## Financial performance

### Summary of financial performance

Section 77(2)(b) of the Financial Accountability Act 2009 requires the Chief Finance Officer of the Department of Communities, Disability Services and Seniors to provide the accountable officer with a statement on whether the department’s internal financial controls are operating efficiently, effectively and economically.

The 2018–19 Statement of Assurance provided to the Director-General satisfies all requirements of section 42 of the Financial and Performance Management Standard 2009. The statement was also provided to the department’s Audit and Risk Committee.

It indicated no deficiencies or breakdowns in internal controls that would impact adversely on the department’s financial governance or financial statements for the year.

#### Income

Our income in 2018–19 was $1.038 billion, with the major sources of income being the Queensland and Australian governments for the provision of services.

During 2018–19, we received our income from:

* Appropriation revenue – $978.490 million
* User charges – $8.259 million
* Grants and other contributions – $25.595 million
* Other revenue – $25.913 million

#### Operating expenses

Our department provides a wide range of services to the community, delivered by contracted nongovernment organisations and through direct service delivery. As a result, our two largest expense categories are supplies and services and employee expenses. Our total operating expenses for 2018–19 were $1.027 billion, including:

* Employee expenses – $256.987 million
* Supplies and services – $700.574 million
(which include service procurement expenses of $631.783 million, outsourced corporate service expenses of $21.834 million, property lease expenses of $18.144 million, professional and technical fees of $11.923 million, property repairs and maintenance expenses of $10.189 million, other general operating expenses of $6.701 million)
* Grants and other subsidies – $26.066 million
* Depreciation and amortisation – $8.333 million
* Other expenses – $34.997 million
(such as insurance costs, audit fees, impairment losses and losses on disposal of property, plant and equipment)

In 2018–19, the department had an operating surplus of $11.300 million, related
largely to the recognition of $5.130 million in Commonwealth grant funding, with program expenditure to be incurred in 2019–20. Additional factors include the recognition of a number of non-cash items, including net fixed asset revaluations of $2.516 million and gains made on acquisition of assets received below fair value of $3.069 million. In addition, the department also received greater non-appropriated revenue of $0.585 million.

#### Assets

Our total assets as at 30 June 2019 were $390.644 million. The primary assets held by our department were properties used to:

* support people with disability, including accommodation and respite services
* strengthen our communities, including multipurpose and neighbourhood centres.

The department’s assets also include intangible assets, primarily internally generated software and systems.

The value of our assets by category was:

* Cash and cash equivalents – $83.208 million
* Receivables, current and non-current – $28.054 million
* Property, plant and equipment – $276.445 million
* Intangibles – $2.556 million
* Non-current assets held for sale – $0.368 million
* Other current assets – $0.013 million

The department’s cash at bank balance includes a cash-fund investment established with Queensland Treasury Corporation for the Elderly Parent Carer Innovation Initiative. The balance of the cash-fund investment as at 30 June 2019 was $0.963 million.

#### Liabilities

Our liabilities consist primarily of payables for service procurement, trade creditors and provisions for employee entitlements.

Our total liabilities as at 30 June 2019 were $75.201 million. Liabilities by category were:

* Payables, current and non-current – $34.350 million
* Accrued employee benefits – $23.697 million
* Provisions – $4.145 million
* Other current liabilities – $13.009 million

#### National Disability Insurance Scheme

2018–19 was the third full year of transition to the NDIS.

#### Payments

In 2018–19, on behalf of the Queensland Government, we administered total payments of $1.645 billion including:

* concession payments of $373.916 million for electricity and reticulated natural gas, rates and water
* subsidies, electricity for life support, home energy emergency assistance and asset ownership electricity dividend
* payments of $1.045 billion for the transition of clients to the NDIS
* payments of $38.596 million for natural disasters on behalf of the Queensland and Australian governments for grants for emergency assistance, essential household contents, structural assistance, and the Essential Services Safety and Reconnection Scheme
* administrative costs of $24.648 million directly attributable to Community Recovery activities.

Income and expenditure on these items is accounted for separately from our operating accounts. Variances between budget and actual results are explained in the financial statements.

We manage financial risks and liabilities by reviewing our financial performance through our corporate governance framework. To help us manage risks, the department’s Audit and Risk Committee oversees audit activities, audit recommendations, financial reporting, internal controls and compliance. For more information on our financial performance, please see our Annual Financial Statements (provided separately within this report).

#### Service Delivery Statement measures

The following scorecards summarise our performance (quantifiable measures and qualitative achievements) against the performance indicators in the department’s Service Delivery Statement 2018–19.

| Disability Services | Notes | 2018–19 Target/estimate | 2018–19 Estimated Actual |
| --- | --- | --- | --- |
| Effectiveness measures — number of Queenslanders with disability accessing departmental delivered and/or funded specialist disability support services | (1) | 9,000 to 14,0000 | 11,500 |
| Rate per 1000 population users of community care services: | (2) |  |  |
| * All users
 |  | 6 to 9 | 6 |
| * Aboriginal and Torres Strait Islander people aged 49 years and under
 |  | 5 to 8 | v8 |
| * People born in non-English speaking countries aged 64 years and under
 |  | 5 to 8 | 5 |
| Efficiency measure – total estimated expenditure per service user receiving department’s administered specialist disability services | (3) | $56,000 to $66,000 | $66,000  |

Notes:

1. This measure records the total number of clients expected to receive specialist disability support services delivered and/or funded by the department during the relevant financial year. The number of service users is anticipated to decline following the transition of clients with disability to the National Disability Insurance Scheme (NDIS). The Target/estimates are based on the anticipated transition of people to the NDIS as proposed under the Bilateral Agreement between the Queensland Government and the Commonwealth Government.
2. This measure is broken into three population specific cohorts using a ‘rate per 1000’ of the relevant population as the unit of measure to allow for changes in population to be taken into account from year to year. The wording and calculation method of this measure is consistent with national data reported as part of the Report on Government Services (RoGS). The number of community care service users is anticipated to decline following the transition of clients with disability to the NDIS.
3. A range is provided for 2018–19 due to current uncertainty regarding the number of community care clients who will transition to the NDIS and those who will remain as a state funded responsibility. All Target/estimates are based on the anticipated transition of people to the NDIS as estimated under the Bilateral Agreement between the Queensland Government and the Commonwealth Government.
4. Disability service users can receive multiple services. The overall cost per user is for those services, regardless of service type, delivered and/or funded by the department, and does not include services or expenditure delivered by other Queensland Government departments or the Commonwealth Government. The wording and calculation method of this measure is consistent with national data reported as part of RoGS. The number of service users is anticipated to decline following the transition of clients with disability to the NDIS.

| Community Services | Notes | 2018–19 Target/estimate | 2018–19 Estimated Actual |
| --- | --- | --- | --- |
| Efficiency measures — percentage of senior and carer cards issued within 20 working days of application | (1) | 90 per cent | 95 per cent |

Notes

1. Each year the department issues or renews senior and carer cards, providing financial benefits to users. Monitoring the time to issue a card maintains service standards to the community. Measuring the average time to issue cards, and percentage issued within timeframes, monitors the efficiency with which card applications are processed and cards distributed.