

## Financial summary 2018–19

Machinery-of-government changes in 2017–18 are the primary reason for material decrease in department revenue and expenditure in 2018–19. The machinery-of-government changes saw the Queensland Government Chief Information Office (QGCIIO), One-Stop Shop Strategy and Implementation Office (OSSSIO), Digital Economy and Productivity (DE&P), Arts Queensland and the Corporate Administration Agency, transfer out of the department.

Differences between budget and actual in 2018–19 are as a result of changes to the department’s funding position subsequent to the 2018–19 budget and resulted in an increase in the overall fiscal position as follows:

- additional appropriation funding provided through the Mid-Year Economic and Fiscal Review (MYFER) for Screen Queensland for grants under the Production Attraction Strategy to assist the development and growth of film production in Queensland
- additional appropriation funding provided post-budget to support the establishment of the Criminal Justice System Reform Framework Program Management Office and the establishment of the Safer Communities Grants program
- external grant funding secured from the Anzac Centenary Public Fund administered by the Department of Veteran Affairs to complete Anzac Centenary legacy projects.

# Machinery-of-government changes are outlined in Note G3 in the Financial Statements.

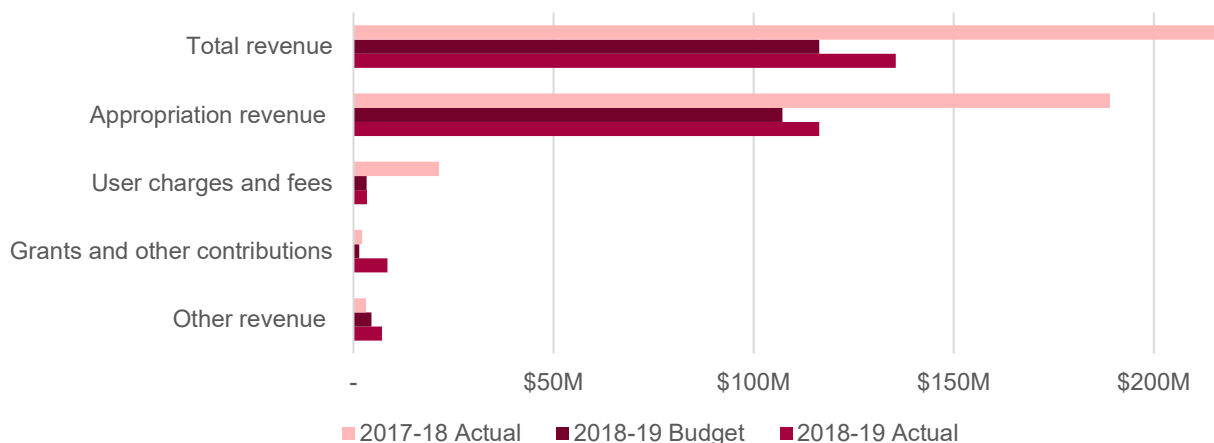
### Department revenue

Total department revenue for 2018–19 was \$135.49 million, a decrease of \$80.29 million (37 per cent) from the prior year, primarily because of machinery-of-government changes in 2017–18.

The department’s main source of revenue is appropriation funding from the Consolidated Fund and comprises 86 per cent of the department’s revenue. Additional appropriation funding was provided for Screen Queensland and criminal justice initiatives, and the Safer Communities Grants program.

The department derives some additional revenue for the provision of corporate support services to portfolio agencies such as the Public Service Commission and Office of the Governor. Sponsorship revenue is also derived from events managed by the department. Additional grants and other contributions have also been sourced from the Australian Government to support the completion of Anzac Centenary legacy projects.

Figure 1: Departmental revenue



## Department expenditure

Total expenditure for the year ending 30 June 2019 was \$135.49 million, a decrease of \$80.29 million (37 per cent) on the prior year. The primary driver of this decrease is the transfer of AQ expenditure out of the department for the year 2018-19, including property and facility management of the Southbank Cultural Precinct properties, supplies and services, depreciation and amortisation and to a lesser extent employee expenditure. Grants expenditure also decreased due to the transfer of AQ, and this was offset by additional funding provided to Screen Queensland (SQ) to support Production Attraction Strategy (PAS) initiatives to support film production in Queensland and the completion of Anzac Centenary legacy projects funded through the Anzac Centenary Public Fund. These comments are supported in Figure 3 below.

Figure 2: Departmental expenditure

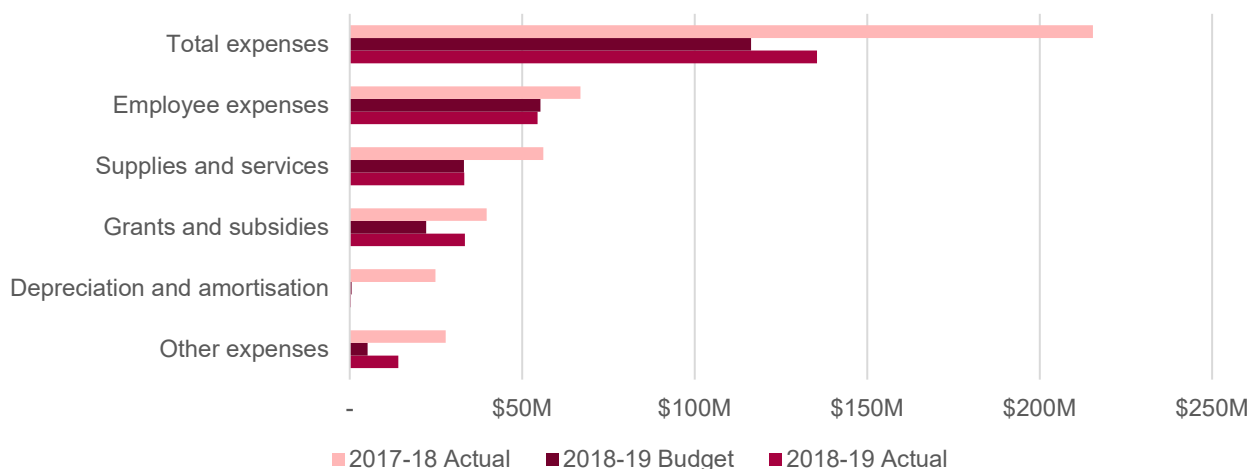
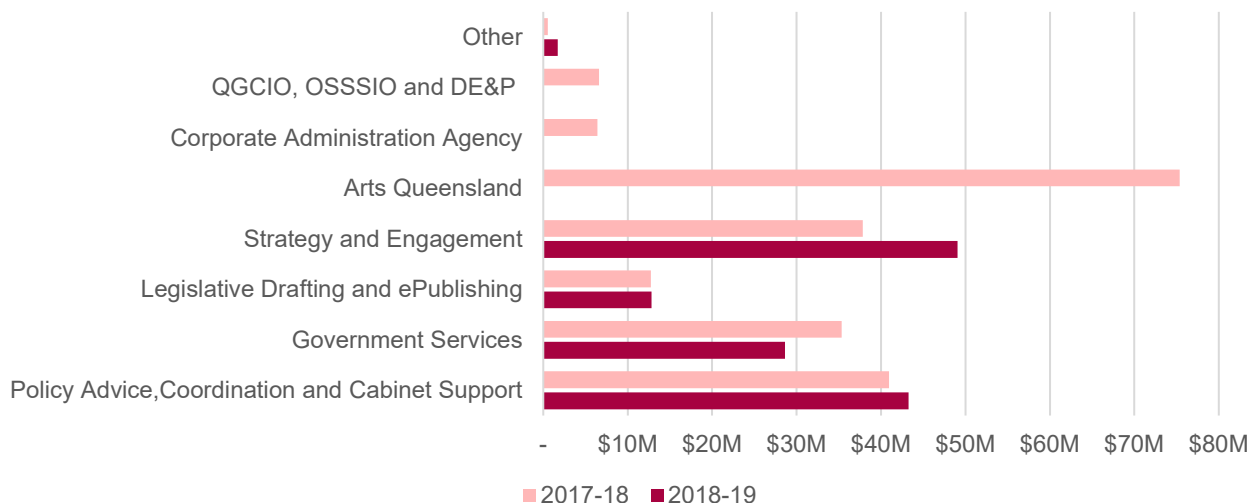


Figure 3: Departmental service expenditure



## Summary of financial position

The department's total asset position was \$48.23 million at 30 June 2019, representing a significant decrease from the prior year of \$26.29 million.

The department's current asset position recorded a significant decrease of \$29.0 million to \$33.87 million, reflecting a decrease in cash and receivable assets. The decrease in cash assets is predominately due to the reduced end of financial year appropriation payable for the deferral of funding to 2019-20.

The department has loan receivable assets for loans provided to Screen Queensland through the Revolving Film Finance Fund (RFFF) to support film production across the state. The RFFF is a line of credit facility that enables the ongoing funding of new film productions following the repayment of completed production loans. The following movements occurred during the 2018–19 financial year:

- current loan receivables decreased by \$4.87 million primarily representing loans repaid during the financial year
- non-current loan receivables increased by \$1.30 million representing new loan commitments.

## Administered funding

For the year ended 30 June 2019, the department's administered funding was \$113.8 million, a decrease of \$27.4 million (19 per cent) from the prior year.

The decrease in administered payments from the prior year is primarily attributable to the prior year effect of the machinery-of-government changes with the transfer out of AQ and the Queensland Family and Child Commission in December 2017. The current financial year represented a full financial year of Trade and Investment Queensland (TIQ) following the transfer in of TIQ in 2017–18. Funding for Ministerial Offices and the Office of the Leader of the Opposition decreased primarily due to reduced employee expenditure as result of temporary short-term vacancies and has been deferred to 2019–20, which will see a return to a full staffing establishment.

## Chief Finance Officer Assurance

In accordance with the requirements of the *Financial Accountability Act 2009*, the Chief Finance Officer has provided the Director-General with a statement confirming the financial internal controls of the department are operating efficiently, effectively and economically in conformance with section 57 of the *Financial and Performance Management Standard 2019*.

The statement indicated no deficiencies or breakdowns in internal controls that would impact adversely on the department's financial governance or financial statements for 2018–19.

Figure 4: Administered funding

