

# OUR FINANCIAL PERFORMANCE

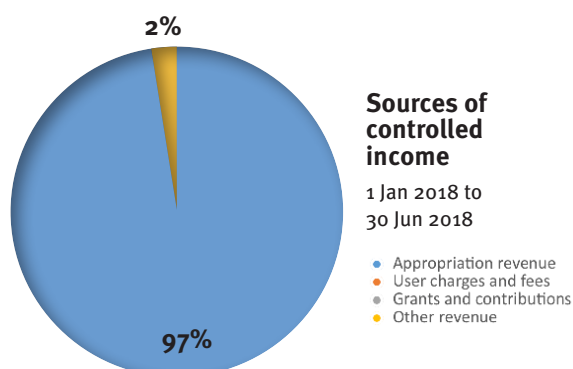
## Financial summary

This summary provides an overview of the Department of Employment, Small Business and Training's (DESBT's) financial performance for the period 1 January 2018 to 30 June 2018. Pursuant to *section 80 (2) of the Financial Accountability Act 2009* for financial statements purposes the transfer following the machinery of government (MoG) changes in December 2017, is deemed to have occurred on 1 January 2018. As a newly established department there are no comparative year amounts available.

A more detailed view can be found in the financial statements included with this report. The department reported a net surplus for the year of \$1.0 million, reflecting greater than expected revenue for hire of facilities.

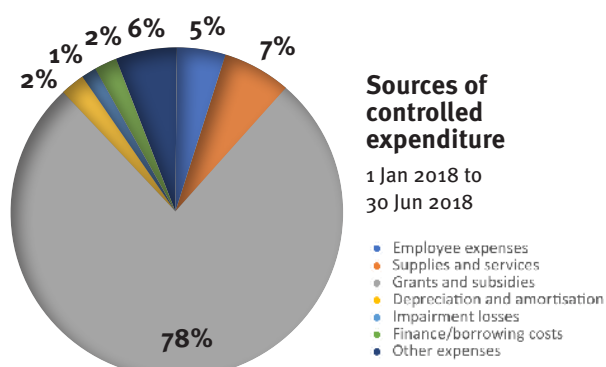
## Income

Appropriation funding provided from government was DESBT's main source of revenue, totalling \$563.1 million. Other sources of revenue included \$2.4 million from user charges and fees, grants and other contributions of \$1.2 million and \$11.7 million from other revenues.



## Expenses

Total expenses of \$577.5 million of which \$449.9 million (78 per cent) are grants and subsidies. A further \$33.4 million is in other expenses which includes deferred appropriation expenses of \$33.3 million. This reflects funding deferred to later years at year end. Finance/borrowing costs of \$11.5 million is associated with the Southbank Education Precinct Public Private Partnership finance lease.



# Statement of financial position

## Assets

Following the transfer of resources on the establishment of DESBT, the department has a sound net asset position at \$1.4 billion, illustrating the net worth of the departmental entity. The departmental assets valued at \$1.7 billion, consists primarily of \$237.4 million of cash and cash equivalents and \$1.5 billion in property, plant and equipment. The significant value of property, plant and equipment relates almost entirely to the assets held for TAFE Queensland, land (\$535.9 million), buildings (\$693.7 million) and leased assets (\$248.8 million).

## Liabilities

Liabilities primarily relate to payables, provisions and interest-bearing liabilities. Payables of \$122.8 million reflect trade creditors, and amounts owned to other departments, as the result of the machinery of government changes; and appropriation payable to government for unspent program expenditure, largely for demand driven programs.

Provisions at \$33.7 million relate to obligations under contractual arrangements to training providers for students enrolled as at 30 June, but who have not completed their courses.

The interest-bearing liabilities relates to the finance lease for the Southbank Education and Training Precinct Public Private Partnership.

The following tables summarises the financial results of controlled operations.

**Table 4. Statement of comprehensive income for the period 1 January to 30 June 2018**

	<b>2018 Actual \$'000</b>	<b>2018 Adjusted budget \$'000</b>	<b>Budget variance \$'000</b>	<b>Budget variance %</b>
<b>Statement of comprehensive income</b>				
Total income from continuing operations	578,533	610,854	(32,321)	-5%
Total expense from continuing operations	577,500	610,854	(33,354)	-5%
Surplus / (deficit)	1,033	—	1,033	0%
<b>Statement of financial position</b>				
Total assets	1,736,987	1,554,381	182,606	12%
Total liabilities	373,577	274,603	98,974	36%
Total equity	1,363,410	1,279,778	83,632	7%

**Table 5. Income from continuing operations**

	<b>2018 Actual \$'000</b>	<b>2018 Adjusted budget \$'000</b>	<b>Budget variance \$'000</b>	<b>Budget variance %</b>
<b>Revenue</b>				
Appropriation revenue	563,142	607,481	(44,339)	-7%
User charges and fees	2,446	905	1,541	170%
Grants and contributions	1,209	7	1,194	17,057%
Other revenue	11,744	2,461	9,283	377%
<b>Total Revenue</b>	<b>578,533</b>	<b>610,854</b>	<b>(32,321)</b>	<b>-5%</b>
<b>Total income from continuing operations</b>	<b>578,533</b>	<b>610,854</b>	<b>(32,321)</b>	<b>-5%</b>

**Table 6. Expenses from continuing operations**

	<b>2018 Actual \$'000</b>	<b>2018 Adjusted budget \$'000</b>	<b>Budget variance \$'000</b>	<b>Budget variance %</b>
Employee expenses	29,208	36,739	(7,531)	-20%
Supplies and services	38,063	102,909	(64,846)	-63%
Grants and subsidies	449,946	445,638	4,308	1%
Depreciation and amortisation	12,380	13,848	(1,468)	-11%
Impairment losses	3,030	–	3,030	
Finance/borrowing costs	11,522	11,522		0%
Other expenses	33,351	198	33,153	16,744%
<b>Total expenses from continuing operations</b>	<b>577,500</b>	<b>610,854</b>	<b>(33,354)</b>	<b>-5%</b>
<b>Total comprehensive income (surplus)/(deficit)</b>	<b>1,033</b>	<b>–</b>	<b>1,033</b>	<b>–</b>

**Table 7. Statement of financial position**

	<b>2018 Actual \$'000</b>	<b>2018 Adjusted budget \$'000</b>	<b>Budget variance \$'000</b>	<b>Budget variance %</b>
<b>Current assets</b>				
Cash and cash equivalents	237,394	139,172	98,222	71%
Receivables	4,189	9,521	(5,332)	-56%
Prepayments	698	1,439	(741)	-51%
<b>Total current assets</b>	<b>242,281</b>	<b>150,132</b>	<b>92,149</b>	<b>61%</b>
<b>Non-current assets</b>				
Property, plant & equipment	1,492,830	1,403,203	89,627	6%
Intangible assets	1,876	1,046	830	79%
<b>Total non-current assets</b>	<b>1,494,706</b>	<b>1,404,249</b>	<b>90,457</b>	<b>6%</b>
<b>Total assets</b>	<b>1,736,987</b>	<b>1,554,381</b>	<b>182,606</b>	<b>12%</b>
<b>Current liabilities</b>				
Payables	122,780	56,503	66,277	117%
Interest-bearing liabilities	2,923	2,923	–	0%
Accrued employee benefits	927	965	(38)	-4%
Provisions	33,680	–	33,680	
Unearned revenue	404	–	404	
<b>Total current liabilities</b>	<b>160,714</b>	<b>60,391</b>	<b>100,323</b>	<b>166%</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities	212,863	214,212	(1,349)	-1%
<b>Total non-current liabilities</b>	<b>212,863</b>	<b>214,212</b>	<b>(1,349)</b>	<b>-1%</b>
<b>Total liabilities</b>	<b>373,577</b>	<b>274,603</b>	<b>98,974</b>	<b>36%</b>
<b>Net assets</b>	<b>1,363,410</b>	<b>1,279,778</b>	<b>83,632</b>	<b>7%</b>
<b>Equity</b>				
Contributed equity	1,277,163			
Accumulated surplus	1,033			
Asset revaluation surplus	85,214			
<b>Total equity</b>	<b>1,363,410</b>			