

## Financial performance

### Chief Finance Officer Statement

In overseeing the financial activities of the Department of State Development, I assert that I have fulfilled the responsibilities of the Chief Finance Officer listed in section 77 of the *Financial Accountability Act 2009* including:

- financial resource management, including the establishment, maintenance and review of financial internal controls
- budget management
- preparation of financial information, including annual financial statements to facilitate the discharge of the department's statutory reporting obligations
- provision of advice on the effectiveness of accounting and financial management information systems and financial controls in meeting the department's requirements
- provision of advice concerning the financial implications of, and financial risks to, the department's current and projected services
- development of strategic options for the department's future financial management and capability.

I have provided a statement to the accountable officer confirming that the financial internal controls of the department are operating efficiently, effectively and economically as required by section 77 of the *Financial Accountability Act 2009*.

Michael McKee  
Chief Finance Officer

### Summary of financial performance

This section provides an overview of the financial statements of the department for the 2015–16 financial year, which are provided in detail at the 'financial statements' section of this report.

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#### Understanding the financial statements

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The following comparison of the 2015–16 results with the 2014–15 results was considered and accepted by the department's Audit and Risk Management Committee at the August 2016 meeting.

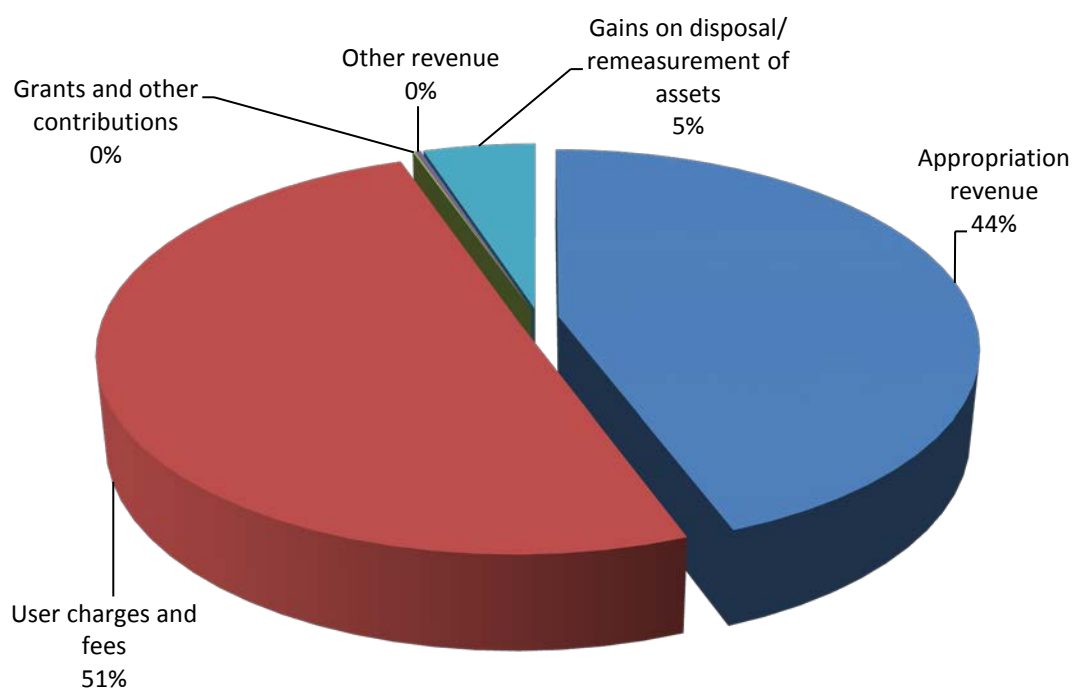
Eight months of the comparative 2015 year, in the Statement of Comprehensive Income contain transactions relating to Economic Development Queensland (EDQ), Planning and Infrastructure functions that were transferred out of the department as part of the 1 March 2015 machinery-of-government changes.

## Analysis—operating result

	2016 \$'000	2015 \$'000	Variance \$'000
Total income	341,174	465,121	(123,947)
Total expenses	(327,965)	(365,476)	37,511
<b>Operating result before tax</b>	<b>13,210</b>	<b>99,644</b>	<b>(86,434)</b>
Income tax equivalent benefit/ (expense)	–	(35,127)	35,127
<b>Operating result after tax</b>	<b>13,210</b>	<b>64,517</b>	<b>(51,307)</b>
<b>Other comprehensive income</b>			
Asset revaluation surplus	(5,901)	7,838	(13,739)
<b>Total comprehensive income</b>	<b>7,309</b>	<b>72,355</b>	<b>(65,046)</b>

## Income

**Figure 1** Income by category for the year ended 30 June 2016



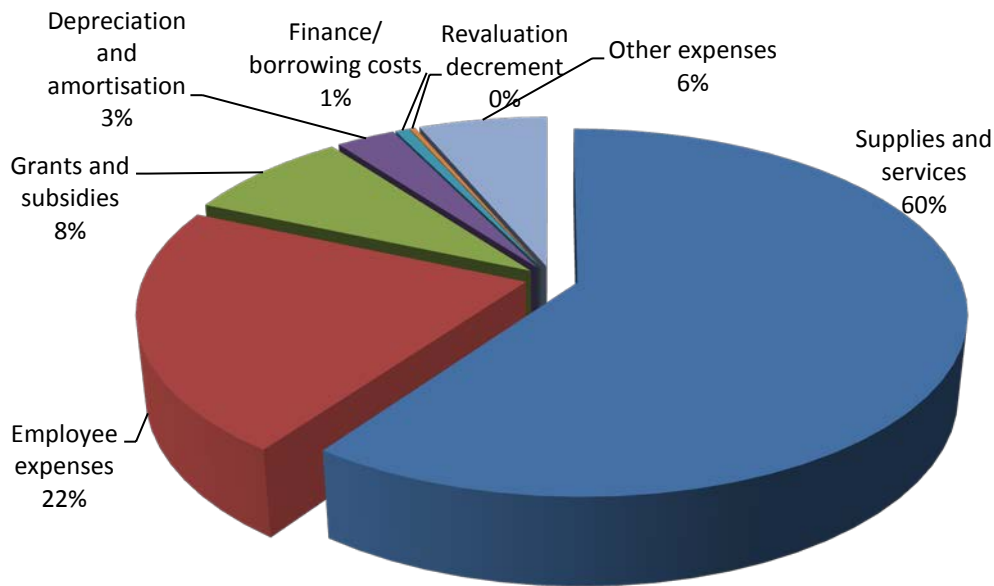
Total income for the year ended 30 June 2016 is \$341.17 million, representing increased user charges revenue for the Commonwealth Games venue and village construction projects. The 2016 total is a decrease of \$123.95 million from 2014–15, due mainly to the transfer of functions as a result of the machinery-of-government

changes. With the transfer of EDQ, the department no longer records land sales, gain on disposal and re-measurement of investment assets.

The department's significant income categories are appropriation revenue and user charges and fees.

## Expenses

**Figure 2 Expenses by category for the year ended 30 June 2016**



Total expenses for the year ended 30 June 2016 are \$327.97 million, representing an increase in supplies and services expenses for the Commonwealth Games venue and village construction projects. The 2016 total is a decrease of \$37.51 million from 2014–15, due mainly to the transfer of functions as a result of the machinery-of-government changes with the transfer of EDQ, the department no longer records cost of land sales and taxes, and has decreased employee expenses.

The department's significant expenses categories are supplies and services and employee expenses.

### Total comprehensive income

For 2015–16, the total comprehensive income result is a surplus of \$7.31 million. This total includes a decrease in the asset revaluation surplus of \$5.90 million for infrastructure and major plant and equipment.

## Statement of financial position—Assets and Liabilities

	2015–16	2014–15	Variance
	\$'000	\$'000	\$'000
Total Current Assets	80,239	54,838	25,401
Total Non-Current Assets	348,872	372,425	(23,553)
<b>Total Assets</b>	<b>429,111</b>	<b>427,263</b>	<b>1,848</b>
Total Current Liabilities	105,285	75,121	30,164
Total Non-Current Liabilities	69,312	80,868	(11,556)
<b>Total Liabilities</b>	<b>174,596</b>	<b>155,989</b>	<b>18,607</b>
<b>Total Equity</b>	<b>254,514</b>	<b>271,274</b>	<b>(16,760)</b>

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Total assets as at 30 June 2016 are \$429.11 million. Cash and cash equivalents increased by \$33.84 million, due mainly to unspent appropriation revenue and advanced funding received for the Commonwealth Games village and venue projects. This was off-set by a decrease in property, plant and equipment of \$23.04 million due to the on-going sales of Mary Valley properties and the sale of Coomera land assets.

Total liabilities as at 30 June 2016 are \$174.60 million, representing an increase of \$18.61 million from 2014–15 due to increase in creditors payable for the construction costs for the Commonwealth Games village and venue projects and appropriation payable to Treasury.