

ANNUAL REPORT

2017-2018



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Letter of compliance



Department of
Housing and Public Works

25 September 2018

The Honourable Mick de Brenni MP
Minister for Housing and Public Works
Minister for Digital Technology
Minister for Sport
Level 31, 1 William Street
Brisbane QLD 4000

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2017–18 and financial statements for the Department of Housing and Public Works.

This report is prepared on the basis of the current administrative arrangements for the department applying for the whole of the 2017–18 financial year. That is, it reflects the structure, operations and performance of the department as at 30 June 2018.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, and
- the detailed requirements set out in the Annual report requirements for Queensland Government agencies.

A checklist outlining the annual reporting requirements can be found at page 138 of this annual report.

Yours sincerely

A handwritten signature in black ink that reads 'Liza Carroll'.

Liza Carroll
Director-General

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Communication objective

This Annual Report provides information about the Department of Housing and Public Works' financial and non-financial performance for 2017–18. It has been prepared in accordance with the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2009* and the *Annual report requirements for Queensland Government agencies*.

The report records the significant achievements against the strategies detailed in the department's *Strategic Plan 2017–21* and the *2017–18 Service Delivery Statements*.

The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the Annual Report, you can contact us on 13 QGOV (13 74 68) and we will arrange an interpreter to communicate the report to you.



www.qld.gov.au/languages

Online Open Data Reporting

Content for the following annual reporting requirements can also be accessed on the department's website at <http://www.hpw.qld.gov.au> and the Queensland Government data website at <https://data.qld.gov.au/>:

- consultancies
- overseas travel
- Queensland Languages Services Policy.

Department of Housing and Public Works Annual Report 2017–18.

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Published by the Queensland Government, September 2018, 1 William Street, Brisbane Qld 4000.

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ISSN 2201-1401

Message from the Director-General



The 2017–18 year has been a significant one for the Department of Housing and Public Works. Machinery-of-government changes following the Queensland State General Election in November 2017 broadened our focus considerably, with the addition of a range of new portfolio areas.

Sport and Recreation Services from the former Department of National Parks, Sport and Racing as well as the Smart Service Queensland, Queensland State Archives, Strategic ICT, Queensland Shared Services and Queensland Government Chief Information Office functions from the former Department of Science, Information Technology and Innovation all joined the department.

This Annual Report outlines the progress the department has made in contributing to the Government's objectives throughout 2017–18, while recognising the ongoing work, performance and dedication of over 5,000 Department of Housing and Public Works employees across the state.

The functions gained through the machinery-of-government changes provide great opportunities for our department to better benefit Queenslanders. We have aligned our diverse divisions to support government service delivery in areas of housing and homelessness, building policy, public works, sport and recreation, digital and information technology and government corporate services.

We have continued to implement initiatives and programs linked to the *Queensland Housing Strategy 2017-27*, including exceeding our targets in the delivery of additional social and affordable housing through the *Housing Construction Jobs Program*. The program successfully encourages partnerships with private sector and community housing providers to deliver jobs, local economic growth and better community outcomes.

Our people-centred approach to service delivery is supported by our focus on tenant engagement, as well as our delivery of social rental housing and private market supports. This approach was reflected through the innovative Fortitude Valley Housing Service Centre which was acknowledged at the Good Design Awards in May 2018 for its human-centred design.

We continued our ongoing commitment to Aboriginal and Torres Strait Islander housing, successfully delivering over 1,000 new houses, 1,490 refurbishments and maintenance of 4,380 properties under the National Partnership Agreement on Remote and Indigenous Housing. Through this work we achieved local employment and 80 per cent Aboriginal and Torres Islander business engagement, higher than any other state.

Through participation in sport and active recreation we supported our communities in improving the health and well-being of Queenslanders. We have achieved this through the delivery of a variety of programs, including the delivery of over 40,000 Get Started Vouchers to children and young people and promoting various campaigns, such as *Join the Movement*.

Targeted infrastructure projects under the Female Facilities Program were also supported by the department to encourage greater female participation, as well as investment in remote communities through the Remote Facilities Maintenance Program.

In 2017-18 we set the Government's long-term strategic direction to deliver a safer, fairer, more sustainable building and construction industry through the release of the *Queensland Building Plan* in October 2017.

A number of key reforms were advanced, including the introduction of the *Plumbing and Drainage Bill 2018*, enactment of the *Security of Payment Act 2017* and introduction of Project Bank Accounts. Public safety drove significant pieces of work throughout the year including our department's comprehensive response to the issue of combustible cladding through the Non-Conforming Building Products Audit Taskforce.

Our leadership and innovation in the provision of services to government and industry also demonstrated our commitment to making business easier for our customers. We led and supported strategic and innovative procurement throughout the year, linking with industry, business and government sectors, and ensuring support for regions through the *Buy Queensland* approach.

Commencing 1 September 2017, the Government ensured that all Queensland, Government procurement delivered benefits to Queensland including a focus on employment opportunities for local businesses, boosting Aboriginal and Torres Strait Islander employment, engaging apprentices and increasing the use of social enterprises.

Our diverse agenda of priorities is underpinned by the performance and commitment of our people. This unified commitment was particularly evident during this year's 2018 Gold Coast Commonwealth Games event, which saw our housing, building, sport and recreation and cyber security teams working closely together to contribute to the event's successful running.

We continue to build our people through investment in learning and training opportunities for staff, including offerings such as Managing for Results, Taking the Lead and the Emerging Leaders Program to help develop current and future leaders of the department.

Flexible work arrangements were strengthened by the opening of additional Distributed Work Centres providing opportunities for regional staff to work closer to home. Our health and safety commitments to our staff and customers were supported by initiatives such as online safety inductions for Building and Asset Services contractors, domestic and family violence awareness training, skin cancer checks and flu vaccinations.

The scope of our expertise and breadth of our services are reflected in the pages of this report.

By playing to our strengths and building collaborative and creative relationships with agencies and communities, we are well placed to deliver on our exciting future program of work.

I would like to thank my leadership team for their support and commitment, as well as the motivated, talented, and dedicated staff of the department who make a difference to Queenslanders through their work, every day.

Liza Carroll
Director-General

Our department

Our vision

Working together to make a difference to Queenslanders by building better, safer places to live and work.

As a result of machinery-of-government changes we have developed a new vision to reflect our department into the future. This vision will appear in the 2018–22 Strategic Plan.

Working together with respect and compassion to influence change and deliver responsive services that build a healthy and connected Queensland.

Our purpose

The Department of Housing and Public Works supports Queensland's economic wellbeing and contributes to improving quality of life for people and communities. We seek to balance social outcomes with business and economic outcomes. The department delivers a diverse range of services to Queenslanders in the areas of housing and homelessness, building policy, public works, fleet and asset management, procurement, sport and recreation, digital and information technology and government corporate services.

We are also committed to achieving better outcomes for Aboriginal peoples and Torres Strait Islander peoples and their communities. Our diversity of services is our challenge as well as our strength.

The department provides significant support to the Queensland Government through the provision of briefing advice, analysis, policy services and the establishment of processes to manage the implementation of the Government's commitments. The department has been working collaboratively with the Government and stakeholders to implement these commitments.

We contribute to the Queensland Government's objectives by:

Creating jobs and a diverse economy

- promoting employment and economic participation and supporting economic growth through safe and fair building policy, innovative procurement and service delivery
- driving innovation-led growth
- investing in sport and active recreation

Delivering quality frontline services

- providing responsive and integrated housing and homelessness services
- working with agencies to put people at the centre of service design
- providing programs, workshops and resources to encourage all Queenslanders to be more physically active

Protecting the environment

- delivering sustainable built infrastructure and fleet management
- reducing and offsetting fleet carbon emissions

Building safe, caring and connected communities

- supporting regional development, and consulting with communities to inform our policies and service delivery
- harnessing digital platforms
- supporting and encouraging greater participation in physical activity through sport and active recreation
- supporting sport and active recreation across all regions to enhance participation, particularly for children and young people, disadvantaged groups and women and girls
- optimising the performance of elite athletes and rising stars through local, specialised coaching and training facilities.

Our objectives

Our vision is achieved through the department's strategic objectives to enable:

- better lives, greater opportunities for people and communities
- safer and fairer industries and environmental sustainability
- greater value and support for employment and economic opportunities
- a collaborative, integrated, and agile organisation
- our sport and recreation venues to provide contemporary, quality client experiences
- simple and easy access to integrated Queensland Government services and ensuring the preservation of Queensland public records for the benefit of current and future generations
- the delivery of information and communication technology (ICT) services and provision of advice across government and the ICT Industry and delivery of ICT infrastructure and information brokerage to support the delivery of frontline services.

Underpinning these objectives is the department's long-term vision to deliver key strategies including: a *Queensland Housing Strategy*, a building strategy (through the *Queensland Building Plan*) and the *Buy Queensland: Procurement Strategy*.

As a result of machinery-of-government changes, the department launched a new strategic plan in July 2018.

Our operating environment

The department delivered its services in a complex and changing environment, including:

- increased demand for affordable rental housing
- increased complexity of client needs and a demand for holistic and person-centred services
- a national focus on measures to address the health and safety risks posed by non-conforming building products and matters affecting the building construction sector
- globalisation, digital transformation, new technologies and business strategies that are rapidly diversifying and reshaping markets, industries and communities
- citizen demand for access to digitally-driven, personalised or predictive government services
- the need for enhanced digital skills, connectivity and inclusion if Queensland is to flourish as a global innovation hub and people and businesses are to reach their potential
- increased social, cultural and economic pressures that divert Queenslanders away from sport and active recreation services.

Our opportunities and challenges

To ensure that we are well placed to address our opportunities and challenges in a changing environment we review and manage our risk management strategies on an ongoing basis.

Our key risks relate to:

- **Services meeting client needs** – by strengthening our client engagement and monitoring our service delivery, we manage our ability to meet client needs and community expectations.
- **Business services and products addressing customer requirements** – by developing market knowledge, staff capability and informed service design, we work to ensure our customers are satisfied and our business delivery is on target.
- **Aboriginal and Torres Strait Islander outcomes** – by engaging with Aboriginal peoples and Torres Strait Islander peoples and communities, we aim to address disadvantage through the delivery of effective policies and programs.
- **Workforce capability** – by focussing on improving the skills and engagement of our leaders and staff, we will attract and retain skilled employees and lift our productivity.
- **Planning and resources** – by working to align the department's plans and resources to our strategic direction and priorities, we aim to optimise our financial and service delivery outcomes.

CASE STUDY



A new-look Fortitude Valley HSC

Co-designed by staff, tenants and community partners, the new-look Fortitude Valley Housing Service Centre has been a resounding success, taking out a number of awards, including a national Good Design Award, and receiving positive feedback from visitors.

Human-centred design is an approach to problem-solving that places customers and stakeholders at the heart of the design process. The approach was applied to the re-design of the Fortitude Valley Housing Service Centre, one of 22 centres providing housing support to Queenslanders. Staff, clients, agency and community partners came together to co-design a centre that would help transform housing service delivery across the state.

In its first three months of operation, the centre received a feedback rating of 'excellent' by 100 per cent of visitors, with the environment described as 'very homely', 'super', and 'awesome', with a 'modern feel', 'quick pleasant service', 'great kids' space' and 'excellent atmosphere'.

A collaborative departmental effort contributed to the outcome, with teams working on sourcing the site, including the physical and IT fit-out following the design process.

Staff are also embracing the transformed workplace, which includes new workstations, a large modern kitchen, break-out areas and an innovation space catering to over 100 people.

The new centre opened on 29 January 2018 and is part of an overarching plan to modernise housing service centres across Queensland.

While we are effectively managing our risks, we are also aware of opportunities to reimagine our approach to managing our complex portfolio. To ensure we are well placed for the future, we will:

- develop our leadership capabilities at all levels to drive organisational change and embrace new opportunities
- foster a culture of innovation and agility that enables us to meet the future needs and changing expectations of our clients, customers and stakeholders
- build our capacity to respond to a digitised future, use technology and analyse data to gain new insights and transform the way we do business.

Our priorities

Our department's key focus is to support the achievement of the Queensland Government's objectives, including to:

- be a responsive government to make it easier for citizens to access and use government services and to do business with government
- create jobs in a strong economy through significant building and public works programs
- keep Queenslanders healthy through sport and recreational activities
- keep communities safe by focusing on opportunities for, and providing housing and homelessness services to, vulnerable young Queenslanders.

The department's key priorities into the future include:

- driving the delivery of a responsive government, including supporting the delivery of simple and easy-to-access services across government
- delivering improved housing outcomes for all Queenslanders by continuing to implement the *Queensland Housing Strategy 2017–27* and *Action Plan*, including driving the delivery of the *Housing Construction Jobs Program*
- delivering reforms arising from the *Queensland Building Plan 2017*
- delivering on the Non-Conforming Building Products Audit Taskforce Report
- improving the delivery of sport and active recreation opportunities for all Queenslanders by developing a Queensland sport and active recreation strategy
- embedding the *Queensland Government Procurement Policy* and *Queensland Government Procurement Strategy – Backing Queensland Jobs*, including enhancements announced in 2018.

Our values

We are committed to integrity and accountability, with our values underpinning everything we do. Our people are engaged in their work and are committed to the following core public service values, as well as a healthy and safe workforce:



Healthy and safe workforce



Customers first



Ideas into action



Unleash potential



Be courageous



Empower people



Gold Coast 2018 Commonwealth Games

The Gold Coast took centre stage in April 2018 during the Commonwealth Games (GC2018), with the department playing a key role in the Queensland Government's coordination of the event. Housing, building, sport and recreation, and cyber security teams delivered a range of services both in the lead up to, and during the Games.

Our Sport and Recreation team, through the Queensland Academy of Sport, supported Queensland's contingent of 128 athletes which collectively won 90 medals – almost half of Australia's tally. Supporting young Queenslanders at a grassroots level to become elite athletes is a key area of focus for the department.

Underpinning this commitment is the development of a comprehensive sport and active recreation strategy aimed at articulating how we can better support Queenslanders to be more physically active, healthier and better connected while also supporting elite success, economic growth and jobs.

Major events can cause disruptions for communities and impact on people experiencing homelessness as well as tenants in the local rental market. In response to these challenges, the department developed the *GC2018 Homelessness Action Plan* which included the provision of an additional 489 beds for temporary emergency accommodation, and support for existing services to provide people with meals, showers, a place to relax and a centralised place to continue to use support services. The department also supplied *gocards* to help people access support services and crisis accommodation.

The local Housing Service Centre worked closely with the Gold Coast Homelessness Network, a group comprised of 50 services including homelessness, housing, drug and alcohol, and mental health services.

A number of initiatives were also developed specifically for the Games, including the establishment of a Homeless Protocol for People in Public Places to help ensure respectful interactions, and that people in need were referred to relevant services, and the Advance to Zero panel which works to link people in need with appropriate housing.

“The Advance to Zero panel is a totally different approach for the housing and homelessness sector, and includes representative agencies and NGOs as well as the department. It has been very successful and will be part of the valuable ongoing legacy left by GC2018.”

Emma Greenhalgh, Project Manager

The department's Building and Asset Services team worked to deliver maintenance to key service facilities like police and ambulance stations during the Games. They were also responsible for the Rugby Sevens venue, Cbus Super Stadium and the base for security personnel at the Tallebudgera Recreation Centre.

Our department's whole-of-government Cyber Security Unit, within the Queensland Government Chief Information Office played a pivotal role in ensuring the security of information. During the Games, the unit worked with agencies to prevent potential cyber threats and was responsible for coordinating incident response and information sharing across the Government and its partner organisations.

03 Organisational structure

As at 30 June 2018, the department consisted of ten divisions:

- Housing and Homelessness Services
- Public Works and Asset Management
- Sport and Recreation Services
- Building Industry and Policy
- Corporate Services
- Queensland Government Procurement
- Strategic ICT
- Digital Capability, Information and Transaction Based Services
- Queensland Shared Services
- Queensland Government Chief Information Office.

Our services are delivered through a network of regional offices in Queensland. These offices are coordinated by district offices and a central office in Brisbane. The office locations and contact details are on pages 65 to 72.

Machinery-of-government changes

Public Service Departmental Arrangements Notice (No.3 and No.4) 2017

Details of transfer:

Responsibility for the following functions was transferred from the former Department of Science, Information Technology and Innovation:

- Smart Service Queensland
- Queensland State Archives
- Strategic ICT including CITEC
- Queensland Shared Services

Responsibility for Sport and Recreation was transferred from the former Department of National Parks, Sport and Racing.

Date of transfer: Effective from 13 December 2017

Public Service Departmental Arrangements Notice (No.1) 2018

Details of transfer:

Responsibility for the following functions was transferred from the Department of the Premier and Cabinet:

- One-Stop Shop Strategy and Implementation Office
- Digital Economy and Productivity
- Queensland Government Chief Information Office

Date of transfer: Effective from 1 March 2018

**Minister for Housing and Public Works
Minister for Digital Technology
Minister for Sport**

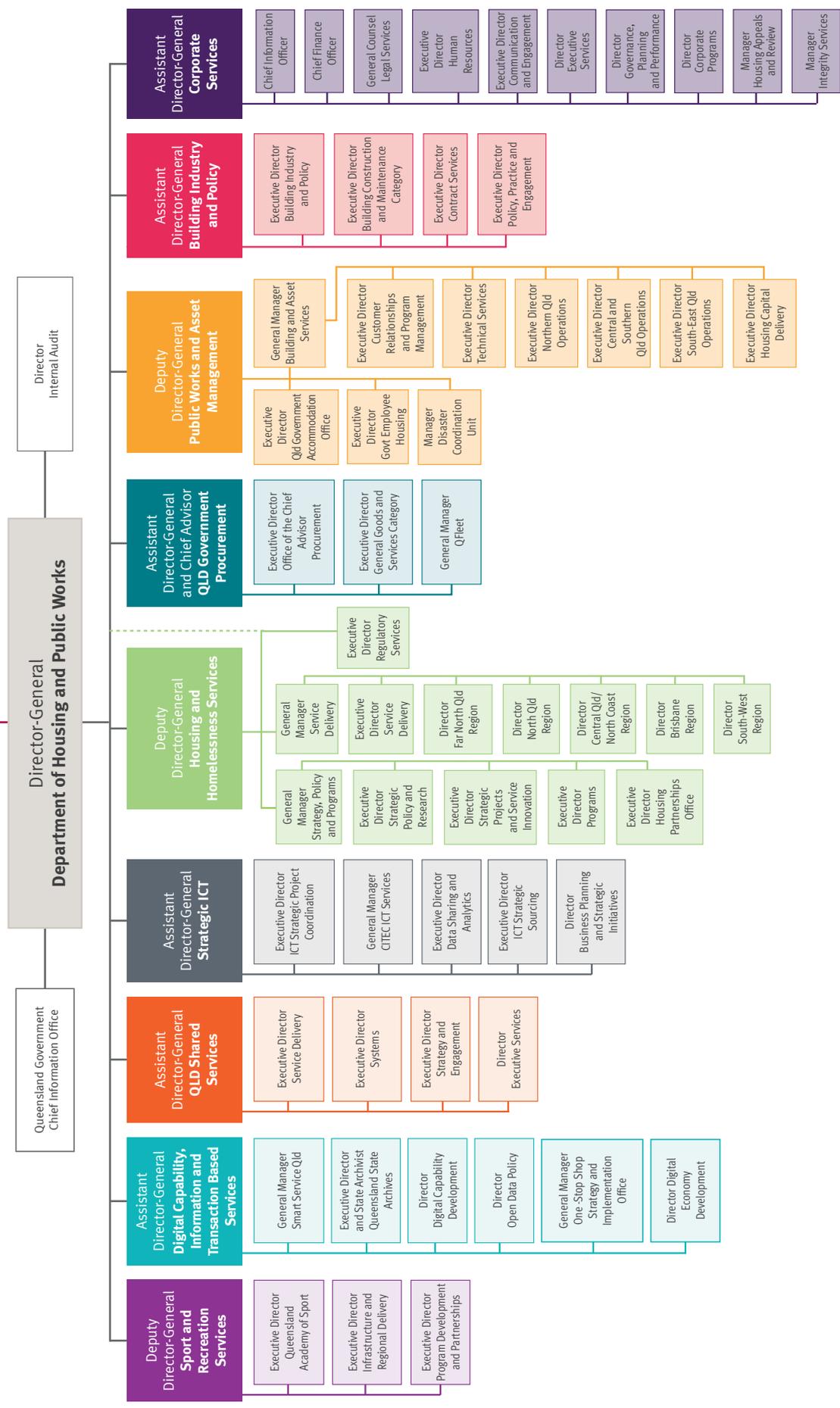
Board of Architects

Board of Professional Engineers

Stadiums Queensland

Residential Tenancies Authority

Queensland Building Construction Commission



as at 30 June 2018

Our highlights

Supporting access to government information, for current and future generations



of **Queenslanders** say it is **easy** to carry out **transactions** with the Queensland Government (Kantar Survey, 2017)



increasing the number of Queensland Government services available online to **437 services**



Over 3,920 customers have used the online **Change of Address service** to update details for more than **40** government services

Responding to the issue of combustible cladding through the Non-Conforming Building Products Audit Taskforce

28,000 Queensland Government building approval records reviewed



995
GOVERNMENT

building assessments completed



172

of government buildings assessed were referred back to the building owner or agency for further investigation



12,000

privately-owned buildings estimated to require review



of privately-owned buildings may need detailed assessment

Providing cyber security and intelligence to the Queensland Government

prevented **19** denial of service attacks

blocked an average of **8,000** malicious DNS requests per minute

collected and analysed an average of **400 million** events per day from over **130 sources**

The *Buy Queensland* approach to procurement supports the government's commitment to increase spend with Aboriginal businesses and Torres Strait Islander businesses.

The Office of the Chief Advisor, Procurement has supported increasing procurement spend with Aboriginal businesses and Torres Strait Islander businesses by:

reflecting the government's target within the **Queensland Procurement Policy**

using its **social procurement commitment to increase procurement** which also **delivers social benefit for Queenslanders**

supporting the **roll out of the local benefits test in procurement**, to help provide viable pathways that **support employment and increase economic participation**

Delivering more social and affordable homes for Queensland



of houses built to **gold or platinum** Livable Housing Design Guidelines



new social housing dwellings delivered



new homes commenced through **capital grants** in partnership with community housing organisations

Housing Construction Jobs Program

In July 2017, the department sought expressions of interest (EOI) for market proposals for small, medium and large-scale housing projects.



EOI engagement sessions held across the state

585



local developers, builders and community housing providers attended sessions

112



proponents registered interest (across a number of locations)



39 development ready proposals



proposals suitable for future development

Investing in places, spaces and services



local sport and recreation clubs were supported with \$3.5 million under **Get Going Clubs** to improve their capabilities to **better deliver activities**



nationally accredited training programs in coaching, officiating and sports first aid were delivered to **more than 2,370 participants**



free **Building Active Communities Workshops** were delivered to **3,494 participants** supporting community sport volunteers

Queensland Recreation Centres



92,870 visits



119,222 bed nights*



347,564 structured activity hours*

*Bed Night = a single occupied bed overnight at one of the Recreation Centres.

**Structured Activity Hour = one hour of structured recreation activity delivered to a participant by a qualified QRec activity instructor.

Supporting our athletes

15,900

Queenslanders employed in sport and active recreation sectors



278,100

Queensland volunteers in sport and active recreation (2014)



across



Responding to the issue of combustible cladding

The Non-Conforming Building Products Audit Taskforce was formed in June 2017 as a rapid response to the serious issue of combustible cladding.

The Taskforce was one of the first in Australia to develop a risk-based approach to address the issue of potentially combustible cladding, helping to introduce globally recognised measures.

The challenge was to investigate and audit the extent of potential safety issues associated with combustible cladding material and make recommendations to government.

In May 2018, the Taskforce, comprising representatives from the Department of Housing and Public Works, Queensland Fire and Emergency Services (QFES) and the Queensland Building and Construction Commission, released a status report with six recommendations, which have been supported by the Queensland Government.

Taskforce achievements included:

- the review of almost 28,000 government building certification records
- a detailed assessment of 1,039 buildings with 172 government buildings referred back to agencies for further assessment
- the combining of QFES and local Council data for 42,000 privately owned buildings to determine that 12,000 may need review
- introduction of the *Non-Conforming Building Products – Chain of Responsibility and Other Matters Amendment Act 2017*
- collaboration with the University of Queensland, to develop continuing professional development (CPD) training courses for fire engineers to better understand the risks of external fire spread

- development of CPD for Building Certifiers, to be rolled out during 2018
- establishment of a materials library to assist industry professionals to quickly and cost effectively identify the fire behaviour of cladding products with the University of Queensland.

A new building regulation to compel private building owners to complete a checklist and where necessary engage an industry professional to undertake a building fire safety risk assessment will come into effect on 1 October 2018. The Queensland Government has launched the Safer Buildings website to assist building owners to comply with these new regulations.

“The safety of all Queenslanders is paramount. From my experience of the Grenfell Tower Inquiry in London I am assured the approach being taken to safeguard the cladding in use across Queensland is on the leading edge. This model could be easily and successfully adopted more broadly by other jurisdictions.”

Professor Jose Torero, University of Maryland (USA) and an Expert Witness to the Grenfell Tower Inquiry

CASE STUDY

Dollars and Sense

The *Dollars and Sense – Skillsets for Successful Tenancies* project that emerged from the 2017 Housing and Homelessness Services Innovation Challenge.

Often when people's tenancies fail, their only option is social housing or a reliance on more costly forms of government assistance.

The nine-month trial is offering training to 230 people in Ipswich, Logan and Toowoomba to help provide them with the tenancy skills to rent successfully.

To bring the project to life, the team partnered with inCommunity Inc., a community housing provider based in Ipswich that has developed a competency-based tenancy skills training program for their clients. inCommunity has been working closely with the real estate sector to identify key skill gaps of private rental tenants.

Skills include how to communicate with tenancy managers, cleaning, budgeting, rights and responsibilities, and having the financial skills to rent and to save.

RentConnect officers identify clients who could benefit from the training and then refer them to inCommunity to undertake the training.

At the end of the training the clients are assessed for competency. If they pass, they receive a graduation certificate which they can submit with their rental applications and increase their chances in today's competitive private rental market.

The students are tracked as they go through the training and after they graduate to see how the training has affected their housing outcomes.

The Dollars and Sense project produces tangible outcomes and helps people get practical life skills, while real estate agents get good tenants.

The official launches were held in Ipswich in April and Logan in May. Toowoomba will be launched on 2 August. By mid-July, 81 people had completed training, 26 had sourced a private rental property since graduating and 16 real estate agents had endorsed the training.

The trial concludes in November 2018, with a view to rolling out a broader training program across the state.



Housing and Homelessness Services

Our objective

To deliver quality frontline human services by providing responsive and integrated housing and homelessness support services to vulnerable Queenslanders.

What we do

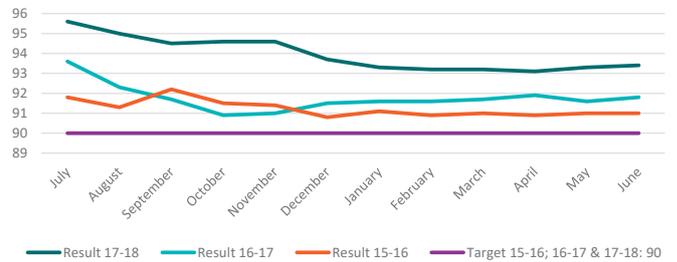
Housing and Homelessness Services provides housing assistance and homelessness support services to Queenslanders most in need, for the duration of their need, through a mix of direct delivery and arrangements with funded service providers. This includes remote Aboriginal and Torres Strait Islander housing, social and private housing assistance, homelessness support services and crisis accommodation.

Housing and Homelessness Services also includes regulatory services which regulates residential services, and the residential parks, retirement villages, and manufactured homes industries in Queensland. It oversees the National Regulatory System for Community Housing in the state and the Queensland State Regulatory System for Community Housing through registration, monitoring and regulation of Queensland's community housing providers. It provides uniform legislation to ensure legislative and consumer protection requirements are being met by industry. Regulatory Services operates independently from the funding arm of Housing and Homelessness Services.

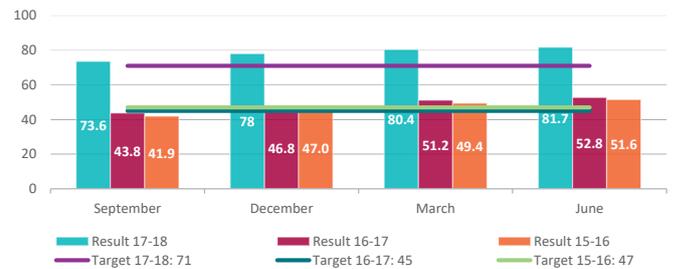
Our services

- Housing Services
- Homelessness Services

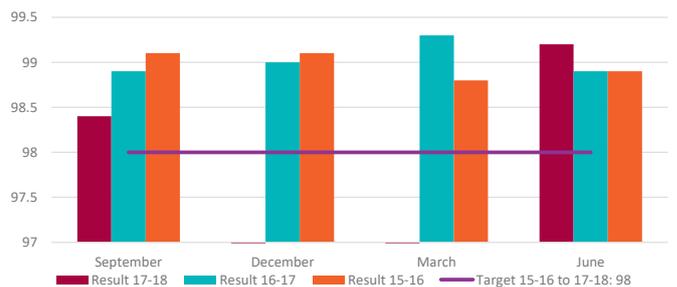
Percentage of new households assisted into government-managed social rental housing who were in very high or high need (%)



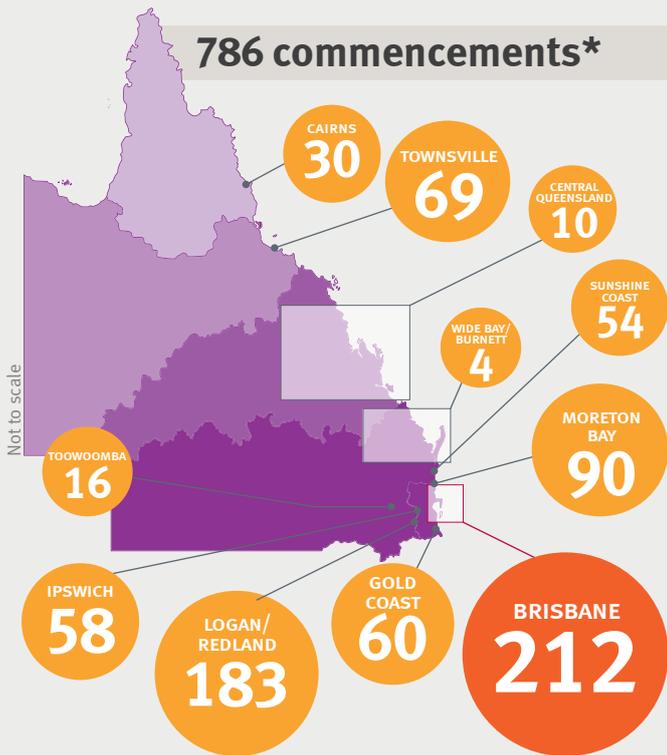
Proportion of total new households assisted to remain in or move to the private housing rental market that were assisted through NRAS, RentConnect, Rental Grants, Bond Loans, HEP or QSTARS (QSTARS included from 2017-18 only) (%)



Percentage of department owned social rental housing dwellings in acceptable condition (%)



Housing Construction Jobs Program



*12 June 2017–30 June 2018

Delivered **591** additional social housing dwellings

Expended approximately **\$404 million** to maintain and refurbish the social housing property portfolio including **3,679 disability modifications**.

assisted **71,856** low-income households with social rental housing **including 6,965 new households**

Assisted **over 200,000** new low income households to access or remain in the private housing market, including:

- 17,404** RentConnect services
- 37,004** Home Assist Secure services
- 20,454** new bond loans
- 121,079** Queensland Statewide Tenants' Advice and Referral Service (QSTARS) responses
- 2,640** National Rental Affordability Scheme (NRAS) households

Our achievements

Safe, secure, affordable and accessible homes

In 2017–18 we made significant progress on delivering actions across the four pillars of the *Queensland Housing Strategy 2017–2027*.

The strategy redefines how the Queensland Government will deliver housing, urban renewal, new jobs and affordable housing and drive innovative housing design that responds to contemporary needs.

To help guide our future delivery, we established the Housing and Homelessness Research Alliance. The Alliance provides expert guidance to support better evidence-based decision-making in housing and homelessness policy.

We also created housing pathways for people with a disability through the *Queensland Housing Strategy 2017–2027*, to ensure we embed the housing needs and aspirations of people with a disability in Housing Strategy actions.

Improving housing assistance

The department has continued to improve access to safe, secure, affordable and accessible homes through a mix of housing and private market assistance and capital investment.

In 2017–18, we:

- assisted 71,856 low-income households with social rental housing, including 6,965 new households
- contributed to the delivery of new homes in priority precincts, including seniors developments through Better Neighbourhoods Logan and partnerships with local builders and community housing providers
- exceeded new construction commencement targets for the Housing Construction Jobs Program
- completed smoke alarm upgrades to 4,141 social housing dwellings
- completed an evaluation of the Mayes Place Tenant Hub in May 2018 which showed that tenant engagement and precinct management had improved safety and security in the precinct
- delivered homes for 89 households in the precinct that were accessible, safer, more secure and affordable
- delivered refurbishments to the social housing portfolio, including 3,679 disability modifications
- assisted over 200,000 low income households to access or remain in the private housing market through initiatives such as RentConnect, Home Assist Secure, Bond Loans, the National Rental Affordability Scheme and the Queensland Statewide Tenants' Advice and Referral Service (QSTARS)
- secured a five-year extension of funding for the provision of essential services by the non-government sector to renters, homeowners, people in retirement villages and caravan parks including Home Assist Secure and QSTARS
- implemented digital and mobile services to help clients access our services, including an enhanced Housing Assist QLD app, EFTPOS facilities in 20 Housing Service Centres and mobile offices in 19 Housing Service Centres
- commenced phase one of the Future of Property and Tenancy Systems Program core property and tenancy system to provide a stable and supported platform for the delivery of housing and homelessness services.

Delivering tenant engagement and support

Our work continued to focus on ensuring those most in need are supported by a safety net of targeted early interventions and genuine wraparound services.

The creation of greater integration across housing and homelessness systems and the provision of pathways into social and economic independence are a key focus of the *Housing Strategy 2017–2027*.

In 2017–18, we:

- implemented and evaluated a mental health demonstration project to support tenants to sustain their social housing tenancies and inform future integrated service delivery
- established mobile support services in Cairns, Caboolture, Toowoomba and the Gold and Sunshine Coasts, to support young people who are homeless or at risk of homelessness to find or maintain secure accommodation
- worked with young people from the Logan Youth Foyer to inform the expansion of the existing Logan facility and the new facilities in Townsville and Gold Coast – projects aimed at helping young people between the ages of 16 and 25 to live confidently and independently
- extended the Sustaining Young People’s Tenancies pilot project with the Brisbane Youth Service Inc. until 30 June 2019
- implemented the Youth to Work Rent Policy which incentivises people aged 24 years and under living in public housing to engage in employment and training by not assessing their working income in rent calculations
- extended funding for the Housing and Employment Program to assist people in unstable housing enter and complete formal training to maximise their employment opportunities and income
- supported tenant participation in programs to improve health and well-being, strengthen community connections, and promote job-readiness via the Mayes Place Tenant Hub, in collaboration with agency and community partners
- implemented and tested home pathway plans within the Next Step Home: Women On Parole project, as part of a human-centred approach to service delivery.

Reducing homelessness

We are continuing to build a fair and responsive housing and homelessness assistance system that provides a continuum of services for those who need them the most.

In 2017–18, we:

- secured five-year service agreements to continue Specialist Homelessness Services, providing stability that enables the delivery of vital support services, and continued innovation and transformation in our homelessness response
- delivered the second round of the Dignity First Fund and launched a third round. To date, the Fund has delivered over 50 innovative projects that assist Queenslanders experiencing homelessness
- opened a family and domestic violence shelter in March 2018 in Far North Queensland

- established positions in Logan/Beenleigh, Cherbourg, Mount Isa, Brisbane, Cairns and Ipswich to improve integrated responses to high risk victims and their children experiencing domestic and family violence
- secured a three-year contract with Queensland Youth Housing Coalition to support a strategic alliance with the department.

Improving outcomes in Aboriginal and Torres Strait Islander communities

The department has continued to deliver improved housing outcomes for Aboriginal peoples and Torres Strait Islander peoples through culturally appropriate solutions that are inclusive of community needs.

During 2017–18, we:

- established a team to lead the whole-of-government Remote Home Ownership program, drive home ownership outcomes in remote and discrete Indigenous communities and support the resolution of Land Holding Act and Blockholder entitlements
- delivered 10 home ownership outcomes, 18 dwelling upgrades, commenced works on 29 dwellings, and completed 49 condition assessments
- supported the Solar on Public Housing trials in Lockhart River to reduce energy costs for tenants
- continued to support Indigenous community housing organisations through funding provided by the Queensland and Federal Governments, resulting in the:
 - commencement of nine dwellings and completion of five dwellings
 - commencement of 20 refurbishments and completion of 15 refurbishments
 - purchase of two properties
- supported the second intake of 25 students at the 50-bed NRL Cowboys House Boys Campus in Townsville in January 2018 for young men from remote areas to improve their education and employment opportunities
- commenced construction on the NRL Cowboys House Girls Campus in Townsville, with the first intake of 25 students planned for January 2019.

Delivering regulatory services and reform

We have continued our engagement work with residential living industries to encourage innovation and growth and inform policy.

Our commitment to creating a stronger and fairer legislative platform was advanced by our regulatory services achievements.

In 2017–18, we:

- amended the *Retirement Villages Act 1999* and the *Manufactured Homes (Residential Parks) Act 2003* to enhance fairness and consumer protection while maintaining industry viability

- commenced the remake of the expiring *Residential Services (Accreditation) Regulation 2002* to update accreditation standards and better protect residents by requiring providers to keep an accident and incident register, and provide First Aid and CPR training for staff that provide personal care
- amended the *Residential Services (Accreditation) Act 2002* to ensure the framework protects residents, promotes fair trading practices and encourages the growth and viability of the industry
- completed registrations for four community housing providers under the National Regulatory System for Community Housing meaning a total of 46 dwellings now have an additional level of protection
- registered five new retirement village schemes, which when fully constructed will provide 1,342 new units
- saw a total of 1,221 new sites made available for occupation by manufactured home owners, including nine new residential parks recorded during the year
- secured further funding for the Queensland Retirement Village and Park Advice Service (formerly PAVIL) and Housing and Employment Program to provide time-limited private rental assistance to eligible clients while they participate in approved training and education courses
- improved regulatory frameworks for residential services, retirement villages and manufactured homes, enhancing consumer protection and providing certainty for industry
- commenced the engagement process to inform the *Residential Tenancies and Rooming Accommodation Act 2008* review which will create a more contemporary legislative framework and better protect tenants and landlords.

Improving safety and environmental sustainability

The department has continued to deliver safer and fairer housing industries and improve sustainability in our residential housing.

In 2017–18, we:

- supported the Solar on Public Housing trials in Lockhart River, Cairns and Rockhampton and undertook planning for a metropolitan trial to support the installation of solar panels on up to 3,000 rooftops in Logan
- developed industry partnerships to shape our future construction and investment programs, creating a pipeline of development opportunities for local trades and builders
- worked with the Office of the Queensland Government Architect to introduce innovative design ideas through the Housing Construction Jobs Program, to help provide tailored outcomes for clients and the community
- passed legislation providing for minimum standards in rental properties to ensure safety, security and affordability.

Housing Construction Jobs Program



The Queensland Housing Strategy 2017–2027 redefines how the Queensland Government will deliver **housing, urban renewal, new jobs** and **affordable housing**, and **drive innovative housing design** that responds to **contemporary housing needs**



Significant progress has been made delivering on actions across the four pillars of the Strategy, including the delivery of new supply in precincts across Queensland; the creation of greater integration across the housing and homelessness system; the provision of pathways into social and economic independence; and the creation of a stronger and fairer legislative and regulatory platform.

Our future focus

In 2018–19, the department will continue to play a key role in advancing the government’s responsive government priority and deliver initiatives that will make a difference to Queenslanders through:

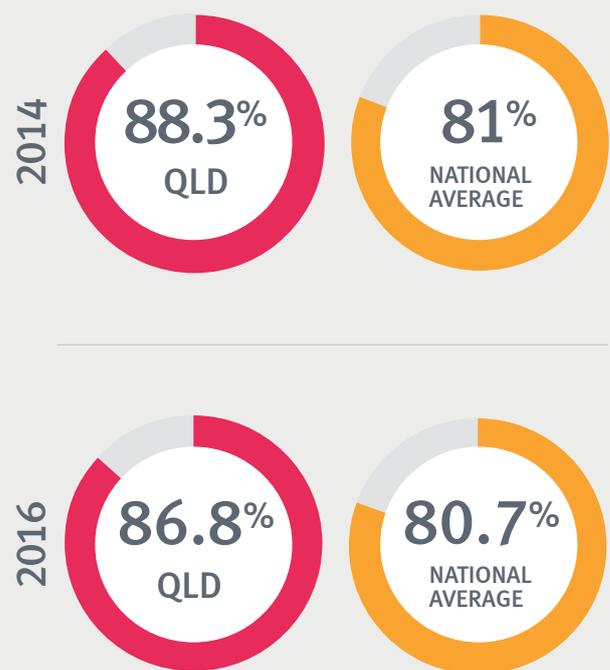
- transforming the way housing services are delivered to better support people in need and continuing to implement the *Queensland Housing Strategy 2017–27* to deliver improved housing outcomes
- delivering additional social and affordable housing in identified growth areas across the state through the Housing Construction Jobs Program
- providing housing services and increasing home ownership outcomes for Aboriginal peoples and Torres Strait Islander peoples in remote communities
- continuing to provide funding to support innovative responses that help people experiencing homelessness to live with dignity, as well as preventing or reducing homelessness.

Proportion of new housing allocations that were to households in greatest need



AIHW National Housing Assistance Data Repository as reported in 2018 Report on Government Services vol G, Housing and Homelessness, Productivity Commission, Canberra

Proportion of households who live in public housing dwellings of an acceptable standard



AIHW National Social Housing Survey 2014, 2016 as reported in 2018 Report on Government Services vol G, Housing and Homelessness, Productivity Commission, Canberra

Service standards

Housing and Homelessness Services	2017–18 Target/est.	2017–18 Actual
Service: Housing services		
Effectiveness measures		
Level of overall client satisfaction		
Public housing <i>This service standard is based on a biennial survey, with the next survey to be undertaken in 2018–19. The overall client satisfaction in 2016–17 was 85.8% for public housing.</i>	N/A	N/A
Community housing <i>This service standard is based on a biennial survey, with the next survey to be undertaken in 2018–19. The overall client satisfaction in 2016–17 was 78.3% for community housing.</i>	N/A	N/A
Percentage of new households assisted into government-owned and managed social rental housing who were in very high or high need <i>Variance between 2017–18 Target/Estimate and 2017–18 Actual is positive and reflects the continued commitment to assist clients in greatest need.</i>	90%	93%
Percentage of department-owned social rental housing dwellings in acceptable condition <i>This service standard is discontinued in 2018–19 and is replaced by a new measure with the same name, due to a change in data scope applied to the Property Standards Index. 2017–18 Actual is based on the 2017–18 methodology.</i>	98%	99%
Proportion of total new households assisted to remain in or move to the private housing rental market that were assisted through National Rental Affordability Scheme, RentConnect, Rental Grants, Bond Loans, Housing and Employment Program or Queensland Statewide Tenant Advice and Referral Service <i>This service standard is being discontinued in 2018–19 due to the inclusion of a new replacement measure, 'Proportion of total new households assisted to access rental accommodation who moved into the private rental market', which better reflects the use of products and services as an alternative solution to social rental housing.</i>	71%	82%
Proportion of newly constructed social housing dwellings meeting the Livable Housing Design guidelines gold or platinum standards <i>Variances between 2017–18 Target and 2017–18 Actual is due to the adoption of an innovative design approach. Several two-storey projects in the 2017–18 program have had lifts incorporated (where traditionally lifts have only been included on projects of three or more storeys). For these projects, 100% of apartments met the Livable Housing Design Guidelines.</i>	50%	82%
Average wait time to allocation for assistance (months) with government-owned and managed social rental housing for clients in very high or high need	8	7
Percentage of under occupied government-owned and managed social rental housing	15%	16%
Proportion of government-owned social rental housing stock matched to greatest demand	54%	54%
Efficiency measures		
Average tenancy and property management administration cost per household assisted with social rental housing <i>This service standard is discontinued in 2018–19 and is replaced by a new measure with the same name, due to an ICT system change which allowed tenancy and property management costs to be assessed more accurately. 2017–18 Actual is based on the new methodology.</i>	\$1,220	\$1,115
Service: Homelessness services		
Effectiveness measures		
Percentage of clients who were homeless or at risk of homelessness who needed assistance to obtain or maintain independent housing and obtained or maintained independent housing after support	66%	67%
Percentage of homelessness services clients who requested assistance relating to domestic and family violence and received this assistance	87%	88%
Efficiency measures		
Recurrent cost per client accessing homelessness services <i>Variance between 2017–18 Target/Estimate and 2017–18 Actual is primarily due to market variations impacting costs incurred to deliver services. Accurate targets are difficult to predict as annual results in the Report on Government Services tables are adjusted each year.</i>	\$2,800	\$3,082

Government Accommodation and Building Policy Services

Our objective

To deliver the best possible accommodation solutions for government in terms of office space and employee housing to ensure agencies can deliver essential government services to the community; to engage and strengthen relationships with the building construction industry and provide effective and efficient Queensland building and plumbing policy and legislation.

What we do

Government Accommodation and Building Policy Services delivers the Queensland Government's office accommodation and employee housing portfolio and manages significant building and property initiatives. Policy Services includes developing and advising on building and plumbing legislation, codes, building policy, research, standards, design and building industry engagement in Queensland. Operational Services also include strategic asset management of an owned accommodation portfolio of approximately 3,200 properties including buildings, ranging from large office blocks, particularly in regional centres, to non-office properties, such as heritage buildings, theatres, convention centres, cultural facilities, industrial properties and bridges and government employee residences. Government Accommodation and Building Policy Services provide planning, strategy and policy development, leasing and tenancy management, and maintenance management across owned and leased portfolios.

Our achievements

Building industry reform

In October 2017 we released the *Queensland Building Plan*, a blueprint that sets the government's long-term strategic direction for the building and construction industry.

The Plan recognises the contribution made by around 230,000 Queenslanders who earn a living in the sector and guides changes to policy and legislation aimed at creating a safer, fairer and more sustainable industry.

Progress was made on a number of key reforms, and in 2017–18, we:

- enacted the *Building Industry Fairness (Security of Payment) Act 2017* to improve security of payment for subcontractors
- introduced Project Bank Accounts for Queensland Government building and construction projects valued between \$1 million and \$10 million (including GST) to ensure on time and in full payment to subcontractors
- conducted 28 information sessions across Queensland to ensure head contractors and consultants were ready and understood Project Bank Accounts requirements
- delivered the *Non-Conforming Building Products – Chain of Responsibility and Other Matters) Amendment Act 2017*, which was passed in August 2017 and commenced in November 2017 for building product supply chain participants (designers, manufacturers, importers, suppliers and installers of building products) to ensure that building products are safe, compliant and fit for their intended use



\$46 billion

Queensland building and construction industry



230,000

Queenslanders earn a living in the building and construction industry



\$42.75 billion

Queensland Government capital works program over the next 4 years



5,000

new social and affordable homes over the next 10 years

- introduced the *Plumbing and Drainage Bill 2018* which established a contemporary, streamlined and flexible legislative framework for plumbing and drainage as well as protecting public health and safety by regulating mechanical services work (including medical gas work) under the *Queensland Building and Construction Commission Act 1991*
- progressed proposals to improve accessible adult change and sanitary facilities by engaging with industry and community groups ahead of potential changes in 2019 to the *National Construction Code* and the *Queensland Development Code*
- amended the *Queensland Plumbing and Wastewater Code* to allow solar hot water systems to be oriented 90 degrees either side of north to better suit Queensland's climate, and provide more savings to consumers.

Ensuring confidence and sustainability in our built environment

Our policy and regulation work is helping ensure Queenslanders have confidence in our built environment and in the buildings in which we live, work and play.

We continued to improve the health and safety of people in their homes and workplaces throughout the year.

In 2017–18, we:

- commenced a roll-out of smoke alarms to public housing dwellings in Cairns, Townsville, Rockhampton, Wide Bay and the greater Brisbane area, with more than 300,000 new smoke alarms to be installed in almost 65,000 dwellings by 1 January 2022
- received 244 tender submissions for the statewide Standing Offer Arrangement for the installation of smoke alarms, which closed in June 2018
- established the Non-Conforming Building Products Audit Taskforce in June 2017 in response to the combustible cladding issue
- completed an audit on government buildings and delivered a policy position on a range of measures to address the use of combustible cladding on existing privately-owned buildings in Queensland
- released the Non-Conforming Building Products Audit Taskforce Status Report on 17 May 2018, with government support for all six recommendations:
 - compel building owners to take necessary remediation actions
 - implement proposed building process for assessing non-government buildings
 - develop a central retention database
 - lead the development of education and guidance materials for industry professionals
 - undertake product testing and development of a materials library
 - develop continuing professional development programs for practitioners within the supply chain.

- established a funding agreement with James Cook University to deliver the Strata Title Inspection Scheme following funding from the Commonwealth Government of up to \$12.5 million over four years to undertake engineering assessments of strata title properties in cyclone areas of North Queensland.

Our development of innovative environmentally sustainable solutions continued to enhance our government asset portfolio, including buildings.

Throughout the year we:

- audited energy usage in Queensland Government office accommodation and achieved energy savings through retrofits
- commenced four accredited assessments of office accommodation using the Green Star sustainability rating tools
- contributed to the *Queensland Climate Transition Strategy* by advancing initiatives to reduce emissions in government operations
- worked with the Sustainable Built Environment National Research Centre, a leader in fostering collaboration between industry, government and research organisations to improve Australia's built environment industry.

Supporting Queensland's regions and communities

Our continued focus on forward planning, smarter practices and leveraging of government resources is delivering efficient services for regional and remote communities.

The provision of cost-efficient government employee housing is supporting government agencies to deliver essential services on the ground.

In 2017–18, we:

- awarded contracts for 77 new government employee housing residences under the department's capital investment program, which will provide an additional 137 residences delivered over a four-year period (from June 2017)
- delivered 18 new government employee residences to support the retention of skilled staff in Baralaba, Hughenden, Isisford, Jericho, Palm Island and Weipa
- commenced construction on a further 16 government employee residences across rural, remote, and Aboriginal and Torres Strait Islander communities, which are due for completion in 2018–19
- delivered maintenance, upgrade and improvement programs to enhance the quality and standard of government employee housing
- improved occupancy in areas with long-term vacancies by engaging real estate agents to lease properties to the private market
- implemented a new tenancy management model to enable leasing agencies to self-manage or have the department undertake tenancy management services.

In addition to government employee housing, the department also delivered a number of key office accommodation projects across the state.

In 2017–18, we:

- revitalised the heritage government office building (recently renamed the Moira Hansen Government Office Building) in Maryborough, to reuse as government office accommodation
- completed Phase 1 of the *Brisbane CBD and Fringe Area Government Office Accommodation Strategy 2015–2025* and commenced the implementation of Phase 2
- released the first package of approximately 25,000 m² to market to replace ageing and inefficient leased office space, rather than expanding into additional space
- continued to operate three whole-of-government Distributed Work Centres (DWC) in Ipswich, Robina and Maroochydore, providing an innovative working arrangement for more than 200 government staff
- progressed planning for the opening of a new DWC at Logan in early 2018–19 to further boost improved work/life balance and productivity and reduce traffic congestion.

Delivering value through planning and collaboration

The department worked collaboratively across the sector to develop strategies to improve value through building construction and maintenance expenditure, and inform the government's forward procurement pipeline.

In 2017–18, we:

- provided strategic direction for whole-of-government investment in building construction and maintenance procurement initiatives
- delivered the second *Building Construction and Maintenance Category Group Strategy* and the inaugural *Building Contractors Sub-Category Plan*
- continued to deliver Building Construction and Maintenance Collaboration Forums and Regional Planning Forums across the state, bringing procurement professionals together.

Coordinating disaster response

Due to machinery of government changes the department was able to expand its capacity to provide assistance to disaster impacted communities, continuing our role as an integral part of Queensland's disaster management system.

Throughout the year, we actively supported response and recovery activities for declared disasters including the North Queensland floods and Tropical Cyclones Nora, Iris and Linda.

Our future focus

In 2018–19, Government Accommodation and Building Policy will play a key role in advancing the government's responsive government priority and support government commitments and priorities by:

- continuing to implement *Queensland Building Plan* initiatives including:
 - supporting whole-of-government implementation of Phase 1 of Project Bank Accounts and providing secretariat support to the Building Industry Fairness Reforms Implementation and Evaluation Panel
 - commencing provisions of the *Building Industry Fairness (Security of Payment) Act 2017* for progress payments, subcontractors' charges, and the adjudication registry, and making associated regulations
 - strengthening the Queensland Building and Construction Commission's *Minimum Financial Requirements Policy* and transferring the contents of the policy into a regulation
 - enacting the *Plumbing and Drainage Bill 2018* to promote efficiency and improve regulatory processes (saving time and money) while continuing to safeguard public health, safety and the environment
 - releasing a Regulatory Impact Statement regarding the mechanical services licence
 - leading the development of a common platform for the publication of a single forward a procurement pipeline across the six category groups (building construction and maintenance, general goods and services, information and communication technology (ICT) products and services, medical goods and services, social services and transport infrastructure and services), to provide greater value to government through better planning and increased visibility of procurement opportunities for industry
- continuing to implement Phase 2 of the *Brisbane CBD and Fringe Area Government Office Accommodation Strategy 2015–2025*
- implementing a rolling program of office space efficiency projects to reduce the state's rental burden across Queensland
- delivering 59 new government employee residences to enable the provision of essential government services and retention of skilled government staff.



3,798

community recovery payments were processed by Queensland Shared Services



\$1.6 million

Service standards

Government Accommodation and Building Policy Services	2017–18 Target/est.	2017–18 Actual
Effectiveness measures		
Return on investment		
Commercial properties included in the office portfolio	≥6.5%	6.7%
Government employee housing	≥1.5%	1.6%
Vacancy rate		
Office portfolio	≤3.5%	1.3%
<i>Variance between 2017–18 Target/Estimate and 2017–18 Actual resulted from DHPW's effective vacancy management through central coordination of the provision of office space, and the prioritisation for agencies to occupy existing vacant space extending existing leased space before taking up additional leased space.</i>		
Government employee housing	≤6%	5.3%
<i>Variance between 2017–18 Target/Estimate and 2017–18 Actual resulted from DHPW effectively managing vacancies by working with client agencies to identify suitable properties which meet their needs and leasing (where appropriate) to the private sector increasing use of residences.</i>		
Percentage of government-owned employee housing with an acceptable facility condition index rating	≤90%	91%
Energy performance – percentage of occupied government office accommodation achieving a rating ≥ 4 star under the National Australian Built Environmental Rating System	>80%	95%
<i>Variance between 2017–18 Target/Estimate and 2017–18 Actual resulted from changes in the portfolio mix during 2017–18 that increased the proportion of space with better energy efficiency.</i>		
Efficiency measures		
Work point density		
Average	13.5m ² per person	13.5m ² per person
New fitout	12m ² per person	12.4m ² per person



5,726

SES and Community Recovery calls were taken by Smart Service Queensland



28 staff

were deployed as part of the **Community Recovery Ready Reserve** to provide direct support to impacted people



11,351

customers accessed information provided at qld.gov.au/alerts



32 DISPLACED PEOPLE

were assisted with temporary emergency accommodation through Housing and Homelessness Services

Procurement Services

Our objective

To provide expert advisory, enabling and support services to agencies, suppliers and the community in the achievement of procurement outcomes.

What we do

Queensland Government Procurement leads the development of policy and strategy supporting the Government's \$18 billion spend. It provides expert advice on complex and contentious procurement. It also leads capability strategy, the performance reporting management framework, and systems support as well as providing governance of the Queensland Government procurement system. It provides expert advice to stakeholders and helps enable agencies to achieve their procurement outcomes by sharing procurement information, best practice and innovation; developing whole-of-government frameworks in areas including capability, accreditation and performance; and working with agencies to reduce the cost of doing business with the Queensland Government.

Our achievements

A Buy Queensland approach to procurement

Our *Buy Queensland* approach to procurement was released early in the year and underpinned our strategic and innovative leadership and support activities throughout the year.

Key elements of this approach include the *Queensland Government Procurement Strategy – Backing Queensland Jobs*, and a revised *Queensland Procurement Policy* which support jobs, regional growth and innovation, and set targets and commitments to achieve the government's economic, environmental and social objectives through its procurement spend.

Focus areas of the *Buy Queensland* approach are:

- jobs, training and other local benefits – through the application of a local benefits test
- quality, safe workplaces through the application of best practice principles
- local produce, through 'Buy Queensland first' for food and beverages at events and corporate functions
- improved social outcomes for disadvantaged Queenslanders by increasing spend with genuine, quality social enterprises.



437,000

small to medium businesses call **Queensland home**



83%

of **Queensland Government contracts** awarded through QTenders have been to **Queensland businesses**

Making it easier to do business

Already, *Buy Queensland* is making a difference to local businesses.

From October 2017 to 31 March 2018:



Seven
government-supported projects

worth more than **\$100m each** (totalling \$1.3 billion) are directly engaging local contractors and manufacturers



125
projects valued at **\$685m**

directly supporting **145 full-time apprentices and trainees**



Over **33,000**

Queensland businesses already supplying to the Queensland Government

A strong compliance function ensures commitments to Queenslanders are upheld.

In 2017–18, we also:

- led category planning in collaboration with government agencies and industry for General Goods and Services to leverage more than \$640 million in annualised spend during 2017–18
- managed 27 General Goods and Services whole-of-government Standing Offer Arrangements with 260 suppliers
- used our category planning process to coordinate government procurement through forward planning and grouping procurement activities into categories of spend, creating and sustaining value
- established a new contemporary professional services panel during the year with a focus on local service delivery across Queensland
- established a new workplace health services panel, incorporating social enterprises and local businesses, building the reputation of government as an employer of choice by investing in the well-being of employees and their families.

Partnerships and leadership

During the year the Chief Advisor, Queensland Government Procurement partnered with the Integrity Commissioner to host four executive round table discussions to improve integrity in procurement.

The General Goods and Services procurement team collaborated with government agencies and industry to foster innovative procurement solutions and drive better outcomes for Queensland.

The six category councils, which govern the strategy for the category and endorse related category plans, provided oversight and directed strategic activities in relation to major categories of spend.

Queensland Government procurement activities throughout the year supported efficient and responsible service delivery.

In 2017–18, we:

- released guidance on value for money, support for local suppliers, probity and integrity in procurement, the local benefits test, reducing domestic and family violence and helping secure jobs for vulnerable and disadvantaged jobseekers
- established the Procurement Data, Systems and Reporting Program to continue to identify, drive and deliver continuous improvement and capability uplift to mature and enrich procurement reporting across government.

Our future focus

In 2018–19, the department will continue to play a key role in advancing the Government’s responsive government priority and deliver initiatives that will make a difference to Queenslanders through:

- monitoring the application of the *Buy Queensland* approach, including enhancements announced in 2018
- providing advice, support, frameworks and tools to enable agencies to increase opportunities for local suppliers, to grow regional economies and embed non-price considerations, including social procurement, into government procurement processes to facilitate opportunities for improved outcomes for targeted social groups
- implementing the whole-of-government *Procurement Performance Management Reporting Framework*
- enhancing compliance with the Queensland Government *Building and Construction Training Policy* through a proactive program of audits
- providing an agency-led, centrally enabled function that takes a best practice category management approach to the procurement of general goods and services, such as electricity, contingent workforce and travel
- reporting emissions for short-term vehicle hire and flight travel.

Service standards

Procurement Services	2017–18 Target/est.	2017–18 Actual
Effectiveness measures		
Overall satisfaction with advice and support provided by the Office of the Chief Advisor – Procurement (internal to government) <i>Variance between the 2017–18 Target/Estimate and the 2017–18 Actual is due to improved collaboration with agencies.</i>	61%	90%
Overall satisfaction with the way the Office of the Chief Advisor – Procurement engages with the Procurement Industry Advisory Group (external to government) <i>Variance between the 2017–18 Target/Estimate and the 2017–18 Actual is due to increased expectations of the Procurement Industry Advisory Group (PIAG) members.</i>	80%	70%
Efficiency measures		
<i>An efficiency measure is being developed for this service and will be included in a future Service Delivery Statement.</i>		

Sport and Recreation

Our objective

To support and encourage participation in physical activity through sport and active recreation.

What we do

Sport and Recreation is responsible for a wide range of initiatives including:

- developing and delivering a suite of funding programs to support community sport and active recreation needs
- providing education and training programs that contribute to building the capacity of the sport and recreation sector
- providing resources for parents, carers and teachers aimed at encouraging all Queenslanders, particularly young people, to be more physically active
- managing purpose-built sport and active recreation facilities, including the Queensland Recreation Centres
- developing and supporting elite athletes at the Queensland Academy of Sport.

Our services

- Community support
- Facilities

Our achievements

Encouraging physical activity for all Queenslanders

Encouragement for Queenslanders of all ages and abilities to participate in physical activity is a major focus for our department.

Participation in physical activity can provide positive social, emotional and health benefits for people of all ages, and the department delivered a range of initiatives throughout the year to support these outcomes.

In 2017–18, we:

- provided over 41,000 Get Started Vouchers (with a value of nearly \$6.2 million) to assist children and young people who can least afford it, to join a sport or active recreation club
- partnered with Nature Play Queensland to promote the health benefits of unstructured play outdoors and in nature, with the organisation distributing 137,000 *Passports to an amazing childhood* during the year
- assisted Queenslanders under the age of 18 to attend championship events through the Young Athletes Travel Subsidy, supporting 2,242 athletes to attend state events, 1,863 athletes to attend national events and 242 athletes to attend international events
- supported participation for women and girls to get active through the Join the Movement campaign, achieving over 2.3 million online video views, over 24,600 Facebook followers, over 7,200 Instagram followers and over 169,900 web page views since its launch in 2016
- delivered the Start Playing Stay Playing Awards to acknowledge female achievements and individuals, groups or organisations going above and beyond to increase and enhance sport and active recreation opportunities for women and girls in Queensland.

Top 5 physical activities for adults



55%

walking



29%

any gym activity



19%

swimming



15%

running/jogging



11%

bushwalking

*Queensland Sport, Exercise and Recreation Survey Adults (QSERSA) Highlights 2015 and 2016 Report: Results for 2016

Supporting regional and remote communities

During the year, the department contributed to the achievement of a broad range of social outcomes aligned to the national Closing the Gap initiative, as well as promoting participation in an active and healthy lifestyle.

In 2017–18, we:

- delivered the Indigenous Community Sport and Recreation Program in partnership with the Queensland Police Citizens Youth Welfare Association
- delivered the Torres Strait Community Sport and Recreation Program, supporting participation opportunities, equipment purchases and the administration of community grants of nearly \$60,000 in partnership with the Torres Strait Youth and Recreational Sporting Association
- provided special initiative funding of \$0.9 million in 2017–18 under the State Development Program 2017–19 to eight state level sporting organisations to deliver activities and training in rural and remote communities
- delivered the Remote Facilities Maintenance Program, in partnership with the Department of Aboriginal and Torres Strait Islander Partnerships, providing financial, project management and maintenance assistance for indoor sport facilities.

Investing in places, spaces and services

Our investment in places, spaces and services helped to increase the availability of sport and recreation experiences to Queenslanders.

In 2017–18, we committed:

- \$9.11 million for the Underwood Park Sport Precinct redevelopment
- \$7 million for the redevelopment of the University of the Sunshine Coast's indoor stadium
- \$5.5 million for the Zillmere Basketball Complex
- \$15.5 million under Get Playing Places and Spaces (Round 6) for 129 infrastructure developments
- \$15.2 million across 45 projects to support targeted infrastructure programs under the Female Facilities Program, to construct functional and inclusive change rooms and amenities that meet the current and future needs of female participants.

- We released funding for Round 2 of the Get Planning Spaces program for Queensland based state level sport and active recreation organisations, local governments and other relevant peak organisations to develop quality, evidence-based sport and recreation planning documents.
- In 2017–18 we also partnered with sport and recreation industry stakeholders to build capability, enhance social inclusion and deliver outcomes for the community.
- Delivery of the three-year, \$10 million per annum State Development Program continued throughout the year, to support 77 state-level organisations to provide leadership and coordination of programs and services throughout Queensland.

Our sporting venues

The department continued to invest in our six sport and recreation venues to ensure they provide contemporary, high quality client experiences.

This investment to provide enhanced facilities and new activities has ensured a strong increase in use and attracted new clients.

In 2017–18:

- the Sunshine Coast Recreation Centre hosted the Team Nuie for a pre-Commonwealth Games camp
- the Gold Coast Recreation Centre was an official accommodation provider for Games security personnel
- the Toowoomba Sports Ground hosted a range of events including:
 - Brisbane Broncos vs Gold Coast Titans NRL trial match, with attendance of more than 8,700 in February 2018
 - Gold Coast Titans vs St George Dragons NRL match, with attendance of more than 7,500 in March 2018.
- the Townsville Sport and Recreation Precinct hosted four rugby league world cup international teams in November 2017, and the Commonwealth Games Queen's Baton Relay in March 2018
- Sport Houses in Milton and Woolloongabba continued to offer low-cost office accommodation, office equipment, administrative services and affordable meeting and training room hire to peak sport and recreation entities, community and government organisations.



Physically active

45% CHILDREN
61% ADULTS



Healthy weight

74% CHILDREN
36% ADULTS

CASE STUDY



Get in the Game Female Facilities Program

Women's sport is growing rapidly, as more and more women respond to the call to 'Get Active Queensland'.

The Female Facilities Program is playing an important role in supporting the Queensland Government's Get in the Game initiative to support sport and active recreation at the grassroots level.

Local sport and recreation organisations, as well as local government, are using the funding to develop functional and inclusive female change rooms and amenities needed to support growing numbers of participants.

Centrals Trinity Beach AFL Club applied for the program after surveying their female athletes and finding they wanted their own space and to feel comfortable in the change room.

President John Burrell said the club had been mainly male-based since 1958 until the early 2000s.

"We thought having separate facilities was really important in terms of getting extra women involved in football, hence the application for the grant," John said.

The club worked closely with Alexi Sachlikidis, an Advisor for Sport and Recreation Services who assisted them through the grant application process.

"The support we got from Alexi was outstanding," John said. "Sometimes there's a critical piece of infrastructure missing that could actually be a real catalyst for change and for growth or to accommodate that local community better."

John said the club has seen tremendous growth in young girls participating in AFL.

"In 2012 we had about 20 young ladies playing football. As of this year, we have 50 registered youth girls and 35 registered senior women at our football club, and I strongly believe that that wouldn't have happened without this facility."

In May 2018 a total of 45 projects were approved at a cost of over \$15 million. Departmental staff will continue to work closely with the successful sporting groups to deliver the projects which are due for completion in 2020.

Supporting our elite athletes

The department supported Queensland athletes to achieve great results at the 2018 Gold Coast Commonwealth Games, with 128 Queensland athletes competing, equating to 27 per cent of the Australian team.

Queensland athletes won 36 gold, 27 silver and 27 bronze medals at the Games – 45 per cent of the medals won by the Australian team.

The department also continued to develop the state's elite athletes through coaching, related support services and support science research.

In 2017–18, we:

- established a permanent presence for the Queensland Academy of Sport at the Runaway Bay Super Sports Centre on the Gold Coast in July 2017, to service nationally categorised athletes residing in the region
- established a collaborative research bursary, in partnership with Bond University, to enrol a student in a PhD program under the supervision of an internationally recognised expert in sport management research to research the role of sport in the integration of refugee women in Australia
- supported Queensland Academy of Sport athletes to engage with the community to inspire and encourage participation in sport, including 438 school visits through the QAS4Schools program.

Our future focus

In 2018–19, the department will continue to develop a *Queensland Sport and Active Recreation Strategy 2019–29* through extensive consultation.

Current programs will continue to be administered during the consultation process, with programs beyond 2018–19 to be assessed for alignment with the strategy following community consultation. In 2018–19, Sport and Recreation will play a key role in advancing the Government's responsive government priority and support government and departmental commitments and priorities by:

- continuing partnerships with industry to develop its capacity to deliver quality sport and recreation services state-wide
- ensuring cultural diversity and social cohesion is not a barrier to participation in sport and recreation, through targeted approaches and direct service delivery to support identified Aboriginal and Torres Strait Islander communities
- supporting grassroots sport and recreation participation to encourage opportunities for all Queenslanders, particularly those who can least afford it
- delivering new or upgraded sport and recreation places and spaces, including the Underwood Sports Park, Zillmere Sports Centre and the University of the Sunshine Coast Stadium
- supporting the state's elite athletes to continue to perform at the highest standard of competition nationally and internationally
- encouraging women to enter, participate and have greater involvement in sport at grassroots and elite levels
- enhancing management and operations of the state's premier sporting facilities through implementation of the findings of the Stadiums Taskforce Report.

Service standards

Service area: Sport and Recreation ¹	2017–18 Target/est.	2017–18 Actual
Service: Community Support²		
Effectiveness measures		
Participants' overall satisfaction with the department's education and training programs <i>As Sport and Recreation continues to exceed participant expectations (the 2016–17 Actual was 95%), the target has been increased from 90% to 95% for 2018–19.</i>	90%	96.5%
Percentage of young people redeeming a Get Started Voucher who have not played club sport before	15%	20.3%
Percentage of athletes selected for national teams supported by the Queensland Academy of Sport <i>Variance between 2017–18 Target/Estimate and 2017–18 Actual is due to better than expected representation from Queensland on the Commonwealth Games team.</i>	25%	35%
Co-contribution ratio of partnership investment to the Queensland Academy of Sport investment in grants research projects <i>While QAS funding of collaborative research projects continues to exceed expectations, amendments to the National High Performance Sport Funding Framework (Australian Institute of Sport) has the potential to impact on future funding available to national sporting organisations and ability to invest with QAS led research. Although the funding investment ratio increased from 1:0.5 to 1:1 in recent years and the partner contribution exceeded the target for 2017–18, further increases from the 1:1 ratio are likely to be unsustainable for investment partners going forward.</i>	1.1	2.23
Efficiency measures ³		
Grant monies paid as a percentage of the total grant budget <i>This service standard has been discontinued in 2018–19 as it does not meet the definition of 'efficiency' as described in the Queensland Government Performance Management Framework and is considered a measure of input only.</i>	80%	104%
Service: Facilities		
Effectiveness measures		
Use of Queensland Recreation Centres' accommodation facilities	42%	43%
Efficiency measures		
Queensland Recreation Centres' operational bed cost per night <i>QRec operational bed cost per night actual figure is the result of extra venue costs associated with the Gold Coast Recreation Centre being a host venue during the Commonwealth Games.</i>	<\$45	\$45

Notes:

1. This service area was transferred from the (former) Department of National Parks, Sport and Racing following machinery-of-government changes.
2. The service 'Community Support' has been consolidated with the former 'Queensland Academy of Sport' (QAS) service.
3. A new efficiency measure is being developed for this service and will be included in a future Service Delivery Statement. An action plan has been developed to research and develop a new measure for inclusion in the 2019–20 SDS.

Digital Capability and Information

Our objective

To provide citizens and businesses with simple and easy access to integrated Queensland Government services and to ensure Queensland public records are preserved for the benefit of current and future generations.

What we do

Digital Capability and Information develops and delivers innovative digitally enabled and integrated government services that are simpler and faster for the community to access online or through phone and counter channels. The service area leads a major program of work to accelerate the delivery of proactive and personalised services, designed around the customer.

The service area drives digital economy development and digital capability programs.

It leads Queensland public authorities in managing and preserving Queensland public records in a useable form and improves public access to the collection by embracing digital government practices.

The service area is also responsible for implementing the Government's commitment to making government data open for anyone to access, use and share.

Our services

- Whole-of-government Customer Experience
- Government Recordkeeping and Archives
- Digital Economy
- Open Data

Our achievements

Making it easier for citizens and business to engage with government

Our commitment to putting Queenslanders at the centre of everything we do continued to drive the design of citizen-centric services that make it easier and quicker to engage with government.

This approach is about listening and understanding the needs of citizens and businesses and applying what we learn to improve our services.

In 2017–18, we:

- engaged over 4,200 Queenslanders in service co-design, customer testing and research
- won a Good Design Award and Best in Class Award at the Australian Good Design Awards for our human-centred design capability
- continued to simplify the service experience for Queensland through online tools and capabilities
- provided Queenslanders with a single login for our digital identity and verification management system.

1.7 million
enquiries via **13 QGOV**
between 13 December 2017
to 30 June 2018

TOTALLING

3.7 million
enquiries 2017–18



42.6 million
visits to **qld.gov.au** from
13 December 2017 to
30 June 2018



TOTALLING

75.5 million
visits in 2017–18,
an **increase of 18.5%**
from the previous year

Strengthening digital inclusion and infrastructure service

Providing citizens and business with the skills and knowledge to flourish in the digital age was a focus for the department throughout the year.

In 2017–18, we:

- continued to deliver the Community Digital Champions Program, which saw stories and knowledge shared via events and activities aimed at encouraging Queenslanders to explore and enjoy the benefits of the digital age
- activated the Queensland Digital Inclusion Network which brings together government, community groups, research and education providers, corporations and organisations with an interest in building digital literacy and digital inclusion in Queensland, to collaborate, share resources and information
- built the capacity of community organisations to deliver digital literacy activities in their communities by:
 - recruiting and supplying trained volunteer digital mentors
- supporting key infrastructure projects, including the Sunshine Coast Submarine Cable and Telecommunications for the Regions commitment
- used Digital Scorecards to build the digital skills of Queensland businesses to help them identify ways to improve their capability and become more competitive in the global digital economy
- supported the completion of 1,700 Digital Scorecard assessments by small and medium businesses and not-for-profit organisations.

Supporting access to government information, for current and future generations

The department continued to increase access to government information through a range of media during the year.

In 2017–18, we:

- launched *Sunshine rebooted: the final Bjelke-Petersen Cabinet Minutes* exhibition using digital technologies, personal interviews and 1987 Cabinet minute records to explore the key decisions of this watershed year in political history and how ensuing events shaped a more inclusive and progressive state
- partnered with the Museum of Brisbane to contribute original convict records to the *Life in Irons: Brisbane's convict stories* exhibition
- released the *Records Governance Policy* on 29 June 2018 – a key action of the Recordkeeping Transformation Program, which aims to support agencies on their path to recordkeeping maturity
- saw increased access to the archival collection by 63 per cent (3.5 million views) across all channels, compared to 2.1 million views during the same period last year
- received funding for the Digital Archive Program (Stage 1) in June 2017 and commenced work to develop a plan for the future preservation of our state's permanent value records
- actively encouraged the transfer of open records to the collection, increasing the proportion of records available for researchers from 48 per cent of the collection to 57.4 per cent, achieved by collaborating with agencies to prepare and transfer records which would be immediately available to the Queensland public
- partnered with the Open Data Institute Australian Network to drive collaboration and commence the development of an Australian-first digital platform for automating the quality certification of published datasets.



OPEN DATA ACTION PLAN 2017–19

The *Open Data Action Plan 2017–19* aims to make data open for all to access, use and share



17 of 22 actions in the Plan are in progress or completed

22 new **Community Digital Champions** recognised since December 2017, bringing the total number of **current champions** to **75**

Community Digital Champions have delivered **over 1,150** digital literacy activities

delivered **46 Digital Business Workshops** to **717** people during 2017–18

Our future focus

In 2018–19, the department will continue to play a key support role in advancing the government’s responsive government priority. The delivery of innovative and integrated frontline services will be enabled by:

- continuing to improve customer experience by supporting agencies to deliver simple and accessible services that reduce customer effort and make it easier to transact with government
- delivering service excellence to Queenslanders via 13QGOV (13 74 68), online through qld.gov.au, and in person at Queensland Government Agent Program locations and Queensland Government Service Centres
- developing a digital inclusion policy and action plan to improve digital inclusion outcomes for Queenslanders
- continuing delivery of the *Open Data Action Plan 2017–19*, to make non-sensitive data open for all to access, use and share
- developing a Queensland digital infrastructure plan to guide the planning, coordination and investment required to meet Queensland’s future digital infrastructure needs
- implementing the five-year Recordkeeping Transformation Program (2017–22) to improve the standard of recordkeeping in government.

Service standards

Service area: Digital Capability and Information ¹	2017–18 Target/est.	2017–18 Actual
Service: Whole-of-government customer experience²		
Effectiveness measures		
Percentage of customers satisfied with the services provided by Smart Service Queensland on behalf of government agencies	≥85%	94%
Percentage of clients satisfied with the services provided by Smart Service Queensland on their behalf <i>This service standard was transferred from the (former) Department of Science, Information Technology and Innovation ('Services for Queenslanders' service area) following machinery-of-government changes to a new service area 'Digital Capability and Information'.</i> <i>This service standard is being discontinued in 2018–19 as the approach to measuring client satisfaction via a survey tool is not achieving a satisfactory sample size. A replacement effectiveness measure will be introduced in a future Service Delivery Statement. The measure will continue to be reported internally to monitor performance and consider business process improvements.</i>	≥80%	81%
Percentage of clients satisfied with the One-Stop Shop program <i>This service standard was transferred from the (former) Department of Science, Information Technology and Innovation ('Services for Queenslanders' service area) following machinery-of-government changes to a new service area 'Digital Capability and Information'.</i> <i>This service standard is being discontinued in 2018–19 as the One-Stop Shop Plan 2013–2018 concludes in 2017–18. A replacement whole-of-government customer experience measure will be developed.</i>	82%	85%
Efficiency measures		
Cost per customer service interaction (all interactions) <i>The positive 2017–18 result is due to increased online transactions. The target for this measure will be reviewed in subsequent years as trend and cost data matures.</i>	\$1.10	\$0.71

Service area: Digital Capability and Information ¹	2017–18 Target/est.	2017–18 Actual
Service: Government recordkeeping and archives		
Effectiveness measures		
Overall customer satisfaction with Queensland State Archives' delivery of services to the public <i>This service standard is based on a biennial customer satisfaction survey conducted for Queensland State Archives (QSA), with the next survey to be conducted in 2019.</i>	N/A	N/A
Percentage of clients satisfied with the services provided by Queensland State Archives	≥80%	78%
Efficiency measures		
Average cost to Queensland State Archives per record accessed <i>The variance between 2017–18 Target/Estimate and 2017-18 Actual reflects the success of Queensland State Archives' focus on digital access channels. The number of records accessed digitally grew by more than 60% in 2017–18.</i>	\$10.00	\$4.07
Service: Digital economy³		
Effectiveness measures		
Proportion of stakeholders who are satisfied with digital capability development services, consultative and engagement processes <i>This new service 'Digital Economy' has been established to reflect the transfer of the digital economy function from the (former) Department of Science, Information Technology and Innovation ('Advancing Queensland through Innovation' service area) following machinery-of-government changes.</i>	≥84%	84%
Service: Open Data⁴		
Effectiveness measures		
<i>An effectiveness measure has been developed for this service and will be included in the 2018–19 Service Delivery Statement.</i>		
Efficiency measures		
<i>An efficiency measure is being developed for this service and will be included in a future Service Delivery Statement.</i>		

Notes:

1. This service area has been transferred from the (former) Department of Science, Information Technology and Innovation and was previously named 'Services for Queenslanders' in the 2017–18 Service Delivery Statement.
2. The new service 'Whole-of-government customer experience', introduced for the 2018–19 Service Delivery Statement, was transferred from the (former) Department of Science, Information Technology and Innovation ('Services for Government' service area) following machinery-of-government changes.
3. This new service 'Digital Economy' was established to reflect the transfer of the digital economy function from the (former) Department of Science, Information Technology and Innovation ('Advancing Queensland through Innovation' service area) following machinery-of-government changes.
4. This new service 'Open Data' was established to reflect the transfer of the open data function from the (former) Department of Science, Information Technology and Innovation ('Advancing Queensland through Innovation' service area) following machinery-of-government changes.

Strategic Information and Communication Technology (including QGCIO)

Our objective

To deliver specialist Information and Communication Technology (ICT) services and advice across government and the ICT industry, to support the achievement of government priorities and assist Queensland Government agencies to deliver their services and legislative responsibilities.

What we do

Strategic ICT supports the delivery of multi-agency ICT programs and projects, data analytics, and manages ICT strategic procurement arrangements and major ICT contracts.

Strategic ICT also delivers ICT infrastructure services through CITEC (reported separately on page 40).

QGCIO provides advice to government on digital ICT and digital investment.

Our achievements

Protecting government information

The department plays a key role in supporting the protection of government digital assets and information and cyber resilience. This important work helps maintain trust in government.

In 2017–18, we:

- improved whole-of-government cyber security capability through continual strengthening of information security policy, processes and practices
- raised awareness and boosted staff education through phishing simulation exercises and a government-wide cyber security incident response
- delivered vulnerability scanning of government information and technology assets
- provided advice and coordination for cyber security incidents to agencies and external cyber security organisations
- developed real-time collaboration channels to share threat intelligence across agencies and external partners, working with them to drive improvements.

Delivering efficient services across government

Assisting the government to run more efficiently through high quality advice, assurance and innovative government-to-government services is a focus for our department.

In 2017–18, we:

- supported cyber security preparations for the 2018 Commonwealth Games and provided on-site technical support during the event
- delivered the Queensland Government IT Graduate Program, supporting 87 participants from across 10 agencies and contributing to exciting and innovative IT projects across the state
- recruited 31 graduates in 2017, and saw 53 participants graduate from the 2016 intake
- delivered strategies, policies, standards and guidelines within the Queensland Government Enterprise Architecture (QGEA) governance framework to assist agencies to deliver quality frontline services, including the *Information Sharing Authorising Framework*, one of over 630 continually reviewed documents in the QGEA library
- progressed the HRIS Program (Human Resources Information System), which will see more than 15,000 public safety officers transition from four different systems onto a new payroll solution
- completed round two of the Testing Within Government (TWiG) program, enabling 11 small to medium enterprises to improve the positioning of their ICT products while addressing real business problems for the Queensland Government
- led the ICT Category function to:
 - manage ICT strategic sourcing and procurement arrangements
 - facilitate engagement between the ICT industry and government
 - manage critical multi-agency and whole-of-government ICT contracts that underpin government service delivery.

Our future focus

In 2018–19, the department will continue to harness digital technology to deliver responsive services to Queenslanders and government by:

- enabling small to medium enterprises to collaborate with the Queensland Government on a range of business problems through the Testing within Government (TWiG) program
- providing sound guidance to improve government investment in digital and ICT-enabling initiatives through the investment and assurance review processes
- continually improving government cyber security preparedness and increasing trust in the delivery of government services and information management
- assisting agencies with the digital transformation of core agency systems to better support the delivery of services to Queenslanders
- establishing new supply arrangements on behalf of government for telecommunications, corporate services software, network hardware and services, and IT management as a service
- working with interstate and federal stakeholders to agree on options for establishing an integrated national digital public safety radio network.

Service standards

Service area: Strategic Information and Communication Technology ¹	2017–18 Target/est.	2017–18 Actual
Effectiveness measures		
Percentage of whole-of-government spend awarded to small to medium sized enterprises (transactions over \$10,000)	≥16%	19%
Efficiency measures		
Operating cost per \$1,000 of managed spend on ICT goods and services <i>The positive result is due to lower than forecast expenditure costs.</i>	≤\$20	\$13.2

Note:

1. This service area was transferred from the (former) Department of Science, Information Technology and Innovation following machinery-of-government changes.

Our Commercialised Business Units

Building and Asset Services

Our objective

To partner with government agencies to strategically manage their building, construction and maintenance activities.

What we do

Building and Asset Services, in partnership with Queensland Government agencies, supports strategic asset management by managing risks for diverse building asset portfolios and providing expertise in the planning, procurement and delivery of new building infrastructure, asset and facilities management. In doing so, Building and Asset Services works closely with industry and local suppliers to maximise value for money procurement and contract management outcomes. This assists government agencies to meet their service delivery outcomes for the community and provide employment opportunities across the state including in regional and remote communities.



The Building and Asset Services Apprenticeship Program commenced, with regional panel interviews conducted by 22 June 2018. **17 recommended applicants have been approved for appointment.**

Our achievements

Supporting regional and remote communities

We continued to support outcomes and deliver employment opportunities across Queensland through our procurement and delivery activities.

In 2017–18, we:

- strengthened our procurement engagement with local and regional communities by developing a category management approach for building, construction and maintenance work
- implemented sustainable social procurement practices that contribute to building stronger communities
- delivered capital and maintenance programs in partnership with Aboriginal and Torres Strait Islander Councils, maximising employment opportunities and providing economic stimulation to remote communities
- facilitated swifter access to housing in Aboriginal and Torres Strait Islander communities by reducing preconstruction planning and procurement timeframes
- reintroduced the statewide Building and Asset Services Apprenticeship Program, paving the way for a new generation of qualified staff to deliver services across Queensland and provide employment in regional areas.

Safer, more secure homes

We delivered a number of initiatives aimed at improving safety in social housing and government employee housing.

In 2017–18, we:

- established the whole-of-government program framework for the supply and installation of smoke alarms in social and government employee housing dwellings
- established a state-wide supply panel to support the smoke alarm program comprised of six suppliers, three manufacturers and access to 132 stores across Queensland
- developed a targeted and accelerated four-year capital, maintenance and upgrade program for government employee housing.

Our future focus

In 2018–19, the department will continue to deliver responsive and efficient initiatives that make a difference to Queenslanders by:

- partnering with Queensland Government agencies to manage their service delivery needs across a wide range of strategic asset management portfolios, including project and construction management
- implementing the enhanced *Queensland Procurement Policy* government commitments to further harness procurement spend to help drive local employment and build prosperity in our regions
- implementing the revitalised statewide Building and Asset Services Apprenticeship Program, creating employment opportunities and supporting pathways to training, skills and jobs
- implementing the smoke alarm program to social housing and government employee housing dwellings to meet Queensland Fire and Emergency Services legislative requirements.

Service standards

Building and Asset Services	2017–18 Target/est.	2017–18 Actual
Effectiveness measures		
<p>Overall customer satisfaction <i>This is a biennial measure with the next survey to be undertaken in 2019–20. Variance between the 2017–18 Target/Estimate and 2017–18 Actual is due to BAS service alignment with customer agencies delivering on government priorities, which resulted in a better than anticipated result.</i></p>	80%	84%
<p>Percentage of maintenance spend on Building and Asset Services customer facilities with regional suppliers <i>The variance between 2017–18 Target/Estimate and 2017–18 Actual is due to the results calculated based on the spend with contractors inside the BAS region of where the work is located divided by the total expenditure. As this calculation methodology has not been updated to align with the 1 September 2017 release of the new Queensland Procurement Policy (QPP) and Buy Queensland Strategy (Strategy) requirements, the SDS target could not be achieved. The QPP and Strategy clearly defines local supplier (i.e. whether location of workforce is within radius of 125 km to location of work). This has resulted in BAS having to invite contractors from multiple regions to quote for works due to the fact they are within 125 km of the location of works, which has therefore resulted in contractors who are not located inside the same BAS region where the works are located, winning the works.</i> <i>This service standard is being discontinued in 2018–19 as the introduction of the QPP released in 2017 has required further refinement of the measure to align with the intent of QPP requirements. A replacement measure, 'Percentage of maintenance spend on Building and Asset Services customer facilities with Local Zone 1 suppliers (based on physical location of contractor's workplace)' has been developed and introduced.</i></p>	88%	87%
Efficiency measures		
<p>Gross profit as a percentage of revenue generated from work delivered on behalf of BAS customers <i>Variance between 2017–18 Target/Estimate and 2017–18 Actual is mainly due to the products and services delivered and the related gross profits achieved.</i></p>	7.9%	8.4%
<p>Net profit before tax and dividends as a percentage of sales <i>Variance between 2017–18 Target/Estimate to 2017–18 Actual is mainly due to the increase in contribution from higher volume of sales.</i></p>	0.1%	1.2%
<p>Current ratio <i>Variance between 2017–18 Target/Estimate to 2017–18 Actual is mainly due to the general movements in business operational activity.</i></p>	1.76:1	1.59:1

CITEC

Our objective

To provide Queensland Government departments, statutory bodies and commercial clients with ICT infrastructure and information brokerage services that support the delivery of quality frontline services to Queensland communities and businesses.

What we do

CITEC delivers consolidated, core ICT infrastructure services for the Queensland Government, covering data centre, network, storage, data protection, and ICT platform and solution integration services. CITEC also delivers information solutions to customers in business and the community Australia-wide on a fully commercial basis.

Our services

- CITEC Information and Communications Technology
- CITEC Information Brokerage (IB)

Our achievements

Delivering quality ICT infrastructure services

Throughout the year, we delivered consolidated core services for the Queensland Government, including the provision of cyber security services.

In 2017–18, we:

- helped maintain trust in government by supporting the protection of digital assets, and providing information and cyber resilience
- ensured the ICT network and platform for the government reliably supported frontline service delivery by maintaining an availability rate of 99.99 per cent on over:
 - 22,000 network devices
 - 2,000 servers
 - 2,200 terabytes of stored data
 - 30 terabytes of internet data each day
 - 2,800kW of data centre power.

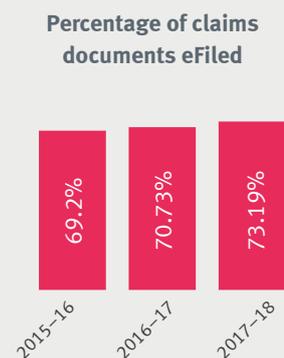
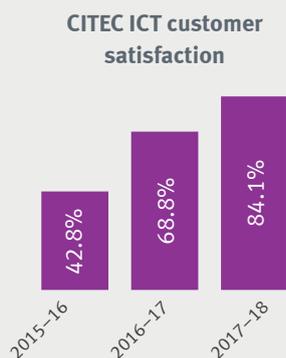
- supported the processing of an estimated 19 billion government business transactions each week (worth over \$40 billion per year) on our infrastructure
- achieved the globally recognised, best practice-accreditations ISO9001 Quality Management and ISO27001 Information Security Management Systems (Data Centres) recertification
- implemented additional pilot sites for the shared connectivity initiative in Maroochydore, Townsville and Cairns, reducing telecommunications costs, improving connectivity and increasing collaboration for partner agencies
- migrated a number of different agency systems onto the Queensland Government cloud to help mitigate the risks associated with aged, end-of-life or out-of-support legacy infrastructure
- implemented a service line review for storage services, delivering savings of \$2.4 million per year back to agencies, improving performance and reliability in storage services.

Managing data

Our data management and analytics activities continued to support agencies across government.

In 2017–18, we:

- delivered a data hosting solution for whole-of-government human resources data for the Public Service Commission
- delivered an interactive, geo-coded dashboard for analysing the impact of unpaid State Penalty Enforcement Registry debts for Queensland Treasury
- delivered an interactive analytics dashboard to give a holistic understanding of the relative strengths and weaknesses in disaster management across Queensland for the Inspector-General Emergency Management
- delivered a data and analytical model to link multiple datasets, including place-based data, to better understand current and future demand for housing and homelessness services
- enabled more than 73 per cent of Queensland Magistrates Court claims documents to be filed electronically (eFiling), delivering efficiencies for businesses by streamlining their debt recovery processes.



data based on calendar year, not financial year

Our future focus

In 2018–19, the department will continue to provide responsive and integrated ICT infrastructure and information brokerage services that support the Queensland Government’s priorities by:

- improving bandwidth in regional areas by extending the multi-agency shared connectivity service to various locations across the state including Far North Queensland
- implementing the outcomes of evaluations of the *Data Centre Strategy* which will leverage the Data Centre as-a-Service panel
- further maturing cyber security operations, including hunting, intrusion detection and protection capabilities, and growing the operational network for threat and intelligence sharing
- collaborating with agencies to deliver data insights and analytics projects and commencing a whole-of-government data sharing program.

Service standards

CITEC ¹	2017–18 Target/est.	2017–18 Actual
Effectiveness measures		
CITEC ICT customer satisfaction <i>CITEC ICT has successfully implemented a dedicated program of work to improve services and outcomes for its customers. This is reflected in the high result for 2017–18 Actual.</i>	>70%	84%
Efficiency measures		
CITEC ICT earnings before interest and tax less depreciation and amortisation (EBITDA) <i>Positive variance between 2017–18 Target/Estimate and 2017–18 Actual is due to lower than budgeted expenses and higher than anticipated revenue.</i>	(\$2.373m)	\$3.395m
Service: CITEC information Brokerage		
Effectiveness measures		
CITEC IB customer satisfaction <i>The positive result for 2017–18 is attributed to high levels of customer satisfaction with the CITEC Confirm Service Centre as well as the quality and timeliness of the CITEC Confirm service.</i>	>80%	91%
Efficiency measures		
CITEC IB earnings before interest and tax less depreciation and amortisation (EBITDA) <i>Positive variance between 2017–18 Target/Estimate and 2017–18 Actual is due to efficient management of costs and revenue streams.</i>	(\$3.707m)	(\$0.068m)

Note:

1. This service area was transferred from the (former) Department of Science, Information Technology and Innovation following machinery-of-government changes.

QFleet

Our objective

To deliver benefits to the government through aggregated procurement of vehicles and associated services and the provision of a central pool of expertise in fleet management.

What we do

QFleet is responsible for whole-of-government fleet policy development and implementation. Services include vehicle procurement and contract management, fleet advisory services to public sector departments, as well as government-funded organisations, in-service maintenance, accident management, and end-of-life repairs and vehicle remarketing. This supports government agencies to meet their service delivery outcomes for the community.

Our achievements

Environmentally sustainable solutions

During the year, we released the *QFleet Electric Vehicle Transition Strategy for the Queensland Government motor vehicle fleet* and the *QFleet Environmental Strategy for the Queensland Government motor vehicle fleet*.

These strategies outline our approach to proactively developing an environmentally sustainable fleet and reducing emissions in the government's fleet of more than 10,000 passenger and light commercial vehicles.

We continued to develop innovative solutions throughout the year, to deliver on our environmental sustainability commitment.

In 2017–18, we:

- purchased Australian Carbon Credit Units to offset QFleet's 2016–17 motor vehicle greenhouse gas emissions through the Aboriginal Carbon Fund Pty. Ltd. which was delivered through three savannah burning projects led by traditional owners in Kowanyama, Aurukun and Pormpuraaw
- partnered with the Department of Environment and Science to develop and implement strategies to offset the Queensland Government motor vehicle fleet's 2017–19 greenhouse gas emissions.

Delivering value through efficiencies

We continued to seek greater value and support for employment and economic opportunities throughout the year, through efficient use of resources.

In 2017–18, we:

- implemented the Standing Offer Arrangement for tyres and associated services, including a mandated membership to Tyre Stewardship Australia which helps reduce the amount of end-of-life tyres damaging the environment via landfill, illegal dumping or undesirable export while increasing the recycling rate of end-of-life tyres
- implemented the pilot Brisbane CBD car sharing model and undertook a desktop feasibility study of car sharing in regional locations to improve vehicle use and lower overall fleet operational costs
- implemented the aggregated motor vehicle procurement program for 2017–18 following negotiations with vehicle manufacturers to deliver improved value for money in government vehicle procurement.

Our future focus

In 2018–19, the department will continue to deliver responsive fleet initiatives that will make a difference to Queenslanders by:

- implementing the car sharing model to applicable Queensland Government departments in the Brisbane CBD and in one regional location
- purchasing a software-as-a-solution fleet management system, and commencing implementation in partnership with the Public Safety Business Agency and the Queensland Ambulance Service
- implementing the *QFleet Environmental Strategy and QFleet Electric Vehicle Transition Strategy* and continuing to improve the environmental profile of motor vehicles available to government departments to deliver frontline services to Queenslanders
- awarding a new Standing Offer Arrangement for the provision of motor vehicle disposal and remarketing services for the Queensland Government fleet.

Service standards

QFleet	2017–18 Target/est.	2017–18 Actual
Effectiveness measures		
Overall customer satisfaction <i>This is a biennial survey with the next survey to be undertaken in 2019–20.</i>	85%	85%
Efficiency measures		
Current ratio <i>Variance between the 2017–18 Target/Estimate and 2017–18 Actual is mainly due to a higher than budgeted operating surplus which increases the provisions for tax and dividends in current liabilities.</i>	3.2:1	2.04:1
Return on net assets <i>Variance between the 2017–18 Target/Estimate and 2017–18 Actual is mainly due to a higher operating surplus.</i>	3.4%	6.9%
Gearing level	65%	66%
Percentage of vehicle fleet use compared to agreed lease parameters	90%	87.3%

Queensland Shared Services

Our objective

To provide modern corporate services and trusted advice to other government departments and statutory bodies to enable them to meet government policies and objectives.

What we do

Queensland Shared Services facilitates a range of corporate services including finance and human resource (HR) management to government departments and statutory bodies, excluding Queensland Health and the Department of Education and Training.

Our achievements

Delivering services across government

We delivered a range of services and activities throughout the year that contributed to the efficient running of government.

In 2017–18, we:

- provided high-quality advice, assurance and innovative government-to-government services
- collaborated with our customers to deliver HR/payroll and finance migration for agencies impacted by machinery-of-government changes
- paid approximately 70,000 Queensland Government employees, under 13 Acts, 18 Awards and 18 Certified Agreements, with 99 per cent accuracy
- facilitated 3,798 community recovery payments totalling \$1.6 million for 2018 disaster events.

Digital transformation

We continued to reshape our engagement and services to government customers during the year, through digital transformation, collaboration and economies of scale.

In 2017–18, we:

- delivered a system upgrade to the shared finance solution and a single agency HR/payroll solution
- migrated employees from an out-of-support payroll system to the supported shared payroll system
- implemented systems to enhance quality controls on Queensland Government corporate card payments to minimise risk of fraud
- changed HR/payroll systems to enable Queensland public servants to choose an alternative superannuation fund provider.

Our future focus

In 2018–19, the department will continue to deliver responsive services and initiatives that will make a difference to Queenslanders by:

- maintaining and upgrading HR/payroll and finance systems to enhance functionality
- partnering with agencies to migrate the remaining out-of-support payroll systems
- collaborating to deliver data and analytics solutions, such as corporate identity management and system integration, to provide real-time reporting and insights for agencies
- piloting robotics software to gain efficiencies and increase accuracy from repetitive data entry tasks
- collaborating to deliver a single sign-on solution for customers.

Service standards

Queensland Shared Services ¹	2017–18 Target/est.	2017–18 Actual
Service area: HR		
Effectiveness measures		
Percentage of Payroll Services delivered within Service Agreement standards	≥97%	99%
Client satisfaction with HR services <i>The 2017–18 Actual results for HR is below the target of 80% and in 2018–19 QSS will continue to focus on improvements through improved technology and business processes. Based on customer feedback, designing services to make them more streamlined and seamless for end users, is expected to increase customer satisfaction with HR and Finance Services.</i>	80%	55%
Efficiency measures		
Number of pays processed per full-time equivalent (FTE) per fortnight <i>Variance between 2017–18 Target/Estimate and 2017–18 Actual is due to several enterprise bargaining increases being delivered during the period along with a significant increase in the proportion of manual forms and timesheets that needed to be processed. This has required resourcing to be maintained at original levels resulting in less pays processed per FTE. QSS is working with the Customer Board to deliver improvements to pricing in 2018–19 which will assist customers to move away from manual channels which in turn will improve the performance.</i>	≥350	303
Service area: Finance		
Effectiveness measures		
Percentage of Finance Services delivered within Service Agreement standards <i>Variance between 2017–18 Target/Estimate and 2017–18 Actual is due to one specific finance service not meeting the service agreement. The service of processing vendor and customer master data requests did not meet the targets for several months due to additional fraud protection controls and checks being added. These resulted in longer processing times. Adjustments to staffing levels to cater for the longer processing times were not made immediately, however QSS has now adjusted workload distribution to ensure the staffing levels are adequate and service agreements have been restored.</i>	≥95%	85%
Client satisfaction with Finance Services <i>The 2017–18 Actual results for Finance Services is below the target of 80% and in 2018–19 QSS will continue to focus on improvements through improved technology and business processes. Based on customer feedback, designing services to make them more streamlined and seamless for end users, is expected to increase customer satisfaction with HR and Finance Services.</i>	80%	57%
Efficiency measures		
Number of accounts payable transactions processed per FTE per annum <i>The increase in 2017–18 Actual result is due to the increased use of electronic workflow and process automation in the accounts payable function.</i>	≥7,500	9,422

Notes

1. This service area was transferred from the (former) Department of Science, Information Technology and Innovation following machinery-of-government changes.

Our people

Workforce profile

Staffing

SERVICE AREAS	STAFFING NUMBERS ¹ 30 June 2018
Housing and Homelessness Services	1,173.3
Building Industry and Policy	88.1
Public Works and Asset Management	1,172.1
Queensland Government Procurement	93.4
Sport and Recreation Services	252.3
Digital Capability, Information and Transaction Based Services	576.8
Queensland Shared Services	929.9
Strategic ICT	366.8
Queensland Government Chief Information Office	52.5
Corporate Services	580.5
TOTAL	5,285.7

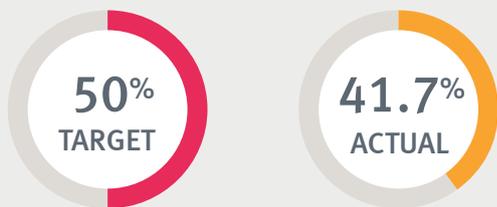
1. All FTE data is based on active and paid parameters



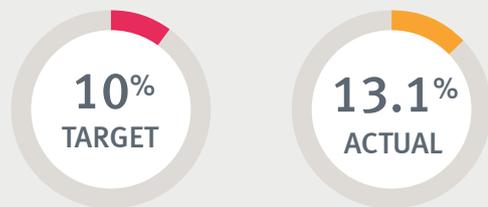
Due to the impact of machinery-of-government changes, a separation rate is not able to be calculated for the 2017–18 report.

Equity statistics as at 30 June 2018

Women in senior management
(Senior Executive Service and Senior Officer positions)



People from a non-English speaking background



Aboriginal and Torres Strait Islander staff



People with a disability



Strategic workforce planning

Our *People and Culture Strategy 2016–20* identifies our department's strategic workforce priorities and aligns with the delivery of the whole-of-government and departmental priorities as well as key themes arising from the annual Working for Queensland Survey.

Managing employee performance

The department's *Performance Excellence Framework* fosters and supports a workplace culture of high performance through programs, initiatives and actions that maximise the potential of our employees. This framework is achieved through focusing on the following four key areas of the employment relationship:

- recruit and induct
- engage
- perform and review
- recognise and reward.

In 2017–18, we rolled out a suite of performance excellence resources including:

- Leading Performance: Workplace Conversations (111 attendees)
- Recruitment and Selection (85 attendees)
- Practical Emotional Intelligence (137 attendees).

Workplace attendance

As at 30 June 2018, the annual number of days of unplanned absenteeism per employee was 11.05 days for the pre-machinery-of-government areas of department. This is an increase by an average 0.66 days per employee against the 30 June 2017 result of 10.39. The annual unplanned absenteeism days per employee for Digital Technology (former DSITI areas) was 12.24 days and Sport and Recreation Services was 8.82 days.

Addressing absenteeism through a range of strategies is a priority for our department.

In 2017–18, we:

- implemented the *Healthy and Safe Workforce Action Plan 2018–20*
- achieved White Ribbon Australia Workplace Accreditation demonstrating our commitment to supporting employees affected by domestic and family violence
- offered access to the Employee Assistance Services and the Early Intervention Centre as a means of reducing the rate and impact of employee injury and illness, both physical and psychological
- provided initiatives such as health assessments, skin checks and flu vaccinations through the department's Pathways Health and Wellbeing Program
- provided ongoing quarterly business area and employee unplanned absenteeism reports
- delivered the Managing for Results Workplace Health and Safety training program including domestic and family violence, risk management and workplace behaviours.

Leadership and management development

Our leadership and management development programs are an important component in the development of our future leaders and improving leadership capability across the department.

Our programs include the Leadership at all Levels Framework, Managing for Results (M4R), Taking the Lead and Emerging Leaders Program (ELP).

In 2017–18, we:

- supported 47 employees to complete the Managing for Results program, which focuses on the foundational skills of management and leadership to optimise individual and organisational productivity, performance and service delivery
- supported 64 employees to complete our Taking the Lead program, which aims to help participants to effectively lead and influence, inspire others and provide direction
- continued to support the 13 new graduates recruited across three different graduate programs in 2016–17, with these two-year programs continuing during 2017–18
- continued to roll out the *Performance Excellence Framework* module, Leading Performance: Workplace Conversations sessions
- developed the Practical Emotional Intelligence session, with 137 employees attending the one-day workshop
- continued to expand the MyCareerHub learning management system (LMS) with a total of 27,256 course enrolments registered
- in addition to its five mandatory modules, MyCareerHub:
 - now hosts over 230 courses or recordable activities covering a wide range of topics, business areas and course categories
 - provides a platform for hosting various e-learning courses
 - manages divisional or role specific compliance-based documents and presentations
 - provides end-to-end administrative functionality for face-to-face training.
- reviewed the system support structure for MyCareerHub following its full implementation, to ensure we were using the system to its full capability, capturing all departmental training and managing its growing system functionality
- adopted and established a decentralised support model and a Learning Coordinator Network to cater to the department's geographical and functional diversity
- granted MyCareerHub system access to existing users who regularly develop, administer and coordinate area-specific training, as well as provide system support to their respective divisions
- adopted two existing learning management systems – MyCareer (former DSITI) and iLearn (Sport and Recreation) following machinery-of-government changes in December 2017, while we explore opportunities to consolidate all employees on a single LMS solution.

Supporting work-life blend

We continued to support flexible working arrangements through a range of flexible work possibilities.

All staff have the right to request a flexible arrangement, related to the hours they work, the places they work and the types of arrangements they use, such as using a distributed work centre which allows employees to work from a designated office space that is closer to their home.

Our Employee Assistance Service also continued to support employees to manage their work-life blend through professional coaching and support provided by face-to-face consultations, telephone and online counselling services.

Workplace health, safety and wellbeing

In addition to the five Queensland public sector values, a sixth 'Healthy and Safe Workforce' value continues to be a focus for us.

In 2017–18, we:

- continued to implement the *Healthy and Safe Workforce Action Plan 2018–20* which focuses on improving workplace health and safety systems and culture to improve our overall workplace health and safety performance
- had a reduction in worker's compensation statutory costs
- achieved White Ribbon Australia Workplace Accreditation, demonstrating our commitment to supporting employees affected by domestic and family violence
- established the Workplace Health and Safety Sub-Committee to support our workplace health and safety strategic objectives
- installed Automatic External Defibrillators in our workplaces
- successfully recertified the Building and Asset Services safety management system to *AS/NZS 4801:2001 Occupational health and safety management systems*
- facilitated the completion of online workplace health and safety inductions for over 23,500 contractors engaged by Building and Asset Services
- delivered Domestic and Family Violence training to over 50 per cent of our staff
- conducted over 1,700 skin cancer checks
- administered over 3,500 seasonal influenza vaccinations.

Industrial and Employee Relations Framework

There are four certified agreements covering employees in the department:

- *QBuild Field Staff Certified Agreement 8 (2011)* – covering Building and Asset Services field staff
- *Building and Asset Services Office Staff Certified Agreement 2016* – covering Building and Asset Services office staff
- *QFleet Certified Agreement 2016* – covering QFleet staff
- *CITEC Certified Agreement 2016* – covering CITEC staff
- *State Government Entities' Certified Agreement 2015 (Core Agreement)* – covering the remainder of the department's employees.

During 2017–18, we continued to negotiate a replacement certified agreement for Building and Asset Services field staff.

Throughout the year, we continued to actively implement the government's policies on union encouragement and employment security.

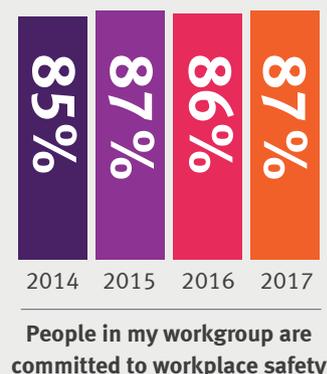
We also actively encourage unions in the workplace by:

- providing information about unions to new employees
- allowing employees full access to union delegates or officials during work hours
- acknowledging the role the union delegates have to play within the workplace through continued operation of consultative committees at the agency and local work unit level.

Our department has also actively supported employment security by maximising permanent employment through the continued conversion of temporary employees to permanent, where possible. We also actively consult with unions about organisational change and restructuring.

Early retirement, redundancy and retrenchment

During 2017–18, there was no redundancy costs to our department.



Code of Conduct

The *Code of Conduct for the Queensland Public Service* sets out the standards of behaviour that apply to all employees.

The Code of Conduct also applies to volunteers, students, and on-hired personnel who perform work in any capacity for the department.

During 2017–18, we continued to train all employees on the Code of Conduct during induction and then annually thereafter. Our department also provides workplace behaviour training to staff which aligns with the standard of behaviour outlined in the Code of Conduct.

Volunteers, students, and on-hired personnel also trained in the Code of Conduct during induction.

Celebrating achievements

The achievements of staff were celebrated throughout the year, through a series of formal and informal events including:

- divisional awards ceremonies
- departmental Recognition of Excellence Awards ceremony (held on 27 October 2017)
- Australia Day Achievement Awards ceremony (held on 26 January 2018)
- National Aboriginal and Islanders Day Observance Committee (NAIDOC) Awards ceremony (held on 4 July 2017).

Special events

We also celebrated a number of special events and observances.

In 2017–18, we:

- contributed over 13,000 handwoven stars to the One Million Stars to End Violence project, a temporary public art installation by Maryann Talia Pau, forming part of Festival 2018 for the Commonwealth Games and displayed in King George Square during March and April 2018
- raised funds and awareness for a number of charities supporting people who have experienced domestic and family violence, and people who are experiencing, or are at risk of homelessness
- continued to display two specially designed canvases in regional workplaces to raise awareness of the White Ribbon message and celebrate the achievement of White Ribbon Workplace Accreditation
- encouraged staff to participate in the CEO Challenge Darkness to Daylight Challenge Run in May 2018, to raise funds and help shine a light on the issue of domestic and family violence
- supported our Director-General and other departmental leaders to join the Vinnies CEO Sleepout in June 2018, with our leaders raising over \$14,000 to help fight homelessness
- launched the Workplace Health and Safety Risk Management e-learning module during Safe Work Month in October 2017, and celebrated the month across the department through a range of local initiatives.

CASE STUDY



Building Industry Fairness Reforms

The Queensland Government's new *Building Industry Fairness (Security of Payment) Act 2017* brings together three separate pieces of legislation to protect subcontractors and implement Project Bank Accounts.

The new laws mean Queensland will have the strongest protections for subcontractors anywhere in Australia.

Project Bank Accounts will safeguard progress payments from head contractors to first-tier subcontractors and protect subcontractors' retention monies in the event head contractors become insolvent.

Phase 1 of Project Bank Accounts, which commenced on 1 March 2018, covers all government building projects valued between \$1 million and \$10 million. Phase 2 will extend Project Bank Accounts to all private sector projects over \$1 million and is expected to commence in 2019.

The department the effective implementation of Project Bank Accounts by providing unlimited support to government agencies, building contractors and the banking sector.

This included an extensive suite of customer focused materials published for principals, head contractors, subcontractors and banks to assist with their understanding and compliance.

Information sessions were conducted across the state for head contractors and consultants to ensure readiness and understanding of the PBA requirements by all parties involved in first contracts.

Between February and June 2018, we conducted 28 intensive, small group information sessions, attended by 264 head contractors and consultants across Queensland, including in Cairns, Townsville, Mackay, Gladstone, Gold Coast and Rockhampton. Future sessions will deliver a further 13 sessions to more than an estimated 1,000 subcontractors.

Since the commencement of PBAs, 20 government projects requiring PBAs have been awarded and as at 30 June 2018, there had been 12 projects awarded. The protections afforded by PBAs will ensure subcontractors working on these projects can be confident they will be paid for the work they do.



Community Digital Champions

The Advance Queensland Community Digital Champions program encourages Queenslanders to explore and enjoy the benefits of the digital age by sharing the stories and activities of inspirational Queenslanders.

Our Champions come from all walks of life and are passionate and outstanding individuals who want to give back to their communities by helping others to become digitally savvy.

They are teachers, young people, business people and seniors who represent a range of industries, communities and demographic groups throughout Queensland.

Champions like Penny Douglas who is passionate about empowering seniors to use digital technology, or fifth generation farmer James Walker who is showing farmers how diversification into tourism and technology can help rural properties in changing times.

Through their volunteer activities, the Community Digital Champions seek to show how being able to navigate the digital world can dramatically enhance quality of life.

As a result, this contributes to economic, educational and social outcomes for all Queenslanders.

Champions are based throughout the state and help a variety of groups gain skills including senior citizens, Aboriginal peoples and Torres Strait Islander peoples, people with a disability, people from non-English speaking backgrounds and people living in regional and remote communities.

The Queensland Government IT Graduate Program

Supported by the Queensland Government Chief Information Office, the program responds to the unique needs of government agencies, placing graduates in a range of technical and non-technical roles.

The program provides a two-year contract with a Queensland Government agency, an interactive learning program, networking opportunities across government, mentoring and support.

High numbers of graduates go on to gain established careers and opportunities on some of our most innovative digital projects, and contribute to our responsive and digital future.

Rebecca Farrell, who began the program in February as a graduate remote sensing scientist with the Department of Environment and Science, said the program was a great opportunity to really kick start her career.

“The workshops that the Graduate Program takes you through are amazing learning experiences and really help develop our skills,” she said.

The program has been running since 2007 and recruits an average of 35 graduates a year, placing them across five to 10 agencies. The IT Graduate Program is just one graduate recruitment strategy from the Queensland Government, supported in part by the Public Service Commission, which delivers the candidate application portal.

Graduates may have qualifications in technical and non-technical fields, including marketing, human resources, business analysis, software development, network support and information security.

CASE STUDY

Queensland Procurement Policy

Each year the Queensland Government spends over \$14 billion on the essential goods and services needed to deliver quality frontline services to Queenslanders.

Queensland Government’s agency-led, centrally enabled innovative procurement model has positioned the Queensland Government at the forefront of delivering effective and efficient procurement services.

The *Buy Queensland* approach which underpins the *Queensland Procurement Policy* is helping to ensure local businesses, quality jobs and better social outcomes are all front and centre when taxpayer dollars are spent, delivering maximum benefit to our state.

To encourage buyers and suppliers to adopt this approach and deliver improved services, extensive engagement sessions were delivered to 1,044 buyers and 1,494 suppliers in 17 locations around the state.

“I think this will be great for small business. We are a small business and we compete in a very competitive market place dominated by multi-national players, and I want to see that change in Queensland.”

The *Buy Queensland* approach has specific targets that support the achievement of the government’s economic, social and environmental objectives by ensuring greater opportunities for local businesses and social enterprises to supply to government and providing jobs and career pathways for disadvantaged Queenslanders.



Governance

Corporate governance is the set of responsibilities and the way a department sets direction and manages performance of its functions and operations. This is to ensure objectives are achieved, risks and control structures are managed, and accountabilities and obligations are discharged in accordance with our principles.

Our governance arrangements assist the Director-General, as the accountable officer, to meet the requirements of the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2009*, the *Public Sector Ethics Act 1992* and other legislative and accountability requirements.

We continue to maintain our commitment to high standards of professional conduct, and honest and ethical business practices, which effectively supports our department's strategic management and monitors the achievement of business objectives.

Executive Leadership Team

The Executive Leadership Team is our principal governing body. It supports the Director-General in meeting legislative requirements and accountabilities. The Executive Leadership Team is responsible for setting the strategic direction of the department, effective planning and resource allocation and overseeing the department's performance, program and project management.

The role of the Executive Leadership Team is to:

- set our department's goals and performance levels
- establish our department's culture and appetite for risk
- provide direction for our risk management system
- provide stewardship over the implementation of our programs and policies

- monitor performance against planned business activities as well as the financial performance of our department
- provide a forum for debating and discussing strategic and key operational issues.

Chair: Director-General

Members:

- Deputy Director-General, Housing and Homelessness Services
- Deputy Director-General, Public Works and Asset Management
- Deputy Director-General, Sport and Recreation Services
- Assistant Director-General, Building Industry and Policy
- Assistant Director-General, Corporate Services
- Assistant Director-General and Chief Advisor, Queensland Government Procurement
- Assistant Director-General, Strategic ICT
- Assistant Director-General, Digital Capability, Information and Transaction Based Services
- Assistant Director-General, Queensland Shared Services
- Queensland Government Chief Information Officer

As at 30 June 2018, the Executive Leadership Team was supported by seven committees which advised on matters within their terms of reference. The Chairs of these committees report to the Executive Leadership Team.



Our Executive Leadership Team as at 30 June 2018

Liza Carroll

Chair: Director-General

BEd, MEd (Hons)

Liza joined the Department of Housing and Public Works in August 2015. In her role as the Director-General, Liza leads the department in the delivery of a range of housing, building, sports, digital and procurement services across Queensland. She provides impactful leadership in order to enable whole-of-government collaboration in delivering on government's commitments and priorities.

Liza previously held the role of Associate Secretary, Head of Indigenous Affairs in the Department of Prime Minister and Cabinet, where she was responsible for bringing together over 1,500 staff from eight different departments to form the new Indigenous Affairs portfolio in 100 locations across Australia. Prior to this, Liza was the Deputy Secretary in the Department of Families, Housing, Community Services and Indigenous Affairs with responsibility for housing, homelessness, families, children, women's issues, gambling and community services.

Liza has a Master of Education (Hons) majoring in Sociology and a Bachelor of Education. She was awarded the Public Service Medal for her work leading 'Ahead of the Game: Blueprint for Reform in the Australian Public Service'.

Christine Castley

Member: Deputy Director-General, Housing and Homelessness Services

BA/LLB, MPA

Christine has been with the department since March 2016, bringing with her over 20 years' experience in the public sector, and has been instrumental in leading the development of Queensland's 10 year Housing Strategy. Christine has led and coordinated a wide range of whole-of-government social and justice issues in her previous role of Senior Executive Director of Social Policy with the Department of the Premier and Cabinet. In 2014–15, Christine led the Secretariat to the Government's Taskforce on Domestic and Family Violence. Christine has also worked in the Department of Natural Resources and Mines, the Department of State Development and the Queensland Performing Arts Trust.

Graham Atkins

Member: Deputy Director-General, Public Works and Asset Management

BASc (Quantity Surveying), ADip App Sc (Building)

Graham has vast experience in the building and construction industry spanning a number of decades. Graham has contributed to the Executive Leadership Team in his role as Deputy Director-General since joining the department in July 2011. Graham has held senior executive positions within other government departments, including Deputy Director-General of the Department of Education and Training, where he was responsible for infrastructure planning and delivery. Graham holds a Queensland Open Builders Licence.

Kimberley Swords

Member: Assistant Director-General and Chief Advisor, Queensland Government Procurement

BVSc (Hons), MBA, GAICD

Kimberley was appointed as Assistant Director-General and Chief Advisor, Queensland Government Procurement in April 2017.

Kimberley has a strong public-sector background, working most recently as Deputy Secretary in the Australian Department of Environment. She has also worked in Victoria for the Department of the Premier and Cabinet, and in a number of policy and program roles across the state's planning, transport and agriculture portfolios. Before joining the department, Kimberley was a Principal at the Nous Group, leading the public policy practice in Queensland.

Paige Ridgewell

Member: Deputy Director-General, Sport and Recreation Services

BLeisSt, MBA, MPP

Paige has more than 30 years' experience in the sport and recreation industry as an athlete, coach and administrator.

Since joining the Queensland Government in 1993, Paige has held positions in program development and delivery, infrastructure development, industry development and capacity building, land use planning, research, governance, legislation and policy. During her public service career, Paige has worked across a number of portfolios including main roads, racing, infrastructure and planning, national parks, sport and recreation.

Prior to this role, Paige was the Executive Director in Strategic Policy and Racing Industry Governance, where she successfully merged her government and industry experience to lead the development of strategic policy and strategic planning.

Don Rivers

Member: Assistant Director-General, Building Industry and Policy
Dip Arch, GDip (Building Project Mgt)

Don was appointed to the role of Assistant Director-General, Building Industry and Policy in July 2013. Don is responsible for the delivery of policy development and legislative reform related to the building industry and maintaining open and professional stakeholder engagement with the design and building construction sector on behalf of the department.

Don joined the department in 1995 after 20 years in the private sector as an architect, delivering many of Queensland's capital works projects. Don has held a number of positions in the department's former commercialised business unit, Project Services, including Regional Architect, Client Manager, Portfolio Director and General Manager.

Robyn Turbit

Member: Assistant Director-General, Corporate Services
BComm, BEcon

Robyn has worked in various iterations of the Department of Housing and Public Works for about 30 years. Robyn was appointed as the first Internal Audit Manager for the department and went on to fill a variety of positions until her appointment to the Assistant Director-General, Corporate Services position in 2007.

In the span of her 40-year career, Robyn has worked in various public and private sectors, predominantly in accounting, auditing and governance functions; and has undertaken roles using many employment styles, including full-time, part-time, telecommuting and contracting.

Dallas Stower

Member: Assistant Director-General, Strategic ICT
BBus (Comp), GradCert (PSM) GAICD

Dallas has over 30 years' experience in the ICT industry across a range of senior leadership positions. In his role as Assistant Director-General, Strategic ICT, Dallas leads the development and implementation of initiatives that strengthen Queensland's ICT service delivery. Dallas is responsible for ICT Strategic Sourcing, CITEC ICT, Strategic ICT Projects and CITEC Information Brokerage.

Dallas commenced his ICT career with the Department of Defence in Canberra and followed up with a number of roles in the Australian Public Service before returning to his home state of Queensland. His senior leadership roles in Queensland include General Manager, CITEC; Executive Director, Telecommunications and Digital Economy Coordination Office; and Chief Information Officer, Queensland Rail.

Andrew Spina

Member: Assistant Director-General, Digital Capability, Information and Transaction Based Services
BSc (Comp)

Andrew has worked in the Queensland public sector for more than 30 years and has extensive experience in leading the delivery of information and communications technology services and the delivery of government services.

Andrew has undertaken Deputy Director-General and Assistant Director-General roles providing strategic leadership to CITEC, ICT Strategic Sourcing, ICT Renewal, Smart Service Queensland, Queensland State Archives, the One-Stop Shop program and digital economy development programs.

Andrew's previous appointments include Associate Director-General, Government ICT, Department of Public Works; Chief Information Officer, Department of Communities and Public Works and Housing; and roles in CITEC and Treasury.

Irene Violet

Member: Assistant Director-General, Queensland Shared Services
MAICD, BA (Psych), BHealthSc, MBA

Irene has been in the role of Assistant Director General, Queensland Shared Services since May 2015. In this role Irene is responsible for modernising and optimising the shared services used by 25 Queensland Government agencies and departments. She brings to this role a wealth of experience in customer service, digital transformation and management of high-volume processing, primarily in a commercially oriented public-sector environment.

In her previous role as General Manager, Corporate Services at WorkCover Queensland, she was responsible for the contact centre, high volume processing centres and specialist advisory teams such as customer compliance. Irene also held a number of senior management roles in customer service at WorkCover.

Andrew Mills

Member: Queensland Government Chief Information Officer
BSc, MSc (Electronic Systems)

Andrew Mills was appointed Queensland Government Chief Information Officer in January 2014. In this role he provides independent advice to Ministers, Directors-General and agencies. Advice focusses on management and investment issues for information and communication technology (ICT) enabled initiatives from a whole-of-government perspective to deliver improved services to Queenslanders.

Andrew's priorities include increasing transparency of ICT projects in government, improving governance processes for investment in ICT, strengthening the Queensland Government's cyber security preparedness and improving the usage and sharing of data and information to improve services to Queenslanders.

Governance Committees

Audit and Risk Committee

The accountable officer has established an Audit and Risk Committee pursuant to sections 28(3) and 35(1) of the *Financial and Performance Management Standard 2009* (the Standard). The committee supports the Director-General in discharging responsibilities under the *Financial Accountability Act 2009* and the Standard, and other relevant legislation and prescribed requirements through the provision of independent advisory services.

The committee's charter sets out the authority, roles and responsibilities, membership and operations expected of the committee. The committee observed its charter in 2017–18 and had due regard to the *Audit Committee Guidelines*.

Chair: Eric Muir, FCPA (External Member)

Members:

- Assistant Director-General and Chief Advisor, Queensland Government Procurement
- Assistant Director-General, Queensland Shared Services (joined in March 2018)
- General Manager, Strategy, Policy and Programs, Housing and Homelessness Services
- Executive Director, Government Employee Housing, Public Works and Asset Management

External member:

- Neil Jackson, FCPA

In 2017–18, the Audit and Risk Committee:

- considered and endorsed the department's 2016–17 financial statements
- considered the client strategy, plan and fees proposed by the Queensland Audit Office
- considered Queensland Audit Office reports and associated recommendations
- considered internal audit reports and recommendations
- endorsed the internal audit charter as well as the strategic and annual internal audit plan
- considered the updates on financial management and risk management
- endorsed the committee's charter and workplan
- updated the Director-General on relevant matters, opinions, decisions and recommendations made by the committee
- assessed the effectiveness of the internal audit function
- performed a self-assessment on the effectiveness of the committee
- approved the closure of internal and external audit recommendations.

The Audit and Risk Committee met on five occasions during 2017–18.

Remuneration was paid to the two external members, Eric Muir (\$10,980) and Neil Jackson (\$9,948).

Information Steering Committee

The Information Steering Committee ensures that information and communications technology (ICT) services and capabilities employed by the department (through the Information Services Directorate) support the efficient operation of the department's business areas while aligning to the department's strategic objectives and the government's priorities and whole-of-government ICT strategies and objectives.

Chair: Assistant Director-General, Corporate Services

Members:

- Deputy Director-General, Housing and Homelessness Services
- Deputy Director-General, Public Works and Asset Management
- Deputy Director-General, Sport and Recreation Services
- Assistant Director-General, Building Industry and Policy
- Assistant Director-General and Chief Advisor, Queensland Government Procurement
- Assistant Director-General, Queensland Shared Services
- Assistant Director-General, Strategic ICT
- Assistant Director-General, Digital Capability, Information and Transaction Based Services
- Chief Information Officer, Corporate Services
- Chief Finance Officer, Corporate Services
- Queensland Government Chief Information Office representative

Observer:

- Director, Internal Audit

External Member:

- Nerida Budd, Gartner

In 2017–18, the Information Steering Committee:

- monitored progress, issues and risks for ICT projects for the department
- noted and assisted in the progress of the application portfolio management project, fleet management system replacement project and the car sharing model and implementation project
- noted the update on Information Standard 18 (IS18) information security report and the proposed establishment of the Information Security Management System
- endorsed in principle the eDRMS functionality rollout project
- endorsed the HPW ICT Dashboard and the *ICT Strategic Plan 2017–2021*
- noted the HPW key systems roadmap.

People and Culture Committee

The People and Culture Committee supports the Director-General and the Executive Leadership Team in ensuring a strategic focus is maintained in relation to people and culture that is aligned with corporate direction. The focus of the committee is to:

- guide the development, implementation and ongoing review of best practice people and culture strategies and programs
- provide leadership in the renewal of the department's organisational culture
- build workplaces that reflect the public service and the department's values.

Chair: Executive Director, Human Resources

Members:

- Executive Director, Central and South West Queensland Operations, Building and Asset Services, Public Works and Asset Management
- Executive Director, Customer Relationships and Program Management, Building and Asset Services, Public Works and Asset Management
- Director, Business Management, Government Employee Housing, Public Works and Asset Management
- Executive Director, Service Delivery, Housing and Homelessness Services
- Manager, Building Industry and Policy
- General Manager, QFleet, Queensland Government Procurement
- Manager, Workforce Capability, Human Resources, Corporate Services
- Area Manager, Service Delivery, Housing and Homelessness Services

During 2017–18, our department, through its People and Culture Committee:

- updated and continued the delivery of the *People and Culture Strategy*
- achieved an overall average improvement in positive scores of about 2.2% since 2016 – more specifically we have achieved significant improvements in organisational leadership (+5%), learning and development (+4%) and agency engagement (+3%)
- continued its participation in graduate programs, recruiting nine graduates as part of a two-year HPW Graduate Program, three graduates as part of the Policy Futures Graduate Program and one graduate as part of the IT Graduate Program
- continued to offer a range of centralised capability programs, aligned to the *Leadership at all Levels Framework and Performance Excellence Framework*
- went live with our learning and talent management system, MyCareerHub, with four mandatory and three optional online modules – intended both as a hosting platform for online learning, as well as a system to manage, simplify and automate much of the end-to-end administrative components of face-to-face training

- held the 18th annual Recognition of Excellence Awards
- delivered initiatives to enhance capability and provide a healthy and safe work environment
- promoted and participated in the White Ribbon Accreditation process.

Workplace Health and Safety Peak Committee

The Workplace Health and Safety Peak Committee is responsible for providing effective leadership and strategic direction in relation to the operation of our department's workplace health and safety management systems.

Chair: Director-General

Members:

- Deputy Director-General, Housing and Homelessness Services
- Deputy Director-General, Public Works and Asset Management
- Deputy Director-General, Sport and Recreation Services
- Assistant Director-General, Building Industry and Policy
- Assistant Director-General and Chief Advisor, Queensland Government Procurement
- Assistant Director-General, Corporate Services
- Assistant Director-General, Digital Capability, Information and Transaction Based Services
- Assistant Director-General, Queensland Shared Services
- Assistant Director-General, Strategic ICT
- Executive Director, Human Resources, Corporate Services

During 2017–18, our department, through its Workplace Health and Safety Peak Committee, endorsed the:

- implementation of the *Healthy and Safe Workforce Action Plan 2018–20*
- ongoing commitment to obtaining White Ribbon Accreditation, which is an integral component to providing support to our staff affected by domestic and family violence
- ongoing delivery of our Pathways Health and Wellbeing Program that supports staff to improve their overall health
- procurement and installation of Automated External Defibrillators in all workplaces
- establishment of the Workplace Health and Safety Sub-Committee
- external review of our workplace health and safety management system
- provision of employee and manager support services to improve our department's case management outcomes.

Property Asset Management Committee

The Property Asset Management Committee:

- ensures the effective utilisation and management of departmental built infrastructure
- oversees the linkage between service planning and service delivery and between built infrastructure policy formulation and delivery
- oversees the development of the departmental *Total Asset Management Plan*
- monitors the department's capital expenditure, project milestones, funding programs and reporting obligations
- monitors the department's asset valuation methodologies, results and impacts of revaluation exercises and review of impairment indicators.

Chair: Deputy Director-General, Public Works and Asset Management

Members:

- Assistant Director-General, Building Industry and Policy
- Chief Finance Officer, Corporate Services
- General Manager, Building and Asset Services, Public Works and Asset Management
- General Manager, Strategy and Policy, Housing and Homelessness Services
- General Manager, Strategy, Policy and Programs, Housing and Homelessness Services
- Executive Director, Capital and Assets, Housing and Homelessness Services
- Executive Director, Accommodation Office and Government Employee Housing, Public Works and Asset Management
- Executive Director, Building Industry and Policy
- Executive Director, Building Construction and Maintenance, Building Industry and Policy
- Executive Director, Contract Services, Building Industry and Policy
- Executive Director, Infrastructure and Regional Delivery, Sport and Recreation Services

In 2017–18, the Property Asset Management Committee:

- reviewed the *Total Asset Management Plan* outcomes, agreed to priority allocations and endorsed consequential budget and risk strategies
- monitored built-infrastructure delivery risks across both planning and construction phases
- fostered an asset management culture within the department which considers resilience outcomes.

Strategic Procurement Committee

The Strategic Procurement Committee advises the Director-General on procurement policy and practice and leads delivery of excellence in procurement across the department.

Chair: Assistant Director-General and Chief Advisor, Queensland Government Procurement

Members:

- Assistant Director-General, Corporate Services
- Assistant Director-General, Strategic ICT
- General Manager, Building and Asset Services, Public Works and Asset Management
- General Manager, Housing Strategy, Policy and Programs, Housing and Homelessness Services
- Executive Director, General Goods and Services, Queensland Government Procurement
- Executive Director, Building Construction and Maintenance, Building Industry and Policy
- Executive Director, Office of the Chief Advisor Procurement, Queensland Government Procurement
- Executive Director, Queensland Government Accommodation Office, Public Works and Asset Management
- Executive Director, Government Employee Housing, Public Works and Asset Management
- Executive Director, Infrastructure and Regional Delivery, Sport and Recreation Services

In 2017–18, the Strategic Procurement Committee:

- provided strategic direction to the department to implement the *Queensland Government Procurement Strategy 2017* and the *Queensland Procurement Policy 2018*
- commenced implementation of recommendations in response to the Queensland Audit Office report on confidentiality and disclosure of government contracts (Report 8: 2017–18)
- coordinated reporting on *Queensland Procurement Policy 2017* implementation to assess progress
- established a procurement capability baseline for the new department and developed the first ever four-year departmental strategic plan for procurement.

Strategic Planning, Performance Monitoring and Reporting

The department's *Performance Management Framework* defines our governance, planning, risk management and performance reporting arrangements.

The framework demonstrates how the department contributes to the achievement of the government's strategic priorities through our performance management approaches.

We ensure that our services are delivered efficiently and effectively through our performance reporting mechanisms. Our performance reporting arrangements are established in line with the Department of the Premier and Cabinet's *Queensland Government Performance Management Framework*.

In 2017–18, we further refined our governance, planning, risk management and performance reporting processes in response to changing business needs and machinery-of-government changes. These refinements ensured we continue to monitor progress towards achieving our strategic objectives and delivering our commitments, and strengthened our capacity to identify and respond to issues and support decision-making.

Risk Management

Our *Risk Management Framework* outlines the risk management processes and practices that guide risk management within the department and aligns it closely with our governance and accountability structures. Our risk appetite outlines the level of risk that the department is willing to accept in carrying out its operations. During 2017–18, we continued to have a moderate appetite for risk, except for workplace health and safety, and fraud and corruption – for which there is no tolerance.

Revision of the *Risk Management Framework* commenced during 2017–18. The revised framework will embrace best practice principles from across the Queensland public sector, accommodate impacts of machinery-of-government changes, and reflect the new international standard for risk management. The framework will be finalised in early 2018–19.

Actions to embed good risk management practices across the department are captured in the department's *Risk Management Strategy 2017–20*. This strategy outlines planned actions relating to risk management policy, processes, culture, capability and technology. It covers a three-year period and is revised annually. In accordance with the strategy, divisions progressed risk maturity actions, including those identified in risk management process audits undertaken during 2016–17. Communication, awareness-raising and capability development activities were undertaken during the year to reinforce good risk management practices.

Integrity Services

The department has a dedicated Integrity Services Unit which provides expert, high level advice, management and coordination of significant and complex public service administrative investigations about corrupt conduct matters (including fraud and corruption), as well as recommending and monitoring actions to prevent future wrongdoing.

The department demonstrates its commitment to maintaining high integrity standards through its integrity framework, which aims to deliver high performance, professional standards and public confidence through the effective prevention, detection and response to instances of fraud and corruption. The framework outlines the processes necessary to set, implement and monitor integrity standards, and manage instances of non-conformance.

During 2017–18, the department issued a suite of fraud and corruption prevention initiatives that form part of HPW's annual fraud and corruption prevention plan. These include regular emails and other communications relating to HPW's commitment and expectations to maintain the highest standards of professional conduct, ethical business practices and meeting public expectations of transparency and integrity and the department's zero tolerance to fraud and corruption.

Internal Audit

In accordance with section 29 of the *Financial and Performance Management Standard 2009*, the Director-General has established the Internal Audit function as a key component of the department's governance framework.

The Internal Audit function operates under an approved internal audit charter as required under Section 30 of the Standard. The charter defines the purpose, authority and roles and responsibilities of the function and is consistent with the requirements of the International Standards for the Professional Practice of Internal Auditing as set by the Institute of Internal Auditors. The Internal Audit function applies and upholds the principles of integrity, objectivity, confidentiality and competency under the Institute of Internal Auditors' formal Code of Ethics.

The Internal Audit function operates independently and provides assurance to the Director-General on whether the department's financial and operational controls are operating in an efficient and effective manner. It also supports the department through the provision of independent and objective consulting activities. The function has no direct authority or responsibility for the activities it reviews and does not have authority to perform operational functions or activities.

The Internal Audit function prepared a strategic audit plan which provided an overall strategy for the function and an annual internal audit plan setting out the audits intended to be carried out during the year.

Internal Audit has a quality improvement program to ensure the effective efficient and economical operation of the function.

Internal Audit coordinates its activities with the Queensland Audit Office to obtain satisfactory audit coverage and minimise duplication of effort.

In 2017–18, Internal Audit:

- completed 20 audits and three management requests which included performing data analytics
- provided consulting activities and participated in ongoing program and project assurance
- identified significant operational and financial risks by considering the department’s risk registers and risk management processes.

Internal Audit had due regard to the *Audit Committee Guidelines*.

Information Systems and Recordkeeping

Recordkeeping is actively managed within departmental business areas. The department’s recordkeeping policy suite provides formal assignment of the roles and responsibilities of all staff. The department manages records within business information systems and the electronic document and records management system (eDRMS).

In 2017–18 the department has made:

- significant progress in the capture and use of digital records through the department’s eDRMS within Housing Service Centres across Queensland
- annual version upgrades to the department’s eDRMS application to ensure the system is reliable and the information and records held are managed and secure
- the department’s eDRMS application compliant by adopting the new general retention and disposal schedule
- authorised disposal activities in accordance with authorised retention and disposal schedules annually
- regular stakeholder feedback available to Queensland State Archives in response to whole-of-government recordkeeping artefacts.

Information Technology

The Information Services Directorate has innovative, agile and cost-effective information technology services that enhance the delivery of quality services across the department through the *ICT Strategic Plan 2017–21*.

Supporting the Queensland Government’s digital adoption has changed the way ICT services are provided by highlighting the use of information, giving departmental staff the support, choice and creativity to be smarter in the way the department uses technology.

The Information Services Directorate Service Desk provides support to staff across the state. The Service Desk manages an average of 5,656 enquiries per month from departmental officers.

The increase in services in 2017–18 is due to the transition of the former Department of Science, Information Technology and Innovation into the department.

Service type	2015–16	2016–17	2017–18
Self service	2,011	1,600	1,319
In person	1,547	1,312	479
By form	6,534	6,838	1,045
By email	21,419	19,910	15,394
By phone	34,944	27,657	49,641
Total	66,455	57,317	67,878

External Reviews

Evaluation of Domestic and Family Violence 72-Hour Shelter and Mobile Support Services

- The Shelter and Mobile Support Services were established in 2015 in response to Recommendation 84 of the 'Not Now, Not Ever' Report. An evaluation of the initiative was completed in February 2018.
- The overarching finding of the evaluation was that the services addressed a need for housing support and increased the supported accommodation capacity in Brisbane and Townsville however did not deliver a distinct value over and above other crisis accommodation and support responses.
- The delivery of mobile support was also found to be an efficient and effective way to support many women and children.
- The evaluation found that the shelters meet contemporary design principles, in that they are accessible for people with disability, pet friendly, secure and private.
- The evaluation highlighted the availability of appropriate longer-term housing options and support as a critical element to achieve positive outcomes for women experiencing homelessness. It is expected that key actions being delivered through the *Queensland Housing Strategy 2017–2027* will deliver increased housing options for this cohort.
- The evaluation has provided useful insights to inform policy and service delivery development and many of the learnings have been embedded into the design and delivery of new shelter services.

Payment Card Industry Data Security Standards (PCI DSS) review

- Payment Card Industry Data Security Standards (PCI DSS) review – as part of Smart Service Queensland's ongoing Payment Card Industry (PCI) compliance requirements an annual independent review was conducted by Shearwater Solutions Pty Ltd (payment card industry specialist) in line with the current PCI DSS. The review confirmed Smart Service's Contact Centre and Queensland Government Service Centres were PCI-compliant in July 2017. This was re-certified in May 2018.

Other reviews

In 2017–18, the department was involved in several external reviews including:

- ASAE 3402 Assurance audit of CITEC 2017–18. QAO assessed CITEC's description of its internal controls over ICT infrastructure and related services as at 28 February 2018 and on the design of controls related to the control objectives stated in the description. QAO concluded that, in all material respects, CITEC's description of its internal controls over ICT infrastructure and related services were suitably designed. Nine audit recommendations were made and agreed to by CITEC to strengthen internal controls.

- ASAE 3402 Assurance Audit of Queensland Shared Services (QSS) 2017–18. QAO reported on QSS' description of its account payable, payroll and general IT control systems for processing customers' transactions from 1 July 2017 to 30 June 2018 and on the design and operation of controls related to the control objectives stated in the description. QAO concluded that, in all material respects, the QSS control objectives in the system descriptions were suitably designed and operated from 1 July 2017 to 30 June 2018. A total of nine audit recommendations were made and agreed to by QSS to strengthen internal controls.
- Auditor-General of Queensland: Report to Parliament No. 11: 2017–18 – Queensland state government: 2016–17 results of financial audits: the department obtained an unmodified audit opinion on the 2016–17 financial statements.
- Auditor-General of Queensland: Report to Parliament No. 8: 2017–18 – Confidentiality and disclosure of government contracts. QAO made a total of four recommendations in relation to contract disclosure and the use of confidentiality provisions in government contracts in February 2018. To action the recommendations, the Office of the Chief Advisor – Procurement, released guidance for government agencies on the use and disclosure of confidentiality provisions in government contracts. Work also commenced on enhancements to the guidelines for contract disclosure.

The department responds to recommendations made by Coroners in findings of inquests. In 2017–18, the department:

- as sole agency, provided an implementation update for one recommendation from a 2014 inquest dealing with fire safety in farm stay accommodation
- as lead agency, finalised reporting for one recommendation from a 2015 inquest relating to electrocution by passing legislative amendments to the *Queensland Building and Construction Commission Act 1991* in Parliament on 24 August 2017 which addressed the issues raised by the Coroner
- finalised reporting for a recommendation from a 2016 inquest regarding pool safety
- responded to four recommendations from a 2016 inquest relevant to building industry inspections and standards (relating to awnings) – as supporting agency provided an initial joint response with another department on three recommendations and as sole agency provided an initial response to a fourth recommendation
- responded to requirements for information in two coronial investigations where the deaths concerned occurred in a public housing property and a women's shelter respectively.

Whole-of-government plans and specific initiatives

We have a number of whole-of-government and specific purpose plans including:

- *Aboriginal and Torres Strait Islander Advancement Strategy and Action Plan 2017–20*
- ICT Disaster Recovery Plan
- *People and Culture Strategy 2016–20*
- *HPW Inclusion and Diversity Plan 2015–20*, which includes:
 - Multicultural Action Plan
 - Disability Services Plan
 - Cultural Capability Action Plan
- *Healthy and Safe Workforce Action Plan 2018–20*
- *Strategic Internal Audit Plan 2017–18*
- Fraud and Corruption Control Plan
- ICT Work Plan
- *HPW Waste Reduction and Recycling Plan 2017–20*
- *Open Data Action Plan 2017–19*
- Disaster Management Plan
- Queensland Government Enterprise Architecture (QGEA)
- *Queensland Housing Strategy 2017–27*
- *Digital 1st: Advancing our Digital Future 2017–21*
- *One-Stop Shop Plan 2013–18*
- IT Graduate Program
- Queensland Building Plan
- Queensland Government Procurement Plan

Specific initiatives

Our department is committed to building policy capability through participation in the whole-of-government Policy Futures Graduate Program. The aim of developing high-performing, outcomes-focused policy professionals is achieved by providing graduates a unique opportunity to undertake placements in three agencies over two years, including a 12-month learning and development program.

We are committed to a workforce geared for the digital future through our participation in the Queensland Government IT Graduate Program. The program is designed to complement the department's existing workforce strategy by meeting the specific skill shortages in IT roles and developing skills in the areas needed most.

We released the *Queensland Building Plan*, a blueprint that sets the Government's long-term strategic direction to deliver a safer, fairer, more sustainable building and construction industry.

The department continued to work closely with the Department of State Development, Manufacturing, Infrastructure, and Planning and other key built infrastructure asset owning agencies to develop the Building Information Modelling (BIM) draft policy and principles for Queensland. This will support the state's initiative to progressively implement the use of BIM on all major building and construction infrastructure projects by 2023.

National Agreements and National Partnership Agreements

In 2017–18, we worked collaboratively with other levels of government through the:

- Development and negotiation of a new National Housing and Homelessness Agreement (NHHA), which commenced on 1 July 2018 and will provide \$313.6 million in Commonwealth funding in 2018–19 and nearly \$1.6 billion over five years to 2022–23 to support housing and homelessness services for vulnerable Queenslanders. The NHHA replaces the National Affordable Housing Agreement (NAHA) and the Transitional National Partnership Agreement on Homelessness from 1 July 2018.
- Implementation of the Transitional National Partnership Agreement on Homelessness 2017–18, which secured a further 12 months of funding to enable homelessness service continuity whilst the National Housing and Homelessness Agreement was being developed.
- Implementation of the NAHA, which expired on 30 June 2018. The 2018 COAG Performance Report listed Queensland as 'improving' its performance against the NAHA benchmark for reducing homelessness, despite national figures not meeting the targeted reduction of seven per cent between 2008 and 2017–18.
- Expiration of the National Partnership Agreement on Remote Housing as at 30 June 2018 with agreement to extend finalisation of new constructions by 31 December 2018 and a new Employment and Education Facility by 31 December 2019. The 2018 COAG Performance Report listed Queensland as 'on track' to meet the National Partnership on Remote Housing performance benchmark for the construction and refurbishment of homes, whilst national progress was listed as 'not on track.'
- Participation in the Australian Government's review of the National Partnership on Remote Housing, and negotiation with the Australian Government around future funding arrangements for remote Indigenous housing in Queensland.
- Strata Title Inspection Scheme Project Agreement, which provides funding of up to \$12.5 million over a four-year period from 1 July 2018 to 30 June 2021 to the State, represented by the department to facilitate the provision of engineering assessment's on strata titled properties. The agreement's proposed objective is to reduce the cost of home, contents and strata insurance premiums in the cyclone areas of North Queensland.
- Intergovernmental Agreement between the Australian Government, states and territories that establishes the Australian Building Codes Board.
- Australasian Procurement and Construction Council, which is a peak council, the members of which are responsible for procurement, construction, asset management and property policy delivery for the governments of Australian states and territories, the Commonwealth and New Zealand.

Legislation administered by the Minister for Housing and Public Works, Minister for Digital Technology and Minister for Sport as at 30 June 2018

The Department of Housing and Public Works was established in 2012 under the *Public Service Act 2008* section 14(1).

- *Architects Act 2002*
- *Building Act 1975*
- *Building and Construction Industry Payments Act 2004*
- *Building Industry Fairness (Security of Payment) Act 2017*
- *Housing Act 2003*
- *Housing (Freeholding of Land) Act 1957*
- *Inala Shopping Centre Freeholding Act 2006*
- *Major Sports Facilities Act 2001*
- *Manufactured Homes (Residential Parks) Act 2003*
- *Mt. Gravatt Showgrounds Act 1988*
- *Plumbing and Drainage Act 2002*
- *Planning Act 2016* (to the extent the provisions relate to the administration of the development tribunal under that Act: Chapter 6; Section 282; and Schedule 1)
- *Professional Engineers Act 2002*
- *Public Records Act 2002*
- *Queensland Building and Construction Commission Act 1991*
- *Residential Services (Accreditation) Act 2002*
- *Residential Tenancies and Rooming Accommodation Act 2008*
- *Retirement Villages Act 1999*
- *Schools of Arts (Winding Up and Transfer) Act 1960*
- *Schools of Arts (Winding Up and Transfer) Act Amendment Act 1981*
- *Sports Anti-Doping Act 2003*
- *Subcontractors' Charges Act 1974*
- *Sustainable Planning Act 2009*

Statutory bodies

The following statutory bodies and authorities prepare separate annual reports that are provided to the Minister for Housing and Public Works, Minister for Digital Technology and Minister for Sport.

Name of body as described in the constituting Act	Constituting Act	Annual reporting arrangements
Board of Architects of Queensland	<i>Architects Act 2002</i>	Annual report to Parliament
Board of Professional Engineers of Queensland	<i>Professional Engineers Act 2002</i>	Annual report to Parliament
Queensland Building and Construction Commission	<i>Queensland Building and Construction Commission Act 1991</i>	Annual report to Parliament
Residential Tenancies Authority	<i>Residential Tenancies and Rooming Accommodation Act 2008</i>	Annual report to Parliament
Mt. Gravatt Showgrounds Trust	<i>Mt. Gravatt Showgrounds Act 1988</i>	Annual report to Parliament
Queensland Academy of Sport Board	<i>The Board is not established under an Act</i>	Included in Annual Report
Stadiums Queensland	<i>Major Sports Facilities Act 2001</i>	Annual report to Parliament

Government bodies, boards and committees

The following bodies, boards and committees were active during 2017–18 with reporting arrangements to the department.

Additional information on government bodies is available on the department's website:

 www.hpw.qld.gov.au

Development tribunals

The development tribunals provide a cost effective, timely and accessible non-court based dispute-resolution service for deciding appeals against decisions of local governments and private building certifiers about a range of building, plumbing and planning matters, and infrastructure charges notices. Referees are appointed by the Minister under the *Planning Act 2016* for a maximum term of three years at a time.

The Building Industry Fairness Reforms Implementation and Evaluation Panel

On 12 June 2018, the Honourable Mick de Brenni MP, Minister for Housing and Public Works, Minister for Digital Technology and Minister for Sport announced the establishment of the Building Industry Fairness Reforms Implementation and Evaluation Panel.

As a requirement of the *Building Industry Fairness (Security of Payment) Act 2017*, the panel has been appointed to evaluate the suite of 2017 building reforms, including the *Building Industry Fairness Act*, and the *Building and Construction Legislation (Non-conforming Building Products – Chain of Responsibility and Other Matters) Act 2017*.

The panel is chaired by Bronwyn Weir with Jennifer Robertson as Deputy Chair and Troy Lewis and Fionna Aitchison Reid as members.

Brisbane Housing Company Ltd

Brisbane Housing Company Ltd is a not-for-profit organisation that delivers affordable housing and mixed tenure developments that incorporate elements of social housing, National Rental Affordability Scheme market for sale product, retail and commercial space.

Brisbane Housing Company Ltd provides quarterly unaudited management accounts, and an annual audited balance sheet and profit and loss account to the department.

Queensland Academy of Sport (QAS) Board

The QAS Board provides advice and makes recommendations on policies, plans and practices to develop and nurture high performance sport in Queensland, and the overall direction of QAS.

The board provided expert advice on the National Sports Plan, the proposed amalgamation of the state institutes and academies of sports, community engagement activities and the QAS Strategic Plan.

The board does not have any corporate governance or statutory responsibilities and is not established under legislation.

Our locations

Department of Housing and Public Works

Head Office

1 William Street
Brisbane, Qld 4000
GPO Box 2457, Brisbane Qld 4001
Website: www.hpw.qld.gov.au

Corporate Services

AM60
60 Albert Street
Brisbane Qld 4000
GPO Box 2457
Brisbane Qld 4001
Phone: 07 3008 2901
Email: oadgcs@hpw.qld.gov.au

Building and Asset Services office locations

The regional offices are supported by a network of district offices and depots across the state.

Building and Asset Services

Level 5, AM60, 60 Albert Street,
Brisbane Qld 4000
GPO Box 2937
Brisbane Qld 4001
Phone: 07 3008 3300
Email: bas@hpw.qld.gov.au

South East Queensland

South East Queensland regional offices

45 Barrack Road
PO Box 626
Cannon Hill Qld 4170
Phone: 07 3008 2116
Fax: 07 3906 1722

Level 1, 19 Corporate Drive
PO Box 626
Cannon Hill Qld 4170
Phone: 1300 650 917

District offices

Sunshine Coast

14–28 Lee Street
PO Box 1680
Caboolture Qld 4510
Phone: 07 5432 0600
Fax: 07 5420 2050

South Coast

Level 3 Eastside Robina
232 Robina Town Centre Drive
Robina Qld 4226
PO Box 3156
Robina Post Shop
Robina Town Centre Qld 4230
Phone: 07 5514 9400
Fax: 07 5583 1943

Ipswich

Level 5, 117 Brisbane Street
PO Box 5
Ipswich Qld 4305
Phone: 07 3432 2813

Chermside

Level 2, 113 Kittyhawk Drive
Chermside Qld 4032
Phone: 07 3008 2116
PO Box 2088
Chermside Centre
Chermside Qld 4032

Depots

Beenleigh

George Street
Beenleigh Qld 4207
(back of Beenleigh State High School)
Phone: 07 3807 6394
Fax: 07 3287 5788

Borallon

75 Ivan Lane
Ironbark Qld 4306
Phone: 07 3432 2825

Northgate

36 Fraser Road
Northgate Qld 4013
Phone: 07 3406 9106
Fax: 07 3256 6239

Wacol

Old Moreton A Building
260 Wacol Station Road
Wacol Qld 4076
Phone: 07 3837 6501

Wide Bay Burnett

Wide Bay Burnett Regional Office

Maryborough

44 Ariadne Street
PO Box 299
Maryborough Qld 4650
Phone: 07 4123 9400
Fax: 07 4121 1948

District office

Bundaberg

85 Dr Mays Road
PO Box 3065
Bundaberg Qld 4670
Phone: 07 4158 9700
Fax: 07 4131 5760

Depots

Bundaberg

85 Dr Mays Road
Bundaberg Qld 4670
Phone: 07 4158 9700
Fax: 07 4131 5760

Gympie

8–10 King Street
Gympie Qld 4570
Phone: 07 5482 1827
Fax: 07 5482 7681

Kingaroy

51 Prince Street
Kingaroy Qld 4610
Phone: 07 4162 2129
Fax: 07 4162 5043

Maryborough

44 Ariadne Street
Maryborough Qld 4650
Phone: 07 4123 9400
Fax: 07 4121 1948

South West Queensland

South West Queensland Regional Office

Toowoomba

120-124 Mort Street
PO Box 666
Toowoomba Qld 4350
Phone: 07 4614 2300
Fax: 07 4615 3529

District office

Charleville

46 Edward Street
PO Box 177
Charleville Qld 4470
Phone: 07 4593 2200
Fax: 07 4656 5069

Roma

62 Arthur Street
PO Box 1029
Roma Qld 4455
Phone: 07 4578 4000
Fax: 07 4624 3009

Depots

Toowoomba

120–124 Mort Street
Toowoomba Qld 4350
Phone: 07 4614 2300

Charleville

46 Edward Street
Charleville Qld 4470
Phone: 07 4593 2200

Chinchilla

Leichardt Street
Chinchilla Qld 4470
Phone/Fax: 07 4668 9884

Roma

62 Arthur Street
Roma Qld 4455
Phone: 07 4578 4000

Central Queensland

Central Queensland Regional Office

Rockhampton

149 Bolsover Street
PO Box 247
Rockhampton 4700
Phone: 07 4838 9600
Fax: 07 4938 4831

District office

Emerald

14 McKenzie Street
PO Box 1012
Emerald 4720
Phone: 07 4988 1204
Fax: 07 4983 7451

Gladstone

7 Soppa Street
Gladstone Qld 4680
Phone: 07 4977 7103
Fax: 07 4979 2155

Mackay

36 Tennyson Street
PO Box 86
Mackay Qld 4740
Phone: 07 4862 7500
Fax: 07 4967 1031

Longreach

91 Galah Street
Longreach Qld 4730
Phone: 07 4658 3718

Depots

Bowen

Lot 303, Beach Avenue Queens
Beach
Bowen Qld 4805

North Queensland

North Queensland Regional Office

Townsville

9–15 Langton Street
Garbutt Qld 4814
PO Box 561
Townsville Qld 4810
Phone: 07 4412 2300
Fax: 07 4799 5401

District office

Mount Isa

5 Traders Way
Sunset Qld 4825
PO Box 1659
Mount Isa Qld 4825
Phone: 07 4437 2520
Fax: 07 4747 2777

Depots

Ayr

203 Edward Street
(cnr Churchill St)
Ayr Qld 4807
Phone: 07 4783 5367
Fax: 07 4783 5179

Charters Towers

Hodgkinson Street
Charters Towers Qld 4820
Phone: 07 4787 2367
Fax: 07 4787 7415

Doomadgee

Goodeedawa Road
Doomadgee Qld 4830
Phone: 07 4745 8086
Fax: 07 4745 8043

Ingham

Palm Terrace
Ingham Qld 4850
Phone: 07 4776 0972
Fax: 07 4776 3193

Mornington Island

Lardil Street
Gununa
Mornington Island Qld 4871
Phone/Fax: 07 4745 738

Mount Isa

5 Traders Way
Sunset Qld 4825
Phone: 07 4437 2520
Fax: 07 4747 2777

Normanton

7 Simpson Street
Normanton Qld 4890
Phone/Fax: 07 4745 1019

Palm Island

Butler Bay
Palm Island Qld 4816
Phone: 07 4770 1426

Townsville

9–15 Langton Street
Garbutt Qld 4814
Phone: 07 4412 2300
Fax: 07 4799 5401

Far North Queensland

Far North Queensland Regional Office

Cairns

31 Grove Street
PO Box 812
Cairns Qld 4870
Phone: 07 4232 4000
Fax: 07 4031 2560

District Office

Thursday Island

44 Victoria Parade
PO Box 397
Thursday Island Qld 4875
Phone: 07 4212 3390
Fax: 07 4069 1778

Depots

Atherton

20 Albrecht Street
PO Box 845
Tolga Qld 4882
Phone: 07 4095 5901
Fax: 07 4095 5905

Bamaga

Lui Street
PO Box 91
Bamaga Qld 4876
Phone/fax: 07 4069 3272

Cairns

31 Grove Street
PO Box 812
Cairns Qld 4870
Phone: 07 4232 4000
Fax: 07 4031 2560

Innisfail

6 Laurie Street
Innisfail Qld 4860
Phone/Fax: 07 4061 2175

Kowanyama

Kunjun Street
Kowanyama Qld 4876

Mareeba

Wallace Drive
Mareeba Qld 4880
Phone: 07 4092 4398
Fax: 07 4092 4298

Thursday Island

44 Victoria Parade
PO Box 397
Thursday Island Qld 4875
Phone: 07 4212 3390
Fax: 07 4069 1778

Weipa

6 Tonkin Drive
PO Box 509
Weipa Qld 4874
Phone: 07 4069 7963
Fax: 07 4069 9657

Housing Service Centres

For more detailed contact information, visit qld.gov.au/housing
Housing Service Centres are open 8.30am to 4.30pm Monday to Friday unless stated otherwise.

Email contact: ICCHousingEnquiries@smartservice.qld.gov.au

Housing and Homelessness Services

Level 19, 41 George Street
Brisbane Qld 4000
GPO Box 690
Brisbane Qld 4001
Phone: 07 3007 4401

Far North Queensland Region

Office of the Regional Director, Far North Queensland Region

Level 3, William McCormack Place
5B Sheridan Street
Cairns Qld 4870
Phone: 07 4036 5538

Cairns Housing Service Centre

Level 3, 5B Sheridan Street
William McCormack Place
PO Box 471
Cairns Qld 4870
07 4036 5460 - 1800 623 208 (within area)
Maintenance enquiries: 1300 650 910
Email: cairnshsc@hpw.qld.gov.au

Herberton Queensland Government Agent Program

56 Grace Street,
Herberton Qld 4887
PO Box 43 Ravenshoe
Phone: 07 4097 6660
9am to 1pm and 1.30pm to 4.30pm Thursday only

Malanda Queensland Government Agent Program

Echo Building, 3 English Street
Malanda Qld 4886
PO Box 43
Ravenshoe Qld 4888
Phone: 07 4097 6660
9.00am to 12.30pm and 1pm to 4pm Friday only

Mount Garnet Queensland Government Agent Program

Police Station, Cnr Garnet and Agate Streets
Mount Garnet Qld 4872
PO Box 43
Ravenshoe Qld 4888
Phone: 07 4097 6660
10.00am to 3.30pm Monday and Wednesdays only

Ravenshoe Queensland Government Agent Program

Grigg Street, PO Box 43
Ravenshoe Qld 4888
Phone: 07 4097 6660
9am to 1pm and 1.30pm to 4.00pm Monday to Friday

Cape York Housing Service Centre

Level 3, William McCormack Place 1
5B Sheridan Street
PO Box 471
Cairns Qld 4870
Phone: 07 4036 5555
Fax: 07 4036 5575

Aurukun

Sam Kerindun Business Centre
502 Kang Kang Road and Kor'an Street
Aurukun Qld 4892
PO Box 471, Cairns Qld 4870
Phone: 07 4060 6140
8.30am to 12.00pm Monday to Friday alternate weeks
*If the office is unattended contact the Cape York
Housing Service Centre Cairns*

Lockhart River

Freddie Clarence Moses Retail Complex
Lot 31, Ilway Street
Lockhart River Qld 4871
PO Box 471, Cairns Qld 4870
Phone: 07 4060 7334
Fax: 07 4060 7089
Monday to Friday alternate weeks
*If the office is unattended contact the Cape York
Housing Service Centre Cairns*

Coen

Wellbeing Centre
1 Taylor Street, Coen Qld 4892
Monday to Thursday alternate weeks
*If the office is unattended contact the Cape York
Housing Service Centre Cairns*

Pormpuraaw

19 Pormpuraaw Street
Pormpuraaw Qld 4871
Phone: 07 4051 0459
Monday to Friday alternate weeks
*If the office is unattended contact the Cape York
Housing Service Centre Cairns*

Kowanyama

The Old Guest House
Chapman Road
Kowanyama Qld 4871
Monday to Friday alternate weeks
*If the office is unattended contact the Cape York
Housing Service Centre Cairns*

Cooktown Hub – Laura, Cooktown, Hope Vale and Wujal Wujal

12 Walker Street
PO Box 988
Cooktown Qld 4895
Phone: 07 4082 2300
Fax: 07 4069 5098
Email: HHS-Cooktown-Hub@hpw.qld.gov.au
Maintenance enquiries:
1300 650 910
*If the office is unattended contact the Cape York
Housing Service Centre Cairns*

Hope Vale

1 Muni Street
Hope Vale Council Office Complex
PO Box 988
Cooktown Qld 4895
Phone: 07 4060 9231 and 07 4060 9182
Fax 07 4060 9184
9.00am to 4.30pm Monday to Thursday
Friday 9am to 1pm

*If the office is unattended contact Cooktown Hub
or Cape York Housing Service Centre Cairns*

Wujal Wujal

127 Hartwig Street
PO Box 988
Cooktown Qld 4895
Phone: 07 4060 8360
10am to 3pm Tuesday

*If the office is unattended contact Cooktown Hub
or Cape York Housing Service Centre Cairns*

Northern Peninsula Hub – Bamaga, Seisia, Injinoo, Umagico, New Mapoon

203 Mugai Street
Seisia Qld 4876
8.30am to 4.30pm Monday to Friday
PO Box 77 Bamaga Qld 4876
Phone: 07 4069 3588 or 07 4069 3599
Email: HHS-NPA@hpw.qld.gov.au

Weipa Hub Office – Napranum, Mapoon

Corner Kerr Point Road and Commercial Avenue
PO Box 1330
Weipa Qld 4874
Phone: 07 4082 4702
Fax: 07 4069 7348
Maintenance enquiries 1300 650 910
*If the office is unattended contact the Cape York
Housing Service Centre Cairns*

Mapoon

1 Red Beach Road
Mapoon Qld 4874
PO Box 1330 Weipa Qld 4874
07 4090 9012
Phone: 07 4036 5555
8.30am to 4.00pm Monday to Thursday
*If the office is unattended contact Weipa Hub
or Cape York Housing Service Centre Cairns*

Napranum Community Office

3201 Wa-Tyne Street
Napranum Qld 4874
PO Box 1330
Weipa Qld 4874
Phone: No listing
*If the office is unattended contact Weipa Hub
or Cape York Housing Service Centre Cairns*

Thursday Island Housing Service Centre

37–45 Douglas Street
PO Box 514
Thursday Island Qld 4875
Phone: 07 4212 3700
Fax: 07 4090 3782
Email: thursdayislandhsc@hpw.qld.gov.au

North Queensland Region

Office of the Regional Director, North Queensland Region

Level 2, Yellow Foyer
143 Walker Street
PO Box 953
Townsville Qld 4810
Phone: 07 4724 8571

Collinsville Queensland Government Agent Program

64 Sonoma Street
PO Box 58
Collinsville Qld 4804
Phone: 07 4785 5567
9.00am to 12.30pm and 2.00pm to 4.30pm - Monday to Friday

Mackay Housing Service Centre

22–30 Wood Street
PO Box 978
Mackay Qld 4740
Phone: 07 4862 9500
1800 069 237 (within area)
Maintenance enquiries: 1300 650 914
Email: mackayhsc@hpw.qld.gov.au

Mount Isa Housing Service Centre

19 West Street
PO Box 1866
Mount Isa Qld 4825
Phone: 07 4437 2700
1800 620 466 (within area)
Maintenance enquiries: 1300 650 912
Email: mtisahsc@hpw.qld.gov.au

Mount Isa Housing Service Centre – Doomadgee

275 Sharpe Street Council Admin Building
Doomadgee Qld 4830
PO Box 1866
Mount Isa Qld 4825
Phone: 07 4745 8351 if unattended call 07 4437 2700
8.30am to 4.30pm Monday to Friday
Email: HHSMtIsaRemoteComm@hpw.qld.gov.au

Mount Isa Housing Service Centre – Mornington Island

Shop 1 and 2, 306 Lardil Street
Rural Transaction Centre Gununa
Mornington Island Qld 4871
PO Box 1866
Mount Isa Qld 4825
Phone: 07 4745 7032 or 07 4745 7471
Fax: 07 4745 7483
8.30am to 4.30pm alternate weeks
Email: HHSMtIsaRemoteComm@hpw.qld.gov.au

Townsville Housing Service Centre – Palm Island Community Office

Lot 72 Main Street
Palm Island Qld 4816
Phone: 07 4799 5382
8.30am to 4.30pm, Monday to Friday
(closed between 12.30pm and 1.15pm)
Email: HHS-Palm-Island@hpw.qld.gov.au

Townsville Housing Service Centre

Level 2, 143 Walker Street
PO Box 953
Townsville Qld 4810
Phone: 07 4724 8500 or
Toll free: 1800 806 197 (within area)
Email: townsvillehsc@hpw.qld.gov.au

Central Queensland/North Coast Region

Office of the Regional Director, Central Queensland/North Coast Region

Level 3, 209 Bolsover Street
PO Box 1503
Rockhampton Qld 4700
Phone: 07 4848 7054
Email: HHS-SD-CQNCR-ORD@hpw.qld.gov.au

Bundaberg Housing Service Centre

16 Quay Street
PO Box 1120
Bundaberg Qld 4670
Phone: 07 4331 7900
1800 809 835 (within area)
Maintenance enquiries: 1300 137 687
Email: bundaberghsc@hpw.qld.gov.au

Emerald Housing Service Centre

99 Hospital Road
PO Box 37
Emerald Qld 4720
Phone: 07 4988 1600
Maintenance enquiries: 1800 823 090
Email: emeraldhsc@hpw.qld.gov.au

Gladstone Housing Service Centre

Level 2, 20–22 Herbert Street
PO Box 5082
Gladstone Qld 4680
Phone: 07 4899 2400
Maintenance enquiries: 07 4977 7104
8am to 5pm Monday to Friday
Email: gladstonehsc@hpw.qld.gov.au

Maroochydore Housing Service Centre

Queensland Government Service Centre
Ground Floor
12 First Avenue
PO Box 99
Maroochydore Qld 4558
Phone: 07 5352 7333
Maintenance enquiries:
(separate areas use the below maintenance number)
Coolum Beach and South: 1300 650 916
Peregian Beach and North: 1300 137 687
Email: maroochydorehsc@hpw.qld.gov.au

Maryborough Housing Service Centre

116 Lennox Street
PO Box 535
Maryborough Qld 4650
Phone: 07 4324 8600
1800 623 242 (within area)
Maintenance enquiries: 1300 137 687
Email: maryboroughhsc@hpw.qld.gov.au

Moreton Bay Housing Service Centre

Level 5, Caboolture Square Shopping Centre
60–78 King Street
PO Box 588
Caboolture Qld 4510
Phone: 07 5432 0700
Email: moretonbayhsc@hpw.qld.gov.au

Rockhampton Housing Service Centre

Level 3, 209 Bolsover Street
PO Box 1330
Rockhampton Qld 4700
Phone: 07 4848 7000
1800 801 176 (within area)
Maintenance enquiries: 1800 817 029
Email: rockhamptonhsc@hpw.qld.gov.au

Woorabinda

201 Carbine Street
Woorabinda Qld 4713
Phone: 07 4925 9019
Fax: 07 4925 9001
Email: HHSWoorabindaIndigenousCommunity@hpw.qld.gov.au

Brisbane Region

Office of the Regional Director, Brisbane Region

Level 1, 831 Gympie Road, Chermiside
PO Box 2361
Chermiside Centre
Chermiside Qld 4032
Phone: 07 3007 4386

Buranda Housing Service Centre

Level 1, 221 Logan Road, Woolloongabba
PO Box 230
Stones Corner Qld 4102
Phone: 07 3873 7700
Email: burandahsc@hpw.qld.gov.au

Chermiside Housing Service Centre

Level 3, 18 Banfield Street, Chermiside
PO Box 2352
Chermiside Qld 4032
Phone: 07 3917 4600
Maintenance enquiries: 07 3896 9973
Email: chermisidehsc@hpw.qld.gov.au

Fortitude Valley Housing Service Centre

Level 7, 515 St Pauls Terrace, Fortitude Valley
PO Box 445
Fortitude Valley Qld 4006
Phone: 07 3034 6500
Maintenance enquiries: 07 3872 0303
Email: fortitudevalleyhsc@hpw.qld.gov.au

Inala Housing Service Centre

Level 1, 14 Wirraway Parade, Inala
PO Box 258
Inala Qld 4077
Phone: 07 3723 2000
Maintenance enquiries: 07 3362 9230
Email: inalahsc@hpw.qld.gov.au

South West Region

Office of the Regional Director, South West Region

Level 4, Icon Tower
117 Brisbane Street
PO Box 255
Ipswich Qld 4305
Phone: 07 3437 6044

Bayside Housing Service Centre

Shop 3, 8–12 Dollery Road
PO Box 91
Capalaba Qld 4157
Phone: 07 3034 9800
Maintenance enquiries: 07 3034 9891
Email: baysidehsc@hpw.qld.gov.au

Ipswich Housing Service Centre

Upper Ground Level, Icon Tower
117 Brisbane Street
PO Box 263
Ipswich Qld 4305
Phone: 07 3437 6000 or
Toll free: 1800 636 390
Maintenance enquiries: 07 3280 1778
Email: ipswichhsc@hpw.qld.gov.au

Gold Coast Housing Service Centre

Shop 80, Bazaar Street
Robina Town Centre
PO Box 4059
Robina Town Centre Qld 4230
Phone: 07 5645 8100
Maintenance enquiries: 1300 650 917
Email: goldcoasthsc@hpw.qld.gov.au

Logan Housing Service Centre

11 Station Road
PO Box 5
Woodridge Qld 4114
Phone: 07 3086 3700
Maintenance enquiries: 07 3086 3740
Email: loganhsc@hpw.qld.gov.au

Toowoomba and South West Housing Service Centre

Level 2, 10 Russell Street
Toowoomba
PO Box 418
Toowoomba Qld 4350
Phone: 07 4699 4400
1800 623 435 (within area)
Maintenance enquiries: 1300 650 915
Email: toowoombahsc@hpw.qld.gov.au

Sport and Recreation Services

As at 30 June 2018, Sport and Recreation operate from a central head office in Brisbane and from a network of 16 offices throughout Queensland.

Sport and Recreation also operate the **Queensland Recreation Centres** on the Gold and Sunshine Coasts.

Phone: 13 74 68 (13 QGOV)
Email: SR_Info@npsr.qld.gov.au
Fax: 07 3338 9226

South Coast Service Area

Underwood office

Unit 9 Level 1
54–66 Perrin Drive
Underwood Qld 4119
Phone: 07 3078 3188
Email: SR_South Coast@npsr.qld.gov.au

Gold Coast office

1525 Gold Coast Highway
North Palm Beach QLD 4221
PO Box 50
Burleigh Heads Qld 4220
Phone: 07 5669 2114
Email: SR_South Coast@npsr.qld.gov.au

North Coast Service Area

Sunshine Coast office

Level 6,
12 First Avenue
PO Box 3008
Maroochydore Qld 4558
Phone: 07 5459 6176
Email: north.coast@npsr.qld.gov.au

Brisbane

Level 6, 400 George Street
Brisbane Qld 4002
PO Box 15478
City East Qld 4002
Phone: 07 3333 5309
Email: srs.bris.sportrec@npsr.qld.gov.au

Ipswich office

Level 4 ICON Building
117 Brisbane Street
Ipswich Qld 4305
PO Box 3008
C/O Maroochydore Qld 4558
Phone: 0477 317 531
Email: north.coast@npsr.qld.gov.au

South West Service Area

Toowoomba office

Toowoomba Sports Ground
Ground Floor, Clive Berghofer Stadium
47 Arthur Street
PO Box 2259
Toowoomba Qld 4350
Phone: 07 4596 1006
Email: SRSSWSportRec@npsr.qld.gov.au

Bundaberg office

16 Enterprise Street
PO Box 618
Bundaberg Qld 4670
Phone: 07 4131 2702

Hervey Bay office

Ground Floor, Brendan Hansen Building
50-54 Main Street
PO Box 3054
Hervey Bay Qld 4655
Phone: 07 4125 9352

Dalby area office

30 Nicholson Street
PO Box 3
Dalby Qld 4405
Phone: 07 4531 8525

Warwick area office

Government Building
Cnr Guy and Fitzroy Streets
PO Box 13
Warwick Qld 4370
Phone: 07 4667 5100

Northern Service Area

Rockhampton office

61 Yeppoon Road
Parkhurst Qld 4701
PO Box 822
Rockhampton Qld 4700
Phone: 07 4936 0510
Email: northernportrec@npsr.qld.gov.au

Emerald office

99 Hospital Road
PO Box 346
Emerald Qld 4720
Phone: 07 4991 0830

Townsville office

Townsville Sports House
3-9 Redpath Street
North Ward Qld 4810
PO Box 1468
Townsville Qld 4810
Phone: 07 4799 7010

Mount Isa office

Suite 27
Mount Isa House
Mary Street
Mount Isa Qld 4825
Phone: 07 4747 2186

Mackay office

Level 5
44 Nelson Street
Mackay Qld 4740
Phone: 07 4999 8520

Far North Service Area

Cairns office

Level 2, Building 2
William McCormack Place
5B Sheridan Street
Cairns QLD 4870
PO Box 2494
Cairns Qld 4870
Phone: 07 4222 5236
Email: srfarnorth@npsr.qld.gov.au

Mount Isa office

Suite 27, Mount Isa House
Mary Street
Mount Isa Qld 4825
Phone: 07 4747 2186

Mackay office

Level 5
44 Nelson Street
Mackay Qld 4740
Phone: (07) 4999 8520

Digital Capability and information

Digital Capability and Information

140 Creek Street
Brisbane Qld 4000
GPO Box 2457
Brisbane Qld 4001
Phone: 07 3719 7730
Email: oddgdts@dsiti.qld.gov.au

Queensland State Archives

435 Compton Road
Runcorn Qld 4113
PO Box 1397
Sunnybank Hills Qld 4109
Phone: 07 3037 6777
Email: info@archives.qld.gov.au

Smart Service Queensland

310 Ann Street
Brisbane Qld 4000
PO Box 10817
Brisbane Qld 4000
Phone: 13 QGOV (13 74 68)
Internet: www.qld.gov.au

SSQ contact centres

Garden Square Block B
643 Kessels Road
Upper Mt Gravatt Qld 4122
Phone: 13 QGOV (13 74 68)

79 Pineapple Street
Zillmere Qld 4034
Phone: 13 QGOV (13 74 68)

CITEC

Brisbane

317 Edward Street
Railway 1D
Brisbane Qld 4000
GPO Box 2457
Brisbane Qld 4001
Phone: 07 3222 2555
Email: service@citec.com.au

140 Creek Street
Brisbane Qld 4000
GPO Box 2457
Brisbane Qld 4001
Phone: 07 3222 2555
Email: service@citec.com.au

Queensland Shared Services

Brisbane

140 Creek Street
Brisbane Qld 4000
PO Box 474
Brisbane Qld 4000
Phone: 07 3222 2400
Self Service Centre

411 Vulture Street
Woolloongabba Qld 4102
Brisbane Qld 4102
PO Box 173
Brisbane Qld 4000
Phone: 07 3222 2400
Self Service Centre

Regional

Cairns

Level 4, 5B Sheridan Street
William McCormack Place
PO Box 2758
Cairns Qld 4870
Phone: 07 3222 2400
Self Service Centre

Gympie

Corner Louisa Street and Cartwright Road
Gympie Qld 4570
PO Box 395
Phone: 07 3222 2400
Self Service Centre

Maroochydore

Queensland Government Service Centre
Ground Floor, 12 First Avenue
PO Box 5665
Maroochydore Qld 4558
Phone: 07 3222 2400
Self Service Centre

Robina

Corner Christine Avenue
and Scottsdale Street
Robina Qld 4226
PO Box 4417
Robina Town Centre, Qld 4230
Phone: 07 3222 2400
Self Service Centre

Rockhampton

80-82 Denham Street
Rockhampton Qld 4700
Phone: 07 3222 2400
Self Service Centre

Toowoomba

532 Ruthven Street
Toowoomba Qld 4350
PO Box 1848
Phone: 07 3222 2400
Self Service Centre

Townsville

Level 4, 187 Stanley Street
Townsville Qld 4810
PO Box 1408
Phone: 07 3222 2400
Self Service Centre

Other Departmental Offices

Building Legislation and Policy

Level 7, 63 George Street
GPO Box 2457
Brisbane Qld 4001
Phone: 07 3008 2502
Email: OADG.BLP@hpw.qld.gov.au

Development Tribunals
Level 16, 41 George Street
GPO Box 2457
Brisbane Qld 4001
Phone: 1800 804 833
Email: registrar@qld.gov.au

Prequalification (PQC) System

Level 16, 41 George Street
GPO Box 2457
Brisbane Qld 4001
Phone: 1800 072 621
Email: pqcregistrar@hpw.qld.gov.au

QFleet

Head Office
Mezzanine Level, 60 Albert Street
GPO Box 293
Brisbane Qld 4001
Phone: 07 3008 2633
Email: qfleet-mail@qfleet.qld.gov.au

Government Employee Housing

Head Office
Level 6, 60 Albert Street
GPO Box 2457
Brisbane Qld 4001
Phone: 07 3008 2722
Fax: 07 3224 5824
Email: governmentemployeehousing@hpw.qld.gov.au

Queensland Government Accommodation Office

Head Office
Level 4, 60 Albert Street
GPO Box 2457
Brisbane Qld 4001
Phone: 07 3008 2761
Fax: 07 3224 6266
Email: QGAO.enquiries@hpw.qld.gov.au

Queensland Government Chief Information Office

Level 24, 111 George Street
Brisbane Qld 4001
Phone: 13 GOV (13 74 68)
Email: qgcio@qgcio.qld.gov.au

Queensland Government Procurement

Level 15, 41 George Street GPO Box 123
Brisbane Qld 4001
Phone: 13 QGOV (13 74 68)
Email: QGP-BetterProcurement@hpw.qld.gov.au

Regulatory Services (formerly Office of the Registrar)

Level 19, 41 George Street
GPO Box 690
Brisbane Qld 4001
Phone: 13 QGOV (13 74 68)
Email: QldHousingRegistrar@hpw.qld.gov.au
Email: residentialservices@hpw.qld.gov.au

Queensland Government Service Centres

Brisbane

33 Charlotte Street
Brisbane Qld 4000
PO Box 10817
Brisbane Adelaide Street Qld 4000
Phone: 07 3227 7131

Cairns

5B Sheridan Street
Ground Floor, William McCormack Place
PO Box 5226
Cairns Qld 4870
Phone: 07 4048 9895

Maroochydore

Ground Floor
Mike Ahern Centre
Maroochydore Qld 4558
Phone: 07 5453 1816

Glossary of Terms

AFL	Australian Football League
AS/NZS	Australia/New Zealand Standard
AO	Administration Officer
FCPA	Fellow of CPA Australia
FTE	Full Time Equivalent
GC2018	Gold Coast Commonwealth Games 2018
GPO	General Post Office
HRIS	Human Resources Information System
ICT	Information Communication Technology
MOHRI FTE	Minimum Obligatory Human Resources Information Full Time Equivalent
NAIDOC	National Aboriginal and Island Day Observance Committee
NHHA	National Housing and Homelessness Agreement
NRAS	National Rental Affordability Scheme
NRL	National Rugby League
NRSCH	National Regulatory System for Community Housing
PCI DSS	Payment Card Industry Data Security Standard
QG	Queensland Government
QAO	Queensland Audit Office
QAS	Queensland Academy of Sport
OSS	One-Stop Shop
QGCIIO	Queensland Government Information Office
QGOV	Queensland Government
QSS	Queensland Shared Services
QSTARS	Queensland Statewide Tenants Advice and Referral Service
SSQ	Smart Service Queensland
TWIG	Testing within Government

Financial Statements

2017–2018

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for the financial year ended 30 June 2018

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Financial Summary

As at 30 June 2018 the reporting entity comprised the Department of Housing and Public Works, three commercialised business units (CBUs) (Building and Asset Services, CITEC and QFleet) and Queensland Shared Services.

A Statement of Comprehensive Income and Balance Sheet for the 2017–18 financial year for the department are provided on the following pages with explanations of significant variances from the previous year's results.

The department obtains the majority of its total income from user charges which comprise \$1,824 million or 64.5 percent of the department's total income of \$2,829 million. User charges include:

- rent of government office buildings and employee housing to other departments
- rent of social housing
- building construction and professional consultancy charges
- vehicle leasing
- services rendered by shared service provider
- information, communication and technology services.

Effective 13 December 2017, as a result of *Public Service Departmental Arrangements Notice (No.3 and No.4) 2017*, responsibility for the following functions were transferred from the former Department of Science, Information Technology and Innovation:

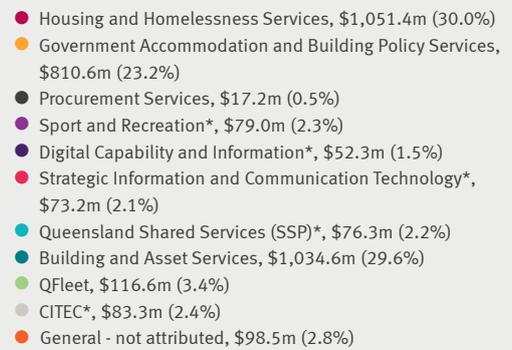
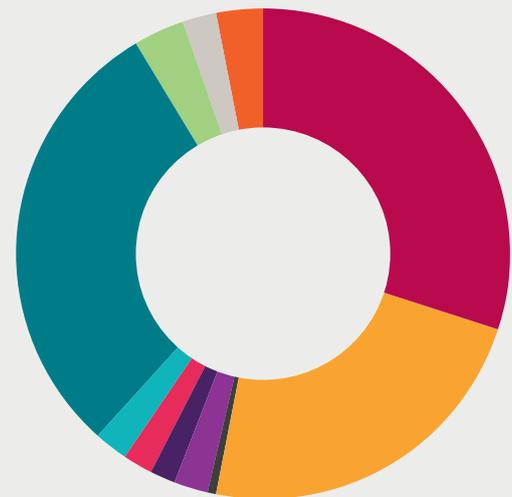
- Smart Service Queensland
- Queensland State Archives
- Strategic ICT including CITEC
- Queensland Shared Services.

Responsibility for Sport and Recreation was transferred from the former Department of National Parks, Sport and Racing.

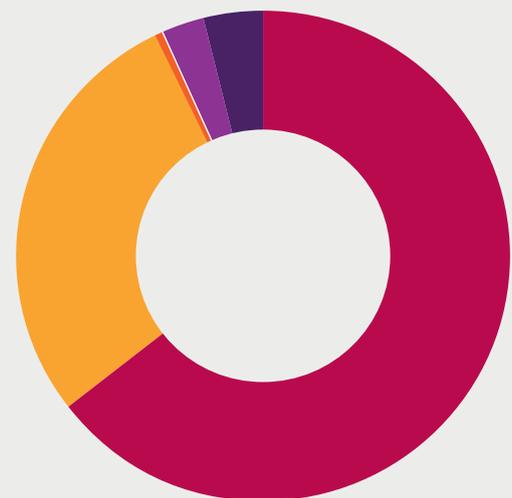
Effective 1 March 2018, as a result of *Public Service Departmental Arrangements Notice (No.1) 2018*, responsibility for the following functions were transferred from the Department of the Premier and Cabinet:

- One-Stop Shop Strategy and Implementation Office
- Digital Economy and Productivity
- Queensland Government Chief Information Office.

Total income from continuing operations by Major Departmental Services, Commercialised Business Units and Shared Service Providers (SSP) in 2017–18[#]



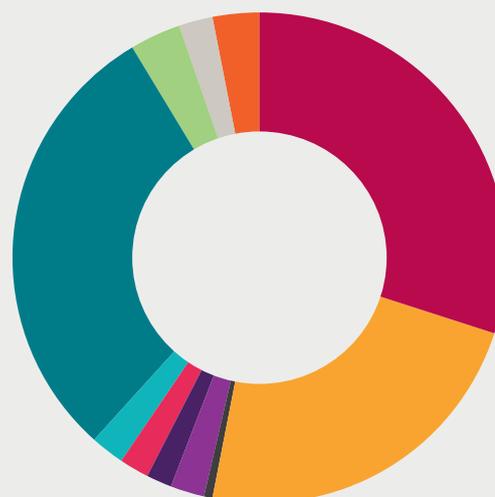
Total income from continuing operations by category in 2017–18



The major expense of the department is supplies and services which totals \$1,892 million or 66.1 percent of the department's expenses of \$2,861 million. The major supplies and services comprise government building expenses, expenses associated with providing social housing and information, communication and technology.

The major asset of the department is property, plant and equipment which totals \$19,216 million of the department's total assets of \$20,773 million (92.5 percent). The majority of this comprises social housing, commercial properties and the land on which these are situated.

Total expenses from continuing operations by Major Departmental Services, Commercialised Business Units and Shared Service Providers (SSP) in 2017–18#



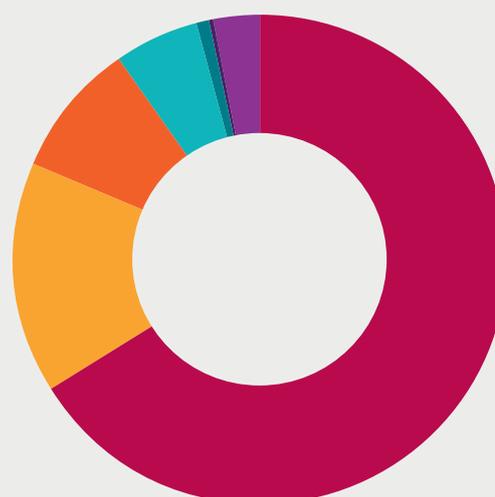
- Housing and Homelessness Services, \$1,110.0m (31.5%)
- Government Accommodation and Building Policy Services, \$798.9m (22.6%)
- Procurement Services, \$17.2m (0.5%)
- Sport and Recreation*, \$79.1m (2.2%)
- Digital Capability and Information*, \$52.9m (1.5%)
- Strategic Information and Communication Technology*, \$73.3m (2.1%)
- Queensland Shared Services (SSP)*, \$77.6m (2.2%)
- Building and Asset Services, \$1,022.6m (29.0%)
- QFleet, \$104.5m (3.0%)
- CITEC*, \$83.6m (2.4%)
- General - not attributed, \$104.9m (3.0%)

Statement by the Chief Finance Officer

In accordance with the requirements of the *Financial Accountability Act 2009*, the Chief Finance Officer has provided the Director-General with a statement confirming the financial internal controls of the department are operating efficiently, effectively and economically in conformance with Section 57 of the *Financial and Performance Management Standard 2009*. The statement was presented at the Audit Committee meeting in August 2018.

The Chief Finance Officer has fulfilled the minimum responsibilities as required by the *Financial Accountability Act 2009*.

Total expenses from continuing operations by category in 2017–18



- Supplies and services, \$1,891.6m (66.1%)
- Employee expenses, \$440.5m (15.4%)
- Depreciation and amortisation, \$256.3m (9.0%)
- Grants and subsidies, \$156.1m (5.4%)
- Finance/borrowing costs, \$27.4m (1.0%)
- Impairment losses, \$8.8m (0.3%)
- Other expenses, \$79.9m (2.8%)

Revenue and expenses by Major Departmental Services and Commercialised Business Units do not include internal departmental transaction eliminations which are eliminated in the Statement of Comprehensive Income* These figures are for the period of the respective MoG change to 30 June 2018.

Statement of Comprehensive Income

for the year ended 30 June 2018

	Notes	Actual 2017-18 \$'000	Actual 2016-17 \$'000
INCOME FROM CONTINUING OPERATIONS			
User charges and fees	1	1,823,559	1,654,157
Appropriation revenue	2	809,988	682,089
Grants and other contributions		9,143	5,555
Interest		5,193	3,852
Other revenue		73,148	31,719
Gains on disposal /remeasurement of assets	3	107,999	6,363
Total income from continuing operations		2,829,030	2,383,735
EXPENSES FROM CONTINUING OPERATIONS			
Supplies and services	4	1,891,593	1,719,062
Employee expenses	5	440,545	301,921
Depreciation and amortisation		256,257	245,494
Grants and subsidies		156,090	118,978
Revaluation decrement	6	0	109,852
Finance/borrowing costs		27,364	25,819
Impairment losses		8,757	17,883
Other expenses		79,935	58,782
Total expenses from continuing operations		2,860,541	2,597,791
Operating result from continuing operations before income tax		(31,511)	(214,056)
Income tax benefit/(expense)		(7,028)	(8,202)
Operating result from continuing operations after income tax		(38,539)	(222,258)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to operating result			
Increase/(decrease) in asset revaluation surplus	7	476,231	(33,797)
Total other comprehensive income		476,231	(33,797)
Total comprehensive income		437,692	(256,055)

Notes:

- The increase in user charges and fees is mainly due to the functions transferred into the department as part of the machinery-of-government changes.
- The increase in appropriation revenue is mainly due to the functions transferred into the department as part of the machinery-of-government changes.
- The increase in gain on disposal/remeasurement of assets is mainly due to an increase in the value of social housing residential buildings, due to growth in the Queensland residential property market where social housing stock is held.
- The increase in supplies and services is mainly due to the functions transferred into the department as part of the machinery-of-government changes.
- The increase in employee expenses is mainly due to the functions transferred into the department as part of the machinery-of-government changes.
- In 2017-18, departmental buildings experienced an overall increase in value resulting in a gain on remeasurement of assets (see note 3).
- The increase is mainly due to positive movement in the value of social housing residential land as a result of growth in the Queensland residential property market where social housing stock is held, an increase in the value of the land in the Queens Wharf Precinct as the issue of the development leases during 2017-18 requires the land to be valued on the cash and discounted non-cash consideration to be received under the contractual arrangements, offset by a decrease in the value of leased assets – buildings on Deed of Grant in Trust land.

Balance Sheet

as at 30 June 2018

	Notes	Actual 2017-18 \$'000	Actual 2016-17 \$'000
CURRENT ASSETS			
Cash and cash equivalents	8	727,917	580,030
Loans and receivables		226,176	182,203
Inventories		46,665	48,172
Prepayments		68,564	43,121
Financial assets at fair value through profit or loss		6,000	5,000
Tax assets		447	2,277
Non-current assets classified as held for sale		105,248	55,259
Total current assets		1,181,017	916,062
NON-CURRENT ASSETS			
Property, plant and equipment	9	19,216,496	18,290,005
Financial assets at fair value through profit or loss		182,226	182,031
Loans and receivables		151,738	130,142
Intangible assets		37,127	9,465
Prepayments		2,252	0
Deferred tax assets		1,891	1,412
Total non-current assets		19,591,730	18,613,055
TOTAL ASSETS		20,772,747	19,529,117
CURRENT LIABILITIES			
Payables	10	378,937	276,972
Unearned revenue		107,606	127,054
Interest-bearing liabilities	11	29,051	17,501
Lease incentives		15,466	14,221
Accrued employee benefits		24,646	13,796
Tax liabilities		2,521	2,826
Other current liabilities		12,680	9,771
Total current liabilities		570,907	462,141
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	11	697,374	587,639
Lease incentives		175,556	175,017
Queen's Wharf deferred consideration		114,154	114,154
Payables		120,026	86,537
Unearned revenue		29,330	30,774
Deferred tax liabilities		18,185	15,960
Other non-current liabilities		284	283
Total non-current liabilities		1,154,909	1,010,364
TOTAL LIABILITIES		1,725,816	1,472,505
NET ASSETS		19,046,931	18,056,612
EQUITY			
Contributed equity		16,828,044	16,266,979
Asset revaluation surplus		2,364,786	1,888,555
Accumulated surplus		(145,899)	(98,922)
TOTAL EQUITY		19,046,931	18,056,612

Notes:

- The increase in cash is mainly due to funding received for capital projects with commitments extending to 2018-19 and cash balances relating to functions transferred into the department as part of the machinery-of-government changes.
- The increase in property, plant and equipment is mainly due to an increase in departmental property values as outlined in Notes 3 and 7 and assets relating to functions transferred into the department as part of the machinery-of-government changes.
- The increase in payables is mainly due to capital works delivered but not due for payment at 30 June 2018, payable balances relating to functions transferred into the department as part of the machinery-of-government changes and increased appropriation payable to the Consolidated Fund as at 30 June 2018 as part of the finalisation of the 2017-18 financial year.
- The increase in interest-bearing liabilities is mainly due to balances relating to functions transferred into the department as part of the machinery-of-government changes.

Introduction to financial statements

The following financial statements have been prepared by the department and audited by the Auditor-General of Queensland:

- Statement of Comprehensive Income
- Balance Sheet
- Statement of Changes in Equity
- Statement of Cash Flows
- Statement of Comprehensive Income by Major Departmental Services, Commercialised Business Units and Shared Service Providers
- Statement of Assets and Liabilities by Major Departmental Services, Commercialised Business Units and Shared Service Providers
- Notes to the Financial Statements 2017–18
- Management Certificate
- Independent Auditor's Report.

General Information

These financial Statements cover the Department of Housing and Public Works.

The Department of Housing and Public Works is a Queensland Government department established under the *Public Service Act 2008*.

The department is controlled by the State of Queensland which is the ultimate parent.

The head office and principal place of business of the department is:

1 William Street
BRISBANE QLD 4000

A description of the nature of the department's operations and its principal activities is included in the notes to the financial statements.

For information in relation to the department's financial statements, please call 07 300 83138 or visit the departmental website www.hpw.qld.gov.au.

**Department of Housing and Public Works
Statement of Comprehensive Income
for the year ended 30 June 2018**

	Note	2018 \$'000	2017 \$'000
INCOME FROM CONTINUING OPERATIONS			
User charges and fees	2.1	1,823,559	1,654,157
Appropriation revenue	2.2	809,988	682,089
Grants and other contributions		9,143	5,555
Interest		5,193	3,852
Other revenue		73,148	31,719
Total revenue		<u>2,721,031</u>	<u>2,377,372</u>
Gains on disposal/remeasurement of assets	2.3	107,999	6,363
Total income from continuing operations		<u>2,829,030</u>	<u>2,383,735</u>
EXPENSES FROM CONTINUING OPERATIONS			
Supplies and services	3.1	1,891,593	1,719,062
Employee expenses	3.2	440,545	301,921
Depreciation and amortisation	4.1	256,257	245,494
Grants and subsidies	3.3	156,090	118,978
Revaluation decrement	4.1	-	109,852
Finance/borrowing costs		27,364	25,819
Impairment losses		8,757	17,883
Other expenses	3.4	79,935	58,782
Total expenses from continuing operations		<u>2,860,541</u>	<u>2,597,791</u>
Operating result from continuing operations before income tax		<u>(31,511)</u>	<u>(214,056)</u>
Income tax benefit/(expense)		(7,028)	(8,202)
Operating result from continuing operations after income tax		(38,539)	(222,258)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to operating result			
Increase/(decrease) in asset revaluation surplus	4.1 (d)	476,231	(33,797)
Total other comprehensive income		<u>476,231</u>	<u>(33,797)</u>
Total comprehensive income		<u>437,692</u>	<u>(256,055)</u>

The accompanying notes form part of these financial statements.

Department of Housing and Public Works
Balance Sheet
as at 30 June 2018

	Note	2018 \$'000	2017 \$'000
CURRENT ASSETS			
Cash and cash equivalents		727,917	580,030
Loans and receivables	4.2	226,176	182,203
Inventories	4.4	46,665	48,172
Prepayments		68,564	43,121
Financial assets at fair value through profit or loss	4.5	6,000	5,000
Tax assets		447	2,277
		<u>1,075,769</u>	<u>860,803</u>
Non-current assets classified as held for sale	4.6	105,248	55,259
Total current assets		<u>1,181,017</u>	<u>916,062</u>
NON-CURRENT ASSETS			
Property, plant and equipment	4.1	19,216,496	18,290,005
Financial assets at fair value through profit or loss	4.5	182,226	182,031
Loans and receivables	4.2	151,738	130,142
Intangible assets		37,127	9,465
Prepayments		2,252	-
Deferred tax assets		1,891	1,412
Total non-current assets		<u>19,591,730</u>	<u>18,613,055</u>
TOTAL ASSETS		<u>20,772,747</u>	<u>19,529,117</u>
CURRENT LIABILITIES			
Payables	5.2	378,937	276,972
Unearned revenue	5.5	107,606	127,054
Interest-bearing liabilities	5.1	29,051	17,501
Lease incentives	5.3	15,466	14,221
Accrued employee benefits		24,646	13,796
Tax liabilities		2,521	2,826
Other current liabilities		12,680	9,771
Total current liabilities		<u>570,907</u>	<u>462,141</u>
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	5.1	697,374	587,639
Lease incentives	5.3	175,556	175,017
Queen's Wharf deferred consideration	5.4	114,154	114,154
Payables	5.2	120,026	86,537
Unearned revenue	5.5	29,330	30,774
Deferred tax liabilities		18,185	15,960
Other non-current liabilities		284	283
Total non-current liabilities		<u>1,154,909</u>	<u>1,010,364</u>
TOTAL LIABILITIES		<u>1,725,816</u>	<u>1,472,505</u>
NET ASSETS		<u>19,046,931</u>	<u>18,056,612</u>
EQUITY			
Contributed equity		16,828,044	16,266,979
Asset revaluation surplus	4.1(d)	2,364,786	1,888,555
Accumulated surplus		(145,899)	(98,922)
TOTAL EQUITY		<u>19,046,931</u>	<u>18,056,612</u>

The accompanying notes form part of these financial statements.

**Department of Housing and Public Works
Statement of Changes in Equity
for the year ended 30 June 2018**

	Contributed equity \$'000	Asset revaluation surplus (Note 4.1(d)) \$'000	Accumulated surplus \$'000	Total \$'000
Balance as at 1 July 2016	16,139,853	1,922,352	132,905	18,195,110
Operating result from continuing operations	-	-	(222,258)	(222,258)
Other comprehensive income	-	(33,797)	-	(33,797)
- Increase/(decrease) in asset revaluation surplus	-	(33,797)	-	(33,797)
Total comprehensive income for the year	-	(33,797)	(222,258)	(256,055)
Transactions with owners as owners				
- Appropriated equity injections (Note 6.2)	162,603	-	-	162,603
- Appropriated equity withdrawals (Note 6.2)	(58,758)	-	-	(58,758)
- Net transfers in/(out) from other Queensland Government entities	23,281	-	-	23,281
- Dividends paid or declared	-	-	(9,569)	(9,569)
Net transactions with owners as owners	127,126	-	(9,569)	117,557
Balance as at 30 June 2017	16,266,979	1,888,555	(98,922)	18,056,612
Balance as at 1 July 2017	16,266,979	1,888,555	(98,922)	18,056,612
Operating result from continuing operations	-	-	(38,539)	(38,539)
Other comprehensive income	-	476,231	-	476,231
- Increase/(decrease) in asset revaluation surplus	-	476,231	-	476,231
Total comprehensive income for the year	-	476,231	(38,539)	437,692
Transactions with owners as owners				
- Appropriated equity injections (Note 6.2)	350,493	-	-	350,493
- Appropriated equity withdrawals (Note 6.2)	(58,944)	-	-	(58,944)
- Non-appropriated equity adjustments	(9,632)	-	-	(9,632)
- Net transfers in/(out) from other Queensland Government entities	279,148	-	-	279,148
- Dividends paid or declared	-	-	(8,438)	(8,438)
Net transactions with owners as owners	561,065	-	(8,438)	552,627
Balance as at 30 June 2018	16,828,044	2,364,786	(145,899)	19,046,931

The accompanying notes form part of these financial statements.

Department of Housing and Public Works
Statement of Cash Flows
for the year ended 30 June 2018

	2018	2017
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Inflows:</i>		
User charges and fees	1,873,924	1,499,178
Appropriation receipts	775,040	685,829
GST input tax credits received from the Australian Taxation Office	198,203	149,312
GST collected from customers	149,549	131,289
Interest receipts	2,864	2,562
Grants and other contributions	8,772	1,841
Other	54,278	106,633
<i>Outflows:</i>		
Supplies and services	(1,943,464)	(1,575,900)
Employee expenses	(431,312)	(300,919)
GST remitted to the Australian Taxation Office	(178,285)	(145,607)
GST paid to suppliers	(193,510)	(162,952)
Grants and subsidies	(160,174)	(123,087)
Finance/borrowing costs	(27,200)	(25,811)
Taxation equivalents	(4,354)	(4,445)
Other	(26,681)	(22,600)
Net cash provided by (used in) operating activities	97,650	215,323
CASH FLOWS FROM INVESTING ACTIVITIES		
<i>Inflows:</i>		
Sales of property, plant and equipment	114,698	207,704
Loans and advances redeemed	26,961	26,882
Redemption of other financial assets	7,900	8,496
<i>Outflows:</i>		
Payments for property, plant and equipment	(365,875)	(342,944)
Loans and advances made	(31,950)	(31,738)
Payments for intangible assets	(1,719)	(6)
Net cash provided by (used in) investing activities	(249,985)	(131,606)
CASH FLOWS FROM FINANCING ACTIVITIES		
<i>Inflows:</i>		
Equity injections	349,357	164,453
Borrowings	10,000	20,000
<i>Outflows:</i>		
Equity withdrawals	(63,301)	(67,517)
Borrowing redemptions	(16,179)	(17,765)
Dividends paid	(9,569)	(8,336)
Finance lease payments	(7,059)	(1,423)
Net cash provided by (used in) financing activities	263,249	89,412
Net increase (decrease) in cash and cash equivalents	110,914	173,129
Increase (decrease) in cash and cash equivalents from restructuring (Note 1.5)	36,973	-
Cash and cash equivalents – opening balance	580,030	406,901
Cash and cash equivalents – closing balance	727,917	580,030

The accompanying notes form part of these financial statements.

Department of Housing and Public Works
Statement of Cash Flows
for the year ended 30 June 2018

2018
\$'000

2017
\$'000

NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of operating result to net cash from operating activities

Operating surplus/(deficit) before income tax	(31,511)	(214,056)
Less: income tax benefit/(expense)	(7,028)	(8,202)
	<u>(38,539)</u>	<u>(222,258)</u>
Non-cash items:		
Depreciation and amortisation expense	256,257	245,494
Motor vehicles sold	22,551	29,463
Donated assets and services expensed	5	6
Contributed assets and services received	(1,250)	(3,362)
Impairment losses	8,757	17,883
Loss/(gain) on disposal of non-current assets	(4,110)	(2,515)
Revaluation decrement/(increment)	(95,604)	109,852
Write-off of assets	1,070	2,844
Net loss/(gain) on revaluation of financial assets	(10,411)	(3,836)
Change in assets and liabilities:		
(Increase) decrease in GST input tax credits receivable	6,017	(3,985)
(Increase) decrease in loans and receivables	6,514	(25,491)
(Increase) decrease in inventories	4,596	(4,839)
(Increase) decrease in prepayments	(11,684)	(5,453)
(Increase) decrease in current tax assets	1,831	(2,133)
(Increase) decrease in deferred tax assets	(479)	792
Acquisition of motor vehicles held for rental	(66,099)	(65,797)
Increase (decrease) in GST payable	(5,451)	7,390
Increase (decrease) in payables	38,738	81,208
Increase (decrease) in lease incentive liabilities	1,784	18,663
Increase (decrease) in unearned revenue	(26,615)	40,213
Increase (decrease) in accrued employee benefits	5,236	1,384
Increase (decrease) in current tax liability	(305)	2,677
Increase (decrease) in deferred tax liability	1,627	2,420
Increase (decrease) in other liabilities	3,214	(5,297)
Net cash from operating activities	<u>97,650</u>	<u>215,323</u>

Changes in liabilities arising from financing activities

	Borrowings \$'000	Finance lease liability \$'000	Dividends payable \$'000	Total \$'000
Balance as at 1 July 2017	484,612	120,528	9,569	614,709
Cash flows:				
Cash received	10,000	-	-	10,000
Cash paid	(16,179)	(7,059)	(9,569)	(32,807)
Non-cash changes:				
Transfers from machinery-of-government changes	-	123,153	-	123,153
Leases acquired/surrendered	-	11,918	-	11,918
Other	-	(548)	-	(548)
Dividends declared	-	-	8,438	8,438
Balance as at 30 June 2018	<u>478,433</u>	<u>247,992</u>	<u>8,438</u>	<u>734,863</u>

Changes in assets and liabilities arising from equity appropriations are outlined in Note 6.2.

Department of Housing and Public Works
Statement of Comprehensive Income by Major Departmental Services, Commercialised Business Units and Shared Service Providers (SSP)
for the year ended 30 June 2018

	Housing and Homelessness Services		Government Accommodation and Building Policy Services		Procurement Services		Sport and Recreation*		Digital Capability and Information*		Strategic Information and Communication Technology*		Queensland Shared Services (SSP)*	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME FROM CONTINUING OPERATIONS														
User charges and fees	415,685	428,803	655,814	602,887	-	624	5,030	-	14,035	-	61	-	75,419	-
Appropriation revenue	516,185	530,867	93,044	131,792	15,470	12,374	73,605	-	38,263	-	70,318	-	-	-
Grants and other contributions	1,541	3,444	6,309	1,584	-	-	-	-	-	-	-	-	684	-
Interest	1,491	1,449	2,672	1,649	91	74	-	-	-	-	-	-	-	-
Other revenue	14,115	10,884	47,434	15,234	1,672	520	157	-	29	-	2,861	-	201	-
Total revenue	949,017	975,447	805,273	753,146	17,233	13,592	78,792	-	52,327	-	73,240	-	76,304	-
Gains on disposal/remeasurement of assets	102,429	5,902	5,362	470	-	-	167	-	(10)	-	-	-	1	-
Total income from continuing operations	1,051,446	981,349	810,635	753,616	17,233	13,592	78,959	-	52,317	-	73,240	-	76,305	-
EXPENSES FROM CONTINUING OPERATIONS														
Supplies and services	703,213	665,319	685,669	661,480	7,989	5,372	19,265	-	19,431	-	36,746	-	27,754	-
Employee expenses	113,207	108,930	27,482	24,758	8,393	6,899	15,452	-	28,954	-	7,792	-	46,111	-
Depreciation and amortisation	139,280	141,667	58,465	62,820	-	1	1,960	-	2,185	-	6,088	-	3,393	-
Grants and subsidies	102,605	108,821	4,485	10,157	-	-	43,132	-	930	-	4,694	-	-	-
Revaluation decrement	-	172,769	-	(62,946)	-	1	-	-	-	-	-	-	-	-
Finance/borrowing costs	18,843	19,455	411	567	-	-	-	-	-	-	2,326	-	8	-
Impairment losses	9,027	18,080	(455)	13	-	-	157	-	-	-	-	-	-	-
Other expenses	23,798	6,773	22,813	37,672	851	1,318	(829)	-	1,438	-	15,632	-	314	-
Total expenses from continuing operations	1,109,973	1,241,814	798,870	734,521	17,233	13,591	79,137	-	52,938	-	73,278	-	77,580	-
Operating result from continuing operations before income tax	(58,527)	(260,465)	11,765	19,095	-	1	(178)	-	(621)	-	(38)	-	(1,275)	-
Income tax benefit/(expense)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating result from continuing operations after income tax	(58,527)	(260,465)	11,765	19,095	-	1	(178)	-	(621)	-	(38)	-	(1,275)	-
OTHER COMPREHENSIVE INCOME Items that will not be reclassified to operating result														
Increase/(decrease) in asset revaluation surplus	251,318	(53,175)	218,693	19,378	-	-	6,220	-	-	-	-	-	-	-
Total other comprehensive income	251,318	(53,175)	218,693	19,378	-	-	6,220	-	-	-	-	-	-	-
Total comprehensive income	192,791	(313,640)	230,458	38,473	-	1	6,042	-	(621)	-	(38)	-	(1,275)	-

* Refer to Note 1.5.

Department of Housing and Public Works
Statement of Comprehensive Income by Major Departmental Services, Commercialised Business Units and Shared Service Providers (SSP)
for the year ended 30 June 2018

	Commercialised Business Units												
	Building and Asset Services		QFleet		CITEC*		General - not attributed		Inter-service/unit eliminations		Total department		
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
INCOME FROM CONTINUING OPERATIONS													
User charges and fees	1,026,585	975,405	115,997	122,859	83,226	-	83,077	87,982	(651,370)	(564,403)	1,823,559	1,654,157	
Appropriation revenue	-	-	-	-	-	-	3,103	7,056	-	-	809,988	682,089	
Grants and other contributions	609	258	-	-	-	-	-	269	-	-	9,143	5,555	
Interest	672	566	195	114	72	-	-	-	-	-	5,193	3,852	
Other revenue	6,695	4,204	424	549	5	-	12,284	328	(12,729)	-	73,148	31,719	
Total revenue	1,034,561	980,433	116,616	123,522	83,303	-	98,464	95,635	(664,099)	(564,403)	2,721,031	2,377,372	
Gains on disposal/remeasurement of assets	66	(9)	-	-	(16)	-	-	-	-	-	107,999	6,363	
Total income from continuing operations	1,034,627	980,424	116,616	123,522	83,287	-	98,464	95,635	(664,099)	(564,403)	2,829,030	2,383,735	
EXPENSES FROM CONTINUING OPERATIONS													
Supplies and services	904,062	852,449	51,030	57,124	58,656	-	41,553	41,721	(663,775)	(564,403)	1,891,593	1,719,062	
Employee expenses	114,241	110,938	4,088	4,248	22,384	-	52,765	46,148	(324)	-	440,545	301,921	
Depreciation and amortisation	3,186	3,608	39,023	37,069	2,190	-	487	329	-	-	256,257	245,494	
Grants and subsidies	225	-	19	-	-	-	-	-	-	-	156,090	118,978	
Revaluation decrement	-	-	-	-	-	-	-	28	-	-	-	109,852	
Finance/borrowing costs	-	-	5,719	5,797	52	-	5	-	-	-	27,364	25,819	
Impairment losses	15	(210)	-	-	13	-	-	-	-	-	8,757	17,883	
Other expenses	886	1,683	4,648	3,900	264	-	10,120	7,436	-	-	79,935	58,782	
Total expenses from continuing operations	1,022,615	968,468	104,527	108,138	83,559	-	104,930	95,662	(664,099)	(564,403)	2,860,541	2,597,791	
Operating result from continuing operations before income tax	12,012	11,956	12,089	15,384	(272)	-	(6,466)	(27)	-	-	(31,511)	(214,056)	
Income tax benefit/(expense)	(3,604)	(3,587)	(3,620)	(4,615)	196	-	-	-	-	-	(7,028)	(8,202)	
Operating result from continuing operations after income tax	8,408	8,369	8,469	10,769	(76)	-	(6,466)	(27)	-	-	(38,539)	(222,258)	
OTHER COMPREHENSIVE INCOME items that will not be reclassified to operating result													
Increase/(decrease) in asset revaluation surplus	-	-	-	-	-	-	-	-	-	-	476,231	(33,797)	
Total other comprehensive income	-	-	-	-	-	-	-	-	-	-	476,231	(33,797)	
Total comprehensive income	8,408	8,369	8,469	10,769	(76)	-	(6,466)	(27)	-	-	437,692	(256,055)	

* Refer to Note 1.5.

Department of Housing and Public Works
Statement of Assets and Liabilities by Major Departmental Services, Commercialised Business Units and Shared Service Providers (SSP)
as at 30 June 2018

	Government						Strategic																		
	Housing and Homelessness Services			Accommodation and Building Policy Services			Procurement Services			Sport and Recreation*			Digital Capability and Information*			Information and Communication Technology*			Queensland Shared Services (SSP)*						
	2018	2017	\$'000	2018	2017	\$'000	2018	2017	\$'000	2018	2017	\$'000	2018	2017	\$'000	2018	2017	\$'000	2018	2017	\$'000	2018	2017	\$'000	
CURRENT ASSETS																									
Cash and cash equivalents	231,734	150,330	35,002	41,408	-	-	-	-	9,893	-	2,032	-	-	-	-	-	-	-	-	-	-	-	20,918	-	-
Loans and receivables	59,976	52,464	41,234	31,559	190	132	132	1,296	1,296	-	7,244	-	1,182	-	-	-	-	-	-	-	-	-	14,491	-	-
Inventories	-	-	332	254	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepayments	1,074	-	40,908	36,514	87	-	-	-	250	-	2,203	-	9,684	-	-	-	-	-	-	-	-	-	1,950	-	-
Financial assets at fair value through profit or loss	6,000	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as held for sale	298,784	207,794	117,476	109,735	277	132	132	11,439	11,439	-	11,479	-	10,866	-	-	-	-	-	-	-	-	-	37,359	-	-
Total current assets	333,964	237,736	187,544	135,052	277	132	132	11,439	11,439	-	11,479	-	10,866	-	-	-	-	-	-	-	-	-	37,359	-	-
NON-CURRENT ASSETS																									
Property, plant and equipment	15,658,930	15,217,094	3,014,810	2,828,567	-	-	-	167,485	-	-	3,228	-	113,083	-	-	-	-	-	-	-	-	-	734	-	-
Financial assets at fair value through profit or loss	182,226	182,031	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and receivables	34,597	31,056	117,141	99,086	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	914	1,517	-	234	-	-	-	36	-	-	7,113	-	-	-	-	-	-	-	-	-	-	-	22,071	-	-
Prepayments	-	-	-	-	-	-	-	-	-	-	-	-	1,553	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total non-current assets	15,876,667	15,431,698	3,131,951	2,927,887	-	-	-	167,521	-	-	10,341	-	114,636	-	-	-	-	-	-	-	-	-	22,805	-	-
TOTAL ASSETS	16,210,631	15,669,434	3,319,495	3,062,939	277	132	132	178,960	-	-	21,820	-	125,502	-	-	-	-	-	-	-	-	-	60,164	-	-
CURRENT LIABILITIES																									
Payables	133,893	82,944	70,245	88,025	1,184	1,696	4,621	4,621	1,175	-	7,008	-	30,778	-	-	-	-	-	-	-	-	-	4,291	-	-
Unearned revenue	20,693	20,440	9,322	21,486	43	239	1,175	1,175	-	-	136	-	181	-	-	-	-	-	-	-	-	-	109	-	-
Interest-bearing liabilities	16,560	16,212	1,269	1,289	-	-	-	-	-	-	-	-	9,829	-	-	-	-	-	-	-	-	-	111	-	-
Lease incentives	-	-	15,466	14,221	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued employee benefits	4,969	4,740	1,028	928	306	267	1,236	1,236	-	-	2,363	-	556	-	-	-	-	-	-	-	-	3,631	-	-	
Tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other current liabilities	2	-	10,268	9,766	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	176,117	124,336	107,598	135,715	1,533	2,202	7,032	7,032	-	-	9,507	-	41,344	-	-	-	-	-	-	-	-	-	8,142	-	-
NON-CURRENT LIABILITIES																									
Interest-bearing liabilities	401,399	412,781	6,988	8,346	-	-	-	-	-	-	-	-	108,862	-	-	-	-	-	-	-	-	-	290	-	-
Lease incentives	-	-	175,556	175,017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Queen's Wharf deferred consideration	-	-	114,154	114,154	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payables	-	-	120,026	86,537	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	29,330	30,774	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities	-	-	284	283	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total non-current liabilities	401,399	412,781	446,338	415,111	-	-	-	-	-	-	-	-	108,862	-	-	-	-	-	-	-	-	-	290	-	-
TOTAL LIABILITIES	577,516	537,117	553,936	550,826	1,533	2,202	7,032	7,032	-	-	9,507	-	150,206	-	-	-	-	-	-	-	-	-	8,432	-	-

* Refer to Note 1.5.

Department of Housing and Public Works
Statement of Assets and Liabilities by Major Departmental Services, Commercialised Business Units and Shared Service Providers (SSP)
as at 30 June 2018

	Commercialised Business Units										Total department	
	Building and Asset Services		QFleet		CITEC*		General - not attributed		Inter-service/unit eliminations		2018	2017
	\$'000	2018	2017	\$'000	2018	2017	\$'000	2018	2017	\$'000	\$'000	\$'000
CURRENT ASSETS												
Cash and cash equivalents	178,162	153,877	27,755	22,274	19,961	-	202,460	208,141	-	4,000	727,917	580,030
Loans and receivables	106,676	129,224	8,463	12,305	17,521	-	11,845	11,106	(43,942)	(54,587)	226,176	182,203
Inventories	38,532	43,206	7,801	4,712	-	-	-	-	-	-	46,665	48,172
Prepayments	131	131	6,192	4,624	3,252	-	2,833	1,852	-	-	68,564	43,121
Financial assets at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	6,000	5,000
Tax assets	-	-	447	2,277	-	-	-	-	-	-	447	2,277
Non-current assets classified as held for sale	323,501	326,438	50,658	46,192	40,734	-	217,138	221,099	(43,942)	(50,587)	1,075,769	860,803
Total current assets	323,501	326,438	50,658	46,192	40,734	-	217,138	221,099	(43,942)	(50,587)	1,181,017	916,062
NON-CURRENT ASSETS												
Property, plant and equipment	577	880	244,268	242,832	11,141	-	2,240	632	-	-	19,216,496	18,290,005
Financial assets at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	182,226	182,031
Loans and receivables	-	-	-	-	-	-	-	-	-	-	151,738	130,142
Intangible assets	4,990	7,714	-	-	2,003	-	-	-	-	-	37,127	9,465
Prepayments	-	-	-	-	628	-	71	-	-	-	2,252	-
Deferred tax assets	1,885	1,406	6	6	-	-	-	-	-	-	1,891	1,412
Total non-current assets	7,452	10,000	244,274	242,838	13,772	-	2,311	632	-	-	19,591,730	18,613,055
TOTAL ASSETS	330,953	336,438	294,932	289,030	54,506	-	219,449	221,731	(43,942)	(50,587)	20,772,747	19,529,117
CURRENT LIABILITIES												
Payables	126,532	126,752	17,733	16,372	10,881	-	15,713	11,770	(43,942)	(50,587)	378,937	276,972
Unearned revenue	67,244	76,057	6,530	6,662	683	-	1,490	2,170	-	-	107,606	127,054
Interest-bearing liabilities	-	-	-	-	1,169	-	113	-	-	-	29,051	17,501
Lease incentives	-	-	-	-	-	-	-	-	-	-	15,466	14,221
Accrued employee benefits	5,620	5,308	183	186	1,757	-	2,997	2,367	-	-	24,646	13,796
Tax liabilities	2,521	2,826	-	-	-	-	-	-	-	-	2,521	2,826
Other current liabilities	1,773	5	-	-	637	-	-	-	-	-	12,680	9,771
Total current liabilities	203,690	210,948	24,446	23,220	15,127	-	20,313	16,307	(43,942)	(50,587)	570,907	462,141
NON-CURRENT LIABILITIES												
Interest-bearing liabilities	-	-	176,512	166,512	3,041	-	282	-	-	-	697,374	587,639
Lease incentives	-	-	-	-	-	-	-	-	-	-	175,556	175,017
Queen's Wharf deferred consideration	-	-	-	-	-	-	-	-	-	-	114,154	114,154
Payables	-	-	-	-	-	-	-	-	-	-	120,026	86,537
Unearned revenue	-	-	-	-	-	-	-	-	-	-	29,330	30,774
Deferred tax liabilities	1,408	2,101	16,374	13,859	403	-	-	-	-	-	18,185	15,960
Other non-current liabilities	-	-	-	-	-	-	-	-	-	-	284	283
Total non-current liabilities	1,408	2,101	192,886	180,371	3,444	-	282	-	-	-	1,154,909	1,010,364
TOTAL LIABILITIES	205,098	213,049	217,332	203,591	18,571	-	20,595	16,307	(43,942)	(50,587)	1,725,816	1,472,505

* Refer to Note 1.5.

1. Basis of preparation
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1 BASIS OF PREPARATION

1.1 Authorisation of financial statements

The financial statements are authorised for issue by the Director-General and Chief Finance Officer at the date of signing the Management Certificate.

1.2 General information

The Department of Housing and Public Works is a not-for-profit Queensland Government department established under the *Public Service Act 2008* and controlled by the State of Queensland which is the ultimate parent and therefore a related party. Other Queensland public sector entities, over which the State has control, joint control or significant influence are also related parties of the Department of Housing and Public Works. The department's principal activities are described in Note 1.4 below and include major activities involving other Queensland Government entities such as construction and maintenance programs, motor vehicle fleet management, office accommodation, government employee housing, information and communication technology and corporate services. Transactions with related party entities that are individually or collectively significant are reported throughout these financial statements. Transactions with key management personnel (who are all related parties) are reported in Note 8.1.

The head office and principal place of business of the department is 1 William Street, Brisbane, Queensland 4000.

For information in relation to the department's financial statements, please call 07 3008 3138 or visit the department's website at www.hpw.qld.gov.au.

1.3 Statement of compliance

The department has prepared these general purpose financial statements in compliance with section 42 of the *Financial and Performance Management Standard 2009*, the Australian Accounting Standards and Interpretations applicable to not-for-profit entities, and Queensland Treasury's Minimum Reporting Requirements.

1.4 Department objectives and principal activities

The objectives and principal activities of the department are reflected in the services undertaken by the department which are summarised below.

The department's purpose is to support Queensland's economic wellbeing and contribute to improving the quality of life for people and communities.

It seeks to balance social outcomes with business and economic outcomes. The department delivers a diverse range of services to Queenslanders, in the areas of housing and homelessness, building, fleet, and asset management, procurement services, sport and recreation, digital capability and information, and strategic information and communication technology. As an organisation, we are also committed to achieving better outcomes for Aboriginal and Torres Strait Islander peoples and their communities.

The department's vision is working together to make a difference to Queenslanders by building better, safer places to live and work.

To support the delivery of the Queensland Government's objectives and to achieve our vision we deliver the following services:

Housing and Homelessness Services

Housing and Homelessness Services provides housing assistance and homelessness support services to Queenslanders most in need, through a mix of direct delivery and arrangements with funded service providers. This includes remote Aboriginal and Torres Strait Islander housing, social and private housing assistance, homelessness support services and crisis accommodation.

Housing and Homelessness Services also includes the Office of the Registrar which oversees the National Regulatory System for Community Housing in Queensland.

1.4 Department objectives (continued)

Government Accommodation and Building Policy Services

Government Accommodation and Building Policy Services delivers the Queensland Government's office accommodation and employee housing portfolio and manages significant building and property initiatives.

Procurement Services

Procurement Services manages the Queensland Government's procurement policy and related frameworks. It provides expert advice to stakeholders and helps enable agencies to achieve their procurement outcomes by sharing procurement information, best practice and innovation, developing whole-of-government frameworks in areas including capability, accreditation and performance, and working with agencies to reduce the cost of doing business with the Queensland Government.

Building and Asset Services

Building and Asset Services, in partnership with its Queensland government agency customers, supports strategic asset management by managing risks for diverse building asset portfolios and providing expertise in planning, procurement and delivery of new building infrastructure, as well as asset and facilities management.

QFleet

QFleet is responsible for whole-of-government fleet policy development and implementation. Services include vehicle procurement and contract management, fleet advisory services to public sector departments, as well as government-funded organisations, in-service maintenance, accident management, and end-of-life repairs and vehicle remarketing.

The following functions were transferred in to the department as a result of the machinery-of-government changes outlined in Note 1.5.

Sport and Recreation

Sport and Recreation develops and delivers a suite of funding programs to support community sport and active recreation needs and provides education and training programs that contribute to building the capacity of the sport and recreation sector.

Sport and Recreation also provides resources for parents, carers and teachers aimed at encouraging all Queenslanders, particularly young people, to be more physically active and by managing purpose-built sport and active recreation facilities, including the Queensland Recreation Centres.

Sport and Recreation works to develop and support elite athletes at the Queensland Academy of Sport.

Digital Capability and Information

Digital Capability and Information develops and delivers innovative digitally enabled and integrated government services that are simpler and faster for the community to access online or through phone and counter channels. It leads a major program of work to accelerate the delivery of proactive and personalised services, designed around the customer. It drives digital economy development and digital capability programs.

Digital Capability and Information leads Queensland public authorities in managing and preserving Queensland public records in a useable form and improves public access to the collection by embracing digital government practices. It is also responsible for implementing the Government's commitment to making government data open for anyone to access, use and share.

1.4 Department objectives (continued)

Strategic Information and Communication Technology

Strategic Information and Communication Technology supports the delivery of multi-agency ICT programs and projects, data analytics, and manages ICT strategic procurement arrangements and major ICT contracts. Strategic ICT also delivers ICT infrastructure services through CITEC.

The Queensland Government Chief Information Office provides advice to government on digital ICT and investment.

CITEC

CITEC delivers consolidated, core ICT infrastructure services for the Queensland Government, covering data centre, network, storage, data protection, and ICT platform and solution integration services. CITEC also delivers information solutions to customers in business and the community Australia-wide on a fully commercial basis.

Queensland Shared Services

Queensland Shared Services facilitates a range of corporate services including finance and human resource management to government departments and statutory bodies, excluding Queensland Health and the Department of Education.

1.5 Machinery-of-government changes

Public Service Departmental Arrangements Notice (No.3 and No.4) 2017

Details of transfer: Responsibility for the following functions were transferred from the former Department of Science, Information Technology and Innovation:

- Smart Service Queensland
- Queensland State Archives
- Strategic ICT including CITEC
- Queensland Shared Services

Responsibility for Sport and Recreation was transferred from the former Department of National Parks, Sport and Racing.

Date of transfer: Effective from 13 December 2017

Public Service Departmental Arrangements Notice (No.1) 2018

Details of transfer: Responsibility for the following functions were transferred from the Department of the Premier and Cabinet:

- One-Stop Shop Strategy and Implementation Office
- Digital Economy and Productivity
- Queensland Government Chief Information Office

Date of transfer: Effective from 1 March 2018

1.5 Machinery-of-government changes (continued)

Assets and liabilities transferred

	Department of Science, Information Technology and Innovation \$'000	Department of National Parks, Sport and Racing \$'000	Department of the Premier and Cabinet \$'000	Total \$'000
Controlled				
Cash and cash equivalents	22,897	11,869	2,207	36,973
Loans and receivables	72,108	2,665	140	74,913
Prepayments	15,447	345	194	15,986
Property, plant and equipment	130,386	159,920	806	291,112
Intangible assets	30,170	46	4,552	34,768
Total assets	271,008	174,845	7,899	453,752
Payables	48,660	6,514	1,998	57,172
Unearned revenue	4,420	1,341	130	5,891
Interest-bearing liabilities	123,153	-	-	123,153
Accrued employee benefits	4,379	602	747	5,728
Deferred tax liabilities	599	-	-	599
Other liabilities	228	-	-	228
Total liabilities	181,439	8,457	2,875	192,771
Net assets	89,569	166,388	5,024	260,981
Administered				
Cash and cash equivalents	5,000	131	-	5,131
Loans and receivables	2,508	-	-	2,508
Prepayments	15,721	-	-	15,721
Total assets	23,229	131	-	23,360
Payables	2,765	131	-	2,896
Total liabilities	2,765	131	-	2,896
Net assets	20,464	-	-	20,464

The increase in net assets has been accounted for as an increase in contributed equity as disclosed in the Statement of Changes in Equity. These transfers are from related parties.

The following budgeted appropriations were reallocated from these departments to the Department of Housing and Public Works as part of the machinery-of-government changes:

	\$'000
Controlled - appropriation revenue	216,819
Controlled - equity adjustments	(1,848)
Administered - appropriation revenue	8,879

1.6 Measurement

The historical cost convention is used unless fair value is stated as the measurement basis.

1.7 Presentation

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

Assets are classified as current where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as current when they are due to be settled within 12 months after the reporting date, or the department does not have an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

1.8 New and revised accounting standards

AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107* requires the disclosure of information that will allow users to understand changes in liabilities arising from financing activities. Disclosure of the relevant figures can be found in the Notes to the Statement of Cash Flows.

Refer to Note 8.3 for details of the future impact of accounting standards not yet effective.

	2018 \$'000	2017 \$'000
2 REVENUE		
2.1 User charges and fees		
Property rental - offices*	453,998	434,021
Property rental - social housing	406,781	420,370
Property rental - government employee housing*	44,777	45,667
Building services*	567,899	562,455
Information, communication and technology services**	85,096	-
Services rendered by shared service provider*	67,167	-
Vehicle leasing*	86,176	83,481
Vehicle sales	26,089	35,799
Other	85,576	72,364
Total	1,823,559	1,654,157

* These line items are primarily related party transactions with other Queensland state government entities.

**Approximately half of these services have been provided to related parties (Queensland state government entities).

User charges and fees controlled by the department are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty.

Property rental income in respect of commercial operating leases (offices) is recognised on a straight-line basis over the lease term.

Revenue for building services is recognised on fixed price construction contracts and for services rendered in accordance with the percentage of completion method. Stage of completion is measured by reference to the proportion of physical work completed. Revenue is recognised on fixed price construction contracts when the outcome of the contract is reliably known. Where the outcome is not reliably known, revenue is recognised to the value of costs incurred where it is probable that the costs are recoverable. Expected losses are recognised as an expense where it is probable that the total contract costs will exceed total contract revenue.

2.2 Appropriation revenue

Reconciliation of payments from consolidated fund to appropriation revenue recognised in operating result

Budgeted appropriation revenue	709,455	757,704
Transfers from/to other headings - variation in headings	-	(44,019)
Transfers from/to other departments - redistribution of public business	217,893	(27,856)
Lapsed appropriation revenue	(152,308)	-
Total appropriation receipts (cash)	775,040	685,829
Less: Opening balance of appropriation revenue receivable	-	(3,540)
Plus: Opening balance of deferred appropriation payable to Consolidated Fund	33,574	-
Plus: Transfer of deferred appropriation payable from other Queensland Government entities	2,530	-
Less: Closing balance of deferred appropriation payable to Consolidated Fund	(53,975)	(33,574)
Net appropriation revenue	757,169	648,715
Plus: Deferred appropriation payable to Consolidated Fund (expense)	52,819	33,374
Appropriation revenue recognised in Statement of Comprehensive Income	809,988	682,089

Appropriations provided under the *Appropriation Act 2017* are recognised as revenue when received or when a receivable is recognised after approval by Queensland Treasury. Where it is agreed with Queensland Treasury that a payable is recognised at year end, an expense is also recognised.

The department's appropriation is from Queensland Treasury which is a related party.

Department of Housing and Public Works
Notes to the financial statements 2017-18

	2018 \$'000	2017 \$'000
2.3 Gains on disposal/remeasurement of assets		
Revaluation increment - buildings	95,604	-
Net gain on financial assets at fair value through profit or loss	8,469	4,102
Impairment loss reversal (receivables)	68	-
Net gain on disposal of property, plant and equipment	3,858	2,261
Total	<u>107,999</u>	<u>6,363</u>

3 EXPENSES

3.1 Supplies and services

Property rental	426,586	408,802
Cost of sales		
Building, construction and maintenance services	371,456	370,820
Motor vehicles and land sold through inventory	22,685	29,648
Property repairs and maintenance	328,450	312,788
Outsourced service delivery - Housing and Homelessness Services	168,851	160,664
Rates to local governments*	168,943	165,790
Information, communication and technology expenses	69,585	22,873
Other property expenses	86,491	86,787
Consultants and contractors	69,942	27,366
Motor vehicle costs**	23,094	22,267
Electricity and gas	26,860	27,417
Other	128,650	83,840
Total	<u>1,891,593</u>	<u>1,719,062</u>

Property rental expenses in respect of operating leases are recognised on a straight line basis over the period of the lease term.

* The department is not required to pay general rates to local governments for properties covered by Section 95 of the *Housing Act 2003* so these payments are considered special payments. Consequently, rates to local governments include special payments totalling \$52.539 million (2017 \$49.542 million) in respect of general rates.

** Motor vehicle costs include registration for QFleet motor vehicles paid to a related party.

3.2 Employee expenses

Employee benefits

Wages and salaries	337,634	230,982
Annual leave levy	35,362	23,880
Employer superannuation contributions	44,946	30,436
Long service leave levy	7,215	5,019
Termination benefits	229	196
Other employee benefits	673	797
	<u>426,059</u>	<u>291,310</u>

Employee-related expenses	14,486	10,611
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Total	<u>440,545</u>	<u>301,921</u>
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Wages and salaries

Wages and salaries due (but unpaid at reporting date) are recognised in the Balance Sheet at current salary rates. As the department expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

3.2 Employee expenses (continued)

Annual leave and long service leave

Under the Queensland Government's Annual Leave Central Scheme and Long Service Leave Scheme a levy is made on the department to cover the cost of employees' annual leave (including leave loading and on-costs) and long service leave. These payments are related party transactions as they are made to Queensland Treasury. The levies are expensed in the period in which they are payable. Amounts paid to employees for annual and long service leave are claimed from the scheme quarterly in arrears.

Superannuation

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's QSuper defined benefit plan as determined by the employee's conditions of employment.

Defined Contribution Plans - Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant Enterprise Bargaining Agreement or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Defined Benefit Plan - The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. The amount of contributions for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by the department at the specified rate following completion of the employee's service each pay period. The department's obligations are limited to those contributions paid.

Employee-related expenses

Payroll tax and workers' compensation insurance (paid to related parties) are a consequence of employing staff, but are not counted in an employee's total remuneration package. They are not employee benefits, and are recognised separately as employee-related expenses.

Number of employees

The number of employees (measured on a full-time equivalent basis) as at 30 June 2018 is 5,286 (2017 2,937).

Key management personnel and remuneration disclosures are detailed in Note 8.1.

3.3 Grants and subsidies

Housing grants

Private housing programs	30,535	29,883
Aboriginal and Torres Strait Islander housing*	63,232	61,421
Social rental housing**	6,064	15,929
Other	2,774	1,582
Sport and recreation grants	43,132	-
Other grants and subsidies***	10,353	10,163
Total	156,090	118,978

The above amounts include the following related party transactions.

* Includes \$4.220 million (2017 \$10.571 million) paid to Department of Aboriginal and Torres Strait Islander Partnerships for housing.

** Includes \$1.059 million (2017 \$7.210 million) paid to Brisbane Housing Company for housing.

*** Includes \$3.497 (2017 \$9.182 million) paid to the former Department of Science, Information Technology and Innovation for information technology fitouts prior to the machinery-of-government change.

	2018 \$'000	2017 \$'000
3.4 Other expenses		
Deferred appropriation payable to Consolidated Fund	52,819	33,374
Insurance premiums - Queensland Government Insurance Fund	15,474	15,027
Insurance premiums - other	6,012	4,058
External audit fees*	1,328	866
Losses:**		
Buildings subject to insurance	1,070	2,305
Public money	12	-
Special payments:***		
Court awarded damages	293	-
Ex-gratia payments - other	652	331
Other	2,275	2,821
Total	<u>79,935</u>	<u>58,782</u>

* Total audit fees quoted by the Queensland Audit Office (related party) relating to the 2017-18 financial statements are \$0.930 million (GST exclusive) (2017 \$0.890 million). Other audit services relate to the audit of the report on service provider controls.

** Certain losses of public property are insured with the Queensland Government Insurance Fund (QGIF) (related party). The claims made in respect of these losses have yet to be assessed by QGIF, and the amount recoverable cannot be estimated reliably at reporting date. Upon notification by QGIF of the acceptance of a claim, revenue will be recognised for the agreed settlement amount. For each accepted claim the department is liable for the first \$10,000, being the insurance excess.

*** Special payments include ex-gratia expenditure and other expenditure that the department is not contractually or legally obligated to make to other parties. Special payments includes the following payments over \$5,000:

- surrender payment to a tenant for an early lease surrender
- ex-gratia payments to certain borrowers for maintenance of their houses
- an out-of-court settlement paid to a third party for damage to their property following an incident at a property owned by the department
- compensation paid by the department to the owners of an adjoining property following an encroachment onto their land.

The total of all special payments includes rates payments that are required to be disclosed within Supplies and services (Note 3.1).

From 2006-07 the department was appointed agent by various councils to undertake tenancy management activities on their behalf with rent collected remitted to the relevant council.

From 2010-11, pursuant to the National Partnership Agreement on Remote Indigenous Housing and the later National Partnership on Remote Housing, the department entered into 40 year lease arrangements with a number of councils to facilitate the construction and refurbishment of residential property. Under these arrangements the department was able to retain the rent collected and pay a lease payment and rates (or rates equivalent charges) to these councils. The department has now finalised its position on the point in time the department became entitled to receive rent revenue, being the commencement date as set out in the signed 40 year lease agreement with council, not the later date that the individual tenancy agreements were signed.

In July 2018 the Director-General provided retrospective special payment approval for rent remitted to councils for those properties involved in the transition from a council agency agreement to the commencement of a 40 year lease.

Department of Housing and Public Works
Notes to the financial statements 2017-18

	2018 \$'000	2017 \$'000
4 ASSETS		
4.1 Property, plant and equipment		
Land: at fair value	10,302,949	9,726,138
Buildings: at fair value	7,020,454	6,820,155
Leased assets: at fair value		
Gross	1,455,592	1,361,620
Less accumulated depreciation	(450,299)	(417,614)
	<u>1,005,293</u>	<u>944,006</u>
Plant and equipment: at cost		
Gross	608,624	519,771
Less accumulated depreciation	(206,303)	(121,363)
	<u>402,321</u>	<u>398,408</u>
Infrastructure: at fair value		
Gross	335,468	308,626
Less accumulated depreciation	(95,401)	(88,488)
	<u>240,067</u>	<u>220,138</u>
Heritage and cultural assets: at fair value		
Gross	175,590	110,716
Less accumulated depreciation	(124,158)	(70,663)
	<u>51,432</u>	<u>40,053</u>
Work in progress: at cost	193,980	141,107
Total	<u><u>19,216,496</u></u>	<u><u>18,290,005</u></u>

4.1 Property, plant and equipment (continued)

Property, plant and equipment reconciliation

	Land \$'000	Buildings \$'000	Leased assets \$'000	Plant and equipment \$'000	Infrastructure \$'000	Heritage and cultural assets \$'000	Work in progress \$'000	Total \$'000
Carrying amount at 1 July 2016	9,698,570	6,927,970	939,167	259,764	219,666	40,090	122,413	18,207,640
Transfers from other Queensland Government entities	5,319	19,528	-	1,208	-	-	-	26,055
Transfers to other Queensland Government entities	(1,974)	(515)	-	(195)	-	(90)	-	(2,774)
Acquisitions	35,353	86,529	11,785	211,971	-	-	215,080	560,718
Transfers between classes	461	87,364	104,052	2,589	-	1,920	(196,386)	-
Transfers to inventories	-	-	-	(29,261)	-	-	-	(29,261)
Disposals	(3)	(3,261)	(1,752)	(127)	-	-	-	(5,143)
Assets reclassified as held for sale	(57,839)	(24,366)	-	-	-	-	-	(82,205)
Net revaluation increments/(decrements) recognised in asset revaluation surplus	46,251	-	(82,114)	-	3,429	(1,363)	-	(33,797)
Net revaluation increments/(decrements) recognised in operating result	-	(109,852)	-	-	-	-	-	(109,852)
Depreciation	-	(163,242)	(27,132)	(47,541)	(2,957)	(504)	-	(241,376)
Carrying amount at 30 June 2017	9,726,138	6,820,155	944,006	398,408	220,138	40,053	141,107	18,290,005
Carrying amount at 1 July 2017	9,726,138	6,820,155	944,006	398,408	220,138	40,053	141,107	18,290,005
Transfers from other Queensland Government entities	80,484	74,808	118,294	14,578	18,948	-	4,708	311,820
Transfers to other Queensland Government entities	(95)	(345)	-	-	-	-	(614)	(1,054)
Acquisitions	33,724	22,140	13,368	70,220	-	-	349,198	488,650
Transfers between classes	1,797	210,798	89,860	1,311	259	(3,606)	(300,419)	-
Transfers to inventories	-	-	-	(25,640)	-	-	-	(25,640)
Disposals	(6)	(2,361)	(2,024)	(698)	-	-	-	(5,089)
Assets reclassified as held for sale	(120,199)	(46,307)	-	-	-	-	-	(166,506)
Net revaluation increments/(decrements) recognised in asset revaluation surplus	581,106	-	(124,294)	-	3,927	15,492	-	476,231
Net revaluation increments/(decrements) recognised in operating result	-	95,604	-	-	-	-	-	95,604
Depreciation	-	(154,038)	(33,917)	(55,858)	(3,205)	(507)	-	(247,525)
Carrying amount at 30 June 2018	10,302,949	7,020,454	1,005,293	402,321	240,067	51,432	193,980	19,216,496

4.1 Property, plant and equipment (continued)

(a) Acquisitions

Cost is used for the initial recording of all property, plant and equipment asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the asset ready for use.

Where a non-current physical asset is acquired by means of a finance lease, the asset is recognised at the lower of the fair value of the leased asset, and the present value of the minimum lease payments. The lease liability is recognised at the same amount. Lease payments are allocated between the principal component of the lease liability and the interest expense.

Where assets are received free of charge from another Queensland Government department (whether as a result of a machinery-of-government change or other involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the books of the transferor immediately prior to the transfer, together with any accumulated depreciation.

Items of property, plant and equipment with a cost or other value equal to, or in excess of, the following thresholds are recognised for financial reporting purposes in the year of acquisition:

Buildings	\$10,000
Leased assets	\$10,000
Infrastructure	\$10,000
Heritage and cultural	\$5,000
Plant and equipment	\$5,000
Land	\$1

Items with a lesser value are expensed in the year of acquisition.

Subsequent expenditure that increases the originally assessed service potential or useful life of an asset is capitalised to the value of that asset. Maintenance expenditure that merely restores original service potential (arising from ordinary wear and tear) is expensed.

Land improvements undertaken by the department are included with buildings.

(b) Measurement

Land, buildings, leased assets (excluding the Government Wireless Network, see Note 4.1(h)), infrastructure and heritage and cultural assets are measured at fair value. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation. All assets are valued at highest and best use unless otherwise stated.

Key judgement: The cost of items acquired during the year has been judged by management to materially represent their fair value at the end of the reporting period.

Plant and equipment is measured at cost. The carrying amounts are not materially different from their fair value.

Capital works in progress are measured at their acquisition cost or construction cost.

4.1 Property, plant and equipment (continued)

(c) Revaluation of property, plant and equipment

Land, buildings, infrastructure and heritage and cultural assets are revalued on an annual basis, either by specific appraisals undertaken by an independent professional valuer or internal expert or by the use of appropriate and relevant indices.

The department has a Property Asset Management Committee (of which the Chief Finance Officer is a member) that oversees the valuation process undertaken by Housing and Homelessness Services, Queensland Government Accommodation Office, Government Employee Housing and Sport and Recreation. These units determine the specific revaluation practices and procedures. There are separate committees to provide detailed oversight of their revaluation practices, reports and outcomes arising from each annual review.

The fair values reported by the department are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs. All assets are valued at highest and best use, which is generally consistent with current use.

All assets measured at fair value are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- level one – represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities
- level two – represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level one) that are observable, either directly or indirectly, and
- level three – represents fair value measurements that are substantially derived from unobservable inputs.

For assets revalued using a cost valuation method (e.g. current replacement cost), accumulated depreciation is adjusted to equal the difference between the gross amount and carrying amount. This is generally referred to as the 'gross method'.

For assets revalued using a market or income-based valuation approach, accumulated depreciation is eliminated against the gross amount of the asset prior to restating for the revaluation. This is generally referred to as the 'net method'.

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

When an asset is derecognised, any revaluation surplus included in equity in respect of that asset is not transferred to accumulated surplus.

(i) Social housing – land and buildings

Fair value is primarily determined by establishing current market value from the sale prices of comparable properties as there are usually active and liquid residential property markets which provide sufficient applicable sales evidence. The revaluation framework for social housing assets has been developed in recognition of the large number, homogenous nature, location and density of the property portfolio.

As at 30 June 2018, the department revalued its social housing properties by dividing the state into geographical regions and homogenous groups within each region according to certain criteria (including number of bedrooms, condition, previous value, age of property, building type). Properties were sampled for specific appraisal from groups where the department owns its highest proportion of properties and where there is adequate market depth to determine fair value. In 2017-18 30% (2016-17 46%) of properties were specifically appraised. A sample of valuations that resulted in significant movements (+ or - 20% or greater than \$1 million) was reviewed by the department for reasonableness against external market information.

4.1 Property, plant and equipment (continued)

(c) Revaluation of property, plant and equipment (continued)

(i) Social housing – land and buildings (continued)

Following the specific appraisals of the representative sample of properties, separate indices were calculated for assets within each region using the mean of the ratios of the previous year's values to the current year's values. To ensure the integrity of the valuation results used to derive the indices, the department used two independent valuers to provide specific appraisals for different properties within the sample for that region. Properties with similar characteristics were given to each valuer. The mean of the test valuations provided by the second valuation firm must be within one standard deviation (+ or -) of the mean of the valuations provided by the primary valuation firm, and the relative standard error rate $\leq 4\%$, before the indices are accepted.

The indices were subsequently applied to properties across each region not specifically appraised, in order to derive current market values. An analysis performed by the department has indicated that on average, the variance between an indexed asset value and the valuation by an independent valuer when performed on a rotational basis is not significant, and the department's indices are sound.

Every five years, the sample is increased to further test the robustness of the index calculation process, and to provide greater coverage of the property portfolio by specific appraisal. The increased sample size was last applied to the valuations for 2016-17.

Specific appraisals of land are undertaken at the same time as the related building revaluations are performed.

The most significant inputs into the valuations were location, bedroom count, price per square metre (units generally), land size (detached houses generally), condition and a discount factor applied to accommodation in recognition of the cost of obtaining strata title to sell. Under the fair value hierarchy there are two inputs categorised as unobservable – condition of the property and the discount applied to some multi-unit properties without strata title on individual units.

The condition rating of the properties is supplied to the valuers as part of the valuation kit. The condition rating of the properties does not result in a significant adjustment to the valuations as the department's renewal policy requires properties to be maintained to a satisfactory standard, with property condition assessed at least once every three years by internal inspection.

The discounts applied to some multi-unit residential properties where there is no strata title for individual units results in adjustments to the level two inputs that are significant to the fair value measurement, and those buildings become subject to level three hierarchy disclosures. Where single title (i.e. not strata title) exists over multi-unit properties, an adjustment is made to reflect the required costs for strata title.

Key assumptions: The following assumptions were made in relation to the valuation of social housing properties:

- All assets were valued at highest and best use. There were no assets valued where it was assumed that the highest and best use was other than its current use.
- Valuers have made the assumption that the data provided by the department is current and a true reflection of the characteristics of each property, e.g. number of bedrooms and property size.
- Valuers have assumed that all properties are in sound condition with no essential repairs required, or have assumed that the condition of the interior is consistent with the exterior of the building.
- Where recent sales for comparable properties were limited, valuers have assessed market value with reference to older sales in the area, sales in comparable areas or have applied an income approach.

(ii) Leased assets - buildings on Deed of Grant in Trust (DOGIT) land

Leased buildings are specifically appraised at least once every five years on a rolling basis. Any new leases, and new constructions, are revalued when the community receives its next specific appraisal or at most within five years. Indices provided by independent valuers are applied for the intervening years. As at 30 June 2018, an independent valuer performed specific appraisals or supplied indices. As there is no active market for buildings on DOGIT land the current replacement cost method is used. Current replacement cost reflects the current cost that would be required to replace the service capacity of the asset as it currently exists. The cost is estimated to be the amount that would be incurred by a market participant to acquire or construct a substitute asset, adjusted for comparable utility and obsolescence.

4.1 Property, plant and equipment (continued)

(c) Revaluation of property, plant and equipment (continued)

(iii) Government employee houses – land and buildings

Fair value for Queensland Government employee houses is determined by establishing market value, primarily by the direct comparison method of valuation, or by indexation. There are usually active and liquid residential property markets which provide sufficient applicable sales evidence. Where there is no active and liquid market for assets, fair value is the current replacement cost. Where properties are indexed a number of indices are used depending on the location:

- indices supplied by a registered valuer
- indices applied to social housing properties
- indices applied to Deed of Grant in Trust properties.

Valuations are performed on these properties once every five years. They were last specifically appraised by an independent valuer in 2015-16. Properties that aren't specifically appraised in any given year are indexed.

(iv) Commercial properties – land and buildings

As at 30 June 2018, commercial properties were either:

- specifically appraised by independent valuers
- indexed using Rawlinsons Brisbane Construction Cost Index or
- indexed using a location-specific market index provided by an independent valuer.

These properties are specifically appraised on a rolling basis every two to four years, using a combination of market, income and cost-based approaches. Specific appraisals are procured annually in volatile property market conditions.

Valuation methods include direct comparison, capitalisation or discounted cash flow approaches or a combination of approaches depending on the size of the property and the available market evidence. Key inputs for valuation methods include sale prices, square metre of land or building area, capitalisation rates, rent rates, discount rates, operating expense rates per square metre and lease terms. These measures are influenced by market supply and demand dynamics. Building characteristics, such as size, grade and condition as well as functional, physical and economic obsolescence factors were also determinants considered by the valuers in assessing values. Valuers are required to maximise the use of observable property market evidence in determining values. In localities with adequate market activity, valuation methods are adopted that have direct reference to recent sales evidence of comparable properties.

Some localities, particularly remote areas, lack sufficient market activity to derive building values directly from sales evidence. Also, the specialised nature of some assets, such as convention centres and other purpose built structures, do not have an active market. Fair value for these assets has been assessed using current replacement cost.

Land values were assessed by the valuers having regard to market evidence of recent and relevant land sales. Land location, size, shape, elevation, accessibility, zoning and development potential were aspects considered in determining land values. Physical, legal and statutory constraints, such as heritage listings, easements, flooding and environmental, were also considered by the valuers.

(v) Sport and recreation properties - land and buildings

These properties were transferred from the Department of National Parks, Sport and Racing effective from 13 December 2017 (refer to Note 1.5).

The majority of the sport and recreation buildings are Queensland Recreation Centres. As there is insufficient sales activity for these types of properties to derive market based valuations, the buildings are valued using the current replacement cost. Management judge that the highest and best use of these properties is their current use.

To address potential volatility in the land market, the top six land assets, in value, were specifically appraised by an independent valuer at 30 June 2018.

Valuations are performed on these properties once every five years. Buildings were last specifically appraised by an independent valuer in 2014-15. Properties that aren't specifically appraised in any given year are indexed.

4.1 Property, plant and equipment (continued)

(c) Revaluation of property, plant and equipment (continued)

(vi) Infrastructure

The infrastructure assets include Roma Street Parkland improvements, the Goodwill Bridge and the Kurilpa Bridge. Fair value for the infrastructure assets is assessed using current replacement cost due to the lack of market sales evidence for such assets.

Infrastructure assets are specifically appraised at least every four years, using independent experts. They were subject to specific appraisal at 30 June 2015 by an independent valuer taking into account useful life, age, condition and functionality. Quantity surveyors assessed the replacement cost for the valuer. The valuer's assumptions for the infrastructure assets include:

- the property complies with all statutory requirements with respect to health, building, town planning and fire safety regulations
- a detailed structural survey would not reveal defects
- improvements are sited within title boundaries and without encroachment.

At 30 June 2018 a pedestrian bridge index was provided by an independent valuer, based on advice from internal quantity surveyors analysing the construction costs of the various components of the assets and then applying the cost movements against the relevant proportions of the original project estimate.

The parkland was indexed using the Rawlinsons construction cost index.

(vii) Heritage and cultural assets

Fair value for the department's heritage and cultural buildings is assessed based on relevant market evidence for similar assets. In localities where there is insufficient sales activity to derive market-based valuations, the buildings are valued using the current replacement cost and reproduction cost methods. This is also the case for unique or highly specialised buildings for which there is no comparable property market evidence. Properties are specifically appraised every four years unless there is an indication that more frequent revaluation is required.

At 30 June 2018 all heritage properties were specifically appraised by independent valuers.

(d) Asset revaluation surplus by class

	Land \$'000	Leased assets \$'000	Infrastructure \$'000	Heritage and cultural assets \$'000	Total \$'000
Balance at 1 July 2016	1,532,313	272,981	111,904	5,154	1,922,352
Net revaluation increments/(decrements)	46,251	(82,114)	3,429	(1,363)	(33,797)
Balance at 30 June 2017	1,578,564	190,867	115,333	3,791	1,888,555
Balance at 1 July 2017	1,578,564	190,867	115,333	3,791	1,888,555
Net revaluation increments/(decrements)	581,106	(124,294)	3,927	15,492	476,231
Balance at 30 June 2018	2,159,670	66,573	119,260	19,283	2,364,786

4.1 Property, plant and equipment (continued)

(e) Fair value measurement

Categorisation of fair values recognised as at 30 June 2018

	Level 2 \$'000		Level 3 \$'000		Total \$'000	
	2018	2017	2018	2017	2018	2017
Buildings						
- social housing	2,687,665	2,646,840	2,947,235	2,840,134	5,634,900	5,486,974
- government employee housing	445,657	440,869	29,412	29,352	475,069	470,221
- commercial	528,573	558,965	305,974	303,995	834,547	862,960
- sport and recreation	-	-	75,938	-	75,938	-
Total buildings	3,661,895	3,646,674	3,358,559	3,173,481	7,020,454	6,820,155
Land						
- social housing	8,992,987	8,658,690	-	-	8,992,987	8,658,690
- government employee housing	160,647	165,097	-	-	160,647	165,097
- commercial	1,062,745	902,351	-	-	1,062,745	902,351
- sport and recreation	20,126	-	66,444	-	86,570	-
Total land	10,236,505	9,726,138	66,444	-	10,302,949	9,726,138
Infrastructure	-	-	240,067	220,138	240,067	220,138
Heritage and cultural assets	29,456	19,885	21,976	20,168	51,432	40,053
Total	13,927,856	13,392,697	3,687,046	3,413,787	17,614,902	16,806,484

Level 3 significant valuation inputs

Asset class	Type of significant unobservable inputs
Buildings	Discounts for non-strata title units. This represents the cost of obtaining strata title to sell.
Infrastructure	Infrastructure replacement costs are on a per component basis. Remaining useful lives.
Heritage and cultural assets	Building replacement/ reproduction cost rates. Remaining useful lives. Capitalisation rates.

(f) Impairment

Property, plant and equipment assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the department determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

(g) Depreciation

Land is not depreciated as it has an unlimited useful life.

Buildings, infrastructure, heritage and cultural assets and plant and equipment are depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset progressively over its estimated useful life to the department.

Any subsequent expenditure that increases the originally assessed capacity or service potential of an asset is capitalised, and the new depreciable amount is depreciated over the remaining useful life of the asset to the department.

Assets subject to finance leases are depreciated on a straight-line basis over the term of the lease, or where it is likely that the department will obtain ownership of the asset, the expected useful life of the asset to the department.

Assets under construction (work-in-progress) are not depreciated until they reach their service delivery capacity. Service delivery capacity relates to when construction is complete and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant classes of property, plant and equipment.

4.1 Property, plant and equipment (continued)

(g) Depreciation (continued)

Key estimate: For each class of asset the following depreciation rates are used:

Buildings	1% to 14%
Leased assets	3% to 25%
Plant and equipment	1% to 75%
Infrastructure	1% to 10% in accordance with useful life of components
Heritage and cultural assets	1% to 2%

Remaining useful lives are reviewed annually. Where remaining useful lives require modification, the depreciation expense changes from the date of assessment until the end of the useful life (for both current and future years). The estimation of useful lives requires management judgement in assessing the condition of the building.

Key judgement: A key strategic asset management principle of the department is the efficient and effective maintenance and upgrade of social housing properties to optimise the useful lives of assets. Property condition is assessed at least once every three years by internal inspection. This results in a condition rating being assigned, and informs future maintenance and upgrade activities. A property that is ready for demolition has a condition rating of one and a property that is like new has a condition rating of ten. Management has assessed that where 95% of social housing buildings have a condition rating greater than eight, this supports the annual revision of the remaining useful life for social housing buildings to 50 years.

(h) Leased assets

The department is lessee under various finance leases. Net carrying amounts are shown below:

	2018 \$'000	2017 \$'000
Buildings on Deed of Grant in Trust land	887,194	944,006
Government Wireless Network equipment	113,030	-
Other	5,069	-
	1,005,293	944,006

Buildings on Deed of Grant in Trust land are acquired under 40 year finance leases with a number of Aboriginal and Torres Strait Islander councils. The leases facilitate the construction and/or refurbishment of properties on communal land in accordance with the National Partnership Agreement on Remote Indigenous Housing and the later National Partnership on Remote Housing, entered into between the Australian Government and the Queensland Government. The properties are initially recognised at the present value of the minimum lease payments, which is lower than the fair value of the leased property.

The Government Wireless Network (GWN) was transferred to the department from the Department of Science, Information Technology and Innovation effective from 13 December 2017 (refer to Note 1.5). The GWN is a digital radio network provisioned, operated and maintained by a telecommunication service provider under a service agreement dated September 2013. During various roll-out stages of the GWN, the department gained progressive control over the GWN equipment through the department's exclusive 'right to use' the equipment under the GWN agreement. Also included in the GWN is the right to receive replacement of exclusive assets over the life of the agreement. The gross carrying value of the GWN represents the present value of future payments under the service agreement attributable to the assets.

(i) Queen's Wharf Precinct

On 16 November 2015 the Queensland Government entered into contractual arrangements with the Destination Brisbane Consortium ('the Consortium') to redevelop the Queen's Wharf Precinct in the centre of Brisbane into an Integrated Resort Development ('the IRD Project'). The redevelopment area is located between the Brisbane River and George Street, and between Alice and Queen Streets ('the IRD Precinct').

The Department of Housing and Public Works is the owner of the majority of land and buildings within the IRD Precinct. A leasehold development lease and a freehold development lease for the project commenced on 22 February 2018 transferring responsibility of the whole of the site to the Consortium. As at 30 June 2018 the land and buildings in the precinct have been valued on the basis that the contractual arrangements are considered to be non-cancellable and the highest and best use of the land and buildings in the precinct is that of an IRD. The fair value is based on the income approach with the cash and future estimates for the non-cash consideration to be received under the contractual arrangements discounted to a single present value. As at 30 June 2018, the carrying value of the land and buildings within the IRD Precinct was \$488.783 million (2017 \$258.404 million).

	2018 \$'000	2017 \$'000
4.1 Property, plant and equipment (continued)		
(j) Long-term Community Housing Program		
<p>The department's Long-term Community Housing Program aims to deliver long-term rental housing that is secure, appropriate and affordable, for persons whose needs are not adequately met by other housing options. Under this program the department may provide grants of property or monetary assistance to community housing providers. Grant funding is provided for the construction, purchase or upgrade of dwellings and community housing providers may also contribute land and funding for the dwellings. The terms and conditions of the grant funding are contained in agreements entered into between the State and the provider. Legal title to dwellings funded under this program may be held by the provider or the department. As at 30 June 2018, the department had provided funding in relation to 3,388 (2017 3,458) properties under this program where title is held by the provider. Due to the fact that the department does not have sole control of these assets, and they are not material, these assets are not disclosed as department assets.</p>		
4.2 Loans and receivables		
Current		
Trade debtors	171,290	134,585
Rental bond loans	26,150	26,479
Less: allowance for impairment loss	(10,301)	(9,774)
	<u>15,849</u>	<u>16,705</u>
Social housing debtors - rent and maintenance	30,187	23,022
Less: allowance for impairment loss	(13,068)	(12,866)
	<u>17,119</u>	<u>10,156</u>
Annual leave reimbursements*	8,446	4,816
Long service leave reimbursements*	2,385	1,277
Housing loans	5,111	4,980
Equity adjustment receivable	-	4,416
Finance lease receivables	1,323	1,323
Deferred operating lease rent	4,653	3,945
Total current loans and receivables	<u><u>226,176</u></u>	<u><u>182,203</u></u>
Non-current		
Rental bond loans	6,533	6,616
Less: allowance for impairment loss	(2,588)	(2,444)
	<u>3,945</u>	<u>4,172</u>
Deferred operating lease rent	81,205	61,700
Housing loans	30,652	26,884
Finance lease receivables	35,936	37,386
Total non-current loans and receivables	<u><u>151,738</u></u>	<u><u>130,142</u></u>

*Refer to note 3.2 for further information.

Loans and receivables (excluding deferred operating lease rent which is recognised on a straight-line basis) are measured at amortised cost which approximates their fair value at reporting date. Loans and receivables are recognised at the amount due at the time of sale or service delivery with the exception of housing loans, which reflect the monies lent, plus interest and other costs, less repayments from borrowers. Settlement of trade debtors is generally required within 30 days from invoice date. Bond loan terms range from 18 to 30 months. Original housing loan terms range from 15 to 25 years on average.

4.2 Loans and receivables (continued)

Related party receivables include the following debts owed at 30 June by other Queensland public sector entities:

- trade debtors - mostly comprised of debts owed for building maintenance/construction, information and communication technology and corporate services
- annual and long service leave reimbursements receivable
- deferred operating lease rent.

Impairment

The collectability of loans and receivables is periodically assessed with an allowance being made for impairment where required. Portfolios of homogenous loans and receivables are assessed for impairment on a collective basis. The allowance for impairment reflects the occurrence of loss events. The most readily identifiable loss event is where a debtor is overdue in payment of a debt to the department. Loans and receivables that are determined to be uncollectable (after an appropriate range of debt recovery actions) are deducted from the relevant allowance for impairment.

If no loss events have arisen in respect of a particular group of debtors, no allowance for impairment is made in respect of that group. If the department determines that an amount owing by such a debtor does become uncollectable, the amount is recognised as a bad debt expense and written-off directly against loans and receivables.

All known bad debts were written-off as at 30 June.

Movements in allowance for impairment loss

	Current			Non-current
	Rental bond loans \$'000	Social housing debtors \$'000	Total \$'000	Rental bond loans \$'000
Balance at 1 July 2016	12,417	28,930	41,347	3,104
Increase in allowance recognised in operating result	2,934	6,738	9,672	734
Amounts written-off during the year	(5,577)	(22,802)	(28,379)	(1,394)
Balance at 30 June 2017	9,774	12,866	22,640	2,444
Balance at 1 July 2017	9,774	12,866	22,640	2,444
Increase in allowance recognised in operating result	1,545	(182)	1,363	399
Amounts written-off during the year	(1,018)	384	(634)	(255)
Balance at 30 June 2018	10,301	13,068	23,369	2,588

4.3 Credit risk

The department is exposed to credit risk in respect of its loans and receivables. The maximum exposure to credit risk at balance date is the gross carrying amount of these assets inclusive of any allowances for impairment.

The department manages credit risk by monitoring all funds owed on a timely basis.

Most loans in the department's housing lending portfolio are secured by a registered first mortgage over the property concerned. Loans under the Rental Purchase Plan scheme are secured through title to the property remaining with the department until the purchase is fully completed under the contract. For loans under the Pathways Shared Equity Program, title to the property is held jointly by the department and the borrower until the purchase is fully completed under the contract.

The credit quality of the following loans and receivables that are neither past due nor impaired is considered to be high:

- Deferred operating lease receivables are with other state government agencies.
- Housing loans have a low level of arrears, an absence of defaults, and most of the loans were provided many years ago based on much lower residential property values.
- Finance lease receivables are with other commonwealth and state government agencies.

4.3 Credit risk (continued)

Ageing of past due but not impaired loans and receivables

	Overdue				Total \$'000
	Less than 30 days \$'000	30-60 days \$'000	61-90 days \$'000	More than 90 days \$'000	
	2018 Loans and receivables	25,624	3,240	4,020	
2017 Loans and receivables	20,417	900	289	1,623	23,229

4.4 Inventories

	2018 \$'000	2017 \$'000
Inventory held for resale		
Construction work in progress*	38,478	43,162
Motor vehicles	7,801	4,712
Finished goods	332	254
	<u>46,611</u>	<u>48,128</u>
Raw materials	54	44
Total	<u><u>46,665</u></u>	<u><u>48,172</u></u>
*Construction work in progress comprises:		
Contract costs incurred to date	83,390	74,536
Profit recognised to date	11,217	9,265
Less: Allowance for foreseeable losses	(287)	(656)
Less: Progress billings	(55,842)	(39,983)
	<u><u>38,478</u></u>	<u><u>43,162</u></u>

Inventories are valued at the lower of cost and net realisable value.

Construction work in progress related to projects managed by Building and Asset Services is carried at cost plus profit recognised to date, based on an estimation of the value of work completed, less progress billings and less any allowance for foreseeable losses. An allowance for the total loss on a contract is made as soon as the loss is identified.

Costs include both variable and fixed costs directly related to specific contracts, and those which can be attributed to contract activity in general and allocated to specific contracts on a reasonable basis. Also included are costs expected to be incurred under penalty clauses and rectification provisions.

Project bank accounts

The department enters into a number of building and construction project contracts during its ordinary course of business. For each of these contracts a competitive tendering process is undertaken to appoint head contractors, who in turn, may engage subcontractors to complete part of the works.

Under the *Building Industry Fairness (Security of Payment) Act 2017* ("the Act"), the head contractor would establish a project bank account with the head contractor as trustee and both the head contractor and the 'first tier' subcontractors as beneficiaries.

Each project bank account is a set of three trust accounts intended to facilitate all payment transactions for the head contractor and first tier subcontractors. The general trust account will receive the progress payments from the principal as required under the head contract and distribute payments to the head contractor and subcontractors and transfers of retentions and disputed amounts. The retention trust account will hold subcontractors' cash retentions until ready to be paid out while the disputed funds trust account will hold disputed amounts pending resolution of any disputes between the head contractor and subcontractors.

4.4 Inventories (continued)

Project bank accounts (continued)

The department has no involvement in the management of the trust accounts except in limited circumstances where the head contractor is terminated or enters insolvency and, under Section 54 of the Act, the department may step into the role of trustee. During 2017-18 there have been no situations where the department has had to step into the role of trustee.

4.5 Financial assets at fair value through profit or loss

The department has two housing products which are classified as financial assets at fair value through profit or loss, being Rental Purchase Plan and Pathways Shared Equity.

Under a Rental Purchase Plan agreement, clients obtain a loan from the department for the purchase of a part share in a home and pay monthly instalments which include both a loan repayment (including interest) and a rent component. Under the Pathways Shared Equity Program, clients obtain a loan from the department for the purchase of a share in a property they are currently renting from the department. Clients pay monthly loan repayments to the department.

The department does not have effective control of properties subject to these agreements and its interest in the properties meets the definition of a financial instrument. Fair value is based on the net market value of the department's proportion of the underlying properties.

Loans provided under the loan agreements for these products are disclosed as housing loans receivable.

The department is exposed to market risk through its interest in Rental Purchase Plan and Pathways Shared Equity properties as the value of the department's interest in the properties is directly related to movements in the residential property market in the respective areas where they are located. Historically between 80% to 88% of the value of the department's interest in these properties is concentrated in the south-east corner of Queensland.

4.6 Non-current assets classified as held for sale

Land	82,984	44,765
Buildings	22,264	10,494
Total	105,248	55,259

Non-current assets held for sale consist of those assets that management has determined are available for immediate sale in their present condition, for which their sale is highly probable within the next twelve months.

The assets are measured at the lower of their carrying amount and their fair value less costs to sell. Any write-down to fair value less costs to sell is a non-recurring valuation. The write-down is recognised as an impairment loss expense. These assets are no longer depreciated upon being classified as held for sale.

These assets consist of social housing, government employee housing and commercial properties to be sold in line with ongoing portfolio management strategies to ensure the alignment of cost-effective and suitable properties with client needs in specific locations. These sales are generally achieved by listing the properties on the open market, but may also be negotiated directly with prospective purchasers (e.g. another Queensland Government agency or community organisation) or existing tenants.

The technique to determine fair value less costs to sell for land and buildings is consistent with the technique used for the department's social housing, government employee housing and commercial properties (i.e. market and income approaches) and so the valuation represents a level two measurement. Refer to Note 4.1 for further details about the valuation of land and buildings.

	2018 \$'000	2017 \$'000
5 LIABILITIES		
5.1 Interest-bearing liabilities		
Current		
Australian Government borrowings	15,149	14,801
Queensland Treasury Corporation borrowings	1,269	1,289
Finance lease liability	12,633	1,411
Total current interest-bearing liabilities	29,051	17,501
Non-current		
Australian Government borrowings	278,516	293,664
Queensland Treasury Corporation borrowings	183,499	174,858
Finance lease liability	235,359	119,117
Total non-current interest-bearing liabilities	697,374	587,639

Borrowings

Borrowings are initially recognised at fair value, plus any transaction costs directly attributable to the borrowings, and then subsequently held at amortised cost using the effective interest method.

The fair value of Australian Government borrowings and Queensland Treasury Corporation borrowings is notified by the Queensland Treasury Corporation and is calculated using discounted cash flow analysis. It is classified as a level three fair value in the fair value hierarchy. The carrying amount and fair value of borrowings is disclosed below:

	2018		2017	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Australian Government borrowings	293,665	336,500	308,465	351,920
Queensland Treasury Corporation borrowings	184,768	186,142	176,147	177,937

Interest rates on Queensland Treasury Corporation (related party) borrowings range from 3.4% to 6.3% (2017 3.6% to 6.3%) and on Australian Government borrowings from 3.6% to 6% (2017 3.5% to 6%).

The department has overdraft facilities of \$61.650 million (2017 \$30 million) with the Commonwealth Bank and working capital facilities of \$60 million (2017 \$55 million) with Queensland Treasury Corporation. These facilities were undrawn as at 30 June and are available for future use.

Finance lease liabilities

Future minimum lease payments under finance leases are as follows:

	Minimum lease payments		Present value of minimum lease payments	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Not later than one year	22,041	6,542	17,974	6,542
Later than one year and not later than five years	99,699	26,170	82,354	23,426
Later than five years	261,179	201,714	147,664	90,560
	382,919	234,426	247,992	120,528
Less future finance charges	(134,927)	(113,898)	-	-
Present value of minimum lease payments	247,992	120,528	247,992	120,528

5.1 Interest-bearing liabilities (continued)

Finance lease liabilities (continued)

The department has entered into a number of land and building finance leases with councils in remote Aboriginal and Torres Strait Islander communities to facilitate new social housing and housing upgrades. Each lease has a life of 40 years with an option exercisable by the department to renew for another 40 years included in the lease contract. The leases have no purchase options. In respect of these leases, contingent rent of \$3.886 million (2017 \$4.048 million) was recognised as an expense. This consisted of annual CPI adjustments to lease payments and property rates payable under the lease agreements.

Effective from 13 December 2017, a finance lease for the Government Wireless Network was transferred from the Department of Science, Information Technology and Innovation (refer to Note 1.5). The lease is a means of funding the acquisition and replacement of information and communication equipment. Lease payments are fixed and the lease does not have escalation clauses other than in the event of payment default. The department has options to purchase this equipment at the expiry of the lease period, at an agreed cost determined in reference to a reasonable written down value of the equipment at termination date.

Refer to Note 4.1(a) and 4.1(h) for further information on these leases.

5.2 Payables

Current

Trade creditors	268,148	189,389
Grants and subsidies payable	32,078	32,259
Deferred appropriation payable to Consolidated Fund	53,975	33,574
Equity adjustment payable	2,119	-
Dividends	8,438	9,569
Deferred operating lease rent	5,246	3,696
GST payable	20,868	28,103
GST input tax credits receivable	(11,935)	(19,618)
Net GST payable	8,933	8,485
Total	378,937	276,972

Non-current

Deferred operating lease rent	120,026	86,537
Total	120,026	86,537

Trade creditors are recognised upon receipt of the goods or services ordered, and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

The department recognises as payable those dividends declared on, or before, the reporting date, in relation to the profit of the commercialised business units. The entire amount of declared dividends remaining undistributed at the reporting date is recognised.

	2018 \$'000	2017 \$'000
5.3 Lease incentives		
Current		
1 William St, Brisbane	13,841	12,782
Other	1,625	1,439
Total	<u>15,466</u>	<u>14,221</u>
Non-current		
1 William St, Brisbane	172,481	171,540
Other	3,075	3,477
Total	<u>175,556</u>	<u>175,017</u>

Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of the liability.

5.4 Queen's Wharf deferred consideration

The developer of the Queen's Wharf Project is providing the State with cash and non-cash consideration in return for the right to develop the Precinct and operate the Integrated Resort Development. The upfront cash received cannot be recognised as revenue until completion of the Project. Until this point in time, the upfront cash is recognised with a corresponding liability.

5.5 Unearned revenue

Current		
Construction contracts	65,868	76,057
Rent	20,693	20,440
Finance lease revenue	1,322	1,322
Other	19,723	29,235
Total	<u>107,606</u>	<u>127,054</u>
Non-current		
Finance lease revenue	29,330	30,774
Total	<u>29,330</u>	<u>30,774</u>

5.6 Liquidity risk

The department is exposed to liquidity risk in respect of its payables, Australian Government and Queensland Treasury Corporation (related party) borrowings and finance lease liabilities. The department reduces the exposure to liquidity risk by ensuring it has sufficient funds available to meet these obligations as they fall due.

The following tables set out the liquidity risk of financial liabilities held by the department. It represents the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date. The undiscounted cash flows will differ from the amortised cost (carrying amount) where this is based on principal loan amount outstanding or discounted cash flows.

Queensland Treasury Corporation borrowings in respect of the motor vehicle fleet are interest only with no fixed repayment date for the principal component. For the purposes of completing the maturity analysis, the principal component of these loans has been included in the more than five year time band with no interest payment assumed in this time band.

5.6 Liquidity risk (continued)

2018	Amortised Cost \$'000	Undiscounted cash flows			Total \$'000
		Contractual maturity payable in <1 year \$'000	1-5 years \$'000	>5 years \$'000	
Financial liabilities					
Payables*	373,691	373,691	-	-	373,691
Interest-bearing liabilities					
Australian Government borrowings	293,665	28,202	108,445	288,839	425,486
Queensland Treasury Corporation borrowings	184,768	7,667	27,997	180,867	216,531
Finance lease liability	247,992	22,041	99,699	261,179	382,919
Total	1,100,116	431,601	236,141	730,885	1,398,627

2017	Amortised Cost \$'000	Undiscounted cash flows			Total \$'000
		Contractual maturity payable in <1 year \$'000	1-5 years \$'000	>5 years \$'000	
Financial liabilities					
Payables*	273,276	273,276	-	-	273,276
Interest-bearing liabilities					
Australian Government borrowings	308,465	28,511	110,239	315,247	453,997
Queensland Treasury Corporation borrowings	176,147	7,403	27,595	171,396	206,394
Finance lease liability	120,528	6,542	26,170	201,714	234,426
Total	878,416	315,732	164,004	688,357	1,168,093

* Excludes deferred operating lease rent.

6 EQUITY

6.1 Contributed equity

Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* specifies the principles for recognising contributed equity by the department. The following items are recognised as contributed equity during the reporting and comparative years and are disclosed in the Statement of Changes in Equity:

- appropriations for equity adjustments (refer to Note 6.2)
- non-appropriated equity adjustments
- non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities as a result of machinery-of-government changes.

6.2 Appropriations recognised in equity

Reconciliation of payments from consolidated fund to equity adjustment

Budgeted equity adjustment appropriation	180,146	259
Transfers from/to other departments - redistribution of public business	(799)	-
Transfers from/to other headings	-	44,064
Unforeseen expenditure	121,730	48,613
Equity adjustment receipts (payments)	301,077	92,936
Less: Opening balance of equity adjustment receivable	(4,416)	-
Less: Transfer of equity adjustment receivable from other Queensland Government entities	(2,993)	-
Plus: Closing balance of equity adjustment receivable	-	4,416
Plus: Opening balance of equity adjustment payable	-	6,493
Less: Closing balance of equity adjustment payable	(2,119)	-
Equity adjustment recognised in contributed equity	291,549	103,845

7 BUDGET TO ACTUAL COMPARISON

Following machinery-of-government changes outlined in Note 1.5 and as required by Queensland Treasury policy under such circumstances, the budget figures used in this comparison represent the Adjusted Budget figures for the financial year, as published in the latest Service Delivery Statement tabled in Parliament.

STATEMENT OF COMPREHENSIVE INCOME

	Adjusted budget 2018 \$'000	Actual 2018 \$'000	Variance \$'000
INCOME FROM CONTINUING OPERATIONS			
User charges and fees	1,757,478	1,823,559	66,081
Appropriation revenue	927,394	809,988	(117,406)
Grants and other contributions	5,224	9,143	3,919
Interest	6,080	5,193	(887)
Other revenue	31,173	73,148	41,975
Total revenue	2,727,349	2,721,031	(6,318)
Gains on disposal/remeasurement of assets	3,704	107,999	104,295
Total income from continuing operations	2,731,053	2,829,030	97,977
EXPENSES FROM CONTINUING OPERATIONS			
Supplies and services	1,880,807	1,891,593	10,786
Employee expenses	468,698	440,545	(28,153)
Depreciation and amortisation	263,401	256,257	(7,144)
Grants and subsidies	233,878	156,090	(77,788)
Finance/borrowing costs	27,379	27,364	(15)
Impairment losses	8,364	8,757	393
Other expenses	27,522	79,935	52,413
Total expenses from continuing operations	2,910,049	2,860,541	(49,508)
Operating result from continuing operations before income tax	(178,996)	(31,511)	147,485
Income tax benefit/(expense)	(1,368)	(7,028)	(5,660)
Operating result from continuing operations after income tax	(180,364)	(38,539)	141,825
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to operating result			
Increase/(decrease) in asset revaluation surplus	-	476,231	476,231
Total other comprehensive income	-	476,231	476,231
Total comprehensive income	(180,364)	437,692	618,056

7 BUDGET TO ACTUAL COMPARISON (CONTINUED)

BALANCE SHEET

	Variance notes	Adjusted budget 2018 \$'000	Actual 2018 \$'000	Variance \$'000
CURRENT ASSETS				
Cash and cash equivalents	5	354,248	727,917	373,669
Loans and receivables		239,292	226,176	(13,116)
Inventories		52,512	46,665	(5,847)
Prepayments		57,749	68,564	10,815
Financial assets at fair value through profit or loss		4,000	6,000	2,000
Lease incentives		2,318	-	(2,318)
Tax assets		3,750	447	(3,303)
		713,869	1,075,769	361,900
Non-current assets classified as held for sale		28,978	105,248	76,270
Total current assets		742,847	1,181,017	438,170
NON-CURRENT ASSETS				
Property, plant and equipment		18,676,548	19,216,496	539,948
Financial assets at fair value through profit or loss		184,178	182,226	(1,952)
Loans and receivables	6	202,005	151,738	(50,267)
Intangible assets		39,769	37,127	(2,642)
Prepayments		379	2,252	1,873
Lease incentives		10,238	-	(10,238)
Deferred tax assets		386	1,891	1,505
Total non-current assets		19,113,503	19,591,730	478,227
TOTAL ASSETS		19,856,350	20,772,747	916,397
CURRENT LIABILITIES				
Payables	7	214,095	378,937	164,842
Unearned revenue		99,462	107,606	8,144
Interest-bearing liabilities		27,548	29,051	1,503
Lease incentives		2,318	15,466	13,148
Accrued employee benefits		23,090	24,646	1,556
Tax liabilities		141	2,521	2,380
Other current liabilities		863	12,680	11,817
Total current liabilities		367,517	570,907	203,390
NON-CURRENT LIABILITIES				
Interest-bearing liabilities		679,917	697,374	17,457
Lease incentives		176,098	175,556	(542)
Queen's Wharf deferred consideration		121,840	114,154	(7,686)
Payables		106,721	120,026	13,305
Unearned revenue		30,660	29,330	(1,330)
Deferred tax liabilities		14,725	18,185	3,460
Other non-current liabilities		230	284	54
Total non-current liabilities		1,130,191	1,154,909	24,718
TOTAL LIABILITIES		1,497,708	1,725,816	228,108
NET ASSETS / TOTAL EQUITY		18,358,642	19,046,931	688,289

7 BUDGET TO ACTUAL COMPARISON (CONTINUED)

STATEMENT OF CASH FLOWS

	Variance notes	Adjusted budget 2018 \$'000	Actual 2018 \$'000	Variance \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
<i>Inflows:</i>				
User charges and fees		1,748,400	1,873,924	125,524
Appropriation receipts	8	927,348	775,040	(152,308)
GST input tax credits received from Australian Taxation Office		193,772	198,203	4,431
GST collected from customers		148,469	149,549	1,080
Interest receipts		3,865	2,864	(1,001)
Grants and other contributions		4,642	8,772	4,130
Other		23,001	54,278	31,277
<i>Outflows:</i>				
Supplies and services		(1,889,138)	(1,943,464)	(54,326)
Employee expenses		(467,252)	(431,312)	35,940
GST remitted to Australian Taxation Office		(167,794)	(178,285)	(10,491)
GST paid to suppliers		(172,771)	(193,510)	(20,739)
Grants and subsidies	3	(233,878)	(160,174)	73,704
Finance/borrowing costs		(27,375)	(27,200)	175
Taxation equivalents		(3,990)	(4,354)	(364)
Other		(31,386)	(26,681)	4,705
Net cash provided by (used in) operating activities		55,913	97,650	41,737
CASH FLOWS FROM INVESTING ACTIVITIES				
<i>Inflows:</i>				
Sales of property, plant and equipment		123,922	114,698	(9,224)
Loans and advances redeemed		33,162	26,961	(6,201)
Redemption of other financial assets		4,000	7,900	3,900
<i>Outflows:</i>				
Payments for property, plant and equipment	9	(439,653)	(365,875)	73,778
Loans and advances made		(35,955)	(31,950)	4,005
Payments for intangible assets		(3,658)	(1,719)	1,939
Net cash provided by (used in) investing activities		(318,182)	(249,985)	68,197
CASH FLOWS FROM FINANCING ACTIVITIES				
<i>Inflows:</i>				
Equity injections		359,160	349,357	(9,803)
Borrowings		10,000	10,000	-
<i>Outflows:</i>				
Equity withdrawals	10	(187,953)	(63,301)	124,652
Borrowing redemptions		(16,141)	(16,179)	(38)
Dividends paid		(5,510)	(9,569)	(4,059)
Finance lease payments		(5,989)	(7,059)	(1,070)
Net cash provided by (used in) financing activities		153,567	263,249	109,682
Net increase (decrease) in cash and cash equivalents		(108,702)	110,914	219,616
Increase (decrease) in cash and cash equivalents from restructuring (Note 1.5)		29,427	36,973	7,546
Cash and cash equivalents – opening balance		433,523	580,030	146,507
Cash and cash equivalents – closing balance		354,248	727,917	373,669

7 BUDGET TO ACTUAL COMPARISON (CONTINUED)

Explanations of major variances

Major variances have been assessed as meeting both of the following criteria:

- The line item within the Statement of Comprehensive Income or the Balance Sheet is material (greater than 10%) compared to total income, total expenses, total assets (less property, plant and equipment) or total liabilities, as applicable. The line item within the Statement of Cash Flows is material (greater than 10%) compared to total inflows or total outflows (as applicable) for the relevant cash flow category (i.e. operating/investing/financing).
- The variance between the actual amount and the adjusted budget is greater than 10% except for payments for property, plant and equipment (Statement of Cash Flows) and employee expenses and supplies and services (Statement of Comprehensive Income) where 5% is used.

The department may include as major variances, line items not meeting the above criteria, but which are considered material due to their nature.

Statement of Comprehensive Income

1 *Appropriation revenue*

The variance of (\$117.406 million) is mainly due to:

- a decrease of \$86.989 million in Housing and Homelessness Services including:
 - the net deferrals of funds from 2017-18 to 2018-19 and outyears for the timing of various Aboriginal and Torres Strait Islander housing programs and projects under the National Partnership on Remote Housing (\$20.493 million) and Deed of Grant in Trust (\$8.424 million) as a result of the complexity of the delivery of work in the Aboriginal and Torres Strait Islander communities
 - deferrals for Youth Foyers (\$10 million) and the Smoke Alarm Program (\$12.744 million) to 2018-19 to reflect the timing of the program delivery
 - the National Rental Affordability Scheme (\$28.430 million) to align with the expected timing of payments under the Scheme.
- a decrease of \$20.397 million in Sport and Recreation mainly due to net deferrals from 2017-18 to 2018-19 for the Get in the Game Program (\$6.157 million) and other committed grant programs (\$5.483 million) as the timing of payments is reliant on third party claims; and the timing of payment of grants for the new Female Facilities Program (\$2 million).

2 *Employee expenses*

The variance of (\$28.153 million) is mainly due to the timing of filling vacancies, including machinery of government impacts and budgeted employee costs transferred to supplies and services for the delivery of information technology systems projects.

3 *Grants and subsidies*

The variance of (\$77.788 million) is mainly due to:

- a decrease of \$63.710 million in Housing and Homelessness Services mainly due to the net deferrals of funds from 2017-18 to 2018-19 and outer years for various housing programs including:
 - the timing of various Aboriginal and Torres Strait Islander housing programs and projects under the National Partnership on Remote Housing (\$23.980 million), Deed of Grant in Trust (\$13.011 million), Indigenous Community Housing Organisations (\$5.761 million), Indigenous Home Ownership program (\$5.564 million) and Indigenous Rural & Remote construction programs (\$2.012 million) as a result of the complexity of the delivery of work in the Aboriginal and Torres Strait Islander communities
 - deferrals and reallocation of funds for Youth Foyers (\$10 million) due to the phasing of the projects.
- a decrease of \$17.647 million in Sport and Recreation grant programs mainly due to net deferrals from 2017-18 to 2018-19 for the Get in the Game Program (\$8.775 million) and other committed grant programs (\$6.863 million) as the timing of payments is reliant on third party claims; and the timing of payment of grants for the new Female Facilities Program (\$2 million).

7 BUDGET TO ACTUAL COMPARISON (CONTINUED)

Explanations of major variances (continued)

4 *Increase/(decrease) in asset revaluation surplus*

The department does not budget for movements in the fair value of property, plant and equipment as this is reflective of market movements which cannot be reliably estimated, particularly given the size and diversity of the department's property portfolio.

The variance of \$476.231 million principally represents increases in the value of social housing residential land (\$375.612 million) and non-residential land (\$199.163 million) partially offset by decreases in the value of leased assets - buildings on Deed of Grant in Trust (DOGIT) land (\$124.294 million).

The movement in social housing land values reflects increased values in the Queensland residential property market. Approximately 80% of the regions, where social housing stock is held, experienced market growth. These increases were offset by a small reduction in South West Queensland and North Queensland with a moderate reduction in North Western Queensland as properties in this area continue to be impacted by the decline in housing demand resulting from the post mining capital investment phase and falling commodity prices.

The increase in non-residential land values primarily reflects the movement in the value of the Queen's Wharf Precinct. As the leasehold and freehold development leases were issued during 2017-18 the valuation of the land in the Precinct is now based on the cash and discounted non-cash consideration to be received under the contractual arrangements.

The net decrease in leased assets is mainly due to the reassessment of current replacement cost for buildings, in a number of communities, based on the results of the properties specifically appraised in 2017-18.

Balance Sheet

5 *Cash and cash equivalents*

The variance of \$373.669 million is mainly due to:

- the delayed return, from 2017-18 to 2018-19, to the Consolidated Fund of the land premiums received by the department as consideration for the Queen's Wharf Precinct and associated transfer duty (\$121.840 million). The delay is due to the complex transfer duty assessment, to be paid from the consideration, not finalised by 30 June.
- increased cash balances for Housing and Homelessness Services (\$94.392 million) mainly due to higher cash opening balances (\$21.340 million) for timing differences in capital works, grants and supplies and services expenditure in 2016-17 for various Housing and Homelessness Services programs, as well as the timing in 2017-18 of expenditure for property, plant and equipment (\$55.144 million) and lower supplies and services (\$36.981 million) partially offset by lower user charges (\$23.866 million)
- increased cash balances for Building and Asset Services (\$73.351 million) mainly due to higher actual opening balances (\$44.365 million), a higher value of client payments received in June than anticipated plus an increased volume of work delivered in 2017-18 (\$28.986 million)
- deferrals from 2017-18 to 2018-19 for Public Works and Digital Technology Services (\$46.674 million) mainly for maintenance and information technology projects committed but not finalised.

6 *Loans and receivables - non-current*

The variance of (\$50.267 million) is mainly due to a change in accounting treatment for the 1 William Street, Brisbane ground lease.

7 *Payables - current*

The variance of \$164.842 million is mainly due to:

- an increase in approved net deferrals for various revenue appropriation amounts (\$54.892 million) mainly for grants, maintenance and information technology projects committed but not finalised
- an increase in capital works creditors (\$39.117 million) for work delivered but not due for payment at 30 June
- an increase in Building and Asset Services trade creditors (\$37.233 million) mainly due to a higher value of supplier invoices received in June compared to budget due to an increased volume of work
- an increase in the provision for dividend payable for the commercialised business units (\$7.198 million) due to higher than estimated profits.

7 BUDGET TO ACTUAL COMPARISON (CONTINUED)

Explanations of major variances (continued)

Statement of Cash Flows

8 *Appropriation receipts*

The variance of (\$152.308 million) mainly relates to appropriation revenue net deferrals (\$117.406 million) as outlined in variance note 1 above plus final approved net appropriation funding adjustments (\$34.948 million) mainly for grants, maintenance and information technology projects committed but not finalised as at 30 June 2018.

9 *Payments for property, plant and equipment*

The variance of (\$73.778 million) is mainly due to Housing Services deferral of capital works for the National Partnership on Remote Housing due to complexities in delivery (\$24 million), Youth Foyer Townsville due to delays in site finalisation and delivery method (\$9.900 million) and work delivered but not due for payment at 30 June (\$36.340 million).

10 *Equity withdrawals*

The variance of (\$124.652 million) is mainly due to the delayed return, from 2017-18 to 2018-19, to the Consolidated Fund of the land premiums (\$114.154 million) received by the department as consideration for the Queen's Wharf Precinct. The delay is due to the complex transfer duty assessment, to be paid from the consideration, not finalised by 30 June.

8 OTHER INFORMATION

8.1 Key management personnel disclosures

(a) Details of key management personnel

The department's responsible Minister is identified as part of the department's key management personnel (KMP), consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. That Minister is the Minister for Housing and Public Works, Minister for Digital Technology and Minister for Sport.

The following details for non-ministerial KMP reflect those positions that had authority and responsibility for planning, directing and controlling the activities of the department. Further information about these positions can be found in the body of the Annual Report under the section relating to Executive Management. (There were no material related party transactions with KMP during 2017-18 other than what is reported in this KMP note.)

Position	Position responsibility
Director-General	Responsible for executive leadership, overall strategic direction and the financial administration of the department.
Deputy Director-General, Public Works and Asset Management	Responsible for providing strategic leadership to deliver high quality outcomes under the government's building asset management programs and responsibility for the department's government accommodation and property portfolio.
Deputy Director-General, Housing and Homelessness Services	Responsible for providing strategic leadership to design and deliver housing and homelessness services in Queensland through remote Aboriginal and Torres Strait Islander housing, social and private housing assistance, homelessness support services, crisis accommodation and regulatory services which regulate residential services, residential parks and retirement villages industries in Queensland.
Deputy Director-General, Sport and Recreation ¹	Responsible for providing strategic leadership for sport and recreation activities including strategies and programs for encouraging active lifestyles and initiatives to build the capacity of the sport and recreation industry.
Assistant Director-General, Building Industry and Policy	Responsible for providing strategic leadership to deliver effective and efficient Queensland building and plumbing policy and legislation through engagement with the building construction industry.
Assistant Director-General, Queensland Government Procurement	Responsible for providing strategic leadership to support the delivery of the Queensland Government's procurement and services strategies, policies and direction across government and responsibility for fleet management services and the procurement of general goods and services.
Assistant Director-General, Corporate Services	Responsible for providing strategic leadership to deliver the department's corporate governance, executive and corporate support services.
Assistant Director-General, Digital Capability, Information and Transaction Based Services ¹	Responsible for providing strategic leadership to revitalise Queensland Government services; the increase of Queensland's digital capability; preserves and improves access to Queensland's record-related information; and enhances the customer experience with the Queensland Government.
Assistant Director-General, Queensland Shared Services ¹	Responsible for providing strategic leadership to deliver high quality, integrated services for a range of corporate transactional and advisory services and associated technology solutions across Queensland Government departments and agencies.
Assistant Director-General, Strategic ICT ¹	Responsible for providing strategic leadership on whole-of-government ICT initiatives that enable modern, responsive and integrated frontline services for Queenslanders.
Queensland Government Chief Information Officer ²	Responsible for providing independent quality advice to the Director-General and Minister on information communication technology issues from a whole-of-government perspective.

¹ These positions transferred to the department effective from 13 December 2017 as part of the machinery-of-government changes. Refer to Note 1.5.

² This position transferred to the department effective from 1 March 2018 as part of the machinery-of-government changes. Refer to Note 1.5.

8.1 Key management personnel disclosures (continued)

(b) Remuneration policies

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The department does not bear any cost of remuneration of ministers. The majority of ministerial entitlements are paid by the Legislative Assembly with the remaining being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements, which are published as part of the Queensland Treasury's Report on the State Finances.

Remuneration policy for the department's other KMP is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*. Individual remuneration and other terms of employment are specified in employment contracts.

Remuneration expenses for those KMP comprise the following components:

Short-term employee expenses include:

- salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee was a key management person
- non-monetary benefits - consisting of provision of car parking together with fringe benefits tax applicable to the benefit.

Long-term employee expenses include amounts expensed in respect of long service leave entitlements earned.

Post-employment expenses include amounts expensed in respect of employer superannuation obligations.

Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

No remuneration packages for key management personnel provide for any performance or bonus payments.

8.1 Key management personnel disclosures (continued)

(c) Remuneration expenses

The following disclosures focus on the expenses incurred by the department that are attributable to non-ministerial key management personnel positions during the respective reporting periods. Therefore, the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income.

1 July 2017 – 30 June 2018

Position	Short-term employee expenses		Long-term employee expenses \$'000	Post-employment expenses \$'000	Total expenses \$'000
	Monetary expenses \$'000	Non-monetary benefits \$'000			
Director-General	439	11	9	54	513
Deputy Director-General, Public Works and Asset Management	247	14	5	28	294
Deputy Director-General, Housing and Homelessness Services	262	11	5	28	306
Deputy Director-General, Sport and Recreation ¹	106	7	2	11	126
Assistant Director-General, Building Industry and Policy	233	14	5	25	277
Assistant Director-General, Queensland Government Procurement	250	-	5	28	283
Assistant Director-General, Corporate Services	231	14	5	22	272
Assistant Director-General, Digital Capability, Information and Transaction Based Services ²	127	6	2	15	150
Assistant Director-General, Queensland Shared Services ³	130	6	3	14	153
Assistant Director-General, Strategic ICT ⁴	130	6	3	14	153
Queensland Government Chief Information Officer ⁵	137	4	3	15	159

Notes

1. The total cost of this position for 2017/18 is \$260,538.
2. The total cost of this position for 2017/18 is \$283,449.
3. The total cost of this position for 2017/18 is \$279,607.
4. The total cost of this position for 2017/18 is \$281,096.
5. The total cost of this position for 2017/18 is \$398,088.

8.1 Key management personnel disclosures (continued)

(c) Remuneration expenses

1 July 2016 – 30 June 2017

Position	Short-term employee expenses		Long-term employee expenses \$'000	Post-employment expenses \$'000	Total expenses ¹ \$'000
	Monetary expenses \$'000	Non-monetary benefits \$'000			
Director-General	406	8	8	51	473
Deputy Director-General, Public Works & Asset Management	242	9	4	25	280
Deputy Director-General, Housing & Homelessness Services	255	11	5	27	298
Assistant Director-General, Strategic Asset Management (Acting to 31/7/2016)	15	-	-	3	18
Assistant Director-General, Building Industry and Policy	231	8	4	25	268
Assistant Director-General, Procurement Transformation (Acting 1/7/2016 - 31/7/2016)	22	-	-	2	24
Assistant Director-General, Queensland Government Procurement (Acting 1/8/2016 - 25/4/2017)	160	7	3	17	187
Assistant Director-General, Queensland Government Procurement (from 26/4/2017)	44	-	1	5	50
Assistant Director-General, Corporate Services	226	8	4	25	263
Executive Director, National Regulatory System Office of the Registrar (to 31/7/2016)	23	-	-	2	25
Executive Director, Aboriginal & Torres Strait Islander Strategy Unit (to 17/3/2017)	138	5	3	13	159
Executive Director, Aboriginal & Torres Strait Islander Strategy Unit (Acting 18/3/2017 - 30/6/2017)	44	3	1	5	53

¹ These figures were recast to include short-term non-monetary benefits.

8.2 Unrecognised items

(a) Commitments for expenditure

Commitments at reporting date (inclusive of non-recoverable GST input tax credits) are payable:

	Not later than one year \$'000	Later than one year and not later than five years \$'000	Later than five years \$'000	Total \$'000
2018				
Non-cancellable operating leases	406,704	1,078,671	997,792	2,483,167
Property, plant and equipment	269,693	6,624	-	276,317
Total	676,397	1,085,295	997,792	2,759,484
2017				
Non-cancellable operating leases	402,320	1,158,465	1,203,143	2,763,928
Property, plant and equipment	196,616	9,685	-	206,301
Total	598,936	1,168,150	1,203,143	2,970,229

Operating leases are entered into as a means of acquiring access to office accommodation. Rental payments are usually subject to fixed rate escalation clauses detailed in the lease. Most leases contain renewal clauses but no purchase options exist in relation to operating leases, and no operating leases contain restrictions on financing or other leasing activities.

The department has entered into a significant operating lease for office accommodation at 1 William St, Brisbane. The lease term is 15 years with renewal options of 2 x 5 years. Rent escalation is fixed at 3.5% per annum. Commitments for lease payments under this lease are included in the figures above.

(b) Future operating lease receivables

The department has non-cancellable operating subleases with other Queensland Government entities in respect of the office accommodation referred to in Note 8.2(a). Future minimum lease payments receivable under these subleases are as follows.

	Not later than one year \$'000	Later than one year and not later than five years \$'000	Later than five years \$'000	Total \$'000
2018				
Non-cancellable operating subleases	370,038	988,554	947,958	2,306,550
2017				
Non-cancellable operating subleases	355,761	1,004,903	1,071,885	2,432,549

(c) Contingencies

Contingent assets

The developer of Queen's Wharf Brisbane, Destination Brisbane Consortium Integrated Resort Operations Pty Ltd, has provided bank guarantees totalling \$200 million for security performance of the developer's obligations under the development leases.

8.2 Unrecognised items (continued)

(c) Contingencies (continued)

Contingent liabilities

Non-conforming building products

The Queensland Government through a dedicated taskforce has now identified 15 Department of Housing and Public Works buildings that require further investigation in relation to non-conforming building products (particularly around aluminium composite panelling). At the time of certification of the financial statements, these investigations have commenced but have not reached a point where the extent of risk and quantification of remediation for these buildings can be determined. The investigation stage, which will identify the remediation options available for consideration, is anticipated to conclude in 2018-19.

8.3 Future impact of accounting standards not yet effective

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards with future commencement dates are as set out below. All other Australia Accounting Standards and Interpretations with future effective dates are either not applicable or have no material impact on the department.

AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)

These standards are effective for the department from 1 July 2018. The main impact of these standards is a change in the requirements for the classification, measurement, impairment and disclosures associated with the department's financial assets and the introduction of different criteria for whether financial assets can be measured at amortised cost or fair value.

The department has reviewed the impact of AASB 9 on the classification and measurement of its financial assets and the estimated impact on the categorisation and valuation of the department's financial assets. While there will be no change to the classification and measurement of the department's financial assets, the new impairment requirements of AASB 9 will result in an allowance for impairment being assessed for all loans and receivables rather than only those that are credit impaired.

For impairment of social housing debtors, the department's current approach involves measuring lifetime expected credit losses using a provision matrix, which complies with the simplified approach under AASB 9.

For impairment of rental bond loans the department will adopt the general approach under AASB 9 measuring the twelve month expected credit losses followed by, where there has been a significant increase in credit risk, a lifetime expected credit loss. The department has estimated the opening allowance for impairment for rental bond loans on 1 July 2018 to be \$13.305 million, an increase of \$0.416 million compared to the amount reported at 30 June 2018, resulting in net loans of \$19.378 million on transition.

Any changes in the impairment allowance will be reflected in the opening balance of the accumulated allowance for impairment on the date AASB 9 is adopted.

The department will not restate comparative figures for financial instruments on adopting AASB 9 as from 2018-19. Apart from some one-off disclosures in the 2018-19 financial statements to explain the impact of adopting AASB 9, a number of new or changed disclosure requirements will apply from that time. Assuming no change in the types of financial instruments that the department holds, the most likely ongoing disclosure impacts are expected to relate to the credit risk of financial assets.

AASB 16 Leases

This standard is effective for the department from 1 July 2019. When applied, the standard supersedes AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation 115 *Operating Leases – Incentives*, and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

Impact for lessees

Unlike AASB 117 *Leases*, AASB 16 introduces a single lease accounting model for lessees which will require the capitalisation of all leases other than:

- (a) short term (one year) leases
- (b) low value leases (\$10,000).

8.3 Future impact of accounting standards not yet effective (continued)

AASB 16 Leases (continued)

Queensland Treasury require that agencies do not apply AASB16 to leases of intangible assets.

Lessees will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments).

The right-of-use asset will be initially recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the effective date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-of-use asset will give rise to a depreciation expense.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease rental payments will no longer be expensed in the Statement of Comprehensive Income. They will be apportioned between a reduction in the recognised lease liability and the implicit finance charges (the effective rate of interest) in the lease. The finance cost will also be recognised as an expense.

The department has completed a qualitative assessment of the impact of AASB16 *Leases*. This assessment included the following key actions:

- an assessment of materiality with respect to the impact of the new standard on the financial statements
- training sessions for staff impacted by the new standard
- workshops and diagnostic questionnaires with key staff responsible for material lease transactions
- review of a sample of material lease contracts.

The outcome of the qualitative impact assessment is directing the department's transition to and implementation of the new accounting standard.

As at the reporting date, the department has non-cancellable operating lease commitments of \$2,483 million (2017 \$2,764 million) (see Note 8.2(a)).

Those commitments relating to Queensland Government's office accommodation will result in the recognition of right-to-use assets and lease liabilities. The department is in the process of procuring dedicated software to assist in the quantification of the impact of AASB16 with respect to these leases. A project team has been established to manage the changes to accounting policies and procedures required under AASB16 (including performing an assessment of lease data, portfolio allocation and accounting policy decisions regarding lease and non-lease components and effective borrowing rates for each portfolio).

The impact of any remaining non-cancellable operating lease commitments will be recognised to the extent they are material to the department's financial statements.

AASB 16 allows a 'cumulative approach' rather than full retrospective application to recognising existing operating leases. Queensland Treasury has mandated that comparatives will not be restated. The cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application.

Impact for lessors

The department's leases with internal-to-government lessees are primarily for office accommodation through the Queensland Government Accommodation Office, employee housing under the Government Employee Housing program and motor vehicle leases through QFleet. The department is currently awaiting formal guidance from Queensland Treasury as to how these arrangements should be accounted for under AASB 16.

Should AASB16 apply to these arrangements, lessor accounting under AASB 16 remains largely unchanged from AASB 117, however intermediate lessors are required to classify subleases as finance leases or operating leases by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. As a result, many of the department's office property operating leases (as defined by the current AASB 117 and disclosed in Note 3.1) would be reclassified as finance leases as defined by AASB 16. In effect, the right-of-use asset recognised under lessee accounting described above will be de-recognised, and a finance lease receivable would be recognised at an amount equal to the net investment in the lease.

Lease receipts from operating leases relating to property rental and vehicle leasing (refer to Note 2.1) will continue to be recognised as income on a straight-line basis.

8.3 Future impact of accounting standards not yet effective (continued)

AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers

These standards are effective for the department from 1 July 2019. The department does not currently have any revenue contracts requiring a material change to revenue recognition after 1 July 2018 and will monitor the impact of any such contracts subsequently entered into before the new standards take effect.

8.4 Taxation

The department is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax, Luxury Car Tax (in respect of certain fleet vehicles) and Goods and Services Tax (GST). As such, input tax credits receivable and GST payable from/to the Australian Taxation Office are recognised.

Agreements have been reached with Queensland Treasury for the commercialised business units of the department to pay an income tax equivalent, in accordance with the requirements of the National Tax Equivalents Regime.

Where a commercialised business unit is subject to the tax equivalents regime, the income tax equivalent expense is calculated based on the Balance Sheet approach under which temporary differences are identified for each asset and liability. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is recognised in the Balance Sheet as a tax asset or a tax liability.

Tax assets are not brought to account unless realisation of the asset is probable. Tax assets relating to commercialised business units with tax losses are only brought to account to the extent that future profits are probable. Recovery of deferred tax assets is primarily based on projected operational results outlined in three year forecasting budgets provided to Queensland Treasury.

8.5 Administered activities

The department administers, but does not control, certain resources on behalf of the Queensland Government. In doing so, it has responsibility and is accountable for administering related transactions and balances, but does not have the discretion to deploy the resources for the achievement of the department's objectives.

Amounts appropriated to the department for transfer to other entities in accordance with legislative or other requirements are reported as administered appropriation revenue.

Administered transactions and balances are not significant in comparison to the department's overall financial performance/financial position.

Accounting policies applicable to administered items are consistent with the equivalent policies for controlled items.

Administered revenues

Appropriation revenue	21,712	3,508
User charges and fees	85	50
Other revenue	32	34
Total administered revenues	21,829	3,592

Administered expenses

Supplies and services	14,406	3,489
Grants and subsidies	7,397	-
Transfer of administered revenue to government	116	83
Other expenses	1,980	19
Total administered expenses	23,899	3,591

Operating result

	(2,070)	1
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	2018 \$'000	2017 \$'000
8.5 Administered activities (continued)		
<i>Administered current assets</i>		
Cash	6,834	20
Prepayments	4,101	-
Total administered current assets	<u>10,935</u>	<u>20</u>
<i>Administered non-current assets</i>		
Prepayments	9,569	-
Total administered non-current assets	<u>9,569</u>	<u>-</u>
<i>Administered current liabilities</i>		
Payables	1,980	19
Total administered current liabilities	<u>1,980</u>	<u>19</u>
Net administered assets	<u>18,524</u>	<u>1</u>
<i>Reconciliation of payments from consolidated fund to administered income</i>		
Budgeted appropriation	3,510	3,553
Transfers from/to other headings	11,825	(45)
Unforeseen expenditure	8,735	-
Total administered appropriation receipts (cash)	<u>24,070</u>	<u>3,508</u>
Plus: Opening balance of deferred administered appropriation payable to Consolidated Fund	19	-
Less: Net transfer of administered appropriation receivable from other Queensland Government entities	(2,377)	-
Less: Closing balance of deferred administered appropriation payable to Consolidated Fund	(1,980)	(19)
Net administered appropriation revenue	<u>19,732</u>	<u>3,489</u>
Plus: Deferred administered appropriation payable to Consolidated Fund (expense)	1,980	19
Administered appropriation revenue recognised in Note 8.5	<u>21,712</u>	<u>3,508</u>

8.6 Agency transactions and balances

As the department performs only a custodial role in respect of agency transactions and balances, they are not recognised in the financial statements but are disclosed in these notes for the information of users.

(a) Building and Asset Services

Building and Asset Services acts as an agent on behalf of other Queensland Government agencies in relation to the procurement and project management for large capital works projects.

Agency revenues		
Receipts for goods and services	425,959	333,184
Agency expenses		
Payments for supplies and services	425,959	333,184
Agency current assets		
Receivables	79,695	50,707

	2018 \$'000	2017 \$'000
8.6 Agency transactions and balances (continued)		
(a) Building and Asset Services (continued)		
Agency current liabilities		
Bank overdraft	48,384	10,665
Payables	28,688	37,298
Other	2,623	2,744
Total	79,695	50,707

Fees received for the provision of these services are included in user charges.

(b) Resource management services

The department acts as an agent on behalf of other Queensland Government agencies and Allegis Global Solutions in relation to the provision of resource management services for information and communication technology contractors. The department does not receive any fees for providing agent services but is entitled to the interest earned from a bank account associated with this agency arrangement.

Agency revenues

Receipts for goods and services	134,543	153,928
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Agency expenses

Payments for supplies and services	134,959	158,055
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Agency current assets

Cash	7,459	8,352
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(c) Smart Service Queensland

Effective from 13 December 2017, Smart Service Queensland was transferred from the Department of Science, Information Technology and Innovation (refer to Note 1.5). Smart Service Queensland acts as an agent for collection and payment processing services, and undertakes certain transactions on behalf of Queensland Government agencies and its clients.

Agency cash assets

Transfers from machinery-of-government changes	242	-
Collections during the period	33,400	-
Distributions according to clients' instructions during the period	(33,298)	-
Balance at 30 June	344	-

Fees received for the provision of these services are included in user charges.

(d) Agent transactions - machinery-of-government

The department acts as an agent, processing transactions on behalf of the Department of Environment and Science, the Department of Innovation, Tourism Industry Development and the Commonwealth Games and the Department of the Premier and Cabinet following machinery-of-government changes.

Revenues	12,533	-
Expenses	(78,134)	-
Assets	(1,545)	-
Liabilities	(7,309)	-

8.7 Events occurring after balance date

As a result of *Public Service Departmental Arrangements Notice (No.3) 2018* gazetted on 17 August 2018, the Construction Project Delivery and Office of the Queensland Government Architect functions will be transferred from the Department of State Development, Manufacturing, Infrastructure and Planning effective 1 September 2018. The transfer of assets, liabilities and budgeted appropriation from the Consolidated Fund is yet to be approved by the Directors-General of the departments.

Department of Housing and Public Works

Management Certificate of the Department of Housing and Public Works

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 42 of the *Financial and Performance Management Standard 2009*, and other prescribed requirements. In accordance with section 62(1)(b) of the Act, we certify that in our opinion:

- (i) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (ii) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Department of Housing and Public Works for the financial year ended 30 June 2018, and of the financial position of the department at the end of that year; and
- (iii) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.



Deborah McLeod
BCom, FCPA
Chief Finance Officer
Department of Housing and Public Works



Kimberley Swords
BVSc (Hons), MBA
Acting Director-General
Department of Housing and Public Works

29 August 2018

29 August 2018

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Department of Housing and Public Works

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Department of Housing and Public Works.

In my opinion, the financial report:

- a) gives a true and fair view of the department's financial position as at 30 June 2018, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards.

The financial report comprises the balance sheet and statement of assets and liabilities by major departmental service, commercialised business units and shared service providers as at 30 June 2018, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental service, commercialised business units and shared service providers for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. I addressed these matters in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of social housing land (\$8.992 billion) and buildings (\$5.635 billion)

Refer to Note 4.1 in the financial report

Key audit matter	How my audit addressed the key audit matter
<p>The department engaged independent valuers to perform specific appraisal valuations representing 30% of social housing properties in the current year using significant inputs such as location, bedroom count, price per square metre, land size, condition and a discount factor applied to accommodation in recognition of the cost of obtaining strata title to sell. Specific judgement was required in relation to:</p> <ul style="list-style-type: none"> • the condition of the property. The condition rating of the properties was supplied to the valuer by management based on property condition assessments performed at least once every three years by internal inspection. Management assessed the overall condition of properties by using a rating scale of one (property ready for demolition) to ten (property is as new), and assessed that 99% of properties had a condition rating of greater than eight at balance date. Judgement is required for interpreting and applying this condition rating scale. • the discount applied to some multi-unit properties without strata title on individual units. Where there is no comparable sales data available, strata comparison is applied with discount to non-strata units determined by the independent valuer. 	<p>My procedures included, but were not limited to</p> <ul style="list-style-type: none"> • Verifying the adequacy of management’s review of the valuation process by inspecting final valuation approvals and evidence of oversight by property committees. • For specific appraisal valuations in the current year: <ul style="list-style-type: none"> ○ reviewing evidence to confirm the competence, capability and objectivity of the independent valuers ○ obtaining an understanding of the appraiser’s methodology (including by reviewing the terms of engagement and valuers’ methodology statements) and comparing for appropriateness to common industry practice ○ for a sample of valuations, evaluating the relevance, completeness and accuracy of market evidence (comparable sales for similar properties) provided to support the fair value, including by benchmarking against other published market data ○ comparing the reasonableness of discount rates applied to properties without strata title to industry benchmarks • Auditing the condition rating system for reasonableness and appropriate application. This included: <ul style="list-style-type: none"> ○ observing the property condition assessments being performed by management for a sample of social housing buildings and vouching the accuracy of management’s recorded condition ratings ○ for a sample of social housing buildings, re-performing the calculation of the overall property condition rating determined by management, including verification of benchmark data (inputs such as size and bedroom count) and locality indices applied by management to supporting documentation ○ inspecting maintenance/upgrade costs incurred during the year and assessing management’s total asset management plans to support management’s judgement that properties rated greater than eight are in sound condition.

Key audit matter	How my audit addressed the key audit matter
<p>The department updated the fair values of the remaining properties using indices it derived from the results of the specific appraisal valuations. The development of these indices required significant judgement for determining the criteria for classifying properties into homogenous groups with materially similar characteristics.</p>	<ul style="list-style-type: none"> • For indexations in the current year: <ul style="list-style-type: none"> ○ evaluating the methodology for appropriateness relative to common industry practice ○ verifying the appropriateness of the criteria for classifying properties by considering the common characteristics of each homogenous group, and investigating whether homogenous groups required further disaggregation where they experienced a broad range of fair value movements for specific appraisal valuations in the current year ○ re-performing the calculation of a sample of valuation indices applied by management for properties with common characteristics in a sample of regions ○ benchmarking the indices against property market movements published by various relevant industry participants such as the Valuer-General of Queensland to evaluate their reasonableness

Responsibilities of the department for the financial report

The Accountable Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Accountable Officer is also responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the department or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the department's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the department.
- Conclude on the appropriateness of the department's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the department's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the department to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Officer, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2018:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.



31 August 2018

Michelle Reardon
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Appendix - Compliance Checklist

Summary of requirement	Basis for requirement	Annual report reference
Letter of compliance	• A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs — section 7 2
Accessibility	• Table of contents	ARRs — section 9.1 1
	• Glossary	72
	• Public availability	ARRs — section 9.2 3
	• Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs — section 9.3 3
	• Copyright notice	<i>Copyright Act 1968</i> ARRs — section 9.4 3
	• Information licensing	<i>QGEA — Information Licensing</i> ARRs — section 9.5 3
General information	• Introductory information	ARRs — section 10.1 4–8
	• Agency role and main functions	ARRs — section 10.2 6–8
	• Operating environment	ARRs — section 10.3 7–8
Non-financial performance	• Government's objectives for the community	ARRs — section 11.1 6, 8
	• Other whole-of-government plans / specific initiatives	ARRs — section 11.2 61
	• Agency objectives and performance indicators	ARRs — section 11.3 7, 16–45
	• Agency service areas and service standards	ARRs — section 11.4 16–45
Financial performance	• Summary of financial performance	ARRs — section 12.1 73–136
Governance — management and structure	• Organisational structure	ARRs — section 13.1 11
	• Executive management	ARRs — section 13.2 53–55
	• Government bodies (statutory bodies and other entities)	ARRs — section 13.3 62
	• <i>Public Sector Ethics Act 1994</i>	<i>Public Sector Ethics Act 1994</i> ARRs — section 13.4 52
	• Queensland public service values	ARRs — section 13.5 8
Governance — risk management and accountability	• Risk management	ARRs — section 14.1 58
	• Audit committee	ARRs — section 14.2 55
	• Internal audit	ARRs — section 14.3 58
	• External scrutiny	ARRs — section 14.4 60
	• Information systems and recordkeeping	ARRs — section 14.5 59

Summary of requirement		Basis for requirement	Annual report reference
Governance — human resources	• Workforce planning and performance	ARRs — section 15.1	47
	• Early retirement, redundancy and retrenchment	Directive No.11/12 Early Retirement, Redundancy and Retrenchment Directive No.16/16 Early Retirement, Redundancy and Retrenchment (from 20 May 2016) ARRs — section 15.2	46
Open Data	• Statement advising publication of information	ARRs — section 16	3
	• Consultancies	ARRs — section 33.1	https://data.qld.gov.au
	• Overseas travel	ARRs — section 33.2	https://data.qld.gov.au
	• Queensland Language Services Policy	ARRs — section 33.3	https://data.qld.gov.au
Financial statements	• Certification of financial statements	FAA — section 62 FPMS — sections 42, 43 and 50 ARRs — section 17.1	131
	• Independent Auditor's Report	FAA — section 62 FPMS — section 50 ARRs — section 17.2	136

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2009*

ARRs *Annual report requirements for Queensland Government agencies*

