

Economic sustainability

Our financial position explained, using financial statements - the what and the how of the department's financial management.



Our finances explained

Understanding financial statements isn't always easy for readers of annual reports. The aim of this section is to help our stakeholders and readers with an interest in our department who may not have accounting knowledge. It also strengthens our commitment to accountability and transparency.

Managing the budget

Queensland is experiencing the most sustained period of economic and population growth in its history. The state's prosperity is generating unprecedented demand for housing, health care, schools, transport, other essential services and vital infrastructure throughout Queensland's regions. This demand impacts on the provision of emergency services all over Queensland, particularly in areas of fast-growing population and expansion.

World events have also made significant impact on our state's economy. Soaring international oil prices have lifted domestic energy costs and impacted on agencies that require vehicles and aircraft to deliver services.

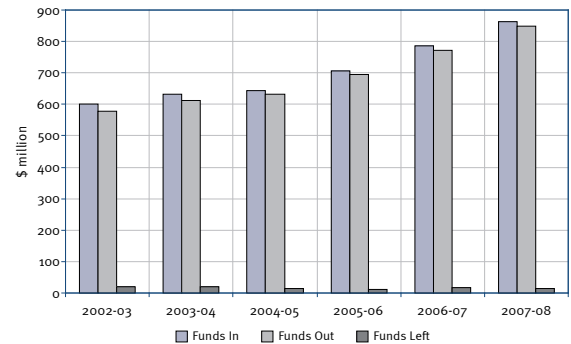
The department's budget for 2007-08 was \$857.7million. The allocation of the department's budget is part of a detailed planning cycle (see pages 6 and 54).

This planning process ensures the department's budgets meet the present and future needs of the Queensland community in relation to emergency services. Most importantly, careful planning ensures our finances are spent effectively.

This 'drives' our dollar further.

Financial performance

Surplus (funds left over for future spending)	=	Total Income (Funds In)	-	Total Expenses (Funds Out)
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This year has been another year of continuing development for the department. In 2007-08, the department delivered its agreed outputs and realised an operating surplus of \$14.5 million. The surplus will be used as a funding source for capital acquisitions to enhance service delivery in the future.

Strong financial management has allowed the department to invest in the modernisation and expansion of emergency services infrastructure across the state.

We continue to experience increasing demand for services, highlighted by QAS which has seen an increase of 22.8 per cent in emergency (Code 1) responses over the past five years.

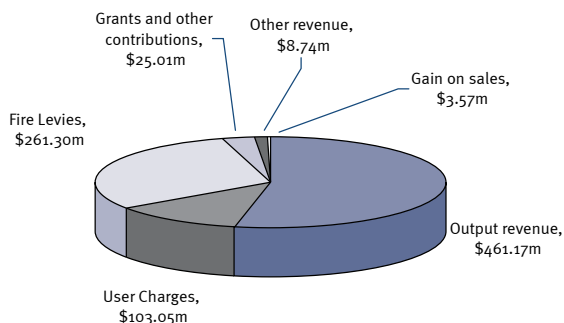


The State Disaster Coordination Centre coordinates resources and manages requests for assistance during emergencies and disasters.

Our income

(where our money comes from)

2007-08 Total income \$863 million



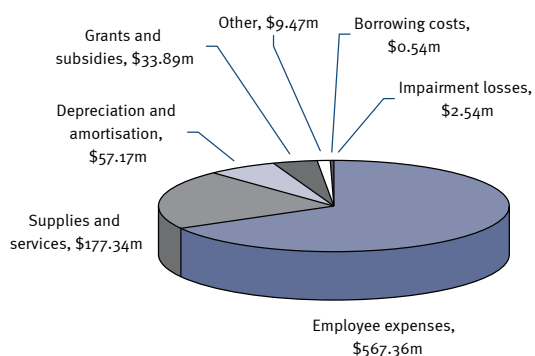
The department's total income for the year was \$862.8 million, an increase of 9.6 per cent on 2006-07.

The department received additional funding for a number of initiatives including supplementation for the QAS Enterprise Partnership Agreement 2006, election commitment initiatives of 'Supporting our Marine Volunteers' and 'Safeguarding our Cyclone Communities'. Additional funding was also obtained through the Community Ambulance Cover Levy and the Fire Levy due to growth in the number of, or value of, properties.

Our expenses

(where our money is spent)

2007-08 Total Expenses \$848 million



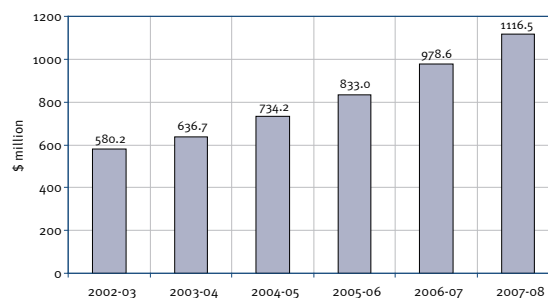
The department provides a wide range of services to the community. A large part of our costs in delivering these services is made up of employee expenses which increased by \$56.2 million to almost \$567.4 million. The increase

in expenses is principally due to the effects of Enterprise Partnership Agreements and an increase in the number of paramedics and staff costs to meet increased demand for service delivery.

Supplies and services expenses increased by \$13.2 million to \$177.3 million, reflecting an increased demand for service delivery. Major contributors to this rise include increased patient demand and the cost of patient care consumables, increases in marketing due to changes in fire legislation, public education costs associated with increased courses being offered, and higher vehicle operating expenses due to increased usage of operational vehicles and fuel costs.

Our assets

(what our department owns)



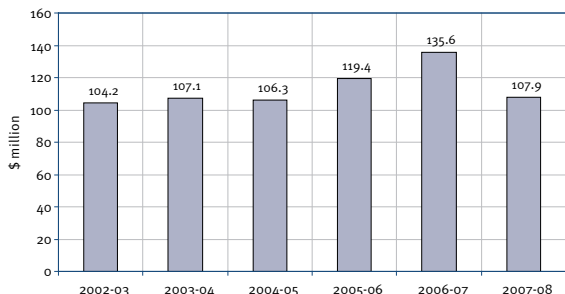
The value of departmental assets (e.g. buildings and vehicles) has increased rapidly in recent years as new infrastructure (what is built) and other assets are provided to support the department's services due to factors such as Queensland's growing and ageing population.

DES is in a strong financial position as it enters 2008-09 illustrated by the department's debt-to-equity ratio of just 10.7 per cent.

Non-current assets increased by \$136.6 million to \$992.6 million as a result of significant capital programs and the effect of the revaluation of assets. Major capital items constructed or acquired in 2007-08 include the continued modernisation of the ambulance and fire vehicle fleets, the upgrade of ambulance and fire stations, continued investment in information and communication technology and the replacement of the Bell helicopters. Capital acquisitions for the year totalled \$146.8 million from a capital works budget of \$206.4 million.

Our liabilities

(what we owe)

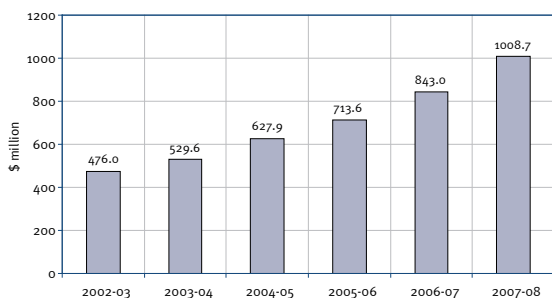


While the financial management of the department is quite complex, in essence it is no different from the average household, ensuring that we live within our means. Our liabilities include loans, outstanding amounts payable to suppliers and amounts owing to employees for leave entitlements.

Our equity

(what we are worth)

Equity (departmental wealth)	=	What the department owns	-	What the department owes
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Our department's net worth (what we own less what we owe others) has been growing quite rapidly in recent years.

This is much like your home (an asset) less your home loan (a liability) and the difference is your net wealth (what you are worth). The department's net wealth is growing in a similar way.



2 mins with Mark McGrath senior Firefighter, Hervey Bay Station

Job Title	Senior Firefighter
Location	Hervey Bay Station
Length of service	19 years
Best part of job	Helping the community and involvement in RAAP and Fire Education programs
Favourite read	Australian Muscle Car Magazine
Hobby	About to do up a 1974 Falcon sedan
Favourite movie	Blues Brothers
Ideal weekend	Spent with family on beautiful Fraser Island