

## Question on Notice

No. 1209

Asked on 3 December 2020

**MR J LANGBROEK** ASKED THE MINISTER FOR HEALTH AND AMBULANCE SERVICES (HON Y D'ATH) –

### QUESTION

Will the Minister advise the capital budget underspend in 2017-18 to 2019-20 reported separately by year and department/agency under the Minister's control?

### ANSWER

The Consolidated Fund Financial Report tabled annually in accordance with the *Financial Accountability Act 2009* provides details of lapsed appropriation.

The table below provides the budget, expenditure and variance figures for Queensland Health and the Queensland Ambulance Service for 2017-18 to 2019-20. I am advised that:

| Agency                              | 2017/2018<br>\$'000 | 2018/2019<br>\$'000 | 2019/2020<br>\$'000 |
|-------------------------------------|---------------------|---------------------|---------------------|
| <b>Queensland Health</b>            |                     |                     |                     |
| Budget                              | 879,265             | 967,963             | 741,313             |
| Actual Expenditure                  | 773,755             | 734,318             | 818,104             |
| Variance                            | -105,510            | -233,645            | 76,791              |
| <b>Queensland Ambulance Service</b> |                     |                     |                     |
| Budget                              | 48,359              | 32,523              | 55,705              |
| Actual Expenditure                  | 47,101              | 32,886              | 50,961              |
| Variance                            | -1,258              | 363                 | -4,744              |
| <b>Total</b>                        | <b>-106,768</b>     | <b>-233,282</b>     | <b>72,174</b>       |

I am advised that variances between expenditure and budget figures can be attributed to several factors, including:

- Accounting standards' requirements that some capital expenditure is expensed rather than capitalised. These expensed costs contribute to project outcomes but are not recorded as capital acquisitions.
- Contingency funds held in case of unforeseen circumstances until a project reaches financial close despite main works being completed.

- Project savings, where the full scope of works is delivered at a lower cost than was originally anticipated. These surpluses are repurposed towards future high priority projects.
- The increased number of projects being undertaken in live hospital environments adds to the already complex nature of building work. Works undertaken on existing facilities (to refurbish or extend) are more likely to encounter contaminated materials during design and construction, depending on the nature and age of the facilities. These complexities may increase the time taken to deliver projects. It also increases the probability of changes during the design and construction phases of project delivery to address service needs and latent conditions.
- Inclement weather conditions above and beyond reasonable forecast conditions.
- Expenditure deferrals, due to variances between the planned and actual timing of expenditure.