

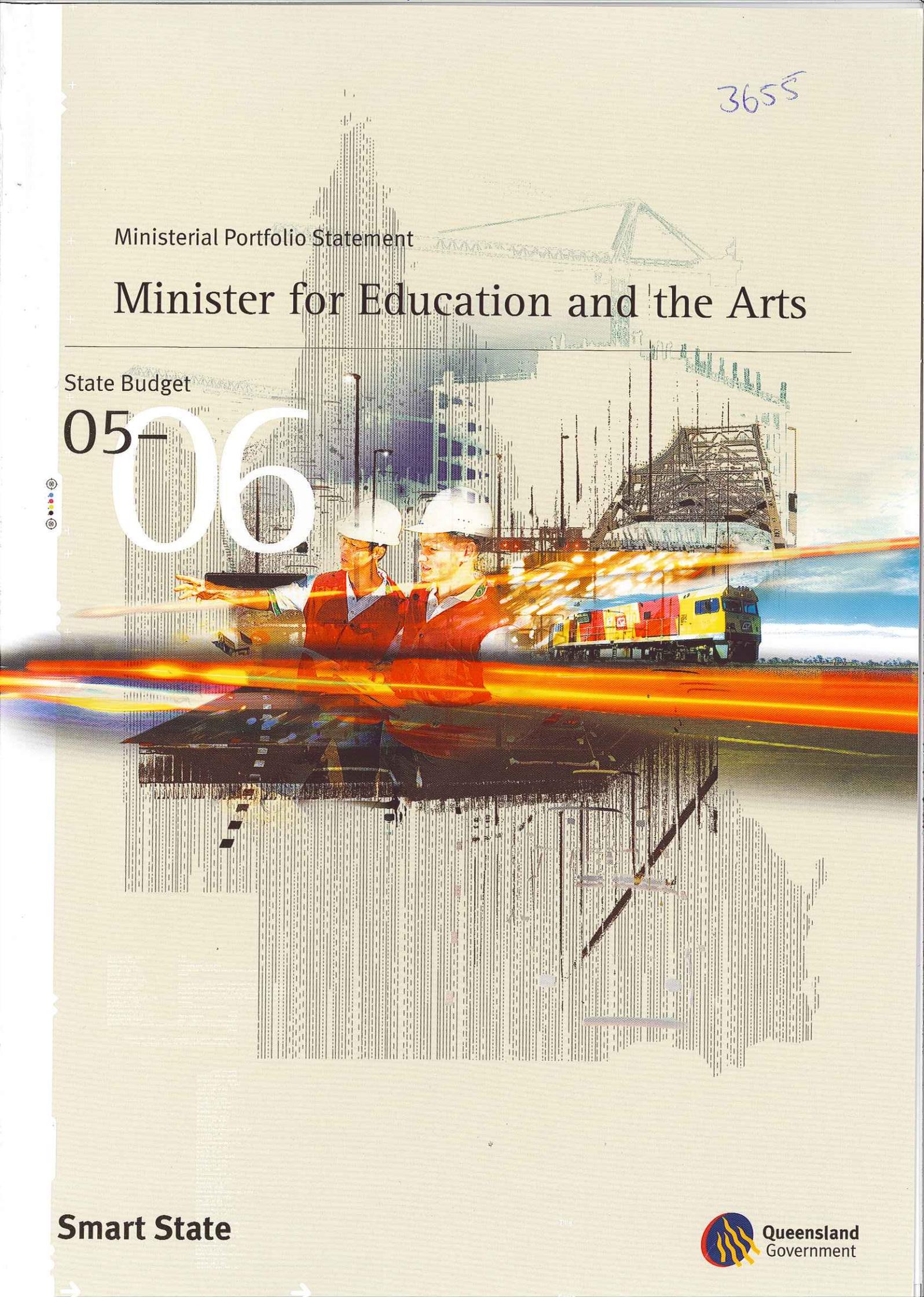
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Ministerial Portfolio Statement

Minister for Education and the Arts

State Budget

05-06



Smart State



2005-06 Budget Papers

1. Budget Speech
 2. Budget Strategy and Outlook
 3. Capital Statement
- Budget Highlights**
Appropriation Bills
Ministerial Portfolio Statements

The Ministerial Portfolio Statements (MPS) are the primary source of information for the hearings of the Parliamentary Estimates Committees. These hearings examine the funding provided in the State Budget to each Ministerial portfolio and take place following the presentation of the Budget. The MPS are also used by Members of Parliament, the media, the public and other interested parties for obtaining information on key strategies and prospective outcomes, and financial performance, of individual Queensland Government agencies in 2005-06.

The MPS are forward-looking in their focus and provide predominantly budgeted financial and non-financial information for the new financial year. In this way, they complement agency annual reports, which document actual performance (including audited financial statements) for the financial year just completed.

Given the timing of the 2005-06 Budget, final information about actual financial and non-financial performance is not yet available for the 2004-05 financial year. Therefore, an estimate of performance ("estimated actual") for 2004-05 is shown throughout the MPS.

The MPS forms part of the 2005-06 Budget Papers.

The MPS are on sale either individually or as a set through Goprint (phone 07 3246 3500) and are also available online at www.budget.qld.gov.au

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Ministerial Portfolio Statement – Minister for Education and the Arts

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Queensland
Government

MINISTERIAL PORTFOLIO STATEMENT
2005-06 STATE BUDGET

This Ministerial Portfolio Statement includes the following Departments and Agencies:

DEPARTMENT OF EDUCATION AND THE ARTS

QUEENSLAND STUDIES AUTHORITY

LIBRARY BOARD OF QUEENSLAND

QUEENSLAND ART GALLERY

QUEENSLAND MUSEUM

QUEENSLAND PERFORMING ARTS TRUST

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**Queensland
Government**

MINISTERIAL PORTFOLIO STATEMENT

2005-06 STATE BUDGET

MINISTER FOR EDUCATION AND THE ARTS

DEPARTMENT OF EDUCATION AND THE ARTS

A handwritten signature in black ink, appearing to read 'Anna Bligh', written over a horizontal line.

**Hon. Anna Bligh MP
Minister for Education and
the Arts**

A handwritten signature in black ink, appearing to read 'Ken Smith', written over a horizontal line.

**Ken Smith
Director-General**

PORTFOLIO OVERVIEW

STRATEGIC ISSUES

The Government's *Smart Queensland: Smart State Strategy 2005-2015* recognises education, research, science, the arts, creativity and innovation as key drivers positioning the State to effectively compete in the global knowledge economy. Enhanced levels of education and training and engagement in the arts facilitates and sustains the Smart State ambitions that can only be built on leading edge skills, knowledge and creativity.

The Department of Education and the Arts continues to deliver a world-class education system and vibrant arts and cultural environments that will help make these Smart Queensland goals a reality. The pursuit of innovation and excellence leads and influences the policy agenda across the education and arts arenas within Queensland and nationally.

Education and the Arts are major generators of export income. Queensland's share of the education and training export services market continues to grow and is now worth around \$926¹ million to the State, making it one of the State's top three services export industries. Queensland is the third largest exporter of arts and cultural products in Australia with \$22.7 million added to the State's goods and services last year.

In education, the *Queensland the Smart State - Education and Training Reforms for the Future* are in the third year of implementation. These reforms, across the Early, Middle and Senior Phases of Learning and Information Communication Technologies, are increasingly embedded in school practice. They recognise that students have different learning needs at different phases of their schooling. Focusing alone on the traditional institutional division of primary and secondary school no longer serves the system effectively. The aim of the reforms is to change the way education and training is delivered to young people to ensure they have the skills, knowledge and creativity to succeed in the future.

These reforms are underpinned by substantial legislative changes, new policies and additional resources. The reforms continue to be supported by a significant Capital Works Program building new classrooms and refurbishing existing classrooms to create more than 1,600 learning spaces for the state-wide implementation of the Preparatory Year.

Underpinning a Smart Queensland is a Creative Queensland. Creating a strong and vibrant arts and cultural sector which values excellence, creativity and innovation and engages with local communities across the State is a key objective of the portfolio. The department, through Arts Queensland, seeks to achieve this through continuing to implement *Creative Queensland: The Queensland Government Cultural Policy 2002* which outlines key priorities and directions for the arts.

The department supports the work of the State's flagship cultural institutions and key cultural agencies to increase the public's access to and participation in arts and cultural activities. The department also supports Queensland artists and arts workers to gain employment, build their entrepreneurial capacity and reach new audiences through its grants funding program and its support for signature festivals such as the Queensland Music Festival.

¹ Australian Bureau of Statistics (ABS) catalogue *International trade in Goods and Services* May 2005 Figure of \$926 million for the 2004 Calendar Year.

Queensland's reputation as a dynamic cultural destination will be further enhanced when the State's largest cultural infrastructure project in more than 30 years – Millennium Arts Project – is completed in 2006. The landmark project includes the construction of the largest Gallery of Modern Art in Australia, the redevelopment and expansion of the State Library of Queensland and funding towards 20 arts and cultural facilities throughout Queensland.

In the regions, the department works with artists, cultural organisations and local governments. This ensures Queenslanders, no matter where they live, can access quality arts experiences and contribute to the creative life and identity of their communities.

The Department of Education and the Arts, formed in February 2004, is strategically positioned to drive new relationships between the education and the arts sectors and help support students to become active generators of culture and participants in the arts. The new department provides unprecedented opportunities to strengthen partnerships between state and non-state schools, and the higher education and arts sectors and local communities.

Key Challenges Facing the Portfolio

Education

Education remains one of the most powerful tools for reducing poverty and inequality, and is essential in building a democratic society within a dynamic, globally competitive economy. The portfolio includes the delivery of public education through the state schooling system, accreditation and financial assistance for Independent and Catholic schools, and shared responsibility for higher education with the Australian Government. The education area of the portfolio is supported by three statutory authorities: Queensland Studies Authority, Board of Teacher Registration and the Non-State Schools Accreditation Board.

The strategic challenges for education include:

- the forecast increase in the Queensland population and the ongoing drift of the population to urban and coastal centres
- the fast pace of technological change and its impact on practice and procedures
- delivering educational reforms that engage with, and meet the varying needs of, the full cohort of students
- influencing the national policy agenda on school and higher education
- closing the gap between the educational performance of Indigenous and non-Indigenous students
- improving the alignment between curriculum, assessment and reporting in schools.

Arts

Arts and cultural activity enriches people's lives by promoting social interaction in the community, exposure to all forms of artistic excellence and stimulating employment growth and business activity. The intrinsic value of the arts in contributing to cognitive growth, self-expression and building new social bonds also underpins the Government's investment. Arts Queensland provides leadership in the development and implementation of arts and cultural policy, programs and partnerships. Five statutory authorities and four government-owned companies lead the delivery of arts and cultural programs in Queensland. They are the State Library of Queensland, Queensland Art Gallery, Queensland Museum, Queensland Performing Arts Trust, Queensland Theatre Company, the Pacific Film and Television Commission Pty Ltd, Aboriginal Centre for Performing Arts Pty Ltd, Queensland Music Festival Pty Ltd and the Major Brisbane Festivals Pty Ltd.

The strategic challenges for the Arts area of the portfolio include:

- improving community access to and participation in arts and cultural activities
- supporting the viability and sustainability of arts and cultural organisations
- maximising social and economic outcomes from investment in arts and cultural initiatives
- responding to the impact of new technologies on the distribution and delivery of cultural content
- preserving the unique culture, heritage and traditions of Aboriginal and Torres Strait Islander peoples.

Strategic Directions and Priorities of the Portfolio

The Department of Education and the Arts is committed to providing high-level policy advice to government that is based on robust research and the active input and engagement of key partners across the sector. By building good working relationships and participating in forums and debates, the department leads and influences the policy agenda across the education and arts arenas both within Queensland and nationally.

Queensland is a leader in educational reform. In recent years, a range of initiatives has been implemented across all schools, including the *Education and Training Reforms for the Future* (ETRF) and *Changes to Schools Reporting*.

Through the ETRF initiatives the Queensland Government has taken action to:

- provide a solid foundation for early education through the introduction of a universally available full-time Preparatory Year from 2007
- improve engagement and achievement in the Middle Phase of Learning and provided 150 additional teachers as the first tranche towards the middle years class size reduction where Years 4-10 class size targets will reduce from 30 to 28 by 2007
- establish new 'learning or earning' laws which require young people to be in learning or training until they achieve a Senior Certificate or Certificate III vocational qualification, obtain full-time employment or turn 17 years of age
- improve information and communication technology (ICT) access and ICT skills for both students and teachers and to ensure that ICTs are used as tools for everyday learning and are integrated into curriculum and classroom practice.

In response to feedback from the community, the Government announced the new *Changes to Schools Reporting* in October 2004. From 2005, schools are publishing information about the school and its outcomes. This includes contextual information such as the curriculum taught, extracurricular activities and opportunities for parental involvement, as well as outcomes data such as summary information in the literacy and numeracy tests and retention rates. From 2006, a range of information will be accessible to the community through school websites. Schools will provide written student reports and offer parent teacher meetings twice a year. In addition, the Queensland Studies Authority will release Year 12 results across a range of indicators for all schools in 2006 to inform the community of schools' achievements and drive better school performance.

Building on these reforms, the new *Queensland Curriculum, Assessment and Reporting* (QCAR) Framework will help set new standards to define what is studied in all Queensland schools and provide more comparable assessment and reporting across schools. This smarter learning approach will define the essentials of learning and set standards for achievement for students across the State from Preparatory Year to Year 10. Queensland is working with other states to achieve greater national consistency in curriculum outcomes. The QCAR Framework will link to this national project.

A discussion paper, *Education Laws for the Future*, is the latest in a series of legislative reforms to ensure education laws deliver on the aims of Smart Queensland and the needs of 21st Century children. A companion guide which highlights the issues from a youth perspective was also made available. Nearly 2,000 people throughout Queensland attended the extensive consultations on the proposed new laws, which will inform the development of a draft Bill. Key stakeholder groups will be invited to comment on the draft Bill later in 2005 prior to its introduction into Parliament at the end of this year.

In 2006, the major provisions in the *Youth Participation in Education and Training Act 2003*, a significant plank in the Government's *Education and Training Reforms for the Future*, will come into effect. The Act delivers on the Government's Smart State vision by ensuring young people participate in 12 years of schooling or equivalent. Students entering Year 10 in 2006 will be the first to be affected by the new laws.

The Queensland Certificate of Education (QCE) will be introduced from 2008. Students starting Year 10 in 2006 will be the first eligible cohort to receive a QCE. The QCE is a broad-based qualification that requires young people to achieve a significant amount of learning to meet requirements for literacy and numeracy. It will recognise a much broader range of student achievement, including TAFE courses, school-based apprenticeships, university subjects, job readiness programs and structured work experience. In addition, all students will receive a Senior Statement at the end of Year 12, irrespective of whether they qualify for the QCE. The Senior Statement will be a record of all learning undertaken by a student in the Senior Phase of Learning.

A Blueprint for implementing the recommendations of the January 2004 Crime and Misconduct Commission's (CMC) Inquiry Report presents a plan of action for building a strong child protection system for Queensland. The Blueprint reinforces the Government's key priority of safety and security of vulnerable children and young people. The department has responded by implementing a comprehensive range of measures to respond to child abuse and neglect issues including the:

- appointment of a Director – Child Safety
- promotion of a holistic multi-agency approach to child protection issues
- implementation of education support plans for children and young people in the care of the State
- provision of additional education support services and programs to enhance the educational participation, achievement and retention of these students
- expansion of the level of participation in the Suspected Child Abuse and Neglect (SCAN) system to advance an effective and coordinated, multi-disciplinary response to notifications of suspected child abuse and neglect.

The whole-of-Government *Meeting Challenges, Making Choices* strategy, which combined with the department's *Partners for Success* strategy, will prioritise areas for improving education outcomes for Aboriginal and Torres Strait Islander students. Priority areas are:

- *Attendance* – more students at school, more often
- *Retention and completion* – from Year 7 to Year 8, from Year 8 to Year 10, and from Year 10 to Year 12 or its equivalent
- *Literacy attainment* – improved performance in literacy
- *Workforce and leadership in Indigenous culture* – creation of a culturally responsive workforce and promotion of leadership in Indigenous culture.

The independent review of the Board of Teacher Registration was finalised in November 2004. Implementation of the recommendations will position Queensland as a leader in teacher professional standards and regulation, improve safety for Queensland children and provide higher community confidence in the professional skills and good character of teachers. Legislation to enact the recommendations will include the establishment of a new statutory body, the Queensland College of Teachers, that will undertake and expand the roles performed by the Board of Teacher Registration. New legislation will be introduced into Parliament in 2005.

An independent review of the *Education (Queensland Studies Authority) Act 2002* commenced in February 2005. This review, three years after the establishment of the Authority, will examine the operations of the Act and if necessary, provide recommendations on the changes that may be needed. The review, required by the Act, will ensure the Act is adequately meeting community expectations and its provisions remain appropriate. The review is expected to report later in 2005.

Driving Performance in State Schools

Queensland State Education – 2010 (QSE – 2010) and key state-wide initiatives such as ETRF provide the policy framework directing the *School Improvement and Accountability Framework* (SIAF) and the *Destination 2010* (2002-2005) action plan. In state schools, the *School Annual Report and Operational Plan* provides school planning, performance and review processes to implement state-wide initiatives and the department's policy agenda. The review by exception process is used to highlight exemplary performance in addition to developing action plans to improve school performance.

The key performance measures and targets in the action plan, *Destination 2010* (2002-2005), are being reviewed to ensure the strategic intent and performance measures are appropriate for schools, students and their communities beyond 2005. Following this review a revised SIAF and *Destination 2010* action plan will be implemented to enable schools to develop strategies and targets for the next planning cycle.

From July 1 2005, the department will deliver education and corporate services to schools through a regional model. There will be 10 regions across the State and within the regions there will be 26 education districts. The senior officer in the region will be the Regional Executive Director. Education Districts will continue to be led by Executive Directors (Schools). The regional model will ensure consistency of services to schools in the corporate services areas of human resources, facilities, finance and technology.

Assisting Students in Non-State Education

Non-state schools offer Queensland young people and their families diversity and choice of education options, and are significant partners in the implementation of the ETRF initiative. As part of the reforms, non-state schools are:

- participating in the phase-in of a full-time Preparatory Year
- engaged in a range of initiatives to support young people in the Senior Phase of Learning
- contributing to oversight of the implementation of the reforms through the Education and Training Reforms for the Future Board
- improving the ICTs available to students and staff.

The State Government ensures the quality and sustainability of the non-state school sector through support to the Non-State Schools Accreditation Board, and the provision of financial assistance to the 457 Independent and Catholic schools in Queensland.

Building on the Strengths of Higher Education

The State Government shares responsibility for higher education with the Australian Government. Universities are significant community assets, providing social, economic and cultural development within their local communities, particularly in regional areas. The Queensland Government is currently actively engaged in national debate on proposals by the Australian Government for significant structural and policy reform of the higher education sector. The debate includes:

- appropriate funding and student places for Queensland universities
- the nature and regulation of universities and the nationally agreed protocols which govern the sector
- the quality assurance of Australia's higher education system inclusive of universities and the growing numbers of accredited private providers
- the direction of Australia's research effort
- the performance of our institutions in the internationalisation of education.

The outcomes of this debate will have far-reaching implications for Australian universities and their students. The State Government is actively pursuing the development of a stronger higher education sector in Queensland.

Developing a Creative and Culturally Vibrant Community

A vibrant arts and cultural sector is vital for the wellbeing of individuals and communities across Queensland. Opportunities for creative practice and cultural experience help to build an innovative and vibrant cultural environment enhancing social cohesion and a sense of belonging and connectedness. Arts Queensland continues to support cultural infrastructure and activities for communities across Queensland, with particular emphasis on resourcing regional communities and supporting projects that enhance the social capacity and economic prosperity of smaller communities. In addition, the arts contributes significantly to the State's net worth with over 48,000 Queenslanders working in arts and cultural jobs at the time of the 2001 Census² and nearly 16,000 cultural businesses.

The *Creative Queensland* cultural policy sets out a whole-of-Government framework to underpin Government investment in the arts. Key directions include:

- promoting participation in the arts and access to arts and cultural events
- maximising outcomes for investment in arts and cultural initiatives
- providing jobs and training opportunities in the cultural and creative industries that foster artistic excellence and sustainability
- strengthening community capacity and a sense of identity
- enhancing infrastructure and cultural services.

Working in Partnership

The Department of Education and the Arts maintains a strong and active relationship with the Portfolio's statutory authorities, government-supported entities and community organisations to deliver education and arts programs that support whole-of-Government priorities and build effective working relationships. Those entities without specific reporting requirements in the Ministerial Portfolio Statement are:

- Queensland Theatre Company – provides excellent artistic experiences, develops Queensland theatre artists, and promotes and develops theatre in Queensland and Australia.

² ABS 2001 Census of Population and Housing.

- The Pacific Film and Television Commission Pty Ltd (PFTC) – facilitates and celebrates quality film and television production in Queensland. The PFTC’s role is to develop and support the local film and television industries, attract international production to Queensland and promote an active screen culture across the State.
- Aboriginal Centre for Performing Arts Pty Ltd – is a performing arts training institution for Aboriginal and Torres Strait Islander young people specialising in contemporary performing arts practice and training.
- Queensland Music Festival Pty Ltd – is the largest music festival in Australia, encompassing regional, remote and metropolitan communities throughout Queensland and achieves both international excellence and accessibility for Queenslanders from all walks of life in the creation and delivery of music making programs.
- Major Brisbane Festivals Pty Ltd – provides strategic leadership to the festivals sector in Brisbane, manages the Brisbane Festival and the *Riverfestival* and aims to bring a sense of celebration to South-East Queensland with high quality cultural events and performances.
- Board of Teacher Registration – upholds the standards of the teaching profession and maintains public confidence in the profession through its registration, investigation, monitoring and professional oversight functions.
- Non-State Schools Accreditation Board – upholds the standards of education in non-state schools, maintains public confidence in the operation of non-state schools, and facilitates educational choice in the State.

Community Organisations

The department provides assistance to a range of community-based organisations which support the delivery of educational and arts services. These organisations provide valuable assistance in delivering the Government’s vision and are major contributors to the department’s service infrastructure.

Arts and cultural organisations supported by the department include more than 50 small to medium arts organisations across Queensland working in a range of artforms. They include: Access Arts, Arts West, Ausdance, Australian Festival of Chamber Music, Extensions Youth Dance Company, Brisbane Multicultural Music Arts Centre and Youth Arts Queensland.

Arts Queensland also works in partnership with local regional councils throughout Queensland delivering significant arts and cultural outcomes through the Queensland Music Festival, the Regional Arts Development Fund and the Indigenous Regional Development Fund programs.

Community support for students with disabilities and students at risk include Autism Queensland, Centre Education Program, Association for Childhood Language and Related Disorders, Noah’s Ark Resource Centre, Royal Queensland Bush Children’s Health Scheme, Specific Education Learning Difficulties Queensland, Spina Bifida Hydrocephalus Queensland, and the Hear and Say Centre.

The department provides funding, policy advice, coordination and consults regularly the Crèche and Kindergarten Association of Queensland on the instruction of the Crèche and Kindergarten and early education services in schools. The department and the Crèche and Kindergarten Association of Queensland are further developing models of service delivery for community kindergartens following the introduction of the Preparatory Year.

2005-06 HIGHLIGHTS³

The 2005-06 investment of \$4.936 billion in recurrent expenses and \$588.6⁴ million in capital expenditure for education and the arts represents an increase in recurrent funds of 7.8% and a capital increase of 58.9% respectively from last financial year⁵. Approximately 25%⁶ of general government expenditure will be spent on education in 2005-06.

The 2005-06 budget provides new funding to education of:

- a projected 286 (full-time equivalent) teachers to meet enrolment growth
- \$7.2 million as the first instalment of a 10-year, \$120 million accelerated asbestos roof replacement program replacing all asbestos roofs in state schools. This includes the \$2.2 million previously committed to roof replacement as part of the *Triple R* maintenance program.
- \$45.8 million over four years (including \$40 million in capital costs) for two new Queensland Smart Academies, one in science, maths and technology and one in creative arts for our best and brightest students in the senior phase of learning
- an additional \$14 million to state and non-state schools, amounting to \$56 million over the next four years, as part of the *Smart Classrooms* initiative to improve information and communication technology (ICT) access and technical support in Queensland's 1,280 state schools
- an additional \$3.5 million to provide laptops or personal computers for 1,500 state school teachers in 2006, in a trial to improve learning and communication through technology
- an additional \$13.2 million for the *Cooler Schools* program to schools in the cooler schools zone as part of the Capital Works Program
- \$3 million to audit installed evaporative cooling and air-conditioning in the Western Cooling and Cooler Schools zones and commence an equipment replacement program as part of the Capital Works Program
- \$8.3 million over three years to develop and progressively implement the *Queensland Curriculum, Assessment and Reporting (QCAR) Framework*
- an additional \$1.8 million to provide enhanced support to meet the significant needs of refugee students as part of the English as a Second Language (ESL) Program
- \$1 million for textbook and resources allowances, and home schooling support and registration system
- an additional \$4.4 million for targeted maintenance in Queensland schools.

The 2005-06 budget provides new arts funding of:

- \$2.5 million to the arts and cultural sector with particular emphasis on sustainability for small to medium arts and cultural organisations, support for high quality one-off initiatives and ensuring flexibility to respond to emerging needs and priorities
- an additional \$1.0 million to the 2005 Queensland Music Festival to expand its successful state-wide program to five more regional areas
- an additional \$0.2 million for the Queensland Performing Arts Trust to expand the highly successful Out of the Box Festival for young children in 2006
- \$0.3 million for the Pacific Film and Television Commission to develop the 2005 Cine Sparks – The Australian Film Festival for Young People.

³ The Highlights section includes both state and non-state funding where applicable.

⁴ The breakdown of the \$588.6 million in capital expenditure is provided in the Capital Acquisitions Statement on page 1-79.

⁵ Equity return expense has been discontinued on a whole-of-Government basis from 1 July 2004 and has been removed from the 2004-05 Budget estimates to provide for comparability with the 2005-06 Budget estimates.

⁶ This percentage also includes funding provided to other agencies for the purposes of providing educational services (eg. TAFE).

The State Government has substantially increased funds to improve school facilities. In 2005-06 the department's \$455.1 million education Capital Works Program, an increase of \$138.9 million from 2004-05, will deliver:

- \$147 million for new schools and classrooms in growth areas throughout the State and allow for the acquisition of additional land
- \$187.8 million for building improvement programs including the *Smart Schools Renewal*, *Building Inclusive Schools*, *Toilet Upgrade*, *Core Facilities Upgrade* and *Wired for the Future* programs as well as works for the two new Smart Academies
- \$81.6 million to continue the delivery of facilities to support the phase-in of the Preparatory Year and continue progress towards full introduction of the Preparatory Year of schooling in 2007
- \$13.2 million for the *Cooler Schools* program to schools in the cooler schools zone
- \$25.5 million to plan and provide other capital works including teacher accommodation and to support the Smart Schools Subsidy Scheme.

Support for the Arts

In 2005-06 the department will also provide:

- \$168.7 million for the Millennium Arts Program to progress the redevelopment of the Queensland Cultural Centre at South Brisbane and associated projects, including the Queensland Gallery of Modern Art and the redevelopment of the State Library of Queensland
- \$0.7 million for the Visual Arts and Craft Strategy, as part of the \$7.4 million four-year joint program with the Australian Government to continue to implement the recommendations of the Myer Inquiry
- an additional \$0.2 million to the Cultural Infrastructure Program companies and an additional \$0.1 million to the major performing arts companies to continue the provision of a broad range of high quality performance and education programs
- funding of \$6.5 million per annum to meet the capital maintenance requirements of the Queensland Cultural Centre
- \$2.5 million per annum to the operations of The Workshops Rail Museum at Ipswich
- matching funding to the Queensland Performing Arts Trust at South Bank of \$0.5 million to replace significant pieces of theatrical production equipment
- funding of \$18.7 million in 2005-06 for the preliminary programming and fit-out work for the Millennium Arts Project sites throughout Queensland.

Support for Behaviour Management

The department will develop and implement a new behaviour management package to strengthen student engagement and school discipline. The new package will detail the mutual responsibilities of students, teachers and parents to improve student engagement.

Following consultation for changes to the *Education (General Provisions) Act 1989*, and the recommendations of the Ministerial Advisory Committee for Educational Renewal (MACER) sub-committee report, a three-tiered approach will be implemented:

- a Code of Behaviour for State Schools will outline expected responsibilities for all students, teachers and parents in state schools in Queensland. The Code will be marketed widely to ensure that all community members know and understand what Queensland state schools value and consistently implement.
- a model school agreement will be developed for use by state schools as a local response to the Code. Every state school will have an agreement in place.

- teachers, teacher aides, behaviour support staff and school leadership teams will have access to a range of new professional development opportunities coordinated by a newly established Centre for Behaviour Support.

To support the new package, Education Queensland will also:

- double the number of state school-based alternative education sites from five to 10 and allocate additional staff for these services
- allocate 10 new guidance officer positions to increase the provision of services to students needing intensive support
- implement a new framework for the provision of alternative education programs
- develop new protocols to prioritise access to Queensland Government funded services for students with challenging behaviours including: emergency accommodation services, child and youth mental health services, child and family support services
- work with universities through the new Queensland College of Teachers to ensure beginning teachers are appropriately trained in behaviour support
- evaluate the effectiveness and efficiency of the current response to behaviour support and intervention strategies with the recurrent commitment of \$25 million for the employment of 300 teachers and alternative education grant funding. This includes continuing the provision of \$1.8 million to support programs developed for students with specific behavioural issues at Tennyson Special School, Barrett Adolescent Centre Special program school and the Berrinbah East Special Education Unit and to Glenala Annex to provide programs for disengaged young people.
- continue to provide curriculum programs for disengaged young people through the Brisbane School of Distance Education at an estimated cost of over \$0.5 million
- implement the new learning pathways for disengaged young people through the Central Purchasing Unit, mentoring and ETRF Access to Pathways programs (\$6.9 million)
- continue to provide a range of services in schools to improve behaviour management outcomes through direct employment or working with Government-funded staff including: School Based Police (Est. \$1.6 million), Guidance Officers and Senior Guidance officers (Est. \$7.8 million⁷), school and district Community Education Counsellors (Est. \$2.8 million) and, as part of the ETRF initiative, Youth Support Coordinators (Est. \$9.6 million).

Support for Education and Training Reforms

The 2005-06 Budget continues initiatives that make the *Education and Training Reforms for the Future* (ETRF) a reality for more Queenslanders. As part of the reforms, the three-year *ICTs for Learning* initiative has exceeded targets and been successfully completed. The remaining elements of ETRF are the Early, Middle and Senior Phases of Learning. The 2005-06 Budget encompasses funding of \$139.9 million. The reforms targeted to the early (Preparatory Year-Year 3), middle (Year 4-9) and senior (Year 10-12) phases of learning are highlighted below.

Early Phase of Learning:

From 2007, a full-time Preparatory Year of education prior to Year 1 will be universally available at schools offering primary education. In 2006 an additional 25 state and non-state schools will phase in the Preparatory Year bringing the total number of schools with the new Preparatory Year program to 121 schools across the three education sectors. An *Early Phase of Learning Action Plan* will be developed to ensure continuity of learning for students across

⁷ This is based on an estimated 20% of these officers' time being devoted to behaviour management.

the early years. 2005-06 will also see a major construction program to provide facilities necessary to accommodate the new Preparatory students.

The Middle Phase of Learning State School Action Plan:

The focus for 2005-06 is to build on the considerable awareness developed in schools in 2004, and to embed middle phase reforms at the local level by:

- promoting Middle Phase cluster planning and supporting the local champions network
- providing further professional development, information and resources to support Middle Phase reform
- supporting teachers to develop students' literacy and numeracy skills in all learning areas throughout Years 4 to 9
- contributing to the development of the QCAR Framework for increased alignment of curriculum, teaching, assessment and reporting in the Middle Phase of Learning within and across schools
- ensuring that a Middle Phase focus is embedded into relevant curriculum projects.

State-wide trials of reforms to the Senior Phase of Learning:

The Queensland Government's reform package is aimed at improving outcomes for all students in the Senior Phase of Learning, including support for students at risk of leaving school early. The investment in 2005-06 of \$18.8 million will be used to extend state-wide reforms. The range of initiatives to support young people and local education and training programs includes:

- \$5.9 million in grants state-wide for initiatives to engage young people in learning, identified through district youth achievement planning. In addition, this funding provides a state-wide mentoring program for young people at risk of disengaging from learning.
- \$1.8 million in grants state-wide for the coordination of vocational education and training and enhancement of career guidance and counselling
- developing Senior Education and Training (SET) Plans for Year 10 students to map out their individual plan of action for their education and training in the Senior Phase of Learning
- continuing support for the additional 79 youth support coordinators bringing the state-wide total to 113
- developing a new Queensland Certificate of Education, and other reforms implemented by the Queensland Studies Authority through an investment of \$1.5 million.

The department continues to work in partnership with key industry stakeholders including Boeing Australia, the Queensland Resources Council, Microsoft Australia and leading local tourism and hospitality industry figures in the development of innovative education and training opportunities for young Queenslanders.

Additionally, in 2005-06 the department will invest the final instalment of \$1 million of the three-year, \$4 million package to trial a flexible resourcing strategy to improve educational outcomes for disengaged young people. Through the trial, the department is working with community partners to purchase education and training services tailored to meet the needs of disengaged 15 to 17 year old young people across the initial seven ETRF trial areas.

Support for Students with Disabilities

The department is supporting improved services for students with disabilities through:

- the provision of \$24 million in 2005-06 representing the final year of the Government's commitment of \$60 million over four years
- the Building Inclusive Schools Program to further enhance special education facilities

- implementation of the new 10 Point Plan for Students with Disabilities. The 10 Point Plan continues to support the inclusive education of students with disabilities in state schools and includes:
 - setting new goals for the access, participation and achievement of students with disabilities in Queensland schools;
 - review of Education Queensland policies to reflect the importance of communities and families and to ensure that parents/caregivers are included in decision making; and
 - the second year of a three-year transition from ascertainment to the Education Adjustment Program as a more appropriate process for both identifying students with disabilities and informing the equitable allocation of additional resources to support schools with the delivery of inclusive education programs.

Learning

In 2005-06 the department will:

- provide \$164.3 million to drive improved student literacy and numeracy outcomes in state schools through further implementation of *Literate Futures* initiatives including:
 - providing effective learning and development in new methodologies for engaging students in reading;
 - supporting the effective implementation of whole-school literacy initiatives; and
 - providing intervention and support programs for students experiencing difficulties in the development of literacy and numeracy skills.
- develop a literacy framework as a focused extension of *Literate Futures* to reflect priority needs that have emerged during the implementation of this literacy strategy
- develop a complementary numeracy framework
- improve student learning and increase comparability of assessment and reporting across schools through assisting the Queensland Studies Authority to develop the QCAR Framework
- implement the *Changes to Schools Reporting* reforms
- support *Spotlight on Science* through the third year of the three-year, \$14 million, six-step action plan
- publish the results of the first state-wide survey of employment, study and other destinations of students in the year after completing Year 12
- continue to support schools implement the state school *Framework for Gifted Education*
- continue implementation of a four-year, \$6.9 million *Safe and Healthy Schools* initiative to promote safety, physical activity and a healthier lifestyle in schools
- allocate \$1.2 million as the second tranche of a four-year, \$4.6 million commitment to support the department's continued involvement in Suspected Child Abuse and Neglect (SCAN) teams across Queensland with 9.8 full-time equivalents (FTEs) senior guidance officers
- continue implementation of the major recommendations of the recent MACER report on Indigenous education, including:
 - challenging system mindsets around Indigenous education;
 - strengthening alignment in schools between curriculum, pedagogy and assessment practices in Indigenous education;
 - establishing processes to identify exceptional administrators and school leaders;
 - expanding the community-based Aboriginal and Torres Strait Islander Teacher Education Program; and
 - ensuring improved alignment of teachers and principals' skills and interests with Indigenous communities through the new recruiting and screening process

- further implement the *Partners for Success Action Plan 2003-2005* and initiatives across all state schools focusing on the key priority areas of attendance; retention and completion; literacy attainment; and workforce and leadership in Indigenous education.

Schools and Services to Schools

The record 2005-06 Capital Works Program of \$455.1 million will invest substantial funds in educational facilities to ensure students can thrive in quality learning environments. This program includes the next \$137 million of the \$350 million Smart State Building Fund for state education.

New Schools and Classrooms

The department's investment of \$147 million for new schools and classrooms will:

- provide \$108.7 million for facilities and classrooms to allow for growth, including the construction of the first stage of two new schools in the Drewvale area of Brisbane and west of Caloundra on the Sunshine Coast, and further stages at Chancellor State College, Flagstone Community College, North Lakes State College and Narangba Valley State Schools. The new schools are the next to be provided from the Smart State Building Fund.
- acquire land for future school sites and to enhance existing sites.

Building Improvement

The department's investment of \$187.8 million for building improvement will:

- provide \$38.3 million for the third year of the four-year, \$80 million Smart Schools Renewal Program
- enhance special education facilities through the allocation of \$27.9 million for the third year of the five-year, \$50 million Building Inclusive Schools Program
- allocate \$22.2 million for new or refurbished toilets at schools
- provide \$15.3 million for the second year of a three-year, \$34 million Core Facilities Upgrade Program
- allocate \$7 million as the third tranche of the four year, \$42 million *Wired for the Future* program
- provide \$12.9 million direct to each school and region for minor works
- invest an additional \$64.2 million in other committed projects and progression of various programs including the Smart Academies, kiln upgrades, school security and air-conditioning replacement.

Preparatory Year Phase-in

The department will provide \$81.6 million to continue the delivery of facilities to support the phase-in of the Preparatory Year and continue progress towards full introduction of the Preparatory Year of schooling in 2007.

Cooler Schools

The provision of \$13.2 million for the *Cooler Schools* program will complete works in the current round and continue the *Cooler Schools* program to schools in the cooler schools zone.

Other Capital Works

The department's investment of \$25.5 million for other capital works will:

- provide \$6.9 million for new and upgraded employee housing
- provide \$5.5 million for the Smart Schools Subsidy Scheme
- allow \$13.1 million for provisions including planning, rectification and reinstatement, technical services and water and sewerage connections.

Maintenance

In 2005-06 the department's maintenance funding for state and non-state schools includes:

- \$7.2 million as the first instalment of a 10-year, \$120 million accelerated asbestos roof replacement program replacing all asbestos roofs in state schools. This includes funding previously committed to roof replacement as part of the *Triple R* maintenance program.
- provide \$18.2 million for the continuation of the *Triple R* maintenance program as the second year of the four-year, \$72.9 million commitment to extend this program.
- invest \$8.2 million as the final year of the three-year, \$20.2 million commitment for the continuation of the *High Priority Building Asset Maintenance* program
- allocate an additional \$4.4 million in targeted maintenance in addition to the base maintenance allocation.

School Workforce

In 2005-06 the department will:

- provide six Instrumental Music Teachers to support the expansion of the *Instrumental Music* program in growth areas of greatest need
- invest \$40.5 million the school workforce to provide professional development to implement new syllabuses and key initiatives, conduct whole-school capacity building and support leadership and induction programs for teaching and non-teaching school staff
- build professional capability for curriculum implementation and the reform agenda to improve student learning outcomes
- develop a range of options to support state school teachers meeting the Continued Professional Learning requirements that are to be developed by the new Queensland College of Teachers
- reward professional excellence of teachers and teacher aides through awards and scholarships such as the Premier's Smart State Teacher Excellence Scholarships, Westfield Premier's Educational Scholarships and the Peter Doherty Awards for Excellence in Science and Science Education
- build the professional capability of principals in Indigenous leadership through the newly established Institute for Indigenous Leadership in Education at Cherbourg including:
 - identification and mentoring of principals and aspiring principals to move into and lead schools with high Indigenous enrolments;
 - on behalf of state schools in Cape York, working in conjunction with the Cape York Institute of Policy and Leadership and the department's Indigenous Education and Training Alliance (IETA) to develop leadership programs for principals and teachers; and
 - a range of professional learning programs including both "inreach" activities such as hosting visits to examine the research projects underway at Cherbourg and "outreach" activities such as school site visits, reviews and workshops.

Portfolio Relationships

In 2005-06 the department will:

- distribute \$332.1 million in recurrent funding for non-state schools (for further information see page 1-73 Administered Items)
- distribute \$42 million in capital funding (for further information see page 1-73 Administered Items) consisting of \$37.5 million in capital assistance and \$4.5 million of External Infrastructure Subsidy scheme funds.

DEPARTMENTAL OUTPUTS

The Department of Education and the Arts plays a vital role in delivering on the Government's priorities by encouraging all Queenslanders to use innovation, creativity and science to ensure the State's future prosperity. The *Education and Training Reforms for the Future* and *Creative Queensland: the Queensland Government Cultural Policy 2002* are setting the direction to ensure that Queensland is positioned to meet future challenges. The department has the primary role in progressing the whole-of-Government priority *Realising the Smart State through education, skills and innovation* through the following outputs.

State Schooling

Education Queensland operates the state education sector which is committed to improving opportunities and pathways for all students. Four departmental outputs constitute state schooling: Preschool Education, Primary Education, Secondary Education, and Students with Special Needs.

Assistance to the Arts

Arts Queensland provides leadership and support in the arts and cultural sector that is committed to maximising quality creative outcomes for Queenslanders. Through the Assistance to the Arts output, the department contributes to the whole-of-Government outcome *A fair, socially cohesive and culturally vibrant society*.

Assistance to Non-State Schooling

The department supports and regulates non-state schools via the Assistance to Non-State Education output.

Assistance to Tertiary Institutions

Regulatory and advocacy services are provided to higher education institutions through the output Assistance to Tertiary Institutions.

Departmental Output Structure from 2006-07

From 2006-07, the department will report on three new outputs: Early, Middle and Senior Phases of Learning. These will replace the state schooling outputs of Preschool Education, Primary Education, Secondary Education and Students with Special Needs.

In keeping with the inclusive policy context of the department, the Students with Special Needs output will be incorporated within the Early, Middle and Senior Phases of Learning outputs in a similar manner to other educational services.

GOVERNMENT PRIORITIES FOR QUEENSLAND

As well as the department progressing the whole-of-Government outcome *A fair, socially cohesive and culturally vibrant society*, the department contributes to other Government priorities as exemplified below.

Improving health care and strengthening services to the community

Promoting fitness and healthy lifestyles of Queensland students has been significantly increased through the Safe and Healthy Schools Program – a four-year commitment to improving interschool team sports, cardiopulmonary resuscitation (CPR) training, innovative physical activity and nutrition programs. Community services are strengthened through

changes to schools of distance education to cater for home schooling as well as geographically or medically isolated students.

The department's work with Indigenous communities through the *Partners for Success Action Plan 2003-2005* and Indigenous Regional Arts Development Fund projects demonstrates the commitment to improving the economic and social wellbeing of Aboriginal and Torres Strait Islander peoples.

Protecting our children and enhancing community safety

The department's commitment to protecting children and enhancing community safety is demonstrated in strategic initiatives, such as the *Educating Children and Young People in the Care of the State* partnership agreement, and the range of support provided to organisations. Also, students and staff in all schools have been made safer by the introduction of amendments to the *Education (General Provisions) Act 1989* and the *Education (Teachers' Registration) Act*. These amendments provide principals with strategies for dealing with abusive, disruptive or hostile people at a school, and strengthen requirements on school staff to report suspected abuse of students by other school staff.

Managing urban growth and building Queensland's regions

Universal access to the Preparatory Year of schooling involves substantial capital works programs in urban and rural schools. This provides employment opportunities that support the economic development of regions. Future education infrastructure and services will align with population projections and the South-East Queensland Regional Plan. Initiatives such as the Millennium Arts Regional Program enhances the cultural experiences of local communities and the Regional Arts Development Fund supports regional artistic and cultural initiatives in partnership with 122 local government councils.

Protecting the environment for a sustainable future

The *Riverfestival* celebrates the Brisbane River and the waterways of South-East Queensland through an annual arts and cultural festival program and increases awareness of the significant environmental issues of this important natural resource. Schools are actively implementing environmentally sustainable practices such as energy efficiency, waste minimisation and waste avoidance procedures in daily practices.

Growing a diverse economy and creating jobs

Quality education enhances the knowledge, skills and qualifications of Queenslanders thereby impacting on sustainable economic growth. Schools are engaging with business and Queensland growth industries to drive new learning and employment opportunities, including apprenticeships and traineeships, in the Senior Phase of Learning. Through programs such as Art Built-in, the festivals program and the Project Grants Program, artists and arts workers are employed, their creative and entrepreneurial capacity is built and talent in emerging creative industries is fostered.

Delivering responsive government

Partnerships with education and arts stakeholders, parents and the community provide input into key plans, programs and the department's strategic direction. The department's revised school reporting regime for 2006 is a recent example of this where, as a response to community needs, parents will be guaranteed a twice-yearly parent teacher interview and written reports on their child's performance. Another example is the Senior Certificate Project resulting in a recommendation for a certificate with prescribed levels of achievement.

OUTPUT LINKAGES WITH GOVERNMENT OUTCOMES

Output Name	Government Outcome / Strategic Governance
Preschool Education	A community of well-skilled and knowledgeable people
Primary Education	
Secondary Education	
Students with Special Needs	
Assistance to the Arts	A fair, socially cohesive and culturally vibrant society
Assistance to Non-State Education	A community of well-skilled and knowledgeable people
Assistance to Tertiary Institutions	

DEPARTMENTAL FINANCIAL SUMMARY

	Notes	2004-05 Adj Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
CONTROLLED				
Income				
Output revenue		3,434,820	3,485,936	3,694,018
Own source revenue		601,564	642,786	655,329
Total income		4,036,384	4,128,722	4,349,347
Total expenses		4,036,384	4,130,900	4,349,347
Operating Surplus/(Deficit)	1	..	(2,178)	..
NET ASSETS		7,296,885	8,541,658	8,906,055
ADMINISTERED				
Revenue				
Administered item revenue		1,443,739	1,534,820	1,590,291
Other administered revenue		950,409	1,008,942	1,054,431
Total revenue		2,394,148	2,543,762	2,644,722
Expenses				
Transfers of administered revenue to Government		949,898	1,008,431	1,054,050
Administered expenses		1,444,250	1,535,331	1,590,672
Total expenses		2,394,148	2,543,762	2,644,722

Notes:

- The deficit results from unforeseen increased utilisation of school bank account balances for recurrent expenses, increased utilities costs and a back payment for digital copyright, offset by a non-cash surplus to fund capital improvements at the Queensland Cultural Centre.
- Explanations of variances are provided in the Explanation of Variances in the Financial Statements section and Output Income Statements.
- The financial statements, including the Adjusted 2004-05 Budget, reflect adjustments for the removal of the equity return, which took effect during 2004-05. Further detail of these adjustments is contained in the 'Explanation of Variances in the Financial Statements' section.

APPROPRIATIONS

	2004-05 Budget \$'000	2005-06 Estimate \$'000
Controlled Items		
Departmental Outputs	3,859,411	3,694,018
Equity Adjustment	286,746	387,062
Administered Items	1,443,739	1,590,291
Vote Total	5,589,896	5,671,371
Note: 1. A reconciliation of appropriations to the Financial Statements follows the Financial Statements.		

STAFFING

Output/Activity	Notes	2004-05 Est. Actual	2005-06 Estimate
OUTPUTS			
Preschool Education	1,2,3,4,6	2,178	2,216
Primary Education	1,2,3,4	26,691	26,753
Secondary Education	1,2,3,4	17,402	17,639
Students with Special Needs	1,2,3,4,5	6,826	6,958
Assistance to the Arts		63	67
Assistance to Non-State Education	4	12	12
Assistance to Tertiary Institutions	4	20	20
BUSINESS UNITS			
Corporate and Professional Services		735	725
Corporate Administration Agency		84	86
Total		54,011	54,476

Notes:

1. Budgeted full-time equivalents (BFTEs) are reported for state-funded services positions for 2004-05 (as at 30 June 2005) and estimated for 2005-06 (as at 30 June 2006) for permanent, temporary and casual teachers, teacher aides, guidance officers, senior guidance officers, public servants, janitor-grounds persons, cleaners and miscellaneous employees.
2. Estimated actual full-time equivalents (FTEs) are reported for trainees, program-funded, Australian Government-funded, school-funded employees and long service leave numbers, projected as at 30 June 2005 and as at 30 June 2006.
3. The estimate for 2005-06 includes the projected numbers based on forecast Semester 1, 2006 enrolments, new facilities, and other funded initiatives.
4. Non-school based Agency numbers are allocated across the outputs to which they relate.
5. The output area "Students with Special Needs" incorporates staffing in the areas of students with disabilities and students of distance education.
6. Staffing numbers associated with the trial of "Prep-Schools" are included under the Preschool Education output.

2005-06 OUTPUT SUMMARY

Output	Total Cost \$'000	Sources of Revenue			
		Output Revenue \$'000	User Charges \$'000	C'wealth Revenue \$'000	Other Revenue \$'000
Preschool Education	131,116	114,714	255	15,078	1,069
Primary Education	2,206,733	1,874,242	4,555	227,373	100,563
Secondary Education	1,504,581	1,278,743	10,587	178,933	36,318
Students with Special Needs	436,994	358,953	605	21,918	55,518
Assistance to the Arts	64,213	62,421	839	..	953
Assistance to Non-State Education	1,025	1,025	..	..	..
Assistance to Tertiary Institutions	4,685	3,920	50	..	715
Total	4,349,347	3,694,018	16,891	443,302	195,136

Note:
1. Explanations of variances are provided in the Financial Statements and Output Income Statements.

STATE SCHOOLS OUTPUTS OVERVIEW

DESCRIPTION

Education Queensland delivers the state schooling system within the Education portfolio. Queensland state schools provide access to educational opportunities for all students through a quality public education system built on innovation and excellence.

Education Queensland is responsible for the direct delivery of state education to over 488,000 students representing approximately 70% of Queensland's children and young people, including students enrolled in distance education and students with disabilities.

State schooling is reported in four departmental outputs: Preschool Education, Primary Education, Secondary Education and Students with Special Needs.

REVIEW OF OUTPUT PERFORMANCE

Queensland state schools are internationally recognised for their progress in the fields of curriculum and teaching and for maintaining high standards that produce excellent academic results. Integrated pathways to tertiary level education provide students with sound preparation for university and further study. Apparent retention rates in state schools continue to improve from 72.3% in 2000 to 75.3% in 2004. Queensland state schools lead the country with approximately 52% of national commencements of school-based apprenticeships and traineeships.

Recent Achievements

Over the past 12 months, Education Queensland has progressed the department's significant reform agenda aimed at improving student learning outcomes. Implementation of the *Education and Training Reforms for the Future* (ETRF) have seen:

- the phase-in of the Preparatory Year at a further 25 state schools. The Early Phase of Learning (Preschool/Preparatory Year-Year 3) reforms include the introduction of a full-time Preparatory Year from 2007 ensuring children are fully prepared for formal schooling.
- the introduction of the Early Years Curriculum in state schools offering the Preparatory Year
- the provision of professional development to principals, teachers and teacher aides and fostered school networking activities to support state schools offering preparatory classes
- continuation of the *Middle Phase of Learning State School Action Plan* reforms through:
 - allocating the first tranche of teachers to reduce class size targets from 30 to 28 in Years 4-10 in state schools in 2007;
 - providing professional development for more than 240 'local champions' to support the reforms at the local level;
 - timely literacy and numeracy intervention;
 - awareness raising strategies and promotion of exemplary practice;
 - support for schools' planning and reporting processes to embed reform of the Middle Phase of Learning at the local level;
 - encouraging more parent and community involvement in schools; and
 - easing the transition to high school.

- an investment of \$14.2 million to expand the reforms to the Senior Phase of Learning in state and non-state schools across Queensland including:
 - implementing local initiatives identified in District Youth Achievement Plans with the allocation of \$4.3 million in grant funds. Eighty-one (81) innovative local projects were funded through the grants across the State to expand education and training pathways for students;
 - enhancing coordination of vocational education and training and career guidance and counselling through an allocation of \$1.8 million in grants state-wide; and
 - implementing a range of initiatives including youth support coordinators and local education and training initiatives with other learning sectors.
- the purchase of \$1.7 million in education and training services and flexible approaches to re-engaging 15 to 17 year old disengaged young people across the initial seven ETRF trial areas as the second tranche of a \$3.3 million central purchasing mechanism trial over three years.

In 2004-05 the *ICTs for Learning* strategy has improved information, communication and technology (ICT) services and support to schools. Education Queensland has:

- finalised the three-year *ICTs for Learning* strategy, exceeding all targets and delivering:
 - over 5,000 additional computers to schools;
 - a state-wide student to computer ratio of 1:4.6 with a student to computer ratio of 1:4.3 in Years 3-12;
 - cabling in 2,132 classrooms in 194 schools resulting in better access for up to 53,300 state school students;
 - an increase in the number of computers in classrooms from 97,000 to more than 118,000;
 - more than 1,600 Personal Digital Assistants (PDAs) or digital cameras to assist teachers explore the use of new technologies in the classroom; and
 - over \$2.8 million to fund inventive curriculum focused ICTs projects within schools in a range of fields.
- provided a bulk procurement system, whereby schools purchased over \$6.9 million worth of hardware and software generating significant savings to schools
- provided \$0.8 million of ICT innovation grants to support 102 locally generated ICT innovation projects, including ICT access for under-represented student groups
- continued to investigate how emerging technology can assist teaching and learning in the 21st Century.

Learning

Curriculum and Teaching

Queensland's education system is being reshaped to cater for students' individual needs, enhance academic achievement, and equip them for the world of work. To further develop curriculum and teaching during 2004-05, the department has:

- progressed support through district personnel and other networks of professional expertise for curriculum planning in schools and commenced the implementation of the new Years 1-10 Mathematics syllabus
- provided \$3.5 million to districts to support the implementation of Key Learning Area syllabuses and other curriculum initiatives identified through their learning and development framework
- continued *Spotlight on Science*, a three-year, six-step action plan to improve the scientific literacy of Queenslanders, encourage more young people to aspire to careers in science, and improve the overall quality of science education in Queensland

- provided interactive learning resources to students and teachers in all curriculum priority areas developed as part of the national Le@rning Federation project through the Curriculum Exchange. Teachers and students in over 340 schools have accessed these resources.
- supported the *Girls and ICTs Framework for Action* to raise awareness about the issues surrounding girls' participation in ICT subjects and further study
- provided flexible learning options for students at risk of disengaging from learning by supporting 55 schools including 38 in rural and remote locations to deliver Virtual Schooling Service i-support programs
- commenced a four-year, \$6.3 million *Safe and Healthy Schools* initiative, as part of the \$11 million Government commitment to promote safety, physical activity and a healthier lifestyle in schools. Key activities included:
 - providing training, resources and other support to schools to ensure all Year 11 and 12 students receive Cardio-Pulmonary Resuscitation (CPR) skills training;
 - developing strategies to ensure all state schools with more than 300 students offer inter-school team sports;
 - distributing \$0.5 million in Round One grants from the Smart and Healthy Schools Fund to assist schools with the costs related to sport and physical activity;
 - providing the first of three 'Healthy Schools Vans' to work with school personnel, parents and school-based youth health nurses to improve levels of commitment and enthusiasm about physical activity in state schools;
 - supporting the further development of the Active-Ate Program as a teaching resource to promote nutrition and physical activity in school communities; and
 - consultation with Queensland Health and other key stakeholders to develop draft guidelines for implementation in state schools to ensure that food sold to students promotes healthy eating habits.
- continued the operation of the eight Technology, Mathematics and Science Centres of Excellence, to provide extension opportunities to students gifted in these areas
- developed two new syllabuses in partnership with the Australian Music Examination Board in New South Wales and Victoria (Singing for Leisure and Saxophone for Leisure) providing leadership in the development of new national curriculums
- promoted excellence in music and speech education in regional and metropolitan centres through teacher/student workshops, support for local music and drama networks, developing whole of life skills in music and speech and drama, participation in conferences and trade shows, and sponsorships
- released and supported the state school *Framework for Gifted Education* and provided access to online resources that assist teachers and support gifted students
- supported the implementation of the Australian Government Gifted Education Professional Learning Package to strengthen the skills and understandings of the teaching profession in gifted education, and help teachers implement the *Framework for Gifted Education*
- enrolled more than 1,300 students from approximately 20 countries in Queensland state schools including approximately 840 full-fee paying international students.

Literacy and Numeracy

In 2004-05 Education Queensland has:

- improved student literacy outcomes in state schools with a \$156 million package including further implementation of *Literate Futures* initiatives through:
 - providing learning and development for staff in the teaching of reading;
 - embedding whole-school literacy strategies; and

- providing advice and support on the development and assessment of multiliteracies and enhancing teacher capacity to teach literacy relevant to the 21st Century.
- created a numeracy gateway on the Curriculum Exchange, providing access to a range of curriculum resources, research and policy documents. The Curriculum Exchange also provides access to Learning Objects which enable students to explore and practise numeracy concepts and skills.
- provided intervention and support through a range of programs for primary and secondary school students who are experiencing difficulties in the development of literacy and numeracy skills
- continued a major research study, which commenced in 2004, into the effectiveness of literacy and numeracy intervention programs. Results are expected in 2006.
- conducted a multicultural forum across three districts to support more effective ways of teaching English as a Second Language refugee students.

Inclusive Education

Schools with an inclusive philosophy are effective in combating discriminatory attitudes, creating welcoming communities, building an inclusive society and achieving improved educational outcomes for all. In 2004-05 Education Queensland has:

- enhanced special education resources for students with disabilities through the third tranche of the Government's commitment of \$55 million funding over four years
- begun implementation of the 10 Point Plan for Students with Disabilities including:
 - developing a draft Inclusive Education Statement;
 - commencing the review of the Placement Policy (*The Provision of Special Education Programs and Services to Students with Disabilities*); and
 - establishing the *Ministerial Advisory Committee for Students with Disabilities*.
- issued 485 Certificates of Post-Compulsory School Education (CPCSE) on completion of Year 12 to students who have either an impairment or disability. This certificate records educational achievement in three areas: a statement of achievement, accredited vocational education and a statement of participation.
- established a *Students with Disabilities Steering Committee* to coordinate and align policies to support schools in addressing the educational needs of students with disabilities
- commenced implementation of the Deaf/Hearing Impaired Action Plan
- provided online resources for identifying and supporting secondary students with learning difficulties
- provided an additional \$1 million for extra English tuition and support for refugee students across Queensland from the beginning of 2005
- improved access to multicultural online resources
- consulted with relevant stakeholder groups on the review of the distribution model for the Remote Area Travel Allowance
- enhanced education and training opportunities for students, teachers and schools in rural and remote Queensland through implementing the *Rural and Remote Education Framework for Action 2003-2005* initiatives.

Education Queensland is committed to improving the achievements and opportunities for all learners including Indigenous students. Since 1999, Indigenous student performance in reading in Years 2, 3 and 5 has been increasing at a greater level than non-Indigenous students. The challenge of closing the gap between the performance of Indigenous students and non-Indigenous students is the focus of targeted strategies in this area. In 2004-05 specific initiatives included:

- progressing the implementation of the *Partners for Success Action Plan 2003-2005* by:

- supporting school staff to review their progress in implementing the Action Plan;
 - assisting schools to analyse available performance data including the school Indigenous Education Profile; and
 - ensuring appropriate planning strategies for improving Indigenous student performance are included in the School Annual Report and Operational Plan (SAROP).
- establishing the Institute for Indigenous Leadership in Education at Cherbourg in conjunction with the Queensland University of Technology to develop and deliver leadership programs to principals and school leaders
 - expanding the High Achiever Principals' Network by four principals
 - expanding the Partners for Success Centres of Excellence by four schools: Durack, Cairns West and Mitchell State Schools, and Western Cape College
 - establishing an additional Aboriginal and Torres Strait Islander Learning and Engagement Centre at Nambour to provide support and assistance to schools in addressing the priority areas of the *Partners for Success Action Plan 2003-2005*
 - establishing a stakeholder working group to redevelop the draft *Pre-School to Year 12 Guidelines for Teaching Aboriginal Studies and Torres Strait Islander Studies in Queensland Schools*.

Creating a Safe and Supportive School Environment

Education Queensland is committed to providing a supportive learning environment where young people feel safe, valued, and engaged. In 2004-05 Education Queensland has:

- responded to the particular learning and developmental needs of children and young people in the care of the State, through the development, monitoring and review of individual Education Support Plans
- provided principals and senior education officers with powers to deal with people who do not behave appropriately on school premises through amendments in the *Education (General Provisions) Act 1989*
- provided mandatory training sessions so that all school staff are aware of their obligation to report actual and suspected abuse of children, including abuse perpetrated by other school staff
- made available \$0.8 million funding for an additional 9.8 full-time equivalent (FTE) Senior Guidance Officers to support continued involvement in Suspected Child Abuse and Neglect (SCAN) teams across Queensland as part of a four-year, \$4.5 million commitment
- contributed to the reimbursement of education-related costs incurred by the carers of children and young people in the child protection system
- initiated criminal history checks of adults enrolled or seeking enrolment as mature age students in state educational institutions, other than schools of distance education, and special schools.

In delivering the department's *Management of Behaviour in a Safe and Supportive School Environment* policy, Education Queensland has:

- provided \$24.5 million in funding to districts for 290 FTE positions and grants to support schools with behaviour management issues and 10 FTE staff in school-based alternative sites to support the ongoing education of young people with behavioural difficulties and students who are at risk of disengaging from learning
- provided flexible learning options for students at risk of disengaging from learning. In early 2005 there were 84 flexible learning services receiving some funding support, educational programs or resources. This included 13 services receiving some funding

through the Access to Pathways grants, and 27 services receiving resources through the central purchasing trial⁸.

- provided flexibility for schools to address individual student needs with:
 - funding for an additional 79 youth support coordinators as part of the ETRF reforms
 - access to over 500 other support staff including guidance officers, community education counsellors, school-based youth health nurses, police officers, and school chaplains;
 - professional development opportunities for teachers based on identified priority areas that are defined in their District Learning and Development Plan. Over 1,200 staff throughout all districts participated in professional development on rethinking behaviour management and how to develop a safe and support learning environment; and
 - grants to engage young people in learning, identified through District Youth Achievement Plans including a state-wide mentoring program for young people at risk of disengaging from learning.
- developed the draft *State Schools Safe Schools* Framework and Action Plan for behaviour support for consultation with key stakeholders
- provided early intervention parenting programs across the State including the *Management of Young Children* and *Triple P- Positive Parenting Programs*
- initiated a three-year program of School-wide Positive Behaviour Support in 29 schools across Queensland
- allocated \$0.4 million to schools to support the implementation of the *National Safe Schools Framework*
- supported schools and districts to develop and implement whole-school anti-bullying strategies with resources such as the *Bullying. No Way!* Website, manual and DVD.

Schools and Services to Schools

The physical environments at schools are critical to the learning process and to supporting the realisation of better educational outcomes. In 2004-05 the department has:

- invested \$11.6 million as part of the continuing Smart Schools Renewal Program
- constructed stage one of the new Narangba Valley State School and invested \$101.5 million for new stages of schools and classrooms
- expended \$16.9 million to continue the delivery of facilities to support the full introduction of the Preparatory Year, including completion of facilities upgrades at an additional 25 school sites, and other work to support the phase-in process including the construction of new prep buildings at Proserpine State School and Tullawong State School
- expended \$17.3 million to continue air-conditioning schools through the *Cooler Schools* program
- expended \$6.5 million to upgrade core facilities at schools through the Core Facilities Upgrade Program to upgrade and expand administration and resource centres
- invested \$13.6 million for the second year of the Building Inclusive Schools Program to enlarge and improve functionality of special schools and other special education facilities
- carried out \$21 million in electrical upgrades as part of the *Wired for the Future* program
- expended \$7.5 million to complete high priority maintenance work
- expended \$16.6 million in funding for the continuation of the Government's *Triple R* maintenance program at state schools

⁸ These services included services within state schools, annexes to state schools, community-based youth support services with an educational component, non-state schools that provided flexible learning services for at risk young people, short and long-term educational referral services; flexible learning services. The figure also includes the five school-based behaviour management former trial sites.

- provided \$13.1 million for minor works direct to schools and districts including an additional \$2 million to increase each school's budget for minor capital works
- expended \$2.3 million on subsidy projects
- expended \$5.7 million to upgrade telephone systems at schools
- expended \$1.4 million to upgrade security at schools
- expended \$12.4 million for new or refurbished toilets at schools
- expended \$6.8 million to provide new and upgraded employee housing
- completed the conversion to telephone teaching of all six regional schools of distance education with the replacement of HF radios in Longreach School of Distance Education and Mount Isa School of the Air
- implemented state-wide voice and data conferencing facilities to support student learning and staff professional development and training.

School Workforce

The department is committed to attracting, developing and retaining a workforce that can achieve high quality outcomes in a dynamic environment. In 2004-05 the department has:

- commenced the implementation of the *Department of Education and The Arts Workforce Strategy 2004-2008* through a pilot program with nine districts
- supported the reforms as outlined in the *Middle Phase of Learning State School Action Plan* with the first of two tranches of 150 additional teachers to progressively reduce Years 4-10 class size targets from 30 to 28 in 2007
- collaborated with universities to ensure that pre-service and post-graduate courses now incorporate an understanding of the Middle Phase of Learning
- continued to review workforce reform processes for teachers, teacher aides and school administrative staff with a view to achieving greater flexibility for staffing allocations at the local level
- established a syllabus implementation team to strengthen the capacity in districts to support implementation of the Key Learning Area syllabuses
- undertaken a pilot involving a representative cross-section of 93 teacher aides to consider their work against predetermined award criteria
- converted approximately 3,000 casual teacher aides to permanent status from 2003-04 to 2004-05
- conducted two rounds of the Career Change Program designed to renew and reinvigorate the teaching workforce. A total of 466 FTE educators accepted a package in Term 4 in 2004 to assist them in making a career change. Those accepting a package were replaced by motivated and qualified graduate teachers. A further 296 offers are being made in Term 2, 2005.

The department is committed to promoting professionalism and developing a high performing and capable workforce. In 2004-05 the department has:

- increased professional development opportunities, with over 73% of teachers and school administrators reporting participation in professional development for the application of ICTs in teaching and learning
- provided professional development and training through a range of programs that:
 - enhanced leadership and management knowledge and skills for over 350 school, district and central office staff;
 - provided induction for over 80 newly appointed principals;
 - enhanced whole-school capability and supported the early, middle and senior phases of learning through both the Innovative Designs for Enhancing Achievement in Schools (IDEAS) model of school capacity building, and online professional development tools focused on teaching practice in the classroom;

- improved curriculum, teaching, assessment and reporting; and
- built organisational capacity and professional capability, particularly through the pilot of a middle management learning program for 60 participants.
- o improved teachers' understanding of the *Professional Standards for Teachers* (PST) by delivering school, cluster and district programs involving an additional 500 teachers, and enhanced future access by training 120 teacher facilitators from 22 districts to lead their peers in the use of the PST framework
- o built professional capability for the delivery of quality science education outcomes for students through science-based learning development activities and providing district science forums for 3,010 teachers in 33 districts
- o rewarded 10 classroom teachers with awards to undertake professional development locally or overseas, five receiving \$25,000 each for the Premier's Smart State Teacher Excellence Scholarship and five science teachers receiving \$24,000 each for the Westfield Premier's Educational Scholarship
- o offered 25 Maths-Science scholarships to assist graduates and professionals with a maths or science degree to undertake a full-time accelerated graduate-entry Bachelor of Education course at the Queensland University of Technology during 2005 and commence teaching in Education Queensland schools in 2006 as Maths-Science teachers
- o celebrated the achievements of four schools and nine teachers who received Peter Doherty Awards, totalling \$78,000, for excellence in Science and Science Education as part of the *Spotlight on Science* initiative
- o created the Queensland Education Recognition for Professional Learning Committee, comprising university and departmental representatives for staff to gain credit in post-graduate qualifications for recognised professional development activities
- o built the internal capability to resolve workplace disputes by developing a trained mediator network across the State
- o trained 35 staff to deliver the new *Code of Conduct* training package and an additional 160 staff throughout the State to conduct investigations into employee misconduct
- o provided \$5.6 million in district and school professional learning projects including over \$3.6 million in Australian Government Quality Teacher Program (AGQTP) funds.

The department continued its commitment to workplace diversity and equity through a range of supporting initiatives. In 2004-05 the department has:

- o achieved a further increase of 1.7% of women represented in management positions in the period 2003 to 2004 to a total of 51.5%
- o surpassed the 2005 'AO7 and equivalent and above' employment target of women in management positions
- o launched the *Breastfeeding in the Workplace* policy and the *Part time Teaching* policy in support of the *Women's Strategy 2002-2005*
- o established a dedicated Aboriginal and Torres Strait Islander Employment Unit to raise the profile of Indigenous employment issues and to progress strategies to improve progression and career opportunities
- o planned expansion of the successful community-based Aboriginal and Torres Strait Islander Teacher Education Program, which celebrated its 100th graduate teacher
- o developed resources for further consultation and collaboration with Indigenous communities in the development of a cross-cultural training program
- o provided online information and resources through a new Curriculum Exchange gateway to enhance skills and knowledge of school staff in the areas of Aboriginal and Torres Strait Islander education.

To ensure the workforce is well prepared for future demands in information and communication technologies, the department has, in 2004-05:

- recognised excellence in the integration of ICTs in the curriculum by rewarding an additional 20 teachers with a \$5,000 grant each for professional development
- extended the *Intel Teach to the Future* program to 410 teachers to enhance their skills in using popular software applications for teaching and learning, so they can better integrate these applications into the curriculum
- fostered strategic partnerships and Learning Place online professional learning communities to support curriculum planning and enhance professional practice in schools
- facilitated the introduction of the self-paced ICT curriculum integration short course, with an initial enrolment of 66 participants, through the Learning Place and Curriculum Exchange
- raised awareness of the issues of access to ICTs for students with disabilities, girls, and Indigenous students by distributing to schools three Practical Ideas for Teachers booklets. Further booklets were produced to support the integration of ICTs within key curriculum areas of mathematics, science, technology and the arts.

The Online Learning environment continues to grow in relevance and importance in supporting schools to achieve quality learning outcomes for students. In 2004-05 Education Queensland has:

- provided quality resources which enables staff to manage their online courses and student registrations and simplifies access for all users of the Learning Place
- implemented the use of quality online curriculum resources facilitating teachers' integration of ICTs within the curriculum
- implemented state-wide voice and data conferencing facilities to support student learning and staff professional development and training.

Future Developments

Learning

To further enhance the ETRF agenda in the early, middle and senior phases of learning in 2005-06, Education Queensland will:

- phase in the Preparatory Year at an additional 20 state schools in 2006 bringing the total number of state schools offering the Preparatory Year program to 97 state schools
- develop Senior Education and Training (SET) plans for Year 10 students to assist young people to map out viable education and training pathways
- trial and implement reforms to the Senior Phase of Learning state-wide including a range of innovative initiatives for youth support and expanded senior phase options
- participate in and implement the trial of the registration of young people with the Queensland Studies Authority (QSA) state-wide, and the banking of credits into student accounts
- complete the central purchasing mechanism trial with the final investment of \$0.8 million of a \$3.3 million package over three years to purchase education and training services and flexible approaches to re-engaging 15 to 17 year old disengaged young people across the initial seven ETRF trial areas.

In 2005-06 state schools will continue to focus on ensuring successful transitions and ongoing progress in students' learning across the early, middle and senior phases. Education Queensland aims to provide coherent, consistent learning experiences through quality curriculum, teaching, assessment and reporting. Education Queensland will:

- assist the QSA to develop the *Queensland Curriculum, Assessment and Reporting Framework* which will define what is essential curriculum for all students in Years P-10, set standards of student achievement in the essential curriculum, establish rigorous comparable assessment against these standards, and develop a common framework for reporting student achievement against standards
- provide parents with written student reports and conduct parent teacher meetings twice a year. School websites will make school information available to the community in line with the *Changes to Schools Reporting* reforms.
- provide parents with information about their child's school and its outcomes including the curriculum taught, extra-curricula activities, opportunities for parental involvement, and summary data for the literacy and numeracy tests, and retention rates
- provide improved student literacy outcomes in state schools through further implementation of *Literate Futures* initiatives including:
 - providing effective learning and development in new methodologies for engaging students in reading;
 - supporting the effective implementation of whole-school literacy initiatives; and
 - providing intervention and support programs for students experiencing difficulties in the development of literacy and numeracy skills.
- develop a literacy framework as a focused extension of *Literate Futures* to reflect priority needs that have emerged during the implementation of this literacy strategy
- develop a complementary numeracy framework
- support *Spotlight on Science* through the third year of the three-year, \$14 million, six-step action plan to improve the scientific literacy of Queenslanders, encourage more young people to aspire to careers in science, and improve the overall quality of science education in Queensland
- implement the 10 Point Plan to improve services and support for students with disabilities
- support the implementation of the Years 1 to 10 English trial syllabus developed by the QSA
- provide round two of the Smart and Healthy Schools Grants to schools for innovative projects that directly enhance opportunities for students to engage in sport and physical activity in school settings
- action the recommendations of the external evaluation of the eight Technology, Mathematics and Science Centres of Excellence
- support innovative student programs, specialist training of teachers, residential workshops for outstanding students and established community partnerships through the eight Centres of Excellence in Technology, Maths and Science
- commence planning for the Smart Academies
- continue to support schools implement the state school *Framework for Gifted Education* and the AGQTP Gifted Education Professional Learning Package, and provide additional online resources for teachers and students who are gifted
- award three \$3,000 Australian Music Examination Board (AMEB) scholarships to support students of outstanding ability and promise to further their musical and speech and drama education
- introduce a more equitable model for distributing the Remote Area Travel Allowance to compensate geographically isolated families for travel costs between home and boarding locations
- provide additional education support services and programs to enhance the educational participation, achievement and retention of children and young people in the care of the State

- continue to provide 9.8 FTE senior guidance officers to support the SCAN system to ensure an effective and coordinated, multi-disciplinary response to notifications of suspected child abuse and neglect
- develop a new allocative model for the distribution of the English as a Second Language funding to take into account the particular needs of refugee students
- trial a literacy initiative in 23 schools to raise the literacy levels of Aboriginal and Torres Strait Islander students by enhancing current practices in literacy development
- select a further three schools to be included within the Partners for Success Centres of Excellence.

Improvements in safe and supportive school environments will be supported through a new behaviour management package to strengthen student engagement and school discipline, and detail the mutual responsibilities of students, teachers and parents. The new approach will include a Code of Behaviour for State Schools outlining the expected responsibilities for all students, teachers and parents in state schools, a model school agreement and a newly established Centre for Behaviour Support for teacher professional development.

To support the new package, Education Queensland will:

- double the number of alternative education sites from five to 10 including the allocation of additional staff for these services
- provide 10 new guidance officer positions for the provision of services to students needing intensive behaviour support
- evaluate the effectiveness of the current response to behaviour support and intervention strategies with the current commitment of \$25 million in funding to districts for continued support for 300 FTE positions and grants to support schools and young people with behavioural difficulties and students who are at risk of disengaging from learning
- provide flexibility for schools to address individual student needs with:
 - continued support for 113 youth support coordinators across the State;
 - \$21.8⁹ million in support from over 500 other support staff including guidance officers, community education counsellors, school-based youth health nurses, police officers, and school chaplains; and
 - \$6.9 million for implementation of new learning pathways for disengaged young people through the Central Purchasing Unit, mentoring and ETRF Access to Pathways programs.
- evaluate the effectiveness and efficiency of current practices
- implement a new framework for the provision of alternative education programs
- prioritise access to services for students with challenging behaviours including: emergency accommodation services, child and youth mental health services, child and family support services
- seek increased levels of preservice training in behaviour management with the new Queensland College of Teachers and universities
- provide flexible learning options for students at risk of disengaging from learning in the 84¹⁰ flexible learning services operating across Queensland
- implement the second year of the three-year program of School-wide Positive Behaviour Support in approximately 39 schools across Queensland.

⁹ Calculated as a percentage of their role: School Based Police (\$1.6 million), Guidance Officers and Senior Guidance officers (\$7.8 million), school and district Community Education Counsellors (\$2.8 million), and Youth Support Coordinators (\$9.6 million).

¹⁰ These services included services within state schools, annexes to state schools, community-based youth support services with an education component, non-state schools that provided flexible learning services for at risk young people and short and long-term education referral services. The 84 flexible learning services receive some funding support, educational programs or resources. This included 14 services receiving some funding through the Access to Pathways grants, and 24 services receiving resources through the central purchasing trial. The figure includes the five school-based behaviour management former trial sites.

In addition in 2005-06, the department will:

- commence implementation of the *National Framework for Values Education in Australian Schools*
- further implement of the *National Safe Schools Framework*.

Schools and Services to Schools

The \$74.1 million *Smart Classrooms* and ICT initiatives will improve access and further develop ICT skills for both students and teachers while progressing towards a sustainable ICT environment. Education Queensland will:

- provide additional laptops or personal computers for 1,500 state school teachers in the 2006 school year, in a trial to improve learning and communications through technology
- build the capacity for students, their parents and teachers to have electronic access to class-work and learning materials anywhere, any time
- improve ICT training for teachers by providing a comprehensive range of learning and development events, courses, resources, activities and systemic projects to increase teachers' skills in the integration of ICTs in learning and teaching
- provide ICT schools grant to replace outdated equipment and to maintain the target ratio of one computer to five students in Years 3-12
- support locally generated ICT innovation projects, including improving ICT access for under-represented student groups
- provide schools access to more wide-ranging ICT technical support
- continue to invest in automation activities to improve the department's information system capabilities for decision-making and resource control.

To further enhance school capabilities through information and communication technologies, Education Queensland will:

- provide further professional development opportunities for teachers and schools to facilitate ICTs as integral to teaching and learning by:
 - extending the *Intel Teach to the Future* program of professional development for teachers in ICTs to an additional 900 teachers;
 - providing opportunities for teachers to experience an ICT-centred industry placement program to extend ICT experience and knowledge;
 - providing further opportunities for teachers to access cutting-edge personalised ICT devices to advance teaching and learning in the 21st Century; and
 - supporting teaching professional development and innovation through the ICT Learning Innovation Centre.
- develop and implement a measure of ICT use in schools to gauge the extent that ICTs are used to support learning
- foster innovation in ICTs in teaching and learning through action research programs
- support the provision of basic computer and Internet training programs to the wider community in partnership with the Brisbane City Council and conduct a trial training program with the Gold Coast City Council
- procure and implement over the next two years an integrated management system that will address both the strategic information needs of the department and support the management of state schools.

Continuous improvement of school facilities will be achieved through the continuation of a number of major initiatives. In 2005-06 the department will:

New Schools and Classrooms

- complete construction of the first stage of two new schools. A new primary school will open in the Drewvale area of Brisbane and a new school ultimately catering for Preparatory Year to Year 12 will open in the west of Caloundra on the Sunshine Coast. These new schools are the next to be provided from the Smart State Building Fund.
- provide planned and emergent classroom requirements to support growth across Queensland's state schools

Building Improvement

- complete the third year of the four-year, Smart Schools Renewal Program. This innovative program expands upon the work that was completed by the Secondary Schools Renewal Program. It allows participating primary, secondary, special schools and other educational centres to upgrade facilities and provide spaces that support an expanded curriculum and more fully integrate ICTs.
- enhance special education facilities through the third year of the five-year Building Inclusive Schools Program. A significant number of special schools and special education facilities in other state schools have been enlarged and had their functionality improved through this program.
- provide new or refurbished toilets at schools
- progress the second year of the Core Facilities Upgrade Program. This program provides updated and expanded administration and library facilities in schools where growth has outstripped the original size of their support facilities.
- continue the *Wired for the Future* program providing electrical upgrades at schools to facilitate school operations including ICT usage
- progression of various programs including the Smart Academies, kiln upgrades, school security and air-conditioning replacement.

Preparatory Year Phase-in

- continue the delivery of facilities to support the phase-in of the Preparatory Year and continue progress towards full introduction of the Preparatory Year of schooling in 2007

Cooler Schools

- complete outstanding works and continue the *Cooler Schools* program to schools in the cooler schools zone

Other Capital Works

- provide new and upgraded employee housing
- continue the Smart Schools Subsidy Scheme which provides funding for innovative projects that enable school communities to effect improvements and to share the use of school facilities with the wider community

Maintenance

In 2005-06 the department's maintenance funding for state schools includes:

- \$7.2 million as the first instalment of a 10-year, \$120 million accelerated asbestos roof replacement program replacing all asbestos roofs in state schools. This includes funding previously committed to roof replacement as part of the *Triple R* maintenance program.
- provide \$16.6 million for the continuation of the *Triple R* maintenance program as the second year of the four-year, \$66.4 million commitment to extend this program. The program will not only continue the repainting of schools and the replacement of deteriorated roofing and water reticulation and encompasses the upgrading of sewerage and other drainage systems.

- invest \$7.5 million as the final year of the three-year, \$18.8 million commitment for the continuation of the *High Priority Building Asset Maintenance* program. The program focuses on a number of asset maintenance categories such as: recarpeting, reflooring, refurbishment of classrooms, playground structures and tuckshops.
- allocate an additional \$4 million in targeted maintenance in addition to the base maintenance allocation.

In 2005-06, the department will provide grants to state schools to fund operational, capital and initiative requirements of up to \$325 million.

School Workforce

The department will continue to develop and enhance the *Department of Education and the Arts Workforce Strategy 2004-2008* to integrate workforce sustainability and capability, and to recognise and reward professionalism. In 2005-06 the department will:

- deliver workforce learning and development that embeds curriculum and strategic initiatives into professional practice through:
 - enhancing leadership capability by providing leadership programs for current and aspiring leaders;
 - developing a greater number of internally trained coaches and facilitators; and
 - building the professional capacity of principals in Indigenous leadership through the Institute for Indigenous Leadership in Education at Cherbourg.
- commence implementation of the \$2.1 million professional development plan to support state school teachers and school administrators to successfully implement the Preparatory Year
- work with the Queensland Studies Authority to develop materials and professional development activities to prepare teachers to understand the new Early Years syllabus
- negotiate the next round of Enterprise Bargaining for all staff with relevant unions
- allocate additional funding of \$108.9 million for the final increment under the current enterprise bargaining awards
- implement the new classification level as agreed in the *Education Queensland Teacher Aides Certified Agreement 2003*
- implement the *Professional Standards for Teachers* as the framework for planning learning and development programs state-wide
- review the *Standards Framework for Leaders* to define the skills, knowledge and behaviours that school leaders require to align with current and future organisational goals
- expand the Partners for Success High Achiever Principals Network by a further three principals
- support targeted learning and development activities through *Spotlight on Science* initiatives
- develop strategies to increase the pool of quality teachers in specialist areas
- strengthen and expand the public service middle management program to equip managers to drive the agency's reform agenda
- evaluate the *Performance Development Scheme* piloted in the Emerald and Bundaberg districts and commence the implementation process to all work areas
- finalise a standards framework for non-teaching staff to identify key capabilities and provide a focus for development priorities.

In operating a positive workplace environment that encourages a diversity of views, the department will:

- evaluate the effectiveness of the employment strategy that outlined commitments to workplace diversity and equity for the period 2002 to 2005 and identify new strategies to improve employment opportunities for equal employment opportunity target groups
- integrate pre-employment programs to provide clearer employment pathways for Indigenous people and establish Indigenous employment plans at regional and district levels
- negotiate strategies to strengthen and expand the successful community-based Aboriginal and Torres Strait Islander Teacher Education Program to increase the numbers of Indigenous people achieving teacher qualifications
- continue to work with the Indigenous Education Training Alliance towards increased Aboriginal and Torres Strait Islander student learning outcomes by providing:
 - cross-cultural awareness training to all school staff;
 - facilitator guides and training materials for staff delivering awareness training within school settings; and
 - a further two levels of training by specially trained personnel for staff in schools with high Indigenous enrolments, focusing on the particular cultural aspects of the local school community.
- expand the Partners for Success Curriculum Exchange gateway providing a wider variety of information and classroom resources for improving teaching practices in relation to Indigenous education and integration of Indigenous perspectives across the curriculum
- monitor the rate of incidences reported since the roll-out of the Student Protection Policy, using 2004-05 as a base level, and strengthen inter-agency relations for the benefit of child protection
- focus on organisational health and safety including an emphasis on monitoring and analysis of data and coordination of system responses.

OUTPUT PERFORMANCE

OUTPUT: Preschool education

RELATED OUTCOME: A community of well-skilled and knowledgeable people

DESCRIPTION

The Preschool Education output reports on achievements in preschool education as well as the Preparatory Year phase-in leading up to state-wide implementation in 2007.

Preschool is provided in the majority of state primary schools as an optional year of part-time early education prior to Year 1. Preschool education focuses on building strong educational foundations and supporting a successful transition to primary school. Preschool services are provided for students with disabilities and in schools of distance education.

From 2007, a full-time Preparatory Year will replace the sessional preschool and be available at all Queensland state schools providing primary education. Preschool will no longer be offered at state schools. In 2005, 77¹¹ state schools are involved in the phase-in of the Preparatory Year program as part of the lead-up to state-wide implementation in 2007.

REVIEW OF OUTPUT PERFORMANCE

Recent Achievements

In 2004-05 Education Queensland has:

- commenced the 2005 school year with 604 state preschool centres and 165 early education classes providing preschool services. Enrolments at these centres included approximately 2,900 Aboriginal and Torres Strait Islander students and 250 students in schools of distance education. More than 1,950 preschool children were enrolled at special education development units/centres and special education units/classes.
- phased in the Preparatory Year at an additional 25 state schools in 2005. A total of 77 state schools are offering the preparatory program across all districts.
- completed capital works at a cost of \$20.4 million including the commencement of the delivery of a state-wide facilities program to support the full introduction of the Preparatory Year and the phase-in process for this initiative including the completion of new prep buildings at Proserpine State School and Tullawong State School, as well as major works at the new Narangba Valley State School
- evaluated the 2004 Preparing for School trial to inform the implementation of the Preparatory Year state-wide in 2007. The independent report showed that the Preparatory Year is highly successful in promoting children's social-emotional development and their communication, numeracy, literacy and motor skills. Specific information has been obtained in relation to key focus areas including:
 - parent, community and staff response to involvement in the trial;
 - planning and implementing learning, teaching and assessment activities; and
 - curriculum continuity across the Early Phase of Learning.

¹¹ The Outback Hub Schools of Distance Education at Charleville, Longreach and Mt Isa are counted as one.
2005-06 Queensland State Budget – Ministerial Portfolio Statement – Department of Education and the Arts

- consulted with stakeholders through the Early Education Reference Group to provide strategic advice to the Minister on early education issues, including the Preparing for School trial
- collaborated with the Queensland Studies Authority (QSA) to refine the draft *Early Years Curriculum Guidelines* and the *Early Learning and Development Framework*
- developed a three-year professional development and training program for personnel to support the introduction of the Preparatory Year, in collaboration with the QSA
- commenced development of policies for the implementation of the Preparatory Year
- negotiated with the community kindergarten sector on the delivery of pre-preparatory services
- developed a training package for teachers to support the use of presentation software to improve learning in the early years of education
- progressed guidelines to support the co-location of early education and child care services on state school sites
- developed a service level agreement with Lady Gowrie Child Centre¹².

Future Developments

Education Queensland will:

- phase-in the Preparatory Year at a further 20 state schools, bringing the total number of state schools offering the Preparatory Year to 97 in 2006
- undertake capital works at a cost of \$98.2 million including major works at new schools in Drewvale and Caloundra
- continue the capital works in preparation for the state-wide Preparatory Year in 2007. The full implementation will include:
 - construction of approximately 400 new classrooms; and
 - refurbishment of approximately 1,200 existing classrooms.
- support an early phase approach in primary schools through collaboration with the Queensland Studies Authority to develop professional development for school staff on the *Early Years Curriculum Guidelines*
- implement, over three years, learning and development pathways for over 900 primary principals and over 2,200 early years personnel to support the introduction of the Preparatory Year of schooling in 2007 and 2008
- develop guidelines for districts and schools to enable the inclusion of children with disabilities in the Preparatory Year
- collaborate with the community kindergarten and child care sectors on pre-preparatory service delivery.

¹² The Service Agreement recognises the Gowrie Inc's receipt of DECKAS funding outside of affiliation with the Crèche and Kindergarten Association of Queensland.

OUTPUT STATEMENT

Output: Preschool Education				
Measures	Notes	2004-05 Target/Est.	2004-05 Est. Actual	2005-06 Target/Est.
Quantity				
Number of state schools providing preschool services	1,2,3	782	785	794
Number of preschool students enrolled at state schools	4,5	36,900	36,580	36,600
Proportion of Queensland five-year-olds enrolled in state preschools		67%	67%	68%
Number of Aboriginal and Torres Strait Islander students attending state preschool centres (excluding schools of distance education)		2,900	2,885	3,000
Location				
Number of state schools providing preschool in:				
rural centres	6	370	373	375
urban centres	6	412	412	419
Cost				
Average cost of services per student (\$)		3,027	3,138	3,582
State Contribution (\$'000)		100,665	99,275	114,714
Other Revenue (\$'000)		11,048	15,362	16,402
Total Cost (\$'000)		111,713	114,784	131,116
<p>Notes:</p> <ol style="list-style-type: none"> The 2004-05 estimated actual has increased by three Preparatory Trial schools (Goovigen, Mt Murchison and Prospect Creek State Schools) and consists of 604 State Preschool centres, 165 Early Education classes and 16 centres offering Preparatory Year only. Allocation has been made for preschool provision in two new schools at Drewvale and Caloundra West in 2005-06. The 2005-06 target/estimate includes seven additional Preparing for School implementation sites where preschool is currently not offered. These sites form part of the 20 schools phasing-in the Preparatory Year for the first time in 2005-06. The 2004-05 estimated actual is the July 2005 enrolment forecast, as this is the single census point for student enrolments. The 2004-05 estimated actual and the target/estimate include students in the Preparing for School implementation. The location measure allocates schools to "urban" or "rural" based on a national classification, which combines an analysis of both population size and access to services. 				

Output Income Statement – Preschool Education

	Notes	2004-05 Adj. Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
Income				
Output revenue	1	100,665	99,275	114,714
User charges		645	246	255
Grants and other contributions	2	10,386	14,948	16,041
Other revenue		17	168	106
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		111,713	114,637	131,116
Expenses				
Employee expenses	3	97,156	99,723	106,457
Supplies and services	4	10,153	10,205	19,177
Grants and subsidies		164	262	676
Depreciation and amortisation		3,648	4,043	4,214
Finance/borrowing costs		229	153	141
Other expenses		363	398	451
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		111,713	114,784	131,116
OPERATING SURPLUS/(DEFICIT)		..	(147)	..

Notes:

Major variations between 2004-05 Adjusted Budget and 2004-05 Estimated Actual include:

2. Revised estimate of Commonwealth revenue.

Major variations between 2004-05 Adjusted Budget and 2005-06 Estimate include:

1. Increased funding for enterprise bargaining, school maintenance, preparatory year programs and higher depreciation costs from asset revaluations.
2. Increased Commonwealth revenue.
3. Increase for enterprise bargaining agreements and long service leave levy rate increase.
4. Increased expenses in relation to increased school maintenance, Commonwealth programs, *Education and Training Reforms for the Future* initiatives including the introduction of the preparatory year in 2007, and changes in accounting treatments with the introduction of International Financial Reporting Standards.

The financial statements, including the Adjusted 2004-05 Budget, reflect adjustments for the removal of the equity return, which took effect during 2004-05. Further detail of these adjustments is contained in the 'Explanation of Variances in the Financial Statements' section.

OUTPUT PERFORMANCE

OUTPUT: Primary Education

RELATED OUTCOME: A community of well-skilled and knowledgeable people

DESCRIPTION

The Primary Education output reports on activities that provide students in Years 1-7 with a comprehensive, general education and opportunities to transition successfully into secondary education. Primary education is characterised by curriculum, pedagogy and assessment designed to develop students' skills and knowledge relevant to their present and future needs. Primary education focuses on supporting the relevant intellectual, physical, emotional and social development needs of young people.

REVIEW OF OUTPUT PERFORMANCE

Recent Achievements

In 2004-05 Education Queensland has:

- completed capital works at a cost of \$160.3 million including the new Narangba Valley State School and other major works at Agnes Water, Annandale, Bald Hills, Clover Hill, Ferny Grove, Grand Avenue, Helensvale, Norman Park, Ormeau, Redland Bay and Tannum Sands State Schools
- increased the capacity of teachers and key literacy and support staff throughout the State to improve students' literacy and numeracy as part of the *Literate Futures* initiative
- supported implementation of the Technology and the Arts syllabuses
- planned and implemented district-based strategies which support schools in providing effective in-service in the teaching of reading to improve literacy outcomes through the whole-school literacy strategies
- monitored performance of all Years 3, 5 and 7 state school students in reading, writing and number and the Year 2 Net. Outcomes indicate that:
 - a smaller percentage of students needed additional assistance in the Year 2 Net;
 - increased percentages of students are achieving the literacy benchmarks in reading and writing; and
 - an increased proportion of Year 5 students achieved the national numeracy benchmark in 2004.
- increased the performance of Indigenous students as measured by the decrease in students requiring additional support in the Year 2 Diagnostic Net
- increased the proportion of Indigenous students achieving the national benchmarks in reading for Year 5
- conducted a variety of programs and courses for primary students through the eight Technology, Mathematics and Science Centres of Excellence. These included:
 - science and mathematics programs and courses for 5,561 primary students throughout Queensland; and
 - programs for 1,046 primary teachers.
- improved the teaching of science through the *Spotlight on Science* initiative including support for primary and secondary school science partnerships and for professional development on newly released Science syllabuses

- provided flexible learning options for students at risk of disengaging through the middle years of schooling. In 2004-05 the Virtual Schooling Service's i-support program, Ollie Up, provided 136 students in 39 schools with access to innovative information and communication technology (ICT) projects focusing on literacy, numeracy and social skills.
- provided 150 additional teachers as the first tranche towards the middle years class size reduction where Years 4-10 class size targets will reduce from 30 to 28 by 2007.

Future Developments

Education Queensland will:

- undertake capital works at a cost of \$178 million including construction of the first stage of new primary schools at Drewvale and Caloundra (as part of a P-12 campus) and other major works at Bli Bli, Boondall, Bulimba, Narangba Valley, Runcorn Heights, Mabel Park, West End State Schools and Western Cape College-Weipa
- assist the Queensland Studies Authority (QSA) to develop the *Queensland Curriculum, Assessment and Reporting Framework*
- develop a literacy strategy to build on the *Literate Futures* project focusing on student achievement, teacher professional development and curriculum/literacy leadership
- support implementation of the Technology, Arts, English and Mathematics syllabuses
- continue support to students experiencing difficulties in the development of literacy and numeracy skills via intervention programs such as learning support
- provide school staff with latest information about Aboriginal and Torres Strait Islander education through the Partners for Success Curriculum Exchange gateway
- work with QSA staff to ensure syllabus documents address the future needs of Aboriginal and Torres Strait Islander students
- continue implementing the *Middle Phase of Learning State School Action Plan* to ensure all students make worthwhile progress in learning from Years 4 to 7 and are prepared for a successful transition to secondary schooling
- ensure parents are provided twice-yearly written reports and parent teacher meetings on their child's performance
- provide parents and the community with information on the context and performance of their school.

OUTPUT STATEMENT

Output: Primary Education				
Measures	Notes	2004-05 Target/Est.	2004-05 Est. Actual	2005-06 Target/Est.
Quantity				
Number of state schools (excluding schools of distance education) providing primary education	1,2,3	1,047	1,043	1,045
Number of students enrolled at state schools in Years 1 to 7	3,4	283,700	285,050	285,300
Proportion of Queensland Year 1 to 7 students attending state primary schools (excluding schools of distance education)		74%	74%	73%
Quality				
<u>Year 2 Diagnostic Net</u> – percentage of Year 2 students mapped who did not require intervention in relation to their literacy and numeracy development:				
reading		76%	75.3%	76%
writing		86%	84.5%	85%
number		80%	80.1%	81%
<u>Year 3 Test</u> – percentage of students achieving the national benchmark for:				
reading	5	95%	96.5%	97%
writing		87%	86.8%	87%
numeracy		92%	89.0%	90%
<u>Year 5 Test</u> – percentage of students achieving the national benchmark for:				
reading	5	83%	80.8%	82%
writing		95%	96.5%	97%
numeracy		89%	86.8%	88%
<u>Year 7 Test</u> – average performance for the State of tested students, based on scale scores for:				
literacy	5	690	694	N/A
numeracy		683	665	N/A
<u>Year 7 Test</u> – percentage of students achieving the national benchmark for:				
reading	5	N/A	93.1%	94%
writing		N/A	96.7%	97%
numeracy		N/A	82.3%	83%
Satisfaction rate of parents with their school	6	83%	81.8%	82%
Satisfaction rate of students with their school	6	82%	80.7%	81%
Location				
Number of state schools providing primary education in:				
rural centres	3,7	595	592	592
urban centres	2,3,7	452	451	453
Cost				
Average cost of services per student (\$)		7,393	7,426	7,735
State Contribution (\$'000)		1,789,335	1,792,831	1,874,242
Other Revenue (\$'000)		307,984	321,182	332,491
Total Cost (\$'000)		2,097,319	2,116,734	2,206,733

Notes:

1. The 2004-05 estimated actual decreased by four due to the closure of Acland SS, Cairns North SS, Cottonvale SS and West Hill SS.
2. Allocation has been made for schools at Drewvale and Caloundra West in 2005-06.
3. Schools offering both primary and secondary education (eg P-10 and P-12 schools) are counted as both primary schools in the Primary Education Output and as part of the 'primary schools with secondary departments' group in the Secondary Education Output. In these cases student enrolments are distributed across Primary and Secondary Education Outputs according to year level.
4. The 2004-05 estimated actual is the July 2005 enrolment forecast, as this is the single census point for student enrolments. Enrolment forecasts are complex predictions based on: the proportion of the estimated resident population for each age group attending state and non-state schools, the proportion of each age group across the school year levels, population growth and dispersion estimates, and year level progression and retention rates.
5. The source of these measures is the Queensland Studies Authority testing of Years 3, 5 and 7 students in August 2004. The percentages of students reported as achieving national benchmarks do not include 95% confidence intervals. Students who were absent or withdrawn from the testing are not included in the benchmark calculations. Students who were exempt from the testing were included in the benchmark calculations as being below the benchmark. Benchmarks describe national agreed minimum acceptable standards for literacy and numeracy at particular year levels. Reporting the percentage of students achieving the national benchmarks allows comparisons between States and Territories.
6. The source of these measures is the *School Opinion Survey*, administered in all state schools in August 2004.
7. The location measure allocates schools to "urban" or "rural" based on a national classification, which combines an analysis of both population size and assessment of access to service.

Output Income Statement – Primary Education

	Notes	2004-05 Adj. Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
Income				
Output revenue	1	1,789,335	1,792,831	1,874,242
User charges	2	11,189	4,198	4,555
Grants and other contributions	3	296,524	314,904	326,842
Other revenue	4	271	2,080	1,094
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		2,097,319	2,114,013	2,206,733
Expenses				
Employee expenses	5	1,634,697	1,637,149	1,699,449
Supplies and services	6	369,591	375,009	395,707
Grants and subsidies	7	2,542	4,160	5,505
Depreciation and amortisation	8	78,769	89,259	94,208
Finance/borrowing costs		3,770	2,568	2,341
Other expenses		7,950	8,589	9,523
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		2,097,319	2,116,734	2,206,733
OPERATING SURPLUS/(DEFICIT)		..	(2,721)	..

Notes:

Major variations between 2004-05 Adjusted Budget and 2004-05 Estimated Actual include:

1. Increased funding for higher depreciation costs from asset revaluations, teachers' career change program, and funding for refugees with English as a second language.
2. Revision of International Education revenue estimates.
3. Increased Commonwealth revenue and Parents and Citizens associations' contributions.
4. Revenue from insurance recoveries that are not budgeted for.
5. Increased employee expenses due to career change program, and higher than anticipated enrolments.
6. Increased expenses for Commonwealth programs and management systems for schools.
7. Increase in anticipated miscellaneous grant payments and recategorisation from supplies and services.
8. Increased depreciation associated with a higher asset base resulting mainly from revaluations and new acquisitions.

Major variations between 2004-05 Adjusted Budget and 2005-06 Estimate include:

1. Increased funding for enterprise bargaining, enrolment growth, smart classrooms, school maintenance, and higher depreciation costs from asset revaluations.
2. Revision of International Education revenue estimates.
3. Increased Commonwealth revenue and Parents and Citizens associations' contributions.
5. Increase for enterprise bargaining agreements, long service leave levy rate increase and student enrolment growth.
6. Increased expenses in relation to smart classrooms, increased school maintenance, Commonwealth programs, Education and Training Reforms for the Future initiatives and changes in accounting treatments with the introduction of International Financial Reporting Standards.
7. Increase in anticipated miscellaneous grant payments and recategorisation from supplies and services.
8. Increased depreciation for a higher asset base resulting mainly from revaluations and new acquisitions associated with cooler schools, smart classrooms and additional Commonwealth capital funds, offset by changes resulting from the adoption of the International Financial Reporting Standards in 2005-06.

The financial statements, including the Adjusted 2004-05 Budget, reflect adjustments for the removal of the equity return, which took effect during 2004-05. Further detail of these adjustments is contained in the 'Explanation of Variances in the Financial Statements' section.

OUTPUT PERFORMANCE

OUTPUT: Secondary Education

RELATED OUTCOME: A community of well-skilled and knowledgeable people

DESCRIPTION

The Secondary Education output reports on activities seeking to engage students in learning throughout Years 8-12, preparing them for further study and employment.

Secondary education consists of curriculum, pedagogy and assessment designed to provide students with comprehensive education characterised by increasing levels of specialisation. Curriculum offerings support the development of knowledge, attitudes and skills that promote students' learning and development, preparing them for active citizenship and a range of post-school pathways.

From 2006, under the Government's 'learning or earning' reforms, it will be compulsory for young people in Year 10 to remain in education or training until they have achieved a Senior Certificate or Certificate III vocational qualification or turn 17 years of age, unless they are in full-time work.

REVIEW OF OUTPUT PERFORMANCE

Recent Achievements

In 2004-05 Education Queensland has:

- implemented a range of initiatives for youth support and local education and training initiatives, with other learning sectors, using an investment of \$14.2 million to improve opportunities in the senior phase by:
 - formulating District Youth Achievement Plans (DYAP) that are being implemented state-wide;
 - implementing innovative local initiatives identified in DYAP with \$4.3 million in *Education and Training Reforms for the Future* (ETRF) grants funds. Eighty-one local projects were funded across the State to expand education and training pathways for students in the Senior Phase of Learning. In addition, this funding provided a state-wide mentoring program for young people at risk of disengaging from learning;
 - funding an additional 79 youth support coordinators as part of the ETRF reforms bringing the state-wide total to 113;
 - enhancing coordination of vocational education and training and career guidance and counselling through the second allocation of \$1.8 million in grants state-wide;
 - building Year 10 as a transition year including developing Senior Education and Training (SET) plans for Year 10 students to assist young people to map out viable education and training pathways in conjunction with their school and parents/carers;
 - participating in the trial of the registration of young people with the Queensland Studies Authority (QSA) in the initial seven Senior Phase of Learning trial areas; and

- implementing innovative strategies in rural and remote Preschool-Year 10 schools, such as distance education delivery and linking to local vocational education and training providers, to ensure students in these schools have opportunities to engage in the Senior Phase of Learning.
- o purchased \$1.7 million in education and training services and flexible approaches to re-engaging 15 to 17 year old disengaged young people across the initial seven ETRF trial areas as the second tranche of a \$3.3 million central purchasing mechanism trial over three years
- o maintained Queensland's standing as a leading provider of a range of school-based pathway options by:
 - increasing school-based apprentices and trainees in state schools from 3,907 commencements in 2003 to 4,509 in 2004; and
 - increasing training activity across a wide range of industry areas including industries undergoing skills shortage such as the automotive industry, and building and construction.
- o maintained the high 85% proportion of Year 12 state school students eligible for an OP and/or who had a vocational education and training (VET) qualification at the end of 2004
- o provided 150 additional teachers as the first tranche towards the middle years class size reduction where Years 4-10 class size targets will reduce from 30 to 28 by 2007
- o completed capital works at a cost of \$113.8 million including major works at Calamvale Community College, Chancellor State College, Earnshaw State College, Flagstone State Community College, Marsden State High School, North Lakes State College, Tannum Sands State High School, and Upper Coomera State College
- o piloted Learning for Leaders for principals, senior administrators, industry and community members as part of the senior phase reforms program in partnership with the Open Learning Institute
- o provided online resource materials on the Professional Exchange and The Learning Place to support effective practice in the Middle Phase of Learning
- o provided an *Online Resources Program for at risk Students* to support educational provision for secondary students with educational difficulties and young people wanting to re-engage with learning
- o promoted district-based approaches to address issues for pregnant and parenting young people and to consider a range of barriers, including child care and transport, that may prevent pregnant and parenting young people from participating in education
- o extended curriculum choices for secondary students in rural and remote areas through the introduction of Legal Studies as a new Virtual Schooling Service subject
- o provided flexible learning options for secondary students at risk of not completing 12 years of schooling in rural and remote locations. In 2004-05 the Virtual Schooling Service's i-support program, *Stepping Stones*, provided 88 students in 17 schools with access to innovative information and communication technology (ICT) programs targeting careers education and school-to-work transition.
- o provided students in eligible remote communities with small secondary departments with access to State and Australian Government financial assistance to live away from home to complete their secondary education
- o improved the teaching of science through the *Spotlight on Science* initiative including support for primary and secondary school science partnerships and for professional development on newly released Science syllabuses
- o developed and trialled draft guidelines to enhance sun safety practices in secondary schools

- commenced a trial of the *International Baccalaureate Diploma* program at Mountain Creek State High School with 48 students in Year 11
- partnered with other learning sectors to develop online curriculum resources to support more flexible educational provision for students in the Senior Phase of Learning
- conducted a variety of programs and courses for secondary students through the eight Technology, Mathematics and Science Centres of Excellence. These included:
 - science and mathematics programs and courses for 2,819 secondary students throughout Queensland; and
 - programs for 1,146 secondary teachers.
- assisted pregnant and parenting Aboriginal and Torres Strait Islander youths through a range of initiatives.

Future Developments

Partnerships between schools and training providers across the State will increase access by 15 to 17 year old young people to multiple pathways to work, further education or training. Education Queensland will:

- continue to work with industry to ensure Queensland's school students develop genuine industry standard skills through innovative educational and training opportunities in line with the Government's ETRF agenda
- implement a range of initiatives for youth support and local education and training initiatives, with other learning sectors, using an investment of \$18.8 million to improve opportunities in the Senior Phase of Learning through:
 - state-wide implementation of District Youth Achievement Plans;
 - implementing innovative local initiatives through a state-wide grants program totalling \$5.9 million. Projects that have been identified in District Youth Achievement Plans and that expand education and training pathways for students in the Senior Phase of Learning will be supported. This will incorporate a state-wide mentoring program to match young people at risk of disengaging from learning with local community mentors who can provide additional support;
 - working with youth support coordinators to assist young people to stay connected to a learning pathway;
 - \$1.8 million as the third allocation of grants state-wide for coordination of vocational education and training and enhancement of career guidance and counselling;
 - building Year 10 as a transition year including developing Senior Education and Training (SET) plans for Year 10 students;
 - participating in the trial of the registration of young people with the QSA, and banking of credits system; and
 - implementing innovative strategies in rural and remote Preschool-Year 10 schools to ensure students in these schools have opportunities to engage in the Senior Phase of Learning.
- complete the central purchasing mechanism trial with the final investment of \$0.8 million of a \$3.3 million package over three years to purchase education and training services and flexible approaches to re-engaging 15 to 17 year old disengaged young people across the initial seven ETRF trial areas
- continue implementing the *Middle Phase of Learning State School Action Plan* to ensure students make a successful transition from primary schooling and to improve students' engagement and achievement in Years 8 and 9
- undertake capital works at a cost of \$141.3 million including major works at Chancellor State College, Flagstone State Community College, Mountain Creek State High School, Narangba Valley State High School and Western Cape College-Weipa

- assist the QSA to develop the *Queensland Curriculum, Assessment and Reporting Framework*
- commence works on two new Queensland Smart Academies, one in science, maths and technology with up to 450 students and one in the creative arts with up to 250 students. Students will be able to complete a Queensland Certificate of Education, fast-track studies, study university subjects, or work with industry to combine career-based and university-level studies. Years 10 and 11 students will start in 2007 and Year 12 students in 2008.
- continue to support a targeted approach to improve the teaching of science through implementation of the *Spotlight on Science* initiative
- supported implementation of the Technology, Arts, English and Mathematics syllabuses
- focus on a number of key industry areas and developing specific education and training pathways through the establishment of the Queensland College of Wine Tourism in Stanthorpe, the ICT Learning Innovation Centre on the University of the Sunshine Coast campus, the Aerospace Project based in Brisbane, and the Queensland Minerals and Energy Academy with a specific focus on the workforce required in the Bowen Basin
- increase awareness of and access to an integrated suite of high quality and relevant secondary education options which support increased participation, retention and completion of senior schooling for Indigenous students from Cape York and the Torres Strait Islands
- expand the pregnancy and parenting initiatives for Indigenous youth
- ensure parents are provided twice-yearly written reports and parent teacher meetings on their child's performance
- provide parents and the community with information on the context and performance of their school
- make publicly available Year 12 results and post-Year 12 student destinations through the QSA.

OUTPUT STATEMENT

Output: Secondary Education				
Measures	Notes	2004-05 Target/Est.	2004-05 Est. Actual	2005-06 Target/Est.
Quantity				
Number of state schools (excluding schools of distance education) providing secondary education:				
state high school	1	179	178	178
centres for continuing secondary education	2	9	7	7
primary schools with secondary departments	1,3,4	79	80	80
Number of students enrolled at state schools in Years 8 to 12	5	166,900	163,950	168,350
Proportion of Queensland Year 8 to 12 students enrolled in state schools (excluding schools of distance education and centres for continuing secondary education)		64%	63%	63%
Quality				
Proportion of Queenslanders aged 15-19 in full-time education or training, in full-time employment, or in both part-time work and part-time education or training	6	87%	84%	87%
Proportion of Year 12 students enrolled in three or more Authority subjects		83%	82.2%	83%
Proportion of Year 12 students enrolled in one or more vocational education and training (VET) subjects		71%	69.9%	71%
Proportion of Year 12 students enrolled in at least one information technology Senior Authority-registered subject	7	50%	46.4%	50%
Proportion of Queenslanders aged 24 who have completed Year 12	8	73%	70%	74%
Apparent retention rate from Year 8 to Year 12 (including schools of distance education)	9			
total		78%	74%	75%
male		73%	70%	70%
female		83%	79%	79%
Indigenous		54%	50%	50%
Proportion of Year 12 students in state schools who achieved Sound or above in three or more Board subjects	10	78%	76.7%	78%
Proportion of Year 12 students in state schools who achieved Certificate I or higher in one or more VET subjects	11	44%	50.3%	51%
Satisfaction of parents with their child's school	12	78%	76.2%	77%
Satisfaction of students with their school	12	67%	67.0%	67%

Output: Secondary Education (cont)				
Measures	Notes	2004-05 Target/Est.	2004-05 Est. Actual	2005-06 Target/Est.
Location				
Number of state schools providing secondary education in:				
rural centres	13			
state high schools		63	63	63
state primary schools with secondary departments		67	67	67
urban centres	13			
state high schools	1	116	115	115
state primary schools with secondary departments	3,4	12	13	13
Cost				
Average cost of services per student (\$)		8,138	8,673	8,937
State Contribution (\$'000)		1,154,811	1,195,113	1,278,743
Other Revenue (\$'000)		203,379	225,151	225,838
Total Cost (\$'000)		1,358,190	1,421,886	1,504,581
<p>Notes:</p> <ol style="list-style-type: none"> 1. The 2004-05 estimated actual decreased by one due to Capalaba SHS becoming Capalaba State College (P-12 school). 2. The 2004-05 estimated actual decreased by two due to the closure of Mackay CCSE and Bundaberg CCSE. 3. The 2004-05 estimated actual increased by one due to the amalgamation of Capalaba SS and Capalaba SHS becoming Capalaba State College (P-12 school). 4. Schools offering both primary and secondary education (eg P-10 and P-12 schools) are counted as both primary schools in the Primary Education Output and as part of the 'primary schools with secondary departments' group in the Secondary Education Output. In these cases student enrolments are distributed across Primary and Secondary Education Outputs according to student year level. 5. The 2004-05 estimated actual is the July 2005 enrolment forecast as this is the single point for student enrolments. Enrolment forecasts are complex predictions based on: the proportion of the estimated resident population for each age group attending state and non-state schools, the proportion of each age group across the school year levels, population growth and dispersion estimates, and year level progression and retention rates. 6. This measure is based on data sourced from the Australian Bureau of Statistics (ABS) <i>Education and Work</i> survey. Due to the small sample size of the survey, there is relative imprecision with these data. The 2004-05 Estimated Actual of 84% is the average for the 2004 survey. The 2004-05 Target/Est. of 87% is outside the 95% confidence interval for the 2004-05 figure, which is estimated to be from 81% to 86%. 7. The list of Queensland Studies Authority Information Technology subjects for 2004 are: Information Processing & Technology, Information Technology Systems, Business Communication & Technologies, Engineering Technology, Technology Studies, Computer Studies (Information Technology at Work) and Computer Studies (Practical Computing). 8. This measure is based on data sourced from the Australian Bureau of Statistics (ABS) <i>Education and Work</i> survey. Due to the small sample size of the survey, there is relative imprecision with these data. The 2004-05 Estimated Actual of 73% is the average for the 2004 survey. The 2004-05 Target/Est. of 74% is within the 95% confidence interval for the 2004-05 figure, which is estimated to be from 61% to 79%. 9. The Year 8 to Year 12 apparent retention rate for a specific year is calculated by dividing the full-time enrolment of students in Year 12 by full-time enrolment of students in Year 8 five years previously (eg the Year 8-12 apparent retention rate for 2004 is based on the number of Year 12 enrolments in 2004 compared with the number of Year 8 enrolments in 2000). The retention rate is labelled 'apparent' as they do not take account of: interstate or overseas migration; repeating students; return of adult students; and movement of students to and from the non-state sector. For small populations, such as the Indigenous students, small changes in the numbers of students result in relatively large changes in the apparent retention rates for these groups. 10. The 2004-05 Est. Actual and the 2005-06 Target are based on the number of students who achieved Sound or above in three or more Authority subjects compared with the total number of students enrolled in three or more Authority subjects. 11. The 2004-05 Est. Actual and the 2005-06 Target are based on the number of students who achieved Certificate I or higher in one or more VET subjects compared with the total number of students enrolled in one or more VET subjects. 12. The source of these measures is the School Opinion Survey, administered in all state schools in August 2004. 13. The location measure allocates schools to "urban" or "rural" based on a national classification, which combines an analysis of both population size and assessment of access to services. 				

Output Income Statement – Secondary Education

	Notes	2004-05 Adj. Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
Income				
Output revenue	1	1,154,811	1,195,113	1,278,743
User charges		7,928	10,409	10,587
Grants and other contributions	2	195,279	213,358	214,810
Other revenue	3	172	1,384	441
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		1,358,190	1,420,264	1,504,581
Expenses				
Employee expenses	4	1,079,983	1,112,799	1,169,042
Supplies and services	5	223,226	237,738	260,643
Grants and subsidies	6	1,389	9,980	10,321
Depreciation and amortisation	7	46,446	52,462	55,221
Finance/borrowing costs		2,361	3,895	3,746
Other expenses		4,785	5,012	5,608
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		1,358,190	1,421,886	1,504,581
OPERATING SURPLUS/(DEFICIT)		..	(1,622)	..

Notes:

Major variations between 2004-05 Adjusted Budget and 2004-05 Estimated Actual include:

1. Increased funding for higher depreciation costs from asset revaluations and funding for refugees with English as a second language.
2. Increased Commonwealth revenue and Parents and Citizens associations' contributions.
3. Revenue from insurance recoveries that are not budgeted for.
5. Increased expenses for Commonwealth programs and management systems for schools.
6. Increased expenses in relation to school-based apprenticeships and training.
7. Increased depreciation associated with a higher asset base resulting mainly from revaluations and new acquisitions.

Major variations between 2004-05 Adjusted Budget and 2005-06 Estimate include:

1. Increased funding for enterprise bargaining, enrolment growth, smart classrooms, senior colleges of excellence, school maintenance and higher depreciation costs from asset revaluations.
2. Increased Commonwealth revenue and Parents and Citizens associations' contributions.
4. Increase due to enterprise bargaining agreements, long service leave levy rate increase and student enrolment growth.
5. Increased expenses in relation to smart classrooms, increased school maintenance, Commonwealth programs, Education and Training Reforms for the Future initiatives and changes in accounting treatments with the introduction of International Financial Reporting Standards.
6. Increased grants for school-based apprenticeships and training.
7. Increased depreciation for a higher asset base resulting mainly from revaluations and new acquisitions associated with cooler schools, smart classrooms, senior colleges of excellence, and additional Commonwealth capital funds, offset by changes resulting from the adoption of the International Financial Reporting Standards in 2005-06.

The financial statements, including the Adjusted 2004-05 Budget, reflect adjustments for the removal of the equity return, which took effect during 2004-05. Further detail of these adjustments is contained in the 'Explanation of Variances in the Financial Statements' section.

OUTPUT PERFORMANCE

OUTPUT: Students with Special Needs

RELATED OUTCOME: A community of well-skilled and knowledgeable people

DESCRIPTION

The output Students with Special Needs incorporates two sub-outputs: Students with Disabilities and Distance Education.

Students with Disabilities

Students with disabilities have educational needs arising from hearing, vision, intellectual, physical or speech-language impairment, autistic spectrum disorder, or a combination of these. A broad range of educational programs and support services, including advisory visiting teachers, are available for students with disabilities in primary, secondary and special schools. Additional services associated with students with disabilities in mainstream classes in primary and secondary schools are included in this output.

Students Enrolled in Distance Education

Distance education programs are universally available for students learning in preschool/Preparatory Year to Year 12. Following recent legislative changes, access to distance learning has been expanded beyond students who were unable to attend school due to geographic isolation, illness or other special circumstances. Distance education is delivered through flexible learning approaches, including the use of information and communication technologies. Distance education schools develop and provide resources and support services for students.

REVIEW OF OUTPUT PERFORMANCE

Recent Achievements

Students with Disabilities

In 2004-05 Education Queensland has:

- supported students with disabilities with an investment of \$16.5 million representing the third year of the Government's commitment of \$55 million funding over four years
- invested a total of \$21.7 million in capital works projects for special education facilities including \$13.6 million to enhance special education facilities for the second year of the five-year, \$50 million Building Inclusive Schools Program and completed major works at Goodna Special School and Nambour Special School
- supported professional development for teachers in using assistive technology to overcome the barriers to learning experienced by students with learning difficulties and learning disabilities through the Learning and Development Centre (LDC) – ICTs – SWD
- commenced implementation of the Deaf/Hearing Impaired Action Plan
- commenced a review of the Placement Policy (*The Provision of Special Education Programs and Services to Students with Disabilities*)
- developed a professional development plan for staff to improve the quality of inclusive curriculum practices in schools

- facilitated implementation of the Education Adjustment Program (EAP) through leadership groups established by the 10 EAP Transition Coordinators across the State
- provided professional development for over 11,000 school and district-based staff, including 75% of all school principals to support the implementation of the EAP. Training has varied from general awareness raising sessions to more in-depth sessions focusing on the implementation of the EAP profile.
- built local capacity by training 150 staff from 26 districts in the Index for Inclusion to enhance reflection, planning and review processes in the area of inclusive education
- established a video exchange facility to allow teachers and therapists within the Roma and Charleville districts to send and receive secure video footage of students, enabling earlier intervention and assistance, as part of the *Rural and Remote Framework for Action*
- distributed Practical Ideas for Teachers booklets aimed at providing practical examples to support the integration of information and communication technologies (ICTs) and ICT access for students with disabilities
- identified special education classrooms for networking through local area network cabling
- considered the results of the trial of the revised School Transport Program for Students with Disabilities and commenced implementation of approved recommendations
- provided the services of over 225 full-time equivalent (FTE) occupational therapists, physiotherapists and speech-language pathologists for students with disabilities as well as speech-language pathologists for students with special needs in communication.

Distance Education

Education Queensland has continued to improve the services to students in rural and remote areas. In particular it has:

- supported families who use the services of distance education due to geographic isolation or medical conditions through the *ICTs for Learning* strategy by:
 - completing the conversion of all regional schools of distance education from HF radio to telephone teaching and enhancement of telephone teaching facilities at Brisbane and Charleville Schools of Distance Education;
 - continued provision of an annual subsidy to assist with purchase, upgrade and replacement of computer equipment used by students in the home classroom; and
 - continued provision of an annual subsidy to assist geographically isolated students with the costs associated with broadband Internet services and extended this subsidy to include students participating in the Preparatory Year Trial.
- developed a five-year plan for the continued roll-out of online and digitally delivered materials through a consultative process with the schools of distance education and their communities. In 2004-05 distance education materials were digitised through the:
 - development of senior subjects for online and digital delivery;
 - creation of interactive activities for online learning for the middle years of schooling; and
 - progressive digitisation of primary and secondary distance education materials.
- completed an interim review of the trial to coordinate senior secondary educational and training programs at Charters Towers School of Distance Education. The review indicated that the programs were effective in retaining and/or re-engaging students at risk of not completing their secondary education. On this basis, the trial was expanded to Cairns School of Distance Education.
- continued to deliver enhanced education and training opportunities for students, teachers and schools in rural and remote Queensland through the *Rural and Remote Education Framework for Action*
- developed and refined Preparatory Year materials for use by the 'Outback Hub' trial schools of Charleville, Longreach and Mount Isa

- complemented the support materials under staged development on behalf of the schools of distance education with Preparatory Year learning kits including books and commercial resources
- trialled the Preparatory Year at three schools of distance education: Charleville, Longreach and Mount Isa – the Outback Hub to obtain information about the management and operations of the preparatory program in distance education contexts.

Future Developments

Students with Disabilities

Education Queensland will:

- undertake capital works projects in special education facilities at a cost of \$37.6 million incorporating an allocation of \$27.9 million to continue to enhance special education facilities for the third year of the five-year, \$50 million Building Inclusive Schools Program and including major works for the replacement of Coolangatta Special School and relocation of the Special Education Unit at Kenmore South State School
- improve services and supports for students with disabilities through the implementation of the 10 Point Plan
- continue to enhance special education resources for students with disabilities through the final tranche of \$22 million of the Government's commitment of \$55 million funding over four years and provide additional resources, once allocation methodologies are determined later in the financial year, to ensure equitable distribution of funding with student needs
- transition from ascertainment to the Education Adjustment Program, as the more appropriate process for both identifying students with disabilities and informing the equitable allocation of additional resources for regions to support schools with the delivery of inclusive education programs
- commence a research program in 2005 that will examine models of best practice to support the transition from school to post-school pathways for students with disabilities. The research will also provide a comparative analysis of education practices in Queensland schools, providing directions to improve the capacity of schools to meet the diverse needs of these students.
- review Education Queensland policies for students with disabilities to align with new national policies and legislation
- implement the revised School Transport Program for Students with Disabilities.

Distance Education

Education Queensland will:

- evaluate the trials at Charters Towers and Cairns Schools of Distance Education to coordinate senior secondary educational and training programs
- continue to develop flexible distance learning materials according to the five-year materials development plan that includes:
 - trialling new models for materials development and delivery for the early and middle phases of learning;
 - commencing new senior courses for online and digital delivery including Senior Biology, Ancient History, Modern History and Pre-vocational Maths;
 - completing the development and review of Preparatory Year materials for the 2007 implementation;
 - commencing the development of a new mathematics program for Years 1 and 2 which is aligned to the recently released Mathematics syllabus; and

- establishing an ongoing consultative structure and process for the planning and support of future materials development.
- implement a consistent policy framework for the delivery of distance learning services to home-based and school-based learners.

OUTPUT STATEMENT

Output: Students with Special Needs				
Measures	Notes	2004-05 Target/Est.	2004-05 Est. Actual	2005-06 Target/Est.
Quantity				
Number of state special schools		47	47	47
Number of state schools providing:				
special education units	1	299	302	310
special education classes		144	140	140
special education developmental programs		34	35	35
Cluster schools for students with physical impairment		235	230	231
Number of students in special schools (full-time)	2	2,700	2,760	2,750
Number of students with a disability identified as needing specialist support who are enrolled in primary and secondary schools	2	13,200	12,810	13,750
Number of schools of distance education		7	7	7
Number of students (FTE) enrolled in schools of distance education:				
Preschool level	3	290	270	260
Years 1-7		1,630	1,690	1,710
Years 8-12		2,400	2,220	2,210
Quality				
<u>Year 2 Diagnostic Net</u> – percentage of Year 2 students mapped in schools of distance education who did not require intervention in relation to their literacy and numeracy development:	4			
reading		80%	81.0%	82%
writing		88%	87.6%	88%
number		84%	84.1%	85%
<u>Year 3 Test:</u> percentage of students achieving the national benchmark for:	4,5			
reading		95%	96.6%	97%
writing		87%	78.6%	82%
numeracy		92%	87.0%	88%
<u>Year 5 Test:</u> percentage of students achieving the national benchmark for:	4,5			
reading		83%	84.7%	85%
writing		95%	93.4%	94%
numeracy		89%	85.0%	86%
<u>Year 7 Test:</u> percentage of students achieving the national benchmark for:	4,5			
reading		N/A	94.8%	95%
writing		N/A	89.0%	90%
numeracy		N/A	85.7%	86%
<u>Year 7 Test</u> – average performance for the State of tested students, based on scale scores for:	6			
literacy		730	707	NA
numeracy		715	679	NA
Satisfaction of parents with their school – special schools	7	89%	88.4%	89%
Satisfaction of parents with their school – those with a child with a disability at a primary or secondary school	7	81%	76.9%	78%

Output: Students with Special Needs (cont)

Measures	Notes	2004-05 Target/Est.	2004-05 Est. Actual	2005-06 Target/Est.
Satisfaction of parents with their school – schools of distance education	7	86%	87.1%	88%
Satisfaction of students with their school – schools of distance education	7	86%	85.9%	87%
Location				
Number of special schools in:				
rural centres	8	2	2	2
urban centres	8	45	45	45
Cost				
Average cost of services per student (\$) – special education facilities		22,827	23,530	23,766
Average cost of services per student (\$) – schools of distance education		10,339	10,210	10,730
State Contribution (\$'000)		330,252	332,632	358,953
Other Revenue (\$'000)		77,366	75,726	78,041
Total Cost (\$'000)		407,618	409,046	436,994

Notes:

1. A Special Education Unit or Class offers specialised programs within primary or secondary schools for students with disabilities, with high educational needs arising from disability. Units and classes are a local decision depending on the organisation of support services for students with disabilities offered within districts.
2. The 2004-05 estimated actual is the actual number of students with disabilities ascertained at level 4, 5 or 6 on Day 8 of the 2005 school year registered in the Student with Disabilities Central Online Reporting (SCOLR) database.
3. The 2004-05 estimated actual is the July 2005 enrolment forecast, as this is the single census point for student enrolments.
4. The number of students in schools of distance education involved in the Year 2 Diagnostic Net and the Year 3, 5 and 7 literacy and numeracy tests is small. Measures based on small numbers are subject to variation that is particularly evident when expressed in the form of percentages.
5. The source of these measures is the Queensland Studies Authority testing of Years 3, 5 and 7 students in August 2004. The percentages of students reported as achieving national benchmarks do not include 95% confidence intervals. Students who were absent or withdrawn from the testing are not included in the benchmark calculations. Students who were exempt from the testing were included in the benchmark calculations as being below the benchmark. Benchmarks describe national agreed minimum acceptable standards for literacy and numeracy at particular year levels. Reporting the percentage of students achieving the national benchmarks allows comparisons between States and Territories.
6. This measure has been updated to make reporting more meaningful for parents and the community and therefore will no longer be reported on. Refer to note 5.
7. The source of these measures is the School Opinion Survey, administered in all state schools in August 2004.
8. The location measure allocates schools to "urban" or "rural" based on a national classification, which combines an analysis of both population size and assessment of access to services.

Output Income Statement – Students with Special Needs

	Notes	2004-05 Adj. Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
Income				
Output revenue	1	330,252	332,632	358,953
User charges	2	2,319	476	605
Grants and other contributions	3	75,001	75,092	77,387
Other revenue		46	158	49
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		407,618	408,358	436,994
Expenses				
Employee expenses	4	316,154	319,207	334,927
Supplies and services	5	51,466	54,286	61,326
Grants and subsidies	6	33,747	29,170	33,962
Depreciation and amortisation		4,938	5,295	5,541
Finance/borrowing costs		637	382	308
Other expenses		676	706	930
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		407,618	409,046	436,994
OPERATING SURPLUS/(DEFICIT)		..	(688)	..

Notes:

Major variations between 2004-05 Adjusted Budget and 2004-05 Estimated Actual include:

1. Increased funding for higher depreciation costs from asset revaluations.
2. Recategorisation of output category.
4. Increased employee expenses due to career change program.
5. Increased expenses for Commonwealth programs and management systems for schools.
6. Decreased grants to external organisations resulting from a prepayment made in 2003-04.

Major variations between 2004-05 Adjusted Budget and 2005-06 Estimate include:

1. Increased funding for enterprise bargaining, enrolment growth, smart classrooms, school maintenance and higher depreciation costs from asset revaluations.
2. Decreased activity in relation to library services and user pays workshops and courses.
3. Increased Commonwealth revenue.
4. Increase for enterprise bargaining agreements, long service leave levy rate increase and student enrolment growth.
5. Increased expenses in relation to smart classrooms, increased school maintenance, Commonwealth programs, *Education and Training Reforms for the Future* initiatives and changes in accounting treatments with the introduction of International Financial Reporting Standards.

The financial statements, including the Adjusted 2004-05 Budget, reflect adjustments for the removal of the equity return, which took effect during 2004-05. Further detail of these adjustments is contained in the 'Explanation of Variances in the Financial Statements' section.

OUTPUT PERFORMANCE

OUTPUT: Assistance to the Arts

RELATED OUTCOME: A fair, socially cohesive and culturally vibrant society

DESCRIPTION

Arts Queensland provides services to government, community and the arts and cultural sectors through:

- development of policy which informs government's allocation of resources to arts and cultural activities
- research and evaluation for arts and cultural development in Queensland
- delivery of funding to individual artists, cultural workers and arts and cultural organisations across the State
- implementation of the Millennium Arts Project capital works programs across the State
- administration of the Government's 2% for public art program – Art Built-in
- administration of funding for Queensland's cultural statutory bodies and government-owned cultural organisations
- management of the Queensland Cultural Centre, The Judith Wright Centre of Contemporary Art and 381 Brunswick Street Arts Centre.

REVIEW OF OUTPUT PERFORMANCE

Recent Achievements

In 2004-05 Arts Queensland has:

- progressed the Millennium Arts Project by:
 - completing the New Entry for the Queensland Museum;
 - commencing construction on the Queensland Gallery of Modern Art;
 - redevelopment of the State Library of Queensland and associated site infrastructure works;
 - commencing construction on the Musgrave Park Cultural Centre; and
 - completing the Lockhart River Arts Centre and Gurringun Keeping Place, Cardwell under the Millennium Arts Regional Program.
- commenced planning for Stage 2 of the Cairns Centre of Contemporary Arts
- commenced development of an action plan for equitable access to the Queensland Cultural Centre and reviewed governance arrangements for the Queensland Cultural Centre
- completed the final Queensland Heritage Trails Network projects: the Quinkan and Regional Cultural Centre, the Townsville Gateway Project and the Townsville Aboriginal and Torres Strait Islander Cultural Centre
- provided \$0.4 million in additional support for arts and cultural companies through the second year of the four-year, \$2.1 million increase to the Cultural Infrastructure Program
- provided \$0.2 million to the major performing arts companies as part of the four-year, \$1.1 million indexation from 2003-04
- provided \$1 million to improve opportunities for young people in the arts through direct support for youth arts organisations and training, mentoring and career development initiatives in partnership with the Department of Employment and Training. This included

the release of *Arts Pathways – Road Map to Engaging with Young People* for young people who are at risk of not participating in education or the workforce.

- released the *Art of Renewal – A Guide to Thinking Culturally about Strengthening Communities* to help embed cultural matters in community and neighbourhood planning in partnership with the Department of Housing
- developed the *Creative Business Toolbox* – a multimedia resource aimed at supporting micro and small arts and creative businesses with business development information and connecting them with a range of government resources and programs in partnership with the Department of State Development and Innovation
- implemented a strategy in partnership with three other departments to increase resources for, and establish new services to build Indigenous art centres in Cape York, the Gulf and the Torres Strait
- conducted regional leadership forums to build regional arts development opportunities and networks in partnership with the Queensland Arts Council
- launched the *Creative Writers – Queensland Writing Strategy 2004-2006* to foster creative content development, increase publishing, production and promotional opportunities for writers, and inspire young and new writers across the State
- initiated a state-wide mapping of heritage collections to establish a register of culturally significant material held in community museums and keeping places through the *Museum Development Officer* program
- provided \$50,000 to support Australia Business Arts Foundation (ABaF) in delivering increased private sector support for the arts and facilitation of business volunteering services to the arts
- delivered arts and cultural performances and events profiling Queensland artists, companies, festivals and cultural facilities as part of the Queensland Week promotion for the 2005 World Exposition in Aichi, Japan. The enhanced export and exchange opportunities have favourably positioned Queensland's arts and cultural industry to participate in the Australia – Japan 2006 Year of Exchange.
- generated 131 arts and cultural sector jobs through \$4 million expenditure on Art Built-in, public art projects. Public art projects for the Gold Coast Convention and Exhibition Centre, 33 Charlotte Street and the Brisbane Magistrates' Court were finalised.
- launched *ArtWorks Queensland*, a whole-of-Government public artwork catalogue to build an inventory for the identification and maintenance of the State public art collection which will be hosted on the Department of Public Works' Queensland Building Information System (QBIS)
- facilitated an Australian-first contribution of approximately \$0.3 million in Powerlink sponsorship to support art and environment projects for the Great Walks of Queensland connected with the Wet Tropics, Mackay Highlands and Gold Coast Hinterland
- strengthened the Queensland visual arts and craft industry by expanding Indigenous arts products and markets, locally, nationally and internationally, through provision of the second year of funding for the *Visual Arts and Crafts Strategy*, the joint four-year initiative with the Australian Government
- provided \$0.3 million in initiatives to develop and profile Aboriginal and Torres Strait Islander arts and culture and established coordinated strategies across departments to build this industry
- streamlined grant application processes to improve access for project funding by applicants
- completed the *Education and the Arts Partnership Initiative* state-wide research project providing case studies and baseline data on how the arts support children at risk in the middle school years.

Future Developments

Arts Queensland will:

- provide \$16 million to support arts and cultural organisations across the State against five priority outcome areas for 51 subsidised small to medium arts organisations and four major performing arts companies
- provide \$2.5 million to the arts and cultural sector with particular emphasis on sustainability for small to medium arts and cultural organisations, support for high quality one-off initiatives and ensuring flexibility to respond to emerging needs and priorities
- continue construction of the Queensland Gallery of Modern Art, the redevelopment of the State Library of Queensland, associated site infrastructure works and the Musgrave Park Cultural Centre estimated to be completed in 2006-07
- progress Millennium Arts Regional Program contributions for the Hope Vale Arts and Culture Centre and the Bert Hinkler Aviation Museum at Bundaberg which have been delayed due to re-scoping by local government agencies
- complete Stage 2 of the Cairns Centre of Contemporary Arts
- implement the action plan for equitable access to the Queensland Cultural Centre and develop a strategic planning framework for future development of the Queensland Performing Arts Centre
- complete an evaluation of the Queensland Government's public art policy, Art Built-in
- implement a whole-of-Government process to catalogue all significant art works under *ArtWorks Queensland* (including Art Built-in and pre-Art Built-in) on Queensland Building Information Systems (QBIS) as they are commissioned or otherwise come under the Government's control
- monitor the implementation of Art Built-in on the Environmental Protection Authority's Great Walks of Queensland project in 2005 and 2006, including Powerlink sponsorship enabling the commissioning of local artists-in-residence, art and environment workshops for local artists, community members and children and exhibitions of the resulting artworks
- implement Art Built-in projects on the Millennium Arts Project - Queensland Cultural Centre, the Gabba Redevelopment and the Mackay Convention Precinct
- provide an additional \$1 million to the 2005 Queensland Music Festival to expand its state-wide program to another five regional areas.

OUTPUT STATEMENT

Output: Assistance to the Arts				
Measures	Notes	2004-05 Target/Est.	2004-05 Est. Actual	2005-06 Target/Est.
Quantity				
Number of successful funding applications as a percentage of total applications received	1	36%	24%	30%
Number of public art projects undertaken	2	70	80	70
Number of cultural facilities development projects undertaken	3	14	14	9
Number of statutory agencies and companies administered		9	9	9
Quality				
Level of client satisfaction with Arts Queensland's programs and services	4	82%	96%	90%
Grants and performance agreements are acquitted		60%	64%	60%
Art Built-in delivered in accordance with policy guidelines		100%	100%	100%
Timeliness				
Ministerial services provided in accordance with standard timeframes	5	85%	78%	N/A
Funding administered in accordance with service standards		90%	90%	90%
Location				
Distribution of grants across regional Queensland (% coverage of State)	6	100%	100%	100%
Cost (\$)				
Grants administration costs as a percentage of total grants		4%	4.4%	4%
State Contribution (\$'000)				
		55,930	61,148	62,421
Other Revenue (\$'000)				
		1,787	4,787	1,792
Total Cost (\$'000)				
		57,717	62,935	64,213
Notes:				
1. Implementation of new policy to fund successful applications to full amount requested resulted in fewer applications being funded with available resources.				
2. The increase in projects is due to carryover from 03-04 and additional projects undertaken.				
3. The final Queensland Heritage Trails Network projects and the Cultural Infrastructure Facilities Program projects were completed in 2004-05.				
4. The implementation of the rationalised project grant program may impact on satisfaction rates in 05-06.				
5. This measure will no longer be included in the MPS after 2005-06 as it is operationally redundant from 1 July 2005.				
6. This measure refers to local council areas and regions in receipt of RADF or grant funding.				

Output Income Statement – Assistance to the Arts

	Notes	2004-05 Adj. Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
Income				
Output revenue	1	55,930	61,148	62,421
User charges		835	835	839
Grants and other contributions	2	500	3,500	500
Other revenue		452	452	453
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		57,717	65,935	64,213
Expenses				
Employee expenses		5,165	5,515	5,683
Supplies and services	3	8,168	8,142	10,362
Grants and subsidies	4	27,913	30,461	28,901
Depreciation and amortisation	5	16,299	18,645	19,095
Finance/borrowing costs		83	83	83
Other expenses		89	89	89
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		57,717	62,935	64,213
OPERATING SURPLUS/(DEFICIT)		..	3,000	..

Notes:

Major variations between 2004-05 Adjusted Budget and 2004-05 Estimated Actual include:

1. Increases reflect increased depreciation funding and funding for previous year commitments carried forward.
2. Increase reflects anticipated revenue from the Federal Government.
4. Increase reflects grant commitments carried forward from the previous year.
5. Increased depreciation expense due to annual re-valuation of departmental properties.

Major variations between 2004-05 Adjusted Budget and 2005-06 Estimate include:

1. Increases reflect additional recurrent funding to support arts and cultural organisations and festivals, funding approved for Visual Arts and Craft Strategy and increased depreciation funding.
3. Increase reflects increased capital maintenance cost.
4. Increase in Estimate 2005-06 reflects additional recurrent funding for arts and cultural organisations and festivals, offset in part by Queensland Music Festival biennial funding.
5. Increased depreciation expense due to annual re-valuation of departmental properties.

The financial statements, including the Adjusted 2004-05 Budget, reflect adjustments for the removal of the equity return, which took effect during 2004-05. Further detail of these adjustments is contained in the 'Explanation of Variances in the Financial Statements' section.

OUTPUT PERFORMANCE

OUTPUT: Assistance to Non-State Education

RELATED OUTCOME: A community of well-skilled and knowledgeable people

DESCRIPTION

The role of the Office of Non-State Education is to:

- ensure the operation of an appropriate and reliable system of planning, approval and accountability for non-state education, home schooling and education provision for overseas students through support for the:
 - Non-State Schools Accreditation Board;
 - Non-State Schools Eligibility for Government Funding Committee; and
 - State Authority for the registration of providers and courses of study for overseas students.
- facilitate an efficient subsidy and grants administration process
- coordinate the department's interface with the non-state education sector through participation in relevant government and non-government activities at state and national levels.

Grants administered by the Office are recorded separately under Administered Items (see page 1-73) as the department does not have discretion in the application of these funds.

This Output supports:

- non-state schools, schooling authorities and the peak bodies that represent them, in particular, the Queensland Catholic Education Commission (QCEC) and the Association of Independent Schools of Queensland (AISQ)
- non-state block grant authorities (the Queensland Catholic Education Commission Capital Assistance Authority and the Independent Schools of Queensland Block Grant Authority), which administer capital grants to non-state schools
- community-based organisations for students with special needs:
 - Autism Queensland;
 - Centre Education Program;
 - Childhood Language and Related Disorders;
 - Hear and Say;
 - Noah's Ark Resource Centre;
 - Royal Queensland Bush Children's Health and Scheme;
 - Specific Education Learning Disabilities; and
 - Spina Bifida Hydrocephalus Queensland.

REVIEW OF OUTPUT PERFORMANCE

Recent Achievements

In 2004-05 the department has:

- distributed total State funding for non-state schools of \$376.5 million, (for further information see page 1-73 Administered Items) including:
 - \$13.7 million capital grant for external infrastructure in non-state schools;

- \$28 million in capital grants to support non-state schools to implement the new Preparatory Year; and
- \$0.2 million as part of the basket nexus component of the Preparatory Year Trials.
- \$0.4 million to non-state schools to further trial a central purchasing mechanism to purchase education and training services and flexible approaches to re-engaging 15 to 17 year old disengaged young people across the initial seven Education and Training Reforms for the Future (ETRF) trial areas
- partnered with non-state schools to extend the Senior Phase of Learning reforms state-wide, including the development of District Youth Achievement Plans and related innovative grants initiatives
- administered funding to community organisations that assist students with special needs in having access to, participating in, and gaining positive outcomes from education
- extended the trial of the school cyclical reviews in accredited non-state schools for an additional 12 months
- finalised new *Guidelines for Home Schooling Dispensation*
- implemented the recommendations arising from the review of capital assistance programs, including legislative amendments to increase the efficiency of the scheme, and to ensure maximum support is delivered to non-state schools undertaking capital projects
- implemented the *Non-State Schools Accreditation Board Implementation Strategy* to increase awareness in the non-state school community of the accreditation and accountability regime through publications for schools, expanded website provision, and visits by Board and Funding Committee members to Rockhampton and South-East Queensland
- completed 95 statutory audits of providers of courses for overseas students as part of the re-registration program for all providers
- supported the third round of the Preparing for School trial at five non-state schools in 2005. A total of 19 non-state schools comprising of 13 Catholic schools and six Independent schools are offering the Preparatory Year.
- provided professional development and school networking activities to support non-state schools in the Preparing for School trial
- assessed the trial (the 'Affiliates Trial') of non-state schools accessing online learning through the Learning Place
- developed a policy to prevent the payment of taxpayer funds to non-state schools established on a for-profit basis.

Future Developments

The department will:

- distribute total State funding for non-state schools of \$374.1 million (for further information see page 1-73 Administered Items)
- provide \$0.18 million to non-state schools to trial a central purchasing mechanism to purchase education and training services and flexible approaches to re-engaging 15 to 17 year old disengaged young people across the initial seven ETRF trial areas
- partner with non-state schools to trial the Senior Phase of Learning reforms state-wide, including implementation of District Youth Achievement Plans, senior education and training planning and participating in the trial of registration of young people with the Queensland Studies Authority
- administer funding to community organisations that assist students with special needs in having access to, participating in, and gaining positive outcomes from education
- conduct a review of State recurrent funding arrangements for non-state special schools predominantly serving students with special needs

- develop a schools resource index (SRI) for Queensland non-state schools to be applied to future allocations of State recurrent grants
- increase awareness of the role and functions of the Non-State Schools Accreditation Board and the Non-State Schools Eligibility for Government Funding Board through visits to school communities across Queensland
- conduct approximately 90 school cyclical reviews in accredited non-state schools
- establish the Home Schooling Advisory Council and, in partnership with the Queensland home schooling community implement a new home schooling policy which is in line with the Government's commitment to the provision of education and training opportunities which meet the needs of all young Queenslanders
- review and enhance websites for the Non-State Schools Accreditation Board and the Office of Non-State Education.

OUTPUT STATEMENT

Output: Assistance to Non-State Education				
Measures	Notes	2004-05 Target/Est.	2004-05 Est. Actual	2005-06 Target/Est.
Quantity				
Number of non-state schools in Queensland:				
primary		244	241	247
primary/secondary		131	133	139
secondary		83	83	82
Number of students enrolled at non-state schools in the:				
primary years	1	100,900	101,700	104,600
secondary years	1	93,750	94,850	97,650
Number of applications for new or significantly modified non-state schools received by the Non-State Schools Accreditation Board		40	42	52
Number of non-state schools reviewed by the Non-State Schools Accreditation Board for compliance with legislated accreditation criteria	2	60	58	67
Number of applications for government funding for non-state schools received by the Non-State Schools Eligibility for Government Funding Committee		15	16	20
Quality				
Percentage of non-state schools that have demonstrated continuing compliance with legislated accreditation criteria	2	13%	19%	34%
Number of notices (compliance, show cause and cancellation) issued by the Non-State Schools Accreditation Board	3	N/A	1	N/A
Timeliness				
Decision on applications completed within statutory timeframe (%)		100%	100%	100%
State Contribution (\$'000)		1,007	1,084	1,025
Other Revenue (\$'000)		0	0	0
Total Cost (\$'000)		1,007	1,084	1,025
Notes:				
1. The 2004-05 Estimated Actual is the July 2005 enrolment forecast, as this is the single census point for student enrolments.				
2. Under the cyclical review process, schools are required to demonstrate their continuing compliance with the accreditation criteria as contained in the <i>Education (Accreditation of Non-State Schools) Act 2001</i> .				
3. Actuals will be reported under the Estimated Actual for 2005-06. It is not appropriate to set a target, as this will be determined solely by due process in relation to identified breaches of the criteria for accreditation.				

Output Income Statement – Assistance to Non-State Education

	Notes	2004-05 Adj. Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
Income				
Output revenue		1,007	1,084	1,025
User charges	
Grants and other contributions	
Other revenue	
Gains on sale/revaluation of property, plant and equipment and investments	
Total income		1,007	1,084	1,025
Expenses				
Employee expenses		768	771	795
Supplies and services		35	110	28
Grants and subsidies		200	200	200
Depreciation and amortisation		4	2	2
Finance/borrowing costs	
Other expenses		..	1	..
Losses on sale/revaluation of property, plant and equipment and investments	
Total expenses		1,007	1,084	1,025
OPERATING SURPLUS/(DEFICIT)	

Note:

The financial statements, including the Adjusted 2004-05 Budget, reflect adjustments for the removal of the equity return, which took effect during 2004-05. Further detail of these adjustments is contained in the 'Explanation of Variances in the Financial Statements' section.

OUTPUT PERFORMANCE

OUTPUT: Assistance to Tertiary Institutions

RELATED OUTCOME: A community of well-skilled and knowledgeable people

DESCRIPTION

The role of the Office of Higher Education is to:

- advocate for further development of the higher education sector in Queensland by working with universities, the Australian Government and state agencies
- administer and oversee, on behalf of the Minister, arrangements for the accreditation of higher education programs delivered by non-university providers
- administer State assistance to tertiary institutions
- promote the internationalisation of Queensland universities and support the aims of the Government's export strategies through the activities of the Higher Education International Initiative
- administer higher education legislation and regulations.

REVIEW OF OUTPUT PERFORMANCE

Recent Achievements

In 2004-05 the department has:

- represented State and Territory accrediting agencies on the Board of the Australian Universities Quality Agency (AUQA)
- completed applications for 47 courses from nine non-university providers, which resulted in accreditation of 33 new courses offered by nine providers, the re-accreditation of 13 courses offered by three providers, and one course being withdrawn
- monitored the operations of 124 courses offered by 22 non-university providers
- undertaken international marketing activities for the *Higher Education International Initiative*, with Queensland universities, contributing to international student enrolment growth of 8.6%. In 2003 around 38,000 international students from 140 countries were studying in Queensland universities.
- contributed \$0.5 million to the work of the Premier's Queensland Education and Training Initiative designed to support the education and training export industry in Queensland
- responded to the Commonwealth's ongoing reform of the higher education sector by:
 - advocating an appropriate share of Commonwealth-funded growth places for Queensland universities consistent with population growth and national participation rates; and
 - assessing the impact of Commonwealth Higher Education reforms on governance provisions of university legislation and implementing a process of legislative reform in consultation with universities.
- prepared for the Australian Universities Quality Agency (AUQA) audit of the Office of Higher Education's accreditation process for non-university providers in 2005-06
- prepared amendments to the *University Enabling Acts* adopting National Governance Protocols to comply with Commonwealth requirements
- investigated 13 complaints and grievances in relation to three non-university providers. Of these, 12 were resolved in accordance with the institution's processes and one non-

university provider's accreditation status is being reviewed pending a range of remedial actions to be undertaken.

- won the Premier's Award for Excellence in the Public Sector Management: Innovation and Creativity Award for the Queensland Universities' Cricket Tour and Seminar Series, which used cricket to open the doors for Queensland universities to enter a major new market for education services in India and Sri Lanka
- facilitated an education mission to Singapore and the Chinese provinces of Shanghai, Nanjing, Shandong, Xi'an and Beijing for the Minister and the Director-General, aimed at strengthening ties in education and furthering and developing relationships in the arts
- participated in Queensland Week in April 2005 at the Australian Pavilion at the Aichi World Expo in Japan through a series of seminars on education and the arts highlighting Queensland
- provided advice on the leading initiatives being developed in Queensland to strengthen school accountability arrangements and improve students' learning outcomes at the informal meeting of OECD Ministers of Education in Switzerland.

Future Developments

The department will:

- continue to collaborate with the Departments of State Development, and Employment and Training and the Queensland Education and Training Export Board, particularly through sectoral reference groups, to implement a five-year plan and for the promotion of education and training services internationally
- continue to support the growth in the number of international students studying in Queensland universities, in line with the Smart Queensland initiative
- promote, in conjunction with Queensland's universities, continued growth in Queensland's share of the international student market
- undergo the Australian Universities Quality Agency (AUQA) audit of the office of Higher Education's accreditation process for non-university providers
- monitor and contribute to public debate on the ongoing impact of the Australian Government's reforms to the university sector on institutions and students
- monitor the progress and impact on Queensland of the legislation in the Federal Parliament designed to ban compulsory student unionism in Australian universities.

OUTPUT STATEMENT

Output: Assistance to Tertiary Institutions				
Measures	Notes	2004-05 Target/Est.	2004-05 Est. Actual	2005-06 Target/Est.
Quantity				
The number of universities in Queensland		9	9	9
The number of students enrolled at Queensland universities	1	161,000	163,100	163,500
Number of Learning Network Centres	2	45	38	38
Number of coordinator-assisted learning hours per Learning Network Centres		753	753	753
Quality				
Proportion of Commonwealth Capital Development Pool attracted to Queensland.	3	30.7%	30.7%	19%
Location				
Percentage of students at Queensland universities located:				
in Brisbane		61%	61%	61%
in other parts of the State		39%	39%	39%
State Contribution (\$'000)		2,820	3,853	3,920
Other Revenue (\$'000)		..	578	765
Total Cost (\$'000)		2,820	4,431	4,685
<p>Notes:</p> <ol style="list-style-type: none"> 2004-05 student numbers are for the first half of the academic year 2004, the most recent trend data available. Enrolment increases were due mainly to continued strong growth in international enrolments, with an increase of over 3,500 students (or 12%). Domestic enrolments remained steady, with minimal new Commonwealth growth funding, and universities continuing to reduce the numbers of places above Commonwealth targets, for which they receive only a marginal Commonwealth subsidy. A small growth in university student numbers is projected on account of a very small growth in new Commonwealth-funded places in the health area, of universities converting marginally funded places to full funding as part of the Commonwealth higher education policy reform package, and of some growth in undergraduate full-fee paying students following the reforms. A continued growth in international enrolments is projected. The number of Learning Centres will be maintained at this lower level. Funding is returning to previous levels after the completion of certain campus developments and infrastructure projects. The Commonwealth has determined allocations for 2005, 2006 and 2007. 				

Output Income Statement – Assistance to Tertiary Institutions

	Notes	2004-05 Adj. Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
Income				
Output revenue	1	2,820	3,853	3,920
User charges		..	..	50
Grants and other contributions		..	25	635
Other revenue		..	553	80
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		2,820	4,431	4,685
Expenses				
Employee expenses		1,097	1,516	1,574
Supplies and services		62	528	790
Grants and subsidies		1,658	2,384	2,318
Depreciation and amortisation		2	2	1
Finance/borrowing costs		..	..	..
Other expenses		1	1	2
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		2,820	4,431	4,685
OPERATING SURPLUS/(DEFICIT)		..	..	..
Notes:				
Major variations between 2004-05 Adjusted Budget and 2004-05 Estimated Actual include:				
1. Increased funding for enterprise bargaining and contributions for international relations.				
Major variations between 2004-05 Adjusted Budget and 2005-06 Estimate include:				
1. Increased funding for enterprise bargaining, long service leave levy rate increase and contributions for international relations.				
The financial statements, including the Adjusted 2004-05 Budget, reflect adjustments for the removal of the equity return, which took effect during 2004-05. Further detail of these adjustments is contained in the 'Explanation of Variances in the Financial Statements' section.				

ADMINISTERED ITEMS

DESCRIPTION

Assistance to the Arts

The Administered items include grant funding to the Library Board of Queensland, Queensland Art Gallery, Queensland Museum, Queensland Performing Arts Trust, Queensland Theatre Company and the Pacific Film and Television Commission. The Library Board of Queensland, Queensland Art Gallery, Queensland Museum and Queensland Performing Arts Trust are separate entities under the Managing for Outcomes framework and in this Ministerial Portfolio Statement.

In 2005-06, the administered items for the output Assistance to the Arts total \$106.8 million.

Administered funding to the Pacific Film and Television Commission strengthens domestic film and television production through the second year of a \$1.5 million per annum three year Domestic Production Fund and the second year of three year investment of \$0.1 million per annum for the Screen Producers Association of Australia Conference.

Assistance to Non-State Education

The Government provides financial assistance to non-state schools for both capital and recurrent purposes. In 2005-06 a total of \$374.1 million in State-funded recurrent and capital grants will be directed to non-state schools. The department works jointly with other state government departments in providing services and assistance to non-state students through tied funding based on the equivalent range of services provided to state school students (referred to as the basket-nexus).

The Queensland Catholic Education Capital Assistance Authority and the Independent Schools of Queensland Block Grant Authority make recommendations to the Minister on the allocation of State capital assistance among non-state schools (see Administered Items Statement on page 1-74).

The department administers Commonwealth funds received for non-state schools in Queensland. Programs administered by the department that support both state and non-state schools include:

Student Hostels

The department provides \$0.4 million in financial support to hostels through the Student Hostel Support Scheme. The Scheme provides funding for accommodation for state and non-state school students from isolated areas who otherwise could not attend school.

Non-State Organisations Providing Services to Students with Special Needs

The department provides approximately \$3.7 million in financial assistance to students with special needs. These funds are administered through agreements with eight non-state organisations, such as Autism Association Queensland Inc, which provide specialist services to students with special needs.

ADMINISTERED ITEMS STATEMENT

Administered Items	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
EDUCATION				
STATE FUNDING				
Assistance to non-state sector				
Assistance to non-state schools				
Recurrent funding for non-state schools				
General recurrent grants	1	299,386	299,683	328,044
Grammar school endowments		164	164	164
School transport		3,852	3,844	3,941
Total recurrent funding for non-state schools		303,402	303,691	332,149
Capital assistance for non-state schools				
Capital assistance	2	28,254	30,602	37,526
External infrastructure subsidy scheme	3	3,468	13,722	4,474
ICT infrastructure	4	500	500	..
Preparatory year	5	7,390	28,000	..
Total capital assistance for non-state schools		39,612	72,824	42,000
Total assistance to non-state schools		343,014	376,515	374,149
Assistance to other non-state sector				
Community kindergarten assistance scheme				
Recurrent		29,203	28,709	30,460
Capital		182	253	182
Total community kindergarten assistance scheme		29,385	28,962	30,642
Student hostels				
Recurrent		304	281	294
Capital		100	126	100
Total student hostels		404	407	394
Living away from home allowances		5,935	5,790	5,790
Textbook and resource allowance		11,311	11,344	12,033
Weekend and vacation travel		44	44	44
Community organisations		3,534	3,550	3,663
Non-state Accreditation Board		54	54	54
Total assistance to other non-state sector		50,667	50,151	52,620
Total assistance to non-state sector		393,681	426,666	426,769
Other				
Textbook and resource allowance - State		20,836	20,896	23,010
Queensland Studies Authority		23,955	24,555	26,108
Other		4,100	4,100	3,558
TOTAL STATE FUNDING		442,572	476,217	479,445

Administered Items (cont)	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
COMMONWEALTH ASSISTANCE TO NON-STATE EDUCATION				
Recurrent		881,933	938,810	982,408
Capital		20,160	19,819	21,606
TOTAL COMMONWEALTH ASSISTANCE TO NON-STATE EDUCATION		902,093	958,629	1,004,014
TOTAL ADMINISTERED ITEMS (EDUCATION)		1,344,665	1,434,846	1,483,459
ARTS				
ADMINISTERED PAYMENTS				
State Library of Queensland		44,838	44,838	44,693
Queensland Museum	6	16,391	17,291	17,662
Queensland Art Gallery	7	17,545	17,545	22,511
Queensland Performing Arts Trust	8	7,886	7,886	9,227
Pacific Film and Television Commission	9	9,814	9,814	10,139
Queensland Theatre Company		2,600	2,600	2,600
TOTAL PAYMENTS TO STATUTORY AUTHORITIES		99,074	99,974	106,832
TOTAL ADMINISTERED ITEMS (ARTS)		99,074	99,974	106,832
TOTAL ADMINISTERED ITEMS		1,443,739	1,534,820	1,590,291
<p>Notes:</p> <p>Major variations between 2004-05 Budget and 2004-05 Estimated Actual include:</p> <ol style="list-style-type: none"> Increased payment due to indexation. One-off \$10 million injection for external infrastructure assistance in 2004-05. Subsequent to publication of the 2004-05 MPS, the capital funding to the non-State sector for the introduction of the Preparatory year was adjusted to \$28 million in each of 2003-04 and 2004-05. Additional funding provided for The Workshops Rail Museum, Ipswich. <p>Major variations between 2004-05 Budget and 2005-06 Estimate include:</p> <ol style="list-style-type: none"> Increase in basket nexus payment due to increased expenditure on state schools in 2005-06. Increased payment due to indexation. Increased payment due to indexation. Cessation of 3 year ETRF ICTs for Learning initiative. Funding for Preparatory Year facilities was in 2003-04 and 2004-05 only. Additional funding provided for The Workshops Rail Museum, Ipswich. Additional recurrent funding provided for the Queensland Gallery of Modern Art. Additional funding for replacement of production equipment and Out of the Box Festival. Adjustment for timing of the Festival. Additional funding to expand Cine Sparks - The Australian Film Festival for Young People 2005. 				

CAPITAL ACQUISITIONS

The department is responsible for constructing, maintaining and upgrading one of the State's largest assets – Queensland state schools. The portfolio manages some 1,280 schools and a number of other educational facilities, with over 20,000 buildings and structures. The department has a physical asset base of over \$9 billion.

The department's 2005-06, \$588.6 million Capital Acquisitions Program supports the delivery of education and arts services. Implementation of the Capital Acquisition Program will:

- contribute to an improvement in the quality and consistency of public education provision in the State
- support and assist a technology-smart student population
- support the implementation of the Preparatory Year of schooling
- further develop school infrastructure to support delivery of education into the 21st Century
- support targets for completion of Year 12
- improve the capability of schools to support the delivery of contemporary curriculum
- provide timely maintenance to reduce the physical deterioration of school buildings and to ensure that the useful life of buildings is maximised
- enable more effective use of facilities by the wider community and, where appropriate, use by other agencies
- generate employment for approximately 6,748 people
- continue to invest in building Queensland's cultural foundations.

Further information on the Capital Acquisitions Program is contained in Budget Paper No. 3 (Capital Statement), which includes capital grants to non-state schools and tertiary institutions.

The expense component in the following Capital Acquisition Statement and Supplementary Table represents that part of the total School Facilities and Property Program that is categorised for accounting reporting purposes as an expense item incurred in the current fiscal period.

EDUCATION

Capital Acquisition Strategies

The Capital Acquisitions Program is closely aligned with the objectives of QSE-2010, *Destination 2010*, the Department of Education *Strategic Plan 2003-07* and the *Education and Training Reforms for the Future* (ETRF) initiative.

Continued capital spending is required to provide and maintain the necessary school infrastructure, keep pace with fluctuations in local demand and adapt to developments such as curriculum change. As local populations grow, contract or shift, schools need to be expanded, new schools built and surplus provision reviewed. Appropriate and timely capital investment in state schools contributes to raising educational standards and improving value for money in the delivery of public services. The department ensures that the design of facilities considers environmentally sustainable design principles.

The department works with the community to integrate schools into local communities by:

- increasing participation by schools and their communities in the planning, design and delivery of new facilities to schools. This seeks to optimise the benefits to the wider community of the State's investment in capital works.
- funding school-based activities that reinforce the importance of the school in its community and take advantage of opportunities to use the facilities in a broader manner to service the community
- providing environments that support the delivery of alternative education programs for at risk students, allowing the delivery of special education programs, and ensuring appropriate access to facilities for students, staff and public with a disability.

Property, Plant and Equipment Programs

The 2005-06 schools Capital Works Program allocates \$455.1 million to school accommodation (including employee housing). The program supports the Preschool Education, Primary Education, Secondary Education and Students with Special Needs Outputs.

Property

New Schools and Classrooms

An allocation of \$147 million will fund the construction of classrooms at new and existing schools in growth areas throughout the State and allow the acquisition of additional land.

Preparatory Year Phase-in

\$81.6 million to continue the delivery of facilities to support the phase-in of the Preparatory Year and continue progress towards full introduction of the Preparatory Year of schooling in 2007.

Building Improvement

\$187.8 million will replace and enhance learning facilities at existing schools and continue the Smart Schools Renewal Program, Building Inclusive Schools Program and the Core Facilities Upgrade Program.

Cooler Schools

\$13.2 million for the *Cooler Schools* program will complete works in the current round and continue the *Cooler Schools* program to schools in the cooler schools zone.

Other Capital Works

Employee Housing

\$6.9 million will be provided for further extending employee accommodation through new acquisitions and the refurbishment of existing housing stock. The Education Queensland Housing Capital Works Program provides staff housing units in centres with shortfalls in the private rental market, or in excessively expensive areas. It also enables upgrades to current accommodation to reflect community standards and established policy.

Provisions

\$13.1 million will be allocated for the *Provisions* program. This program covers those works that are initiated and undertaken on a rolling basis or that do not occur in schools. The program includes projects such as rectification and reinstatement programs, connection of school infrastructure to sewerage and town water schemes, various technical services, research and development and general planning costs.

Schemes

\$5.5 million has been allocated for the department's capital grants program, the Smart Schools Subsidy Scheme, which provides funding for innovative projects that enable school communities to effect improvements and to share the use of school facilities with the wider community.

Plant and Equipment

\$20.9 million will fund predominantly school-based expenditure on plant and equipment items such as play equipment, photocopiers, printers and servers, other computer equipment and visual presentation aides.

Information Technology Infrastructure

\$9.8 million will be allocated to a number of information technology infrastructure projects, supporting the *Smart Classrooms* initiative and to keep the department at the leading edge of technology and learning.

ARTS

The department manages the Queensland Cultural Centre, 381 Brunswick Street and the Judith Wright Centre for Contemporary Arts, currently valued at a total of \$594.9 million.

The department's capital expenditure on arts infrastructure for 2005-06 is \$169.1 million. With an allocation in 2005-06 of \$168.7 million, the Millennium Arts Project will be largely completed, with final completion due in August 2006.

Construction will also be completed on the second stage of the Cairns Centre of Contemporary Arts (\$0.3 million), funded as part of the Smart State Building Fund.

CAPITAL ACQUISITION STATEMENT

	Notes	2004-05 Adj. Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
EDUCATION				
<u>PROPERTY, PLANT AND EQUIPMENT</u>				
Property, Plant and Equipment				
- Schools Growth	1	145,753	159,634	146,984
- Schools Renewal	2	147,654	120,184	269,427
- Schools Specific Purpose				
- Cooler Schools		17,503	17,326	13,177
- Employee Housing		6,600	6,754	6,913
- Provisions		14,867	10,014	13,086
- Schemes	3	4,300	2,254	5,500
Capital Works Program		336,677	316,166	455,087
Less expense component - Capital Works Program	4	(46,676)	(48,484)	(67,796)
Other acquisitions of property, plant and equipment				
- Plant and Equipment	5	28,432	18,703	20,945
- Information Technology Infrastructure		10,770	8,735	9,800
TOTAL PROPERTY, PLANT AND EQUIPMENT		329,203	295,120	418,036
<u>OTHER CAPITAL ACQUISITIONS</u>				
Other Capital Acquisitions				
- Major Software Developments		500	1,400	1,500
Other Items				
- Intellectual Property	6	..	3,000	..
TOTAL OTHER CAPITAL ACQUISITIONS		500	4,400	1,500
TOTAL CAPITAL ACQUISITIONS - Education		329,703	299,520	419,536
ARTS				
<u>PROPERTY, PLANT AND EQUIPMENT</u>				
Property, Plant and Equipment				
- Millenium Arts Project	7	100,476	70,000	168,742
- Cairns Centre of Contemporary Arts		750	750	250
- General Plant and Equipment		100	100	100
TOTAL CAPITAL ACQUISITIONS - Arts		101,326	70,850	169,092
TOTAL CAPITAL ACQUISITIONS		431,029	370,370	588,628
<u>FUNDING SOURCES OF ACQUISITIONS</u>				
Equity Adjustment	8	286,746	221,016	387,062
Funding for depreciation and amortisation	9	150,106	169,708	178,282
Borrowings	10	20,000	..	20,000
Proceeds of asset sales		3,460	3,421	4,000
Other	11	(29,283)	(23,775)	(716)
TOTAL FUNDING SOURCES		431,029	370,370	588,628

Notes:

This table does not include capital acquisitions for Corporate and Professional Services or Corporate Administration Agency.

Major variations between 2004-05 Adjusted Budget and 2004-05 Estimated Actual include:

1. Increase in schools growth is due to the inclusion of additional land purchases and increased land prices.
2. Decreased school renewals resulting from delays due to building industry issues including shortages in material supplies and skilled labour and longer than anticipated consultation times for complex renewal projects.
3. The decrease in schemes is due to a lower than anticipated finalisation of projects in the superceded scheme with the introduction of the new Smart Schools Subsidy Scheme.
5. Decreased level of school capital purchases.
6. Relates to the capitalisation of Assessment and New Basics under current Australian Accounting Standards.
7. Reflects changes associated with funding for the Millennium Arts Project.
8. Decrease resulting mainly from the transfer of funds to recurrent to cater for increased depreciation resulting from 2003-04 revaluations, offset by additional Commonwealth capital funds.
9. Increased depreciation associated with a higher asset base resulting mainly from revaluations and new acquisitions.
10. Anticipated borrowings in 2004-05 not taken up.

Major variations between 2004-05 Adjusted Budget and 2005-06 Estimate include:

2. The increase in schools renewal is due to the Preparatory Year implementation and planned major expenditure in renewal programs for 2005-06.
4. Change in total expense component is due to the overall increase in the Capital Works Program value.
5. Decreased level of school capital purchases.
7. Reflects changes associated with funding for the Millennium Arts Project.
8. Increased funding for new acquisitions associated with cooler schools, smart classrooms, senior colleges of excellence, and additional Commonwealth capital funds, offset by transfer of funds to recurrent to cater for increased depreciation as well as other changes resulting from the adoption of the International Financial Reporting Standards.
9. Increased depreciation for a higher asset base resulting mainly from revaluations and new acquisitions associated with cooler schools, smart classrooms, senior colleges of excellence, and additional Commonwealth capital funds, offset by changes resulting from the adoption of the International Financial Reporting Standards in 2005-06.
11. The increase in other funds reflects the movement in working capital and loan repayments.

EDUCATION

PROJECT	Budget 2005-06 \$'000	Expense¹³ 2005-06 \$'000	Total 2005-06 \$'000
Key to Abbreviations			
GLAB - General Learning Area Block			
ICT - Information and Communication Technologies			
Property, Plant and Equipment			
Aldridge State High School, Upgrade to Special Education Facilities	408	35	443
Alexandra Bay State School, Administration Upgrade	408	36	444
Algester State School, Major classroom upgrade to support multi-media initiatives	368	32	400
Allenstown State School, Administration Upgrade	450	39	489
Andergrove State School, Major classroom upgrade to support ICT initiatives	629	55	684
Arundel State School, Upgrade to Special Education Facilities	354	31	385
Ascot State School, Major classroom upgrade to support arts initiatives	301	26	327
Aspley East State School, Assembly Hall	499	0	499
Atherton State High School, Major classroom upgrade to support senior schooling initiatives	889	77	966
Atherton State School, Administration Upgrade	320	28	348
Ayr State High School, Administration Upgrade	530	46	576
Balaclava State School, Administration Upgrade	653	57	710
Bargara State School, Administration Upgrade	426	37	463
Beaudesert State High School, Additional Amenities	437	23	460
Beaudesert State School, Toilet Upgrade - Replacement	470	25	495
Beenleigh Special School, Administration Upgrade	466	40	506
Belmont State School, Additional Amenities	475	25	500
Benaraby State School, Toilet Upgrade - Replacement	298	16	314
Benowa State School, Administration Upgrade	414	36	450
Berserker Street State School, Upgrade to Special Education Facilities	409	36	445
Biloela State High School, Major classroom upgrade to support science and ICT initiatives	620	54	674
Blackstone State School, Toilet Upgrade - Refurbishment	356	19	375
Bli Bli State School, GLAB - 2 Storey Open Under - 4 Spaces and Amenities	1,895	165	2,060
Bohlevale State School, Major classroom upgrade to support practical learning initiatives	669	58	727

¹³ The 2005-06 expense component consists of a range of items which may include: minor works, grants to schools, cost of external infrastructure, removal and relocation costs associated with relocatable facilities, building rectification, building refurbishment (with no functional change) undertaken during capital upgrades, internal fitout and professional fees for school master planning.

EDUCATION

PROJECT	Budget 2005-06 \$'000	Expense 2005-06 \$'000	Total 2005-06 \$'000
Boonah State High School, Major classroom upgrade to support science and multi-media initiatives	432	38	470
Boondall State School, Administration Upgrade	637	56	693
Bowen State School, Major classroom upgrade to support practical learning initiatives	608	53	661
Bowen State School, Toilet Upgrade - Replacement	285	15	300
Brassall State School, Major resource centre upgrade to support ICT initiatives	667	58	725
Bribie Island State School, Major classroom upgrade to support arts and ICT initiatives	659	58	717
Brisbane State High School, Redevelopment Works	4,500	500	5,000
Brookfield State School, Administration Upgrade	429	37	466
Browns Plains State High School, Additional Amenities	399	21	420
Buderim Mountain State School, Major classroom upgrade to support ICT initiatives	817	71	888
Bulimba State School, Additional Accommodation	920	80	1,000
Bunyaville Environmental Education Centre, Additional Amenities	417	22	439
Burleigh Heads State School, Upgrade to Special Education Facilities	506	44	550
Burnside State High School, Major classroom upgrade to support middle schooling initiatives	1,037	91	1,128
Burpengary State School, Major classroom upgrade to support arts initiatives	1,036	90	1,126
Cairns School Of Distance Education, CER - Student Services Centre	2,070	230	2,300
Cairns State High School, Additional Amenities	475	25	500
Caloundra West State College, New School for 2006	10,114	1,511	11,625
Camp Fairbairn Outdoor Education Centre, Toilet Upgrade - Replacement	746	39	785
Capalaba State College, Major classroom upgrade to support catering and music initiatives	935	81	1,016
Chancellor State College, Stage 2 - Years 10 - 11	8,206	714	8,920
Chinchilla State High School, Upgrade to Special Education Facilities	377	33	410
Cleveland State School, Toilet Upgrade - Replacement	380	20	400
Cloncurry State School, Administration Upgrade	714	62	776
Coolabunia State School, Additional Amenities	437	23	460
Coolangatta Special School, Replacement School	11,040	960	12,000
Coolmynpin State School, Upgrade to Special Education Facilities	277	24	301
Coolum State School, Major resource centre upgrade to support ICT initiatives	927	80	1,007

EDUCATION

PROJECT	Budget 2005-06 \$'000	Expense 2005-06 \$'000	Total 2005-06 \$'000
Cooroy State School, Upgrade to Special Education Facilities	354	31	385
Craigslea State High School, Major classroom upgrade to support arts and middle schooling initiative	991	86	1,077
Crestmead State School, Upgrade to Special Education Facilities	354	31	385
Dalby South State School, Administration Upgrade	320	28	348
Dalby State School, Major upgrade to outdoor learning environment	405	35	440
Dalby State School, Administration Upgrade	478	41	519
Daradgee Environmental Education Centre, Additional Amenities	740	39	779
Drewvale State School, New School for 2006	10,727	1,603	12,330
Edge Hill State School, Major classroom upgrade to support arts and science initiatives	349	30	379
Elanora State School, Major classroom upgrade to support middle schooling and ICT initiatives	913	79	992
Elimbah State School, New administration by enclosure under and 2 GLAs by conversion	736	64	800
Elimbah State School, Additional Amenities	428	22	450
Emerald State High School, Major classroom upgrade to support industrial technology initiatives	509	44	553
Emerald State High School, Upgrade to Special Education Facilities	282	24	306
Emu Park State School, Administration Upgrade	478	41	519
Eudlo State School, Replacement Amenities Block	485	25	510
Ferny Grove State High School, GLAB - 2 Storey - 8 Spaces and Amenities	1,706	148	1,854
Ferny Grove State High School, Major classroom upgrade to support arts and ICT initiatives	1,201	104	1,305
Fig Tree Pocket State School, Additional Amenities	404	21	425
Fig Tree Pocket State School, Major resource centre upgrade to support ICT initiatives	306	27	333
Flagstone State Community College, Stage 5	4,416	384	4,800
Flagstone State Community College, Stage 6	920	80	1,000
Forest Lake State School, Oval Development	690	60	750
Frenchville State School, Major resource centre upgrade to support ICT initiatives	725	64	789
Frenchville State School, Toilet Upgrade	342	18	360
Gin Gin State School, Toilet Upgrade - Replacement	380	20	400
Glennie Heights State School, Toilet Upgrade - Replacement	285	15	300
Goondiwindi State School, Upgrade to Special Education Facilities	377	33	410

EDUCATION

PROJECT	Budget 2005-06 \$'000	Expense 2005-06 \$'000	Total 2005-06 \$'000
Greenbank State School, Library Upgrade	334	29	363
Gumdale State School, Administration Upgrade	375	33	408
Gympie State High School, Major resource centre upgrade to support ICT initiatives	973	84	1,057
Howard State School, Additional Amenities	532	28	560
Ingham State School, Relocate Special Education Facilities to primary site	377	33	410
Ipswich East State School, Administration Upgrade	323	28	351
James Nash State High School, Major classroom upgrade to support multi-media initiatives	840	73	913
James Nash State High School, Upgrade to Special Education Facilities	363	32	395
Jimboomba State School, Additional Amenities	428	22	450
Kallangur State School, Toilet Upgrade - Replacement	420	22	442
Keebra Park State High School, Activity Centre Refurbishment	274	0	274
Kenmore South State School, Relocate Special Education Developmental Unit	1,288	112	1,400
Kepnock State High School, Major classroom upgrade to enhance senior pathways	1,383	120	1,503
Kinchant Dam Outdoor Education Centre, Amenities Upgrade	565	63	628
Kingaroy State School, Upgrade to Special Education Facilities	377	33	410
Kirwan State High School, Major classroom upgrade to support middle schooling initiatives	1,260	109	1,369
Kirwan State High School, 2 x 2 Space Relocatables	322	28	350
Kurwongbah State School, Library Upgrade	279	24	303
Laidley District State School, Additional Amenities	437	23	460
Lockyer District State High School, Additional Amenities	413	22	435
Longreach State School, Administration and Classroom Upgrade	567	63	630
Longreach State School, Library Upgrade	558	48	606
Lowood State School, Upgrade to Special Education Facilities	354	31	385
Mabel Park State School, Major classroom upgrade to support middle schooling initiatives	1,329	116	1,445
Mackay District Special School, Administration Upgrade	671	59	730
Mackay District Special School, Upgrade to Special Education Facilities	640	56	696
Mackay West State School, Multi-purpose covered area	727	63	790
Malanda State High School, Additional Amenities	283	15	298
Mansfield State School, Major classroom upgrade to support multi-media initiatives	414	36	450

EDUCATION

PROJECT	Budget 2005-06 \$'000	Expense 2005-06 \$'000	Total 2005-06 \$'000
Mareeba State High School, Multi-Purpose Learning Centre	1,256	139	1,395
Maroochydore State High School, Industrial Arts and Technology Building	2,322	258	2,580
Maryborough West State School, Upgrade to Special Education Facilities	276	24	300
Merrimac State High School, Home Economics Upgrade	657	73	730
Middle Ridge State School, Major resource centre upgrade to support ICT initiatives	688	60	748
Mirani State High School, Toilet Upgrade - Refurbishment	285	15	300
Miriam Vale State School, Administration Upgrade	460	40	500
Mitchelton State School, Additional Amenities	461	24	485
Mossman State High School, Additional Amenities	267	14	281
Mossman State High School, Major classroom upgrade to support arts initiatives	527	46	573
Mountain Creek State High School, GLAB - 8 Spaces	2,228	194	2,422
Nanango State High School, Major classroom upgrade to support home economics initiatives	388	34	422
Narangba State School, Administration Upgrade	460	40	500
Narangba Valley State High School, Additional Relocatable Accommodation and Conversions	1,288	112	1,400
Narangba Valley State School, Stage 2	5,074	441	5,515
Noosa District State High School, Additional Amenities	284	15	299
Noosa District State High School, Home Economics Upgrade	2,021	225	2,246
Noosa District State High School, Electrical Upgrade	259	111	370
Noosaville State School, Upgrade to Special Education Facilities	256	22	278
North Keppel Island Environmental Education Centre, Replace Boat	300	200	500
North Lakes State College, Stage 5B - Years 11 - 12	2,760	240	3,000
North Lakes State College, Stage 5C - Additional Middle School Accommodation	1,522	132	1,654
North Lakes State College, Performing Arts	460	40	500
Northern Peninsula Area State College, Additional Amenities	285	15	300
Ormeau State School, Additional Amenities	461	24	485
Ormiston State School, Additional Amenities	285	15	300
Ormiston State School, Administration Upgrade	375	33	408
Patricks Road State School, GLAB - 2 Spaces and Music by Enclosure Under	733	64	797
Pioneer State High School, Upgrade to Special Education Facilities	414	36	450

EDUCATION

PROJECT	Budget 2005-06 \$'000	Expense 2005-06 \$'000	Total 2005-06 \$'000
Pittsworth State High School, Additional Amenities	447	23	470
Pittsworth State School, Community Learning Centre	346	0	346
Proserpine State High School, Additional Amenities	755	40	795
Pullenvale State School, Additional Amenities	532	28	560
Queensland Smart Academy, Science, Mathematics and Technology	7,650	850	8,500
Queensland Smart Academy, Creative Arts	14,400	1,600	16,000
Redland District Special School, Administration Upgrade	426	37	463
Redlynch State School, Library Upgrade	357	32	389
Rosella Park School, Upgrade to Special Education Facilities	322	28	350
Runcorn Heights State School, GLAB - 6 Spaces	1,680	146	1,826
Saibai Island State School, Replace Administration Block	696	464	1,160
Scarborough State School, Major classroom upgrade to support ICT initiatives	803	70	873
Seaforth State School, Additional Amenities	318	17	335
Serviceton South State School, Additional Amenities	257	13	270
Shailer Park State High School, Major classroom upgrade to support middle schooling initiatives	1,435	125	1,560
Smithfield State High School, Major classroom upgrade to support sports science initiatives	1,113	97	1,210
Spinifex State College - Mount Isa - Senior Campus, Upgrade to Special Education Facilities	373	32	405
Spinifex State College - Mount Isa - Senior Campus, Major upgrade to support multi-media initiatives	1,381	120	1,501
St George State School, Administration Upgrade	554	48	602
Stanthorpe State High School, Queensland College of Wine Tourism (Stage A)	1,919	214	2,133
Sunnybank Hills State School, Major resource centre upgrade to support ICT initiatives	298	26	324
Sunset State School, Upgrade to Special Education Facilities	336	29	365
Sunshine Beach State High School, Upgrade to Special Education Facilities	299	26	325
Sunshine Beach State School, Additional Amenities and Covered Area	292	16	308
Surfers Paradise State School, Major classroom upgrade to support arts initiatives	379	33	412
Tara Shire State College, Major classroom upgrade to support agricultural science initiatives	469	40	509
Tarampa State School, Toilet Upgrade - Replacement	313	16	329
Thursday Island State School, Upgrade to Special Education Facilities	681	59	740

EDUCATION

PROJECT	Budget 2005-06 \$'000	Expense 2005-06 \$'000	Total 2005-06 \$'000
Thursday Island State School, Major upgrade to outdoor learning environment-support arts initiative	649	57	706
Tullawong State School, Upgrade to Special Education Facilities	414	36	450
Tully State High School, Additional Amenities	285	15	300
Upper Coomera State College, Senior Workshop Conversion	414	36	450
Upper Coomera State College, Stage 3 - Year 12	368	32	400
Upper Coomera State College, 3 x 2 Space Relocatables	428	37	465
Urangan State High School, Additional Amenities	285	15	300
Victoria Point State School, Upgrade to Special Education Facilities	354	31	385
Walkervale State School, Upgrade to Special Education Facilities	368	32	400
Wandoan State School, Administration Upgrade	385	34	419
Warwick State High School, Science Block	2,631	228	2,859
Warwick West State School, Upgrade to Special Education Facilities	292	26	318
Warwick West State School, Toilet Upgrade - Replacement	285	15	300
Waterford West State School, Administration Upgrade	590	52	642
Wavell Heights State School, Additional Amenities	257	13	270
West End State School, GLAB - 8 spaces	1,474	164	1,638
West End State School, Major classroom upgrade to support science and ICT initiatives	365	31	396
Western Cape College - Weipa, Additional Accommodation	5,959	518	6,477
Woree State High School, Community Learning Centre	600	0	600
Wynnum North State School, Major classroom upgrade to support arts initiatives	382	33	415
Yeppoon State High School, Major classroom upgrade to support arts initiatives	917	80	997
Zillmere State School, Upgrade to Special Education Facilities	354	31	385
Minor works	18,410	2,497	20,907
Land acquisition	37,534	766	38,300
Additional accommodation	8,280	720	9,000
General works	128,930	44,748	173,678
TOTAL - EDUCATION	387,291	67,796	455,087

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**DEPARTMENTAL
FINANCIAL
STATEMENTS
EDUCATION AND THE ARTS**

INCOME STATEMENT

	Notes	2004-05 Adj. Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
Income				
Output revenue	1	3,434,820	3,485,936	3,694,018
User charges	2	22,916	16,164	16,891
Grants and other contributions	3	577,690	621,827	636,215
Other revenue		958	4,795	2,223
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		4,036,384	4,128,722	4,349,347
Expenses				
Employee expenses	4	3,135,020	3,176,680	3,317,927
Supplies and services	5	662,701	686,018	748,033
Grants and subsidies	6	67,613	76,617	81,883
Depreciation and amortisation	7	150,106	169,708	178,282
Finance/borrowing costs		7,080	7,081	6,619
Other expenses		13,864	14,796	16,603
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		4,036,384	4,130,900	4,349,347
OPERATING SURPLUS/(DEFICIT)		..	(2,178)	..

STATEMENT OF CHANGES IN EQUITY

	Notes	2004-05 Adj. Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
Net effect of the adoption of a new accounting standard	8	..	..	(143,138)
Increase/(decrease) in asset revaluation reserve	9	160,440	202,190	120,473
Net amount of all revenue and expense adjustments direct to equity not disclosed above		..	..	..
Net income recognised directly in equity		160,440	202,190	(22,665)
Surplus/(deficit) for the period		..	(2,178)	..
Total recognised income and expense for the period		160,440	200,012	(22,665)
Equity injection/(withdrawal)	10	286,746	221,016	387,062
Equity adjustments (MOG transfers)		..	(623)	..
Dividends paid or provided		..	..	..
Total movement in equity for the period		447,186	420,405	364,397

BALANCE SHEET

Balance Sheet	Notes	2004-05 Adj. Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
CURRENT ASSETS				
Cash assets	1	180,519	140,101	137,451
Receivables		35,245	40,719	40,719
Other financial assets		1,857	1,626	1,626
Inventories		1,516	1,632	1,632
Other	2	1,089	8,912	8,912
Non-financial assets held for sale	3	..	..	24,144
Total current assets		220,226	192,990	214,484
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		300	..	..
Inventories		..	..	..
Property, plant and equipment	4	7,489,024	8,714,568	9,093,876
Intangibles	5	16,337	3,778	221
Other		..	..	..
Total non-current assets		7,505,661	8,718,346	9,094,097
TOTAL ASSETS		7,725,887	8,911,336	9,308,581
CURRENT LIABILITIES				
Payables	6	156,552	116,059	116,059
Interest-bearing liabilities and derivatives	7	28,638	28,095	37,925
Accrued employee benefits	8	113,075	112,966	127,053
Provisions		..	..	..
Other	9	26,934	19,070	19,070
Total current liabilities		325,199	276,190	300,107
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities and derivatives	10	103,803	93,488	102,419
Accrued employee benefits		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		103,803	93,488	102,419
TOTAL LIABILITIES		429,002	369,678	402,526
NET ASSETS (LIABILITIES)		7,296,885	8,541,658	8,906,055
EQUITY				
Capital/Contributed equity	11	1,343,041	1,275,682	1,643,183
Retained surplus/(Accumulated deficit)	12	(17,918)	(11,976)	(35,769)
Reserves:		..	..	..
- Asset revaluation reserve	13	5,971,762	7,277,952	7,298,641
- Other (specify)		..	..	..
TOTAL EQUITY		7,296,885	8,541,658	8,906,055

CASH FLOW STATEMENT

	Notes	2004-05 Adj. Budget \$'000.	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Output receipts	1	3,434,820	3,483,013	3,694,018
User charges	2	28,369	21,764	22,491
Grants and other contributions	3	577,690	621,827	636,215
Other	4	72,958	80,340	74,223
Outflows:				
Employee costs	5	(3,121,756)	(3,169,501)	(3,303,840)
Supplies and services	6	(754,695)	(778,012)	(820,027)
Grants and subsidies	7	(67,613)	(76,617)	(81,883)
Borrowing costs		(7,080)	(7,081)	(6,619)
Other		(19,317)	(20,904)	(22,203)
Net cash provided by/(used in) operating activities		143,376	154,829	192,375
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		3,460	3,421	4,000
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment	8	(431,029)	(370,370)	(588,628)
Payments for intangibles		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/(used in) investing activities		(427,569)	(366,949)	(584,628)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	9	20,000	..	20,000
Equity injections	10	293,072	229,688	396,184
Outflows:				
Borrowing redemptions	11	(16,393)	(6,599)	(17,352)
Finance lease payments		..	..	(107)
Equity withdrawals		(6,326)	(8,672)	(9,122)
Net cash provided by/(used in) financing activities		290,353	214,417	389,603
Net increase/(decrease) in cash held		6,160	2,297	(2,650)
Cash at the beginning of financial year		174,359	137,804	140,101
Cash transfers from restructure		..	..	..
Cash at the end of financial year		180,519	140,101	137,451

INCOME STATEMENT

EXPENSES AND REVENUES ADMINISTERED ON BEHALF OF THE WHOLE OF GOVERNMENT	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
Revenues				
Commonwealth grants	1	949,898	1,008,156	1,054,050
Taxes, fees and fines		..	..	..
Royalties, property income and other territorial revenue		..	..	..
Interest		511	511	381
Administered item revenue	2	1,443,739	1,534,820	1,590,291
Other		..	275	..
Total revenues		2,394,148	2,543,762	2,644,722
Expenses				
Supplies and Services		20	23	24
Depreciation and amortisation		..	..	..
Grants and subsidies	3	1,443,099	1,534,180	1,589,647
Benefit payments		620	617	620
Borrowing Costs		511	511	381
Other		..	..	..
Total expenses		1,444,250	1,535,331	1,590,672
Net surplus or deficit before transfers to Government		949,898	1,008,431	1,054,050
Transfers of Administered Revenue to Government	4	949,898	1,008,431	1,054,050
OPERATING SURPLUS/(DEFICIT)		..	..	..

BALANCE SHEET

ASSETS AND LIABILITIES ADMINISTERED ON BEHALF OF THE WHOLE OF GOVERNMENT	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
CURRENT ASSETS				
Cash assets		(395)	(1,045)	(1,045)
Receivables	1	3,376	4,102	1,733
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		2,981	3,057	688
NON-CURRENT ASSETS				
Receivables		5,983	6,000	6,000
Other financial assets		..	..	..
Inventories		..	..	..
Property, plant and equipment		..	..	..
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		5,983	6,000	6,000
TOTAL ADMINISTERED ASSETS		8,964	9,057	6,688
CURRENT LIABILITIES				
Payables		..	96	96
Transfers to Government payable		..	..	..
Interest-bearing liabilities	2	2,694	2,676	307
Other		..	..	..
Total current liabilities		2,694	2,772	403
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities		5,983	6,000	6,000
Other		..	..	..
Total non-current liabilities		5,983	6,000	6,000
TOTAL ADMINISTERED LIABILITIES		8,677	8,772	6,403
ADMINISTERED NET ASSETS/(LIABILITIES)		287	285	285
EQUITY				
Capital/Contributed equity		..	..	..
Retained surplus/(Accumulated deficit)		287	285	285
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL ADMINISTERED EQUITY		287	285	285

CASH FLOW STATEMENT

CASH FLOWS ADMINISTERED ON BEHALF OF THE WHOLE OF GOVERNMENT	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
Administered item receipts	1	1,443,739	1,534,820	1,590,291
Grants and other contributions	2	949,898	1,008,156	1,054,050
Taxes, fees and fines		..	..	..
Royalties, property income and other territorial revenues		..	..	..
Other		511	786	381
Outflows:				
Transfers to Government	3	(949,898)	(1,008,431)	(1,054,050)
Grants and subsidies	4	(1,443,719)	(1,534,797)	(1,590,267)
Supplies and services		(20)	(23)	(24)
Borrowing costs		(511)	(511)	(381)
Other		..	..	..
Net cash provided by/(used in) operating activities		..	..	..
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed	5	..	..	(2,369)
Outflows:				
Payments for property, plant and equipment		..	..	..
Payments for intangibles		..	..	..
Payments for investments		..	..	..
Loans and advances made	6	..	..	4,738
Net cash provided by/(used in) investing activities		..	..	2,369
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions	7	..	..	(2,369)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/(used in) financing activities		..	..	(2,369)
Net increase/(decrease) in cash held		..	..	..
Administered cash at beginning of financial year		(395)	(1,045)	(1,045)
Cash transfers from restructure		..	..	..
Administered cash at end of financial year		(395)	(1,045)	(1,045)

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Queensland Government entities will adopt Australian Equivalents to International Financial Reporting Standards (IFRS) from 1 July 2005. These Standards replace existing Australian Accounting Standards, with the exception of AAS 29 *Financial Reporting by Government Departments* and AAS 31 *Financial Reporting by Governments*.

The format of the Financial Statement tables in the 2005 Ministerial Portfolio Statements has been amended to accord with the adoption of IFRS. The main changes to the tables reflect new terminology and new reporting disclosures. The Statement of Financial Performance is now known as the Income Statement, the Statement of Financial Position is now the Balance Sheet, and the Statement of Cash Flows is now the Cash Flow Statement. Where IFRS has had an impact, these impacts are detailed in the following notes.

The equity return expense has been discontinued effective from 1 July 2004 and has been removed from the 2004-05 Budget estimates to provide for comparability with the 2005-06 Budget estimates. Machinery of Government changes are also reflected (if relevant) in the recast estimates.

Income Statement

Major variations between 2004-05 Adjusted Budget and 2004-05 Estimated Actual include:

1. Increased funding for higher depreciation costs from asset revaluations, teachers' career change program, and funding for refugees with English as a second language.
2. Decreased activity in relation to library services and user pays workshops and courses, and the 2004-05 budget contained an overestimated revenue from international students.
3. Increased Commonwealth revenue and Parents and Citizens associations' contribution to the cooler schools program.
4. Increased employee expenses due to career change program.
5. Increased expenses for Commonwealth programs, preparatory year programs and management systems for schools.
6. Increased expenses in relation to school-based apprenticeships and training.
7. Increased depreciation associated with a higher asset base resulting mainly from revaluations and new acquisitions.
7. Increase is due to the flow through of the audited actuals resulting from the revaluation undertaken as at 30 June 2004 for certain classes of assets as required by Australian Accounting Standards.
8. Decrease resulting mainly from the transfer of funds to recurrent to cater for increased depreciation resulting from 2003-04 revaluations, offset by additional Commonwealth capital funds.

Major variations between 2004-05 Adjusted Budget and 2005-06 Estimate include:

1. Increased funding for enterprise bargaining, enrolment growth, smart classrooms, home schooling, senior colleges of excellence, school maintenance, preparatory year programs and higher depreciation costs from asset revaluations.
2. Decreased activity in relation to library services and user pays workshops and courses, and the 2004-05 budget contained an overestimated revenue from international students.
3. Increased Commonwealth revenue and Parents and Citizens associations' contribution to the cooler schools program.
4. Increase for enterprise bargaining agreements, long service leave levy rate increase and student enrolment growth.
5. Increased expenses in relation to smart classrooms, increased school maintenance, Commonwealth programs, Education and Training Reforms for the Future initiatives including the introduction of the preparatory year in 2007, and changes in accounting treatments with the introduction of International Financial Reporting Standards.
6. Increased grants for school-based apprenticeships and training and the transfer of school transport funds from Administered to Controlled activities.
7. Increased depreciation for a higher asset base resulting mainly from revaluations and new acquisitions associated with cooler schools, smart classrooms, senior colleges of excellence, and additional Commonwealth capital funds, offset by changes resulting from the adoption of the International Financial Reporting Standards in 2005-06.
8. Changes resulting from the introduction and adoption of International Financial Reporting Standards.
9. Changes resulting from revaluations undertaken as at 30 June 2004 for assets as required by Australian Accounting Standards, as well as changes resulting from the adoption of International Financial Reporting Standards.
10. Increased funding for new acquisitions associated with cooler schools, smart classrooms, senior colleges of excellence, and additional Commonwealth capital funds, offset by transfer of funds to recurrent to cater for increased depreciation as well as other changes resulting from the adoption of the International Financial Reporting Standards.

Major variations between 2004-05 Estimated Actual and 2005-06 Estimate include:

1. Increased funding for enterprise bargaining, enrolment growth, smart classrooms, home schooling, senior colleges of excellence, school maintenance, preparatory-year programs, and higher depreciation costs from asset revaluations.
3. Increased Commonwealth revenue.
4. Increase for enterprise bargaining agreements, long service leave levy rate increase, and student enrolment growth.
5. Increased expenses in relation to smart classrooms, increased school maintenance, Commonwealth programs, Education and Training Reforms for the Future initiatives including the introduction of the preparatory year in 2007, and changes in accounting treatments with the introduction of International Financial Reporting Standards.

6. Increased expenses in relation to school-based apprenticeships and training and the transfer of school transport funds from Administered to Controlled activities.
7. Increased depreciation for a higher asset base resulting mainly from new acquisitions associated with cooler schools, smart classrooms, senior colleges of excellence, and additional Commonwealth capital funds, offset by changes resulting from the adoption of the International Financial Reporting Standards in 2005-06.
8. Changes resulting from the introduction and adoption of International Financial Reporting Standards.
9. Changes resulting from the adoption of International Financial Reporting Standards in 2005-06.
10. Increase funding for new acquisitions associated with cooler schools, smart classrooms, senior colleges of excellence, and additional Commonwealth capital funds, offset by transfer of funds to recurrent to cater for increased depreciation as well as other changes resulting from the adoption of the International Financial Reporting Standards.

Balance Sheet

Major variations between 2004-05 Adjusted Budget and 2004-05 Estimated Actual include:

1. Decrease due mainly to 2004-05 operating deficit, adjustment to and transfer of cash to Corporate and Professional Services (CAPS) and adjustment to EOY Salary accruals.
2. More maintenance prepayments were made than anticipated.
4. Increased asset base resulting mainly from 2003-04 revaluations and new acquisitions in 2004-05.
5. Reduced major software developments due to transfer of systems to CorpTech under the Shared Service Initiative.
6. Reflects lower levels of general trade creditors anticipated.
9. Changes reflect reduced levels of unearned Commonwealth revenue received in advance.
10. Anticipated borrowings in 2004-05 not taken up.
11. Decrease resulting mainly from the transfer of funds to recurrent to cater for increased depreciation resulting from 2003-04 revaluations, offset by additional Commonwealth capital funds.
13. Increase is due to the flow through of the audited actuals resulting from the revaluation undertaken as at 30 June 2004 for certain classes of assets as required by Australian Accounting Standards.

Major variations between 2004-05 Adjusted Budget and 2005-06 Estimate include:

1. Decrease due mainly to 2004-05 operating deficit, adjustment to and transfer of cash to Corporate and Professional Services (CAPS) and adjustment to EOY Salary accruals.
2. More maintenance prepayments were made than anticipated.
3. Reclassification of assets held for sale under new International Financial Reporting Standards to be adopted.
4. Increased asset base resulting mainly from 2003-04 revaluations and new acquisitions associated with new funding for cooler schools, smart classrooms, senior colleges of excellence, and additional Commonwealth capital funds, offset by changes resulting from the adoption of the International Financial Reporting Standards in 2005-06.
5. Reduced major software developments due to transfer of systems to CorpTech under the Shared Service Initiative.
6. Reflects lower levels of general trade creditors anticipated.
7. Increase resulting from increased loan repayments and changes in accounting treatment resulting from the adoption of the International Financial Reporting Standards in 2005-06.
8. Increased accrued employee benefits for additional days at year end.
9. Changes reflect reduced levels of unearned Commonwealth revenue received in advance.
11. Increased funding for new acquisitions associated with cooler schools, smart classrooms, senior colleges of excellence, and additional Commonwealth capital funds, offset by transfer of funds to recurrent to cater for increased depreciation as well as other changes resulting from the adoption of the International Financial Reporting Standards.
12. Result of changes in accounting treatment from the adoption of the International Financial Reporting Standards.
13. Changes resulting from revaluations undertaken as at 30 June 2004 for assets as required by Australian Accounting Standards, as well as changes resulting from the adoption of International Financial Reporting Standards.

Major variations between 2004-05 Estimated Actual and 2005-06 Estimate include:

3. Reclassification of assets held for sale under new International Financial Reporting Standards to be adopted.
4. Increased asset base resulting mainly from new acquisitions associated with cooler schools, smart classrooms, senior colleges of excellence, and additional Commonwealth capital funds, offset by changes resulting from the adoption of the International Financial Reporting Standards in 2005-06.
7. Increased loan repayments and changes resulting from the adoption of the International Financial Reporting Standards.
8. Increased accrued employee benefits for additional days at year end.
10. Increase resulting from deferral of loan to 2005-06.
11. Increase funding for new acquisitions associated with cooler schools, smart classrooms, senior colleges of excellence, and additional Commonwealth capital funds, offset by transfer of funds to recurrent to cater for increased depreciation as well as other changes resulting from the adoption of the International Financial Reporting Standards.
12. Result of changes in accounting treatment from the adoption of the International Financial Reporting Standards.
13. Changes resulting from the adoption of International Financial Reporting Standards in 2005-06.

Cash Flow Statement

Major variations between 2004-05 Adjusted Budget and 2004-05 Estimated Actual include:

1. Increased funding for higher depreciation costs from asset revaluations, teachers' career change program, and funding for refugees with English as a second language.
2. Decreased activity in relation to library services and user pays workshops and courses, and the 2004-05 budget contained an overestimated revenue from international students.
3. Increased Commonwealth revenue and Parents and Citizens associations' contribution to the cooler schools program.
4. Increased GST revenue collected.
5. Increased employee expenses due to career change program costs.
6. Increased expenses for Commonwealth programs, preparatory year programs and management systems for schools.
7. Increased expenses in relation to school-based apprenticeships and training.
8. Decrease resulting from adjustments to the capital works program, including deferral of the loan drawdown.
9. Anticipated borrowings in 2004-05 not taken up.

RECONCILIATION OF 2005-06 APPROPRIATION AMOUNTS TO THE FINANCIAL STATEMENTS

CONTROLLED

Income Statement

	\$'000
Output Revenue in Income Statement ¹	3,694,018
<i>Add:</i> Appropriation Funding for Outputs Receivable ^a	<u>..</u>
= Appropriation for Departmental Outputs	3,694,018
= Output Receipts in Cash Flow Statement ²	3,694,018

Balance Sheet

	\$'000
Closing balance Contributed Equity ³	1,643,183
<i>Less:</i> Opening Balance Contributed Equity ³	<u>1,275,682</u>
= Change in Contributed Equity in the Balance Sheet	367,501
<i>Add:</i> Appropriation Equity Injection Receivable ^b	..
<i>Less:</i> Non-appropriated Equity Adjustments ⁴	<u>(19,561)</u>
= Appropriation for Equity Adjustment ⁵	387,062
= Net Appropriated Equity Adjustment in Cash Flow Statement	387,062

1. This Output Revenue amount reconciles to the Output Revenue line in the Income Statement on page 1-89.
 2. This Output Revenue amount reconciles to the Output Receipts line in the Cash Flow Statement on page 1-91.
 3. The Contributed Equity amounts reconcile to the Contributed Equity line in the Balance Sheet on page 1-90.
 4. Non-appropriated equity adjustments relate to the effect of the adoption of International Financial Reporting Standards.
 5. The Appropriation for Equity Adjustment amount reconciles to the Equity Adjustment line in the Appropriations table on page 1-18.
- a. This line item relates to operating revenue recognised in one year for which the cash is not received until the subsequent year.
 - b. This line item relates to equity recognised in one year for which the cash is not received until the subsequent year.

ADMINISTERED

Statement of Expenses and Revenues Administered on Behalf of the Whole of Government

	\$'000
Administered Item Revenue in Income Statement ⁶	1,590,291
Add: Other (Administered) Appropriation Receivable ^a	..
= Appropriation for Administered Expenses ⁷	1,590,291

Statement of Assets and Liabilities Administered on Behalf of the Whole of Government

	\$'000
Closing balance Contributed Equity ^b	..
Less: Opening Balance Contributed Equity ⁸	..
= Change in Contributed Equity in the Statement of Assets and Liabilities administered on behalf of the State Government	..
Add: Appropriation Equity Injection Receivable ^b	..
Less: Non-appropriated Equity Adjustments ⁹	..
= Appropriation for Administered Equity Adjustment ⁷	..

6. The Administered Item Revenue amount reconciles to the Administered Item Revenue line in the Statement of Expenses and Revenues Administered on Behalf of the Whole of Government on page 1-92.

7. Total Appropriation for Administered items (\$1,590.291 million) = Appropriation for Administered expenses (\$1,590.291 million) + Appropriation for Administered Equity Adjustment (\$0).

8. The Contributed Equity amounts reconcile to the Contributed Equity line in the Statement of Assets and Liabilities Administered on Behalf of the Whole of Government on page 1-93.

9. Non-appropriated equity adjustments relate to Machinery of Government changes, long service leave liabilities transferred to the whole-of-Government scheme.

Note: Appropriation for Administered Expenses + Appropriation for Administered Equity Adjustment = total Administered Items (which reconciles to the Administered Items line in the Appropriations table on page 1-18).

a. This line item relates to operating revenue recognised in one year for which the cash is not received until the subsequent year.

b. This line item relates to equity recognised in one year for which the cash is not received until the subsequent year.

Corporate Services¹ Allocation 2005-06 Estimate (\$'000)

	Notes	Total Corporate Services	Preschool Education	Primary Education	Secondary Education	Students with Special Needs	Assistance to the Arts	Assistance to Non-State Education	Assistance to Tertiary Institutions
Income									
Output revenue		87,970	2,624	45,853	29,577	8,327	1,548	8	33
User charges		--	--	--	--	--	--	--	--
Grants and other contributions		--	--	--	--	--	--	--	--
Other revenue		--	--	--	--	--	--	--	--
Gains on sale/revaluation of property, plant and equipment and investments		--	--	--	--	--	--	--	--
Total income		87,970	2,624	45,853	29,577	8,327	1,548	8	33
Expenses									
Employee expenses		15,150	469	7,930	4,996	1,248	501	1	5
Supplies and services	2	72,820	2,155	37,923	24,581	7,079	1,047	7	28
Grants and subsidies		--	--	--	--	--	--	--	--
Depreciation and amortisation		--	--	--	--	--	--	--	--
Finance/borrowing costs		--	--	--	--	--	--	--	--
Other expenses		--	--	--	--	--	--	--	--
Losses on sale/revaluation of property, plant and equipment and investments		--	--	--	--	--	--	--	--
Total expenses		87,970	2,624	45,853	29,577	8,327	1,548	8	33
Full Time Equivalents	3	194.0	6.0	100.6	63.4	15.9	8.0	..	0.1
Notes:									
1. Corporate services functions include: finance and administration, procurement, human resources, payroll, staff training, information technology, records management, legal services, property acquisition and management, policy development, executive services (Office of the CEO), Ministerial and Cabinet liaison, strategic planning, strategic resource management, performance monitoring and reporting, internal audit and communications and marketing.									
2. Includes payments to Corporate and Professional Services and Corporate Administration Agency for the provision of financial services, procurement, human resources and payroll, information management services, facilities planning and management and legal services.									
3. Full-Time Equivalents comprise staff directly employed by the agency only. These do not include staff in Corporate and Professional Services or Corporate Administration Agency.									

SHARED SERVICE PROVIDER

SHARED SERVICE PROVIDER: Corporate and Professional Services (CAPS)

OVERVIEW

The Shared Service Initiative is a whole-of-Government approach to corporate services delivery. The vision is to provide high quality, cost-effective corporate support services across the Queensland Government. Shared services is underpinned by standardising business processes, consolidating technology and pooling resources and expertise.

Under the shared service model, government agencies have joined together in 'clusters' to share corporate services and resources through shared service providers. Within each cluster, one agency acts as 'host' to the shared service provider. The host provides the mechanisms for employment and accountability for the shared service provider under Queensland public sector legislation. Hosted by the Department of Education and the Arts, CAPS was established on 1 July 2003 and currently employs approximately 735 full-time equivalent staff.

The CAPS' business mission is to provide corporate support so that its clients in the department can deliver valuable outcomes in their services for the education and arts communities. CAPS provides a range of corporate services as documented in its Operating Level Agreements to the Education portfolio of the Department of Education and the Arts.

As a shared service provider Corporate and Professional Services provides the following services:

- Finance
- Procurement
- Human Resources, including Payroll
- Property and Facilities Management
- Information Services, including Document and Records Management
- Administrative Law
- General Legal services and management of litigation.

Key Factors Impacting on the Shared Service Provider

- Maintaining a spirit of cooperation and partnership between the department, Corporate and Professional Services and CorpTech, a technology centre of skill.
- Ensuring that ongoing opportunities for skills development and training are provided.
- Leveraging existing and developing technology investments and optimising standardisation and consolidation with a whole-of-Government focus.

A Balanced Scorecard approach has been used to develop the planning and performance management framework to progress the Shared Service Initiative (the Initiative). The success of the Initiative will be demonstrated through outcomes in the four key result areas of benefits, customers, improvement and capability.

BENEFITS

- Benefits are realised that meet stakeholder requirements and savings are available to assist Government priorities.
- The sector model for corporate service delivery is self-sustaining.

CUSTOMERS

- Corporate services are reliable and responsive to client needs and accountabilities.
- Quality services are designed and delivered collaboratively.

IMPROVEMENT

- Cost-effective, standardised business processes and systems are innovative and improvement focused.
- Corporate service performance is routinely measured and compared.

CAPABILITY

- People are skilled and motivated to deliver quality corporate services.
- Corporate service providers have the necessary infrastructure and resources to meet service demand.
- Corporate service delivery is effectively managed.

This is the second year of operation for Shared Service Providers (SSPs) and the criteria for judging the success of the SSPs and the Initiative is continuing to be developed and improved.

Key Achievements in 2004-05

In 2004-05 service areas in Corporate and Professional Services, on behalf of the department:

- managed, in partnership with the department, the staffing processes for the whole of the department to achieve the processing of an average of 64,000 fortnightly payrolls and approximately 2,800 teacher transfers for 2004-05
- managed grant payment processing to state schools, non-state schools, parents and other organisations servicing the needs of students, through the processing of approximately 99,800 payments totalling \$1.714 billion
- delivered the department's Capital Works Program including new school construction and school upgrades, the Smart Schools Renewal Program, *Wired for the Future* program and the *Cooler Schools* program to improve the learning environment for students
- achieved progress toward environmentally friendly "Green" schools with the trial of energy saving air-conditioning equipment and the upgrade of the renewal energy system at North Keppel Island Environmental Education Centre
- managed the department's Asset Maintenance Program, the *High Priority Building Asset Maintenance* program and the *Triple R* maintenance program which in 2004-05 was expanded to include the upgrading of sewerage and other drainage systems and continued the repainting of schools and the replacement of deteriorated roofing and water reticulation
- enhanced information technology and telecommunication services to schools through replacement of approximately 160 obsolete voice telecommunications systems, as part of a rolling replacement program, and through improved bandwidth for data carriage services
- consulted on the Public Health Bill regarding its impact on state and non-state schools
- redeveloped the Teacher Relief And Contract Employment Register (TRACER) application (database of registered and available teachers) enabling enhanced services to

schools for efficiently and effectively arranging relief teachers and temporary teacher contracts

- managed the administrative processing associated with the Career Change Program for teachers seeking new careers
- improved school network connectivity and reliability, support services (including online library catalogue) and the Managed Internet Service for teachers and students
- conducted the state-wide Copyright sample survey as required under the *Copyright Act 1968*
- directed and managed the nationwide review of copyright practices in the school education sector – The Smart Copying Report under the auspices of the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) Schools Resourcing Taskforce (SRT)
- replaced older satellite technology in approximately 50 schools utilising satellite services increasing bandwidth to 256kb for each
- developed wireless network policy and guidelines for use of wireless technologies within school networks
- continued enhancements to the Managed Internet Service benefiting over 565,000 users, to go hand in hand with an improved state-wide web anti-spam and content-filtering services giving more support to school Internet users
- continued supporting the development and maintenance of key computer applications and systems.

Strategic Direction and Future Developments

Over the next two years Corporate and Professional Services (CAPS), the department, the Shared Service Implementation Office (SSIO) and CorpTech will work together to construct and pilot standardised business process solutions, where appropriate, and implement standard systems to support these processes to generate whole-of-Government cost-efficiencies and implement a common costing and pricing approach, enabling benchmarking and performance reviews.

The departmental agenda in educational reform will also shape CAPS services in the coming year. CAPS forward planning will anticipate client needs and provide cost-effective services to the differentiated and expanding workforce. CAPS will provide to the department:

- continued improvements in electronic bandwidth available to schools through the roll-out of ADSL services where possible, and through the introduction of better network traffic and bandwidth management technologies
- administration of the preparatory work required to implement the new whole-of-Government Human Resource Management Information System and Finance SAP solution.

PERFORMANCE STATEMENT

Shared Service Provider: Corporate and Professional Services (CAPS)				
Measures	Notes	2004-05 Target/Est.	2004-05 Est. Actual	2005-06 Target/Est.
Financial Performance Measures				
<i>Benefits</i>				
\$ Shared Service Provider (SSP) Estimated Actual Forecast end of year Surplus/Deficit		..	\$482,000	..
% Labour costs of total expenses		66.3%	71.6%	67.5%
Non-Financial Performance Measures				
<i>Customers (Client Agencies)</i>				
% of stakeholders satisfied with core HR and Finance services	1	..	88%	90%
<i>Improvement</i>				
Operating expenses per employee supported per annum:	2			
Human Resources		..	\$616	\$600
Finance		..	\$132	\$120
Average number of full-time equivalents (FTEs) supported per CAPS FTE:	2			
Human Resources		..	162.4	175
Finance		..	802.3	810
<i>Capability</i>				
Number of FTEs in SSP		737.7	734.8	725
Notes:				
1. Measure of satisfaction with core Human Resource and Finance services only, based on the minimum reporting requirements set by the SSI. Other services to be included in the measure as key performance indicators are agreed for those services. This is a new measure for 2005-06, as such there is no 2004-05 Target / Estimate to be reported.				
2. Measure prior to implementation of whole-of-Government HR and Finance system solutions (finalisation of implementation expected by end of 2007). This is a new measure for 2005-06, as such there is no 2004-05 Target / Estimate to be reported.				

FINANCIAL STATEMENTS

INCOME STATEMENT

	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
Income				
User charges	1	70,060	68,241	72,360
Grants and other contributions		..	..	..
Other revenue		..	..	..
Gains on sale/revaluation of property, plant and equipment and investments	2	758	1,209	1,139
Total income		70,818	69,450	73,499
Expenses				
Employee expenses	3	46,930	49,411	49,650
Supplies and services	4	22,384	18,664	21,599
Grants and subsidies		..	..	..
Depreciation and amortisation	5	755	197	205
Finance/borrowing costs		..	..	..
Other expenses	6	749	696	2,045
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		70,818	68,968	73,499
OPERATING SURPLUS / (DEFICIT)		..	482	..

STATEMENT OF CHANGES IN EQUITY

	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
Net effect of the adoption of a new accounting standard	
Increase/ (decrease) in asset revaluation reserve	
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity	
Surplus/ (deficit) for the period		..	482	..
Total recognised income and expense for the period	
Equity injection/ (withdrawal)	
Equity adjustments (MoG transfers)	
Total movement in equity for period		..	482	..

BALANCE SHEET

	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
CURRENT ASSETS				
Cash assets	1	6,824	3,309	3,502
Receivables		..	25	25
Other financial assets		..	..	..
Inventories		..	..	..
Other		..	..	..
Non-financial assets held for sale		..	..	..
Total current assets		6,824	3,334	3,527
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Inventories		..	..	..
Property, plant and equipment	2	1,141	665	665
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		1,141	665	665
TOTAL ASSETS		7,965	3,999	4,192
CURRENT LIABILITIES				
Payables		..	508	508
Interest-bearing liabilities and derivatives		..	..	..
Accrued employee benefits	3	5,850	5,393	5,586
Provisions		..	..	..
Other		..	..	..
Total current liabilities		5,850	5,901	6,094
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Accrued employee benefits		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		5,850	5,901	6,094
NET ASSETS (LIABILITIES)		2,115	(1,902)	(1,902)
EQUITY				
Capital/Contributed equity	4	2,115	(2,384)	(2,384)
Retained surplus/ (Accumulated deficit)		..	482	482
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		2,115	(1,902)	(1,902)

CASH FLOW STATEMENT

	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	1	70,057	68,241	72,360
Grants and other contributions		..	..	..
Other	2	758	1,209	1,139
Outflows:				
Employee costs	3	47,270	49,885	49,457
Supplies and services	4	22,384	18,664	21,599
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other	5	746	696	2,045
Net cash provided by/ (used in) operating activities		415	205	398
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment		300	205	205
Payments for intangibles		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/ (used in) investing activities		(300)	(205)	(205)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/ (used in) financing activities		..	..	..
Net Increase/ (decrease) in cash held		115	..	193
Cash at the beginning of financial year		6,709	..	3,309
Cash transfers from restructure		..	3,309	..
Cash at the end of financial year		6,824	3,309	3,502

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income Statement

Major variations between 2004-05 Budget and 2004-05 Estimated Actual include:

1. All assumptions regarding resources to be transferred on preparation of the first budget for CAPS were not translated into the actual resourcing on separation of ledgers and financial management on 1 July 2004.
2. Other revenue is increased due to inclusion of salary commissions as CAPS revenue.
3. All assumptions regarding resources to be transferred on preparation of the first budget for CAPS were not translated into the actual resourcing on separation of ledgers and financial management on 1 July 2004.
4. All assumptions regarding resources to be transferred on preparation of the first budget for CAPS were not translated into the actual resourcing on separation of ledgers and financial management on 1 July 2004.
5. The level of non-current assets assumed to be transferring at the time of the first CAPS budget was not translated into actual resources. The estimated depreciation expense reflects the level non-current assets transferred.

Major variations between 2004-05 Budget and 2005-06 Estimate include:

1. The introduction of the International Financial Reporting Standards (IFRS) has changed the treatment of Capital Works salaries. Previously salaries were capitalised and the funding for the salaries received by credits to Supplies and Services. The IFRS has removed the ability to capitalise these salaries and therefore funding is now provided by output revenue from the agency.
2. Other revenue is increased due to salary commissions included as CAPS revenue.
3. All assumptions regarding resources to be transferred on preparation of the first budget for CAPS were not translated into the actual resourcing on separation of ledgers and financial management on 1 July 2004.
4. The level of non-current assets assumed to be transferring at the time of the first CAPS budget was not translated into actual resources. The estimated depreciation expense reflects the level non-current assets transferred.
5. The increase in Other expenses is due to the increased Performance Return expense in 2005-06.

Major variations between 2004-05 Estimated Actual and the 2005-06 Estimate include:

1. The introduction of the IFRS has changed the treatment of Capital Works salaries. Previously salaries were capitalised and the funding for the salaries received by recoveries to Supplies and Services. The IFRS has removed the ability to capitalise these salaries and therefore funding is now provided by output revenue from the agency.
2. Reduction due to decreased project funding.
3. The small increase is due to increased salaries from Enterprise Bargaining of 3.8% and estimated efficiency gains achieved by the Shared Services Initiative. The salary savings have been utilised to pay the performance Return expense in Other expenses.
4. The increased expense relates to the removal of the capitalised salary credits. This is due to the new IFRS treatment, which precludes the capitalisation of Capital Works salaries.
5. The increase in Other expenses is due to the increased Performance Return expense in 2005-06.

Balance Sheet

Major variations between 2004-05 Budget and 2004-05 Estimated Actual include:

1. The original assumption of cash injection from the department on separation of the CAPS bank account was overstated. In accordance with the SSI agreements, the agency was only required to provide cash for leave provisions of greater than 4 weeks and not the whole provision.
2. The level of non-current assets assumed to be transferring at the time of preparation of the first CAPS budget was not translated into actual resources.
3. The number of staff transferred on 1 July 2004 was less than estimated and staffing restructure during 2004-05 has reduced the estimated provision balance.
4. The assumed contributed equity at the time of preparation of the first CAPS budget was not realised due to the reduced cash injection and non-current assets. The surplus is due to the unbudgeted salary commissions.

Major variations between 2004-05 Budget and 2005-06 Estimate include:

1. The original assumption of cash injection from the department on separation of the CAPS bank account was overstated. In accordance with the SSI agreements, the agency was only required to provide cash for leave provisions of greater than 4 weeks and not the whole provision.
2. The level of non-current assets assumed to be transferring at the time of preparation of the first CAPS budget was not translated into actual resources.
3. The number of staff transferred on 1 July 2004 was less than estimated and staffing restructure during 2004-05 has reduced the estimated provision balance.
4. The assumed contributed equity at the time of preparation of the first CAPS budget was not realised due to the reduced cash injection and non-current assets. The surplus is due to the unbudgeted salary commissions.

Major variations between 2004-05 Estimated Actual and the 2005-06 Estimate include:

3. Increase in provision due to Enterprise Bargaining increase.

Statement of Cash Flows

Major variations between 2004-05 Budget and 2004-05 Estimated Actual include:

1. The original assumption of cash injection from the department on separation of the CAPS bank account was overstated. In accordance with the SSI agreements, the agency was only required to provide cash for leave provisions of greater than 4 weeks and not the whole provision.
2. Other revenue is increased due to salary commissions being included as CAPS revenue.
3. All assumptions regarding resources to be transferred on preparation of first budget for CAPS were not translated into the actual resourcing on separation of ledgers and financial management on 1 July 2004.
4. All assumptions regarding resources to be transferred on preparation of first budget for CAPS were not translated into the actual resourcing on separation of ledgers and financial management on 1 July 2004.

Major variations between 2004-05 Budget and 2005-06 Estimate include:

1. The introduction of the IFRS has changed the treatment of Capital Works salaries. Previously salaries were capitalised and the funding for the salaries received by credits to Supplies and Services. The IFRS has removed the ability to capitalise these salaries and therefore the salaries are now funded from output revenue.
2. Other revenue is increased due to salary commissions being included as CAPS revenue.
3. All assumptions regarding resources to be transferred on preparation of first budget for CAPS were not translated into the actual resourcing on separation of ledgers and financial management on 1 July 2004.
4. All assumptions regarding resources to be transferred on preparation of first budget for CAPS were not translated into the actual resourcing on separation of ledgers and financial management on 1 July 2004.
5. The increase in Other expenses is due to the increased Performance Return expense in 2005-06.

Major variations between 2004-05 Estimated Actual and the 2005-06 Estimate include:

1. The introduction of the IFRS has changed the treatment of Capital Works salaries. Previously salaries were capitalised and the funding for the salaries received by credits to Supplies and Services. The IFRS has removed the ability to capitalise these salaries and therefore the salaries are now funded from output revenue.
2. Other revenue is increased due to salary commissions included as CAPS revenue.
3. The decrease is due to increased salaries from Enterprise Bargaining of 3.8% and reduced costs due to estimated efficiency gains achieved by the Shared Services Initiative. The salary savings have been utilised to pay the performance Return expense in Other expenses.
4. The increased expense relates to the removal of the capitalised salary credits. This is due to the new IFRS treatment that precludes the capitalisation of Capital Works salaries.
5. The increase in Other expenses is due to the increased Performance Return expense in 2005-06.

SHARED SERVICE PROVIDER

SHARED SERVICE PROVIDER: Corporate Administration Agency

OVERVIEW

The Shared Service Initiative is a whole-of-Government approach to corporate services delivery. The vision is to provide high quality, cost-effective corporate support services across the Queensland Government. Shared services are underpinned by standardising business processes, consolidating technology and pooling resources and expertise.

Under the shared services model, government agencies have joined together in 'clusters' to share corporate services and resources through shared services providers. Within each cluster, one agency acts as 'host' to the shared service provider. The Corporate Administration Agency is 'hosted' by the Department of Education and the Arts due to its servicing of Arts Portfolio agencies. The host department provides the mechanisms for employment and accountability for the shared service provider under Queensland public sector legislation. The Corporate Administration Agency (CAA) was established as a shared services provider on 1 July 1997 and currently employs approximately 84 full-time equivalent staff.

The CAA's business mission is 'Excellence in Client Service' focused on delivering high quality, value adding services that meet the business needs of its client agencies. It provides a range of corporate and facilities management services as documented in Service Level Agreements to each of the following agencies:

- Arts Queensland
- Crime and Misconduct Commission
- Gladstone Economic and Industry Development Board
- Major Sports Facilities Authority
- Pacific Film and Television Corporation
- Q-COMP
- Queensland Art Gallery
- Queensland Museum
- Queensland Performing Arts Centre
- Queensland Studies Authority
- Queensland Theatre Company
- Safefood
- State Library of Queensland.

The CAA is also assisting in the transition of the following agencies to whole-of-Government business systems being implemented as part of the Shared Services Initiative:

- Department of Local Government and Planning, Sport and Recreation
- Department of Tourism, Fair Trading and Wine Industry Development.

The CAA provides the following services:

- Finance
- Procurement
- Human Resources, including Payroll
- Document and Records Management
- Facilities Management
- Information Technology and Network Management
- Business Systems Administration.

Key Factors Impacting on the Shared Service Provider

- Ensuring that ongoing opportunities for skills development and training are provided.
- Continuing to develop a spirit of cooperation and partnership between client agencies and the Corporate Administration Agency.
- Optimising the degree of standardisation of business processes.
- Leveraging existing technology investments and optimising standardisation and consolidation.
- Maintaining a focus on whole-of-Government developments in shared services delivery.
- Growing our business by actively seeking new clients.

The success of the Corporate Administration Agency will be demonstrated through outcomes in the four key result areas, being:

OUR PEOPLE

- Investing in the development of a skilled, motivated and flexible team.

CLIENT RELATIONSHIPS

- Developing a professional and personalised relationship that adds value to our clients business.

BUILDING THE BUSINESS

- Growing our business through targeted marketing and business development strategies.

BUSINESS CAPABILITY

- Developing business capability through innovative, sustainable and value for money services.

Key Achievements in 2004-05

In 2004-05 CAA:

- delivered a maintenance program totalling \$11.1 million across the Queensland Cultural Centre and other cultural assets aimed at maintaining the value of the State's investment in cultural infrastructure. This included a planned program of capital maintenance projects valued at \$6.3 million and general maintenance contracts valued at \$4.8 million.
- initiated a process, as part of the Government's Energy Management Strategy, to reduce the consumption of energy and water at the Queensland Cultural Centre. This initiative is expected to produce savings in excess of 10% of the current energy and water costs.
- ensured effective integration continues to occur between the existing Queensland Cultural Centre buildings and the new Queensland Gallery of Modern Art and the redeveloped State Library of Queensland
- implemented help desk software aimed at providing targeted process improvements across a range of services delivered by the Corporate Administration Agency to its client agencies
- enhanced ongoing operational efficiency of the agency through the exploration of further service delivery opportunities and leveraging off outcomes of the whole-of-Government shared services initiative
- commenced delivery of computer network support services to the Queensland Theatre Company and entered into negotiations with prospective clients.

Strategic Direction

Under the Government's Shared Services Initiative the CAA will continue to provide high quality, value adding corporate and facilities management services to its existing statutory body clients. The primary service focus will remain centred on cost-effective and flexible service arrangements for smaller organisations and statutory authorities with growth opportunities provided from entities outside the scope of the current Shared Services Initiative.

To ensure its continued relevance and viability the CAA will be seeking to implement the following key strategies during the 2005-06 year:

- development of a workforce planning strategy to meet changing business priorities
- implement strategies that build the skills and capabilities of our workforce
- development of a client relationship framework and review of service level agreements to ensure relevant and effective service delivery and to maintain high levels of client satisfaction;
- review the current business model of the CAA to ensure it remains relevant to our clients and reflects the current business environment
- invest in business improvements in systems and major contracts and review current processes to maximise the benefits of the shared service model to our clients
- develop and implement a marketing and communication plan aimed at creating awareness of the role of the CAA as a shared services provider and attracting new clients
- undertake a market assessment and feasibility study of potential clients.

PERFORMANCE STATEMENT

Shared Service Provider: Corporate Administration Agency (CAA)				
Measures	Notes	2004-05 Target/Est.	2004-05 Est. Actual	2005-06 Target/Est.
Financial Performance Measures				
\$ Shared Service Provider (SSP) Estimated Actual Forecast end of year Surplus/Deficit		..	..	..
% Labour costs of total expenses	1	24	22	21
Non-Financial Performance Measures				
Number of full-time equivalents (FTEs) in SSP		86	84	86
Note: 1. A large portion of the CAA's total expenses is devoted to the provision of building services and facilities management of the Queensland Cultural Centre.				

FINANCIAL STATEMENTS

INCOME STATEMENT

	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
Income				
User charges	1, 2	21,295	16,795	18,320
Grants and other contributions	3, 4	..	6,328	6,500
Other revenue		2,616	2,756	2,740
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total Income		23,911	25,879	27,560
Expenses				
Employee expenses		5,718	5,718	5,851
Supplies and services	5, 6	17,619	19,587	21,135
Grants and subsidies		..	..	..
Depreciation and amortisation		252	252	252
Finance/borrowing costs		57	57	57
Other expenses		265	265	265
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		23,911	25,879	27,560
OPERATING SURPLUS / (DEFICIT)		..	..	..

STATEMENT OF CHANGES IN EQUITY

	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
Net effect of the adoption of a new accounting standard	
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity	
Surplus/ (deficit) for the period	
Total recognised income and expense for the period	
Equity injection/ (withdrawal)	
Increase/ (decrease) in asset revaluation reserve	
Total movement in equity for period	

BALANCE SHEET

	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
CURRENT ASSETS				
Cash assets	1	515	1,871	1,923
Receivables		1,155	1,163	1,163
Other financial assets		..	..	..
Inventories		127	121	121
Other		187	144	144
Non-financial assets held for sale		..	..	..
Total current assets		1,984	3,299	3,351
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Inventories		..	..	..
Property, plant and equipment		211	314	254
Intangibles		403	447	355
Other		..	..	..
Total non-current assets		614	761	609
TOTAL ASSETS		2,598	4,060	3,960
CURRENT LIABILITIES				
Payables	2	425	1,172	1,172
Interest-bearing liabilities and derivatives		100	106	106
Accrued employee benefits		628	671	671
Provisions		..	..	..
Other		..	..	..
Total current liabilities		1,153	1,949	1,949
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities and derivatives		550	547	447
Accrued employee benefits		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		550	547	447
TOTAL LIABILITIES		1,703	2,496	2,396
NET ASSETS (LIABILITIES)		895	1,564	1,564
EQUITY				
Capital/Contributed equity	3	6,292	889	889
Retained surplus/ (Accumulated deficit)	3	(5,397)	675	675
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		895	1,564	1,564

CASH FLOW STATEMENT

	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	1, 2	21,295	14,967	18,320
Grants and other contributions	3, 4	..	6,328	6,500
Other		11	151	11
Outflows:				
Employee costs		(5,718)	(5,718)	(5,851)
Supplies and services	5, 6	(15,014)	(16,982)	(18,406)
Grants and subsidies		..	..	..
Borrowing costs		(57)	(57)	(57)
Other		(265)	(265)	(265)
Net cash provided by/ (used in) operating activities		252	(1,576)	252
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	..	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment		(100)	(100)	(100)
Payments for intangibles		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/ (used in) investing activities		(100)	(100)	(100)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		(100)	(100)	(100)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/ (used in) financing activities		(100)	(100)	(100)
Net Increase/ (decrease) in cash held		52	(1,776)	52
Cash at the beginning of financial year		463	3,647	1,871
Cash transfers from restructure		..	..	..
Cash at the end of financial year		515	1,871	1,923

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income Statement

Major variations between 2004-05 Budget and 2004-05 Estimated Actual include:

1. The decrease reflects a reclassification of capital maintenance funding for the Queensland Cultural Centre and Arts Queensland properties which is now shown as a grant and other contribution.
3. The estimated actual reflects a reclassification of capital maintenance funding provided for the Queensland Cultural Centre and Arts Queensland properties, including funding of approximately \$1.8 million carried over from 2003-04.
5. Capital maintenance projects totalling \$1.8 million were commenced at the Queensland Cultural Centre in 2003-04 but completed in 2004-05.

Major variations between 2004-05 Budget and 2005-06 Estimate include:

1. The decrease reflects a reclassification of capital maintenance funding for the Queensland Cultural Centre and Arts Queensland properties which is now shown as a grant and other contribution.
4. Continued capital maintenance funding totalling \$6.5 million per annum has been provided to maintain the Queensland Cultural Centre and Arts Queensland properties.

Major variations between 2004-05 Estimated Actual and the 2005-06 Estimate include:

2. The 2005-06 estimate has varied due to the expansion of the Queensland Cultural Centre.
6. The 2005-06 estimate includes increased spending on capital maintenance at the Queensland Cultural Centre and Arts Queensland properties and increased facilities management activity resulting from the expansion of the Queensland Cultural Centre.

Balance Sheet

Major variations between 2004-05 Budget and 2004-05 Estimated Actual include:

1. The increase in cash assets includes funding to finalise capital maintenance projects at the Queensland Cultural Centre.
2. The increase in payables principally relates to capital maintenance projects not finalised 2003-04.
3. The movement reflects a reclassification of equity following discussions with the Queensland Audit Office.

Major variations between 2004-05 Budget and 2005-06 Estimate include:

1. The increase in cash assets includes funding to finalise capital maintenance projects at the Queensland Cultural Centre.

Major variations between 2004-05 Estimated Actual and the 2005-06 Estimate include:

Nil.

Statement of Cash Flows

Major variations between 2004-05 Budget and 2004-05 Estimated Actual include:

1. The decrease reflects a reclassification of capital maintenance funding for the Queensland Cultural Centre and Arts Queensland properties which is now shown as a grant and other contribution.
3. The estimated actual includes \$6.328 million reclassified as a grant and other contribution.
5. Capital maintenance projects totalling \$1.8 million were commenced at the Queensland Cultural Centre in 2003-04 but completed in 2004-05.

Major variations between 2004-05 Budget and 2005-06 Estimate include:

1. The decrease reflects a reclassification of capital maintenance funding for the Queensland Cultural Centre and Arts Queensland properties which is now shown as a grant and other contribution.
4. Continued capital maintenance funding totalling \$6.5 million per annum has been provided to maintain the Queensland Cultural Centre and Arts Queensland properties.

Major variations between 2004-05 Estimated Actual and the 2005-06 Estimate include:

2. The 2005-06 estimate has varied due to a reclassification of funding and the expansion of the Queensland Cultural Centre.
6. The 2005-06 estimate includes increased spending on capital maintenance at the Queensland Cultural Centre and Arts Queensland properties and increased facilities management activity resulting from the expansion of the Queensland Cultural Centre.



**Queensland
Government**

MINISTERIAL PORTFOLIO STATEMENT

2005-06 STATE BUDGET

MINISTER FOR EDUCATION AND THE ARTS

QUEENSLAND STUDIES AUTHORITY

A handwritten signature in black ink, appearing to read 'Anna Bligh', positioned above a horizontal line.

**Hon. Anna Bligh MP
Minister for Education and
the Arts**

A handwritten signature in black ink, appearing to read 'John Mattick', positioned above a horizontal line.

**Professor John Mattick
Chair**

OVERVIEW

STRATEGIC ISSUES

The Queensland Studies Authority (QSA) provides Queensland schools with syllabus, assessment, reporting, testing and certification products and services. The QSA's vision is to provide quality, innovative and future-focused education frameworks for all Queensland P-12 students.

The QSA contributes to the Government's commitment to *A community of well skilled and knowledgeable people* through a broad range of activities, particularly its key role in implementing the *Education and Training Reforms for the Future* (ETRF).

It also enacts the Government's Smart State priorities by providing syllabuses that enable students to undertake coherent learning programs across Preparatory Year to Year 12, and to provide school certification that helps students progress to further study and/or employment.

The QSA aims to demonstrate educational leadership that is informed and supported by cross-sector collaboration. This includes:

- *developing and implementing P-12 syllabuses* that enable students to undertake coherent learning programs across Preparatory Year to Year 12 and help schools to prepare students for post-school opportunities
- *undertaking assessment and testing programs* that assist students to improve their performance and chart their future, benchmark Queensland students against national standards and support school improvement
- *managing certification processes* that reflect student learning across the range of their school experiences, capture student achievement in their various endeavours, and provide personalised, up-to-date information to students and parents.

QSA achieves Government objectives through its partnership with state and non-state schooling sectors. It collaborates with teachers, parents, industry and education providers to support the design and delivery of its functions.

QSA delivers on Government commitments through efficient and effective use of resources. Its value lies in its people and the networks they create throughout Queensland. The QSA focuses on building staff knowledge and capacity and managing this capacity with quality outcomes.

STAFFING

Authority	Notes	2004-05		2005-06
		Est.	Actual	Estimate
Queensland Studies Authority	1,2,3		197.8	199.4
Total			197.8	199.4

Notes:

1. The current staffing level of the Office of the Queensland Studies Authority is 197.8 full-time equivalent (FTE). Positions within the Authority are filled through a mix of permanent, temporary and secondment appointments.
2. The growth from the original QSA establishment of 171.2 is due to the addition of 12.8 temporary positions that have been created and funded through the Authority's budget allocation to support the implementation of the Government's *Education and Training Reforms for the Future (ETRF)* initiative, additional positions to support in-house delivery of components of the Years 3, 5 and 7 Testing Program that were previously performed by an external contracted provider, additional positions to support Vocational Education and Training (VET) and Information Technology, and project positions which include the management of the Certificate of Post Compulsory School Education.
3. In addition to the above staffing numbers the Authority output also involves approximately 4,200 teachers acting as panelists, about 800 persons involved in test marking and examinations and about 900 persons involved in advisory committees and sub-committees.

NON-DEPARTMENTAL OUTPUT PERFORMANCE

QUEENSLAND STUDIES AUTHORITY

NON-DEPARTMENTAL OUTPUT: Syllabus Development, Testing, Certification and Tertiary Entrance Procedures

RELATED OUTCOME: A community of well-skilled and knowledgeable people

REVIEW OF NON-DEPARTMENTAL OUTPUT PERFORMANCE

Recent Achievements

Education and Training Reforms for the Future

The Government approved the new Queensland Certificate of Education (QCE) in April 2005, a key part of the *Education and Training Reforms for the Future* (ETRF). It was developed by the Queensland Studies Authority (QSA), working closely with state and non-state schooling authorities and through extensive community consultation. The new certificate is an achievement-based end of schooling certificate to be introduced in 2008 for students who enter Year 10 in 2006. It will capture young people's learning and achievement to set standards (including literacy and numeracy) and will prepare them to move confidently to further education, training and employment.

The QSA also played a leading role in other key aspects of the ETRF reforms throughout 2004-05 including:

- the development of an online system that registers young people with a learning account in Year 10 and allows learning providers to 'bank' student learning
- the release of Phase 1 of the online Career Information Service (CIS) in February 2005
- the release of the guidelines for the Senior Education and Training (SET) Plans
- completion of the Early Years Curriculum for implementation in schools from 2007 as part of the Preparatory Year of schooling
- supporting the development of the *Joint Ministerial Statement on VET in schools*, made by the Minister for Education and the Arts, and the Minister for Employment, Training and Industrial Relations in August 2004.

Syllabus Development, Assessment, Testing and Reporting

In 2004-05 the QSA:

- completed the suite of Years 1 to 10 syllabuses for Queensland schools by approving the new Mathematics syllabus for implementation and the new English syllabus for open trial
- responded to business and Government priorities with the development of new syllabuses in science and aerospace
- modified the format of the student reports from the Years 3, 5 and 7 literacy and numeracy tests to ensure clearer reporting to national standards
- supported schools to implement syllabuses by providing over 340 workshops to approximately 7,000 participants throughout Queensland
- revised nine Study Area Specifications and advised schools about VET implications.

Collaboration and Consultation

In 2004-05 the QSA strengthened consultation and collaboration structures by:

- restructuring the QSA Governing Body's Committee structure to broaden the expertise available for Governing Body deliberations
- conducting Principal forums and industry seminars for over 1,100 Principals and 140 industry experts to foster greater engagement with QSA initiatives and activities.

Future Developments

ETRF initiatives including the Queensland Certificate of Education

The QSA will work with state and non-state schooling sectors to implement the new Queensland Certificate of Education (QCE). A comprehensive communications and information strategy will inform the community about the changes, and provide support to schools, students and parents. The online infrastructure to support the new qualification will be trialled with Year 10 students in 2006. The Authority will also:

- complete the development and trial of the systems for student registration and credit banking for the Senior Phase of Learning
- fully implement the web-based career information service
- prepare for the full introduction of the Early Years Curriculum in 2007 by continuing to assist the 96 existing trial schools and the additional 25 schools in 2006.

School Reporting

The QSA will play a major part in implementing the Government's *Changes to Schools Reporting* that were announced in October 2004. This includes:

- managing the introduction of a unique student identifier for all Queensland students Years P-9. This development will follow on from the full implementation of the Registration of Young People System (RYPS) in Years 10 to 12. The QSA is initiating discussions on the unique student identifier with all school sectors to establish protocols, potential uses and an implementation time line.
- assisting schools to understand how to use the data from the QSA testing program, particularly literacy and numeracy data, to report more effectively to their community
- providing Year 12 performance information to schools. This will allow schools to clarify the accuracy and interpretation of their data and to prepare for newspaper publication of all school profiles in 2006, subject to media protocols being established.
- supporting the Department of Education and the Arts to conduct *Next Step* – a destination survey for Year 12 school leavers to provide information to government and the wider community on the outcomes of schooling.

Smarter Learning: The Queensland Curriculum, Assessment and Reporting Framework

The QSA will implement the Government's new *Queensland Curriculum, Assessment and Reporting Framework*, under a Memorandum of Understanding with the Department of Education and the Arts, and in collaboration with schooling authorities and stakeholder groups. This will include:

- defining the areas of essential curriculum for all students in Years P-10
- defining the standards of student achievement in the essential curriculum
- creating the bank of assessment tools for teachers that link to the essential curriculum and standards
- establishing rigorous comparable assessment processes against the defined standards (which will result in consistent teacher judgments of student achievement)

- specifying a common framework for reporting student achievement against standards
- an ongoing review and refinement of Queensland's 1-10 syllabuses based on a rigorous evidence-based approach.

Schools will be involved in trials under the new Framework from 2006 and the new Framework will be implemented state-wide in 2008. To complement this activity, and the introduction of the QCE, the QSA will also be undertaking a review of the Years 11 and 12 syllabuses. This review will assess whether the current syllabuses:

- meet the needs of young people and are relevant to their futures
- provide options for flexible delivery in terms of time and location
- meet the expectations of the community, employers and further education and training institutions and providers.

The QSA will also continue support for schools in implementing QSA's syllabus, assessment, testing and certification products. This will include a specific focus on:

- implementation of the English and Mathematics syllabuses
- complete the review of the Year 2 Diagnostic Net to improve its capacity to identify and support children who are experiencing difficulties in literacy and numeracy.

NON-DEPARTMENTAL OUTPUT STATEMENT

Non-Departmental Output: Syllabus Development, Testing, Certification, and Tertiary Entrance Procedures				
Measures	Notes	2004-05 Target/Est.	2004-05 Est. Actual	2005-06 Target/Est.
Quantity				
Number of syllabuses and support materials for the P-12 years of schooling developed or revised		18	25	25
Number of audits of school compliance with the Australian Quality Training Framework Standards		85	107	90
Number of subject groups moderated and verified for Senior certification		8,484	8,171	8,000
Number of students receiving reports on the "Year 3, 5 and 7 Aspects of Literacy and Numeracy Test"		159,000	155,784	160,000
Number of students receiving Student Education Profiles		39,500	39,229	39,400
Quality				
The percentage of stakeholders surveyed who consider the syllabuses and support materials developed by the Authority to be satisfactory		86%	80%	88%
External audit of the QSA VET management processes demonstrates compliance with the Australian Quality Training Framework Standards and national benchmarks		Compliance achieved	Compliance achieved	Compliance achieved
Quality of certification processes: the number of all OP eligible Year 12 students whose OP changed following a request for verification of the Tertiary Entrance Statement		0.1%	0.01%	0.1%
The percentage of principals rating the "Year 3, 5, 7 Aspects of Literacy and Numeracy Test" materials as a good or very good tool to account for and to contribute to the improvement of students learning		70%	82%	85%
Timeliness				
Syllabuses and support materials for the P to 12 years of schooling made available to schools within the agreed government timeframes.		Time lines met	Time lines met	Time lines met
Testing and the distribution of reports for Student Education Profiles and the "Years 3, 5 and 7 Aspects of Literacy and Numeracy Test" are delivered within agreed stakeholder timeframes.		Time lines met	Time lines met	Time lines met
Location (if appropriate) N/A				

Non-Departmental Output: Syllabus Development, Testing, Certification, and Tertiary Entrance Procedures

Measures	Notes	2004-05 Target/Est.	2004-05 Est. Actual	2005-06 Target/Est.
Cost (\$)				
Average cost per school of external audit as a Registered Training Organisation (\$)		7,700	6,406	7,891
Average cost per syllabus revision (\$)		83,300	75,950	78,646
Average cost per student of developing and issuing the Student Education Profile (\$)		309	284	293
Average cost per student of developing and issuing the student literacy and numeracy reports (\$)		16	16	16
Average cost per student of tertiary entrance and pathways information programs (\$)		16	15	15
State Contribution (\$'000)		23,955	24,555	26,108
Other Revenue (\$'000)		2,650	2,678	2,298
Total Cost (\$'000)		27,488	28,618	29,506

FINANCIAL STATEMENTS

INCOME STATEMENT

	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
Income				
User charges	1	2,150	2,173	1,793
Grants and other contributions	2	23,955	24,555	26,108
Other revenue		500	505	505
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		26,605	27,233	28,406
Expenses				
Employee expenses	3	16,960	17,370	17,713
Supplies and services	4	9,596	10,354	10,185
Grants and subsidies		..	..	..
Depreciation and amortisation	5	802	749	1,260
Finance/borrowing costs	6	..	15	215
Other expenses		130	120	133
Losses on sale/revaluation of property, plant and equipment and investments		..	10	..
Total expenses		27,488	28,618	29,506
OPERATING SURPLUS / (DEFICIT)	7	(883)	(1,385)	(1,100)

STATEMENT OF CHANGES IN EQUITY

	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
Net effect of the adoption of a new accounting standard	
Increase/ (decrease) in asset revaluation reserve	
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity	
Surplus/ (deficit) for the period		(883)	(1,385)	(1,100)
Total recognised income and expense for the period		(883)	(1,385)	(1,100)
Equity injection/ (withdrawal)	
Increase/ (decrease) in asset revaluation reserve	
Total movement in equity for period		(883)	(1,385)	(1,100)

BALANCE SHEET

	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
CURRENT ASSETS				
Cash assets	1	1,892	1,799	254
Receivables		335	256	256
Other financial assets		..	..	..
Inventories		1,138	1,063	1,063
Other	2	57	561	462
Non-financial assets held for sale		..	..	..
Total current assets		3,422	3,679	2,035
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Inventories		..	..	..
Property, plant and equipment	3	375	2,780	2,625
Intangibles	4	1,212	2,645	2,676
Other		..	..	..
Total non-current assets		1,587	5,425	5,301
TOTAL ASSETS		5,009	9,104	7,336
CURRENT LIABILITIES				
Payables		733	750	500
Interest-bearing liabilities and derivatives		..	..	..
Accrued employee benefits		1,092	1,115	1,116
Provisions		800	895	895
Other		..	..	..
Total current liabilities		2,625	2,760	2,511
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities and derivatives	5	..	2,933	2,514
Accrued employee benefits		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	2,933	2,514
TOTAL LIABILITIES		2,625	5,693	5,025
NET ASSETS (LIABILITIES)		2,384	3,411	2,311
EQUITY				
Capital/Contributed equity		3,469	3,476	3,476
Retained surplus/ (Accumulated deficit)	6	(1,085)	(65)	(1,165)
Reserves:				
- Asset revaluation reserve		..	..	..
- Other (specify)		..	..	..
TOTAL EQUITY		2,384	3,411	2,311

CASH FLOW STATEMENT

	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	1	2,150	2,173	1,793
Grants and other contributions	2	23,955	24,555	26,108
Other		500	505	505
Outflows:				
Employee costs	3	(16,959)	(17,369)	(17,712)
Supplies and services	4	(9,594)	(10,850)	(10,336)
Grants and subsidies		..	..	..
Borrowing costs	5	..	(15)	(215)
Other		(130)	(120)	(133)
Net cash provided by/ (used in) operating activities		(78)	(1,121)	10
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	(10)	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment	6	(246)	(2,680)	(419)
Payments for intangibles	7	..	(714)	(717)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/ (used in) investing activities		(246)	(3,404)	(1,136)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings	8	..	3,200	866
Equity injections		..	..	..
Outflows:				
Borrowing redemptions	9	..	(267)	(1,285)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/ (used in) financing activities		..	2,933	(419)
Net Increase/ (decrease) in cash held		(324)	(1,592)	(1,545)
Cash at the beginning of financial year		2,216	3,391	1,799
Cash transfers from restructure		..	..	..
Cash at the end of financial year		1,892	1,799	254

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income Statement

Major variations between 2004-05 Budget and 2004-05 Estimated Actual include:

2. Additional funds provided for system upgrades, new PABX and sundry projects.
3. Increase related to completion of the suite of Years 1 to 10 syllabuses for Queensland schools.
4. Increase in supplies and services related to completion of the suite of Years 1 to 10 syllabuses for Queensland schools.
5. Decrease in depreciation costs resulting from deferred commissioning of assets.

Major variations between 2004-05 Budget and 2005-06 Estimate include:

1. Decrease in user charges due to discontinuance in various income streams.
2. Supplementation for Enterprise Bargaining agreement and new funding for information and communication technology (ICT) expenses, Preparatory Year *Educational and Training Reform for the Future* (ETRF) funding, vocational education and training (VET) growth and casual staff remuneration.
3. Enterprise bargaining salary increases and new funding for VET growth and casual staff remuneration.
4. Increase in supplies and services due to new funding for ICT expenses and expenses related to completion of the Years 1-10 syllabuses.
5. Full period for depreciation based on anticipated asset acquisitions.
6. Increase due to full year repayment for Queensland Treasury Corporation (QTC) loan.
7. Use of accumulated balance to fund finalisation of Yrs 1-10 maths and English Syllabuses.

Major variations between 2004-05 Estimated Actual and the 2005-06 Estimate include:

1. Decrease of user charges due to discontinuance in various income streams.
2. Supplementation for Enterprise Bargaining agreement and new funding for ICT expenses, Preparatory Year ETRF funding, VET growth and casual staff remuneration.
3. Enterprise bargaining salary increases.
5. Full period for depreciation based on anticipated asset acquisitions and commissioning of new information technology (IT) systems.
6. Increase due to full year repayment for QTC loan.

Balance Sheet

Major variations between 2004-05 Budget and 2004-05 Estimated Actual include:

2. Increase in prepayments for maintenance contracts as part of the ETRF initiative.
3. Increase in asset acquisitions due to ETRF initiative.
4. Increase in intangibles due to ETRF initiative.
5. Increased borrowings (QTC loan) raised to fund ETRF acquisitions.
6. Decrease due to transfer of equity to fund the operating deficit.

Major variations between 2004-05 Budget and 2005-06 Estimate include:

1. Decrease resulting from the utilisation of accumulated revenues to fund carried over expenses.
2. Increase in prepayments due to amortisation of maintenance contracts (as part of the ETRF initiative).
3. Increase in anticipated asset acquisitions due to ETRF initiative.
4. Increase in intangibles due to ETRF initiative.
5. Increased borrowings (QTC loan) raised to fund ETRF acquisitions.
6. Increase due to carry forward of activities from 2004-05.

Major variations between 2004-05 Estimated Actual and the 2005-06 Estimate include:

1. Decrease resulting from the utilisation of accumulated revenues to fund carried over expenses.
2. Decrease as prepayments for maintenance contracts are expensed.
5. Decrease in borrowings (QTC loan) to fund ETRF acquisitions.
6. Increase due to carry forward of activities from 2004-05.

Cash Flow Statement

Major variations between 2004-05 Budget and 2004-05 Estimated Actual include:

2. Additional funds provided for system upgrades, new PABX and sundry projects.
3. Increase related to completion of the suite of Years 1 to 10 syllabuses for Queensland schools.
4. Increase in supplies and services related to completion of the suite of Years 1 to 10 syllabuses for Queensland schools.
6. Increase in asset acquisitions due to ETRF initiative.
7. Increase in intangibles due to ETRF initiative.
8. Increased borrowings (QTC loan) raised to fund ETRF acquisitions.
9. Repayment of principal of QTC loan.

Major variations between 2004-05 Budget and 2005-06 Estimate include:

1. Decrease of user charges due to discontinuance in various income streams.
2. Supplementation for Enterprise Bargaining agreement, ICT expenses, Preparatory Year ETRF funding, VET growth and casual staff remuneration.
3. Enterprise bargaining salary increases and increases for VET growth and casual staff remuneration.
4. Increase in supplies and services related to completion of the suite of Years 1 to 10 syllabuses for Queensland schools.
5. Increase due to full year repayment for QTC loan.
6. Increase in asset acquisitions due to ETRF initiative.
7. Increase in intangibles due to ETRF.

8. Increased borrowings (QTC loan) raised to fund ETRF acquisitions.
9. Repayment of principal of QTC loan.

Major variations between 2004-05 Estimated Actual and the 2005-06 Estimate include:

1. Decrease of user charges due to discontinuance in various income streams.
2. Supplementation for Enterprise Bargaining agreement, ICT expenses, Preparatory Year ETRF funding, VET growth and casual staff remuneration.
3. Enterprise bargaining salary increases.
5. Increase due to full year repayment for QTC loan.
6. Decrease in asset acquisitions due to completion of ETRF initiative.
8. Drawdown of remainder of the QTC loan.
9. Repayment of principal of QTC loan.



**Queensland
Government**

MINISTERIAL PORTFOLIO STATEMENT

2005-06 STATE BUDGET

MINISTER FOR EDUCATION AND THE ARTS

LIBRARY BOARD OF QUEENSLAND

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**Hon. Anna Bligh MP
Minister for Education and
the Arts**

A handwritten signature in black ink, appearing to read 'Roy Webb', written over a horizontal line.

**Emeritus Professor Roy Webb AO
Chairperson**

OVERVIEW

STRATEGIC ISSUES

As Queensland's major public reference and research library, the Library Board of Queensland (State Library) provides a diverse range of services to the people of Queensland. The State Library's vision, Smart libraries build smart communities, is supported by the mission statement, Creatively linking Queenslanders to information, knowledge and each other.

The State Library's output of 'Library Services (State Library of Queensland)' contributes to the Government's priority of *Realising the Smart State through education, skills and innovation* and the Government's community outcomes of:

- A community of well-skilled and knowledgeable people
- Safe and secure communities
- A fair, socially cohesive and culturally vibrant society.

The State Library contributes to these community outcomes by:

- engaging with diverse audiences through the development of new services and programs, and growing appropriate partner relationships
- increasing access to collections and services through development of indexes and catalogues and the expansion of digital services
- building regional community capacity through the delivery of state-wide outreach services and programs
- providing leadership to Queensland public libraries, in collaboration with Local Government, and developing policy for the broader library sector
- developing and managing State Library collections by purchasing and cataloguing relevant material, complying with the preservation provisions of the *Libraries Act 1988*, and ensuring that the collections are stored and preserved appropriately.

STAFFING

Output/Activity	Notes	2004-05		2005-06
		Est.	Actual	Estimate
Administrative/Professional	1,2		265	258
Volunteers			65	80
Total			330	338

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Temporary staffing is expected to reduce by end of 2005-06 with preparation for relocation back to the redeveloped South Bank building.

NON-DEPARTMENTAL OUTPUT PERFORMANCE

NON-DEPARTMENTAL OUTPUT: **Library Services/Library Board of Queensland (State Library)**

RELATED OUTCOME: **A fair, socially cohesive and culturally vibrant society**

REVIEW OF NON-DEPARTMENTAL OUTPUT PERFORMANCE

Recent Achievements

During 2004-05 the State Library:

Increased state-wide access to the State Library's collections by improving the ease of use and breadth of online services

- launched the *Manuscripts Queensland* website, providing online access to the finding aids for unpublished original materials including letters, diaries, archives of Queensland businesses and organisations, works of art, photographs, audiovisual material, oral histories and artefacts
- digitised approximately 15,000 original images and photographs from the John Oxley Library's collections
- launched the *Music Queensland* website, providing online access to over 60 significant Queensland music scores
- developed the *Real Estate Maps* project, providing online access to 100 unique and valuable original maps and plans dating from the late 1800s to mid 1900s
- provided free state-wide access to online databases, providing access to online books, magazines and journals, with over 200,000 searches made.

Developed innovative entrepreneurial programs and services

- launched *Adult Skills and Knowledge (ASK)*, an online chat-based information referral service for adult jobseekers, developed in partnership with the Department of Employment and Training
- launched the *Queensland Stories* project, which is providing approximately \$0.4 million in grants to public libraries which will work with a range of community groups and schools to develop local stories and skills in information technology. In addition, the , Community Renewal unit in the Department of Housing is a funding partner on five projects specifically addressing cultural and community development.
- provided free Internet hosting and support to over 50 non-profit organisations and individuals to establish a web presence through the *Connecting Queensland* website
- developed, in partnership with the Brisbane Institute and the Museum of Brisbane, the *200 Kilometre City* exhibition encouraging debate about the future of South-East Queensland, which attracted 76,170 visits.

Delivered training and lifelong learning strategies and built regional capacity through the delivery of state-wide outreach services and programs

- continued to provide IT training via the *Billiton skills.net Roadshow* and *Online Public Access in Libraries* training, including the delivery of a new e-democracy course (developed in partnership with the Department of Communities) to encourage active citizenship online

- provided training in Ingham, Atherton, Barcaldine, Biloela, Nambour, Toowoomba, Ipswich and Logan for regional librarians, council members and cultural organisation staff in the digitisation of their photographic collections, via the *Picture Queensland Outreach* program
- launched, in partnership with Queensland University of Technology Creative Industries, the online IT literacy evaluation toolkit, *EvaluateIT*, to enable libraries and other institutions to evaluate their IT training programs.

Implemented programs for young people

- facilitated Queensland's participation in the *Nestle Write Around Australia Creative Writing Competition*, a major project linking libraries to schools and children around Australia, and initiated a partnership with the Department of Education and the Arts online portal, The Learning Place to develop online *Nestle Write Around Australia* workshops for rural and remote Queensland youth
- contributed significantly to the development and delivery of the national summer reading program, *Reading Rulz!*, and created the dynamic, interactive *Reading Rulz!* website which promoted libraries and literacy skills development to young people throughout Queensland
- developed and launched the 'Zootopia: Posters from the urban jungle' exhibition, in partnership with the Queensland College of Art, Griffith University, as part of National Youth Week.

Continued the implementation of the Indigenous Library Services Strategy

- established, in partnership with Indigenous community councils, an Indigenous Knowledge Centre (IKC) at Cherbourg, with establishment of IKCs at Woorabinda and Badu Island in the final stages of development
- provided professional support to assist the sustainability of the existing nine IKCs (at Aurukun, Injinoo, Wujal Wujal, Pormpuraaw, Lockhart River, New Mapoon, Mabuia, Erub and Poruma) through staff training, programs to promote literacy and lifelong learning and the development of holiday and after school activities material
- developed an Indigenous Employment and Training Strategy to increase employment opportunities for Indigenous people at the State Library of Queensland.

Collaborated with Local Government in the delivery of public library services

- developed, in partnership with local governments and other key stakeholders, Service Level Agreements for Country Lending Service and independent libraries
- updated the Guidelines and Standards for Queensland Public Libraries, a guide to best practice in the management of Queensland public library services
- curated, developed and toured a number of exhibitions including '100 Not Out', 'Queensland by Invitation', the 'Rawson Archive' and 'Gifts of Presence' (the latter visited Indigenous communities with a photographer who worked with young people to document their views on reconciliation).

Developed and managed collections

- completed the integration of the Parliamentary Library newspaper collection into the collection, which is now the most comprehensive holding of Queensland newspapers
- created catalogue records for over 41,000 items added to the collection
- acquired 91.5% of legal deposit items, maximising the quantum of Queensland material collected under preservation provisions of the *Libraries Act 1988*

- reformatted over 339,000 original newspaper publication pages and heritage photographs to microfilm, photographic and digital mediums, enhancing presentation and access.

Continued to provide high service standards through the Millennium Library Project construction phase

- entered the critical construction phase for the redevelopment of the State Library building at South Bank (Millennium Library Project), in which major building and service delivery initiatives were developed and refined
- displayed continued commitment to clients, collections and service continuity, locally and remotely, throughout the period of construction.

Future Developments

During 2005-06 the State Library will:

- contribute to the delivery of the Millennium Library Project building and manage the Library's relocation back into the redeveloped building
- develop public programs and services to introduce Brisbane and regional and remote clients to the collections and services of the redeveloped State Library
- develop and maintain partnerships and collaborations with public libraries, government, community organisations and businesses that increase audience reach
- grow its audience of children and young people through targeted programs and services
- expand online collections and services through the expansion of the website and the digitisation of unique, high-use and specialist-content items
- continue the implementation of the *Indigenous Library Services Strategy*
- collaborate with Local Government in the delivery of public library services, through piloting a regional service delivery model, and the development and dissemination of policies, strategies and information to support library service best practice
- optimise the mix of client autonomy and staff assistance through the provision of mediated reference and information services and the implementation of a client empowerment strategy.

NON-DEPARTMENTAL OUTPUT STATEMENT

Non-Departmental Output: Library services (Library Board of Queensland/State Library)				
Measures	Notes	2004-05 Target/Est. '000	2004-05 Est. Actual '000	2005-06 Target/Est. '000
Quantity				
Total Holdings		1,948	1,913	1,953
Collection Usage	1	574	497	479
Visitors to State Library	2	6,723	12,596	13,835
number of visits onsite	3	200	153	148
number of visits online	2	6,523	12,443	13,687
Number of information inquiries answered	4	80	47	48
Total borrowings from public libraries	5	42,529	40,411	40,472
Percentage of public libraries with Internet access		90%	96.7%	98%
State Contribution (\$'000)		44,838	44,838	44,693
Other Revenue (\$'000)		1,839	2,295	2,081
Total Cost (\$'000)		46,257	47,133	46,774
Notes:				
1. Onsite collection usage is expected to continue to decline during transition phase of the Millennium Library Project.				
2. The increase in the number of online visits has been assisted by the redeveloped SLQ website and constantly improving content on the Connecting Queensland website.				
3. Visitor numbers are understated due to difficulty in collecting data during transition as service has been provided across multiple sites, including non-State Library sites, not designed to collect attendance data.				
4. The Information inquiries reduction has been influenced by self-help programs being delivered in the State Library and declining on-site visits during transition.				
5. Total borrowing from public libraries refers to physical loans only and is growing at a lower rate than was originally forecast due to increased usage of online resources.				

FINANCIAL STATEMENTS

INCOME STATEMENT

	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
Income				
User charges		852	973	1,027
Grants and other contributions		45,356	45,610	45,197
Other revenue		469	550	550
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		46,677	47,133	46,774
Expenses				
Employee expenses		16,144	16,717	16,901
Supplies and services	1	8,620	11,996	8,779
Grants and subsidies	2	14,838	14,668	16,885
Depreciation and amortisation	3	4,275	1,765	1,814
Finance/borrowing costs		36	37	30
Other expenses		2,344	1,950	2,365
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		46,257	47,133	46,774
OPERATING SURPLUS / (DEFICIT)	4	420	..	..

STATEMENT OF CHANGES IN EQUITY

	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
Net effect of the adoption of a new accounting standard	
Increase/ (decrease) in asset revaluation reserve		1,000	1,063	1,063
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity		1,000	1,063	1,063
Surplus/ (deficit) for the period		420	..	..
Total recognised income and expense for the period		1,420	1,063	1,063
Equity injection/ (withdrawal)	
Equity adjustments (MoG transfers)	
Total movement in equity for period		1,420	1,063	1,063

BALANCE SHEET

	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
CURRENT ASSETS				
Cash assets	1	406	3,174	2,584
Receivables		768	413	413
Other financial assets		..	..	..
Inventories		44	..	..
Other		..	185	185
Non-financial assets held for sale		..	..	..
Total current assets		1,218	3,772	3,182
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Inventories		..	..	..
Property, plant and equipment	2	79,800	59,684	61,353
Intangibles		767	979	841
Other		..	..	..
Total non-current assets		80,567	60,663	62,194
TOTAL ASSETS		81,785	64,435	65,376
CURRENT LIABILITIES				
Payables		367	950	950
Interest-bearing liabilities and derivatives		122	123	121
Accrued employee benefits		1,014	1,271	1,271
Provisions		..	..	..
Other		38	..	..
Total current liabilities		1,541	2,344	2,342
NON-CURRENT LIABILITIES				
Payables		222	..	..
Interest-bearing liabilities and derivatives		405	404	284
Accrued employee benefits		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		627	404	284
TOTAL LIABILITIES		2,168	2,748	2,626
NET ASSETS (LIABILITIES)		79,617	61,687	62,750
EQUITY				
Capital/Contributed equity		1,455	1,458	1,458
Retained surplus/ (Accumulated deficit)	3	51,362	32,963	32,963
Reserves:				
- Asset revaluation reserve		26,800	27,266	28,329
- Other (specify)		..	..	..
TOTAL EQUITY		79,617	61,687	62,750

CASH FLOW STATEMENT

	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges		852	1,287	1,265
Grants and other contributions		45,356	45,610	45,197
Other		1,222	1,303	1,478
Outflows:				
Employee costs		(16,163)	(16,717)	(16,901)
Supplies and services	1	(8,621)	(11,997)	(8,779)
Grants and subsidies	2	(14,838)	(14,668)	(16,885)
Borrowing costs		(36)	(37)	(30)
Other		(3,160)	(3,017)	(3,531)
Net cash provided by/ (used in) operating activities		4,612	1,764	1,814
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	20	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment	3	(4,743)	(1,845)	(2,282)
Payments for intangibles		..	(15)	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/ (used in) investing activities		(4,743)	(1,840)	(2,282)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		(112)	(112)	(122)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/ (used in) financing activities		(112)	(112)	(122)
Net Increase/ (decrease) in cash held		(243)	(188)	(590)
Cash at the beginning of financial year	4	649	3,362	3,174
Cash transfers from restructure		..	..	..
Cash at the end of financial year	4	406	3,174	2,584

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income Statement

Major variations between 2004-05 Budget and 2004-05 Estimated Actual include:

1. The increase is due to an investment in collection assets which were previously capitalised.
3. The decrease is due to an accounting policy change which removed the public library collection from the balance sheet.
4. The decrease is due to funds being redirected from capital to expense items.

Major variations between 2004-05 Budget and 2005-06 Estimate include:

2. The increase is due to a reallocation of funds from supplies and services.
3. The decrease is due to an accounting policy change which removed the public library collection from the balance sheet.
4. The decrease is due to funds being redirected from capital to expense items.

Major variations between 2004-05 Estimated Actual and the 2005-06 Estimate include:

1. The decrease is principally due to a reallocation of funds to grants and subsidies.
2. The increase is due to a reallocation of funds from supplies and services.

Balance Sheet

Major variations between 2004-05 Budget and 2004-05 Estimated Actual include:

1. The increase reflects the higher actual cash figure as at 30 June 2004.
2. The decrease is due to an accounting policy change which resulted in the write-off of the public library collections.
3. The decrease reflects the result of the accounting policy change which caused the write-off of the public library collections.

Major variations between 2004-05 Budget and 2005-06 Estimate include:

1. The increase reflects the higher actual cash figure as at 30 June 2004 offset by some capital purchases planned for 2005-06.
2. The decrease is due to an accounting policy change which resulted in the write-off of the public library collections.
3. The decrease reflects the result of the accounting policy change which caused the write-off of the public library collections.

Cash Flow Statement

Major variations between 2004-05 Budget and 2004-05 Estimated Actual include:

1. The increase is due to an investment in collection assets which were previously capitalised.
3. The decrease is due to an accounting policy change which removed the public library collection from the balance sheet.
4. The increase is the result of a higher cash balance carried forward from 2003-04.

Major variations between 2004-05 Budget and 2005-06 Estimate include:

2. The increase is due a reallocation of funds from supplies and services.
3. The decrease is due to an accounting policy change which removed the public library collection from the balance sheet.
4. The increase is the result of a higher cash balance carried forward from 2003-04.

Major variations between 2004-05 Estimated Actual and the 2005-06 Estimate include:

1. The decrease is principally due to a reallocation of funds to grants and subsidies.
2. The increase is due a reallocation of funds from supplies and services.

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Queensland
Government

MINISTERIAL PORTFOLIO STATEMENT

2005-06 STATE BUDGET

MINISTER FOR EDUCATION AND THE ARTS

QUEENSLAND ART GALLERY

Hon. Anna Bligh MP
Minister for Education and
the Arts

Wayne Goss
Chairman

OVERVIEW

STRATEGIC ISSUES

The Queensland Art Gallery is Queensland's premier visual arts organisation. The Gallery's key strategic directions are:

- enhancement of its profile through greater emphasis on its Collection, increased focus on children and youth programs, and tours of diverse exhibitions and educational programs to regional Queensland centres
- to maintain focus on modern and contemporary Australian and international art, Indigenous Australian art and contemporary art of the Asia-Pacific region in the expansion to a two-site institution.

The Queensland Art Gallery contributes to the Government priorities:

- *Realising the Smart State through education, skills and innovation*
- *Growing a diverse economy and creating jobs*

through the following goals:

- demonstrate leadership and excellence in developing, preserving, displaying, managing and maintaining the State's visual arts collection
- develop and present a range of public programs that facilitate Queenslanders' interaction, appreciation and enjoyment of the visual arts
- support children and young people in their appreciation of, and involvement in, the visual arts, thus enhancing capabilities for life long learning within the community
- acknowledge Indigenous cultures and develop culturally diverse audiences
- initiate and manage programs of assistance for young emerging artists, interns and trainees, with a special emphasis on Indigenous trainees
- develop, where appropriate, productive partnerships with other government agencies, and with the private, education and community sectors
- ensure that the Gallery's building and strategic development, including the Queensland Gallery of Modern Art Project, meet the needs of the community and the Gallery.

STAFFING

Output/Activity	Notes	2004-05 Est. Actual	2005-06 Estimate
Administrative/Professional	1	156	173
Volunteers	2	187	187
Total		343	360
Notes: 1. Full-time equivalents (FTEs) as at 30 June. 2. Number of volunteers – not converted to FTEs.			

NON-DEPARTMENTAL OUTPUT PERFORMANCE

NON-DEPARTMENTAL OUTPUT: **Access To Visual Arts
(Queensland Art Gallery)**

RELATED OUTCOME: **A fair, socially cohesive and culturally vibrant society**

REVIEW OF NON-DEPARTMENTAL OUTPUT PERFORMANCE

Recent Achievements

During 2004-05 the Queensland Art Gallery:

- refined planning and preparation for the Gallery's future expansion to a two-site operation
- secured the first group of national and international artists to participate in the fifth 'Asia-Pacific Triennial of Contemporary Art', to be held across the two sites of Queensland Art Gallery (QAG) and Queensland Gallery of Modern Art (QGMA) upon QGMA's opening in late 2006
- presented major exhibitions of work by Australian and international artists, including:
 - 'Man Ray', 'Clifford Possum Tjapaltjarri', 'Ron Mueck: The Making of *Pregnant Woman* 2002' and 'No Ordinary Place: The Art of David Malangi' (touring from other state galleries); and
 - 'The Art of Fiona Hall', 'Ten Thoughts about Frames', 'Prime 2005: New Art from Queensland' and 'The Look of Faith' (organised by the Queensland Art Gallery).
- presented an interactive children's exhibition, 'The Nature Machine: Contemporary Art, Nature and Technology'. The associated major summer festival for children and families presented a dynamic and diverse program and attracted nearly 30,000 people in just nine days.
- collected and exhibited a range of culturally diverse histories, with particular emphasis on the cultures and practices of Indigenous Australians. To coincide with the National Aboriginal and Islander Day Observance Committee (NAIDOC) Week 2004, the Gallery developed and presented the 'Blak Insights' project — a major conference, exhibition and education program addressing issues in contemporary Indigenous art and culture.
- toured exhibitions throughout regional Queensland, including a travelling exhibition of works by Australian artist Sir Arthur Streeton which commenced in April 2005 and the continuation of the tour of 'Story Place: Indigenous Art of Cape York and the Rainforest' which enabled regional audiences to view this important exhibition of contemporary Queensland Indigenous art
- provided professional development opportunities for young Queensland artists. Continuing initiatives include the Starter Space exhibition program for artists aged 25 and under; and the hosting of the annual 'Education Minister's Awards for Excellence in Art', organised by the department
- launched a new Gallery website, featuring more than 600 pages and providing greater access to information on the Gallery's Collection, exhibitions and programming. The Gallery Store also launched a new online shopping service specialising in Australian art books.
- hosted the first scholar-in-residence and artist-in-residence programs as part of the Australian Centre of Asia-Pacific Art program
- undertook research and development towards a major exhibition program for QAG and QGMA, including 'Kenneth MacQueen', 'Such is Life', 'Josephine Muntz-Adams', 'Cubism', 'Californian Contemporary Art', 'Indigenous Fibre Art', 'Tim Johnson Retrospective', 'Andy Warhol' and Cinémathèque programs

- acquired new works across all collecting areas and demonstrated best practice in the display and conservation of the Collection
- provided museum professionals and QAG staff with opportunities for professional development, so as to create a community of highly skilled and educated people.

Future Developments

In 2005-06 the Queensland Art Gallery will:

- progress ongoing work towards the opening of the QGMA. Projects under way include Collection development and further developing the Australian Centre of Asia-Pacific Art, the Children's Art Centre, the Conservation facility and the Cinémathèque.
- continue development of the fifth 'Asia-Pacific Triennial of Contemporary Art'
- present a diverse exhibitions program, including: 'No ordinary place: the art of David Malangi' (organised by the National Gallery of Australia); 'Scarce Shadows, Flying Pearls: A Japanese Screen Revealed'; 'Barbara Heath: Jeweller to the Lost'; 'Kiss of the Beast'; 'Australian Photography 1930s-1950s'; 'Grace Cossington Smith' (organised by the National Gallery of Australia); 'Margaret Preston Retrospective' (organised by the Art Gallery of New South Wales), and '2006 Education Minister's Awards for Excellence in Art'. The exhibitions program will be supported by a range of special focus displays highlighting different aspects of the QAG Collection.
- deliver a major children's exhibition for December/January 2005-06
- develop and tour a new travelling exhibition which will showcase the work of major contemporary Queensland artists from the Gallery's Collection. Continue to tour a travelling exhibition of works by Australian artist Sir Arthur Streeton to regional Queensland audiences
- continue research and development towards the preparation of major exhibition programs for QAG and QGMA including 'Kenneth MacQueen', 'Such is Life', 'Josephine Muntz-Adams', 'Cubism', 'Californian Contemporary Art', 'Indigenous Fibre Art', 'Tim Johnson Retrospective' and 'Andy Warhol' (working titles)
- continue research and development towards publications to coincide with and to celebrate the opening of the QGMA, including two major Collection anthologies, on Australian Art post-1965 and on the Gallery's Contemporary Asian and Pacific holdings, as well as souvenir booklets, books on the architecture of the new building, publications focusing on Collection highlights and publications for children
- continue with strategies for involving and benefiting from communities, including touring exhibitions; loans from the Collection; training workshops, lectures and floor talks; judging of art awards; advice and assistance on conservation, and representation on management committees, advisory boards and panels.

NON-DEPARTMENTAL OUTPUT STATEMENT

Non-Departmental Output - Access to the visual arts (Queensland Art Gallery)				
Measures	Notes	2004-05 Target/Est	2004-05 Est. Actual	2005-06 Target/Est.
Quantity				
Number of exhibitions presented		14	15	16
Number of Collection-based exhibitions presented	1	8	7	8
Number of exhibitions touring regional Queensland	2	3	3	2
Total attendance at Queensland Art Gallery	3	320,000	325,352	300,000
Number of internships / trainees	4	4	4	2
Quality				
Level of satisfaction of audiences with Collection-based displays, programs and activities		90%	89.9%	90%
Increase in loan requests and requests for reproductions from the Collection from external agencies	5	10%	4.5%	0%
Collection stored safely and securely to international museum standards		100%	100%	100%
Extent of client satisfaction with exhibition program		90%	92%	90%
Percentage of trainees/apprentices completing traineeships		100%	100%	100%
Location				
Travelling exhibitions through regional Queensland	2	3	3	2
Number of regional locations receiving travelling exhibitions and education, interpretative and information services	6	15	34	25
State Contribution (\$'000)		17,545	17,545	22,511
Other Revenue (\$'000)		650	650	836
Total Cost (\$'000)		17,195	17,195	22,347
<p>Notes:</p> <ol style="list-style-type: none"> 1. These exhibitions are included in "Number of exhibitions presented". 2. Feedback from regional venues indicated a reduced demand for touring exhibitions and a higher demand for consultative services. 3. Anticipated decline in visitor numbers due to the impact of the construction works associated with the Millennium Arts Project. 4. Demands of planning for QGMA will limit the Gallery's ability to undertake the intense process of managing trainees. 5. The Gallery has notified institutions of a forthcoming moratorium on loans and it is considered that this has already had an impact on requests for loans. As a result of the moratorium, which will take effect from October 2005 until after the opening of QGMA, loans from the Collection are expected to be negligible until late 2006-07. 6. In 2004-05 the Regional Services unit undertook a major consultancy project which resulted in increased services relating to the implementation of new international standard facilities reports in 2004-05. 				

FINANCIAL STATEMENTS

INCOME STATEMENT

	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
Income				
User charges		120	120	130
Grants and other contributions	1	17,927	17,927	23,069
Other revenue		148	148	148
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		18,195	18,195	23,347
Expenses				
Employee expenses	2	9,771	9,771	10,576
Supplies and services	2	6,776	6,776	11,123
Grants and subsidies		500	500	500
Depreciation and amortisation		100	100	100
Finance/borrowing costs		15	15	15
Other expenses		33	33	33
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses		17,195	17,195	22,347
OPERATING SURPLUS / (DEFICIT)		1,000	1,000	1,000

STATEMENT OF CHANGES IN EQUITY

	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
Net effect of the adoption of a new accounting standard	
Increase/ (decrease) in asset revaluation reserve		5,000	5,000	5,000
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity		5,000	5,000	5,000
Surplus/ (deficit) for the period		1,000	1,000	1,000
Total recognised income and expense for the period		6,000	6,000	6,000
Equity injection/ (withdrawal)	
Equity adjustments (MoG transfers)	
Total movement in equity for period		6,000	6,000	6,000

BALANCE SHEET

	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
CURRENT ASSETS				
Cash assets	1	418	987	818
Receivables		206	146	146
Other financial assets	1	1,000	850	700
Inventories	2	627	824	824
Other		26	26	26
Non-financial assets held for sale		..	..	..
Total current assets		2,277	2,833	2,514
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Inventories		..	..	..
Property, plant and equipment	3	182,449	186,273	192,483
Intangibles		..	..	..
Other		..	..	..
Total non-current assets		182,449	186,273	192,483
TOTAL ASSETS		184,726	189,106	194,997
CURRENT LIABILITIES				
Payables		176	282	292
Interest-bearing liabilities and derivatives	4	100	55	55
Accrued employee benefits	5	838	1,045	849
Provisions		..	..	..
Other		..	..	..
Total current liabilities		1,114	1,382	1,196
NON-CURRENT LIABILITIES				
Payables	5	..	..	177
Interest-bearing liabilities and derivatives	4	100	160	60
Accrued employee benefits		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		100	160	237
TOTAL LIABILITIES		1,214	1,542	1,433
NET ASSETS (LIABILITIES)		183,512	187,564	193,564
EQUITY				
Capital/Contributed equity		711	713	713
Retained surplus/ (Accumulated deficit)		106,091	105,762	106,762
Reserves:				
- Asset revaluation reserve	3	76,710	81,089	86,089
- Other (specify)		..	..	..
TOTAL EQUITY		183,512	187,564	193,564

CASH FLOW STATEMENT

	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges		120	120	130
Grants and other contributions	1	17,927	17,927	23,069
Other		158	158	158
Outflows:				
Employee costs	2	(9,771)	(9,771)	(10,595)
Supplies and services	2	(6,736)	(6,736)	(11,073)
Grants and subsidies		(500)	(500)	(500)
Borrowing costs		(15)	(15)	(15)
Other		(33)	(33)	(33)
Net cash provided by/ (used in) operating activities		1,150	1,150	1,141
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		(10)	(10)	(10)
Investments redeemed		100	100	100
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment		(1,300)	(1,300)	(1,300)
Payments for intangibles		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/ (used in) investing activities		(1,210)	(1,210)	(1,210)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		(100)	(100)	(100)
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/ (used in) financing activities		(100)	(100)	(100)
Net Increase/ (decrease) in cash held		(160)	(160)	(169)
Cash at the beginning of financial year		578	1,147	987
Cash transfers from restructure		..	..	..
Cash at the end of financial year		418	987	818

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income Statement

Major variations between 2004-05 Budget and 2005-06 Estimate include:

1. Increase in recurrent funding for Gallery of Modern Art.
2. Increase in recurrent expenses for Gallery of Modern Art.

Major variations between 2004-05 Estimated Actual and the 2005-06 Estimate include:

1. Increase in recurrent funding for Gallery of Modern Art.
2. Increase in recurrent expenses for Gallery of Modern Art.

Balance Sheet

Major variations between 2004-05 Budget and 2004-05 Estimated Actual include:

1. Term deposit matured.
2. Increase in amount of Gallery Store stock held for sale.
3. Increase due to increase in revaluation of Works of Art.
4. Repayment of QTC loan instalment.

Major variations between 2004-05 Budget and 2005-06 Estimate include:

1. Term deposit matured.
2. Increase in amount of Gallery Store stock held for sale.
3. Increase due to increase in revaluation of Works of Art.
4. Repayment of QTC loan instalment.

Major variations between 2004-05 Estimated Actual and the 2005-06 Estimate include:

1. Term deposit matured.
3. Increase due to increase in revaluation of Works of Art.
4. Repayment of QTC loan instalment.
5. Decrease in Provisions due to employee annual leave entitlements being moved to Payables due to the International Financial Reporting Standards (IFRS) methodology.

Cash Flow Statement

Major variations between 2004-05 Budget and 2005-06 Estimate include:

1. Increase in recurrent funding for Gallery of Modern Art.
2. Increase in recurrent expenses for Gallery of Modern Art.

Major variations between 2004-05 Estimated Actual and the 2005-06 Estimate include:

1. Increase in recurrent funding for Gallery of Modern Art.
2. Increase in recurrent expenses for Gallery of Modern Art.



**Queensland
Government**

MINISTERIAL PORTFOLIO STATEMENT

2005-06 STATE BUDGET

MINISTER FOR EDUCATION AND THE ARTS

QUEENSLAND MUSEUM

A handwritten signature in cursive script, reading "Anna Bligh".

**Hon. Anna Bligh MP
Minister for Education and
the Arts**

A handwritten signature in cursive script, reading "Anne Jones".

**Anne Jones
Chair**

OVERVIEW

STRATEGIC ISSUES

Queensland Museum is the Queensland Government's major state provider of museological services covering all areas of science, the natural environment, and human experience.

The mission of Queensland Museum is to enrich and enliven the cultural, social and intellectual life of all Queenslanders.

Queensland Museum contributes to the Government's priority of *Realising the Smart State through education, skills and innovation* by:

- delivering an effective state-wide Museum service through decentralised facilities and outreach programs
- providing lifelong learning opportunities that are relevant to the needs and expectations of a broad audience
- making a long-term commitment to high quality research resulting in a better understanding and appreciation of Queensland's natural and cultural heritage and positioning Queensland Museum as a major contributor to the Smart State
- balancing long-term protection and preservation of the State collections while enabling public access to and use of the exhibits
- establishing a digital environment that facilitates rapid access to Queensland Museum's knowledge and collection databases and positions Queensland Museum as an authoritative information provider to a global audience
- positioning Queensland Museum in the cultural tourism industry as a major provider of unique visitor experiences that inform and entertain.

STAFFING

Output/Activity	Note	2004-05 Est. Actual	2005-06 Estimate
Museum Services	1	204	204
Total		204	204
Note: 1. Full-time equivalents (FTEs) as at 30 June.			

NON-DEPARTMENTAL OUTPUT PERFORMANCE

NON-DEPARTMENTAL OUTPUT: Museum Services (Queensland Museum)

RELATED OUTCOME: A fair, socially cohesive and culturally vibrant society

REVIEW OF NON-DEPARTMENTAL OUTPUT PERFORMANCE

Recent Achievements

During 2004-05 Queensland Museum has:

- completed construction and opened a new entrance, foyer and Science Centre at Queensland Museum South Bank. The improvements were well received by the public with admissions during the December-January school holidays almost 50% higher than for the same period last year
- completed final designs for the new Aboriginal and Torres Strait Islander Cultures Centre at Queensland Museum South Bank which is on schedule for an opening in December 2005
- maintained a repatriation program by returning 12 ancestral remains and four secret sacred objects from Queensland Museum's Aboriginal and Torres Strait Islander collections to Darnley Island, Bundaberg, Stradbroke Island, Hawkesbury River (New South Wales) and Tasmania
- opened a new exhibition 'Troppo! – North Queensland Larger than Life' at the Museum of Tropical Queensland, Townsville and completed the refurbishment of the Museum foyer
- presented the second *Friends of Thomas* festival at The Workshops Rail Museum, North Ipswich which attracted more than 25,500 visitors during the December-January school holidays
- published approximately 141 research papers and two volumes of the *Memoirs of the Queensland Museum*, reinforcing Queensland Museum's reputation as a major contributor to the Smart State
- developed the manuscript for a new edition of the *Wildlife of Greater Brisbane*, the first volume in Queensland Museum's successful *Wild Guide* series of publications now in its 10th printing with more than 45,000 copies sold
- developed the BioBus Smart State Initiative in partnership with the Department of State Development and Innovation and Education Queensland. This interactive exhibition program with accompanying student laboratory and teacher professional development programs was launched on 11 May 2005 and toured to regional centres.
- reviewed and reformatted existing collection databases in readiness for incorporation into the new collection management system
- developed the manuscript for a history of the North Ipswich Railway Workshops to be published as a volume of the *Memoirs of the Queensland Museum*.

Future Developments

During 2005-06 Queensland Museum will:

- open the new Aboriginal and Torres Strait Islander Cultures Centre at Queensland Museum South Bank

- publish more than 100 research papers and one volume of *Memoirs of the Queensland Museum* and so continue to be a major contributor to the Smart State through the generation of new knowledge
- continue to deliver the Biobus Smart State Initiative outreach program to regional and rural centres throughout the State
- maintain a program for the repatriation of ancestral remains and secret-sacred objects from Queensland Museum's Aboriginal and Torres Strait Islander collections
- deliver a minimum of 10 new, online curriculum focused, learning programs designed for primary and secondary school audiences
- develop and deliver exhibitions and public programs that position the Queensland Museum network as a provider of quality learning experiences, attracting more than 700,000 visitors annually
- publish complementary pocket guides to the popular *Wildlife of Greater Brisbane* publication and substantially progress a new edition of the *Wildlife of Greater Brisbane*.

NON-DEPARTMENTAL OUTPUT STATEMENT

Non-Departmental Output: Museum Services (Queensland Museum)				
Measures	Notes	2004-05 Target/Est.	2004-05 Est. Actual	2005-06 Target/Est.
Quantity				
Number of items added to the collection	1	40,400	51,007	40,040
Number of users of Museum Services:	2			
a) visitors		673,100	842,618	758,000
b) school children		72,100	67,187	78,100
c) website		2,700,000	3,463,427	3,654,000
Number of Museum Products:				
a) new displays (square metres of exhibitions)		4,000	6,066	3,197
b) lectures/talks (number delivered)	3	631	1,173	693
c) research papers (number published)		119	120	115
d) new loans (number made)	4	14,288	28,529	14,918
Quality				
Satisfaction of clients regarding requests for information		95%	95%	95%
Satisfaction of audiences with collection-based displays and activities in public galleries		95%	95%	95%
Collection stored safely and securely to appropriate standards		98%	98%	98%
Timeliness				
Requests for information met within 28 days		95%	95%	95%
Location				
Number of shires and Indigenous communities receiving Queensland Museum services	5	123	115	130
Cost (\$)				
State Contribution (\$'000)		16,391	17,691	18,035
Other Revenue (\$'000)		6,218	7,054	6,660
Total Cost (\$'000)		22,593	27,250	24,695
Notes:				
1. Transfer of significant collections from universities to the Queensland Museum and higher than anticipated specimen collections resulting from consultancies.				
2. Higher than anticipated attendances at South Bank following the opening of the new Sciencentre.				
3. Higher than anticipated demand for objects and teaching kits experienced at all campuses.				
4. Higher than anticipated demand for objects and teaching kits experienced at all campuses and the demand for specimens from international conference delegates was unprecedented.				
5. Commencement of the Biobus operation was delayed in 2004-05. However, the 2005-06 touring program to regional and rural areas will significantly increase the reach of the Museum's services.				

FINANCIAL STATEMENTS

INCOME STATEMENT

	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
Income				
User charges	1	4,624	4,880	5,003
Grants and other contributions	2	17,172	18,895	19,064
Other revenue	3	813	880	608
Gains on sale/revaluation of property, plant and equipment and investments		..	90	20
Total income		22,609	24,745	24,695
Expenses				
Employee expenses		12,171	13,544	14,467
Supplies and services	4	5,030	8,170	7,005
Grants and subsidies		..	20	21
Depreciation and amortisation		2,370	2,747	2,903
Finance/borrowing costs		..	..	..
Other expenses	5	3,022	2,673	247
Losses on sale/revaluation of property, plant and equipment and investments		..	96	52
Total expenses		22,593	27,250	24,695
OPERATING SURPLUS / (DEFICIT)		16	(2,505)	..

STATEMENT OF CHANGES IN EQUITY

	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
Net effect of the adoption of a new accounting standard		..	34	..
Increase/ (decrease) in asset revaluation reserve		4,416	7,536	7,683
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity		4,416	7,570	7,683
Surplus/ (deficit) for the period		16	(2,505)	..
Total recognised income and expense for the period		4,432	5,065	7,683
Equity injection/ (withdrawal)		(972)	(972)	(947)
Equity adjustments (MoG transfers)		..	(31)	..
Total movement in equity for period		3,460	4,062	6,736

BALANCE SHEET

	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
CURRENT ASSETS				
Cash assets		8,882	8,518	9,103
Receivables		463	622	622
Other financial assets		..	..	..
Inventories		509	594	594
Other		13	18	18
Non-financial assets held for sale		..	..	..
Total current assets		9,867	9,752	10,337
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Inventories		..	..	..
Property, plant and equipment	1	230,958	244,408	250,514
Intangibles		454	282	327
Other		..	..	..
Total non-current assets		231,412	244,690	250,841
TOTAL ASSETS		241,279	254,442	261,178
CURRENT LIABILITIES				
Payables		455	437	437
Interest-bearing liabilities and derivatives		..	..	..
Accrued employee benefits	2	814	996	996
Provisions		..	..	..
Other		700	700	700
Total current liabilities		1,969	2,133	2,133
NON-CURRENT LIABILITIES				
Payables	3	182	..	..
Interest-bearing liabilities and derivatives		..	..	..
Accrued employee benefits		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		182	..	..
TOTAL LIABILITIES		2,151	2,133	2,133
NET ASSETS (LIABILITIES)		239,128	252,309	259,045
EQUITY				
Capital/Contributed equity		3,291	2,917	1,970
Retained surplus/ (Accumulated deficit)		28,667	26,200	26,200
Reserves:				
- Asset revaluation reserve		207,170	223,192	230,875
- Other (specify)		..	..	..
TOTAL EQUITY		239,128	252,309	259,045

CASH FLOW STATEMENT

	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	1	4,626	5,455	5,001
Grants and other contributions	2	17,172	18,895	19,064
Other	3	813	963	608
Outflows:				
Employee costs		(12,187)	(13,584)	(14,467)
Supplies and services	4	(5,030)	(9,261)	(7,208)
Grants and subsidies		..	(20)	(21)
Borrowing costs		..	..	..
Other	5	(3,024)	(2,473)	(247)
Net cash provided by/ (used in) operating activities		2,370	(25)	2,730
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	(4)	(30)
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment	6	(2,182)	(2,885)	(1,048)
Payments for intangibles		(100)	(100)	(120)
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/ (used in) investing activities		(2,282)	(2,989)	(1,198)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		(972)	(972)	(947)
Net cash provided by/ (used in) financing activities		(972)	(972)	(947)
Net Increase/ (decrease) in cash held		(884)	(3,986)	585
Cash at the beginning of financial year		9,766	12,648	8,518
Cash transfers from restructure		..	(144)	..
Cash at the end of financial year		8,882	8,518	9,103

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income Statement

Major variations between 2004-05 Budget and 2004-05 Estimated Actual include:

1. Sciencentre attendances higher than anticipated.
2. Increased appropriation funding approved for the Workshops Rail Museum, Ipswich.
3. Higher than anticipated interest earned on cash holdings during 2004-05.
4. Increased reflects anticipated requirements in 2004-05.
5. A proportion of Queensland Museum's contribution to Arts Queensland for capital works on the South Bank building was expensed in 2003-04.

Major variations between 2004-05 Budget and 2005-06 Estimate include:

1. First full year of operation of the new Sciencentre at South Bank.
2. Increased appropriation funding approved for the Workshops Rail Museum, Ipswich.
3. Lower interest earnings due to lower cash holdings during 2005-06.
4. Increased reflects anticipated requirements in 2004-05.
5. 2004-05 includes a contribution to Arts Queensland for capital works on the South Bank building.

Major variations between 2004-05 Estimated Actual and the 2005-06 Estimate include:

1. First full year of operation of the new Sciencentre at South Bank.
3. Lower interest earnings due to lower cash holdings during 2005-06.
4. Increasing employee and depreciation costs necessitate a reduction in supplies and services expenditure in 2005-06.
5. 2004-05 includes a contribution to Arts Queensland for capital works on the South Bank building.

Balance Sheet

Major variations between 2004-05 Budget and 2004-05 Estimated Actual include:

1. Higher than anticipated comprehensive and indexation revaluations of land and buildings particularly in relation to the Workshops Rail Museum.
2. Changes in basis of calculations from the adoption of the new accounting standard.
3. Leased plant & equipment replaced with items purchased.

Major variations between 2004-05 Budget and 2005-06 Estimate include:

1. Higher than anticipated comprehensive and indexation revaluations of land and buildings particularly in relation to the Workshops Rail Museum.
2. Changes in the basis of calculations from the adoption of the new accounting standard.
3. Leased plant & equipment items replaced with items purchased.

Major variations between 2004-05 Estimated Actual and the 2005-06 Estimate include:

3. Leased plant & equipment items replaced with items purchased.

Cash Flow Statement

Major variations between 2004-05 Budget and 2004-05 Estimated Actual include:

1. Sciencentre attendances higher than anticipated.
2. Increased appropriation funding approved for the Workshops Rail Museum, Ipswich.
3. Higher than anticipated interest earned on cash holdings during 2004-05.
4. Increased reflects anticipated requirements in 2004-05.
5. A proportion of Queensland Museum's contribution to Arts Queensland for capital works on the South Bank building was expensed in 2003-04.
6. Higher than anticipated expenditure on exhibitions at South Bank in conjunction with the new entry and Sciencentre.

Major variations between 2004-05 Budget and 2005-06 Estimate include:

1. First full year of operation of the new Sciencentre at South Bank.
2. Increased appropriation funding approved for the Workshops Rail Museum, Ipswich.
3. Lower interest earnings due to lower cash holdings during 2005-06.
4. Increased reflects anticipated requirements in 2004-05.
5. A proportion of Queensland Museum's contribution to Arts Queensland for capital works on the South Bank building was expensed in 2003-04.
6. 2004-05 included significant expenditure at South Bank in connection with the new entry and Sciencentre developments and purchases for the off-site store at Hendra.

Major variations between 2004-05 Estimated Actual and the 2005-06 Estimate include:

1. 2004-05 benefited from high attendances associated with the opening of the new Sciencentre.
3. Lower interest earnings due to lower cash holdings during 2005-06.
4. Increasing employee and depreciation costs necessitate a reduction in supplies and services expenditure in 2005-06.
5. 2004-05 includes a contribution to Arts Queensland for capital works on the South Bank building.
6. 2004-05 included significant expenditure at South Bank in connection with the new entry and Sciencentre developments and purchases for the off-site store at Hendra.



Queensland
Government

MINISTERIAL PORTFOLIO STATEMENT

2005-06 STATE BUDGET

MINISTER FOR EDUCATION AND THE ARTS

QUEENSLAND PERFORMING ARTS TRUST

Hon. Anna Bligh MP
Minister for Education and
the Arts

Henry Smerdon
Acting Chair

OVERVIEW

STRATEGIC ISSUES

The Queensland Performing Arts Centre (QPAC) is the State's premier performing arts venue. The Queensland Performing Arts Trust (the Trust) manages the Centre, and provides opportunities for the development and presentation of many diverse performing art forms.

The Queensland Performing Arts Trust (the Trust) operates under the vision of 'QPAC encourages creative potential and enriches our cultural life'. The Trust will:

- create pathways to develop understanding and support creative endeavours that enhance our communities
- present, stage, produce and collaborate with individual artists and companies and optimise QPAC's facilities
- build the sustainability of the performing arts industry through cooperation and advocacy
- support the priorities of the Queensland Government.

The Trust contributes to the Government's Community Outcome: *A fair, socially cohesive and culturally vibrant society* by:

- creating and delivering a program of extraordinary events and experiences that enhance the creativity of diverse communities
- maximising public participation in all programs and events at QPAC
- continuously improving the standard of services and facilities to satisfy stakeholders now and into the future
- managing resources so that opportunities are maximised and the potential of people and business is built upon.

STAFFING

Output/Activity	Notes	2004-05		2005-06
		Est.	Actual	Estimate
Administrative/Professional	1	88		88
Artistic/Production	1,2	22		22
Volunteers	1,3	10		10
Casuals	1,4	90		90
Total		210		210

Notes:

1. Full-time equivalents (FTEs) as at 30 June.
2. Artistic/Production staff are engaged for specific projects including festivals and QPAC productions.
3. Volunteers are engaged for special projects including festivals such as *Out of the Box*.
4. Staffing position at the Trust fluctuates over time with the addition of casual employees who are engaged as required or when productions occur in the various venues.

NON-DEPARTMENTAL OUTPUT PERFORMANCE

NON-DEPARTMENTAL OUTPUT: Venue Management, Theatrical Productions, and Performing Arts Development (Queensland Performing Arts Trust)

RELATED OUTCOME: Strengthening services to the community

REVIEW OF NON-DEPARTMENTAL OUTPUT PERFORMANCE

Recent Achievements

During 2004-05 the Queensland Performing Arts Trust has:

- won the Premier's Award for Excellence in Community Engagement for the Out of the Box Festival of Early Childhood presented in June 2004
- produced and managed the artists and entertainment program for the 2005 World Exposition in Aichi, Japan in partnership with the department
- presented a range of "iconic works" as part of QPAC's 20th anniversary celebrations including Stephen Berkoff's Shakespeare's Villains featuring one of the world's most important dramatic actors, and the sold-out season of the Australian Ballet's Swan Lake, choreographed by one of Australia's most celebrated artists, Graeme Murphy
- delivered three seasons in the Lyric series, two seasons in the Suitcase series, 10 seasons in the Passport Series and 31 seasons/exhibitions/art installations in the @home series as part of the unique curatorial framework
- appointed The Brisbane Cabaret Festival, Bille Brown, John Rodgers, The Kransky Sisters and Frank Theatre to provide a period of residency in the Company/Artist in Residence program
- commissioned and produced new works such as My Of Course Life in conjunction with Just Us Theatre in Cairns and Women in Voice 14. Women in Voice 14 toured to Star City Casino in Sydney to critical claim following its successful Brisbane season.
- led the development of a national research project with Griffith University, the Sydney Opera House, The Arts Centre (Victoria) and the Adelaide Festival Trust in a project measuring the impact of performing arts centres
- initiated a master planning process to respond to the changing spatial, access and operating needs of the Centre
- conducted two Home Companies Forums comprising Opera Queensland, the Queensland Orchestra, the Queensland Ballet, the Queensland Theatre Company, Arts Queensland and the Australia Council and fostered collaboration, planning and enhanced service delivery
- developed Memoranda of Understanding with national companies to ensure and optimise their ongoing presentation of significant works in Queensland and with educational institutes to form long-term research partnerships
- delivered a range of initiatives as part of the audience engagement strategy including the production of six major education programs, the expanded distribution of educational materials online and made QPAC's library catalogue available nationally through the National Library's Kinetica system.

Future Developments

During 2005-06 the Queensland Performing Arts Trust will:

- present a range of events and initiatives as a continuation of the Queensland Performing Arts Centre's (QPAC's) 20th anniversary celebrations including the world premiere of Boomerang, a work developed by Bangarra Dance Company, and the launch of the Out of the Box Fund to support the creation of work and learning areas for the very young
- strengthen existing relationships and develop additional partnerships with emerging and established Queensland artists and performing arts companies to continue support for the development of the Queensland performing arts industry
- develop and promote new works and commercial initiatives that will engage artists and audiences and affirm QPAC's position as one of the premier arts centres in Australia
- expand the successful Out of the Box Festival for Early Childhood with additional funding of \$0.2 million in 2006
- undertake comprehensive programs of research and programming to foster the creative development of young children as part of the Out of the Box Festival and program of events including delivery of a festival in the 2005-06 year
- support the preparation of a building strategic planning framework for QPAC in collaboration with the Department of Education and the Arts
- replace \$1 million of production equipment funded by a capital grant of \$500,000 from the State Government and by utilising \$500,000 of QPAC's accumulated financial reserves.

NON-DEPARTMENTAL OUTPUT STATEMENT

Non-Departmental Output: Venue management, theatrical productions, and performing arts development (Queensland Performing Arts Trust)				
Measures	Notes	2004-05 Target/Est.	2004-05 Est. Actual	2005-06 Target/Est.
Quantity				
Attendances	1	675,000	610,000	600,000
Performances	2	725	790	750
Venue Utilisation:				
Lyric Theatre	2	85%	96%	85%
Concert Hall		80%	77%	80%
Cremorne Theatre	3	70%	51%	60%
Playhouse		80%	75%	80%
Quality				
Positive reviews of Queensland Performing Arts Trust Productions		80-85%	80%	80-85%
Positive review of the delivery of Centre facilities and services by hirers and patrons in a range of key operational areas		>80%	85%	80%
Timeliness				
Maintain bump in/bump out according to clients' schedules		No overruns	No overruns	No overruns
Number of performances able to proceed in accordance with hirers' production schedules		>95%	95%	95%
Location				
Location of regional tours (performing arts activities and exhibitions)	4	>30	9	15
Cost (\$)				
Amount spent on Community Service Obligations (CSOs) (excluding indirect costs/venue rental, etc.)	5	\$2.2m	\$2.3m	\$2.7mM
State Contribution (\$'000)				
	6	7,875	7,886	9,227
Other Revenue (\$'000)				
		14,302	14,105	13,959
Total Cost (\$'000)				
		22,177	21,991	22,686
Notes:				
1. Lower than expected attendances in 2004-05 possibly due to increased competition from major rock concerts. Fewer musicals expected in 2005-06.				
2. Three musicals in 2004-05 ensured increase in the number of performances and in venue occupancy level. Decrease in 2005-06 due to the expectation of fewer musicals.				
3. Decrease due to increased competition from other venues.				
4. Reduction due to regional tours being affected by structural changes in the Queensland Arts Council's regional touring program.				
5. Increased cost in 2005-06 due to the Out of the Box Festival.				
6. Capital funding (one-off) of \$500,000 allocated in 2005-06 to fund the replacement of production equipment and supplementation of \$200,000 for the 2006 Out of the Box Festival.				

FINANCIAL STATEMENTS

INCOME STATEMENT

	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
Income				
User charges	1	13,040	12,843	12,446
Grants and other contributions	2	7,875	7,886	9,227
Other revenue		1,262	1,262	1,513
Gains on sale/revaluation of property, plant and equipment and investments		..	..	..
Total income		22,177	21,991	23,186
Expenses				
Employee expenses		10,368	10,352	10,483
Supplies and services	3	10,411	10,389	10,710
Grants and subsidies		..	..	..
Depreciation and amortisation	4	1,248	1,100	1,343
Finance/borrowing costs		..	..	..
Other expenses		150	150	150
Losses on sale/revaluation of property, plant and equipment and investments		..	..	..
Total expenses	5	22,177	21,991	22,686
OPERATING SURPLUS / (DEFICIT)		..	..	500

STATEMENT OF CHANGES IN EQUITY

	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
Net effect of the adoption of a new accounting standard		..	(73)	..
Increase/ (decrease) in asset revaluation reserve	
Net amount of all revenue and expense adjustments direct to equity not disclosed above	
Net income recognised directly in equity		..	(73)	..
Surplus/ (deficit) for the period		500
Total recognised income and expense for the period		..	(73)	500
Equity injection/ (withdrawal)	
Equity adjustments (MoG transfers)	
Total movement in equity for period		..	(73)	500

BALANCE SHEET

	Notes	2004-05 Budget \$'000	2004-05 Est. Act \$'000	2005-06 Estimate \$'000
CURRENT ASSETS				
Cash assets		8,828	8,977	8,420
Receivables	1	750	1,343	1,343
Other financial assets		..	..	..
Inventories		500	350	350
Other		80	80	80
Non-financial assets held for sale		..	..	..
Total current assets		10,158	10,750	10,193
NON-CURRENT ASSETS				
Receivables		..	..	..
Other financial assets		..	..	..
Inventories		..	..	..
Property, plant and equipment	2	8,475	7,540	8,578
Intangibles		..	119	138
Other		..	..	..
Total non-current assets		8,475	7,659	8,716
TOTAL ASSETS		18,633	18,409	18,909
CURRENT LIABILITIES				
Payables		1,338	1,163	1,163
Interest-bearing liabilities and derivatives		..	..	..
Accrued employee benefits		795	600	600
Provisions		..	..	..
Other		..	337	337
Total current liabilities		2,133	2,100	2,100
NON-CURRENT LIABILITIES				
Payables		..	..	..
Interest-bearing liabilities and derivatives		..	..	..
Accrued employee benefits		..	..	..
Provisions		..	..	..
Other		..	..	..
Total non-current liabilities		..	..	..
TOTAL LIABILITIES		2,133	2,100	2,100
NET ASSETS (LIABILITIES)		16,500	16,309	16,809
EQUITY				
Capital/Contributed equity		1,033	1,033	1,033
Retained surplus/ (Accumulated deficit)	3	6,070	4,423	5,057
Reserves:				
- Asset revaluation reserve		1,372	1,372	1,372
- Other (Financial Reserves)	4	8,025	9,481	9,347
TOTAL EQUITY		16,500	16,309	16,809

CASH FLOW STATEMENT

	Notes	2004-05 Budget \$'000	2004-05 Est. Act. \$'000	2005-06 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Inflows:				
User charges	1	13,040	13,082	12,446
Grants and other contributions	2	7,875	7,886	9,227
Other		1,262	1,262	1,513
Outflows:				
Employee costs		(10,368)	(10,297)	(10,483)
Supplies and services	3	(10,411)	(10,575)	(10,667)
Grants and subsidies		..	..	..
Borrowing costs		..	..	..
Other		(150)	(150)	(150)
Net cash provided by/ (used in) operating activities		1,248	1,208	1,886
CASH FLOWS FROM INVESTING ACTIVITIES				
Inflows:				
Sales of property, plant and equipment		..	392	..
Investments redeemed		..	..	..
Loans and advances redeemed		..	..	..
Outflows:				
Payments for property, plant and equipment	4	(1,500)	(2,000)	(2,443)
Payments for intangibles		..	..	..
Payments for investments		..	..	..
Loans and advances made		..	..	..
Net cash provided by/ (used in) investing activities		(1,500)	(1,608)	(2,443)
CASH FLOWS FROM FINANCING ACTIVITIES				
Inflows:				
Borrowings		..	..	..
Equity injections		..	..	..
Outflows:				
Borrowing redemptions		..	..	..
Finance lease payments		..	..	..
Equity withdrawals		..	..	..
Net cash provided by/ (used in) financing activities		..	..	..
Net increase/ (decrease) in cash held		(252)	(400)	(557)
Cash at the beginning of financial year		9,080	9,377	8,977
Cash transfers from restructure		..	..	..
Cash at the end of financial year		8,828	8,977	8,420

EXPLANATION OF VARIANCES IN THE FINANCIAL STATEMENTS

Income Statement

Major variations between 2004-05 Budget and 2004-05 Estimated Actual include:

1. Decrease due to lower rental yields from commercial hirers as a result of increased competition from major rock concerts.
2. Increase to offset minor amount of EB supplementation incorporated in fees from CAA for infrastructure services.
4. Decrease due to timing of equipment replacement.

Major variations between 2004-05 Budget and 2005-06 Estimate include:

1. Decrease due to lower levels of activity caused by downturn in the performing arts industry.
2. Increase due to a capital grant of \$500,000 for the urgent replacement of production equipment and supplementation of \$200,000 as an additional contribution to the Out of the Box Festival (OOTB) in 2006. Also the 2004-05 previously reduced by \$500,000 to transfer OOTB funding to 2003-04 to match the timing of the previous festival.
3. Increase due to inflation and the completion of projects deferred in prior year.
4. Increase due to higher levels of equipment replacement resulting from the allocation of a \$500,000 one-off capital grant.
5. Increase due to a capital grant of \$500,000 for the replacement of production equipment.

Major variations between 2004-05 Estimated Actual and the 2005-06 Estimate include:

1. Decrease due to lower levels of activity caused by downturn in the performing arts industry.
2. Increase due to a capital grant of \$500,000 for the urgent replacement of production equipment and supplementation of \$200,000 as an additional contribution to the OOTB Festival in 2006. Also the 2004-05 previously reduced by \$500,000 to transfer OOTB funding to 2003-04 to match the timing of the previous festival.
3. Increase due to inflation and the completion of projects deferred in prior year.
4. Increase due to higher levels of equipment replacement resulting from the allocation of a \$500,000 one-off capital grant.
5. Increase due to the one-off capital grant of \$500,000 for the replacement of production equipment.

Balance Sheet

Major variations between 2004-05 Budget and 2004-05 Estimated Actual include:

1. Increase due to timing of events and the transfer of related financial settlements from the Trust Fund.
2. Decrease due to revised timing of expenditure on building refurbishment and equipment replacement.
3. Decrease due to transfers to financial reserves.
4. Increase in reserves to fund deferred expenditure on building refurbishment and equipment replacement.

Major variations between 2004-05 Budget and 2005-06 Estimate include:

1. Increase due to timing of events and the transfer of related financial settlements from the Trust Fund.
2. Increase due to additional expenditure on production equipment following the allocation of a one-off capital grant of \$500,000.
3. Increase due to transfers from financial reserves.
4. Decrease in reserves due to expenditure on building refurbishment and equipment replacement.

Major variations between 2004-05 Estimated Actual and the 2005-06 Estimate include:

2. Increase due to additional expenditure on production equipment following the allocation of a one-off capital grant of \$500,000 and the allocation of a further \$500,000 from financial reserves.
3. Increase due to transfers from financial reserves.
4. Decrease due to additional expenditure on building refurbishment and production equipment replacement.

Cash Flow Statement

Major variations between 2004-05 Budget and 2004-05 Estimated Actual include:

1. Decrease due to lower rental yields from commercial hirers as a result of increased competition from major rock concerts.
2. Increase to offset minor amount of EB supplementation incorporated in fees from CAA for infrastructure services.

Major variations between 2004-05 Budget and 2005-06 Estimate include:

1. Decrease due to lower levels of activity caused by downturn in the performing arts industry.
2. Increase due to a total capital grant of \$500,000 for the urgent replacement of production equipment and supplementation of \$200,000 as an additional contribution to the OOTB Festival in 2006. Also the 2004-05 previously reduced by \$500,000 to transfer OOTB funding to 2003-04 to match the timing of the previous festival.
3. Increase due to inflation and the completion of projects deferred in prior year.
4. Increase due to additional expenditure on building refurbishment and production equipment replacement.

Major variations between 2004-05 Estimated Actual and the 2005-06 Estimate include:

1. Decrease due to lower levels of activity caused by downturn in the performing arts industry
2. Increase due to a capital grant of \$500,000 for the urgent replacement of production equipment and supplementation of \$200,000 as an additional contribution to the Out of the Box Festival in 2006. Also the 2004-05 previously reduced by \$500,000 to transfer OOTB funding to 2003-04 to match the timing of the previous festival
3. Increase due to inflation and the completion of projects deferred in prior year.
4. Increase due to additional expenditure on building refurbishment and production equipment replacement.

GLOSSARY OF TERMS

Accrual Accounting	Recognition of economic events and other financial transactions involving revenue, expenses, assets, liabilities and equity as they occur and reporting in financial statements in the period to which they relate, rather than when a flow of cash occurs.
Accrual Output Budgeting (AOB)	A process through which agencies are funded and monitored on the basis of delivery (performance) of outputs which have been costed on a full accrual basis. Queensland's model of AOB, <i>Managing for Outcomes</i> , is a fully integrated planning, budgeting and performance management framework.
Administered Items	Assets, liabilities, revenues and expenses an agency administers on behalf of the Government without discretion.
Agency	Used generically to refer to the various organisational units within Government that deliver services or otherwise service Government objectives. The term can include departments, commercialised business units, statutory bodies or organisations established by Executive decision rather than legislation.
Appropriation	Represents Parliamentary authority for the Treasurer to issue funds to agencies during a financial year for: <ul style="list-style-type: none"> • delivery of agreed outputs • administered items • adjusting the Government's equity in agencies.
Balance Sheet	A financial statement that reports the assets, liabilities and equity of an entity as at a particular date.
Capital	A term used to refer to the stock of assets, including property, plant and equipment, intangible assets and inventories, that an agency owns and/or controls, and uses in the delivery of services, and capital grants made to other entities.
Cash Flow Statement	A financial statement which reports the inflows and outflows of cash for a particular period for the operating, investing and financing activities undertaken by an agency or the Government as a whole.
Controlled Items	Assets, liabilities, revenues and expenses that are controlled by departments, in that they relate directly to the departmental operational objectives and which arise at the discretion and direction of the department concerned.
Depreciation	The periodic allocation of the cost of physical assets, representing the amount of the asset consumed during a particular period of time.

Equity	Equity is the residual interest in the assets of the entity after deduction of its liabilities. It usually comprises the agency's accumulated surpluses/losses, capital injections and any reserves.
Equity Injection	An increase in the investment of the Government in a public sector agency.
Equity Return	A periodic return on equity reflecting the opportunity cost to the Government of its investment in agencies.
Financial Statements	Collective description of the Income Statement, the Balance Sheet and the Cash Flow Statement.
Income Statement	A financial statement highlighting the accounting surplus or deficit of an entity. It provides an indication of whether the entity has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation.
Outcomes	Whole-of-Government Outcomes are intended to cover all dimensions of community well being. They express the current needs and future aspirations of communities, within a social, economic and environment context.
Outputs	Discrete services or products for external customers or consumers produced by agencies with funding from the Government.
Own-Source Revenue	Revenue generated by an agency, generally through the sale of goods and services but may also include approved Commonwealth Specific Purpose Payments.
Priorities	The Government's Priorities represent the areas of policy for focussed attention during a given term. They highlight key areas where improved results are sought.

For a more detailed Glossary of Terms, please refer to the Reader's Guide available on the Budget website at www.budget.qld.gov.au.