



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*.

Alison Mohr
Chief Finance Officer

Summary of financial performance

This section provides an overview of the financial statements of the department for the 2016–17 financial year, which are provided in detail at the 'financial statements' section of this report.

Understanding the financial statements

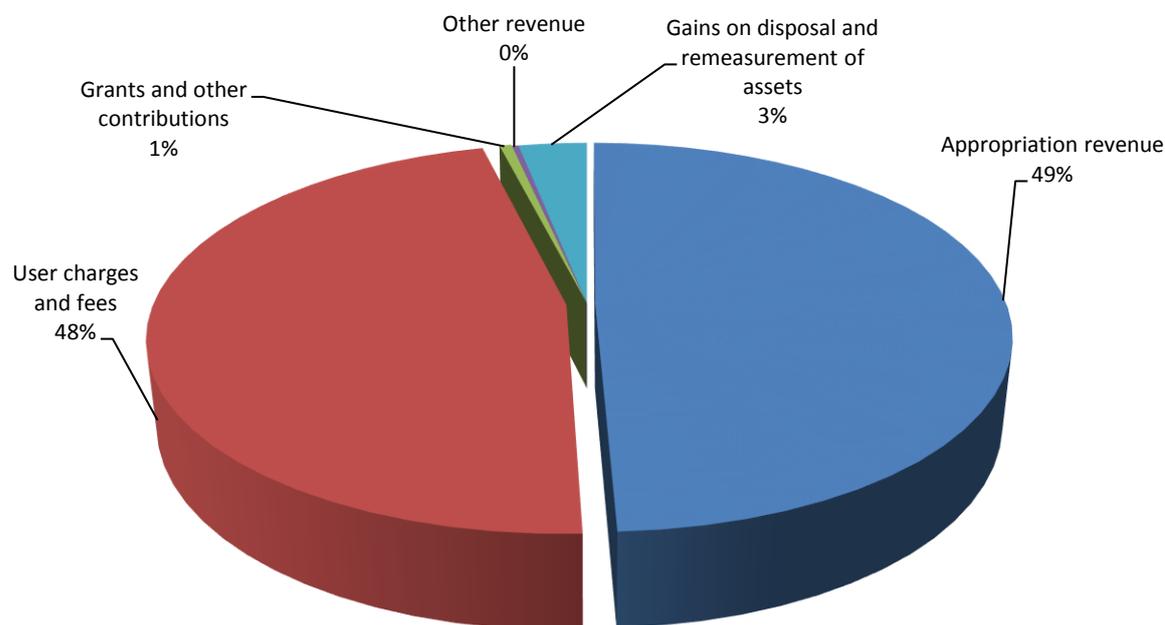
The following comparison of the 2016–17 results with the 2015–16 results was considered and accepted by the department's Audit and Risk Management Committee at the August 2017 meeting.

Analysis—operating result

	2017 \$'000	2016 \$'000	Variance \$'000
Total income	375,502	341,764	33,738
Total expenses	(363,583)	(328,564)	(35,019)
Operating result from continuing operations	11,919	13,200	(1,281)
Total comprehensive income	11,919	13,200	(1,281)

Income

Figure 1: Income by category for the year ended 30 June 2017



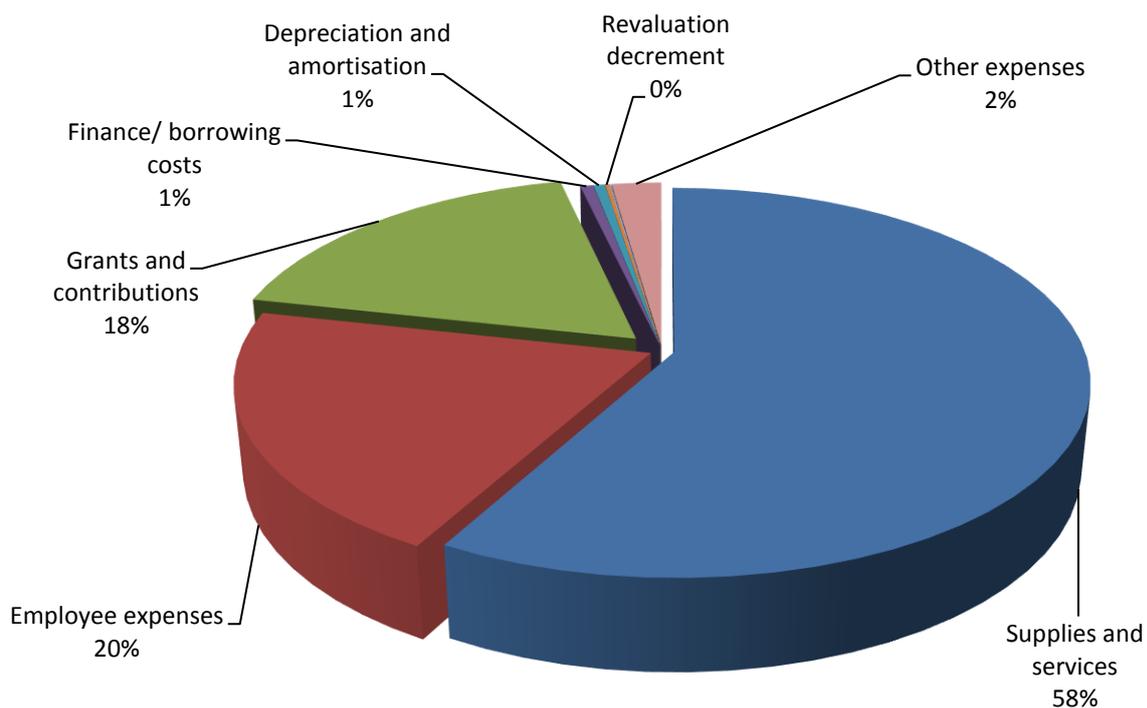
Total income for the year ended 30 June 2017 is \$375.50 million. The 2017 appropriation revenue increased by \$34.19 million due to a realignment of funding from 2016 for high priority projects (including Royalties for the Regions, the North Queensland Stadium and Safe Anchorage at Mission Beach) and new funding received for Economy Building

Initiatives, Queensland Biofutures 10-Year Roadmap and Building our Regions.

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 2017



Total expenses for the year ended 30 June 2017 are \$363.58 million. The 2017 total is an increase of \$35.02 million from 2016, due to the combined increases in supplies and services for the Commonwealth Games venues and village construction costs and grants and contributions

for the payments for the Royalties for Regions and Building our Regions grant programs.

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

Statement of Financial Position—Assets and Liabilities

	2017	2016	Variance
	\$'000	\$'000	\$'000
Total Current Assets	34,274	74,477	(40,203)
Total Non-Current Assets	136,002	142,379	(6,377)
Total Assets	170,277	216,855	(46,578)
Total Current Liabilities	56,364	100,125	(43,761)
Total Non-Current Liabilities	65,414	69,312	(3,898)
Total Liabilities	121,777	169,437	(47,660)
Total Equity	48,500	47,418	1,082

Total assets as at 30 June 2017 are \$170.28 million. Cash and cash equivalents decreased by \$43.15 million, due mainly to payments made to suppliers and contractors for Commonwealth Games venues and village projects and less funding received in advance for these projects.

Total liabilities as at 30 June 2017 are \$121.78 million. The 2017 total is a decrease of \$47.66 million from 2016 due to lower balance of payables and less funding received in advance (other liabilities) in line with the Commonwealth Games village and venue projects nearing completion.