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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

[Signature]

Liza Carroll
Director-General
Communication objective


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


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Email: COR.GPP@hpw.qld.gov.au

ISSN 2201-1401
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

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 go cards 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.

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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
as at 30 June 2018
Our highlights

Supporting access to government information, for current and future generations

57% 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

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

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

10% of privately-owned buildings may need detailed assessment

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

Building assessments completed of privately-owned buildings may need detailed assessment.

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

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.

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10% of privately-owned buildings may need detailed assessment.

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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

- 591 new social housing dwellings delivered
- 97 new homes commenced through capital grants in partnership with community housing organisations
- 82% of houses built to gold or platinum Livable Housing Design Guidelines

Investing in places, spaces and services

- 549 local sport and recreation clubs were supported with $3.5 million under Get Going Clubs to improve their capabilities to better deliver activities
- 160 nationally accredited training programs in coaching, officiating and sports first aid were delivered to more than 2,370 participants
- 165 free Building Active Communities Workshops were delivered to 3,494 participants supporting community sport volunteers

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.

- 8 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)
- 224 EOI proposals submitted
- 39 development ready proposals
- 59 proposals suitable for future development

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)
- 600 elite athletes across 22 sports
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
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
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 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
  - 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

738 jobs have been supported to date based on contracts committed for construction and expenditure for upgrades

<table>
<thead>
<tr>
<th></th>
<th>Total this year</th>
<th>Anticipated next year</th>
</tr>
</thead>
<tbody>
<tr>
<td>refurbishment</td>
<td>115</td>
<td>140</td>
</tr>
<tr>
<td>construction</td>
<td>623</td>
<td>458</td>
</tr>
</tbody>
</table>

Improved amenity and liveability outcomes for tenants in urban areas by delivering 82% of new homes to Livable Housing Design Guidelines exceeding the target of 50%.

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

<table>
<thead>
<tr>
<th>Year</th>
<th>QLD</th>
<th>National Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015-16</td>
<td>96.9%</td>
<td>75.1%</td>
</tr>
<tr>
<td>2016-17</td>
<td>96.9%</td>
<td>74.3%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>QLD</th>
<th>National Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>88.3%</td>
<td>81%</td>
</tr>
<tr>
<td>2016</td>
<td>86.8%</td>
<td>80.7%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Service: Housing services</th>
<th>2017–18 Target/est.</th>
<th>2017–18 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Effectiveness measures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Level of overall client satisfaction</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public housing</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>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.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community housing</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>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.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of new households assisted into government-owned and managed social rental housing who were in very high or high need</td>
<td>90%</td>
<td>93%</td>
</tr>
<tr>
<td>Variance between 2017–18 Target/Estimate and 2017–18 Actual is positive and reflects the continued commitment to assist clients in greatest need.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of department-owned social rental housing dwellings in acceptable condition</td>
<td>98%</td>
<td>99%</td>
</tr>
<tr>
<td>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.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>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</td>
<td>71%</td>
<td>82%</td>
</tr>
<tr>
<td>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.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proportion of newly constructed social housing dwellings meeting the Livable Housing Design guidelines gold or platinum standards</td>
<td>50%</td>
<td>82%</td>
</tr>
<tr>
<td>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.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average wait time to allocation for assistance (months) with government-owned and managed social rental housing for clients in very high or high need</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Percentage of under occupied government-owned and managed social rental housing</td>
<td>15%</td>
<td>16%</td>
</tr>
<tr>
<td>Proportion of government-owned social rental housing stock matched to greatest demand</td>
<td>54%</td>
<td>54%</td>
</tr>
<tr>
<td><strong>Efficiency measures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average tenancy and property management administration cost per household assisted with social rental housing</td>
<td>$1,220</td>
<td>$1,115</td>
</tr>
<tr>
<td>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.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Service: Homelessness services

<table>
<thead>
<tr>
<th>Service: Homelessness services</th>
<th>2017–18 Target/est.</th>
<th>2017–18 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Effectiveness measures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>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</td>
<td>66%</td>
<td>67%</td>
</tr>
<tr>
<td>Percentage of homelessness services clients who requested assistance relating to domestic and family violence and received this assistance</td>
<td>87%</td>
<td>88%</td>
</tr>
<tr>
<td><strong>Efficiency measures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recurrent cost per client accessing homelessness services</td>
<td>$2,800</td>
<td>$3,082</td>
</tr>
<tr>
<td>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.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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

Queenslanders earn a living in the building and construction industry

Queensland building and construction industry

$46 billion

Queensland Government capital works program over the next 4 years

$42.75 billion

Queenslanders who earn a living in the sector

230,000

new social and affordable homes over the next 10 years

5,000
• 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.

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 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.

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.
## Service standards

### Government Accommodation and Building Policy Services

<table>
<thead>
<tr>
<th>Effectiveness measures</th>
<th>2017–18 Target/est.</th>
<th>2017–18 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Return on investment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial properties included in the office portfolio</td>
<td>≥6.5%</td>
<td>6.7%</td>
</tr>
<tr>
<td>Government employee housing</td>
<td>≥1.5%</td>
<td>1.6%</td>
</tr>
<tr>
<td><strong>Vacancy rate</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office portfolio</td>
<td>≤3.5%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Government employee housing</td>
<td>≤6%</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

*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.*

*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.*

<table>
<thead>
<tr>
<th>Efficiency measures</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Work point density</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td>13.5m² per person</td>
<td>13.5m² per person</td>
</tr>
<tr>
<td>New fitout</td>
<td>12m² per person</td>
<td>12.4m² per person</td>
</tr>
</tbody>
</table>

### Key Performance Indicators

- **SES and Community Recovery calls:** 5,726
  - SES and Community Recovery calls were taken by Smart Service Queensland

- **Community Recovery Ready Reserve:** 28 staff
  - 28 staff were deployed as part of the Community Recovery Ready Reserve to provide direct support to impacted people

- **InfoTech/Smart Service customers:** 11,351

- **Housing and Homelessness Services assistance:** 32 displaced people
  - 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.

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 call Queensland home
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.

**Service standards**

<table>
<thead>
<tr>
<th>Procurement Services</th>
<th>2017–18 Target/est.</th>
<th>2017–18 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Effectiveness measures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall satisfaction with advice and support provided by the Office of the Chief Advisor – Procurement (internal to government)</td>
<td>61%</td>
<td>90%</td>
</tr>
<tr>
<td>Variance between the 2017–18 Target/Estimate and the 2017–18 Actual is due to improved collaboration with agencies.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall satisfaction with the way the Office of the Chief Advisor – Procurement engages with the Procurement Industry Advisory Group (external to government)</td>
<td>80%</td>
<td>70%</td>
</tr>
<tr>
<td>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.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Efficiency measures**

An efficiency measure is being developed for this service and will be included in a future Service Delivery Statement.
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

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walking</td>
<td>55%</td>
</tr>
<tr>
<td>Any gym activity</td>
<td>29%</td>
</tr>
<tr>
<td>Swimming</td>
<td>19%</td>
</tr>
<tr>
<td>Running/jogging</td>
<td>15%</td>
</tr>
<tr>
<td>Bushwalking</td>
<td>11%</td>
</tr>
</tbody>
</table>

*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
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.

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.
### Service standards

**Service area: Sport and Recreation**

#### Service: Community Support

<table>
<thead>
<tr>
<th>Effectiveness measures</th>
<th>2017–18 Target/est.</th>
<th>2017–18 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participants’ overall satisfaction with the department’s education and training programs</td>
<td>90%</td>
<td>96.5%</td>
</tr>
<tr>
<td>Percentage of young people redeeming a Get Started Voucher who have not played club sport before</td>
<td>15%</td>
<td>20.3%</td>
</tr>
<tr>
<td>Percentage of athletes selected for national teams supported by the Queensland Academy of Sport</td>
<td>25%</td>
<td>35%</td>
</tr>
</tbody>
</table>

Variance between 2017–18 Target/Estimate and 2017–18 Actual is due to better than expected representation from Queensland on the Commonwealth Games team.

#### Co-contribution ratio of partnership investment to the Queensland Academy of Sport investment in grants research projects

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.

<table>
<thead>
<tr>
<th>Efficiency measures</th>
<th>2017–18 Target/est.</th>
<th>2017–18 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant monies paid as a percentage of the total grant budget</td>
<td>80%</td>
<td>104%</td>
</tr>
</tbody>
</table>

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.

**Service: Facilities**

#### Effectiveness measures

| Use of Queensland Recreation Centres’ accommodation facilities | 42% | 43% |

#### Efficiency measures

| Queensland Recreation Centres’ operational bed cost per night | <$45 | $45 |

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.

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**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

3.7 million enquiries 2017–18

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

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 Bjeike-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

<table>
<thead>
<tr>
<th>Service area: Digital Capability and Information¹</th>
<th>2017–18 Target/est.</th>
<th>2017–18 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service: Whole-of-government customer experience²</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effectiveness measures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of customers satisfied with the services provided by Smart Service Queensland on behalf of government agencies</td>
<td>≥85%</td>
<td>94%</td>
</tr>
<tr>
<td>Percentage of clients satisfied with the services provided by Smart Service Queensland on their behalf</td>
<td>≥80%</td>
<td>81%</td>
</tr>
</tbody>
</table>

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’.

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.

Percentage of clients satisfied with the One-Stop Shop program

<table>
<thead>
<tr>
<th>2017–18 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>82%</td>
</tr>
</tbody>
</table>

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’.

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.

Efficiency measures

Cost per customer service interaction (all interactions)

<table>
<thead>
<tr>
<th>2017–18 Target/est.</th>
<th>2017–18 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.10</td>
<td>$0.71</td>
</tr>
</tbody>
</table>

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.
## Service area: Digital Capability and Information

### Service: Government recordkeeping and archives

<table>
<thead>
<tr>
<th>Effectiveness measures</th>
<th>2017–18 Target/est.</th>
<th>2017–18 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall customer satisfaction with Queensland State Archives’ delivery of services to the public</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Percentage of clients satisfied with the services provided by Queensland State Archives</td>
<td>≥80%</td>
<td>78%</td>
</tr>
</tbody>
</table>

### Efficiency measures

<table>
<thead>
<tr>
<th>Effectiveness measures</th>
<th>2017–18 Target/est.</th>
<th>2017–18 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average cost to Queensland State Archives per record accessed</td>
<td>$10.00</td>
<td>$4.07</td>
</tr>
</tbody>
</table>

**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

<table>
<thead>
<tr>
<th>Service area: Strategic Information and Communication Technology(^1)</th>
<th>2017–18 Target/est.</th>
<th>2017–18 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effectiveness measures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of whole-of-government spend awarded to small to medium sized enterprises (transactions over $10,000)</td>
<td>≥16%</td>
<td>19%</td>
</tr>
<tr>
<td>Efficiency measures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating cost per $1,000 of managed spend on ICT goods and services</td>
<td>≤$20</td>
<td>$13.2</td>
</tr>
</tbody>
</table>

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

The positive result is due to lower than forecast expenditure costs.
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.

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.

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 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

<table>
<thead>
<tr>
<th>Building and Asset Services</th>
<th>2017–18 Target/est.</th>
<th>2017–18 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Effectiveness measures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall customer satisfaction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>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.</td>
<td>80%</td>
<td>84%</td>
</tr>
<tr>
<td>Percentage of maintenance spend on Building and Asset Services customer facilities with regional suppliers</td>
<td>88%</td>
<td>87%</td>
</tr>
<tr>
<td>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. 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.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Efficiency measures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross profit as a percentage of revenue generated from work delivered on behalf of BAS customers</td>
<td>7.9%</td>
<td>8.4%</td>
</tr>
<tr>
<td>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.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net profit before tax and dividends as a percentage of sales</td>
<td>0.1%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Variance between 2017–18 Target/Estimate to 2017–18 Actual is mainly due to the increase in contribution from higher volume of sales.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current ratio</td>
<td>1.76:1</td>
<td>1.59:1</td>
</tr>
<tr>
<td>Variance between 2017–18 Target/Estimate to 2017–18 Actual is mainly due to the general movements in business operational activity.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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.

CITEC ICT customer satisfaction

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>42.8%</td>
<td>68.8%</td>
<td>84.1%</td>
</tr>
</tbody>
</table>

CITEC Information Brokerage customer satisfaction

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>88.4%</td>
<td>90.6%</td>
<td>91.7%</td>
</tr>
</tbody>
</table>

Percentage of claims documents eFiled

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>69.2%</td>
<td>70.73%</td>
<td>73.19%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>CITEC ICT</th>
<th>2017–18 Target/est.</th>
<th>2017–18 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effectiveness measures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CITEC ICT customer satisfaction</td>
<td>&gt;70%</td>
<td>84%</td>
</tr>
<tr>
<td>Efficiency measures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CITEC ICT earnings before interest and tax less depreciation and amortisation (EBITDA)</td>
<td>($2.373m)</td>
<td>$3.395m</td>
</tr>
<tr>
<td>Service: CITEC Information Brokerage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effectiveness measures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CITEC IB customer satisfaction</td>
<td>&gt;80%</td>
<td>91%</td>
</tr>
<tr>
<td>Efficiency measures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CITEC IB earnings before interest and tax less depreciation and amortisation (EBITDA)</td>
<td>($3.707m)</td>
<td>($0.068m)</td>
</tr>
</tbody>
</table>

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**

<table>
<thead>
<tr>
<th>QFleet</th>
<th>2017–18 Target/Est.</th>
<th>2017–18 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Effectiveness measures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall customer satisfaction</td>
<td>85%</td>
<td>85%</td>
</tr>
<tr>
<td><em>This is a biennial survey with the next survey to be undertaken in 2019–20.</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Efficiency measures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current ratio</td>
<td>3.2:1</td>
<td>2.04:1</td>
</tr>
<tr>
<td><em>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.</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Return on net assets</td>
<td>3.4%</td>
<td>6.9%</td>
</tr>
<tr>
<td><em>Variance between the 2017–18 Target/Estimate and 2017–18 Actual is mainly due to a higher operating surplus.</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gearing level</td>
<td>65%</td>
<td>66%</td>
</tr>
<tr>
<td>Percentage of vehicle fleet use compared to agreed lease parameters</td>
<td>90%</td>
<td>87.3%</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Queensland Shared Services¹</th>
<th>2017–18 Target/est.</th>
<th>2017–18 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Service area: HR</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Effectiveness measures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of Payroll Services delivered within Service Agreement standards</td>
<td>≥97%</td>
<td>99%</td>
</tr>
<tr>
<td><strong>Client satisfaction with HR services</strong></td>
<td>80%</td>
<td>55%</td>
</tr>
<tr>
<td>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.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Efficiency measures</strong></td>
<td>350</td>
<td>303</td>
</tr>
<tr>
<td>Number of pays processed per full-time equivalent (FTE) per fortnight</td>
<td>≥350</td>
<td>303</td>
</tr>
<tr>
<td>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.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Service area: Finance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Effectiveness measures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of Finance Services delivered within Service Agreement standards</td>
<td>≥95%</td>
<td>85%</td>
</tr>
<tr>
<td>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.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Client satisfaction with Finance Services</strong></td>
<td>80%</td>
<td>57%</td>
</tr>
<tr>
<td>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.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Efficiency measures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of accounts payable transactions processed per FTE per annum</td>
<td>≥7,500</td>
<td>9,422</td>
</tr>
<tr>
<td>The increase in 2017–18 Actual result is due to the increased use of electronic workflow and process automation in the accounts payable function.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**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

<table>
<thead>
<tr>
<th>Service Area</th>
<th>STAFFING NUMBERS’ 30 June 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing and Homelessness Services</td>
<td>1,173.3</td>
</tr>
<tr>
<td>Building Industry and Policy</td>
<td>88.1</td>
</tr>
<tr>
<td>Public Works and Asset Management</td>
<td>1,172.1</td>
</tr>
<tr>
<td>Queensland Government Procurement</td>
<td>93.4</td>
</tr>
<tr>
<td>Sport and Recreation Services</td>
<td>252.3</td>
</tr>
<tr>
<td>Digital Capability, Information and Transaction Based Services</td>
<td>576.8</td>
</tr>
<tr>
<td>Queensland Shared Services</td>
<td>929.9</td>
</tr>
<tr>
<td>Strategic ICT</td>
<td>366.8</td>
</tr>
<tr>
<td>Queensland Government Chief Information Office</td>
<td>52.5</td>
</tr>
<tr>
<td>Corporate Services</td>
<td>580.5</td>
</tr>
<tr>
<td>TOTAL</td>
<td>5,285.7</td>
</tr>
</tbody>
</table>

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

Equity statistics as at 30 June 2018

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

- 50% TARGET
- 41.7% ACTUAL

Aboriginal and Torres Strait Islander staff

- 3% TARGET
- 3.2% ACTUAL

People from a non-English speaking background

- 10% TARGET
- 13.1% ACTUAL

People with a disability

- 8% TARGET
- 3.5% ACTUAL

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

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.
CASE STUDIES

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.
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
- 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.

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 People and Culture Committee, endorsed the:

- 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
- 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.

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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. 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 Coroner 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 in farm stay accommodation
- as lead agency, finalised reporting for one recommendation from a 2014 inquest dealing with fire safety
- as lead agency, finalised reporting for one recommendation from a 2014 inquest dealing with fire safety
- responded to four recommendations from a 2016 inquest regarding pool safety
- responded to four recommendations from a 2016 inquest regarding pool safety
- 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
- 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.

<table>
<thead>
<tr>
<th>Name of body as described in the constituting Act</th>
<th>Constituting Act</th>
<th>Annual reporting arrangements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Architects of Queensland</td>
<td>Architects Act 2002</td>
<td>Annual report to Parliament</td>
</tr>
<tr>
<td>Board of Professional Engineers of Queensland</td>
<td>Professional Engineers Act 2002</td>
<td>Annual report to Parliament</td>
</tr>
<tr>
<td>Residential Tenancies Authority</td>
<td>Residential Tenancies and Rooming Accommodation Act 2008</td>
<td>Annual report to Parliament</td>
</tr>
<tr>
<td>Mt. Gravatt Showgrounds Trust</td>
<td>Mt. Gravatt Showgrounds Act 1988</td>
<td>Annual report to Parliament</td>
</tr>
<tr>
<td>Queensland Academy of Sport Board</td>
<td>The Board is not established under an Act</td>
<td>Included in Annual Report</td>
</tr>
<tr>
<td>Stadiums Queensland</td>
<td>Major Sports Facilities Act 2001</td>
<td>Annual report to Parliament</td>
</tr>
</tbody>
</table>
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 2937
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 2088
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 3008 2116
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
Coaboolture 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
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
Caims Qld 4870
Phone: 07 4036 5538

Cairns Housing Service Centre
Level 3, 5B Sheridan Street
William McCormack Place
PO Box 471
Caims 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
Caims 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

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: HHS-MtIsaRemoteComm@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:bundabergshsc@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: maryboroughshsc@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, Chermside
PO Box 2361
Chermside Centre
Chermside Qld 4032
Phone: 07 3007 4386

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

Chermside Housing Service Centre
Level 3, 18 Banfield Street, Chermside
PO Box 2352
Chermside Qld 4032
Phone: 07 3917 4600
Maintenance enquiries: 07 3896 9973
Email: chermsidehsc@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
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
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
GPO 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
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFL</td>
<td>Australian Football League</td>
</tr>
<tr>
<td>AS/NZS</td>
<td>Australia/New Zealand Standard</td>
</tr>
<tr>
<td>AO</td>
<td>Administration Officer</td>
</tr>
<tr>
<td>FCPA</td>
<td>Fellow of CPA Australia</td>
</tr>
<tr>
<td>FTE</td>
<td>Full Time Equivalent</td>
</tr>
<tr>
<td>GC2018</td>
<td>Gold Coast Commonwealth Games 2018</td>
</tr>
<tr>
<td>GPO</td>
<td>General Post Office</td>
</tr>
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<td>HRIS</td>
<td>Human Resources Information System</td>
</tr>
<tr>
<td>ICT</td>
<td>Information Communication Technology</td>
</tr>
<tr>
<td>MOHRI FTE</td>
<td>Minimum Obligatory Human Resources Information Full Time Equivalent</td>
</tr>
<tr>
<td>NAIDOC</td>
<td>National Aboriginal and Island Day Observance Committee</td>
</tr>
<tr>
<td>NHHA</td>
<td>National Housing and Homelessness Agreement</td>
</tr>
<tr>
<td>NRAS</td>
<td>National Rental Affordability Scheme</td>
</tr>
<tr>
<td>NRL</td>
<td>National Rugby League</td>
</tr>
<tr>
<td>NRSCH</td>
<td>National Regulatory System for Community Housing</td>
</tr>
<tr>
<td>PCI DSS</td>
<td>Payment Card Industry Data Security Standard</td>
</tr>
<tr>
<td>QG</td>
<td>Queensland Government</td>
</tr>
<tr>
<td>QAO</td>
<td>Queensland Audit Office</td>
</tr>
<tr>
<td>QAS</td>
<td>Queensland Academy of Sport</td>
</tr>
<tr>
<td>OSS</td>
<td>One-Stop Shop</td>
</tr>
<tr>
<td>QGCIO</td>
<td>Queensland Government Information Office</td>
</tr>
<tr>
<td>QGOV</td>
<td>Queensland Government</td>
</tr>
<tr>
<td>QSS</td>
<td>Queensland Shared Services</td>
</tr>
<tr>
<td>QSTARS</td>
<td>Queensland Statewide Tenants Advice and Referral Service</td>
</tr>
<tr>
<td>SSQ</td>
<td>Smart Service Queensland</td>
</tr>
<tr>
<td>TWIG</td>
<td>Testing within Government</td>
</tr>
</tbody>
</table>
Financial Statements
2017–2018

for the financial year ended 30 June 2018

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Management Certificate 131
Independent Auditor’s Report 132
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.
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.

---

**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*.
Statement of Comprehensive Income
for the year ended 30 June 2018

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

Notes:
1. 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.
2. The increase in appropriation revenue is mainly due to the functions transferred into the department as part of the machinery-of-government changes.
3. 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.
4. The increase in supplies and services is mainly due to the functions transferred into the department as part of the machinery-of-government changes.
5. The increase in employee expenses is mainly due to the functions transferred into the department as part of the machinery-of-government changes.
6. In 2017-18, departmental buildings experienced an overall increase in value resulting in a gain on remeasurement of assets (see note 3).
7. 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**

<table>
<thead>
<tr>
<th></th>
<th>Actual 2017–18</th>
<th>Actual 2016–17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Notes</strong></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>8 727,917</td>
<td>580,030</td>
</tr>
<tr>
<td>Loans and receivables</td>
<td>226,176</td>
<td>182,203</td>
</tr>
<tr>
<td>Inventories</td>
<td>46,665</td>
<td>48,172</td>
</tr>
<tr>
<td>Prepayments</td>
<td>68,564</td>
<td>43,121</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td>6,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Tax assets</td>
<td>447</td>
<td>2,277</td>
</tr>
<tr>
<td>Non-current assets classified as held for sale</td>
<td>105,248</td>
<td>55,259</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>1,181,017</strong></td>
<td><strong>916,062</strong></td>
</tr>
<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>9 19,216,496</td>
<td>18,290,005</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td>182,226</td>
<td>182,031</td>
</tr>
<tr>
<td>Loans and receivables</td>
<td>151,738</td>
<td>130,142</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>37,127</td>
<td>9,465</td>
</tr>
<tr>
<td>Prepayments</td>
<td>2,252</td>
<td>0</td>
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<tr>
<td>Deferred tax assets</td>
<td>1,891</td>
<td>1,412</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td><strong>19,591,730</strong></td>
<td><strong>18,613,055</strong></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>20,772,747</strong></td>
<td><strong>19,529,117</strong></td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>10 378,937</td>
<td>276,972</td>
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<tr>
<td>Unearned revenue</td>
<td>107,606</td>
<td>127,054</td>
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<tr>
<td>Interest-bearing liabilities</td>
<td>11 29,051</td>
<td>17,501</td>
</tr>
<tr>
<td>Lease incentives</td>
<td>15,466</td>
<td>14,221</td>
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<td>Accrued employee benefits</td>
<td>24,646</td>
<td>13,796</td>
</tr>
<tr>
<td>Tax liabilities</td>
<td>2,521</td>
<td>2,826</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>12,680</td>
<td>9,771</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>570,907</strong></td>
<td><strong>462,141</strong></td>
</tr>
<tr>
<td><strong>NON-CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest-bearing liabilities</td>
<td>11 697,374</td>
<td>587,639</td>
</tr>
<tr>
<td>Lease incentives</td>
<td>175,556</td>
<td>175,017</td>
</tr>
<tr>
<td>Queen’s Wharf deferred consideration</td>
<td>114,154</td>
<td>114,154</td>
</tr>
<tr>
<td>Payables</td>
<td>120,026</td>
<td>86,537</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>29,330</td>
<td>30,774</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>18,185</td>
<td>15,960</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>284</td>
<td>283</td>
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<tr>
<td><strong>Total non-current liabilities</strong></td>
<td><strong>1,154,909</strong></td>
<td><strong>1,010,364</strong></td>
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<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>1,725,816</strong></td>
<td><strong>1,472,561</strong></td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td><strong>19,046,931</strong></td>
<td><strong>18,056,612</strong></td>
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<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributed equity</td>
<td>16,828,044</td>
<td>16,266,979</td>
</tr>
<tr>
<td>Asset revaluation surplus</td>
<td>2,364,786</td>
<td>1,888,555</td>
</tr>
<tr>
<td>Accumulated surplus</td>
<td>(145,899)</td>
<td>(98,922)</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td><strong>19,046,931</strong></td>
<td><strong>18,056,612</strong></td>
</tr>
</tbody>
</table>

**Notes:**

8. 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.

9. 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.

10. 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.

11. 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.
### 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.hppw.qld.gov.au](http://www.hppw.qld.gov.au).
Department of Housing and Public Works  
Statement of Comprehensive Income  
for the year ended 30 June 2018

<table>
<thead>
<tr>
<th>Note</th>
<th>2018 $'000</th>
<th>2017 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCOME FROM CONTINUING OPERATIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>User charges and fees</td>
<td>2.1</td>
<td>1,823,559</td>
</tr>
<tr>
<td>Appropriation revenue</td>
<td>2.2</td>
<td>809,988</td>
</tr>
<tr>
<td>Grants and other contributions</td>
<td></td>
<td>9,143</td>
</tr>
<tr>
<td>Interest</td>
<td></td>
<td>5,193</td>
</tr>
<tr>
<td>Other revenue</td>
<td></td>
<td>73,148</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td></td>
<td>2,721,031</td>
</tr>
<tr>
<td>Gains on disposal/remeasurement of assets</td>
<td>2.3</td>
<td>107,999</td>
</tr>
<tr>
<td><strong>Total income from continuing operations</strong></td>
<td></td>
<td>2,829,030</td>
</tr>
<tr>
<td><strong>EXPENSES FROM CONTINUING OPERATIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplies and services</td>
<td>3.1</td>
<td>1,891,593</td>
</tr>
<tr>
<td>Employee expenses</td>
<td>3.2</td>
<td>440,545</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>4.1</td>
<td>256,257</td>
</tr>
<tr>
<td>Grants and subsidies</td>
<td>3.3</td>
<td>156,090</td>
</tr>
<tr>
<td>Revaluation decrement</td>
<td>4.1</td>
<td>-</td>
</tr>
<tr>
<td>Finance/borrowing costs</td>
<td></td>
<td>27,364</td>
</tr>
<tr>
<td>Impairment losses</td>
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<td>8,757</td>
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<tr>
<td>Other expenses</td>
<td>3.4</td>
<td>79,935</td>
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<tr>
<td><strong>Total expenses from continuing operations</strong></td>
<td></td>
<td>2,860,541</td>
</tr>
<tr>
<td>Operating result from continuing operations before income tax</td>
<td></td>
<td>(31,511)</td>
</tr>
<tr>
<td>Income tax benefit/(expense)</td>
<td></td>
<td>(7,028)</td>
</tr>
<tr>
<td><strong>Operating result from continuing operations after income tax</strong></td>
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<td>(38,539)</td>
</tr>
<tr>
<td><strong>OTHER COMPREHENSIVE INCOME</strong></td>
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<td></td>
</tr>
<tr>
<td>Items that will not be reclassified to operating result</td>
<td></td>
<td>476,231</td>
</tr>
<tr>
<td>Increase/(decrease) in asset revaluation surplus</td>
<td>4.1 (d)</td>
<td></td>
</tr>
<tr>
<td><strong>Total other comprehensive income</strong></td>
<td></td>
<td>476,231</td>
</tr>
<tr>
<td><strong>Total comprehensive income</strong></td>
<td></td>
<td>437,692</td>
</tr>
</tbody>
</table>

*The accompanying notes form part of these financial statements.*
### Department of Housing and Public Works

#### Balance Sheet
as at 30 June 2018

<table>
<thead>
<tr>
<th>Note</th>
<th>2018 '000</th>
<th>2017 '000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>727,917</td>
<td>580,030</td>
</tr>
<tr>
<td>Loans and receivables</td>
<td>226,176</td>
<td>182,203</td>
</tr>
<tr>
<td>Inventories</td>
<td>46,665</td>
<td>48,172</td>
</tr>
<tr>
<td>Prepayments</td>
<td>68,564</td>
<td>43,121</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td>6,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Tax assets</td>
<td>447</td>
<td>2,277</td>
</tr>
<tr>
<td></td>
<td>1,075,769</td>
<td>860,803</td>
</tr>
<tr>
<td>Non-current assets classified as held for sale</td>
<td>105,248</td>
<td>55,259</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>1,181,017</td>
<td>916,062</td>
</tr>
</tbody>
</table>

| **NON-CURRENT ASSETS** | | |
| Property, plant and equipment | 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 | - |
| 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 | 378,937 | 276,972 |
| Unearned revenue | 107,606 | 127,054 |
| Interest-bearing liabilities | 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 | 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 | 194,899 | (98,922) |
| **TOTAL EQUITY** | 19,046,931 | 18,056,612 |

*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**

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

The accompanying notes form part of these financial statements.
# Statement of Cash Flows

## for the year ended 30 June 2018

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

## CASH FLOWS FROM OPERATING ACTIVITIES

**Inflows:**
- 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

**Outflows:**
- 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

**Inflows:**
- 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

**Outflows:**
- 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

**Inflows:**
- Equity injections                   349,357   164,453
- Borrowings                          10,000    20,000

**Outflows:**
- 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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of operating result to net cash from operating activities

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating surplus/(deficit) before income tax</td>
<td>(31,511)</td>
<td>(214,056)</td>
</tr>
<tr>
<td>Less: income tax benefit/(expense)</td>
<td>(7,028)</td>
<td>(8,202)</td>
</tr>
<tr>
<td>Non-cash items:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortisation expense</td>
<td>256,257</td>
<td>245,494</td>
</tr>
<tr>
<td>Motor vehicles sold</td>
<td>22,551</td>
<td>29,463</td>
</tr>
<tr>
<td>Donated assets and services expensed</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Contributed assets and services received</td>
<td>(1,250)</td>
<td>(3,362)</td>
</tr>
<tr>
<td>Impairment losses</td>
<td>8,757</td>
<td>17,883</td>
</tr>
<tr>
<td>Loss/(gain) on disposal of non-current assets</td>
<td>(4,110)</td>
<td>(2,515)</td>
</tr>
<tr>
<td>Revaluation decrement/(increment)</td>
<td>(95,604)</td>
<td>109,852</td>
</tr>
<tr>
<td>Write-off of assets</td>
<td>1,070</td>
<td>2,844</td>
</tr>
<tr>
<td>Net loss/(gain) on revaluation of financial assets</td>
<td>(10,411)</td>
<td>(3,836)</td>
</tr>
</tbody>
</table>

Change in assets and liabilities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Increase) decrease in GST input tax credits receivable</td>
<td>6,017</td>
<td>(3,985)</td>
</tr>
<tr>
<td>(Increase) decrease in loans and receivables</td>
<td>6,514</td>
<td>(25,491)</td>
</tr>
<tr>
<td>(Increase) decrease in inventories</td>
<td>4,596</td>
<td>(4,839)</td>
</tr>
<tr>
<td>(Increase) decrease in prepayments</td>
<td>(11,684)</td>
<td>(5,453)</td>
</tr>
<tr>
<td>(Increase) decrease in current tax assets</td>
<td>1,831</td>
<td>(2,133)</td>
</tr>
<tr>
<td>(Increase) decrease in deferred tax assets</td>
<td>(479)</td>
<td>792</td>
</tr>
<tr>
<td>Acquisition of motor vehicles held for rental</td>
<td>(66,099)</td>
<td>(65,797)</td>
</tr>
<tr>
<td>Increase (decrease) in GST payable</td>
<td>(5,451)</td>
<td>7,390</td>
</tr>
<tr>
<td>Increase (decrease) in payables</td>
<td>38,738</td>
<td>81,208</td>
</tr>
<tr>
<td>Increase (decrease) in lease incentive liabilities</td>
<td>1,784</td>
<td>18,663</td>
</tr>
<tr>
<td>Increase (decrease) in unearned revenue</td>
<td>(26,615)</td>
<td>40,213</td>
</tr>
<tr>
<td>Increase (decrease) in accrued employee benefits</td>
<td>5,236</td>
<td>1,384</td>
</tr>
<tr>
<td>Increase (decrease) in current tax liability</td>
<td>(305)</td>
<td>2,677</td>
</tr>
<tr>
<td>Increase (decrease) in deferred tax liability</td>
<td>1,627</td>
<td>2,420</td>
</tr>
<tr>
<td>Increase (decrease) in other liabilities</td>
<td>3,214</td>
<td>(5,297)</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td>97,650</td>
<td>215,323</td>
</tr>
</tbody>
</table>

Changes in liabilities arising from financing activities

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

Changes in assets and liabilities arising from equity appropriations are outlined in Note 6.2.
**Statement of Comprehensive Income by Major Departmental Services, Commercialised Business Units and Shared Service Providers (SSP)**

for the year ended 30 June 2018

<table>
<thead>
<tr>
<th><strong>Department of Housing and Public Works</strong></th>
<th><strong>Government Accommodation and Building Policy Services</strong></th>
<th><strong>Procurement Services</strong></th>
<th><strong>Sport and Recreation</strong></th>
<th><strong>Digital Capability and Information</strong></th>
<th><strong>Strategic Information and Communication Technology</strong></th>
<th><strong>Queensland Shared Services (SSP)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$’000</strong></td>
<td><strong>$’000</strong></td>
<td><strong>$’000</strong></td>
<td><strong>$’000</strong></td>
<td><strong>$’000</strong></td>
<td><strong>$’000</strong></td>
<td><strong>$’000</strong></td>
</tr>
</tbody>
</table>

### INCOME FROM CONTINUING OPERATIONS

<table>
<thead>
<tr>
<th></th>
<th>User charges and fees</th>
<th>Appropriation revenue</th>
<th>Grants and other contributions</th>
<th>Interest</th>
<th>Other revenue</th>
<th>Total revenue</th>
<th>Gains on disposal/remeasurement of assets</th>
<th>Total income from continuing operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>415,685</td>
<td>428,803</td>
<td>665,814</td>
<td>602,887</td>
<td>-</td>
<td>624</td>
<td>5,030</td>
<td>-</td>
</tr>
<tr>
<td>2017</td>
<td>516,185</td>
<td>530,867</td>
<td>93,044</td>
<td>131,792</td>
<td>15,470</td>
<td>12,374</td>
<td>73,605</td>
<td>-</td>
</tr>
<tr>
<td>2018</td>
<td>1,541</td>
<td>3,444</td>
<td>6,309</td>
<td>1,584</td>
<td>91</td>
<td>74</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2017</td>
<td>14,115</td>
<td>10,884</td>
<td>47,434</td>
<td>15,234</td>
<td>1,672</td>
<td>520</td>
<td>157</td>
<td>-</td>
</tr>
<tr>
<td>Total revenue</td>
<td>949,017</td>
<td>975,447</td>
<td>805,273</td>
<td>753,146</td>
<td>17,233</td>
<td>13,592</td>
<td>78,792</td>
<td>-</td>
</tr>
<tr>
<td>Gains on disposal/remeasurement of assets</td>
<td>102,429</td>
<td>5,902</td>
<td>5,362</td>
<td>470</td>
<td>-</td>
<td>-</td>
<td>167</td>
<td>-</td>
</tr>
<tr>
<td>Total income from continuing operations</td>
<td>1,051,446</td>
<td>981,349</td>
<td>810,635</td>
<td>753,616</td>
<td>17,233</td>
<td>13,592</td>
<td>78,959</td>
<td>-</td>
</tr>
</tbody>
</table>

### EXPENSES FROM CONTINUING OPERATIONS

<table>
<thead>
<tr>
<th></th>
<th>Supplies and services</th>
<th>Employee expenses</th>
<th>Depreciation and amortisation</th>
<th>Grants and subsidies</th>
<th>Revaluation decrement</th>
<th>Finance/borrowing costs</th>
<th>Impairment losses</th>
<th>Other expenses</th>
<th>Total expenses from continuing operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>703,213</td>
<td>665,319</td>
<td>685,669</td>
<td>661,480</td>
<td>7,989</td>
<td>5,372</td>
<td>19,265</td>
<td>-</td>
<td>19,431</td>
</tr>
<tr>
<td>2017</td>
<td>113,207</td>
<td>106,930</td>
<td>27,482</td>
<td>24,758</td>
<td>8,393</td>
<td>6,899</td>
<td>15,452</td>
<td>-</td>
<td>28,954</td>
</tr>
<tr>
<td>2018</td>
<td>139,280</td>
<td>141,667</td>
<td>58,465</td>
<td>62,820</td>
<td>-</td>
<td>1</td>
<td>9,090</td>
<td>-</td>
<td>2,185</td>
</tr>
<tr>
<td>2017</td>
<td>102,605</td>
<td>108,821</td>
<td>4,485</td>
<td>10,157</td>
<td>-</td>
<td>43,132</td>
<td>930</td>
<td>-</td>
<td>4,694</td>
</tr>
<tr>
<td>2018</td>
<td>251,318</td>
<td>218,693</td>
<td>19,378</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2017</td>
<td>1,491</td>
<td>1,449</td>
<td>2,672</td>
<td>1,649</td>
<td>91</td>
<td>74</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total expenses from continuing operations</td>
<td>1,109,973</td>
<td>1,241,814</td>
<td>798,870</td>
<td>734,521</td>
<td>17,233</td>
<td>13,592</td>
<td>79,137</td>
<td>-</td>
<td>52,938</td>
</tr>
</tbody>
</table>

### Operating result from continuing operations before income tax

- 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)

- Income tax benefit/(expense) | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

### Operating result from continuing operations after income tax

- 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

- Total comprehensive income | 192,791 | (313,640) | 230,458 | 38,473 | - | 1 | 6,042 | - | (621) | - | (38) | - | (1,275) | - |

* Refer to Note 1.5.
### Income from Continuing Operations

<table>
<thead>
<tr>
<th>Source/Expense</th>
<th>2018 $'000</th>
<th>2017 $'000</th>
<th>2018 $'000</th>
<th>2017 $'000</th>
<th>2018 $'000</th>
<th>2017 $'000</th>
<th>General - not attributed Eliminations $'000</th>
<th>2018 $'000</th>
<th>2017 $'000</th>
<th>Total department $'000</th>
<th>2018 $'000</th>
<th>2017 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>User charges and fees</td>
<td>1,026,585</td>
<td>975,405</td>
<td>115,997</td>
<td>122,859</td>
<td>83,226</td>
<td>-</td>
<td>83,077</td>
<td>87,982</td>
<td>(651,370)</td>
<td>(564,403)</td>
<td>1,823,559</td>
<td>1,654,157</td>
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<td>Appropriation revenue</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>3,103</td>
<td>7,056</td>
<td>-</td>
<td>-</td>
<td>609,966</td>
<td>682,089</td>
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<td>Grants and other contributions</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>269</td>
<td>-</td>
<td>9,143</td>
<td>5,555</td>
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<td>Interest</td>
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<td>566</td>
<td>195</td>
<td>114</td>
<td>72</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,193</td>
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<td>Other revenue</td>
<td>6,695</td>
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<td>424</td>
<td>549</td>
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<td>-</td>
<td>12,284</td>
<td>328</td>
<td>(12,729)</td>
<td>-</td>
<td>73,148</td>
<td>31,719</td>
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<td>Total revenue</td>
<td>1,034,561</td>
<td>980,433</td>
<td>116,616</td>
<td>123,522</td>
<td>83,303</td>
<td>-</td>
<td>98,464</td>
<td>95,635</td>
<td>(664,099)</td>
<td>(564,403)</td>
<td>2,721,031</td>
<td>2,377,372</td>
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<td>Gains on disposal/remeasurement of assets</td>
<td>66</td>
<td>(9)</td>
<td>-</td>
<td>-</td>
<td>(16)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>107,999</td>
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<td>1,034,627</td>
<td>980,424</td>
<td>116,616</td>
<td>123,522</td>
<td>83,287</td>
<td>-</td>
<td>98,464</td>
<td>95,635</td>
<td>(664,099)</td>
<td>(564,403)</td>
<td>2,829,030</td>
<td>2,383,735</td>
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### Expenses from Continuing Operations

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<tr>
<th>Description</th>
<th>2018 $'000</th>
<th>2017 $'000</th>
<th>2018 $'000</th>
<th>2017 $'000</th>
<th>2018 $'000</th>
<th>2017 $'000</th>
<th>2018 $'000</th>
<th>2017 $'000</th>
<th>2018 $'000</th>
<th>2017 $'000</th>
</tr>
</thead>
<tbody>
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<td>Supplies and services</td>
<td>904,062</td>
<td>852,449</td>
<td>51,030</td>
<td>57,124</td>
<td>58,656</td>
<td>-</td>
<td>41,553</td>
<td>41,721</td>
<td>(663,775)</td>
<td>(564,403)</td>
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<td>Employee expenses</td>
<td>114,241</td>
<td>110,938</td>
<td>4,086</td>
<td>4,248</td>
<td>22,384</td>
<td>-</td>
<td>52,765</td>
<td>46,148</td>
<td>(324)</td>
<td>-</td>
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<tr>
<td>Depreciation and amortisation</td>
<td>3,186</td>
<td>3,608</td>
<td>39,023</td>
<td>37,069</td>
<td>2,190</td>
<td>-</td>
<td>487</td>
<td>329</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Grants and subsidies</td>
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<td>19</td>
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<td>-</td>
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<td>-</td>
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<tr>
<td>Revaluation decrement</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Finance/borrowing costs</td>
<td>-</td>
<td>-</td>
<td>5,719</td>
<td>5,797</td>
<td>52</td>
<td>-</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Impairment losses</td>
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<td>(210)</td>
<td>-</td>
<td>13</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Other expenses</td>
<td>886</td>
<td>1,683</td>
<td>4,648</td>
<td>3,900</td>
<td>264</td>
<td>-</td>
<td>10,120</td>
<td>7,436</td>
<td>-</td>
<td>-</td>
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<td>Total expenses from continuing operations</td>
<td>1,022,615</td>
<td>968,468</td>
<td>104,527</td>
<td>108,138</td>
<td>83,559</td>
<td>-</td>
<td>104,930</td>
<td>95,662</td>
<td>(664,099)</td>
<td>(564,403)</td>
</tr>
</tbody>
</table>

### Operating Result from Continuing Operations

<table>
<thead>
<tr>
<th>Description</th>
<th>2018 $'000</th>
<th>2017 $'000</th>
<th>2018 $'000</th>
<th>2017 $'000</th>
<th>2018 $'000</th>
<th>2017 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating result before income tax</td>
<td>12,012</td>
<td>11,956</td>
<td>12,089</td>
<td>15,384</td>
<td>(272)</td>
<td>-</td>
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<tr>
<td>Income tax benefit/(expense)</td>
<td>(3,604)</td>
<td>(3,587)</td>
<td>(3,620)</td>
<td>(4,615)</td>
<td>196</td>
<td>-</td>
</tr>
<tr>
<td>Operating result after income tax</td>
<td>8,408</td>
<td>8,369</td>
<td>8,469</td>
<td>10,769</td>
<td>(76)</td>
<td>-</td>
</tr>
</tbody>
</table>

### Other Comprehensive Income

Items that will not be reclassified to operating result

<table>
<thead>
<tr>
<th>Description</th>
<th>2018 $'000</th>
<th>2017 $'000</th>
<th>2018 $'000</th>
<th>2017 $'000</th>
<th>2018 $'000</th>
<th>2017 $'000</th>
<th>2018 $'000</th>
<th>2017 $'000</th>
<th>2018 $'000</th>
<th>2017 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase/(decrease) in asset revaluation surplus</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total other comprehensive income</td>
<td>8,408</td>
<td>8,369</td>
<td>8,469</td>
<td>10,769</td>
<td>(76)</td>
<td>-</td>
<td>(6,466)</td>
<td>(27)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>8,408</td>
<td>8,369</td>
<td>8,469</td>
<td>10,769</td>
<td>(76)</td>
<td>-</td>
<td>(6,466)</td>
<td>(27)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

* 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

| Services                                    | 2018 $'000 | 2017 $'000 | 2018 $'000 | 2017 $'000 | 2018 $'000 | 2017 $'000 | 2018 $'000 | 2017 $'000 | 2018 $'000 | 2017 $'000 | 2018 $'000 | 2017 $'000 | 2018 $'000 | 2017 $'000 | 2018 $'000 | 2017 $'000 |
|---------------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| **CURRENT ASSETS**                          |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
| Cash and cash equivalents                   | 231,734    | 150,330    | 35,002     | 41,408     |            |            | 9,893      |            | 2,032      |            |            |            |            |            |            |            |            |
| Loans and receivables                       | 59,976     | 52,464     | 41,234     | 31,559     | 190        | 132        | 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 | 11,439 | 11,479 | 10,866 | 37,359 |            |            |            |            |            |            |
| Total current assets                        | 333,964    | 237,736    | 187,544    | 135,052    | 277 | 132 | 11,439 | 11,479 | 10,866 | 37,359 |            |            |            |            |            |            |
| **NON-CURRENT ASSETS**                      |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
| Property, plant and equipment               | 15,658,930 | 15,217,094 | 3,014,810  | 2,927,887  |            |            | 167,485    | 3,228      | 133,083    | 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      |            |            |            |            |            |            |            |            |
| Prepayments                                 | -          |            | -          | -          | -          | -          | -          | -          | -          |            |            |            |            |            |            |
| 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**                            | 16,210,431 | 15,669,434 | 3,319,495  | 3,062,939  | 277 | 132 | 175,960  | 21,820     | 125,502    | 60,164    |            |            |            |            |            |            |
| **CURRENT LIABILITIES**                     |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
| Payables                                    | 133,893    | 82,944     | 70,245     | 88,025     | 1,184      | 1,696      | 4,621      | 7,006      | 30,778     | 4,211     |            |            |            |            |            |
| Unearned revenue                            | 20,693     | 20,440     | 9,322      | 21,486     | 43         | 239        | 1,175      | 136        | 161        | 109       |            |            |            |            |            |
| Interest-bearing liabilities                | 16,560     | 16,212     | 1,269      | 1,289      |            |            |            |            |            |            |            |            |            |            |            |
| Lease incentives                            | -          | -          | 15,466     | 14,221     |            |            |            |            |            |            |            |            |            |            |            |
| Accrued employee benefits                   | 4,969      | 4,740      | 1,028      | 928        | 306        | 267        | 1,236      | 2,363      | 556        | 3,631     |            |            |            |            |            |
| Tax liabilities                             | -          | -          | -          | -          | -          | -          | -          | -          | -          |            |            |            |            |            |            |
| Other current liabilities                   | -          | -          | 10,268     | 9,766      |            |            |            |            |            |            |            |            |            |            |            |
| Total current liabilities                   | 176,117    | 124,336    | 107,598    | 135,715    | 1,533      | 2,202      | 7,032      | 9,507      | 41,344     | 8,142     |            |            |            |            |            |
| **NON-CURRENT LIABILITIES**                 |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
| Interest-bearing liabilities                | 401,399    | 412,781    | 6,988      | 8,346      |            |            |            |            |            |            |            |            |            |            |            |
| 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                    | -          | -          | 284        | 283        |            |            |            |            |            |            |            |            |            |            |            |
| Other non-current liabilities               | -          | -          |            |            |            |            |            |            |            |            |            |            |            |            |            |
| Total non-current liabilities               | 401,399    | 412,781    | 446,338    | 415,111    |            |            |            |            |            |            |            |            |            |            |            |
| **TOTAL LIABILITIES**                       | 577,516    | 537,117    | 553,936    | 550,826    | 1,533      | 2,202      | 7,032      | 9,507      | 150,206    | 8,432     |            |            |            |            |            |            |

* Refer to Note 1.5.
<table>
<thead>
<tr>
<th>Building and Asset Services</th>
<th>2018</th>
<th>$000</th>
<th>2017</th>
<th>$000</th>
<th>2018</th>
<th>$000</th>
<th>2017</th>
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<th>$000</th>
<th>2018</th>
<th>$000</th>
<th>2017</th>
<th>$000</th>
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</thead>
<tbody>
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<td>Department</td>
<td>OF/est</td>
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<td>CITEC</td>
<td>Commercialised Business Units</td>
<td>Shared Service Providers (SSP)</td>
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<td>Total department</td>
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<td>Cash and cash equivalents</td>
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<td>(54,587)</td>
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<td>Loans and receivables</td>
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<td>0</td>
<td>0</td>
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<td>48,172</td>
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<tr>
<td>Accrued employee benefits</td>
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<td>2,833</td>
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<td>2,836</td>
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</tr>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td>1,408</td>
<td>1,401</td>
<td>16,374</td>
<td>13,869</td>
<td>403</td>
<td>0</td>
<td>2,101</td>
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<td>572,341</td>
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<td>217,138</td>
<td>221,099</td>
<td>(43,942)</td>
<td>(50,587)</td>
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<td>916,062</td>
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<td></td>
<td></td>
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<td>Property, plant and equipment</td>
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<td>9,771</td>
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<td>TOTAL ASSETS</td>
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<td>Payables</td>
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<td>Unearned revenue</td>
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<td>8,057</td>
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<td>Other non-current liabilities</td>
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<td>284</td>
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<td>TOTAL LIABILITIES</td>
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</tr>
</tbody>
</table>
|* Refer to Note 1.5.*
1. Basis of preparation
   1.1 Authorisation of financial statements
   1.2 General information
   1.3 Statement of compliance
   1.4 Department objectives and principal activities
   1.5 Machinery-of-government changes
   1.6 Measurement
   1.7 Presentation
   1.8 New and revised accounting standards

2. Revenue
   2.1 User charges and fees
   2.2 Appropriation revenue
   2.3 Gains on disposal/remeasurement of assets

3. Expenses
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   3.2 Employee expenses
   3.3 Grants and subsidies
   3.4 Other expenses

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   4.2 Loans and receivables
   4.3 Credit risk
   4.4 Inventories
   4.5 Financial assets at fair value through profit or loss
   4.6 Non-current assets classified as held for sale

5. Liabilities
   5.1 Interest-bearing liabilities
   5.2 Payables
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   5.4 Queen's Wharf deferred consideration
   5.5 Unearned revenue
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6. Equity
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   6.2 Appropriations recognised in equity

7. Budget to actual comparison

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   8.1 Key management personnel disclosures
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   8.3 Future impact of accounting standards not yet effective
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   8.5 Administered activities
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   8.7 Events occurring after balance date
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**

<table>
<thead>
<tr>
<th>Department</th>
<th>Science, Information Technology and Innovation</th>
<th>Department of National Parks, Sport and Racing</th>
<th>Department of the Premier and Cabinet</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>Controlled</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>22,897</td>
<td>11,869</td>
<td>2,207</td>
<td>36,973</td>
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<td>Loans and receivables</td>
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<td>2,665</td>
<td>140</td>
<td>74,913</td>
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<tr>
<td>Prepayments</td>
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<td>345</td>
<td>194</td>
<td>15,986</td>
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<tr>
<td>Property, plant and equipment</td>
<td>130,386</td>
<td>159,920</td>
<td>806</td>
<td>291,112</td>
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<tr>
<td>Intangible assets</td>
<td>30,170</td>
<td>46</td>
<td>4,552</td>
<td>34,768</td>
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<tr>
<td><strong>Total assets</strong></td>
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<td>7,899</td>
<td>453,752</td>
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<tr>
<td><strong>Payables</strong></td>
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<td>6,514</td>
<td>1,998</td>
<td>57,172</td>
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<tr>
<td><strong>Unearned revenue</strong></td>
<td>4,420</td>
<td>1,341</td>
<td>130</td>
<td>5,891</td>
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<tr>
<td>Interest-bearing liabilities</td>
<td>123,153</td>
<td>-</td>
<td>-</td>
<td>123,153</td>
</tr>
<tr>
<td>Accrued employee benefits</td>
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<td>602</td>
<td>747</td>
<td>5,728</td>
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<tr>
<td>Deferred tax liabilities</td>
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<tr>
<td>Other liabilities</td>
<td>228</td>
<td>-</td>
<td>-</td>
<td>228</td>
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<tr>
<td><strong>Total liabilities</strong></td>
<td>181,439</td>
<td>8,457</td>
<td>2,875</td>
<td>192,771</td>
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<tr>
<td><strong>Net assets</strong></td>
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<td>166,388</td>
<td>5,024</td>
<td>260,981</td>
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<tr>
<td><strong>Administered</strong></td>
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<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>5,000</td>
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<tr>
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<td>2,508</td>
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<tr>
<td>Prepayments</td>
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<tr>
<td><strong>Total assets</strong></td>
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<tr>
<td><strong>Payables</strong></td>
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<td>2,896</td>
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<tr>
<td><strong>Total liabilities</strong></td>
<td>2,765</td>
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<td>-</td>
<td>2,896</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>20,464</td>
<td>-</td>
<td>-</td>
<td>20,464</td>
</tr>
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</table>

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:

<table>
<thead>
<tr>
<th>$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Controlled - appropriation revenue</td>
</tr>
<tr>
<td>Controlled - equity adjustments</td>
</tr>
<tr>
<td>Administered - appropriation revenue</td>
</tr>
</tbody>
</table>
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.
2 REVENUE

2.1 User charges and fees

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<tr>
<th>Service</th>
<th>2018 $'000</th>
<th>2017 $'000</th>
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</thead>
<tbody>
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<td>Property rental - offices*</td>
<td>453,998</td>
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<td>Property rental - social housing</td>
<td>406,781</td>
<td>420,370</td>
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<tr>
<td>Property rental - government employee housing*</td>
<td>44,777</td>
<td>45,667</td>
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<td>Building services*</td>
<td>567,899</td>
<td>562,455</td>
</tr>
<tr>
<td>Information, communication and technology services**</td>
<td>85,096</td>
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<tr>
<td>Services rendered by shared service provider*</td>
<td>67,167</td>
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<tr>
<td>Vehicle leasing*</td>
<td>86,176</td>
<td>83,481</td>
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<tr>
<td>Vehicle sales</td>
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<td>Other</td>
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<tr>
<td><strong>Total</strong></td>
<td>1,823,559</td>
<td>1,654,157</td>
</tr>
</tbody>
</table>

* 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

<table>
<thead>
<tr>
<th>Reconciliation of payments from consolidated fund to appropriation revenue recognised in operating result</th>
<th>2018 $'000</th>
<th>2017 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgeted appropriation revenue</td>
<td>709,455</td>
<td>757,704</td>
</tr>
<tr>
<td>Transfers from/to other headings - variation in headings</td>
<td>-</td>
<td>(44,019)</td>
</tr>
<tr>
<td>Transfers from/to other departments - redistribution of public business</td>
<td>217,893</td>
<td>(27,856)</td>
</tr>
<tr>
<td>Lapsed appropriation revenue</td>
<td>(152,308)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total appropriation receipts (cash)</strong></td>
<td>775,040</td>
<td>685,829</td>
</tr>
</tbody>
</table>

| 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.
2.3 Gains on disposal/remeasurement of assets

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revaluation increment - buildings</td>
<td>95,604</td>
<td>-</td>
</tr>
<tr>
<td>Net gain on financial assets at fair value through profit or loss</td>
<td>8,469</td>
<td>4,102</td>
</tr>
<tr>
<td>Impairment loss reversal (receivables)</td>
<td>68</td>
<td>-</td>
</tr>
<tr>
<td>Net gain on disposal of property, plant and equipment</td>
<td>3,858</td>
<td>2,261</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>107,999</td>
<td>6,363</td>
</tr>
</tbody>
</table>

3 EXPENSES

3.1 Supplies and services

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property rental</td>
<td>426,586</td>
<td>408,802</td>
</tr>
<tr>
<td>Cost of sales</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building, construction and maintenance services</td>
<td>371,456</td>
<td>370,820</td>
</tr>
<tr>
<td>Motor vehicles and land sold through inventory</td>
<td>22,685</td>
<td>29,648</td>
</tr>
<tr>
<td>Property repairs and maintenance</td>
<td>328,450</td>
<td>312,788</td>
</tr>
<tr>
<td>Outsourced service delivery - Housing and Homelessness Services</td>
<td>168,851</td>
<td>160,664</td>
</tr>
<tr>
<td>Rates to local governments*</td>
<td>168,943</td>
<td>165,790</td>
</tr>
<tr>
<td>Information, communication and technology expenses</td>
<td>69,585</td>
<td>22,873</td>
</tr>
<tr>
<td>Other property expenses</td>
<td>86,491</td>
<td>86,787</td>
</tr>
<tr>
<td>Consultants and contractors</td>
<td>69,942</td>
<td>27,366</td>
</tr>
<tr>
<td>Motor vehicle costs**</td>
<td>23,094</td>
<td>22,267</td>
</tr>
<tr>
<td>Electricity and gas</td>
<td>26,860</td>
<td>27,417</td>
</tr>
<tr>
<td>Other</td>
<td>128,650</td>
<td>83,840</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,891,593</td>
<td>1,719,062</td>
</tr>
</tbody>
</table>

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**

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>337,634</td>
<td>230,982</td>
</tr>
<tr>
<td>Annual leave levy</td>
<td>35,362</td>
<td>23,880</td>
</tr>
<tr>
<td>Employer superannuation contributions</td>
<td>44,946</td>
<td>30,436</td>
</tr>
<tr>
<td>Long service leave levy</td>
<td>7,215</td>
<td>5,019</td>
</tr>
<tr>
<td>Termination benefits</td>
<td>229</td>
<td>196</td>
</tr>
<tr>
<td>Other employee benefits</td>
<td>673</td>
<td>797</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>426,059</td>
<td>291,310</td>
</tr>
</tbody>
</table>

**Employee-related expenses**

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>14,486</td>
<td>10,611</td>
</tr>
</tbody>
</table>

**Total**

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>440,545</td>
<td>301,921</td>
</tr>
</tbody>
</table>

**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

<table>
<thead>
<tr>
<th>Housing grants</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private housing programs</td>
<td>30,535</td>
<td>29,883</td>
</tr>
<tr>
<td>Aboriginal and Torres Strait Islander housing*</td>
<td>63,232</td>
<td>61,421</td>
</tr>
<tr>
<td>Social rental housing**</td>
<td>6,064</td>
<td>15,929</td>
</tr>
<tr>
<td>Other</td>
<td>2,774</td>
<td>1,582</td>
</tr>
<tr>
<td>Sport and recreation grants</td>
<td>43,132</td>
<td>-</td>
</tr>
<tr>
<td>Other grants and subsidies***</td>
<td>10,353</td>
<td>10,163</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>156,090</strong></td>
<td><strong>118,978</strong></td>
</tr>
</tbody>
</table>

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.
3.4 Other expenses

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

* 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.
## 4 ASSETS

### 4.1 Property, plant and equipment

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

**Property, plant and equipment reconciliation**

<table>
<thead>
<tr>
<th></th>
<th>Land $'000</th>
<th>Buildings $'000</th>
<th>Leased assets $'000</th>
<th>Plant and equipment $'000</th>
<th>Infrastructure $'000</th>
<th>Heritage and cultural assets $'000</th>
<th>Work in progress $'000</th>
<th>Total $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying amount at 1 July 2016</td>
<td>9,698,570</td>
<td>6,927,970</td>
<td>939,167</td>
<td>259,764</td>
<td>219,666</td>
<td>40,090</td>
<td>122,413</td>
<td>18,207,640</td>
</tr>
<tr>
<td>Transfers from other Queensland Government entities</td>
<td>5,319</td>
<td>19,528</td>
<td>-</td>
<td>1,208</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>26,055</td>
</tr>
<tr>
<td>Transfers to other Queensland Government entities</td>
<td>(1,974)</td>
<td>(515)</td>
<td>-</td>
<td>(195)</td>
<td>-</td>
<td>(90)</td>
<td>-</td>
<td>(2,774)</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>35,353</td>
<td>86,529</td>
<td>11,785</td>
<td>211,971</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>560,718</td>
</tr>
<tr>
<td>Transfers between classes</td>
<td>461</td>
<td>87,364</td>
<td>104,052</td>
<td>2,589</td>
<td>-</td>
<td>1,920</td>
<td>(196,386)</td>
<td>-</td>
</tr>
<tr>
<td>Transfers to inventories</td>
<td>-</td>
<td>-</td>
<td>(29,261)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(29,261)</td>
</tr>
<tr>
<td>Disposals</td>
<td>(3)</td>
<td>(3,261)</td>
<td>(1,752)</td>
<td>(127)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(5,143)</td>
</tr>
<tr>
<td>Assets reclassified as held for sale</td>
<td>(57,839)</td>
<td>(24,366)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(82,205)</td>
</tr>
<tr>
<td>Net revaluation increments/(decrements) recognised in asset revaluation surplus</td>
<td>46,251</td>
<td>-</td>
<td>(82,114)</td>
<td>-</td>
<td>3,429</td>
<td>1,363</td>
<td>-</td>
<td>(33,797)</td>
</tr>
<tr>
<td>Net revaluation increments/(decrements) recognised in operating result</td>
<td>-</td>
<td>(109,852)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(109,852)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-</td>
<td>(163,242)</td>
<td>(27,132)</td>
<td>(47,541)</td>
<td>(2,957)</td>
<td>(504)</td>
<td>-</td>
<td>(241,376)</td>
</tr>
<tr>
<td>Carrying amount at 30 June 2017</td>
<td>9,726,138</td>
<td>6,820,155</td>
<td>944,006</td>
<td>398,408</td>
<td>220,138</td>
<td>40,053</td>
<td>141,107</td>
<td>18,290,005</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Land $'000</th>
<th>Buildings $'000</th>
<th>Leased assets $'000</th>
<th>Plant and equipment $'000</th>
<th>Infrastructure $'000</th>
<th>Heritage and cultural assets $'000</th>
<th>Work in progress $'000</th>
<th>Total $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying amount at 1 July 2017</td>
<td>9,726,138</td>
<td>6,820,155</td>
<td>944,006</td>
<td>398,408</td>
<td>220,138</td>
<td>40,053</td>
<td>141,107</td>
<td>18,290,005</td>
</tr>
<tr>
<td>Transfers from other Queensland Government entities</td>
<td>80,484</td>
<td>74,808</td>
<td>118,294</td>
<td>14,578</td>
<td>18,948</td>
<td>-</td>
<td>4,708</td>
<td>311,820</td>
</tr>
<tr>
<td>Transfers to other Queensland Government entities</td>
<td>(95)</td>
<td>(345)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(614)</td>
<td>(1,054)</td>
<td>-</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>33,724</td>
<td>22,140</td>
<td>13,368</td>
<td>70,220</td>
<td>-</td>
<td>-</td>
<td>349,198</td>
<td>488,650</td>
</tr>
<tr>
<td>Transfers between classes</td>
<td>1,797</td>
<td>210,798</td>
<td>89,860</td>
<td>1,311</td>
<td>259</td>
<td>(3,606)</td>
<td>(300,419)</td>
<td>-</td>
</tr>
<tr>
<td>Transfers to inventories</td>
<td>-</td>
<td>-</td>
<td>(25,640)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(25,640)</td>
</tr>
<tr>
<td>Disposals</td>
<td>(6)</td>
<td>(2,361)</td>
<td>(2,024)</td>
<td>(698)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(5,089)</td>
</tr>
<tr>
<td>Assets reclassified as held for sale</td>
<td>(120,199)</td>
<td>(46,307)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(166,506)</td>
</tr>
<tr>
<td>Net revaluation increments/(decrements) recognised in asset revaluation surplus</td>
<td>581,106</td>
<td>-</td>
<td>(124,294)</td>
<td>-</td>
<td>3,927</td>
<td>15,492</td>
<td>-</td>
<td>476,231</td>
</tr>
<tr>
<td>Net revaluation increments/(decrements) recognised in operating result</td>
<td>-</td>
<td>95,604</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>95,604</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-</td>
<td>(154,038)</td>
<td>(33,917)</td>
<td>(55,858)</td>
<td>(3,205)</td>
<td>(507)</td>
<td>-</td>
<td>(247,525)</td>
</tr>
<tr>
<td>Carrying amount at 30 June 2018</td>
<td>10,302,949</td>
<td>7,020,454</td>
<td>1,005,293</td>
<td>402,321</td>
<td>240,067</td>
<td>51,432</td>
<td>193,980</td>
<td>19,216,496</td>
</tr>
</tbody>
</table>
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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>$10,000</td>
</tr>
<tr>
<td>Leased assets</td>
<td>$10,000</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>$10,000</td>
</tr>
<tr>
<td>Heritage and cultural</td>
<td>$5,000</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>$5,000</td>
</tr>
<tr>
<td>Land</td>
<td>$1</td>
</tr>
</tbody>
</table>

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 ≤ 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

<table>
<thead>
<tr>
<th></th>
<th>Land '000</th>
<th>Leased assets '000</th>
<th>Infrastructure '000</th>
<th>Heritage and cultural assets '000</th>
<th>Total '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 July 2016</td>
<td>1,532,313</td>
<td>272,981</td>
<td>111,904</td>
<td>5,154</td>
<td>1,922,352</td>
</tr>
<tr>
<td>Net revaluation increments/(decrements)</td>
<td>46,251</td>
<td>(82,114)</td>
<td>3,429</td>
<td>(1,363)</td>
<td>(33,797)</td>
</tr>
<tr>
<td>Balance at 30 June 2017</td>
<td>1,578,564</td>
<td>190,867</td>
<td>115,333</td>
<td>3,791</td>
<td>1,888,555</td>
</tr>
<tr>
<td>Balance at 1 July 2017</td>
<td>1,578,564</td>
<td>190,867</td>
<td>115,333</td>
<td>3,791</td>
<td>1,888,555</td>
</tr>
<tr>
<td>Net revaluation increments/(decrements)</td>
<td>581,106</td>
<td>(124,294)</td>
<td>3,927</td>
<td>15,492</td>
<td>476,231</td>
</tr>
<tr>
<td>Balance at 30 June 2018</td>
<td>2,159,670</td>
<td>66,573</td>
<td>119,260</td>
<td>19,283</td>
<td>2,364,786</td>
</tr>
</tbody>
</table>
4.1 Property, plant and equipment (continued)

(e) Fair value measurement

Categorisation of fair values recognised as at 30 June 2018

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Level 2 $'000</th>
<th>Level 3 $'000</th>
<th>Total $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- social housing</td>
<td>2,687,665</td>
<td>2,646,840</td>
<td>2,947,235</td>
</tr>
<tr>
<td>- government employee housing</td>
<td>445,657</td>
<td>440,869</td>
<td>29,412</td>
</tr>
<tr>
<td>- commercial</td>
<td>528,573</td>
<td>558,965</td>
<td>305,974</td>
</tr>
<tr>
<td>- sport and recreation</td>
<td>-</td>
<td>-</td>
<td>75,938</td>
</tr>
<tr>
<td>Total buildings</td>
<td>3,661,895</td>
<td>3,646,674</td>
<td>3,358,559</td>
</tr>
<tr>
<td>Land</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- social housing</td>
<td>8,992,987</td>
<td>8,658,690</td>
<td>-</td>
</tr>
<tr>
<td>- government employee housing</td>
<td>160,647</td>
<td>165,097</td>
<td>-</td>
</tr>
<tr>
<td>- commercial</td>
<td>1,062,745</td>
<td>902,351</td>
<td>-</td>
</tr>
<tr>
<td>- sport and recreation</td>
<td>20,126</td>
<td>-</td>
<td>66,444</td>
</tr>
<tr>
<td>Total land</td>
<td>10,236,505</td>
<td>9,726,138</td>
<td>66,444</td>
</tr>
<tr>
<td>Infrastructure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>240,067</td>
</tr>
<tr>
<td>Heritage and cultural assets</td>
<td>29,456</td>
<td>19,885</td>
<td>21,976</td>
</tr>
<tr>
<td>Total</td>
<td>13,927,856</td>
<td>13,392,697</td>
<td>3,687,046</td>
</tr>
</tbody>
</table>

Level 3 significant valuation inputs

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Type of significant unobservable inputs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>Discounts for non-strata title units. This represents the cost of obtaining strata title to sell.</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Infrastructure replacement costs are on a per component basis.</td>
</tr>
<tr>
<td></td>
<td>Remaining useful lives.</td>
</tr>
<tr>
<td>Heritage and cultural assets</td>
<td>Building replacement/ reproduction cost rates.</td>
</tr>
<tr>
<td></td>
<td>Remaining useful lives.</td>
</tr>
<tr>
<td></td>
<td>Capitalisation rates.</td>
</tr>
</tbody>
</table>

(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:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Rate (1% to 14%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>1%</td>
</tr>
<tr>
<td>Leased assets</td>
<td>3% to 25%</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>1% to 75%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>1% to 10%</td>
</tr>
<tr>
<td>Heritage and cultural assets</td>
<td>1% to 2%</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>2018 $'000</th>
<th>2017 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings on Deed of Grant in Trust land</td>
<td>887,194</td>
<td>944,006</td>
</tr>
<tr>
<td>Government Wireless Network equipment</td>
<td>113,030</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>5,069</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,005,293</strong></td>
<td><strong>944,006</strong></td>
</tr>
</tbody>
</table>

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).
4.1 Property, plant and equipment (continued)

(j) Long-term Community Housing Program

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.

4.2 Loans and receivables

Current

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade debtors</td>
<td>171,290</td>
<td>134,585</td>
</tr>
<tr>
<td>Rental bond loans</td>
<td>26,150</td>
<td>26,479</td>
</tr>
<tr>
<td>Less: allowance for impairment loss</td>
<td>(10,301)</td>
<td>(9,774)</td>
</tr>
<tr>
<td></td>
<td>15,849</td>
<td>16,705</td>
</tr>
<tr>
<td>Social housing debtors - rent and maintenance</td>
<td>30,187</td>
<td>23,022</td>
</tr>
<tr>
<td>Less: allowance for impairment loss</td>
<td>(13,068)</td>
<td>(12,866)</td>
</tr>
<tr>
<td></td>
<td>17,119</td>
<td>10,156</td>
</tr>
<tr>
<td>Annual leave reimbursements*</td>
<td>8,446</td>
<td>4,816</td>
</tr>
<tr>
<td>Long service leave reimbursements*</td>
<td>2,385</td>
<td>1,277</td>
</tr>
<tr>
<td>Housing loans</td>
<td>5,111</td>
<td>4,980</td>
</tr>
<tr>
<td>Equity adjustment receivable</td>
<td>-</td>
<td>4,416</td>
</tr>
<tr>
<td>Finance lease receivables</td>
<td>1,323</td>
<td>1,323</td>
</tr>
<tr>
<td>Deferred operating lease rent</td>
<td>4,653</td>
<td>3,945</td>
</tr>
<tr>
<td><strong>Total current loans and receivables</strong></td>
<td><strong>226,176</strong></td>
<td><strong>182,203</strong></td>
</tr>
</tbody>
</table>

Non-current

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental bond loans</td>
<td>6,533</td>
<td>6,616</td>
</tr>
<tr>
<td>Less: allowance for impairment loss</td>
<td>(2,588)</td>
<td>(2,444)</td>
</tr>
<tr>
<td></td>
<td>3,945</td>
<td>4,172</td>
</tr>
<tr>
<td>Deferred operating lease rent</td>
<td>81,205</td>
<td>61,700</td>
</tr>
<tr>
<td>Housing loans</td>
<td>30,652</td>
<td>26,884</td>
</tr>
<tr>
<td>Finance lease receivables</td>
<td>35,936</td>
<td>37,386</td>
</tr>
<tr>
<td><strong>Total non-current loans and receivables</strong></td>
<td><strong>151,738</strong></td>
<td><strong>130,142</strong></td>
</tr>
</tbody>
</table>

*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

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>Non-current</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rental bond loans</td>
<td>Social housing debtors</td>
</tr>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Balance at 1 July 2016</td>
<td>12,417</td>
<td>28,930</td>
</tr>
<tr>
<td>Increase in allowance recognised in operating result</td>
<td>2,934</td>
<td>6,738</td>
</tr>
<tr>
<td>Amounts written-off during the year</td>
<td>(5,577)</td>
<td>(22,802)</td>
</tr>
<tr>
<td>Balance at 30 June 2017</td>
<td>9,774</td>
<td>12,866</td>
</tr>
<tr>
<td>Balance at 1 July 2017</td>
<td>9,774</td>
<td>12,866</td>
</tr>
<tr>
<td>Increase in allowance recognised in operating result</td>
<td>1,545</td>
<td>(182)</td>
</tr>
<tr>
<td>Amounts written-off during the year</td>
<td>(1,018)</td>
<td>384</td>
</tr>
<tr>
<td>Balance at 30 June 2018</td>
<td>10,301</td>
<td>13,068</td>
</tr>
</tbody>
</table>

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**

<table>
<thead>
<tr>
<th></th>
<th>Less than 30 days</th>
<th>30-60 days</th>
<th>61-90 days</th>
<th>More than 90 days</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Loans and receivables 2018</td>
<td>25,624</td>
<td>3,240</td>
<td>4,020</td>
<td>5,295</td>
<td>38,179</td>
</tr>
<tr>
<td>Loans and receivables 2017</td>
<td>20,417</td>
<td>900</td>
<td>289</td>
<td>1,623</td>
<td>23,229</td>
</tr>
</tbody>
</table>

**Inventories**

<table>
<thead>
<tr>
<th>Item</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory held for resale</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction work in progress*</td>
<td>38,478</td>
<td>43,162</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>7,801</td>
<td>4,712</td>
</tr>
<tr>
<td>Finished goods</td>
<td>332</td>
<td>254</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>46,611</td>
<td>48,128</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw materials</td>
<td>54</td>
<td>44</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>46,665</td>
<td>48,172</td>
</tr>
</tbody>
</table>

*Construction work in progress comprises:

<table>
<thead>
<tr>
<th>Detail</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract costs incurred to date</td>
<td>83,390</td>
<td>74,536</td>
</tr>
<tr>
<td>Profit recognised to date</td>
<td>11,217</td>
<td>9,265</td>
</tr>
<tr>
<td>Less: Allowance for foreseeable losses</td>
<td>(287)</td>
<td>(656)</td>
</tr>
<tr>
<td>Less: Progress billings</td>
<td>(55,842)</td>
<td>(39,983)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>38,478</td>
<td>43,162</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Land</td>
<td>82,984</td>
<td>44,765</td>
</tr>
<tr>
<td>Buildings</td>
<td>22,264</td>
<td>10,494</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>105,248</td>
<td>55,259</td>
</tr>
</tbody>
</table>

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.
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

Carrying
Fair
Carrying
Fair
amount value amount value

2018 2017 2018 2017

Australian Government borrowings 293,665 336,500 308,465 351,920
Queensland Treasury Corporation borrowings 184,768 186,142 176,147 177,937

Future minimum lease payments under finance leases are as follows:

- 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

Total: 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

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:

<table>
<thead>
<tr>
<th>Minimum lease payments</th>
<th>2018</th>
<th>2017</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Not later than one year</td>
<td>22,041</td>
<td>6,542</td>
<td>17,974</td>
<td>6,542</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>99,699</td>
<td>26,170</td>
<td>82,354</td>
<td>23,426</td>
</tr>
<tr>
<td>Later than five years</td>
<td>261,179</td>
<td>201,714</td>
<td>147,664</td>
<td>90,560</td>
</tr>
<tr>
<td>Total</td>
<td>382,919</td>
<td>234,426</td>
<td>247,992</td>
<td>120,528</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>268,148</td>
<td>189,389</td>
</tr>
<tr>
<td>Grants and subsidies payable</td>
<td>32,078</td>
<td>32,259</td>
</tr>
<tr>
<td>Deferred appropriation payable to Consolidated Fund</td>
<td>53,975</td>
<td>33,574</td>
</tr>
<tr>
<td>Equity adjustment payable</td>
<td>2,119</td>
<td>-</td>
</tr>
<tr>
<td>Dividends</td>
<td>8,438</td>
<td>9,569</td>
</tr>
<tr>
<td>Deferred operating lease rent</td>
<td>5,246</td>
<td>3,696</td>
</tr>
<tr>
<td>GST payable</td>
<td>20,868</td>
<td>28,103</td>
</tr>
<tr>
<td>GST input tax credits receivable</td>
<td>(11,935)</td>
<td>(19,618)</td>
</tr>
<tr>
<td>Net GST payable</td>
<td>8,933</td>
<td>8,485</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>378,937</strong></td>
<td><strong>276,972</strong></td>
</tr>
</tbody>
</table>

Non-current

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred operating lease rent</td>
<td>120,026</td>
<td>86,537</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>120,026</strong></td>
<td><strong>86,537</strong></td>
</tr>
</tbody>
</table>

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.
5.3 Lease incentives

**Current**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 William St, Brisbane</td>
<td>13,841</td>
<td>12,782</td>
</tr>
<tr>
<td>Other</td>
<td>1,625</td>
<td>1,439</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>15,466</td>
<td>14,221</td>
</tr>
</tbody>
</table>

**Non-current**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 William St, Brisbane</td>
<td>172,481</td>
<td>171,540</td>
</tr>
<tr>
<td>Other</td>
<td>3,075</td>
<td>3,477</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>175,556</td>
<td>175,017</td>
</tr>
</tbody>
</table>

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**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction contracts</td>
<td>65,868</td>
<td>76,057</td>
</tr>
<tr>
<td>Rent</td>
<td>20,693</td>
<td>20,440</td>
</tr>
<tr>
<td>Finance lease revenue</td>
<td>1,322</td>
<td>1,322</td>
</tr>
<tr>
<td>Other</td>
<td>19,723</td>
<td>29,235</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>107,606</td>
<td>127,054</td>
</tr>
</tbody>
</table>

**Non-current**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance lease revenue</td>
<td>29,330</td>
<td>30,774</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>29,330</td>
<td>30,774</td>
</tr>
</tbody>
</table>

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)

<table>
<thead>
<tr>
<th>2018</th>
<th>Amortised Cost</th>
<th>Contractual maturity payable in contractural maturity payable in</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>&lt;1 year</td>
</tr>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td><strong>Financial liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables*</td>
<td>373,691</td>
<td>373,691</td>
</tr>
<tr>
<td>Interest-bearing liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Queensland Treasury Corporation borrowings</td>
<td>184,768</td>
<td>7,667</td>
</tr>
<tr>
<td>Finance lease liability</td>
<td>247,992</td>
<td>22,041</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,100,116</td>
<td>431,601</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2017</th>
<th>Amortised Cost</th>
<th>Contractual maturity payable in contractural maturity payable in</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>&lt;1 year</td>
</tr>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td><strong>Financial liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables*</td>
<td>273,276</td>
<td>273,276</td>
</tr>
<tr>
<td>Interest-bearing liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australian Government borrowings</td>
<td>308,465</td>
<td>28,511</td>
</tr>
<tr>
<td>Queensland Treasury Corporation borrowings</td>
<td>176,147</td>
<td>7,403</td>
</tr>
<tr>
<td>Finance lease liability</td>
<td>120,528</td>
<td>6,542</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>878,416</td>
<td>315,732</td>
</tr>
</tbody>
</table>

* 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

<table>
<thead>
<tr>
<th></th>
<th>Budgeted equity adjustment appropriation</th>
<th>Transfers from/to other departments - redistribution of public business</th>
<th>Transfers from/to other headings</th>
<th>Unforeseen expenditure</th>
<th>Equity adjustment receipts (payments)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>180,146</td>
<td>(799)</td>
<td>-</td>
<td>121,730</td>
<td>301,077</td>
</tr>
<tr>
<td>Less: Opening balance of equity adjustment receivable</td>
<td>(4,416)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(2,119)</td>
</tr>
<tr>
<td>Less: Transfer of equity adjustment receivable from other Queensland Government entities</td>
<td>(2,993)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Plus: Closing balance of equity adjustment receivable</td>
<td>-</td>
<td>4,416</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Plus: Opening balance of equity adjustment payable</td>
<td>-</td>
<td>6,493</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Less: Closing balance of equity adjustment payable</td>
<td>(2,119)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equity adjustment recognised in contributed equity</td>
<td>291,549</td>
<td>103,845</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Description</th>
<th>Adjusted budget 2018 '000</th>
<th>Actual 2018 '000</th>
<th>Variance 2018 '000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCOME FROM CONTINUING OPERATIONS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>User charges and fees</td>
<td>1,757,478</td>
<td>1,823,559</td>
<td>66,081</td>
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<tr>
<td>Appropriation revenue</td>
<td>1</td>
<td>927,394</td>
<td>809,988</td>
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<tr>
<td>Grants and other contributions</td>
<td></td>
<td>5,224</td>
<td>9,143</td>
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<tr>
<td>Interest</td>
<td></td>
<td>6,080</td>
<td>5,193</td>
</tr>
<tr>
<td>Other revenue</td>
<td></td>
<td>31,173</td>
<td>73,148</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>2,727,349</td>
<td>2,721,031</td>
<td>(6,318)</td>
</tr>
<tr>
<td>Gains on disposal/remeasurement of assets</td>
<td></td>
<td>3,704</td>
<td>107,999</td>
</tr>
<tr>
<td><strong>Total income from continuing operations</strong></td>
<td>2,731,053</td>
<td>2,829,030</td>
<td>97,977</td>
</tr>
<tr>
<td><strong>EXPENSES FROM CONTINUING OPERATIONS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplies and services</td>
<td>1,880,807</td>
<td>1,891,593</td>
<td>10,786</td>
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<tr>
<td>Employee expenses</td>
<td>2</td>
<td>468,698</td>
<td>440,545</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td></td>
<td>263,401</td>
<td>256,257</td>
</tr>
<tr>
<td>Grants and subsidies</td>
<td>3</td>
<td>233,878</td>
<td>156,090</td>
</tr>
<tr>
<td>Finance/borrowing costs</td>
<td></td>
<td>27,379</td>
<td>27,364</td>
</tr>
<tr>
<td>Impairment losses</td>
<td></td>
<td>8,364</td>
<td>8,757</td>
</tr>
<tr>
<td>Other expenses</td>
<td></td>
<td>27,522</td>
<td>79,935</td>
</tr>
<tr>
<td><strong>Total expenses from continuing operations</strong></td>
<td>2,910,049</td>
<td>2,860,541</td>
<td>(49,508)</td>
</tr>
<tr>
<td><strong>Operating result from continuing operations before income tax</strong></td>
<td>(178,996)</td>
<td>(31,511)</td>
<td>147,485</td>
</tr>
<tr>
<td>Income tax benefit/(expense)</td>
<td></td>
<td>(1,368)</td>
<td>(7,028)</td>
</tr>
<tr>
<td><strong>Operating result from continuing operations after income tax</strong></td>
<td>(180,364)</td>
<td>(38,539)</td>
<td>141,825</td>
</tr>
<tr>
<td><strong>OTHER COMPREHENSIVE INCOME</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items that will not be reclassified to operating result</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase/(decrease) in asset revaluation surplus</td>
<td></td>
<td>-</td>
<td>476,231</td>
</tr>
<tr>
<td><strong>Total other comprehensive income</strong></td>
<td></td>
<td>-</td>
<td>476,231</td>
</tr>
<tr>
<td><strong>Total comprehensive income</strong></td>
<td></td>
<td>(180,364)</td>
<td>437,692</td>
</tr>
</tbody>
</table>

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.
7 BUDGET TO ACTUAL COMPARISON (CONTINUED)

<table>
<thead>
<tr>
<th>BALANCE SHEET</th>
<th>Adjusted budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Variance notes</td>
<td>2018</td>
<td>2018</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>CURRENT ASSETS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>5</td>
<td>354,248</td>
<td>727,917</td>
</tr>
<tr>
<td>Loans and receivables</td>
<td></td>
<td>239,292</td>
<td>226,176</td>
</tr>
<tr>
<td>Inventories</td>
<td></td>
<td>52,512</td>
<td>46,665</td>
</tr>
<tr>
<td>Prepayments</td>
<td></td>
<td>57,749</td>
<td>68,564</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td></td>
<td>4,000</td>
<td>6,000</td>
</tr>
<tr>
<td>Lease incentives</td>
<td></td>
<td>2,318</td>
<td>-</td>
</tr>
<tr>
<td>Tax assets</td>
<td></td>
<td>3,750</td>
<td>447</td>
</tr>
<tr>
<td>Non-current assets classified as held for sale</td>
<td></td>
<td>28,978</td>
<td>105,248</td>
</tr>
<tr>
<td>Total current assets</td>
<td></td>
<td>713,869</td>
<td>1,075,769</td>
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<tr>
<td>NON-CURRENT ASSETS</td>
<td></td>
<td>1,071,817</td>
<td>1,181,017</td>
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<tr>
<td>Property, plant and equipment</td>
<td></td>
<td>18,676,548</td>
<td>19,216,496</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td></td>
<td>184,178</td>
<td>182,226</td>
</tr>
<tr>
<td>Loans and receivables</td>
<td>6</td>
<td>202,005</td>
<td>151,738</td>
</tr>
<tr>
<td>Intangible assets</td>
<td></td>
<td>39,769</td>
<td>37,127</td>
</tr>
<tr>
<td>Prepayments</td>
<td></td>
<td>379</td>
<td>2,252</td>
</tr>
<tr>
<td>Lease incentives</td>
<td></td>
<td>10,238</td>
<td>-</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td></td>
<td>386</td>
<td>1,891</td>
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<tr>
<td>Total non-current assets</td>
<td></td>
<td>19,113,503</td>
<td>19,591,730</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td></td>
<td>19,856,350</td>
<td>20,772,747</td>
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<tr>
<td>CURRENT LIABILITIES</td>
<td></td>
<td>367,517</td>
<td>570,907</td>
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<tr>
<td>Payables</td>
<td>7</td>
<td>214,095</td>
<td>378,937</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td></td>
<td>99,462</td>
<td>107,606</td>
</tr>
<tr>
<td>Interest-bearing liabilities</td>
<td></td>
<td>27,548</td>
<td>29,051</td>
</tr>
<tr>
<td>Lease incentives</td>
<td></td>
<td>2,318</td>
<td>15,466</td>
</tr>
<tr>
<td>Accrued employee benefits</td>
<td></td>
<td>23,090</td>
<td>24,646</td>
</tr>
<tr>
<td>Tax liabilities</td>
<td></td>
<td>141</td>
<td>2,521</td>
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<tr>
<td>Other current liabilities</td>
<td></td>
<td>863</td>
<td>12,680</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td></td>
<td>367,517</td>
<td>570,907</td>
</tr>
<tr>
<td>NON-CURRENT LIABILITIES</td>
<td></td>
<td>1,130,191</td>
<td>1,154,909</td>
</tr>
<tr>
<td>Interest-bearing liabilities</td>
<td></td>
<td>679,917</td>
<td>697,374</td>
</tr>
<tr>
<td>Lease incentives</td>
<td></td>
<td>176,098</td>
<td>175,556</td>
</tr>
<tr>
<td>Queen's Wharf deferred consideration</td>
<td></td>
<td>121,840</td>
<td>114,154</td>
</tr>
<tr>
<td>Payables</td>
<td></td>
<td>106,721</td>
<td>120,026</td>
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<tr>
<td>Unearned revenue</td>
<td></td>
<td>30,660</td>
<td>29,330</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td></td>
<td>14,725</td>
<td>18,185</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td></td>
<td>230</td>
<td>284</td>
</tr>
<tr>
<td>Total non-current liabilities</td>
<td></td>
<td>1,130,191</td>
<td>1,154,909</td>
</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td></td>
<td>1,497,708</td>
<td>1,725,816</td>
</tr>
<tr>
<td>NET ASSETS / TOTAL EQUITY</td>
<td></td>
<td>18,358,642</td>
<td>19,046,931</td>
</tr>
</tbody>
</table>
### CASH FLOWS FROM OPERATING ACTIVITIES

#### Inflows:
- User charges and fees: $1,748,400, $1,873,924, variance $125,524
- Appropriation receipts: 8, $927,348, $775,040, variance ($152,308)
- GST input tax credits received from Australian Taxation Office: $193,772, $198,203, variance $4,431
- GST collected from customers: $148,469, $149,549, variance $1,080
- Interest receipts: $3,865, $2,864, variance ($1,001)
- Grants and other contributions: $4,642, $8,772, variance $4,130
- Other: 23,001, $54,278, variance $31,277

#### Outflows:
- Supplies and services: ($1,889,138), ($1,943,464), variance $54,326
- Employee expenses: ($467,252), ($431,312), variance $35,940
- GST remitted to Australian Taxation Office: ($167,794), ($178,285), variance ($10,491)
- GST paid to suppliers: ($172,771), ($193,510), variance ($20,739)
- Grants and subsidies: 3, ($233,878), ($160,174), variance $73,704
- Finance/borrowing costs: ($27,375), ($27,200), variance $175
- Taxation equivalents: ($3,990), ($4,354), variance ($364)
- Other: (31,386), ($26,681), variance $4,705

#### Net cash provided by (used in) operating activities

55,913, 97,650, variance 41,737

### CASH FLOWS FROM INVESTING ACTIVITIES

#### Inflows:
- Sales of property, plant and equipment: $123,922, $114,698, variance ($9,224)
- Loans and advances redeemed: $33,462, $26,961, variance ($6,201)
- Redemption of other financial assets: $4,000, $7,900, variance $3,900

#### Outflows:
- Payments for property, plant and equipment: 9, ($439,653), ($365,875), variance $73,778
- Loans and advances made: ($35,955), ($31,950), variance $4,005
- Payments for intangible assets: ($3,658), ($1,719), variance $1,939

#### Net cash provided by (used in) investing activities

(318,182), ($249,985), variance 68,197

### CASH FLOWS FROM FINANCING ACTIVITIES

#### Inflows:
- Equity injections: $359,160, $349,357, variance ($9,803)
- Borrowings: $10,000, $10,000, variance 

#### Outflows:
- Equity withdrawals: 10, ($187,953), ($63,301), variance $124,652
- Borrowing redemptions: ($16,141), ($16,179), variance $38
- Dividends paid: ($5,510), ($9,569), variance ($4,059)
- Finance lease payments: ($5,989), ($7,059), variance ($1,070)

#### Net cash provided by (used in) financing activities

153,567, 263,249, variance 109,682

Net increase (decrease) in cash and cash equivalents

(108,702), 110,914, variance 219,616

Increase (decrease) in cash and cash equivalents from restructuring (Note 1.5)

29,427, 36,973, variance 7,546

Cash and cash equivalents – opening balance

433,523, 580,030, variance 146,507

Cash and cash equivalents – closing balance

354,248, 727,917, variance 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 other 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 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 then 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.)

<table>
<thead>
<tr>
<th>Position</th>
<th>Position responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director-General</td>
<td>Responsible for executive leadership, overall strategic direction and the financial administration of the department.</td>
</tr>
<tr>
<td>Deputy Director-General, Public Works and Asset Management</td>
<td>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.</td>
</tr>
<tr>
<td>Deputy Director-General, Housing and Homelessness Services</td>
<td>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.</td>
</tr>
<tr>
<td>Deputy Director-General, Sport and Recreation¹</td>
<td>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.</td>
</tr>
<tr>
<td>Assistant Director-General, Building Industry and Policy</td>
<td>Responsible for providing strategic leadership to deliver effective and efficient Queensland building and plumbing policy and legislation through engagement with the building construction industry.</td>
</tr>
<tr>
<td>Assistant Director-General, Queensland Government Procurement</td>
<td>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.</td>
</tr>
<tr>
<td>Assistant Director-General, Corporate Services</td>
<td>Responsible for providing strategic leadership to deliver the department’s corporate governance, executive and corporate support services.</td>
</tr>
<tr>
<td>Assistant Director-General, Digital Capability, Information and Transaction Based Services¹</td>
<td>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.</td>
</tr>
<tr>
<td>Assistant Director-General, Queensland Shared Services¹</td>
<td>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.</td>
</tr>
<tr>
<td>Assistant Director-General, Strategic ICT¹</td>
<td>Responsible for providing strategic leadership on whole-of-government ICT initiatives that enable modern, responsive and integrated frontline services for Queenslanders.</td>
</tr>
<tr>
<td>Queensland Government Chief Information Officer ²</td>
<td>Responsible for providing independent quality advice to the Director-General and Minister on information communication technology issues from a whole-of-government perspective.</td>
</tr>
</tbody>
</table>

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**

<table>
<thead>
<tr>
<th>Position</th>
<th>Short-term employee expenses</th>
<th>Long-term employee expenses</th>
<th>Post-employment expenses</th>
<th>Total expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Monetary expenses $'000</td>
<td>Non-monetary benefits $'000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Director-General</td>
<td>439</td>
<td>11</td>
<td>9</td>
<td>54</td>
</tr>
<tr>
<td>Deputy Director-General, Public Works and Asset Management</td>
<td>247</td>
<td>14</td>
<td>5</td>
<td>28</td>
</tr>
<tr>
<td>Deputy Director-General, Housing and Homelessness Services</td>
<td>262</td>
<td>11</td>
<td>5</td>
<td>28</td>
</tr>
<tr>
<td>Deputy Director-General, Sport and Recreation¹</td>
<td>106</td>
<td>7</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td>Assistant Director-General, Building Industry and Policy</td>
<td>233</td>
<td>14</td>
<td>5</td>
<td>25</td>
</tr>
<tr>
<td>Assistant Director-General, Queensland Government Procurement</td>
<td>250</td>
<td>-</td>
<td>5</td>
<td>28</td>
</tr>
<tr>
<td>Assistant Director-General, Corporate Services</td>
<td>231</td>
<td>14</td>
<td>5</td>
<td>22</td>
</tr>
<tr>
<td>Assistant Director-General, Digital Capability, Information and Transaction Based Services²</td>
<td>127</td>
<td>6</td>
<td>2</td>
<td>15</td>
</tr>
<tr>
<td>Assistant Director-General, Queensland Shared Services³</td>
<td>130</td>
<td>6</td>
<td>3</td>
<td>14</td>
</tr>
<tr>
<td>Assistant Director-General, Strategic ICT⁴</td>
<td>130</td>
<td>6</td>
<td>3</td>
<td>14</td>
</tr>
<tr>
<td>Queensland Government Chief Information Officer⁵</td>
<td>137</td>
<td>4</td>
<td>3</td>
<td>15</td>
</tr>
</tbody>
</table>

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**

<table>
<thead>
<tr>
<th>Position</th>
<th>Monetary expenses</th>
<th>Non-monetary benefits</th>
<th>Long-term employee expenses</th>
<th>Post-employment expenses</th>
<th>Total expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director-General</td>
<td>406</td>
<td>8</td>
<td>8</td>
<td>51</td>
<td>473</td>
</tr>
<tr>
<td>Deputy Director-General, Public Works &amp; Asset Management</td>
<td>242</td>
<td>9</td>
<td>4</td>
<td>25</td>
<td>280</td>
</tr>
<tr>
<td>Deputy Director-General, Housing &amp; Homelessness Services</td>
<td>255</td>
<td>11</td>
<td>5</td>
<td>27</td>
<td>298</td>
</tr>
<tr>
<td>Assistant Director-General, Strategic Asset Management (Acting to 31/7/2016)</td>
<td>15</td>
<td>-</td>
<td>-</td>
<td>3</td>
<td>18</td>
</tr>
<tr>
<td>Assistant Director-General, Building Industry and Policy</td>
<td>231</td>
<td>8</td>
<td>4</td>
<td>25</td>
<td>268</td>
</tr>
<tr>
<td>Assistant Director-General, Procurement Transformation (Acting 1/7/2016 - 31/7/2016)</td>
<td>22</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>24</td>
</tr>
<tr>
<td>Assistant Director-General, Queensland Government Procurement (Acting 1/8/2016 - 25/4/2017)</td>
<td>160</td>
<td>7</td>
<td>3</td>
<td>17</td>
<td>187</td>
</tr>
<tr>
<td>Assistant Director-General, Queensland GovernmentProcurement (from 26/4/2017)</td>
<td>44</td>
<td>-</td>
<td>1</td>
<td>5</td>
<td>50</td>
</tr>
<tr>
<td>Assistant Director-General, Corporate Services</td>
<td>226</td>
<td>8</td>
<td>4</td>
<td>25</td>
<td>263</td>
</tr>
<tr>
<td>Executive Director, National Regulatory System Office of the Registrar (to 31/7/2016)</td>
<td>23</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>25</td>
</tr>
<tr>
<td>Executive Director, Aboriginal &amp; Torres Strait Islander Strategy Unit (to 17/3/2017)</td>
<td>138</td>
<td>5</td>
<td>3</td>
<td>13</td>
<td>159</td>
</tr>
<tr>
<td>Executive Director, Aboriginal &amp; Torres Strait Islander Strategy Unit (Acting 18/3/2017 - 30/8/2017)</td>
<td>44</td>
<td>3</td>
<td>1</td>
<td>5</td>
<td>53</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th></th>
<th>Not later than one year</th>
<th>Later than one year and not later than five years</th>
<th>Later than five years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-cancellable operating leases</td>
<td>406,704</td>
<td>1,078,671</td>
<td>997,792</td>
<td>2,483,167</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>269,693</td>
<td>6,624</td>
<td>-</td>
<td>276,317</td>
</tr>
<tr>
<td>Total</td>
<td>676,397</td>
<td>1,085,295</td>
<td>997,792</td>
<td>2,759,484</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-cancellable operating leases</td>
<td>402,320</td>
<td>1,158,465</td>
<td>1,203,143</td>
<td>2,763,928</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>196,616</td>
<td>9,685</td>
<td>-</td>
<td>206,301</td>
</tr>
<tr>
<td>Total</td>
<td>598,936</td>
<td>1,168,150</td>
<td>1,203,143</td>
<td>2,970,229</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th></th>
<th>Not later than one year</th>
<th>Later than one year and not later than five years</th>
<th>Later than five years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-cancellable operating subleases</td>
<td>370,038</td>
<td>988,554</td>
<td>947,958</td>
<td>2,306,550</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-cancellable operating subleases</td>
<td>355,761</td>
<td>1,004,903</td>
<td>1,071,885</td>
<td>2,432,549</td>
</tr>
</tbody>
</table>

(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**

<table>
<thead>
<tr>
<th></th>
<th>2018 $'000</th>
<th>2017 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriation revenue</td>
<td>21,712</td>
<td>3,508</td>
</tr>
<tr>
<td>User charges and fees</td>
<td>85</td>
<td>50</td>
</tr>
<tr>
<td>Other revenue</td>
<td>32</td>
<td>34</td>
</tr>
<tr>
<td><strong>Total administered revenues</strong></td>
<td><strong>21,829</strong></td>
<td><strong>3,592</strong></td>
</tr>
</tbody>
</table>

**Administered expenses**

<table>
<thead>
<tr>
<th></th>
<th>2018 $'000</th>
<th>2017 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplies and services</td>
<td>14,406</td>
<td>3,489</td>
</tr>
<tr>
<td>Grants and subsidies</td>
<td>7,397</td>
<td></td>
</tr>
<tr>
<td>Transfer of administered revenue to government</td>
<td>116</td>
<td>83</td>
</tr>
<tr>
<td>Other expenses</td>
<td>1,980</td>
<td>19</td>
</tr>
<tr>
<td><strong>Total administered expenses</strong></td>
<td><strong>23,899</strong></td>
<td><strong>3,591</strong></td>
</tr>
</tbody>
</table>

**Operating result**

<table>
<thead>
<tr>
<th></th>
<th>2018 $'000</th>
<th>2017 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(2,070)</td>
<td>1</td>
</tr>
</tbody>
</table>
### 8.5 Administered activities (continued)

#### Administered current assets

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash</strong></td>
<td>6,834</td>
<td>20</td>
</tr>
<tr>
<td><strong>Prepayments</strong></td>
<td>4,101</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total administered current assets</strong></td>
<td>10,935</td>
<td>20</td>
</tr>
</tbody>
</table>

#### Administered non-current assets

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Prepayments</strong></td>
<td>9,569</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total administered non-current assets</strong></td>
<td>9,569</td>
<td>-</td>
</tr>
</tbody>
</table>

#### Administered current liabilities

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Payables</strong></td>
<td>1,980</td>
<td>19</td>
</tr>
<tr>
<td><strong>Total administered current liabilities</strong></td>
<td>1,980</td>
<td>19</td>
</tr>
</tbody>
</table>

#### Net administered assets

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net administered assets</strong></td>
<td>18,524</td>
<td>1</td>
</tr>
</tbody>
</table>

### Reconciliation of payments from consolidated fund to administered income

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budgeted appropriation</strong></td>
<td>3,510</td>
<td>3,553</td>
</tr>
<tr>
<td><strong>Transfers from/to other headings</strong></td>
<td>11,825</td>
<td>(45)</td>
</tr>
<tr>
<td><strong>Unforeseen expenditure</strong></td>
<td>8,735</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total administered appropriation receipts (cash)</strong></td>
<td>24,070</td>
<td>3,508</td>
</tr>
</tbody>
</table>

- 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)

| **Net administered appropriation revenue** | 19,732 | 3,489 |
| **Plus: Deferred administered appropriation payable to Consolidated Fund (expense)** | 1,980 | 19 |
| **Administered appropriation revenue recognised in Note 8.5** | 21,712 | 3,508 |

### 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.

<table>
<thead>
<tr>
<th><strong>Agency revenues</strong></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts for goods and services</td>
<td>425,959</td>
<td>333,184</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Agency expenses</strong></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments for supplies and services</td>
<td>425,959</td>
<td>333,184</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Agency current assets</strong></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivables</td>
<td>79,695</td>
<td>50,707</td>
</tr>
</tbody>
</table>
8.6 Agency transactions and balances (continued)

(a) Building and Asset Services (continued)

Agency current liabilities

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank overdraft</td>
<td>48,384</td>
<td>10,665</td>
</tr>
<tr>
<td>Payables</td>
<td>28,688</td>
<td>37,298</td>
</tr>
<tr>
<td>Other</td>
<td>2,623</td>
<td>2,744</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>79,695</strong></td>
<td><strong>50,707</strong></td>
</tr>
</tbody>
</table>

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 |

Agency expenses

Payments for supplies and services | 134,959 | 158,055 |

Agency current assets

Cash | 7,459 | 8,352 |

(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
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

<table>
<thead>
<tr>
<th>Key audit matter</th>
<th>How my audit addressed the key audit matter</th>
</tr>
</thead>
<tbody>
<tr>
<td>The department engaged independent valuers to perform specific appraisal</td>
<td>My procedures included, but were not limited to</td>
</tr>
<tr>
<td>valuations representing 30% of social housing properties in the current year</td>
<td>• Verifying the adequacy of management’s review of the valuation process by inspecting final valuation approvals and evidence of oversight by property committees.</td>
</tr>
<tr>
<td>using significant inputs such as location, bedroom count, price per square</td>
<td>• For specific appraisal valuations in the current year:</td>
</tr>
<tr>
<td>metre, land size, condition and a discount factor applied to accommodation in</td>
<td>o reviewing evidence to confirm the competence, capability and objectivity of the independent valuers</td>
</tr>
<tr>
<td>recognition of the cost of obtaining strata title to sell.</td>
<td>o 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</td>
</tr>
<tr>
<td>Specific judgement was required in relation to:</td>
<td>o 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</td>
</tr>
<tr>
<td>• the condition of the property. The condition rating of the properties</td>
<td>o comparing the reasonableness of discount rates applied to properties without strata title to industry benchmarks</td>
</tr>
<tr>
<td>was supplied to the valuer by management based on property condition</td>
<td>• Auditing the condition rating system for reasonableness and appropriate application. This included:</td>
</tr>
<tr>
<td>assessments performed at least once every three years by internal</td>
<td>o 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</td>
</tr>
<tr>
<td>inspection. Management assessed the overall condition of properties by using</td>
<td>o 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</td>
</tr>
<tr>
<td>a rating scale of one (property ready for demolition) to ten (property is</td>
<td>o 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.</td>
</tr>
<tr>
<td>as new), and assessed that 99% of properties had a condition rating of</td>
<td></td>
</tr>
<tr>
<td>greater than eight at balance date. Judgement is required for interpreting</td>
<td></td>
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<tr>
<td>and applying this condition rating scale.</td>
<td></td>
</tr>
<tr>
<td>• the discount applied to some multi-unit properties without strata title on</td>
<td></td>
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<tr>
<td>individual units. Where there is no comparable sales data available,</td>
<td></td>
</tr>
<tr>
<td>strata comparison is applied with discount to non-strata units determined</td>
<td></td>
</tr>
<tr>
<td>by the independent valuer.</td>
<td></td>
</tr>
<tr>
<td>Key audit matter</td>
<td>How my audit addressed the key audit matter</td>
</tr>
<tr>
<td>------------------</td>
<td>------------------------------------------</td>
</tr>
</tbody>
</table>
| The department updated the fair values of the remaining properties using indices 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. | • For indexation in the current year:  
  ◦ 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

<table>
<thead>
<tr>
<th>Summary of requirement</th>
<th>Basis for requirement</th>
<th>Annual report reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Letter of compliance</td>
<td>• A letter of compliance from the accountable officer or statutory body to the relevant Minister/s</td>
<td>ARRs — section 7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Accessibility</td>
<td>• Table of contents</td>
<td>ARRs — section 9.1</td>
</tr>
<tr>
<td></td>
<td>• Glossary</td>
<td>ARRs — section 9.2</td>
</tr>
<tr>
<td></td>
<td>• Public availability</td>
<td>ARRs — section 9.3</td>
</tr>
<tr>
<td></td>
<td>• Interpreter service statement</td>
<td>Queensland Government Language Services Policy</td>
</tr>
<tr>
<td></td>
<td>• Copyright notice</td>
<td>Copyright Act 1968</td>
</tr>
<tr>
<td></td>
<td>• Information licensing</td>
<td>QGEA — Information Licensing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ARRs — section 9.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ARRs — section 9.5</td>
</tr>
<tr>
<td>General information</td>
<td>• Introductory information</td>
<td>ARRs — section 10.1</td>
</tr>
<tr>
<td></td>
<td>• Agency role and main functions</td>
<td>ARRs — section 10.2</td>
</tr>
<tr>
<td></td>
<td>• Operating environment</td>
<td>ARRs — section 10.3</td>
</tr>
<tr>
<td></td>
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<td>4–8</td>
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<td>6–8</td>
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<tr>
<td></td>
<td></td>
<td>7–8</td>
</tr>
<tr>
<td>Non-financial performance</td>
<td>• Government’s objectives for the community</td>
<td>ARRs — section 11.1</td>
</tr>
<tr>
<td></td>
<td>• Other whole-of-government plans / specific initiatives</td>
<td>ARRs — section 11.2</td>
</tr>
<tr>
<td></td>
<td>• Agency objectives and performance indicators</td>
<td>ARRs — section 11.3</td>
</tr>
<tr>
<td></td>
<td>• Agency service areas and service standards</td>
<td>ARRs — section 11.4</td>
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<td></td>
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<td>7, 16–45</td>
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<tr>
<td></td>
<td></td>
<td>16–45</td>
</tr>
<tr>
<td>Financial performance</td>
<td>• Summary of financial performance</td>
<td>ARRs — section 12.1</td>
</tr>
<tr>
<td>Governance — management and structure</td>
<td>• Organisational structure</td>
<td>ARRs — section 13.1</td>
</tr>
<tr>
<td></td>
<td>• Executive management</td>
<td>ARRs — section 13.2</td>
</tr>
<tr>
<td></td>
<td>• Government bodies (statutory bodies and other entities)</td>
<td>ARRs — section 13.3</td>
</tr>
<tr>
<td></td>
<td>• Public Sector Ethics Act 1994</td>
<td>Public Sector Ethics Act 1994</td>
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<tr>
<td></td>
<td>• Queensland public service values</td>
<td>ARRs — section 13.5</td>
</tr>
<tr>
<td>Governance — risk management and accountability</td>
<td>• Risk management</td>
<td>ARRs — section 14.1</td>
</tr>
<tr>
<td></td>
<td>• Audit committee</td>
<td>ARRs — section 14.2</td>
</tr>
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<td></td>
<td>• Internal audit</td>
<td>ARRs — section 14.3</td>
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<td>• External scrutiny</td>
<td>ARRs — section 14.4</td>
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<td>• Information systems and recordkeeping</td>
<td>ARRs — section 14.5</td>
</tr>
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<td>58</td>
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<td>59</td>
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<tr>
<td>Summary of requirement</td>
<td>Basis for requirement</td>
<td>Annual report reference</td>
</tr>
<tr>
<td>--------------------------------------------</td>
<td>------------------------------------------------------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td>Governance — human resources</td>
<td>• Workforce planning and performance</td>
<td>ARRs — section 15.1</td>
</tr>
<tr>
<td></td>
<td>• Early retirement, redundancy and retrenchment</td>
<td>Directive No.11/12 Early Retirement, Redundancy and Retrenchment</td>
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<td></td>
<td></td>
<td>Directive No.16/16 Early Retirement, Redundancy and Retrenchment (from 20 May 2016)</td>
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<tr>
<td></td>
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<td>ARRs — section 15.2</td>
</tr>
<tr>
<td>Open Data</td>
<td>• Statement advising publication of information</td>
<td>ARRs — section 16</td>
</tr>
<tr>
<td></td>
<td>• Consultancies</td>
<td>ARRs — section 33.1</td>
</tr>
<tr>
<td></td>
<td>• Overseas travel</td>
<td>ARRs — section 33.2</td>
</tr>
<tr>
<td></td>
<td>• Queensland Language Services Policy</td>
<td>ARRs — section 33.3</td>
</tr>
<tr>
<td>Financial statements</td>
<td>• Certification of financial statements</td>
<td>FAA — section 62</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FPMS — sections 42, 43 and 50</td>
</tr>
<tr>
<td></td>
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<td>ARRs — section 17.1</td>
</tr>
<tr>
<td></td>
<td>• Independent Auditor's Report</td>
<td>FAA — section 62</td>
</tr>
<tr>
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<td>FPMS — section 50</td>
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<tr>
<td></td>
<td></td>
<td>ARRs — section 17.2</td>
</tr>
</tbody>
</table>

**FAA**  Financial Accountability Act 2009  
**FPMS**  Financial and Performance Management Standard 2009  
**ARRs**  Annual report requirements for Queensland Government agencies