

Our finances

In 2005–06, the Department's budget totalled \$4.487 billion. The Department delivered its agreed services and achieved an operating surplus of \$10.7 million, despite the increasing demands on resources.



"The Department ended the 2005–06 financial year in a sound financial position, with an operating surplus of \$10.7 million for the entity. This surplus represents 0.2% of total operating costs of the Department," Rita Logan, Chief Financial Officer.

The breakdown of the operating surplus is:

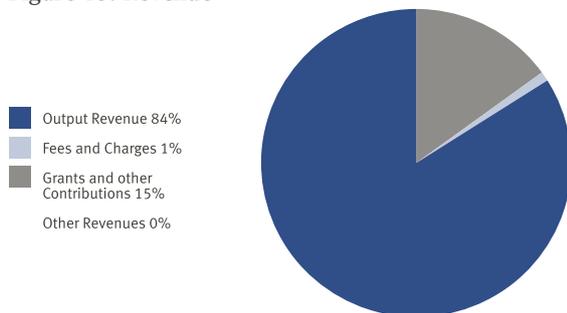
- the education portfolio produced a surplus of \$5.8 million
- Arts Queensland produced a surplus of \$2.4 million
- Corporate and Professional Services and the Corporate Administration Agency produced a surplus of \$2.5 million.

A comprehensive set of financial statements covering all aspects of the Department's activities is provided on pages 135–211 of this report.

Where the money comes from

The Department receives 84% of its revenue from the State Government. Total revenue from ordinary activities for the Department was \$4.487 billion (education \$4.398 billion), an increase of \$316 million or 7.6% on 2004–05.

Figure 10: Revenue



Increased revenue from both the State and the Commonwealth Governments was provided to cover increases in student numbers and new project initiatives.

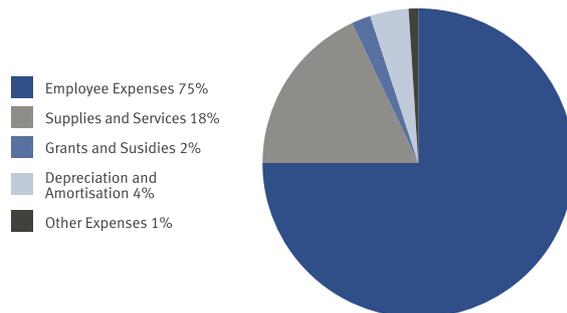
Where the money goes

Expenses (controlled expenses) also increased in 2005–06 compared to the previous year. Employee wages account for 75% of the Department's total

expenses, which totals \$4.476 billion. Increased employee wages and benefits negotiated through enterprise bargaining agreements largely accounted for approximately \$121 million or an increase in total employee expenses of 3.8%. In addition, employee expenses increased due to the employment of additional staff to support enrolment growth and initiatives such as programs for students with disabilities, the Preparatory Year and Positive Learning Centres.

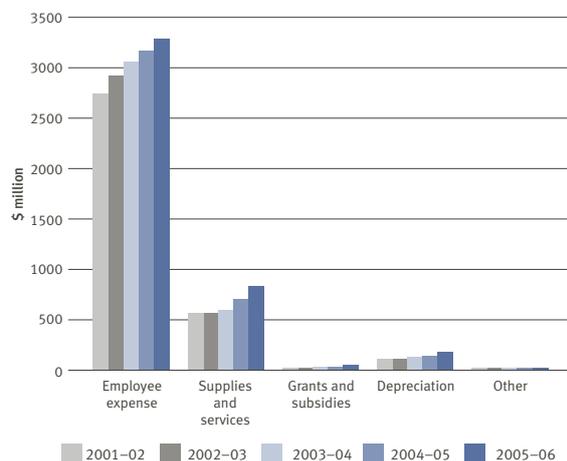
Supplies and services expenses also increased by \$120 million due to a variety of factors including higher school-based expenditures, telecommunications costs and maintenance outlays.

Figure 11: Expenses



The Department also acts as an agent for the State Government for revenue and expenditure associated with education and arts statutory bodies and government corporations (administered items). Information on administered items can be found in the notes to the financial statements, pages 142 and 162.

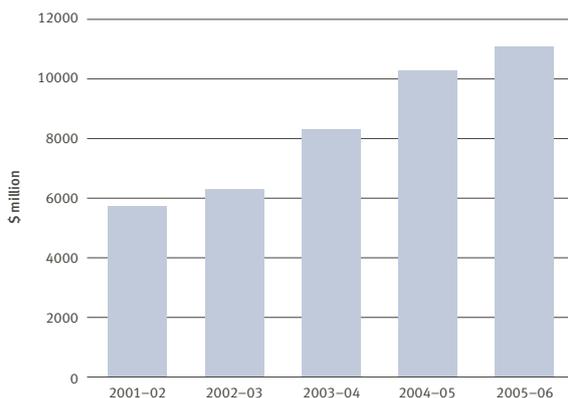
Figure 12: Controlled expenses by major type – 5 year comparison (education only)



What we own

The value of property, plant and equipment at 30 June 2006 was \$11.790 billion (education \$11.042 billion), an increase of \$893.6 million or 8.2% from the previous year. A significant portion of this increase is due to the effects of asset revaluations and indexation adjustments conducted during the financial year.

Figure 13: Value of Property, Plant and Equipment



The Department invested more than \$540 million (education \$414 million) in payments for property, plant and equipment and intangibles during the year. Major capital items included:

- building new classrooms and refurbishing existing classrooms in preparation for the statewide Preparatory Year in 2007
- upgrading facilities and providing spaces that support an expanded curriculum including fully integrated information and communication technologies (ICT) as part of the third year of the four-year, Smart Schools Renewal program
- completing construction of the first stage of two new schools – Stretton State College and Meridan State College
- continuing installation of air-conditioning and other measures under the Cooler Schools program
- progressing construction on the Millennium Arts Project.

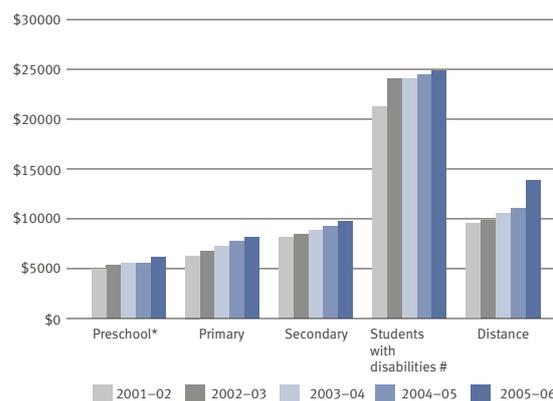
Summary: Five-year review 2001-06

The Department continues to improve its financial management practices to ensure it meets its service obligations within budget. The operating environment continues to change, with increased enrolments in South-East Queensland, changing enrolment demographics, the need to improve facilities and information and communication technology infrastructure and the requirements of new curriculum initiatives. A five-year financial statistics table is provided on page 6.

Average cost per student

The increasing average cost of services per student in government schools reflects the increased levels of service provided. The implementation of the full-time Preparatory Year and the cessation of part-time Preschool will increase the average cost of service in the Early Years over the next two years.

Figure 14: Average cost per student – five-year comparison



* Preschool – sessional enrolments equiv. 5 days per f/n
 # Students with disabilities – includes Special school enrolments and additional support for ascertained students in other facilities.
 Equity return expense has been removed from comparative years.

Financial performance

In the five-year period from 2000-01, the Department has had only relatively minor fluctuations in its operating result. Increases in employee expenses were offset by increased State Government revenue. A one-off deficit impact in 2002-03 was the result of the career change program for teachers where redundancy payments were funded by \$18 million in borrowings.

Financial position

Assets have increased as a result of recent significant capital programs (as noted) and the impact of asset revaluations in 2000-01, 2003-04 and 2004-05. The higher asset values resulting from the revaluation also increased the value of equity through adding to the asset revaluation reserves.

The Department's strong financial position is illustrated through liabilities representing less than 4.8% of total assets.

Did you know ?

To provide state education and its other services the Department receives approximately 25% of the State Budget – second only to Queensland Health.

Note: The financial statements for the Department that appear in the back of this *Annual Report* are signed by Mr Ken Smith, the Director-General for the Department for the 2005-06 financial year.

Environmental sustainability

Supporting environmental sustainability is both a matter of corporate responsibility and operational practice for the Department. Through its educational, and arts and cultural arms, the Department is able to have an impact on the environment and influence community attitudes and behaviour.

Minimising water consumption

In response to Queensland's current water problem, and the Department's water consumption (see Figure 15), the Department has introduced a number of initiatives to minimise water consumption including:

- the development of a departmental website *Water Management and Conservation Measures* to provide schools and the Department with current information and advice on water efficiency strategies
- commencement of water retrofits at five schools identified through the Government Buildings Water Conservation program. These schools will benefit from water conserving measures and technology, including vandal proof taps, flow restriction devices to taps, adjusted flushing capacity to toilets and urinals, water efficient showers and leakage detection. These retrofits will establish benchmarks for water use and water retrofits at other schools.
- promoting other measures including the Federal Community Water Grants Scheme. In Round 1, over 100 state and non-state schools received grants to undertake water efficiency projects.

Did you know ?

Energy initiatives at the Queensland Cultural Centre will annually save an estimated nine Olympic swimming pools of water and reduce greenhouse emissions equivalent to taking 392 cars off the road each year.

Figure 15: Indicative estimate of electricity and water use per capita (staff and students) per financial year in Queensland state schools.

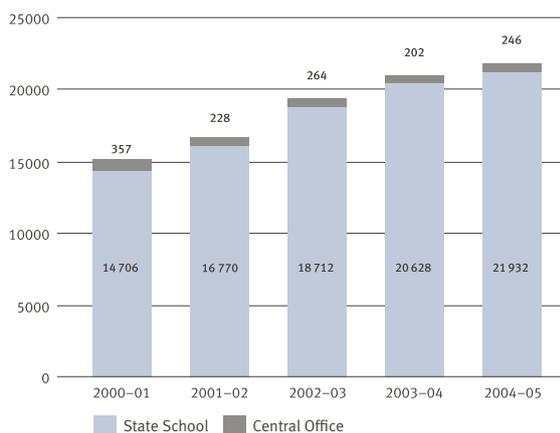
	Electricity Kilowatt hours per capita	Water Kilolitres per capita
2002-03	304.9	15.3
2003-04	322.8	13.9
2004-05	335.6	14.9

Finding energy alternatives

The Department's estimated energy expenditure (based on electricity accounts) and CO₂ emissions (kilotonnes) over a five-year period are provided in Figure 16 and Figure 17. In 2005-06, energy use increased primarily due to:

- installation of more air-conditioning including units under the Cooler Schools program
- increase in school populations
- higher demand for electrical services to cope with more computers and associated technologies in schools.

Figure 16: Energy expenditure (\$'000) 2000-01 to 2004-05



Note:

- School energy costs derived from Education Queensland School Utilities Budget 1999-2005. Central Office energy costs derived from actual costs. 2001 and 2003 reduction in Central Office costs due to office downsizing. Data is unavailable for AccessEd and District Offices.

Figure 17: Estimated CO₂ emissions (Kilotonnes).

Year	CO ₂ Kilotonnes	
	State Schools	Central Office
2000-01	119	2.9
2001-02	130	1.8
2002-03	156	2
2003-04	168	1.6
2004-05	176	1.6

Notes:

- Emissions based on a factor of 1.01kg CO₂ equivalent per kWh of energy use. Energy use based on average cost of 12.5c per kWh to June 30, 2001 and 13.0c per kWh from July 2001 - June 2003. From July 2003 school energy use is derived from retailer electricity accounts. The 2004-2005 emissions vary from the *Annual Report 2004-2005* due to subsequent data updates.
- The data shown above does not include emissions resulting from transport or fuel consumption.

Actions are being taken to reduce this consumption in the future, including:

- introduction of a new government green power initiative, in conjunction with energy providers, to power more than 1000 state schools, to varying degrees, from sources of renewable energy such as wind, solar, mini-hydro, landfill gas and biomass
- retrofits of lights and appliances and implementing energy saving strategies at select schools, which have resulted in annual energy savings of up to 15%
- continuation of the Solar Schools program, sponsored by Ergon Energy in partnership with the Environmental Protection Agency with the installation of a 2 kW solar panel system at Lakes Creek State School. Seventy-eight state schools have benefited from the energy saving and educational benefits of the program, with each school acting as host to either a 2 kW grid connected photovoltaic energy generation system or a 5 kW system as part of Solar Schools Goes Bush
- an energy performance contract to reduce energy consumption at the Queensland Art Gallery and Queensland Museum. The initiatives implemented as part of the Government's Energy Management Strategy will save more than 10% in energy consumption and energy costs in these buildings. Initiatives include upgrades to air-conditioning systems, electrical and lighting systems and rainwater and condensate recycling.

Minimising waste

Effective waste management practices and plans are being implemented throughout the Department with the recycling of waste paper, cardboard, glass and green waste. This supports the State government's environmental policy. Schools continue to make a difference at the local level by being active in activities supporting waste minimisation such as Green and Healthy Schools, Wipe Out Waste, Waste Wise and the Brisbane City Council School Recycling Program.

Engaging international initiatives

The Queensland Environmentally Sustainable Schools Initiative (QESSI) supports the objectives of the United Nations Decade on Education for Sustainable Development (2005–2014). Twelve QESSI hubs located across the state work with existing regional organisations and agencies to assist schools and the community on their journey towards a more sustainable future. [www](http://www.qesssi.org.au)

Making a difference ... Linville State School

Linville State School's motto is "Our best always". Not content to rest on its laurels with its many Comalco Green & Healthy School wins, the 14 students of Linville, led by Principal Sandra Porter, continue to power ahead, strengthening and extending their green and healthy activities. Each year, the children undertake units with an environmental theme. Linville State School composts, mulches, recycles and has recently established a substantial worm farm and chicken coop with donations from the community and assistance from Green Corps. The school is also working with Esk Shire Council and Linville Pioneer Sporting Charities Club to investigate a feasible and cost-effective way to develop a local community recycling station. Students maintain a greenhouse and germinate seeds that they sow in the vegetable and flower gardens.



'Our Best Always' – Winners of the Queensland's Greenest & Healthiest School 2005 - Linville State School.

Taking action at the local level

The Department encourages and educates students to take action at a local level. In 2005–06 this included:

- delivery of environmental education programs to over 89 000 students through the Department's 25 Outdoor and Environmental Centres [WWW](#)
- registration of 191 schools in the Reef Guardian Schools program. The program encourages schools to commit to the protection and conservation of the Great Barrier Reef through linking with and involving the community in activities such as clean-up days, energy police days, planting native gardens, composting, drain stencilling, monitoring water quality in local waterways and stormwater conservation programs. [WWW](#)

Achieving success

A total of 368 schools across Queensland entered the 2005 Comalco Green and Healthy Schools Awards. The Awards promote health, safety and the environment by encouraging schools to look at issues in the school environment including nutrition, waste minimisation, energy usage, litter and recycling. [WWW](#)

Other environmental awards received by Queensland schools include:

- Mundingburra State School won the 2005 Australian Recycling Cartonboard competition and received \$10 000.
- Wartburg State School and Wonga Beach State School shared the honours and \$4000 in the 2005

Reef Guardian School program for outstanding excellence.

- Moreton Bay Boys College was awarded the 2006 Healthy Waterways School Award for a sequential program entitled "Eagle Eye – watching over Lota Creek Catchment".
- Wendy Thurlow, Chatswood Hills State School was awarded the Terry Palmer Award for outstanding accomplishment in environmental education.

Challenges for the future

- Changing mindsets and obtaining sufficient resources to implement energy and water conservation measures.
- Implementing new design requirements for landscaping and toilet projects for high water users and ecologically sustainable development.
- Establishing water and energy advisory roles to advise and assist high use schools to reduce water and energy consumption.
- Continuing audits and retrofit programs for targeted schools.
- Completing implementation of the energy performance contract at the Queensland Cultural Centre.
- Implementing the outcomes of the 2006 Brisbane Festival Earth Dialogues including embedding the Earth Charter in the curriculum for state schools and contributing to the establishment of the Youth Environment Council, which will provide young people with a voice on sustainability.



Students are encouraged to make a difference both at school and in their community. Their endeavours are supported through environmental centres, programs and awards.