

# Financial summary

This financial summary provides an overview of DTESB's financial performance from 1 July 2014 to 30 June 2015.

For a more comprehensive record covering all aspects of DTESB's activities, see the financial statements on pages 44–73. The statements include a comparison of actual financial results with the budget estimates published in the 2014–15 Queensland state budget papers, and provide detailed explanations of major variances.

## Statement of assurance

In accordance with the *Financial Accountability Act 2009*, the Chief Finance Officer has provided the Director-General with a statement of assurance that DTESB's financial internal controls are operating efficiently, effectively and economically. DTESB actively manages its financial risks and liabilities, and is financially well positioned to meet its objectives as outlined in the *DTESB strategic plan 2014–18*.

## Income

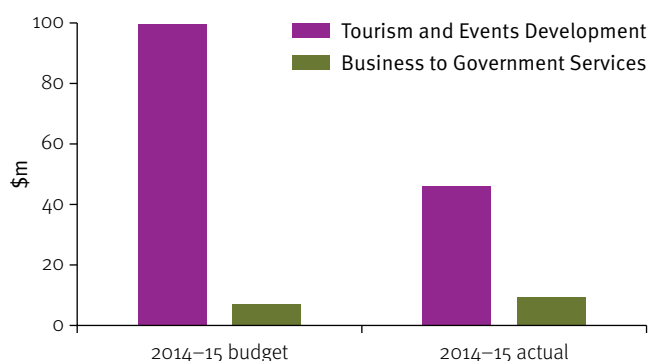
During 2014–15, DTESB was primarily funded by parliamentary appropriation (departmental services revenue) of \$33 million (59.51%). The remaining funding includes grants and other contributions for GC2018 from the City of Gold Coast totalling \$22.1 million (39.97%).

In 2015–16, DTESB's services will continue to be funded principally by parliamentary appropriation. Total income will increase from \$55.5 million in 2014–15 to \$205.2 million in 2015–16. The increase is mainly due to additional activity in preparation for GC2018, and additional funding for the Attracting Aviation Investment Fund (AAIF), the Queensland Entrepreneurs of Tomorrow program and the BIP. It also includes additional funding from the Australian Government for the Tourism Demand Driver Infrastructure (TDDI) Program.

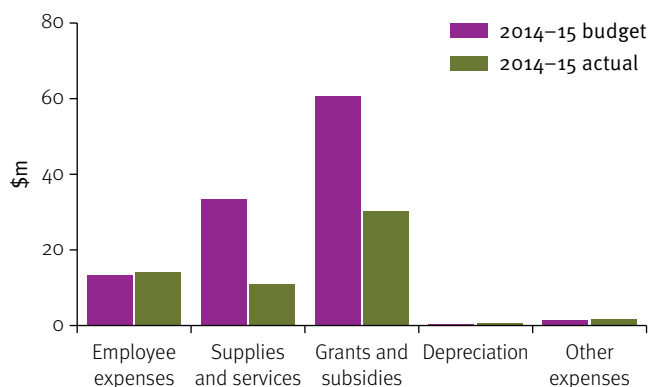
## Expenses

DTESB's total expenses for the year were \$55.5 million (see graphs below for more details). This is \$52 million below the estimate in the 2014–15 budget. The decrease is predominantly due to the timing of expenditure in relation to the infrastructure program of upgrading and improving venues for GC2018.

The graph below outlines the breakdown of operating expenses against the two service delivery areas of the department, Tourism and Events Development and Business to Government Services.



Total 2014–15 expenses by service area compared to 2014–15 budget



Total 2014–15 expenses by category compared to 2014–15 budget

## Budget for 2015–16

Total expenses are estimated to be \$205.2 million in 2015–16. This is an increase of \$149.7 million from actual 2014–15 expenses of \$55.5 million. The increase is mainly due to additional expenses for the delivery of venues for GC2018, AAIF initiatives and funding for the Queensland Entrepreneurs of Tomorrow program, BIP and TDDI Program.

## Commitments for expenditure

DTESB has commitments totalling \$294.3 million.

These include:

- non-cancellable operating lease commitments related to accommodation
- grants and subsidies commitments related to the AAIF, the TDDI Program and the TEQ Regional Tourism Organisation payments
- other expenditure commitments principally related to the GC2018 capital infrastructure program (excluding the Commonwealth Games Village) administered by DTESB
- commitments in accordance with the endorsed agreement with the Australian Commonwealth Games Association to secure marketing rights for GC2018.

## Statement of comprehensive income for the year ending 30 June 2015

Controlled funds	Actual <sup>1</sup> \$'000	Budget <sup>2</sup> \$'000	Variance \$'000
<b>Income from continuing operations</b>			
Appropriation revenue for services	33 011	86 841	(53 830) <sup>3</sup>
User charges and fees	281	—	281
Grants and other contributions	22 189	—	22 189 <sup>4</sup>
Other revenue	7	20 600	(20 593) <sup>4</sup>
<b>Total income from continuing operations</b>	<b>55 488</b>	<b>107 441</b>	<b>(51 953)</b>
<b>Expenses from continuing operations</b>			
Employee expenses	14 106	13 283	823 <sup>5</sup>
Supplies and services	10 932	33 407	(22 475) <sup>6</sup>
Grants and subsidies	30 236	60 603	(30 367)
Depreciation	54	7	47
Finance/borrowing costs	—	—	—
Other expenses	160	141	19
<b>Total expenses from continuing operations</b>	<b>55 488</b>	<b>107 441</b>	<b>(51 953)</b>
<b>Operating result from continuing operations</b>	<b>—</b>	<b>—</b>	<b>—</b>

1. 2014–15 Actual as per financial statements.

2. 2014–15 Budget as per 2014–15 Service Delivery Statements (SDS).

3. The majority of the variance relates to the deferral of GC2018 operational funding to 2015–16, re-profiling of funds for GC2018 venues work to later years (including the Carrara Sport and Leisure Centre and Coomera Sport and Leisure Centre), deferral of AAIF funds to 2015–16, and Gold Coast Show relocation 2013–14 end-of-year receivable and funding deferral adjustments.

4. The City of Gold Coast contribution for GC2018 was reclassified as 'Contribution from other revenue'.

5. The variance in Employee expenses relates to the increase in DTESB employees for GC2018.

6. The actual is lower than the original budget due to the deferral of GC2018 operational funding.

## Statement of financial position as at 30 June 2015

Controlled funds	Actual <sup>1</sup> \$'000	Budget <sup>2</sup> \$'000	Variance \$'000
<b>Current assets</b>			
Cash and cash equivalents	2 845	1 256	1 589 <sup>3</sup>
Receivables	2 210	1 303	907 <sup>4</sup>
Other assets	—	—	—
<b>Total current assets</b>	<b>5 055</b>	<b>2 559</b>	<b>2 496</b>
<b>Non-current assets</b>			
Property, plant and equipment	614	17 234	(16 620) <sup>5</sup>
Other assets	—	—	—
<b>Total non-current assets</b>	<b>614</b>	<b>17 234</b>	<b>(16 620)</b>
<b>Total assets</b>	<b>5 669</b>	<b>19 793</b>	<b>(14 124)</b>
<b>Current liabilities</b>			
Payables	3 210	935	2 275 <sup>6</sup>
Accrued employee benefits	496	543	(47)
<b>Total current liabilities</b>	<b>3 706</b>	<b>1 478</b>	<b>2 228</b>
<b>Total liabilities</b>	<b>3 706</b>	<b>1 478</b>	<b>2 228</b>
<b>Net assets</b>	<b>5 055</b>	<b>2 559</b>	<b>2 496</b>
<b>Equity</b>			
Contributed equity	1 642	18 184	(16 542) <sup>7</sup>
Retained surpluses (Accumulated deficit)	321	131	190
Reserves	—	—	—
<b>Total equity</b>	<b>614</b>	<b>17 234</b>	<b>(16 620)</b>

1. 2014–15 Actual as per financial statements.

2. 2014–15 Budget as per 2014–15 SDS.

3. The variance is mainly due to end-of-year payables, which largely relate to GC2018 June 2015 venues expenditure where a payable is held for the DSD.

4. The variance is largely due to end-of-year receivables that have been processed for the AAIF and GC2018 expenditure.

5. The majority of the variance is due to the transfer of capital works in progress for the Queensland State Velodrome cycling track at Chandler to Stadiums Queensland.

6. The increase is mainly due to end-of-year payables, which predominantly relate to GC2018 June 2015 venues where a payable is held for DSD.

7. The majority of the variance in contributed equity is due to the transfer of capital works in progress for the Queensland State Velodrome cycling track to Stadiums Queensland.