 1991</i> , the <i>Building Act 1975</i> , and the <i>Plumbing and Drainage Act 2018</i>	New measure	New measure	\$1,500
Cost of recovering \$1.00 of funds owed to creditors ²	\$0.70	\$0.46	\$0.55
Other measures			
Percentage of early dispute resolution cases finalised within 28 days	80%	83%	80%
Average number of days to process licence applications ³	30 days	24 days	30 days
Percentage of owner builder permits approved within 15 working days ⁴	90%	83%	90%
Percentage of adjudication applications referred to an adjudicator within 4 business days	100%	100%	100%
Percentage of insurance claims for defective work assessed and response provided within 35 business days ⁵	50%	23%	50%
Average processing time for an early dispute resolution case ⁶	28 working days	18 working days	28 working days

Service standards	2022–23 Target/Est.	2022–23 Est. Actual	2023–24 Target/Est.
Average approval time for defects claims less than \$20,000 ⁵	35 working days	55 working days	35 working days
Percentage of internal review applicants contacted within 2 business days	95%	93%	95%

Notes:

1. The positive variance between 2022–23 Target/Estimate and 2022–23 Estimated Actual indicates the Queensland Civil and Administrative Tribunal has determined that a smaller proportion of QBCC's decisions brought before it should be set aside. The QBCC has no influence on the Tribunal.
2. The positive variance between the 2022–23 Target/Estimate and the 2022–23 Estimated Actual is due to a higher than expected amount of monies returned to industry participants due to increased building costs and inflation, which positively impacts the result. The variance between the 2022–23 and 2023–24 Target/Estimates reflects expected industry conditions.
3. The positive variance between the 2022–23 Target/Estimate and the 2022–23 Estimated Actual is due to the target including the potential impacts of staffing levels, new licensing classes and an expected influx of applications; all of which had a smaller impact than expected.
4. The variance between the 2022–23 Target/Estimate and 2022–23 Estimated Actual is due to a significant increase in the number of owner builder applications received by the QBCC, and the need to train new staff. It is expected that productivity will increase in the future.
5. The variance between the 2022–23 Target/Estimate and the 2022–23 Estimated Actual is the result of the increasing numbers of non-completion claims, defective work claims, defective work complaints, and early dispute resolution cases received due to market conditions. The QBCC is forecast to see an increase of 32 per cent in total cases, including a 579 per cent increase for non-completion claims, since 2020-21. QBCC is responding by investing in additional human resource in 2022-23 to address the increased workload.
6. The positive variance between the 2022–23 Target/Estimate and 2022–23 Estimated Actual is due to a larger proportion of cases not requiring complex investigations to be carried out.

Budgeted summary

Staffing

The table below shows the Full Time Equivalents (FTEs) as at the 30 June in the respective years.

Service area	2022–23 Budget	2022–23 Est. Actual	2023–24 Budget
QBCC	621	640	741
Total FTEs	621	640¹	741²

Notes:

1. The increase in 2022–23 Estimated Actuals compared to the 2022–23 Budget is due to the high activity in the building and construction industry driving the need for increased operational resources, and delivering recommendations in the Governance Review.
2. The increase in 2023–24 is to improve QBCC's ability to provide more effective and efficient service delivery and target areas of highest challenge relating to industry conditions including building inspection wait times and Queensland Home Warranty Scheme claims. 64 per cent of the budgeted staff will be in front-line and technical positions.

Capital program

Total capital purchases are \$1.4 million in 2023–24, including \$1.3 million is for replacement of motor vehicles and \$100,000 for replacement of a lift in a leased premises.

	2022–23 Budget \$'000	2022–23 Est. Actual \$'000	2023–24 Budget \$'000
Capital purchases	853	2,633	1,394
Capital grants	..	..	..
Total capital outlays	853	2,633	1,394

Further information about the Queensland Building and Construction Commission's capital outlays can be found in *Budget Paper No. 3: Capital Statement*.

Financial statements

Income statement

The budgeted income for 2023–24 is \$291.3 million, a decrease of \$38 million from the Estimated Actuals for 2022–23 financial year. Income is lower due to an expected decrease in premium income in 2023–24 resulting from a forecast of lower numbers of new builds. The expenses for 2023–24 are \$348.1 million, an increase of \$47.2 million from the Estimated Actuals for 2022–23 financial year. The increase is due to the QBCC's commitment to service delivery against a backdrop of sustained challenges in the industry, with a view to supporting, as far as possible, the sustainability of the sector, and reducing the effects of harm.

Balance sheet

The net assets position is estimated to be \$130.2 million decreasing from an estimated position of \$187 million in 2022–23. The decrease is expected to be in cash assets due to the deficit predicted for 2023–24.

Income statement

Queensland Building and Construction Commission	2022–23 Budget \$'000	2022–23 Est. Actual \$'000	2023–24 Budget \$'000
INCOME			
Taxes	..	..	..
User charges and fees	168,175	199,456	190,332
Grants and other contributions	..	..	..
Interest and distributions from managed funds	3,293	15,008	10,758
Other revenue	78,946	114,405	89,880
Gains on sale/revaluation of assets	6,013	418	346
Total income	256,427	329,287	291,316
EXPENSES			
Employee expenses	85,269	80,232	111,475
Supplies and services	44,893	49,003	55,788
Grants and subsidies	..	..	..
Depreciation and amortisation	4,895	4,621	4,805
Finance/borrowing costs	262	203	142
Other expenses	113,852	130,026	120,619
Losses on sale/revaluation of assets	43,267	36,831	55,298
Total expenses	292,438	300,916	348,127
OPERATING SURPLUS/(DEFICIT)	(36,011)	28,371	(56,811)

Balance sheet

Queensland Building and Construction Commission	2022–23 Budget \$'000	2022–23 Est. Actual \$'000	2023–24 Budget \$'000
CURRENT ASSETS			
Cash assets	(18,354)	8,848	(43,519)
Receivables	38,264	61,512	62,188
Other financial assets	406,954	467,026	462,777
Inventories	..	..	..
Other	23,033	20,396	18,864
Non-financial assets held for sale	..	..	..
Total current assets	449,897	557,782	500,310
NON-CURRENT ASSETS			
Receivables	126,564	103,885	112,369
Other financial assets	..	..	..
Property, plant and equipment	14,953	13,045	9,463
Intangibles	468	343	129
Other	..	..	..
Total non-current assets	141,985	117,273	121,961
TOTAL ASSETS	591,882	675,055	622,271
CURRENT LIABILITIES			
Payables	38,220	49,220	50,743
Accrued employee benefits	11,346	11,736	14,133
Interest bearing liabilities and derivatives	3,520	4,012	4,103
Provisions	54,936	96,072	95,905
Other	41,414	49,113	43,865
Total current liabilities	149,436	210,153	208,749
NON-CURRENT LIABILITIES			
Payables	..	..	..
Accrued employee benefits	10,884	11,296	12,226
Interest bearing liabilities and derivatives	10,808	6,411	2,308
Provisions	312,576	260,205	268,809
Other	..	..	..
Total non-current liabilities	334,268	277,912	283,343
TOTAL LIABILITIES	483,704	488,065	492,092
NET ASSETS/(LIABILITIES)	108,178	186,990	130,179
EQUITY			
TOTAL EQUITY	108,178	186,990	130,179

Cash flow statement

Queensland Building and Construction Commission	2022–23 Budget \$'000	2022–23 Est. Actual \$'000	2023–24 Budget \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Inflows:			
User charges and fees	128,464	162,339	129,110
Grants and other contributions	..	..	..
Interest and distribution from managed funds received	3,293	1,685	1,184
Taxes	..	..	..
Other	76,434	114,405	81,396
Outflows:			
Employee costs	(82,127)	(77,134)	(108,148)
Supplies and services	(43,893)	(44,214)	(56,155)
Grants and subsidies	..	..	..
Borrowing costs	(262)	(203)	(142)
Other	(106,817)	(112,727)	(108,760)
Net cash provided by or used in operating activities	(24,908)	44,151	(61,515)
CASH FLOWS FROM INVESTING ACTIVITIES			
Inflows:			
Sales of non-financial assets	411	983	720
Investments redeemed	..	15	14,651
Loans and advances redeemed	..	..	..
Outflows:			
Payments for non-financial assets	(853)	(2,633)	(1,394)
Payments for investments	(5,914)	(54,956)	(817)
Loans and advances made	..	..	..
Net cash provided by or used in investing activities	(6,356)	(56,591)	13,160
CASH FLOWS FROM FINANCING ACTIVITIES			
Inflows:			
Borrowings	..	..	..
Equity injections	391	391	..
Outflows:			
Borrowing redemptions	..	..	..
Finance lease payments	(3,494)	(3,913)	(4,012)
Equity withdrawals	..	..	..
Net cash provided by or used in financing activities	(3,103)	(3,522)	(4,012)
Net increase/(decrease) in cash held	(34,367)	(15,962)	(52,367)
Cash at the beginning of financial year	16,013	24,810	8,848
Cash transfers from restructure	..	..	..
Cash at the end of financial year	(18,354)	8,848	(43,519)

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 departments 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.

