Our vision

The department's vision is to *improve people's lives through housing and community renewal.*

We aim to realise our vision by:

- improving access to safe, secure, appropriate and affordable housing,
- working with our partners in renewal areas to develop sustainable solutions to local issues and build community capacity.

Our values

Our commitment to our vision is underpinned by the values of *integrity, diversity* and *respect.* These values support and guide our philosophy of client-focused service delivery.

Our goals

The department's goals in 2007–08 were:

- delivering integrated social housing to low-income households for the duration of their need,
- providing support for low to moderate income households in the private market,
- helping build sustainable communities.

Functions

The department operates principally under the *Housing Act 2003.* The Act recognises the Government's role in providing direct housing assistance through flexible and innovative programs. The principle functions of the department, as mandated by the Act, are to:

- provide social housing,
- provide grants, loans and other assistance to individuals in need of housing services and entities providing housing assistance,
- develop, undertake or support other housing programs and initiatives to:
  - promote the development and sustainability of the housing sector,
  - improve the responsiveness of the housing sector to housing need, housing design and planning issues,
  - help the housing sector meet the demand for safe, secure, appropriate and affordable housing,
- conduct housing-related research, and
- provide housing-related infrastructure.
About this Annual Report
This Annual Report details the Department of Housing's progress through 2007–08 against its Strategic Plan 2007–2012 and Ministerial Portfolio Statement 2007–08. It highlights the department's achievements, activities and financial position, and outlines its future direction.

The report reflects the structure and operations of the Department of Housing as at 30 June 2008, and satisfies the requirements of the Financial and Administration Audit Act 1977.

The Annual Report will be of interest to members of Parliament, Government agencies, the private sector and community organisations, universities, staff, clients and the general public. Students and prospective employees may find it useful for research purposes.

A copy of the report can be downloaded from the department's website at www.housing.qld.gov.au. If you are unable to access an electronic version, hard copies may be obtained by contacting the department on (07) 3227 6102.

To access an interpreter service
If you have any difficulty understanding this information, please contact the Department of Housing on the telephone number below and we will arrange an interpreter to assist you.

Or if you require this information in other formats such as large print, please also contact the number below.

Telephone number to arrange an interpreter or details in other formats: (07) 3227 6102
If you use the telephone typewriter or a computer with a modem, please call the National Relay Service on 13 36 77 and ask for the above number.
31 October 2008

The Honourable R Schwarten MP
Minister for Public Works, Housing and
Information and Communication Technology
GPO Box 2457
BRISBANE  QLD  4001

Dear Minister

I am pleased to present the Annual Report 2007-08 for the Department of Housing.

I certify that this Annual Report meets the prescribed requirements of the Financial Administration and Audit Act 1977 and the Financial Management Standard 1997, particularly with regard to reporting this agency’s governance arrangements, objectives, functions and performance, as well as the agency’s additional reporting and tabling obligations for this report.


Yours sincerely

Natalie MacDonald
Director-General
Improving people’s lives through housing and community renewal

Achievements
During 2007–08, the Department of Housing:

- assisted almost 259,600 Queenslanders by providing 78,108 households with social rental housing and helping 181,489 households access or sustain private market tenure. This included assisting more than 18,103 Indigenous households and 25,086 households with a person with a disability.
- funded and/or managed, 65,456 social housing rental units (an increase of 1.5% from last year).
- introduced and trialled new products to assist households in the private housing market, including RentConnect, the Pathways Shared Equity Loan and Rent Start.
- contributed $16.1 million towards improving communities within Community Renewal zones through 170 projects.

Of the new households assisted with social housing, a total of 44% have specific needs. This increase from 26% the previous year demonstrates the department’s commitment to ensuring the optimal use of available resources for people with the highest need under one social housing system.
“The department has demonstrated a maturity level rating of three in five elements and maturity level four in one element. This means that performance management is embedded across the department and shows that the department is operating at a sophisticated level of organisational performance. The Service Delivery and Performance Commission aims for all departments to achieve this level by 2010.

“For one component, that of Resource Management, the department was assessed at a leading level of maturity. The department also met some criteria for other components at a ‘leading’ level of maturity and has been recognised nationally for its successful progress in public administration of housing.”

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In 2007–08, the department continued to respond to housing need by increasing the housing services provided to low-income households, assisting households to remain in the private housing market, and helping build sustainable communities.

**A more efficient and responsive housing system**

Increasing property prices and rents, record low vacancy rates in the private sector, and housing demand exceeding supply of new constructions in the private market are all affecting housing affordability.

In this environment, it is critical that Government-funded housing assistance is provided to Queenslanders in greatest need for the duration of their need. A responsive and effective social housing system incorporating all housing and housing service providers, and supporting the integrated provision of a broad range of housing assistance for low-income Queenslanders, is the key objective.

In 2007–08, we have:

- assisted 259,597 Queenslanders to access or sustain housing, including 15,394 new households into social housing,
- funded and/or managed more than 65,450 social housing dwellings,
- expanded the range of housing assistance available, through the development of additional products and housing options,
- conducted extensive reviews of all applicants on the department’s combined wait list to understand the extent and nature of their housing need,
- developed a state-wide register of need for Queenslanders seeking housing assistance, and developed referral mechanisms for all social housing providers in the State,
- continued to support the development and growth of community-based housing providers,
- added 967 dwellings/housing units to the overall social housing stock in Queensland,
- commenced construction on a further 849 dwellings,
- expended $417.1 million on capital works and capital grants (including $85 million from the Queensland Future Growth Fund), and
- improved the amenity of existing social housing accommodation.

I commend the efforts of departmental staff and the network of community housing and housing support providers for their support in progressing reforms to implement one social housing system.

**Housing services**

In 2007–08, the department spent approximately $18 million per week to support Queenslanders to access and sustain housing. This includes capital developments as well as grants to community organisations which provide invaluable housing services.

For example, the Home Assist Secure Program and the Home and Community Care Home Modification Service provided free information and referrals about, or subsidised assistance for, home maintenance, fall prevention, repairs and modifications and home security to 61,879 households that received assistance through either of these programs.

A total of $4.9 million was also expended as grants to support tenant advice and advocacy services delivered through 24 organisations throughout the State. From this, 71,088 households were assisted with information on their rights and responsibilities as tenants and information and referral advice to access safe, secure and affordable housing.

To support people who are able to access and maintain private market accommodation, the department commenced the trial of RentConnect (in Caboolture and Central Queensland), designed to help people find a tenancy in the private rental market. RentConnect officers will assist clients by identifying the type of assistance they may need, help them with preparing a rental application, and link them to real estate agents and community services.
Innovative responses

Through the Housing Improvement Program for Indigenous communities, in 2007–08 the department provided tenancy management to four Indigenous communities with approximately 400 rental properties. During the year, payment of rent by tenants in these communities has increased by 20%. With the department matching rent payments dollar for dollar, this has meant more funds provided to councils to expend on new housing or upgrades to existing housing. Together, council members, residents and the department have worked hard to achieve noticeable improvements to the quality of houses in the communities.

The department has adopted a flexible approach to purchasing and renovating types of accommodation that have not previously existed in the department’s portfolio of assets. Buying and renovating older-style motels has proven to be an effective way to deliver both transitional and long-term social housing rapidly. To date, 102 units of motel-style accommodation have been purchased at a cost of $14.3 million.

Owning their own home gives many people the feeling of permanence, security and belonging to a community, but for some home ownership is difficult to achieve. The Pathways Shared Equity Loan has been added to the suite of loan products the department offers to help departmental tenants purchase their rental property.

Major or new initiatives

Earlier this year while most of the State suffered extreme drought conditions, residents in Central Queensland had to contend with devastating floods. Some departmental properties in Mackay and Emerald were evacuated due to flood damage with those affected quickly moved to other social housing properties, while QBuild repaired the damage to their homes. The department also issued bond loans to assist others to remain in the private rental market.

2007–08 also marked the third year of the Queensland Government’s Responding to Homelessness initiative. Our contribution this year has included the purchase of a 12-bedroom facility for homeless people on the Gold Coast at a cost of $2.5 million under the Crisis Accommodation Program, and the construction of 34 studio apartments and continued upgrade works on 55 studio units at the Lady Bowen Complex.

To further the work the department has undertaken in collaboration with Queensland Health, Disability Services Queensland and the Department of Communities on the Mental Health Housing with Support Strategy, the department purchased 39 dwellings at a cost of $11.3 million. Accommodation solutions were also provided to 34 Queensland Health clients.

The department expended $14.6 million to provide housing solutions to clients discharged from the Princess Alexandra Spinal Cord Injuries Unit under the Spinal Cord Injuries initiative, which is delivered in partnership with Disability Services Queensland, Queensland Health and the Spinal Injuries Association.
We remain committed to working with community housing providers to improve the coordination of housing services for clients as we work together to bring about one social housing system.

**Director-General’s message continued**

**Strengthening our communities**
Our Community Renewal program continues to support community engagement and service delivery options in Community Renewal zones. More than 170 projects, with an injection of $16.1 million of program funding, have been approved across the State. Many of the projects target issues related to youth engagement in the community and in schooling, community health and well-being, employment, training and education, infrastructure developments and upgrades, and support and promotion of multicultural events and activities to reconnect communities.

**Future directions**
During 2007–08, the former Service Delivery and Performance Commission conducted a review of the department with the department setting exceptional standards. In the findings of the review, it was noted that the department had achieved outstanding results for the benefit of our clients. The department intends to retain its very high standards as it moves forward.

Demand for housing assistance is likely to remain high through 2008–09. The department will continue the expansion of social housing stock across the State, through its own delivery as well as through community housing organisations. It will progress and refine reforms to ensure clients are matched to products which will best suit their needs.

The department will continue to work with agencies within the State and the national housing initiatives being developed by the Australian Government to improve housing options for Queenslanders.

The pages that follow feature the achievements of the department over the past year in more detail. Together with my colleagues and teams, I look forward to expanding upon the department’s successes in the coming year. I invite you to provide feedback on the report by emailing the department at annual.report@housing.qld.gov.au.

_Natalie MacDonald_
Director-General
The Department of Housing’s goals primarily contribute to the Queensland Government’s community outcome of a fair, socially cohesive and culturally vibrant society, and the Government’s priority of improving Queenslanders’ access to affordable housing.

The department’s goals in 2007–08 were:
- delivering integrated social housing to low-income households for the duration of their need,
- providing support for low to moderate income households in the private market, and
- helping to build sustainable communities.

The department’s six outputs contribute to the Queensland Government’s outcomes, not only through the direct provision of housing assistance and services, but also by working with, and influencing, the broader housing system.

The department’s outputs in 2007–08 were:
- Aboriginal and Torres Strait Islander Housing,
- Public Rental Housing,
- Community Housing,
- Private Housing,
- Home Purchase Assistance, and
- Community Renewal.
Our history

The provision of housing assistance to Queenslanders in need has been a priority of the State Government for over one hundred years. From the introduction of *Workers’ Dwelling Act 1909* and the establishment of the Workers’ Dwelling Branch in 1910 to the *Housing Act 2003* and the major reforms to the social housing system we are undertaking now, providing people with safe and appropriate housing has been integral to building a strong and productive State.

For Australia, the depression years of the late 1920s and early 1930s and the beginning of the war in 1939 had seen the prosperity of the nation threatened. Economic and building activity slowed dramatically and as a result, by 1944 there was a shortage of around 300,000 houses across the nation.

In this climate, post-war reconstruction emerged as a priority at a national level. In 1945, Queensland’s Premier Frank Cooper signed the Commonwealth and State Housing Agreement with the Commonwealth Government. The Commonwealth Government’s increased contribution was recognition that housing had become a national problem and heralded the beginning of significant federal-state involvement in Australian housing policy and public rental home construction.

A few days after this agreement was ratified, the Queensland Housing Commission was established (under the *State Housing Act 1945*) which began with an initial asset portfolio of just 198 rental homes.

To meet the growing demands for housing, the Commission began building accommodation. This saw the conversion of ex-wartime barracks into temporary accommodation and also saw the building of new properties to meet this demand. By mid-1948, the Commission’s portfolio had increased to 1,241 homes, with nearly 23,000 houses constructed across the State a decade later.

In the three decades that followed, the Commission worked towards addressing the needs of a rapidly changing Queensland community that witnessed a movement away from the nuclear family and towards a growing number of single parent households. An increasing number of households comprised people living alone, older people or people with a disability, all with specific housing needs which had to be considered and addressed.

To meet this changing client demand, especially from older Queenslanders, the Commission branched out from large estate developments to unit blocks and attached houses.

Remaining responsive to the housing needs of clients continued to be the main focus of the Commission. In 1981, the Commission adapted its first house to address the needs of people with a disability, with the property then leased to Independent Living for Physically Handicapped Association.

In 1984, Queensland received Commonwealth Government funding to develop the community housing sector. Partnerships were developed with not-for-profit organisations and local governments to provide community-based housing assistance including crisis, transitional and long-term rental housing. This marked the recognition of community housing as an essential component of the social housing system and signalled a turning point in the structure of housing provision in Queensland.

Moving towards the end of the millennium, the Department of Housing and Local Government was formed in 1989. While the Queensland Housing Commission would continue to exist as a legal entity for almost another 15 years, the establishment of the department signalled the emergence of a new philosophy for service provision for Queenslanders and the development of a range of products and services that are still being used today.

In the early 1990s, gaining a better understanding of its clients and more sophisticated service provision became a priority for the department. Decentralisation of the department’s single service delivery point in Brisbane was undertaken with 17 area offices located throughout the State a key to realising this aim.

In 1998, the department emerged as a single entity dedicated to meeting the housing needs of Queenslanders. It confirmed the importance of housing as one of the cornerstones for Queenslanders in achieving a healthier, more stable life, providing them with greater opportunities to achieve their goals and contribute to the wider community.

Community and urban renewal programs to address issues associated with older public housing estates were introduced during the 1990s, and represented a commitment to not only improve the quality of housing in these high density public housing areas, but also to address social and economic issues in these communities.

Social and economic factors continued to contribute to greater inequity in the income and wealth of Australians moving into the 2000s. These factors, as well as declining levels of home ownership, increasing numbers of long-term private renters and greater numbers of households experiencing housing stress, placed governments and housing providers under even greater pressure.
To respond to this situation, alliances were formed by the department with key organisations to address specific issues in inner-city environments. The Brisbane Housing Company, a not-for-profit partnership between the State Government and the Brisbane City Council, and the Kelvin Grove Urban Village, a partnership with the Queensland University of Technology, were established in 2001 to develop sustainable and practical solutions to addressing Queenslanders’ housing needs.

When the new Housing Act 2003 took effect in 2004, the modern basis for the department’s activities was established, which marked the end of 58 years of the Queensland Housing Commission.

On 1 January 2006, the department embarked on the most significant social housing system reform Queensland had seen for 60 years. A new strategic direction to realise one social housing system was endorsed to provide better integration of service delivery across the range of housing products and services available for low-income Queenslanders, and ensure that those with the highest need receive housing assistance for the duration of their need.

Realising the Department of Housing’s vision of ‘improving people’s lives through housing and community renewal’ continues to be delivered through a responsive housing system by a client-focused, innovative and flexible organisation that approaches the future with confidence.
Performance and delivery

As a result of the changes that are taking place, all housing assistance delivered or funded by the Queensland Government will be provided through a more client-focused and integrated social housing system.
Goal: Delivering integrated social housing to low-income households for the duration of their need

Social housing is housing funded or subsidised by the Queensland Government to assist households who are unable to access or retain affordable or appropriate housing in the private housing market.

The Department of Housing owns and manages accommodation for low-income clients needing long-term housing. The department also provides grants to registered community and local government housing providers (including housing companies) to construct, manage and lease accommodation for clients with a short, medium or long-term housing need. In addition, the department works with funded housing providers to achieve administrative and service delivery efficiencies to improve the quality and scope of services to clients.

In response to the high demand for social housing, the department has been introducing a number of significant changes to the State’s social housing system to provide better integration of housing assistance services and better manage limited housing resources available by ensuring they are allocated to people with the highest need for the duration of their need.

Improving coordination across the range of housing programs under one social housing system

As a result of the changes that are taking place, all housing assistance delivered or funded by the Queensland Government is planned to be provided through a more client-focused and integrated social housing system.

Consequently, the community and local government-managed housing sector performs an important role in the social housing system in Queensland, one that the department recognises as it continues to work with providers to achieve a diverse and sustainable service delivery system.

To simplify access to social housing for applicants and eliminate duplication, the department, community organisations funded under the Long Term Community Housing Program, and the Brisbane Housing Company merged their wait lists from 1 August 2007 into a combined wait list for social housing. For applicants, this means they only have to apply once through a single application process for housing assistance provided by these organisations.

Improving access to social housing for clients with the highest need

An increasing number of people seeking housing assistance from the department are recognised as having complex needs as a result of having both a low income and other personal circumstances that inhibit their ability to enter, or sustain residence in, the private rental or home ownership markets. This includes for example, people with a physical or intellectual disability, people with a mental illness, people with significant health issues, a family with a child identified as being at risk, or people in need of safety following family or community violence.

To assist those with the highest need, the Department of Housing focuses on providing targeted housing assistance to match the individual needs of these clients. This will ensure the optimal use of available resources for people with the highest need and deliver value for money for the Government. In 2007–08, the department:

- completed a substantial component of key policy work and system development for a new Client Intake and Assessment Process to be introduced in September 2008. The new process involves assessing an applicant’s level of housing need and determining the most appropriate form of housing assistance they can receive from the range of housing products and services funded or subsidised by the Government;
- introduced the second stage of the Ongoing Eligibility Policy which includes amendments to the eligibility criteria for households applying for long-term social housing to more accurately account for household assets, savings, income and property ownership. Under this policy, social housing tenants who have improved their circumstances and are financially able to move into the private housing market, or where any household member owns or part-owns property, are ineligible for social housing, and
- conducted extensive reviews of the existing combined wait list to assess the housing needs of all social housing applicants to ensure their ongoing eligibility and improve the targeting of services, to those in greatest need of assistance.

The Department of Housing also partners with other agencies to deliver a range of solutions for mutual clients with complex needs through initiatives such as the Responding to Homelessness initiative, Mental Health Housing with Support Strategy, Spinal Cord Injuries initiative and the Queensland Indigenous Alcohol Diversion Program.

In the third year of the Queensland Government’s four-year, $235.5 million Responding to Homelessness initiative, the department expended $18.7 million in 2007–08 to:

- assist more than 240 clients in Roma House (Stage One of the Lady Bowen Complex in Spring Hill) and substantially progress the building works for Stages Two and Three of the complex, which will comprise 55 studio apartments and office space for a housing organisation. The complex will provide both ongoing accommodation and support services for people who are homeless, and transitional and longer-term accommodation options for people on low incomes.
Innovative approaches to creating housing solutions

In response to a steep decline of affordable accommodation in inner-city Brisbane, the department purchased and transformed the former Queensland Country Women’s Association building at 593 Boundary Street, Spring Hill, into accommodation for up to 73 single people who are homeless or at risk of homelessness.

The configuration of the original building provided boarding house accommodation for young country women ‘down from the bush’. It included 18 bedrooms on each floor and central kitchen and dining facilities. To expand the use of this building for a larger number of people, the building was completely reconfigured to include three floors of single unit accommodation for men, two floors for women and four units for people with disabilities. Shared kitchen and bathroom facilities, and dining and living areas were also included on each floor.

A communal area on the first floor includes a library and computers, and an outdoor recreation area is provided on the ground level.

Through the clever use of electronic security devices, such as magnetic swipe cards for the stairwells and lift, the building operates as five independent boarding houses managed by Better Housing Projects Association.

593 Boundary Street has been operating at full or near full capacity since its opening in early February 2007.
Under the Mental Health Housing with Support Strategy, the department provides accommodation for clients with severe to moderate mental illness who also receive clinical and non-clinical support through partner agencies Queensland Health and Disability Services Queensland. In 2007–08, the department purchased 39 dwellings and refurbished properties purchased in previous years at a cost of $11.3 million in support of this initiative.

In addition, the department partnered with Disability Services Queensland and Queensland Health to provide housing and support options for people with a spinal cord injury who were ready to leave the Spinal Cord Injuries Unit at the Princess Alexandra Hospital. Through this initiative, those assisted were able to move towards greater independence, self-reliance and re-integration into their own communities. In 2007–08, the department:

- housed 14 people with a spinal cord injury in social rental housing,
- completed 17 dwelling modifications and commenced a further five through Home and Community Care Home Modification Services, at a cost of $0.9 million,
- completed the construction of 24 units of accommodation, commenced construction of a further 24 units of accommodation and purchased seven units of accommodation for social rental housing, at a cost of $9.3 million, and
- purchased land sites potentially yielding 72 units of social housing accommodation, at a cost of $4.5 million.

Under the whole-of-Government Queensland Indigenous Alcohol Diversion Program, the department provided grant funding of $0.3 million to community organisations to provide supported accommodation in each of the pilot locations of Cairns, Townsville and Rockhampton. The aim of the program is to break the alcohol-crime cycle by diverting Indigenous defendants in treatment and case management programs from the criminal justice system. The Department of Child Safety also refers Indigenous parents whose alcohol misuse impacts on their ability to protect their child from harm.

**Providing easier to access entry points for housing assistance**

Clients expect to be able to access services through a range of convenient methods at times and locations of their choice.

The department is developing a pilot Rural Housing Service Centre, which will provide social housing through community and local government-managed providers. It is proposed that in the future these types of centres will act as single points of entry to the social housing system, allowing people with a housing need in rural areas to access a local ‘one stop shop’ for social housing assistance.

Rural Housing Service Centres will deliver a more responsive and coordinated service to people in housing need than is possible through existing services provided by a number of separate organisations which are often located at a great distance from clients. Coordinating the management of social housing dwellings through one centre will also improve the use of dwellings by better matching the available housing to those in greatest need.

In 2007–08, the department prepared a draft prospectus detailing the proposed operations of the Centre and a financial analysis report providing an indication of its financial viability using two alternative models. Several organisations expressed an interest in piloting the centre and the department is working with these organisations to progress the pilot.

New and emerging technologies are facilitating such opportunities and government, community and private sector organisations are increasingly incorporating the use of such technology into their business practices. In 2007–08, the department also continued to work with Smart Service Queensland as the primary vehicle for the transformation of service delivery, to make Queensland Government services more accessible, efficient and convenient for the public and to reduce the cost of the delivery of services via a range of integrated channels.

**Increasing the supply of social housing**

The proportion of social housing in Queensland has remained relatively stable over the past decade at around 4% of all residential dwellings. Queensland’s rapid growth in both population and house prices, increasing rents and the resources boom is placing pressure on the housing market to maintain the supply of affordable housing. Likewise, these market conditions are continuing to place increasing pressure on scarce social housing.

In response, the Queensland Government is investing an additional $500 million over five years, from 2007–08, from the Queensland Future Growth Fund to accelerate the expansion of Queensland’s social housing asset base.

During 2007–08, the department increased its social housing stock to 65,456 rental units by expending $263.3 million (incorporating $85 million from the Queensland Future Growth Fund) which included:
• investing $235.4 million in department-owned social housing by:
  – completing the construction of 411 dwellings, including seven shelters,
  – purchasing 455 dwellings (including 46 dwellings outside of Indigenous communities to assist Indigenous households who wish to relocate),
  – commencing construction of 574 dwellings, including four shelters and one hostel, and
  – purchasing land to facilitate future construction of approximately 548 dwellings
• providing grants to community organisations for the provision and management of social housing to:
  – complete the construction of one shelter and 15 dwellings, and commence the construction of up to 35 units of accommodation, at a cost of $3.8 million,
  – complete construction of 24 dwellings, replace 32 dwellings and commence the construction of 69 dwellings, eight factory-built dwellings and eight replacement dwellings, under the Housing Improvement Program, for the 34 Indigenous communities,
  – enable community organisations to lease and manage 1,860 properties from the private rental market,
  – increase social housing on the Gold Coast and Sunshine Coast. The Brisbane YMCA Youth Services Inc. received $0.8 million to progress the construction of 52 units of accommodation on the Gold Coast. Churches of Christ Care received $1.2 million to progress the construction of 35 units of accommodation on the Sunshine Coast,
  – increase social housing provided by the Brisbane Housing Company, at a cost of $5 million. The Company completed the construction of an additional 16 dwellings, bringing its portfolio to a total of 596 dwellings,
  – commence work on gaining development approval for a minimum of 26 units at Palm Beach on department-owned land by the Gold Coast Housing Company with a payment of $0.9 million, and
  – pilot the department’s Rent Start program to lease from the private market, and manage, up to 45 dwellings on the Gold Coast and Sunshine Coast and up to 25 dwellings in Cairns and Townsville, at a cost of $1 million.

Working with the private sector to deliver housing services for those in crisis

Working well with community housing providers is essential in the delivery of effective housing services as was seen earlier this year, when the department and local providers found housing solutions for clients in need on the Gold Coast.

The closure of two local boarding houses, Midwaters Motel in October-November 2007 and the partial closure of Palm Lodge in April-May 2008 saw the department’s area office, Homeless Outreach Support Team, Health Homeless Outreach Team (part of Queensland Health) and Gold Coast Housing Company develop case management plans for affected residents and work together to assist them.

As a result, a total of 41 people were assisted and relocated into suitable accommodation.

This response and in particular the coordinated approach used by all providers in finding solutions meant that clients who would have ended up on the streets or in unsuitable accommodation, were not only assisted but also benefitted from a quicker, more effective service at their time of need.

Clients did not need to be assessed separately by each of these support agencies and the housing found for them was better matched to their need.

Residents were allocated crisis, transitional or long-term accommodation with either the Blair Athol Accommodation and Support program (pictured), Gold Coast Housing Company or Department of Housing, and were linked with appropriate support services.
Consolidating service delivery arrangements for community and local government-managed housing

The department is encouraging community and local government-managed housing organisations to manage larger portfolios, and achieve stronger client outcomes and greater efficiencies in delivering their services within the housing system. There are approximately 400 funded community and local government-managed providers of housing and housing-related services in Queensland. The realisation of one social housing system presents an opportunity for existing organisations to continue to improve the quality and scope of their services to clients, as well as achieve administrative and service delivery efficiencies.

In 2007–08, the department released a discussion paper, ‘A new resourcing framework to support community housing participation in one social housing system’, to seek feedback on a set of proposed resourcing arrangements for housing providers and on improving integration and coordination across the broader social housing system. Responses provided a valuable range of perspectives that contributed to the refinement of the department’s draft proposals outlined in the discussion paper.

A paper titled ‘Strengthening social housing: A strategy to build capacity of not-for-profit housing providers in Queensland’ was also released describing future plans for strengthening not-for-profit housing in Queensland. The department is assisting with the repositioning of community housing organisations in Queensland so they can operate at a much greater scale and develop their capacity to maximise opportunities for new affordable housing investment.

In 2007–08, the department also:

- developed and trialled consolidation tools, templates and a process flow to support management committees and staff with information about the steps and processes involved in amalgamations and mergers of community housing organisations,
- provided a grant of $90,000 to assist Better Housing Projects (Brisbane), Cabbage Tree Housing Service and Redback Housing Association to consolidate to form a new housing company, BRIC Housing. The company was registered under the Housing Act 2003 on 26 February 2008 and is managing tenancies and housing in the department’s Brisbane North and the Moreton Bay regions,
- assisted the Whitsunday Housing Association to restructure to a public company, Whitsunday Housing Company, limited by a guarantee to provide a mature and robust framework for growing their social and affordable housing business in keeping with one social housing system. The department has approved in-principle funding of $3.2 million for the company to construct 30 units of affordable housing at Airlie Beach,
- finalised the payment of a viability grant of $60,500 for the Sunshine Coast Regional Housing Council to restructure from an incorporated association to a company, Sunshine Coast Housing Company Ltd. This grant will also allow the company to position itself as a vehicle for consolidation of existing service delivery and for growing social and affordable housing supply on the Sunshine Coast,
- supported the establishment of new housing companies:
  - a grant of $120,000 was approved for Inner Western Suburbs Housing Collective to auspice a project for the consolidation of seven cooperatives based in South-East Queensland. Payments totalling $40,000 were made in 2007–08,
  - Access Community Housing Company received a grant of $25,000 to develop a business plan to explore options for the expansion of affordable and social housing in the Cairns region, and
  - assistance for business plan development, totalling $25,000, has been provided to organisations on the Gold Coast and in Cairns
- supported the Framework for National Action on Affordable Housing which aims to develop not-for-profit organisations that aspire to operate on a significantly increased scale.

Implementing the performance management framework for registered providers

The department is developing and implementing a performance management framework to facilitate continual improvement of providers and monitor the compliance of community housing providers registered under the Housing Act 2003. All registered providers must meet a range of obligations including:

- the relevant obligations contained in the Housing Act 2003, such as complying with the prescribed requirements in the Housing Regulation 2003,
- the prescribed requirements in Part 2 of the Housing Regulation 2003, which cover financial management and accountability, governance, service delivery, tenancy and property matters, and reporting, and
- the obligations set out in assistance agreements which can be leases, capital agreements and agreements for recurrent funding which include program specifications.
The framework will enable a greater consistency of response by the department to alleged and actual breaches by registered providers and will achieve a more efficient use of resources by matching the level of compliance monitoring to the level of assessed risk.

To implement the framework, in 2007–08, the department developed a range of tools to undertake service reviews of community housing providers. These tools provide a guide for determining the level and frequency of review required for each provider, and for reporting and monitoring findings. The tools are:
- a risk assessment model, which determines the priority schedule for reviewing organisations,
- a desk-top service review, which provides the scope and extent of the audit review to be undertaken, and
- a decision model, which provides information to guide auditors to ensure consistent decisions and responses to non-compliant issues.

Documentation to support the reviews was also developed, including an annual provider review plan, a risk assessment matrix, and templates for an audit plan and improvement plan. The tools and documentation were trialled with three community housing providers to enable their refinement.

Full implementation of the outcomes of the reviews is scheduled to commence in late 2008.

Compliance with the regulatory framework and contractual obligations is a prerequisite for providers seeking accreditation against the National Community Housing Standards. The following types of providers are required to obtain accreditation:
- affordable housing providers, such as the Brisbane Housing Company and the Gold Coast Housing Company,
- long-term community housing providers managing more than 100 tenancies,
- Community-managed Housing — Studio Units providers, and
- Community Rent Scheme providers.

A total of 29 organisations are subject to mandatory accreditation requirements. Six are accredited of which four are long-term providers managing more than 100 tenancies, and seven are scheduled for accreditation in late 2008. The remaining organisations are undertaking the accreditation process, and evaluation dates in 2009 have been negotiated with the majority of these organisations.

Enhancing the delivery of housing assistance in Indigenous communities

Through its Housing Improvement Program, the department has been assisting Indigenous councils to provide their housing services, including asset management (maintenance, upgrades and constructions) and tenancy management functions. In 2007–08, the department:
- expended $76.8 million through its Housing Improvement Program to:
  - complete construction of 24 dwellings commenced in 2007–08 or previous years, replace 32 dwellings and perform 272 upgrades to dwellings,
  - commence construction of 69 dwellings, eight factory-built dwellings, eight replacement dwellings and begin upgrade work on 158 dwellings,
  - purchase 46 dwellings outside of Indigenous communities,
  - maintain approximately 4,092 dwellings, and
  - support Indigenous councils by providing advice, tools and training in asset and tenancy management
- developed Housing Improvement Plans with each council to identify strategies to improve housing service delivery. A total of 14 of the completed plans are with the councils for signature.

A specific performance management framework has been established by the department to monitor and assess the performance of providers under the Housing Improvement Program. The framework includes the:
- implementation of performance benchmarks linked to funding under the Housing Improvement Program for Indigenous councils as registered providers,
- implementation of a performance and compliance management framework for councils funded under the Housing Improvement Program, and
- inclusion of performance and compliance issues in the Housing Improvement Plans developed for 34 remote Indigenous communities.

The department's implementation of the framework under this program has resulted in:
- a reduction in the carryover of grant funding through the implementation of compliance action to ensure required timeframes for capital works delivery were met,
- improved reporting by councils funded under this program regarding detailed housing performance, and
- an increase in rent collection rates.
Also in 2007–08, the department:

- undertook health and safety repairs to 318 dwellings and completed 5,748 high priority work orders for electrical, plumbing, general maintenance and gas works at Kowanyama and Pormpuraaw, and conducted feasibility reports for Boigu Island and Hammond Island under the Australian Government’s program Fixing Houses for Better Health,

- continued to negotiate options for long-term service delivery for five hostels divested from the former Department of Aboriginal and Torres Strait Islander Policy, including:
  - obtained agreement from the Aboriginal Land Trust to demolish the Aitkenvale Hostel in Townsville due to its poor condition, with alternative accommodation acquired to maintain the level of accommodation for Indigenous people in Townsville,
  - negotiated the hand-over of ownership of the vacant Alluna Hostel in Cairns to the Alluna Land Trust,
  - sold the vacant hostel on Thursday Island to Queensland Health with the adjoining land being retained for future social housing,
  - continued to provide hostel services in Brisbane to Indigenous people with operational funding provided by Aboriginal Hostels Ltd, and
  - completed upgrades to seven dwellings at Wulliberri Reserve, Mt Isa. The properties are being used by the Department of Communities as transitional housing for Indigenous people exiting the adjoining Jimaylya Topsy Harry Hostel

- worked collaboratively with other Queensland Government agencies and the Torres Shire Council to manage social housing on Thursday Island by:
  - developing new land use plans which identify land for future sustainable development,
  - assisting in providing opportunities to increase home ownership, access to private rental housing, significant commercial development and community infrastructure in the region, and
  - providing more adequate and safer housing to Government employees.

**Measuring our performance**

**Increase in social housing**

Social housing includes Department of Housing-owned, departmentally funded or privately-owned dwellings managed by not-for-profit community organisations. The department increased social housing dwellings in Queensland by 1.5% in 2007–08.

A breakdown of social housing rental units is provided below by output.

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>62,967</td>
<td>64,482</td>
<td>65,456</td>
<td>65,382</td>
</tr>
<tr>
<td>Percentage of annual change</td>
<td>1.6%</td>
<td>2.4%</td>
<td>1.5%</td>
<td></td>
</tr>
<tr>
<td>Aboriginal and Torres Strait Islander Housing*</td>
<td>6,945</td>
<td>7,164</td>
<td>7,143</td>
<td>7,243</td>
</tr>
<tr>
<td>Public Rental Housing</td>
<td>49,093</td>
<td>49,619</td>
<td>50,162</td>
<td>50,008</td>
</tr>
<tr>
<td>Community Housing</td>
<td>6,557</td>
<td>7,124</td>
<td>7,555</td>
<td>7,153</td>
</tr>
<tr>
<td>Private Housing</td>
<td>372</td>
<td>575</td>
<td>596</td>
<td>978</td>
</tr>
</tbody>
</table>

**Source:** SAP.

**Measure:** Key measure from the department’s Strategic Plan 2007–2012.

* The number of rental units recorded under the Aboriginal and Torres Strait Islander Housing output decreased as a result of the rectification of inconsistent data. The data was verified following information collected in the Property Conditions Audit and Tenant Survey. In addition, there is limited availability of suitable contractors in remote locations, which results in delays in construction.

# The Brisbane Housing Company experienced delays with development approvals. The constructions have been carried over to 2008–09.
Households waiting for social housing

The department’s housing wait list has declined over the past three years due to work being progressed to reduce duplication and simplify access for applicants to social housing. Previously, applicants had to complete a different application form for each of the types of social housing provided by government or government-funded organisations that they wanted to apply for.

From January 2006, the department merged its wait list for Aboriginal and Torres Strait Islander Housing and Public Housing rental programs. By 30 July 2007, the majority of Long Term Community Housing Program providers and the Brisbane Housing Company had transitioned their existing wait listed applicants to the combined wait list.

Applications on the wait list

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Combined wait list</td>
<td>35,038</td>
<td>34,592</td>
<td>32,519</td>
<td>36,000*</td>
</tr>
<tr>
<td>Combined wait list—Indigenous applicants</td>
<td>3,960</td>
<td>3,550</td>
<td>3,476</td>
<td>3,400</td>
</tr>
</tbody>
</table>

Source: SAP.
Measure: Output measure from the Ministerial Portfolio Statement 2007–08.

* From 1 January 2006, all applications on the common wait list for departmentally-managed housing are considered for allocation to Public Rental Housing. In addition, the Indigenous applications are also considered for allocation to the Aboriginal and Torres Strait Islander Rental Program.

† From 1 August 2007, the department began managing applications previously kept separately on community and local government housing providers’ wait lists for the Long Term Community Housing Program and Brisbane Housing Company.

The target was based on an increase in applicants due to the merging of wait lists from community housing providers of the Long Term Community Housing Program and the Brisbane Housing Company. An increase of potential applicants being forced out of the tightening private housing market was anticipated.

From late 2008, this combined wait list will be replaced with a housing register, which will be segmented based on applicants’ level of housing need.

Average waiting times for applicants to be allocated social housing

The average waiting time for applicants to be allocated social housing decreased in 2007–08.

Households accessing social housing

The department and funded community housing providers provide:

- longer-term housing to assist households through Public Rental Housing, Aboriginal and Torres Strait Islander Housing Rental Program and Aboriginal and Torres Strait Islander Housing Community Program, Long Term Community Housing Program, and Community-managed Housing — Studio Units,
- transitional housing to assist people to stabilise their housing arrangements through the Community Rent Scheme and Same House Different Landlord scheme, and
- crisis housing accommodation to assist people who are homeless or at risk of homelessness, in crisis, or in need of support in the move towards independent living through the Crisis Accommodation Program.

Clients are remaining in their social housing longer due to the economic climate of the private housing market. Consequently, this impacts on the ability of the department and community organisations to offer social housing to new tenants and the total number of households assisted overall.
The following provides the number of households assisted by output.

<table>
<thead>
<tr>
<th>Households assisted into social housing</th>
<th>Actual 2005–06</th>
<th>Actual 2006–07</th>
<th>Actual 2007–08</th>
<th>Target 2007–08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total households assisted</td>
<td>73,921</td>
<td>78,122</td>
<td>78,108</td>
<td>78,800</td>
</tr>
<tr>
<td>Percentage of annual change</td>
<td>1.7%</td>
<td>5.7%</td>
<td>0.0%</td>
<td>-</td>
</tr>
<tr>
<td>Total new households assisted</td>
<td>17,114</td>
<td>16,819</td>
<td>15,394</td>
<td>17,786</td>
</tr>
<tr>
<td>Aboriginal and Torres Strait Islander Housing</td>
<td>269</td>
<td>322</td>
<td>314</td>
<td>300</td>
</tr>
<tr>
<td>Public Rental Housing</td>
<td>4,623</td>
<td>4,452</td>
<td>4,258</td>
<td>4,800</td>
</tr>
<tr>
<td>Community Housing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term community housing</td>
<td>970</td>
<td>921</td>
<td>704</td>
<td>729</td>
</tr>
<tr>
<td>Transitional community housing</td>
<td>1,110</td>
<td>1,145</td>
<td>860</td>
<td>1,275</td>
</tr>
<tr>
<td>Crisis Accommodation Program</td>
<td>9,846</td>
<td>9,630</td>
<td>8,983</td>
<td>9,500</td>
</tr>
<tr>
<td>Private Housing (Brisbane Housing Company)</td>
<td>296</td>
<td>349</td>
<td>275</td>
<td>450</td>
</tr>
</tbody>
</table>

Source: SAP.  
Measure: Key measure from the department’s Strategic Plan 2007–2012 and an output measure from the Ministerial Portfolio Statement 2007–08.  
* The increase from 2005–06 to 2006–07 was primarily due to an increase in the total households assisted through the Aboriginal and Torres Strait Islander Housing Community Program.

To be eligible for housing that meets specific needs, an approved applicant’s circumstances must be of a more extreme or urgent nature than other applicants waiting for housing assistance. Generally, situations which threaten a person’s (or their family’s) safety, security or health are regarded as the most urgent.

The Department of Housing focuses on ensuring the optimal use of available resources for people with the highest need, which is reflected in the results below.

<table>
<thead>
<tr>
<th>Households with specific needs assisted into social housing</th>
<th>Actual 2005–06</th>
<th>Actual 2006–07</th>
<th>Actual 2007–08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total new households assisted with specific needs*</td>
<td>840</td>
<td>1,241</td>
<td>2,004</td>
</tr>
<tr>
<td>Percentage of new households assisted with specific needs</td>
<td>17.2%</td>
<td>26.0%</td>
<td>43.8%</td>
</tr>
</tbody>
</table>

Source: SAP.  
Measure: Key measure from the department’s Strategic Plan 2007–2012.  
* Only includes households assisted into long-term social rental housing.

Transitional housing is provided to assist people to stabilise their housing arrangements. The following measure shows the percentage of households in transitional housing that were assisted into long-term social housing.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of clients transitioning to department-managed social housing</td>
<td>26%</td>
<td>27%</td>
<td>24%</td>
<td>26%</td>
</tr>
</tbody>
</table>

Source: CRS Database.  
Measure: Output measure from the Ministerial Portfolio Statement 2007–08.

Household satisfaction with social housing  
The department values tenants’ perspectives and obtains valuable information from tenants through the National Social Housing Survey which is conducted biennially. The last survey was conducted in 2007.
Client satisfaction with social housing

<table>
<thead>
<tr>
<th></th>
<th>Previous result*</th>
<th>2005</th>
<th>2007</th>
<th>National</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aboriginal and Torres Strait Islander Housing</td>
<td>-</td>
<td>71%</td>
<td>74%</td>
<td>63%</td>
</tr>
<tr>
<td>Public Rental Housing</td>
<td>74%</td>
<td>78%</td>
<td>81%</td>
<td>71%</td>
</tr>
<tr>
<td>Public Rental Housing — Indigenous households</td>
<td>63%</td>
<td>68%</td>
<td>69%</td>
<td>57%</td>
</tr>
<tr>
<td>Community Housing</td>
<td>82%</td>
<td>85%</td>
<td>79%</td>
<td>86%</td>
</tr>
</tbody>
</table>


* The previous result for the Public Housing survey relates to 2002–03 and the Community Housing survey relates to 2001–02.

Registered community housing providers

The department facilitates continuous improvement of registered community housing providers and monitors their compliance under the Housing Act 2003 and Housing Regulation 2003.

<table>
<thead>
<tr>
<th>Monitoring providers of social housing</th>
<th>Actual 2007–08</th>
<th>Target 2007–08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number and percentage of registered providers meeting prescribed requirements under the Housing Act 2003 and Housing Regulation 2003</td>
<td>292 (99%)</td>
<td>95%</td>
</tr>
<tr>
<td>Number and percentage of planning service reviews of registered providers conducted*</td>
<td>3 (100%)</td>
<td>-</td>
</tr>
<tr>
<td>Number and percentage of all eligible providers managing over 100 tenancies that have achieved accreditation*</td>
<td>4 (27%)</td>
<td>-</td>
</tr>
</tbody>
</table>

Measure: Key measure from the department's Strategic Plan 2007–2012 and Ministerial Portfolio Statement 2007–08.

* Planned service reviews for 2007–08 were trials to establish and test methodology and tools. Once the trial is complete the number of reviews may increase.

* There are few providers that manage over 100 tenancies and the accreditation process takes up to three years.

2008–2013

The department will continue to deliver integrated social housing and housing services to low-income households for the duration of their need. Key initiatives underway to achieve this goal are to:

- improve the delivery of social housing
  - increase the supply of social housing, and
  - improve the coordination of housing services under one social housing system
- assist households with the highest need for the duration of their need,
- provide longer-term housing to assist households with the highest need
  - deliver transitional housing to assist people to stabilise their housing arrangements,
  - fund crisis accommodation to assist people who are homeless or at risk of homelessness, in crisis, and in need of support in the move towards independent living, and
  - implement whole-of-Government support mechanisms to deliver services for clients with complex or critical needs
- improve the performance and viability of social housing providers
  - assist councils to improve tenancy and property management practices within Indigenous communities,
  - assist registered community housing providers to enhance the delivery of quality service to clients, and
  - encourage and support the consolidation of community-managed housing to ensure more efficient and effective service provision.

Key measures

- Total number of households assisted with social housing.
- Total annual increase of social housing dwellings.
- Percentage of social housing allocations to households with the highest need.
- Percentage of client's satisfied with social housing.
- Percentage of dwellings without overcrowding.
- Number and percentage of planned service reviews of registered providers conducted.
- Number and percentage of all eligible providers managing over 100 tenancies that have achieved accreditation.
Goal: Providing support for low to moderate income households in the private market

The Department of Housing assists low to moderate income households to access and sustain private rental accommodation and home ownership. It offers a range of loans and grants, such as Bond Loans and Mortgage Relief, direct to the public. Community organisations also receive funding from the department to provide:

- information, advocacy and advice to tenants,
- information and referrals for home maintenance, repairs, modifications and home security for people with a disability and for people 60 years and over, and
- home modifications for frail-aged people and people with a moderate or severe disability to prevent their premature entry into a hostel, nursing home or similar institution.

Further, the department is developing a range of new products and services to broaden the range of assistance options provided to low-income households in the private market.

Providing assistance to help households access or maintain home ownership or private rental accommodation

The department provides loans and grants to assist households to access or maintain accommodation in the private market. In 2007–08, the department provided:

- 13,676 interest-free bond loans, at a cost of $12.5 million, to people who could not afford to pay a full bond to enable them to move into private rental accommodation,
- 1,218 rental grants, at a cost of $0.5 million, as a once-only payment of two weeks rent to help meet some of the costs associated with moving into private rental accommodation. This product is offered to people exiting crisis accommodation, correctional centres, community-based rent schemes and mental health facilities, as well as people subjected to domestic violence,
- 13 housing loans, at a cost of $0.8 million, for new home owners who had difficulty obtaining finance from a bank, building society, or other financial institution to purchase a home,
- 13 Mortgage Relief loans, at a cost of $0.1 million, for eligible home purchasers who suffered an unexpected change in their circumstances and were having difficulty in maintaining their regular mortgage repayments. Mortgage Relief offers short-term assistance by way of an interest-free loan of up to $12,000, and
- 70 social rental housing tenants with financial assistance to purchase the departmental property they were renting through the Sales to Tenants program.

At 30 June 2008, the department was managing:

- Bond Loan portfolio consisting of 27,024 accounts, and
- Home Loan portfolio comprising 2,227 accounts. This includes a portfolio of 1,254 Rental Purchase Plan accounts. During 2007–08, 451 housing loan accounts were paid out as a result of sales, refinance or natural payouts of accounts. The department renegotiated with four rental purchase plan clients to finance and purchase additional shares in their property at a cost of $0.1 million.

The department granted $4.1 million to non-profit community organisations and local councils to operate Tenant Advice and Advocacy Services. These services provide tenants with access to information, advocacy and advice regarding their rights and responsibilities under the Residential Tenancies Act 1994 and the Residential Services (Accommodation) Act 2002. The program provides, where appropriate, information and referral to people in housing need to access safe, secure and affordable housing. These providers assisted 71,088 people in 2007–08.

In addition to annual funding, a further $0.8 million was allocated to 22 of the 24 Tenant Advice and Advocacy Service (Queensland) registered providers to assist clients affected by closures of residential services facilities.

A client satisfaction survey for the Tenant Advice and Advocacy Service (Queensland) was completed in August 2007. Results of this survey showed:

- 96% of participants were either satisfied or very satisfied with the service they received,
- 98% of participants were satisfied or very satisfied with the quick response from the service, staff’s understanding of their situation and needs, and the ability of staff to make them feel comfortable and at ease, and
- 97% of participants were either satisfied or very satisfied with the knowledge and expertise of the staff member who spoke to them.
Helping people remain in their own homes

Many people need just a little help to remain safe and secure in their own homes. To support older people and people with a disability, the department funds Home Assist Secure services across Queensland. In 2007–08 alone, approximately 61,000 households used these services.

Delivered by 41 providers throughout the State, Home Assist Secure offers free information and referrals on home maintenance, repairs and modification, fall prevention and home security. Minor home modifications such as installation of smoke alarms, hand-held showers, window locks, non-slip floors, grab rails and ramps are also available through this service.

Homessa Inc., a community organisation which has delivered Home Assist Secure services to residents in the Maryborough, Cooloola, North and South Burnett areas since 1993, has assisted 4,372 households with 8,683 Home Assist Secure services in 2007–08. Of the clients assisted, three and a half times more women than men aged over 60 utilised the service, and 63% of these clients had a disability.

Ms Colleen Ensor, Program Coordinator of Homessa Inc., said that Home Assist Secure takes the worry out of home maintenance for many older people and people with disabilities. “People can trust Home Assist Secure to deliver a quality, trustworthy service,” Ms Ensor said.

Developing options to assist clients to access or sustain private market tenure

As part of the realisation of one social housing system, the department announced in April 2008 the RentConnect scheme, which will provide housing assistance to people in the private rental market. RentConnect expands the range of housing assistance offered by the department and provides helpful hints on how to find rental homes in the private market.

Assistance will be available to clients through the trial of the RentConnect Advisory Services in the department’s Central Queensland and Caboolture area offices from late September 2008. The RentConnect Advisory Service will provide assistance tailored to a client’s circumstances, and may include:

- information and education about seeking a tenancy,
- advice and coaching on the application process for a private tenancy,
- assistance with finding suitable properties,
- assistance with collating documents for applications,
- referrals to real estate agents, and
- referrals to obtain community assistance.

To assist aged people and people with a disability to remain in their homes, in 2007–08 the department funded community organisations to:

- assist 60,910 households through Home Assist Secure services with free information and referral relating to home maintenance, repairs, modifications and home security, at a cost of $14.3 million. Subsidised assistance with minor home maintenance, repairs, modifications and security is also available for eligible clients who are in receipt of an Australian Government pension or benefit, and are unable to make use of alternative assistance, and
- undertake 969 modifications to homes under the Home and Community Care Home Modification Service to prevent premature entry into a hostel, nursing home or similar institution, at a cost of $5.5 million. This service provides information, assessment, project management and/or financial assistance with home modifications.

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Two other RentConnect products will be trialled in the same locations in 2009:

- an interest free loan to help with some of the costs involved in establishing a new private rental tenancy which may be used to cover rent in advance, moving costs and the expense of connecting utilities such as gas and electricity, and
- a tenancy guarantee which is a commitment by the department to compensate landlords up to $1,000 for unpaid rent or property damage, which exceeds the rental bond.

In 2007–08, the department invested $1.5 million to introduce the Pathways Shared Equity Loan product to provide tenants who were no longer eligible for social housing with the opportunity to purchase their social rental property if they were able to do so.

Under this loan offering, the prospective home buyer can apply for a loan to purchase a share of their rental home and enter into a co-ownership agreement with the department, who retains the remaining share. The tenant must purchase a minimum 60% share of the property and they can gradually increase their share over time depending on their financial circumstances.

Information about the Pathways Shared Equity Loan was sent to potentially eligible tenants in early 2008 as to how the loan works and providing a contact point for enquiries. As at 30 June 2008, there had been 452 enquiries for this product.

During 2007–08, the department continued its trial of the Rent Start program in the Gold Coast and Sunshine Coast regions. Rent Start assists clients transition from social housing into the private rental market by securing private rental properties for clients on the wait list for long-term social housing, but assessed as able to remain in the private market.

Funding of $10 million, over a four-year period, has been committed to facilitate the program’s delivery through community housing providers. Approximately 600 potentially eligible applicants on the wait list for the Gold Coast and Sunshine Coast were contacted by the department with details on the Rent Start program, with a total of 47 applicants expressing an interest and being referred to community housing providers. A total of 23 housing solutions in the private rental market were provided on the Sunshine Coast and the Gold Coast at a total cost of $0.5 million.

In 2008–09, the trial will be extended to Cairns and Townsville.

Assisting the clients and owners/operators in the supported accommodation and residential services industry

In 2007–08, the department purchased 11 dwellings under the Crisis Accommodation Program, at a cost of $3.3 million, to provide housing options for people displaced through the closure of Level 3 private residential services in the Central Queensland Coast and in North Queensland. In addition, grant funding totalling $1.9 million was provided to 18 registered transitional housing providers across Queensland to assist people displaced by closures of Level 1 and 2 private residential services.

The department assisted the supported accommodation industry to meet the costs of installing sprinkler systems to comply with fire safety standards. A grant product was targeted to Level 3 providers who accommodate people who would require assistance to evacuate the accommodation in an emergency. As at 30 June 2008, eight grant applications were approved at a cost of $0.1 million.

During 2007–08, the Department of Housing also led the whole-of-Government response to 14 confirmed closures of private residential services. The department assisted 72 residents affected by the closures by assessing their needs and providing assistance with alternative accommodation and support options available through government and community agencies.
More social housing tenants have been able to realise the great Australian dream of home ownership this year.

Through a Pathways Shared Equity Loan available from the department, eligible tenants have taken the opportunity to purchase a share in the departmental property they are renting. Tenants must purchase a minimum 60% share of the property, with the opportunity to buy further shares over time. All applicants undergo a thorough assessment process to ensure the loan is suited to their circumstances.

Carolyn, who had been a social housing tenant for four years, worked with the department to secure the Stafford property she and her 13-year-old daughter were living in by taking up this opportunity.

“The loan is a fantastic option for tenants seeking home ownership like me who cannot afford to take out a full mortgage, but can repay a smaller loan,” Carolyn said.

“My daughter starts high school next year, and is feeling happy and secure knowing that we won’t be required to move. So, she’ll be able to start and stay in the same school until she finishes her schooling.

“The loan for us represents not only security for the future, but also freedom to do certain things, like choosing paint colours for the walls!”
Private housing assistance clients satisfied with the overall level of service from providers

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<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Home Purchase assistance</td>
<td></td>
<td>92%</td>
<td>92%</td>
<td>92%</td>
</tr>
<tr>
<td>Home Assist Secure</td>
<td>94%</td>
<td>-</td>
<td>85%</td>
<td>85%</td>
</tr>
<tr>
<td>Bond Loans</td>
<td>97%</td>
<td>-</td>
<td>95%</td>
<td>90%</td>
</tr>
<tr>
<td>Tenant Advice and Advocacy Service</td>
<td></td>
<td>96%</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Surveys.

Measure: Key measure from the department’s Strategic Plan 2007–2012 and an output measure from the Ministerial Portfolio Statement 2007–08.

Note: Surveys are conducted biennially or triennially.

Registered providers

<table>
<thead>
<tr>
<th>Monitoring providers of private housing assistance</th>
<th>Actual 2007–08</th>
<th>Target 2007–08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number and percentage of registered providers meeting prescribed requirements under the Housing Act 2003 and the Housing Regulation 2003</td>
<td>52 (100%)</td>
<td>95%</td>
</tr>
</tbody>
</table>

Measure: Output measure from the Ministerial Portfolio Statement 2007–08.

Timeliness measures

<table>
<thead>
<tr>
<th>Timeliness measures</th>
<th>Actual 2005–06</th>
<th>Actual 2006–07</th>
<th>Target 2007–08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of Bond Loan payments to the Residential Tenancies Authority within 24 hours of confirmation of tenancy</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Percentage of grants paid by date specified in funding agreement</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Percentage of Housing Loan offers proceeding to approval</td>
<td>26%</td>
<td>42%</td>
<td>20%</td>
</tr>
<tr>
<td>Percentage of applications for assistance processed within timeframe — new lending — 28 days</td>
<td>94%</td>
<td>94%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Measure: Output measures from the Ministerial Portfolio Statement 2007–08.

This assistance is demand-driven and the variance may be due to borrowers experiencing difficulties with locating suitably priced houses to proceed with the application.

2008–2013

The department will continue to provide support for low to moderate income households in the private market. The initiatives to achieve this goal are to:

- assist households to access the private rental market or home ownership
  - provide financial assistance to help eligible households access home ownership or private rental accommodation, and
  - deliver products to assist clients to access the private market, including those transitioning out of social housing
- assist households to maintain private rental tenure or home ownership
  - provide financial assistance to help households maintain home ownership,
  - deliver products to assist clients to sustain private market tenure,
  - deliver maintenance and modification services to assist people to remain in their own homes, and
  - fund advice and advocacy services to assist households in the residential rental market with information, advocacy and advice regarding their rights and responsibilities.

Key measures

- Total number of households assisted to access or sustain private market tenure.
- Percentage of private housing assistance clients satisfied with the overall level of service from providers.
Goal: Helping to build sustainable communities

The Department of Housing helps to build sustainable communities by:

- working with government and the private sector to develop innovative responses to ensure an adequate supply of affordable housing, and
- effectively using existing social and cultural resources of communities and building the capacity of residents to participate actively in community life, including community management and development.

Developing options to increase the supply of affordable and diverse housing

In 2007–08, the department contributed to the ongoing delivery of affordable and diverse housing outcomes through:

- maintaining and increasing the supply of affordable housing options under the Keeping the Australian Dream Alive initiative by:
  - acquiring 102 units of motel-style accommodation at a cost of $14.3 million,
  - acquiring 28 mobile homes for use in caravan parks at a cost of $1.8 million, and
  - commencing master planning of the caravan park at Woombye to improve amenities
- progressing the development of three parcels of land for affordable housing in partnership with local councils and/or community organisations to deliver affordable housing solutions. Two of the parcels will provide 23 housing sites for social housing and 23 sites for first home buyers. An expression of interest for the third parcel of land closed in June 2008,
- negotiating the portion and variety of affordable housing on major projects led by the Department of Infrastructure and Planning involving surplus government land at Coomera and Boggo Road Urban Village, and
- relocating six dwellings to councils in Boulia, Ilfracombe and Diamantina and 12 dwellings to councils for use as social rental housing in Charleville, Moura, Biloea, Proserpine, and St George. The relocated dwellings provide a cost-effective housing outcome for these remote communities.

During 2007–08, the Department of Housing commenced working with the Australian Government to finalise how the National Rental Affordability Scheme will work in Queensland. The scheme will:

- increase the supply of affordable rental properties,
- reduce rental costs for low to moderate income households, and
- encourage large scale investment and innovative delivery of affordable housing through a range of incentives.

The scheme will help stimulate the supply of new affordable rental dwellings nationwide. It is expected that Queensland will share in the national allocation of incentives, by offering an additional $2,000 per dwelling per annum for 10 years for Queensland-based projects, in the form of cash grants, land contribution or other in-kind support.

Rent for these dwellings will be charged at a minimum of 20% below the market rate for eligible tenants, with the requirement that dwellings funded under the scheme be solely rented to applicants from the department's housing register.

Supporting housing diversity by providing housing advice

The department provides policy advice and housing data and analysis on housing options to State agencies and local governments dealing with housing and residential development, including advice on affordable housing to meet community need. During 2007–08, the department:

- completed three housing analyses relevant to the communities of Hervey Bay, Maryborough and Mackay, and identified a range of housing options to address existing and future community needs,
- reviewed 30 planning schemes and instruments for individual councils to consider a range of housing options that better respond to the housing needs of the community,
- provided information and advice on housing-related issues to the Department of Infrastructure and Planning as part of its statutory regional planning program. The regional plans considered during the year were for South East Queensland, Far North Queensland, Central West, Maranoa and South West Queensland, and
- provided advice to the Urban Land Development Authority on affordable housing options for three urban development areas in Hamilton, Bowen Hills and Fitzgibbon.
Further, the department worked collaboratively with the Urban Land Development Authority to provide advice on policy frameworks and planning instruments that support housing diversity, including affordable housing in urban development areas, by:

- determining broad target groups for affordable housing, particularly in relation to income, price points and demographics,
- planning for the increase in supply of affordable rental housing and home ownership outcomes in urban development areas, and
- negotiating the participation of not-for-profit housing providers as key organisations in the delivery of affordable rental accommodation.

Promoting improved choice and access in the general housing market to ensure housing meets the needs of the general community

The Department of Housing and the Real Estate Institute of Queensland launched the Home Access Information trial in June 2007. Through the trial, Brisbane real estate professionals identify and promote properties for sale or rent in the private market that have access features, making it easier for people with mobility impairment to identify a property that they can more easily enter and move within.

In 2007–08:

- 71 real estate agents registered to participate in the trial,
- an awareness campaign commenced in September 2007, with a number of articles about the trial featured in journals such as the Real Estate Institute of Queensland (REIQ) Journal and Sustainable Housing. Supporting advertisements appeared in Quest newspapers, The Courier-Mail, realestate.com.au, BMagazine and Seniors Magazine, and
- presentations of the trial were delivered to the Prince Charles Hospital’s occupational therapists and the Cerebral Palsy League of Queensland Board, who provided feedback as well as possible options to increase participation in the trial. Presentations were also attended by representatives from the Tenants’ Union of Queensland and Raine and Horne Realty.

The second edition of ‘Over 100 ways to improve access at home’ booklet was released in 2007–08 and placed in doctors’ surgeries. It was also promoted on the Department of Housing website and distributed state-wide to community groups, carers groups, respite centres, community nursing services, Home and Community Care nursing services, social workers, occupational therapists, and to hospital discharge planners. The booklet provided information on a range of minor fixtures, fittings and equipment that can improve people’s safety and independence in the home. Over 9,800 booklets and 12,200 promotional brochures were distributed in support of this campaign.

In 2007–08, the department implemented actions to address housing issues resulting from the mining boom in the Bowen Basin, including:

- releasing 34 vacant land sites to assist in addressing the shortage of housing options for low to moderate income workers in the area,
- providing $3.2 million to the Whitsunday Housing Company to develop 30 units of affordable accommodation over three years, and
- selling of 23 dwellings to address the limited supply of private accommodation in the Bowen Basin region where there was no demand for social housing.

Increasing community capacity and working with project partners to deliver sustainable solutions in Community Renewal areas

Community Renewal is a whole-of-Government program coordinated by the Department of Housing to develop stronger, well connected communities where people want to live.

The program actively engages residents from targeted communities to identify local issues and develop solutions which meet their specific communities’ needs. Community Renewal works closely with State, local and non-government agencies in each renewal area, ensuring efforts are coordinated and resources are directed towards community-identified issues. In 2007–08, the department:

- engaged up to 7,960 residents in the development and delivery of projects and activities,
Promoting easier access in private sector homes

As part of the Brisbane-based trial of Home Access launched in 2007 in partnership with the Real Estate Institute of Queensland (REIQ), participating real estate agents identify properties which have access features and promote them in their listed properties to potential buyers or tenants.

Properties with ‘access features’ have at least one entry into the home with no more than three steps. And from this entry, people have access to a kitchen, bathroom, toilet and at least one bedroom on the same level.

The success of and need for such a service in Brisbane is evident, with over 70 Brisbane-based real estate agents now participating.

Real estate agent RE/MAX Annerley’s Nick Bekker said that involvement in the trial has given him a competitive edge. “The need for easier home access is evident in every demographic and by promoting access features, we offer people an additional service that allows them to pinpoint suitable houses for viewing and save time in their search,” Mr Bekker said.

Nick’s client Fatima (pictured), who has four children — one of whom has a disability, was delighted to hear of the department’s Home Access trial and that the REIQ was encouraging agents to promote these features to prospective clients and tenants. “Access features should be made a standard search item. For many people, this information is just as important as knowing how many bedrooms, bathrooms and garages a property has,” Fatima said.

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- contributed $16.1 million towards a total of $38 million which was allocated for improving 10 Community Renewal zones through 170 projects. These consisted of:
  - 95 projects targeting priority issues including engaging youth in their community and education system, supporting and developing families, training and employment and cultural programs to reconnect communities. These priorities were identified through community engagement workshops and linked to the priorities of partner agencies,
  - 60 projects to build the capacity of local residents and organisations, and
  - 15 projects to improve local amenities and infrastructure.

The program has the flexibility to provide the solutions communities need most, ranging from health and well-being, economic development, community safety, and employment and training initiatives to arts and cultural development, sport and recreation, and neighbourhood amenity improvements. Examples of projects approved during 2007–08 are:

- the Laurence Park Development project to assist in the development of a park in Condon. The project will transform a spare allotment into a vibrant community space for use by a wide range of people, increase community identity, and create opportunities for social connectedness and exercise. The park will be the first of its kind in the Upper Ross with a number of new elements to cater for different recreational uses including:
  - a play area with a range of new, interactive play equipment,
  - skating and basketball facilities,
  - a bike and walking path, and
  - picnic and barbeque shelters and rest areas
- the Woree Community Learning Centre project to support the establishment of learning programs and the purchase of information technology equipment at the newly constructed Community Learning Centre at Woree State High School,
- the Walking School Bus project to improve the health and well-being of local children, promote a healthy lifestyle and reduce traffic in the school area. The project will train 15 Walking School Bus volunteers to walk or ‘drive’ students from three local schools to participate in the Kids Sports program in Frascott Park. Kids Sports programs offer children the opportunity to participate in physical activity that is fun and inclusive of all fitness and ability levels. It is anticipated that the project will involve up to 500 children,
• the Beenleigh, Eagleby and Yatala Enterprise Area Transport initiative is a 12-month pilot project to improve access to local employment opportunities through the provision of accessible, affordable responsive and sustainable transport in the local area. The project will address the lack of employment oriented accessible transport between the Beenleigh / Eagleby and Yatala areas,

• the Caboolture Digital Divide project will supply 10 laptop computers, a data projector, screen and the installation of a computer rack, using wireless technology, at the Grant Road Sport and Community facility. It will provide localised training for residents to increase their information technology skills. The project will also supply 12 months broadband internet to the facility as a training tool. Training will be delivered by the Caboolture Learning Network via its highly successful Nervous Beginners Computer Course, and

• the Southport Heritage Walk project will increase residents’ knowledge of their local community, provide an opportunity for community engagement, increase physical activity and provide a platform for local history to be incorporated into the local school curriculum. Heritage markers documenting local history will be situated around the suburb. A walking trail will connect the markers as well as other features such as local parks. The sites will be identified, chosen and designed following community consultation and will include places of natural, Indigenous and historical significance. The trail will also be linked with Queensland Health’s 10,000 Steps project to assist the community to adopt active lifestyle changes that will enhance their well-being and increase community safety.

Community Renewal activities on Palm Island commenced in July 2000 with a budget of $6.4 million allocated for 40 projects. Work in the zone concluded on 27 April 2008 with all funds allocated. During its life, renewal activities were delivered in response to identified priority issues for the Palm Island community that included housing, employment, vocational training, recreation and community capacity building.

In particular, outcomes achieved on Palm Island during 2007–08 included:

• participation of community members in practical pre-vocational courses in building and construction through TAFE and QBuild,

• engagement of youths to develop their skills playing traditional musical instruments,

• construction of the Palm Island Children’s Memorial Gardens to assist in the grieving and healing processes for relatives and friends of those who have passed away, and

• provision of case management support to help families who wished to transition from Palm Island to life on the mainland.

Improving government responsiveness and strengthening cross-government collaboration in Community Renewal areas

During the scoping, development and implementation of Community Renewal projects, a range of government and non-government stakeholders are consulted and provide input into project activities. In 2007–08, the department:

• facilitated partner contributions of 58% of total project funds, resulting in combined Community Renewal and partner agencies funding of over $38 million. The contribution of both Government and non-government agencies to Community Renewal enabled funds to achieve more outcomes targeting locally identified needs, and

• strengthened cross-government collaboration with 96% of projects funded by the program involving multiple service providers working together to achieve an integrated response in communities.

Percentage of total funds contributed by partner agencies

<table>
<thead>
<tr>
<th>Percentage of Total Funds Contributed by Partner Agencies</th>
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<tbody>
<tr>
<td>2005-06</td>
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<tr>
<td>44%</td>
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</table>

During 2007–08, the overall satisfaction with the government’s responsiveness across all Community Renewal zones rose from 39% to 40%.

Developing and testing innovative projects and service delivery in Community Renewal areas

During 2007–08, the department reviewed the Community Renewal program to determine avenues to improve service delivery and develop further innovative projects.
in Community Renewal areas. In particular, an evaluation of the second phase (2004–05 to 2009–10) of the Community Renewal program was undertaken to measure the progress, effectiveness and long-term impact of the program. The review highlighted the effectiveness of the program’s approach to partnerships, with external partners commending the commitment of the Community Renewal program in delivering high quality outcomes for communities, and the open and consultative approach to developing and implementing projects under the auspices of the program.

Specifically, the second term of the program has:

• improved systems and processes for delivering projects,
• instituted a suite of program performance measures that are perceived generally by stakeholders as easy to report against,
• sourced over 50% of total funding from partner agencies,
• achieved a high level of effective community consultation,
• addressed local issues expressed as zone priorities effectively and delivered innovative projects responding to these priorities,
• demonstrated particular success in establishing partnerships at a local or regional level with, and between, other State Government agencies, local councils and the community sector, and
• increased skills, knowledge and the capacity of local residents to engage with Government and has facilitated the creation of community partnerships, which have led to positive outcomes based on Government-community collaboration.

The third annual Community Life Survey was conducted, involving more than 2,500 residents from Community Renewal zones providing feedback on their perceptions of Community Renewal, their neighbourhood and lifestyle. The information captured will be used to evaluate the program’s overall performance. Key results from the survey indicated that:

• approximately one-third of Community Renewal zone residents felt that the introduction of the Community Renewal program improved the quality of life in their neighbourhood,
• the proportion of residents satisfied with their neighbourhood as a place to live increased from 83% to 87% over the past two years, and
• resident perceptions of safety in their neighbourhood improved from 59% to 67%.

Community Renewal — creating local employment opportunities

The Beenleigh community needed more local job opportunities. Businesses in the neighbouring Yatala industrial estate needed employees to support their high growth rate. The department saw an opportunity to link the two and meet both needs at the same time.

The Yatala Enterprise Area Skills and Labour Supply Chain project is now a successful joint initiative between the department’s Community Renewal program, the Australian Government’s Department of Education, Employment and Workplace Relations, council and local businesses. Project officers were employed to work with local training, recruitment and employment services to build networks and maintain a labour supply chain from wider Beenleigh to businesses in the estate.

The project has exceeded expectations with more than 530 local people employed at the industrial estate since the project began in January 2007.

Unemployment in the area has dropped to its lowest rate in years and David Shadbolt (pictured) is proof the project has much to do with this.

“If it wasn’t for this project, I would never have known of the job opportunities available in the Yatala estate,” he said.

“After being unemployed for some time, doing odd jobs where possible, it’s great to now have a full-time job with a consistent income and to feel more a part of the community.”

Community Renewal also funded a supporting project to provide employees with transport to the industrial estate. With no existing public transport meeting this need, the project filled this gap, transporting over 80 employees a day to and from work.

These projects demonstrate how Community Renewal delivers innovative projects and connects residents, Government and non-government partners to make a real difference in local neighbourhoods.
These sources of information have been used to inform future projects and service delivery in Community Renewal zones, and ensure the program continues to include innovative projects. In addition, each Community Renewal project is monitored on an ongoing basis and measured against its performance measures to ensure the efficient delivery of each project.

### Measuring our performance

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<tr>
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</thead>
<tbody>
<tr>
<td>Percentage of funding contributed by partner agencies in Community Renewal</td>
<td>44%</td>
<td>55%</td>
<td>58%</td>
<td>50%</td>
</tr>
<tr>
<td>Level of participation in Community Renewal activities</td>
<td></td>
<td>16%</td>
<td>13%</td>
<td>20%</td>
</tr>
<tr>
<td>Proportion of targeted groups participating in Community Renewal</td>
<td>13%</td>
<td>11%</td>
<td>12%</td>
<td>13%</td>
</tr>
<tr>
<td>Progress against zone plans</td>
<td>20%</td>
<td>82%</td>
<td>77%</td>
<td>75%</td>
</tr>
<tr>
<td>Portion of zone plans reviewed annually</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Community Life Survey.
Measure: Key measures from the department’s Strategic Plan 2007–2012 and Output measures from the Ministerial Portfolio Statement 2007–08.

### 2008–2013

The department will continue to help build sustainable communities by:

- working with project partners in Community Renewal zones to deliver sustainable solutions to local issues and help create stronger, well-developed communities where people want to live
  - build the capacity of the community to respond to its future needs, and
  - improve government responsiveness and strengthen cross-government collaboration in Community Renewal areas to streamline service delivery
- promoting housing diversity to meet the needs of communities
  - support improved choice and access in the housing market to ensure housing meets the needs of the general community,
  - encourage housing diversity by providing housing advice on planning schemes, major developments and other major initiatives, and
  - maximise the supply of a diverse range of affordable housing.

### Key measures

- **Satisfaction with the Community Renewal zone as a place to live.**
- **Percentage of funding contributed by partner agencies to Community Renewal.**
- **Percentage of Community Renewal projects with service integration outcomes.**
- **Number of local government planning schemes reviewed.**
- **Number of housing analyses provided to support the preparation of housing need assessments by local governments.**

### Client satisfaction

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<tbody>
<tr>
<td>Satisfaction with the Community Renewal zone as a place to live</td>
<td>84%</td>
<td>83%</td>
<td>87%</td>
</tr>
<tr>
<td>Satisfaction with level of changes in renewal zone since Community Renewal</td>
<td>84%</td>
<td>81%</td>
<td>81%</td>
</tr>
<tr>
<td>Level of satisfaction with services available locally</td>
<td>57%</td>
<td>56%</td>
<td>57%</td>
</tr>
</tbody>
</table>

Source: Community Life Survey.
Measure: Key measures from the department’s Strategic Plan 2007–2012 and output measures from the Ministerial Portfolio Statement 2007–08.
Organisational capability and governance

The department strategically managed its assets, client service, quality and environment, workforce, finance, information and communication, and general corporate governance.
Organisational capability and governance

Client service management

The department is committed to enhancing service delivery arrangements to meet the changing needs of its clients, expanding service delivery channels and implementing whole-of-Government support mechanisms to deliver services for clients with complex needs.

Providing direct service delivery to clients across the State

The department continued to build on its past performance to improve services for clients and support the realisation of one social housing system. In 2007–08, the following client service management initiatives were implemented:

- the existing Income Confirmation Service was expanded by introducing income confirmation online. This system enables the department to request, in agreement with clients, their income and asset statement via the Centrelink website in order to complete a rent assessment. Over 48,000 government-managed social rental housing household members are now participating in the Income Confirmation Service,
- continued to work with the Department of Child Safety to ensure effective communication regarding the provision of housing services to children in need of protection. Processes were also developed for staff to respond to referrals from the Department of Child Safety and for investigation in determining appropriate housing assistance for children and their carers that focuses on the needs of the child,
- the department’s new Complaints Management System was introduced in November 2007 to enable timely, efficient and responsive resolution of client matters. This new system ensures clients have relevant information about the department’s feedback processes, increased support and easy access to interact with the department. Information on this process is available at www.housing.qld.gov.au/contact/feedback/index.htm.

Enhancing service delivery arrangements and channels to meet the changing needs of our client base

Clients expect to access services through a range of convenient methods at times and locations of their choice. New and emerging technologies are facilitating such opportunities and the department is actively pursuing opportunities to increase service delivery options.

In 2007–08, the department:

- progressed the development of a pilot Rural Housing Service Centre to act as a single point of entry to the social housing system, which will allow people with a housing need in rural areas to access a local ‘one stop shop’ for social housing assistance,
- continued to work with Smart Service Queensland, as the primary vehicle for the transformation of service delivery, to make Queensland Government services more accessible, efficient and convenient to the Queensland public and to reduce the cost of the delivery of services via a range of integrated channels, and
- established a Service Delivery Reform Unit to develop the department’s service delivery strategy in the short, medium and long-term.

Implementing whole-of-Government support mechanisms to deliver services for clients with complex needs

As at 30 June 2008, the department was supporting over 85,800 households, with more than 85,300 of these receiving ongoing assistance. An increasing number of people seeking housing assistance from the department are recognised as having complex needs as a result of having both a low income and other personal circumstances that inhibit their ability to enter, or sustain residence in, the private rental or home ownership markets.

The department is working with other Queensland Government agencies to provide cross-agency solutions for mutual clients with complex needs. In 2007–08:

- the Housing with Shared Support policy framework was finalised with Disability Services Queensland to ensure a responsive and collaborative solution is achieved to support mutual clients of both agencies,
- the department continued to work with Disability Services Queensland and Queensland Health to support clients exiting the Princess Alexandra Hospital Spinal Injuries Unit wishing to return to their home or other long-term accommodation. Under the initiative, clients are assisted with essential home modifications or coordinated housing and support to enable them to move towards greater independence, self-reliance and re-integration into their communities,
- under the Mental Health Housing with Support Strategy, the department worked with Queensland Health and Disability Services Queensland to respond to people with mental illness and psychiatric disability who require both housing and support to live successfully in the community,
• under the Drug Court Residential program, the department worked with the Department of Communities and Department of Justice and Attorney-General to divert people on drug-related charges from custodial sentences into rehabilitation residential treatment programs. This program is part of a comprehensive, whole-of-Government approach to reduce illicit drug use and break the cycle of drug addiction and crime, and

• the department collaborated with the Departments of Communities and Child Safety to pilot the Queensland Indigenous Alcohol Diversion Program that aims to divert Indigenous defendants in treatment and case management programs from the criminal justice system.

Measuring our performance

The department measures the levels of client satisfaction with their treatment by staff through the biennial National Social Housing Surveys. The last surveys were conducted in 2007.

<table>
<thead>
<tr>
<th>Percentage of social housing tenants satisfied with their treatment by staff</th>
<th>2005</th>
<th>2007</th>
</tr>
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<tbody>
<tr>
<td>Aboriginal and Torres Strait Islander Housing</td>
<td>79%</td>
<td>84%</td>
</tr>
<tr>
<td>Public Housing</td>
<td>78%</td>
<td>79%</td>
</tr>
<tr>
<td>Community Housing*</td>
<td>84%</td>
<td>78%</td>
</tr>
</tbody>
</table>

Source: National Social Housing Surveys.

* Community Housing results are not comparable with results for previous years due to a new survey methodology adopted.

The Queensland Freedom of Information Act 1992 enables members of the community to access copies of departmental policy documents. A summary of Freedom of Information requests is detailed below.

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<thead>
<tr>
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<tbody>
<tr>
<td>Number of applications</td>
<td>45</td>
<td>59</td>
<td>64</td>
</tr>
<tr>
<td>Number of internal reviews</td>
<td>8</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Number of external reviews</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Number of applications withdrawn</td>
<td>2</td>
<td>2</td>
<td>8</td>
</tr>
</tbody>
</table>

Lending a helping hand to the people of Mackay

After Mackay homes were damaged by the floods in February 2008, the department leapt into action to support affected residents in the area.

Five departmental properties were evacuated due to flood damage, with tenants moved into other social housing properties while QBuild worked to repair the damage to their homes. Another five tenants renting in the private market were relocated to departmental properties due to the floods.

In addition, the department fast-tracked over a two-week period an upgrade to its recently purchased Mount Nebo Rd Motel to provide short-term emergency accommodation for other residents affected by the floods. The property was then used to provide medium-term accommodation for home owners without insurance, as well as people from the private rental market needing housing while their properties were being repaired. In the longer term, the department will adapt the motel into 22 community-managed studio apartments as originally planned.

The department also assisted people to remain in the private rental market by providing 39 flood-related bond loans.

Ron Anderson (pictured), caretaker of the South West Mackay Neighbourhood Centre, waded through water to offer a hot cup of tea to his neighbours who had no electricity.
Clients are able to appeal departmental decisions about housing services provided through the Appeals and Review unit. Application for appeal must be made in writing within 28 days of the client becoming aware of the decision, although some appeals can be considered outside this timeframe.

A summary of recent appeals is outlined below.

### Reviewable decisions and administrative appeals by clients

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of decisions overturned or amended</td>
<td>54 (44%)</td>
<td>53 (43%)</td>
<td>63 (32%)</td>
</tr>
<tr>
<td>Number of decisions upheld</td>
<td>59 (48%)</td>
<td>66 (53%)</td>
<td>88 (65%)</td>
</tr>
<tr>
<td>Number of applications pending</td>
<td>10 (8%)</td>
<td>5 (45%)</td>
<td>44 (23%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>123</strong></td>
<td><strong>124</strong></td>
<td><strong>195</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Administrative appeals</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of decisions overturned or amended</td>
<td>86 (25%)</td>
</tr>
<tr>
<td>Number of decisions upheld</td>
<td>244 (72%)</td>
</tr>
<tr>
<td>Number of applications pending</td>
<td>10 (3%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>340</strong></td>
</tr>
</tbody>
</table>

### Specific client groups

#### People with a disability

The department delivers a range of services to address housing needs of people with a disability which remove or reduce the impact of social, physical or organisational barriers, ensuring they have the same opportunity as other individuals to participate in their communities.

Enabling people with a disability to access housing assistance and make choices that better meet their needs may lead to greater employment opportunities and increased participation in social and educational activities. This may also foster independence and increase the capacity and opportunity for people with a disability to pursue their goals.

In 2007–08, the department:

- completed construction of 134 dwellings and commenced the construction of 138 dwellings that meet Australian standards for adaptability and are fully wheelchair accessible to provide accommodation to meet the needs of people with a diverse range of disabilities,
- assisted 34 clients with severe to moderate mental illness to undertake tenancy agreements and purchased 39 dwellings at a cost of $11.3 million under the Mental Health with Housing Support Strategy,
- housed 14 people in social rental housing, completed 17 dwelling modifications, completed the construction of 24 units of accommodation, at a cost of $14.6 million, for people with a spinal cord injury who were ready to leave the Spinal Cord Injuries Unit at the Princess Alexandra Hospital. This enables those assisted to move towards greater independence, self-reliance and re-integration into their own communities,
- assisted 60,910 households through Home Assist Secure services with free information and referral relating to home maintenance, repairs, modifications and home security, at a cost of $14.3 million. Subsidised assistance with minor home maintenance, repairs, modifications and security is also available for eligible clients who are in receipt of an Australian Government pension or benefit, and are unable to make use of alternative assistance,
- completed 969 modifications to homes under the Home and Community Care Home Modification Service to prevent premature entry into a hostel, nursing home or similar institution, at a cost of $5.5 million. This service provides information, assessment, project management and/or financial assistance with home modifications, and
- commenced an awareness campaign for the Home Access trial in Brisbane which provides financial assistance to people in the private housing market to adapt their home to meet their specific needs and better targeted information for home owners, renters and real estate agents.
The department assisted more than 25,000 households with a disability in 2007–08.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Aboriginal and Torres Strait Islander Housing Rental Program</td>
<td>660 21.8</td>
<td>642 20.5</td>
<td>690 21.4</td>
</tr>
<tr>
<td>Public Rental Housing</td>
<td>20,917 39.4</td>
<td>21,223 39.7</td>
<td>22,293 41.3</td>
</tr>
<tr>
<td>Long Term Community Housing Program</td>
<td>n/a -</td>
<td>455 22.6</td>
<td>556 23.0</td>
</tr>
<tr>
<td>Community-managed Housing — Studio Units</td>
<td>301 46.5</td>
<td>381 48.1</td>
<td>494 54.9</td>
</tr>
<tr>
<td>Community Rent Scheme</td>
<td>842 29.0</td>
<td>923 31.0</td>
<td>894 31.0</td>
</tr>
<tr>
<td>Brisbane Housing Company</td>
<td>165 39.5</td>
<td>159 32.4</td>
<td>159 10.4</td>
</tr>
</tbody>
</table>

Indigenous people

The department acknowledges Aboriginal and Torres Strait Islander people as the first people of Queensland and of the Torres Strait Islands, with unique cultural and spiritual relationships to the land and seas.

The department values and respects the diverse cultures among Aboriginal and Torres Strait Islander people of Queensland and further recognises that Aboriginal and Torres Strait Islander people have a right to access affordable, appropriate, safe, well-designed and appropriately maintained housing.

Many Indigenous Queenslanders face additional barriers to achieving positive housing outcomes. These barriers include higher levels of overcrowding, discrimination and homelessness, a higher proportion of multiple family households and a lower rate of home ownership. Consequently, the department continues to focus on improving housing outcomes for Indigenous people.

The department’s response to these challenges includes immediate interventions and longer-term strategies.

According to the 2006 Census, there are 146,400 Indigenous people living in Queensland, representing 3.6% of the total population. In terms of total numbers, Queensland has the second largest Indigenous population in Australia, running a close second to New South Wales (148,200). Of all the mainland states, Queensland has the lowest percentage of Indigenous people living in major cities (26%).

One in five Indigenous people in Queensland live on one of 142 communities, 34 of which are Deed-of-Grant-in-Trust communities which house around 22,000 people. The remaining 108 communities housing approximately 3,000 people are located on a variety of land tenure types including reserves, perpetual leases, private land or Aboriginal freehold land. Most of these are small communities with populations of 50 people or less.

In 2007–08, the department assisted more than 18,100 Indigenous households with social housing.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Aboriginal and Torres Strait Islander Housing Community Program*</td>
<td>230 100</td>
<td>4,157 100</td>
<td>4,092 100</td>
</tr>
<tr>
<td>Aboriginal and Torres Strait Islander Housing Rental Program</td>
<td>3,022 100</td>
<td>3,134 100</td>
<td>3,228 100</td>
</tr>
<tr>
<td>Public Rental Housing</td>
<td>3,451 6.5</td>
<td>3,873 7.2</td>
<td>4,140 7.7</td>
</tr>
<tr>
<td>Long Term Community Housing Program</td>
<td>n/a -</td>
<td>238 11.8</td>
<td>237 9.8</td>
</tr>
<tr>
<td>Community-managed Housing — Studio Units</td>
<td>47 7.7</td>
<td>51 6.4</td>
<td>54 6.0</td>
</tr>
<tr>
<td>Community Rent Scheme</td>
<td>552 18.2</td>
<td>573 19.2</td>
<td>715 24.8</td>
</tr>
<tr>
<td>Brisbane Housing Company</td>
<td>27 3.8</td>
<td>35 2.9</td>
<td>41 2.7</td>
</tr>
<tr>
<td>Bond loans*</td>
<td>5,884 12.8</td>
<td>6,420 14.0</td>
<td>5,389 12.5</td>
</tr>
<tr>
<td>Rental grants*</td>
<td>228 21.5</td>
<td>248 22.2</td>
<td>207 17.0</td>
</tr>
</tbody>
</table>

* The department calculates the total number of households assisted as the number of households occupying Aboriginal and Torres Strait Islander Housing Community Program rental units at 30 June. The number of rental units recorded under the Aboriginal and Torres Strait Islander Housing Community Program decreased as a result of the rectification of inconsistent data. The data was verified following information collected in the Property Conditions Audit and Tenant Survey. In addition, there is limited availability of suitable contractors in remote locations, which results in delays in construction.

* Bond loans and rental grants are demand-driven and fluctuation is evident in historical results.
The Department of Housing introduced the Housing Improvement Program in 2006 to increase the supply and improve the standard of housing within Queensland’s 34 Indigenous communities.

As part of that program, in 2007–08 the department developed Housing Improvement Plans for all 34 communities. The plans are housing asset and tenancy planning documents that form a key part of the overall Housing Improvement Program, supported by:

- a new performance management framework,
- over-arching tenancy management guidelines which Indigenous councils must comply with under the terms of their agreement with the Department of Housing,
- a Strategic Asset Management Plan, and
- supporting information and managerial decision-making tools.

Within each Housing Improvement Plan, there is a set of agreed strategies and actions which relate specifically to areas requiring improvement for each individual Indigenous council.

Some of the outcomes the department has achieved in Indigenous communities in 2007–08 are:

- expended $76.8 million through the Housing Improvement Program to:
  - complete construction of 24 dwellings commenced in 2007–08 or previous years, replace 32 dwellings and perform 272 upgrades to dwellings,
  - commence construction of 69 dwellings, eight factory-built dwellings, eight replacement dwellings and begin upgrade work on 158 dwellings,
  - purchase 46 dwellings through the Off-Community Investment program to provide residents of Palm Island, Yarrabah, Cherbourg and Mona Mona with more options to access services and employment opportunities,
  - maintain approximately 4,092 dwellings, and
  - support Indigenous councils by providing advice, tools and training in asset and tenancy management
- implemented design and construction standards for remote Indigenous housing to ensure housing in the remote communities is of a comparable standard to other forms of social housing.

In 2007–08, the department continued tenancy management services in four communities covering approximately 400 rental units. Collection rates in the four communities increased, resulting in a subsequent 20% increase of monthly rental payments collected over the past 12 months.

The department has signed an agreement with an additional council to commence tenancy management services, covering approximately 180 rental units.

Another initiative underway in Indigenous communities is the Fixing Houses for Better Health program which is being delivered in Queensland under an agreement with the Australian Government. In 2007–08, through this initiative:

- health and safety repairs were undertaken in 318 dwellings at Kowanyama and Pormpuraaw,
- the first round of dwelling surveys were completed resulting in 734 items being fixed immediately by Survey Teams and 5,748 high priority work orders being issued and completed for electrical, plumbing, health hardware repairs and gas works, and
- the second round of surveys were completed in Pormpuraaw in June and Kowanyama will commence in September 2008.

One of the benefits of the Fixing Houses for Better Health program is how it complements repair activities undertaken through the Housing Improvement Program's responsive maintenance, planned maintenance and upgrade program.

Also in 2007–08, the department commenced the Healthy Indigenous Housing initiative to improve housing outcomes for people living in social housing on Indigenous communities by improving:

- tenant awareness of maintenance issues and use of the department’s Call Centre,
- Indigenous council housing officers’ understanding of the Residential Tenancies Act 1994 and the Housing Improvement Program, and
- housing planning and management by councils.

Under the Community Renewal program, the department approved 16 projects targeted towards Aboriginal and Torres Strait Islander people. Examples of projects funded in 2007–08 are:

- the Youth Empowered Towards Independence Indigenous Outreach program that will employ a male and female part-time Indigenous support worker over two years to engage with Indigenous youth residing in Cairns West and link them to a range of support services. The project will also engage with families and Indigenous organisations to increase their awareness and participation in support services for at risk youth,
• the Supporting Schools Response to Cultural Needs initiative will support the educational experience of 254 Indigenous students and their families, and enhance cultural awareness and inclusiveness of all 1,280 students attending the three state primary schools in West Townsville. Cultural Liaison Workers will work in these three schools to maximise use of the schools’ existing resources, capacities and opportunities. Each school will incorporate design elements into their school space that aim to encourage parents and, in particular, Aboriginal and Torres Strait Islander parents using the area to feel welcome at the school, and

• Great Educational Choices for Kids Online (GECKO) is a direct response to the need to lift the Year 12 retention and completion rates for Indigenous students from the current level of 33%. It will assist in the transition from primary to high school and improve long-term retention rates for at least 80 Indigenous students from Morayfield and Caboolture by ensuring positive opportunities in their initial encounters in high school. It will also increase literacy and information technology skills of Indigenous students and enhance student learning and engagement.

Under the Indigenous Workforce Strategic Action Plan 2007–08, the department:

• distributed a resource kit for managers to provide information on a broad range of options for attracting and retaining Aboriginal and Torres Strait Islander employees,

• developed and circulated an Education to Employment brochure to local schools near the department’s area offices in regional Queensland. The brochure is a promotional tool to encourage Indigenous students to consider the broad range of career paths available within the Department of Housing, and

• launched the Indigenous Employee Network in October 2007, to provide a mechanism for consultation for Indigenous staff.

The department promoted its services for Aboriginal and Torres Strait Islander people through displays at Brisbane Square on 9 July and Musgrave Park on 13 July. The department also participated in NAIDOC (National Aboriginal and Islander Day Observance Committee) Week events in the Community Renewal areas of Cairns, Townsville, Caboolture, Deception Bay, Inala, Acacia Ridge and Logan. Promotional items were produced for the events, which featured Indigenous artwork and were provided for the department’s display at the Laura Festival in Cape York.

Community Renewal produced a colouring-in mural celebrating Aboriginal and Torres Strait cultures for the department’s display at the Musgrave Park event, which older children and young people were invited to contribute. The department’s display also included an activity station where children were able to do colouring-in and work through the activity books provided in sample bags.

Women

In line with the Women in the Smart State Directions Statement 2003–2008, the department contributes to improving women’s ability to achieve economic security through access to a range of social housing assistance.

The following tables show the percentage of social rental housing where the main applicant/tenant was female.

### Households headed by a female waiting for long-term social rental housing

<table>
<thead>
<tr>
<th>Applications on the combined wait list</th>
<th>30 June 2007</th>
<th>% total applications</th>
<th>30 June 2008</th>
<th>% total applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total applications</td>
<td>34,592</td>
<td>100.0</td>
<td>32,519</td>
<td>100.0</td>
</tr>
<tr>
<td>Total applications headed by a female:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indigenous*</td>
<td>2,328</td>
<td>6.7</td>
<td>2,269</td>
<td>7.0</td>
</tr>
<tr>
<td>Disability*</td>
<td>5,209</td>
<td>15.1</td>
<td>5,464</td>
<td>16.8</td>
</tr>
<tr>
<td>Escaping domestic violence</td>
<td>18</td>
<td>0.1</td>
<td>27</td>
<td>0.1</td>
</tr>
<tr>
<td>Single person family</td>
<td>7,953</td>
<td>23.0</td>
<td>7,675</td>
<td>23.6</td>
</tr>
<tr>
<td>Single parent family</td>
<td>9,661</td>
<td>27.9</td>
<td>8,970</td>
<td>27.6</td>
</tr>
</tbody>
</table>

Source: SAP.


* Indigenous status is where at least one member self-identifies as being of Aboriginal or Torres Strait Islander origin.

* Disability status is defined as being households where at least one member is receiving a discrete disability income from Centrelink, plus those on other incomes who identified as having at least one member with a disability, plus those who do not fall into either category but who require/d home modifications and/or specific need housing (priority) because of a disability. Although a household may be included in more than one of these categories, to derive the total number with a disability each rental agreement is counted once only.
Households headed by a female in long-term, Government-managed, social rental housing

<table>
<thead>
<tr>
<th>Tenancies (based on rental agreements)</th>
<th>30 June 2007</th>
<th></th>
<th>30 June 2008</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>% total tenancies</td>
<td>No.</td>
<td>% total tenancies</td>
</tr>
<tr>
<td>Total tenancies</td>
<td>52,591</td>
<td>100.0</td>
<td>53,224</td>
<td>100.0</td>
</tr>
<tr>
<td>Total tenancies headed by a female:</td>
<td>30,382</td>
<td>57.8</td>
<td>29,968</td>
<td>56.3</td>
</tr>
<tr>
<td>Indigenous*</td>
<td>4,930</td>
<td>9.4</td>
<td>4,435</td>
<td>8.3</td>
</tr>
<tr>
<td>Disability#</td>
<td>9,485</td>
<td>18.0</td>
<td>10,133</td>
<td>19.0</td>
</tr>
<tr>
<td>Escaping domestic violence</td>
<td>276</td>
<td>0.5</td>
<td>357</td>
<td>0.7</td>
</tr>
<tr>
<td>Single person family</td>
<td>10,239</td>
<td>19.5</td>
<td>10,235</td>
<td>19.2</td>
</tr>
<tr>
<td>Single parent family</td>
<td>13,677</td>
<td>26.0</td>
<td>13,725</td>
<td>25.8</td>
</tr>
</tbody>
</table>

Source: SAP.


* Indigenous status is where at least one member self-identifies as being of Aboriginal or Torres Strait Islander origin.

# Disability status is defined as being households where at least one member is receiving a discrete disability income from Centrelink, plus those on other incomes who identified as having at least one member with a disability, plus those who do not fall into either category but who require/d home modifications and/or specific need housing (priority) because of a disability. Although a household may be included in more than one of these categories, to derive the total number with a disability each rental agreement is counted once only.

Regional and remote

Approximately 1.5 million people or 40% of Queensland's population lives outside major cities. The following table shows the proportion of Queensland social housing which is located in regional and remote areas. A comparison to the other eastern states and Western Australia, given its large geographic area, is also provided. As clearly indicated, Queensland, for each of its major social housing programs, has the highest proportions of social housing dwellings located in regional and remote areas in comparison to the other states and the national average.

Percentage of dwellings by territory/state and region

<table>
<thead>
<tr>
<th>Program</th>
<th>Aust</th>
<th>Qld</th>
<th>NSW</th>
<th>VIC</th>
<th>WA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aboriginal and Torres Strait Islander Housing Rental Program</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Major cities</td>
<td>33.9</td>
<td>13.9</td>
<td>40.5</td>
<td>37.8</td>
<td>28.4</td>
</tr>
<tr>
<td>Regional and remote</td>
<td>66.1</td>
<td>86.1</td>
<td>59.5</td>
<td>62.2</td>
<td>71.6</td>
</tr>
<tr>
<td>Public Rental Housing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Major cities</td>
<td>71.6</td>
<td>61.6</td>
<td>81.0</td>
<td>72.1</td>
<td>70.7</td>
</tr>
<tr>
<td>Regional and remote</td>
<td>28.4</td>
<td>38.4</td>
<td>19.0</td>
<td>27.9</td>
<td>29.3</td>
</tr>
<tr>
<td>Community Housing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Major cities</td>
<td>66.6</td>
<td>44.2</td>
<td>70.1</td>
<td>72.5</td>
<td>66.6</td>
</tr>
<tr>
<td>Regional and remote</td>
<td>33.3</td>
<td>55.8</td>
<td>29.9</td>
<td>27.5</td>
<td>33.3</td>
</tr>
</tbody>
</table>


The Department of Housing recognises the important role of housing in maintaining strong and viable regional and remote communities. More than $140 million was invested in housing infrastructure in rural and regional Queensland in 2007–08 which focused on:

- delivering integrated social housing assistance,
- responding to homelessness in identified ‘hot spots’ across the State,
- addressing critical housing issues through innovative solutions such as relocating dwellings to remote areas of the State,
- providing targeted Indigenous housing where there is a high need and where appropriate housing is unavailable, and
- providing shelters for women and children escaping domestic and family violence.
The following table shows the proportion of housing activities in regional and remote areas:

<table>
<thead>
<tr>
<th>Percentage in regional and remote areas of Queensland</th>
<th>30 June 2007</th>
<th>30 June 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total households assisted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Households assisted by Aboriginal and Torres Strait Islander Housing Rental Program</td>
<td>84%</td>
<td>84%</td>
</tr>
<tr>
<td>Households assisted by Aboriginal and Torres Strait Islander Housing Community Program</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Households assisted through Public Rental Housing</td>
<td>30%</td>
<td>32%</td>
</tr>
<tr>
<td>Households assisted with Home Purchase Assistance</td>
<td>27%</td>
<td>33%</td>
</tr>
<tr>
<td>Households assisted with Bond Loans and Rental Grants</td>
<td>40%</td>
<td>43%</td>
</tr>
<tr>
<td>Households assisted with Home Assist Secure services</td>
<td>33%</td>
<td>41%</td>
</tr>
<tr>
<td>Households assisted by the Tenant Advice and Advocacy Service (Queensland)</td>
<td>23%</td>
<td>27%</td>
</tr>
</tbody>
</table>

Dwellings owned by the department

<table>
<thead>
<tr>
<th>Dwellings owned by the department</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aboriginal and Torres Strait Islander Housing Rental Program</td>
<td>85%</td>
<td>85%</td>
</tr>
<tr>
<td>Public Rental Housing</td>
<td>32%</td>
<td>32%</td>
</tr>
<tr>
<td>Community Housing</td>
<td>50%</td>
<td>50%</td>
</tr>
</tbody>
</table>

Dwellings leased from the private market

<table>
<thead>
<tr>
<th>Dwellings leased from the private market</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Housing</td>
<td>44%</td>
<td>43%</td>
</tr>
</tbody>
</table>

Capital Works (construction completions and purchases)

<table>
<thead>
<tr>
<th>Capital Works (construction completions and purchases)</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aboriginal and Torres Strait Islander Housing Rental Program</td>
<td>80%</td>
<td>96%</td>
</tr>
<tr>
<td>Public Rental Housing</td>
<td>46%</td>
<td>60%</td>
</tr>
<tr>
<td>Community Housing*</td>
<td>75%</td>
<td>61%</td>
</tr>
</tbody>
</table>

Grant-funding

<table>
<thead>
<tr>
<th>Grant-funding</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aboriginal and Torres Strait Islander Housing Community Program</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Home modification completions through the Home and Community Care Home Modification Service</td>
<td>56%</td>
<td>61%</td>
</tr>
<tr>
<td>Community Renewal projects approved*</td>
<td>51%</td>
<td>41%</td>
</tr>
</tbody>
</table>

* Fluctuations occur between programs, and priorities are reassessed in the capital works program.

# There was an increase in funding approvals in South-East Queensland to expand the areas’ allocated funding. In addition, the Palm Island renewal zone concluded on 27 April 2008 with all funds allocated.

2008–2013

The department will:

- continue to provide a responsive service that meets the diverse needs of clients,
- develop and implement service delivery options that will improve the way housing services are delivered to clients in the future,
- build on internal capability to provide service solutions that improve client outcomes,
- support community providers to deliver quality services to clients,
- participate in coordinated service delivery initiatives to ensure sustainable outcomes for clients, and
- increase the awareness of housing products and services, particularly within Indigenous communities.
Community engagement

The Queensland Government recognises the importance of connecting with citizens in the development and implementation of policies, programs and services. Engagement covers a wide variety of government-community connections, ranging from information sharing to community consultation and, in some instances, active participation in government policy development and decision-making processes. It acknowledges the right of citizens to have a say and to get involved in the business of government. Effective community engagement allows government to tap into diverse perspectives and potential solutions to improve the quality of its decisions.

In addition to participating in Community Cabinets and Ministerial Regional Community Forums, the department has direct and regular contact with groups who are particularly involved with an issue. These groups include community organisation representatives, community and local government housing providers, peak bodies representing housing consumers and providers, local governments, other State Government agencies, Australian Government departments and the housing industry.

The Department of Housing, through these activities, reflects the Government’s commitment to provide the people of Queensland with ways for genuine public involvement in decision-making for better policies, programs and services.

Client Communication Research Project

Market research firm Colmar Brunton was engaged to seek tenants’ views about the quality and effectiveness of the department’s communication products, such as the ‘Welcome to your home’ kit, tenant newsletters, fact sheets, forms and general communication. The objective of this research was to evaluate the effectiveness of these products and provide insight for future communication with tenants and applicants.

A total of 1,000 tenants were surveyed through a mailed questionnaire. Focus groups were also conducted with Aboriginal and Torres Strait Islander tenants. The key findings included:

- tenants believe that the accessibility of communication is effective and easy,
- overall usefulness of communication items is rated highly — between 50% to 70%,
- most tenants prefer phone calls and face-to-face communication rather than using the internet,
- communication items need to be easy to read and well set out for tenants to be able to fully utilise the information,
- tenants are interested in policy updates and project information that affect their local area,
- forms were generally rated as easy to complete, but some forms require clearer explanations and larger font sizes,
- fact sheets were not used by the majority of tenants, but those that did use them found them useful and informative. In general, the department needs to explore more topics that are of interest to tenants, such as local services, home ownership and resource information,
- ‘Tenant News’ is considered easy to read by the majority of tenants, but needs to have more relevant content, and
- ‘Welcome to your home’ kits were ranked as very informative and easy to understand, but tenants would benefit from more visual aids and information on emergency situations.

To address these findings, the department is using the feedback received to improve, update or adjust its communication tools to tenants and applicants to ensure they continue to become more relevant, easier to read and understand, more adapted to the needs of the audience, and in the case of the internet, more intuitive for users.

Client Intake and Assessment Process

The success of one social housing system relies on Government and non-government agencies working together. In preparation for the implementation of the new Client Intake and Assessment Process in September 2008, community housing providers were invited to attend presentations on the policy framework at each of the department’s area offices throughout Queensland. As part of these presentations, providers were encouraged to identify possible implementation issues and solutions.

RentConnect

RentConnect is a new housing assistance product developed by the department to help people find and secure a tenancy in the private rental market. It will be trialled in Caboolture and Rockhampton from late 2008.

During 2007–08, consultation was held with the University of Queensland, MICAH Projects Incorporated, Real Estate Institute of Queensland, Department of Communities, the New South Wales Department of Housing and several community organisations to incorporate their perspectives and feedback in the development and implementation of this new product.
Responding to Homelessness initiative

A number of activities were progressed by the department as part of this initiative during 2007–08.

To examine the processes and mechanisms supporting this initiative, the department, as lead agency, commissioned The University of Queensland Social Research Centre to undertake a mid-term review of the whole-of-Government Responding to Homelessness initiative. Representatives of government, the community sector and a small number of clients were involved in the review process. The review report has been presented and can be accessed on the department’s website at http://www.housing.qld.gov.au/about/pdf/summary_findings_midterm_review.pdf.

In addition, a small research project in Brisbane was conducted with homeless people who had previously received social housing assistance. The purpose of the research was to understand why Government-funded housing assistance responses do not always result in successful, sustainable tenancies for homeless people. Those persons interviewed for the research had all experienced primary homelessness for some time. The findings of the research illustrated the challenges and opportunities faced in providing housing assistance to people experiencing primary homelessness, and will inform future activities to address these issues.

Departmental officers also visited regional centres identified as homelessness ‘hot spots’, in Cairns, Townsville and Mt Isa, to engage with government and non-government service providers. The purpose of the visits was to develop relationships with service providers to facilitate ongoing feedback on systemic and client issues. Information from the visits will assist in developing a better understanding of good practice, effective models of service delivery and highlight emerging issues in the homelessness service system.

Indigenous Partnership Agreement Negotiation Tables

The Queensland Government and the 19 Aboriginal and mainland Torres Strait Islander communities signed an Indigenous Partnership Agreement 2007 to 2010 to commit to work in partnership to improve the circumstances and opportunities of people in these Indigenous communities.

The Department of Housing participated in Negotiation Tables in Mt Isa (for Doomadgee), Cherbourg, Mornington, Pormpuraaw, Hope Vale, Coen, Wujal Wujal, Palm Island, Woorabinda, Mossman Gorge and Aurukun. These Negotiating Tables are the culmination, and part of, a sustained process of engagement, consultation, planning and negotiation between community leaders and representatives, and local, state and federal government agency representatives. It is one of the key approaches to engagement between Aboriginal and/or Torres Strait Islander communities and government.

Housing Improvement Program

Departmental staff worked with the 34 Indigenous communities to finalise Housing Improvement Plans. These plans will assist the State’s Aboriginal and Torres Strait Islander councils to provide better housing services to their tenants, including improved maintenance, upgrades, new housing constructions, and the management of waiting lists and rent arrears. Fourteen plans are with the councils for signature.

The plans target:

- housing governance arrangements,
- tenancy management,
- property management, through the adoption of an asset lifecycle management approach,
- improvements to data for planning, and
- the development of detailed acquisition, maintenance, upgrade, asset review, redevelopment and disposal programs.

Healthy Indigenous Housing initiative

The Department of Housing has delivered workshops in Cairns and Thursday Island to representatives of Indigenous councils to provide participants with practical skills relevant to managing properties and tenancies within their specific communities. The workshops also provided valuable networking opportunities for participants.

Home Access Information Trial

Home Access is a Department of Housing initiative which aims to assist people in the private housing market to adapt their homes to meet their needs by providing financial assistance and better targeted information. The Brisbane Home Access Information Trial was launched in June 2007.
The Home Access Information Trial was presented to the Prince Charles Hospital occupational therapists and the Cerebral Palsy League of Queensland at their Board Meeting. Presentations were also made to the Tenants’ Union of Queensland and Raine and Horne Realty. These organisations provided valuable feedback on the trial, as well as a range of options for the department to increase awareness of and participation in the trial. This feedback informed the department’s planning of future activities.

**Long-term community housing**

Information sessions were held across the State in July 2007 for providers of long-term community housing. The sessions focussed on the implementation of new allocation arrangements for filling vacancies in long-term community housing with applicants registered on the combined social housing wait list. This process establishes a fairer, simpler and more consistent way for eligible applicants to be allocated long-term social housing assistance.

**Master Plan for Coopers Plains, Brisbane**

Departmental officers worked closely with Brisbane City Council and other State Government agencies officers, particularly the Office of Urban Management within the Department of Infrastructure, to provide new social housing options together with a range of housing types.

Public consultation was undertaken to assist the development of a master plan for the Coopers Plains precinct. As a result, the master plan proposed land-use changed from low to low-medium density and included options for possible parkland. The master plan was submitted to the Brisbane City Council and is under discussion.

**Community Housing Planning Group**

The Community Housing Planning Group met on 14 and 15 April 2008, with delegates providing feedback on a range of departmental strategic and operational initiatives including the new Client Intake and Assessment Process to be implemented from September 2008, RentConnect and the review of community housing resourcing arrangements. This meeting was attended by delegates from the two housing peak organisations — Tenants’ Union of Queensland and Queensland Shelter, 10 of the 11 Regional Community Housing Councils, and the Tenant Advice and Advocacy Service.

**National Community Housing Standards manual**

The National Community Housing Standards manual was reviewed to ensure it remains relevant and adaptable to organisations delivering community housing and complements existing state and territory regulatory requirements for communication, in addition to the proposed national regulatory framework for not-for-profit growth providers.

In 2007–08, the Department of Housing coordinated contributions to the review from Queensland representatives of peak housing organisations, community housing resource workers, community housing providers and the Standards and Accreditation Council. These contributions will inform the national consultation summary report.

**Realigning transitional housing**

Four workshops were held in May 2008 to directly engage stakeholders in discussions on proposed arrangements for realigning transitional housing assistance with one social housing system including realising other components of the system, tenancy management and resourcing issues.

Approximately 150 people attended the workshops, including community providers delivering housing-related assistance through government-funded programs (Community Rent Scheme, Community-managed Housing — Studio Units, Same House Different Landlord, Supported Accommodation Assistance Program and Crisis Accommodation Program). The workshops were also attended by staff from Queensland Shelter, the Tenants’ Union of Queensland and Homeless Persons Information Queensland.

The workshops have assisted in refining and planning the implementation of the new arrangements for transitional housing over the next three years.

**Supported Accommodation Assistance Program and Crisis Accommodation Program**

KPMG’s National Health and Human Services practice was appointed to conduct a review of the Supported Accommodation Assistance Program (managed by the Department of Communities) and the Crisis Accommodation Program (managed by the Department of Housing) to identify and recommend improvements to the program management arrangements to support a more responsive, coherent, strategic and cost-effective approach to the changing demography and context of homelessness in Queensland.
KPMG interviewed government stakeholders, invited written submissions, conducted stakeholder forums (including a teleconference for rural and remote providers), and considered national policy contexts and practices in other jurisdictions. A reference group including the Queensland Council of Social Service, Queensland Shelter, National Disability Services Queensland and Queensland Alliance provided information and advice for the review.


**Strengthening social housing**

In November 2007, the department released a discussion paper ‘A new resourcing framework to support community housing participation in one social housing system’ to seek feedback on a set of proposed resourcing arrangements for housing providers. The discussion paper was distributed to targeted stakeholder groups and made available on the department’s website.

A total of 24 responses were received from a broad range of stakeholders. These responses have provided a valuable range of perspectives that have informed the refinement of the department’s draft proposals outlined in the discussion paper.

A directions paper titled ‘Strengthening social housing: A strategy to build capacity of not-for-profit housing providers in Queensland’ was developed and is now available on the department’s website by visiting www.housing.qld.gov.au. The paper outlines the department’s intent and new strategy to support the continued development and strengthening of not-for-profit housing providers operating as part of Queensland’s one social housing system.

**Rural Housing Service Centre**

The department is working towards developing a Rural Housing Service Centre by June 2009 to operate as a point of entry for clients into the social housing system and to perform a range of functions to meet the needs of those seeking social housing assistance in rural communities across the State.

In developing the Rural Housing Service Centre framework, the department engaged with the South West Queensland Regional Housing Council, the Standards and Accreditation Council, and Housing Resource Workers.

Information obtained from these groups has assisted in the development of a preferred model and implementation process for establishing the Centre.

**Community Renewal**

Participation by residents, government, business and community groups is the key to Community Renewal’s success. Up to 7,960 residents were engaged in the development and delivery of projects and activities. Participants also undertake planning to identify the top priority issues in each renewal zone, the desired outcomes and the solutions that best fit the community’s needs. A Renewal Zone Plan documents these priorities, outcomes and proposed solutions, and acts as a blueprint to guide Community Renewal’s activities in each zone.

Anyone who lives or works in a renewal area can participate in planning processes by contacting their local Community Renewal office, the locations of which can be found on the Community Renewal website at http://www.communityrenewal.qld.gov.au/contacts.shtm or by emailing communityrenewal@housing.qld.gov.au.

**Community Life Survey**

The department conducted the third annual Community Life Survey to seek information on Community Renewal zone resident perceptions of neighbourhood life, individual well-being and awareness of the Community Renewal program. The findings from this survey, to be available in late 2008, will inform zone plans and project development plans, and provide information to report against key measures.
Workforce management

The Department of Housing is committed to implementing an integrated approach to workforce management that attracts and retains a diverse workforce, and enhances staff capacity and capability to deliver and contribute to whole-of-Government outcomes.

Implementing an integrated approach to workforce management to attract and retain a diverse workforce

The department’s Workforce Management Strategic Plan aims to achieve an integrated approach to workforce management, attract a diverse workforce and improve staff capacity to deliver services to clients with complex needs. The plan aims to achieve this by:

- developing and implementing policies, procedures, and tools to effectively support all aspects of human resource management,
- providing professional advice and consultancy services to managers and employees ensuring good governance and decision-making,
- undertaking workforce analysis and planning to develop timely and appropriate strategies in response to broader workforce issues,
- building a collaborative and professional workforce through relational leadership and integrated approaches to learning and development,
- identifying more effective ways to communicate and disseminate information, and provide training to all employees, and
- encouraging inclusion of staff by seeking input and feedback whenever possible.

During 2007–08, all policies have been reviewed and amended to align with changes to Queensland Government Directives, and the implementation of a new whole-of-Government human resource system.

Professional advice and consultancy services were provided to managers and employees to ensure good governance and decision-making on attraction, recruitment and selection, performance management and conduct, health and safety and change management matters for staff. A number of changes were introduced to the department’s attraction, recruitment and selection processes to ensure the department is able to attract and retain appropriate staff with the skills, knowledge and abilities required to deliver services to clients.

A Futures Study/Workforce Planning and Analysis workshop was convened by the department’s Board of Management to develop timely and appropriate strategies in response to broader workforce issues. A range of issues were identified, including challenges in attracting and retaining staff in key professional areas. As a result, the department developed an Attraction and Retention strategy, ‘Housing as an attractive employer’, to enhance the department’s ability to attract and retain a diverse workforce.

A Learning and Development Framework was produced to ensure a coordinated and cost effective approach to the delivery of learning and development across the department. The department also identified ways to communicate and disseminate information, and provide training to employees regardless of their location. In addition, the implementation of online learning was investigated to deliver learning and induction in a more cost-effective and timely manner.

Under the Indigenous Workforce Strategic Action Plan 2007–08, a resource kit was distributed to managers with information on a range of options for attracting and retaining Aboriginal and Torres Strait Islander employees. An Education to Employment brochure was also developed and distributed to local schools near the department’s offices in regional Queensland. The brochure encourages Indigenous students to consider the broad range of career paths available within the Department of Housing.

The Indigenous Employee Network was launched in October 2007, to provide an important consultation mechanism for Indigenous staff.

In 2007–08, the department continued to attract recent university graduates through its graduate development program. This program offers graduates a 24-month structured program of work placement and personal development, including on-the-job coaching, training, work rotations, mentoring and leadership development. At 30 June 2008, 26 graduates were participating in this program.

In addition, in support of the Queensland Government’s Skilling Queenslanders for Work initiative, the department recruited 30 trainees and provided them with employment pathways into the Queensland public sector.

2007 Employee Opinion Census

The 2007 Employee Opinion Census provided an important opportunity for staff to provide valuable feedback to help improve the way the department works and increase job satisfaction.
This was the first time the department conducted the census online, with over 70% of staff completing the survey — a 16% increase on the 2005 participation rate.

The results of the census show that the department is performing above the Queensland Public Service benchmark on most measures, but more importantly highlights areas of focus for improvement. The results were used in the development of workforce management strategies that address staff and departmental business needs in the delivery of one social housing system.

The census measured organisational climate, context and effectiveness, individual attributes, change management and workplace health and safety. From these results, an action plan has been developed, and implementation will focus on improving key work measures across the department.

The results of the census demonstrated:

- the organisational climate within the department is characterised by strong, supportive leadership and high levels of professional interaction,
- staff have a reasonably clear understanding of the vision of the department and role conflict is not of concern for most staff,
- staff indicated they frequently shared knowledge with their co-workers and have a very high level of accountability for their work. Trust amongst staff within the department is at a healthy level, as is individual initiative in getting work completed. Job satisfaction and quality of work life have also increased,
- work effectiveness as reported by departmental staff shows that generally staff really enjoy the customer service aspects of their job. Staff reported working very well in teams and they are also focused on performing their own tasks well. Generally, staff indicated an intention to remain in the organisation,
- change management questions revealed staff are more open to change than in the previous census undertaken. The level of openness to change now exceeds the Queensland Public Service benchmark, and
- overall, staff indicated that the focus on workplace health and safety within the department is good. Safety knowledge and motivation have increased and the ability to use safety systems is good.

**Recognising our people**

The department is committed to developing a culture of high performance, innovation, continuous improvement and excellence in client service. Employees are valued and recognised for their contribution and commitment to the work of the department.

**Director-General's Awards**

The Director-General presents awards annually to recognise the exemplary achievements of individuals, teams and work groups within the department. The 2007 awards attracted 37 nominations from individuals or teams for awards or achievement. The following project teams received major awards:

- Achievement — Inala Shopping Centre Divestment team and the project team for the implementation of the new Human Resource Management system,
- Innovation and collaboration — The Water Management program and the Roma House and Lady Bowen Trust project teams,
- Client service — Bayside Area Office and Wynnum Client Service Centre Residential Closure team,
- Diversity — The project teams for the Disability Service Plan and the Housing and Support Program,
- Leadership — Policy Outcomes Group,
- Community engagement — Management of the Palm Island Zone Plan, and
- Special award — Tenancy Management of the Wujal Wujal Community.

**Premier's Awards for Excellence in Public Sector Management**

The Premier's Awards for Excellence in Public Sector Management recognise and reward outstanding achievements across the Queensland public sector.

The Department of Housing was a finalist in the 2007 Premier's Awards in the ‘Leadership Excellence’ category for a joint submission ‘Supporting the journey to recovery: Council of Australian Governments Mental Health Housing with Support Strategy’.

The submission outlined the way the department has worked with Queensland Health, Disability Services Queensland and the Department of Communities to provide clinical and non-clinical support to enable people with moderate to severe mental illnesses to live in the community through the Housing with Support Strategy.
Staff awarded for their professional excellence

Two Queensland Department of Housing officers also received Professional Excellence Awards from the Australasian Housing Institute on 4 December 2007. These awards recognise achievement by social housing professionals both in government and the private sector.

Workforce analysis

At 30 June 2008, the department employed 1,310 staff in a range of work arrangements equivalent to 1,256 full-time staff. The following table provides a breakdown of staffing by employment type.

<table>
<thead>
<tr>
<th>Employment type</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Casual</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Permanent</td>
<td>874</td>
<td>926</td>
<td>981</td>
</tr>
<tr>
<td>Permanent part-time</td>
<td>65</td>
<td>59</td>
<td>65</td>
</tr>
<tr>
<td>Temporary</td>
<td>237</td>
<td>199</td>
<td>196</td>
</tr>
<tr>
<td>Temporary part-time</td>
<td>20</td>
<td>15</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,197</td>
<td>1,200</td>
<td>1,256</td>
</tr>
</tbody>
</table>


Staff may access a range of flexible work arrangements to enable them to achieve a balance between work, family and carer responsibilities. At 30 June 2008, a total of 133 staff worked part-time (equivalent to 79.11 full-time positions), with 14 of these staff taking advantage of arrangements that allow extra annual leave through the year coupled with a proportional rate of pay.

The table below shows the proportion of staff from equal opportunity employment groups.

<table>
<thead>
<tr>
<th>Target groups</th>
<th>2006 (%)</th>
<th>2007 (%)</th>
<th>2008 (%)</th>
<th>Public service average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aboriginal and Torres Strait Islander descent</td>
<td>3.9</td>
<td>3.4</td>
<td>3.7</td>
<td>2.2</td>
</tr>
<tr>
<td>Disability</td>
<td>7.1</td>
<td>6.6</td>
<td>5.4</td>
<td>5.7</td>
</tr>
<tr>
<td>Linguistically diverse background</td>
<td>9.8</td>
<td>9.3</td>
<td>10.8</td>
<td>8.2</td>
</tr>
<tr>
<td>Women</td>
<td>63.8</td>
<td>64.9</td>
<td>66.1</td>
<td>66.4</td>
</tr>
</tbody>
</table>

Source: Employee Self Service.

The overall representation of women in the department at 30 June 2008 was 66.1%. Although the proportion of women in the department was slightly lower than the public sector average of 66.4%, the proportion of women in senior, senior officer and senior executive positions has increased in recent years and continues to be well in excess of public service targets, as outlined in the table below.

In addition, the Department of Housing’s Board of Management’s female membership is 58% of the total membership and the Community Housing Standards and Accreditation Council’s female membership is 80% of the total membership.

Women in senior positions

<table>
<thead>
<tr>
<th>Proportion of women</th>
<th>2006 (%)</th>
<th>2007 (%)</th>
<th>2008 (%)</th>
<th>Public service target (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>In senior positions (AO6 classification and above – salary groups 6 to 9)</td>
<td>47.7</td>
<td>47.5</td>
<td>52.2</td>
<td>35.0</td>
</tr>
<tr>
<td>In senior officer and senior executive positions (salary group 9)</td>
<td>42.9</td>
<td>42.9</td>
<td>45.5</td>
<td>25.0</td>
</tr>
</tbody>
</table>

The graph below shows the portion of male and female officers by salary group:

Staff profile by gender at 30 June 2008
**Salary Group**

<table>
<thead>
<tr>
<th>Salary Group</th>
<th>Wage</th>
<th>Salary Group</th>
<th>Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group 1</td>
<td>$0–$30,245</td>
<td>Group 6</td>
<td>$66,072–$74,620</td>
</tr>
<tr>
<td>Group 2</td>
<td>$30,246–$42,603</td>
<td>Group 7</td>
<td>$74,621–$83,678</td>
</tr>
<tr>
<td>Group 3</td>
<td>$42,604–$50,592</td>
<td>Group 8</td>
<td>$83,679–$91,445</td>
</tr>
<tr>
<td>Group 4</td>
<td>$50,593–$58,847</td>
<td>Group 9</td>
<td>$91,446+</td>
</tr>
<tr>
<td>Group 5</td>
<td>$58,848–$66,071</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: State Government Departments Certified Agreement 2006.*

**Note:** Salary Groups are based on administrative officer equivalents in core Government agencies.

**Voluntary early retirements**

There were no voluntary early retirements within the department in 2007–08. Packages finalised by the department in previous years are detailed below.

<table>
<thead>
<tr>
<th>Voluntary early retirement packages</th>
<th>2005-06</th>
<th>2006-07</th>
<th>2007-08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packages finalised</td>
<td>8</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td>Cost of packages provided</td>
<td>$269,919</td>
<td>$294,157</td>
<td>$0</td>
</tr>
</tbody>
</table>

**Maintaining a strong focus on staff health and well-being**

The Department of Housing continued a strong focus on staff health and well-being. This was achieved through the development and implementation of the Organisational Health Framework which incorporates accountability and reporting, early intervention and prevention elements. The framework is a critical document which guides the department in ensuring the safety, health and well-being of its employees and outlines strategies for achieving each of these important elements.

In 2007–08, a number of health and safety policies were reviewed to ensure they reflect current legislative requirements, including the Rehabilitation and Injury Management Policy, First Aid Policy, Workplace Harassment, Sexual Harassment and Unlawful Discrimination Policy, and the Workplace Health and Safety Policy. The review included development of terms of reference for the establishment and functions of the Organisational Health Committee, Workplace Health and Safety Officers and Representatives Network, and Harassment Referral Officer Network.

Staff were also informed about workplace health and safety issues and requirements through the department’s induction program to ensure early awareness of responsibilities and the provision of early intervention strategies. In addition, a Managing Unacceptable Client Behaviour policy was developed and implemented to support staff and guide them on how to prevent and, if necessary, manage any instances of unacceptable client behaviour.

Annual workplace health and safety inspections were undertaken in all workplaces across the department, including a focus on managing client interactions as well as a first aid risk assessment. The first aid risk assessment was included to review first aid resources required for each departmental work location.

The department continues to dedicate a resource to the case management of ill and injured staff. To ensure the earliest possible identification and response to workplace illnesses and injuries, a new online incident report form was developed and implemented. This has significantly reduced the timeframe from date of incident to date of report being received, and has allowed early intervention strategies to be implemented.

The department has seen a reduction in the number of WorkCover claims, further reflecting the success of the department’s increased number of early intervention measures and promotion strategies implemented within the organisation.

<table>
<thead>
<tr>
<th>WorkCover claims</th>
<th>2005-06</th>
<th>2006-07</th>
<th>2007-08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of claims lodged</td>
<td>22</td>
<td>23</td>
<td>29</td>
</tr>
<tr>
<td>Cost of claims approved</td>
<td>$270,104</td>
<td>$262,721</td>
<td>$148,904</td>
</tr>
</tbody>
</table>

Department of Housing employees submitted a total of 29 workers’ compensation claims in 2007–08, of which 23 claims were accepted, four were denied and two are pending. The claims were for physical injuries (16), motor vehicle-related accidents (7) and psychological injuries (6). None of the psychological injury claims lodged were accepted by WorkCover.
Enhancing staff capacity and capability to delivery and contribute to whole-of-Government outcomes

The department developed a capability framework which comprehensively identifies the key leadership, management and professional/technical/functional capabilities required to support the department’s future business requirements. Work commenced on defining the specialty jobs within the department, the capabilities relating to them, as well as new approaches to job descriptions, recruitment and selection, and performance management. Extensive training was provided to the service delivery network in these areas, as well as financial management programs and financial administration training.

The Leadership and Management Development Program focuses on both management and leadership development to emphasise the balance needed between creating a shared vision, positive relationships, high performing teams and a healthy organisational culture. This program was developed in 2007–08 and consists of a range of learning and development opportunities to assess staff capabilities, develop the skills and abilities of all staff, consolidate learnings and maintain leadership and management fundamentals. It also provides opportunities to stretch and refresh leaders and managers, and reward high standards of performance.

Ethical Conduct and Governance Framework

In 2007–08, the department continued to implement initiatives under the Ethical Conduct and Governance Framework including the development and commencement of training programs on Performance Feedback and Managing Unsatisfactory Performance, and Managing Absenteeism.

As part of the department’s Fraud and Corruption Control Program, fraud and corruption risks are incorporated into the department’s Risk Register and reported on a quarterly basis to the Board of Management. As part of the program, training was also provided on the identification and management of fraud and corruption risks.

In addition, the department reviewed the requirement for employees to notify all conflicts between personal interests and official duties to ensure a greater level of accountability and transparency in its processes, including the implementation of appropriate strategies to manage conflicts between any employee’s public and private interests.

In 2007–08, the department continued to deliver training on its revised Code of Conduct. Approximately 560 staff attended Code of Conduct training, bringing the total number of employees attending this training to approximately 1,100.

Development of an online version of the Code of Conduct training package, for incorporation in the department’s online induction program, commenced in 2007–08.

The Whistleblowers Protection Act 1994 provides a scheme that, in the public interest, gives special protection to persons disclosing unlawful, negligent or improper public sector conduct or danger to public health or safety or the environment. In 2007–08, there were no disclosures made relating to or regarding the department under the Whistleblowers Protection Act 1994.

2008–2013

The department will:

- continue to undertake workforce planning to attract and retain a diverse workforce which supports a client-focused, innovative and flexible organisation,
- continue to foster strong leadership and management skills,
- enhance staff capacity and capability to provide a responsive service suited to the needs of clients, and
- maintain a strong focus on the safety and well-being of staff.

Asset management

The Queensland Government commits several billion dollars each year towards its Capital Program. This investment in capital, both for economic and social infrastructure, provides a stimulus for improving the productivity of the Queensland economy. Assets created by Queensland’s Government Capital Program are recognised as a key resource in the delivery of its services.

The Department of Housing’s property portfolio, with an approximate value of $13.5 billion, is one of the State Government’s most significant assets. In 2007–08, an additional funding injection of $500 million over five years was provided from the Queensland Future Growth Fund to accelerate the expansion of Queensland’s social housing asset base. Another $60 million over four years, from 2007–08, has been provided for improved housing provision for rural and remote Aboriginal and Torres Strait Islander communities.

Strategic management of this portfolio ensures the development of accommodation solutions to assist those with greatest need, while maximising the value, life and condition of property assets.
Managing the construction, acquisition and disposal of assets to ensure value for money

The construction and acquisition of social housing is influenced by demand, existing availability of social housing, population growth, and availability of suitable land for construction of housing. The department’s rolling three-year new construction and acquisition programs allow for the provision of a range of housing options which increase the mix of dwelling types in the portfolio, and better match the changing demographics of its client base.

The department’s housing designs continue to evolve with industry improvements and have been modified to include features which enhance mobility, address climate issues, provide outdoor space and keep maintenance to a minimum. At the same time, design improvements over the past five years have enabled the department to lower the cost per dwelling by reducing the average floor area of new constructions, excluding components such as drying balconies in units, using less expensive products where appropriate and maximising utility space.

In 2007–08, the department completed construction of 411 rental units and purchased 455 rental units, adding a further 866 social housing dwellings to the portfolio. The department also commenced construction of 574 rental units and purchased land to facilitate the future construction of approximately 548 rental units.

To help address the growing requirement for affordable and appropriate accommodation for clients with greatest need, the department is adding studio units and apartments that are targeted towards smaller households. An innovative way of adding one and two-bedroom dwelling types to the portfolio is through the acquisition of existing motels. This complements the department’s construction program in a significantly shorter delivery timeframe and at a reduced cost compared with traditional construction. The average cost per unit, inclusive of purchase price and refurbishment, is approximately 75% of the cost of purpose-built new constructions. In 2007–08, the department acquired nine motels which, after refurbishment, will yield approximately 150 studio-style rental units.

In addition, the department is also pursuing other new and innovative ways to deliver affordable accommodation. To reduce capital costs and encourage the building industry to take up residential construction opportunities, in 2007–08 the department commenced a trial of alternative capital works delivery and procurement methods and introduced innovations such as:

- issuing performance-based design briefs to consultants, rather than prescriptive briefs, and

- adding an invitation in tender documents for builders to come up with methods of construction or detailing which would reduce costs.

The department has also initiated a trial of non-traditional capital procurement methods such as:

- bundling of projects, where several projects are simultaneously tendered on the basis of geographical grouping, providing an opportunity for construction companies to achieve and pass on economies of scale and efficiencies in resource management,

- serial tendering, where tenderers submit a lump sum tender on multiple projects scheduled for out-years. This form of procurement has the benefit of providing work continuity to tenderers over a two or more year period, and will encourage low cost, market-standard housing solutions. While this process has not yet proven to be less expensive or quicker in the trial to date, there is potential that the tenderers may learn from their experience and achieve possible savings with future designs, and

- factory-built, where contractors are invited to provide housing design and construction solutions which offer either a pre-fabricated or kit home solution. In 2007–08, the department trialled projects utilising a variety of these methods. Results indicate that this strategy is best suited to projects in remote areas, where local subcontractors are unavailable, or in response to natural disasters.
The department is also investing capital to purchase surplus Government land which would be suitable for housing development. By conditioning the sale of this land to private developers for the inclusion of social housing and other affordable private homes, the department is increasing the supply of affordable and appropriate housing. In 2007–08, the department established agreements with developers for sites in Cairns and Brisbane to provide 23 sites for social housing and 23 sites to be made available to first home buyers. The criteria established by the department for first home buyers includes a household income of less than $90,000 and not more than 30% of income being used for mortgage repayments.

The department strategically disposes of assets to:

- assist tenants into home ownership. In 2007–08, 70 households were assisted through the Sales to Tenants program,
- provide redevelopment opportunities. The removal or demolition of adjoining detached houses has provided opportunities to construct multi-unit dwelling complexes. This results in a greater number of clients assisted and utilises the equity held in land holdings, and
- minimises the future financial burden of properties in poor condition.

The objective of disposal is to identify assets surplus to existing or anticipated requirements and ensure that maximum return is achieved so that further housing assistance can be provided with the sale proceeds. However, the department recognises the increased demand for social housing and has consequently limited the disposal of properties in recent years.

Preserving the value and extending the remaining useful life of the social housing portfolio

The department’s assets are maintained in a way to ensure they continue to support the business objectives and service delivery requirements of the department, and to ensure that Government investment represented in the dwelling portfolio is managed prudently. This involves assessment of the maintenance needs of the portfolio over the immediate, medium and long-term, and responding to identified maintenance requirements.

Objectives of portfolio operations and asset maintenance for social housing assets owned by the department include:

- ensuring tenants’ health, safety and security issues, including all associated statutory requirements, are adequately addressed,
- ensuring the accuracy and currency of property condition data on which asset decisions are made,
- optimising the useful life of property portfolio assets and therefore maximising the number of long-term housing opportunities available,
- minimising the backlog in maintenance, and
- optimising service capacity and asset value.

In 2007–08, the department ensured dwellings were maintained to an acceptable and appropriate standard through a targeted maintenance program, at a cost of $126.7 million.

The department also invested $94.9 million in the upgrade and refurbishment of properties to improve dwelling amenity and functionality, and to address tenants’ health and safety issues.

Ensuring a consistently high standard of asset management across all social housing

The department’s asset strategies are guided by the service delivery objectives outlined in the department’s Strategic Plan, the Housing Act 2003 and the Commonwealth State Housing Agreement. They are also intended to pursue efficient and cost-effective management which provides best value for money to Government.

A strategic asset management process is in place to assess properties when required. The process aims to efficiently manage the alignment of the asset portfolio through major upgrade/refurbishment, demolition, redevelopment and disposal.
To ensure all social housing is maintained to an appropriate and consistent standard, the department developed an Asset Management Framework to build the property management capabilities of registered providers. The department will be conducting property condition appraisals for non-department owned properties for community housing registered providers. The data from the appraisal will be beneficial to providers for their development of Asset Management Plans, which is required under the Housing Regulation 2003.

For the 34 Indigenous communities, the department has maintenance arrangements with QBuild and local Indigenous councils to allow tenants to request responsive maintenance through a dedicated free-call telephone line linked directly to the department’s Call Centre. In 2007–08, the department also implemented design and construction standards for remote Indigenous housing to ensure housing in remote communities is of a comparable standard to other forms of social housing.

Property condition data is central to maintenance and upgrade management practices as it provides the basis for determining targeted maintenance and upgrade programs. Property condition information is updated through property condition assessment inspections with the intention that no information is older than three years. Data is also updated as building components are replaced by the service provider and on completion of upgrade activities.

A Property Standard Index (PSI) has been developed by the department in partnership with the Queensland University of Technology and Commonwealth Scientific and Industrial Research Organisation. This index describes the condition of an asset in terms of its short-term maintenance requirements, amenity level and lifecycle stage. Properties with an overall PSI result of 3 are considered to be of an acceptable standard. Dwellings with a score of 8 or greater for the maintenance component are considered to be in very good physical condition and have a remaining useful life of 50 years. Consistently, around 98% of departmental-owned dwellings have a maintenance score of 8 or greater.

**Identifying and tapping into opportunities to re-shape the social housing portfolio**

Within the social housing asset portfolio, there are a large number of properties which can be redeveloped into more appropriate housing using equity held in existing land assets. During the year, the department took advantage of several redevelopment opportunities in the greater Brisbane area, making use of existing assets (dwellings and vacant land) to secure larger parcels of vacant land for the construction of new dwellings. For example, the department replaced detached housing with medium density accommodation in Carina Heights, Stafford, Coopers Plains, Everton Park and Holland Park West producing 68 new units of accommodation which could potentially house up to an additional 120 people.

Further, the department is undertaking land consideration projects which provide additional social housing to optimise outcomes for clients in exchange for making land available for private sector development. In 2007–08, the department finalised two projects which involved the exchange of land at Annerley and Carina Heights for the construction of two unit complexes at Holland Park, totalling 14 units of accommodation. These projects proved extremely successful, attracting significant interest from private sector developers, with construction tenders reflecting a strong demand for the department’s land.

In recent years, the department has strategically weighted its capital works programs towards one and two-bedroom dwellings. This approach enables the department to respond to the high client demand for smaller accommodation types and also maximise its return on capital expenditure.

The department is also working closely with the Brisbane City Council in providing additional redevelopment opportunities through local and neighbourhood planning, particularly in the Coopers Plains, Stafford, Chermside and Murarrie areas. Revised town planning for these suburbs will allow the department to redevelop sites while improving social diversity and optimising client outcomes through private sector developments.

Last year, the department undertook a review of housing issues in the Bowen Basin in consultation with local authorities to respond to a range of housing issues that emerged as a result of the mining boom. To realign the portfolio in the region during 2007–08, the department purchased, constructed, or commenced construction of 142 dwellings, purchased 12 land development sites, and made available to regional councils additional vacant departmental land sites.

Properties will continue to be identified where the department is able to redevelop and realign existing properties to provide more appropriate housing for clients.
Measuring our performance

Property condition data

Property condition data is central to maintenance and upgrade management practices of the department as it provides the basis for determining targeted maintenance and upgrade programs. Properties are rated as ‘acceptable’ when they are ‘considered to be in very good physical condition’, not significantly dissimilar to a newly constructed dwelling.

Data for 2007–08 is unavailable due to a methodology review being undertaken by the department in conjunction with the Commonwealth Scientific and Industrial Research Organisation to more accurately reflect the lifecycle component of assets. However, previous results are provided below.

### Property Standard Index (overall score)

<table>
<thead>
<tr>
<th></th>
<th>Actual 2005–06</th>
<th>2006–07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aboriginal and Torres Strait Islander Housing Rental Program</td>
<td>5.2</td>
<td>4.9</td>
</tr>
<tr>
<td>Public Housing</td>
<td>5.0</td>
<td>4.7</td>
</tr>
<tr>
<td>Crisis Housing</td>
<td>4.8</td>
<td>5.2</td>
</tr>
</tbody>
</table>

Source: Property Standards Index.

Measure: Key measure from the Ministerial Portfolio Statement 2007–08.

### Percentage of departmentally-owned properties in very good physical condition (PSI maintenance result of 8 or greater)

<table>
<thead>
<tr>
<th></th>
<th>Actual 2005–06</th>
<th>2006–07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aboriginal and Torres Strait Islander Housing Rental Program</td>
<td>96.0</td>
<td>97.6</td>
</tr>
<tr>
<td>Public Housing</td>
<td>98.5</td>
<td>98.0</td>
</tr>
<tr>
<td>Community Housing</td>
<td>86.2</td>
<td>89.2</td>
</tr>
</tbody>
</table>

Source: Property Standards Index.

Measure: Key measure from the department’s Strategic Plan 2007–2012.

### Appropriate utilisation of dwellings

To ensure effective use of resources, the department compared households against its social rental properties to measure overcrowding.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Aboriginal and Torres Strait Islander Housing Rental Program</td>
<td>95.4</td>
<td>95.4</td>
<td>94.9</td>
</tr>
<tr>
<td>Public Rental Housing</td>
<td>99.1</td>
<td>99.0</td>
<td>99.0</td>
</tr>
</tbody>
</table>

Source: SAP.

Measure: Key measure from the department’s Strategic Plan 2007–2012.

### Tenant satisfaction

The department received client feedback through National Social Housing Surveys on whether the features of a particular dwelling met the needs of the client’s household and its location. The features specified in the survey are the size of the home, modifications, easy access and entry, car parking, yard space and fencing, privacy and the safety and security of the dwelling. The department’s performance, as rated by clients, is highlighted below.

#### Dwelling amenity

<table>
<thead>
<tr>
<th></th>
<th>Results (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Previous*</td>
</tr>
<tr>
<td>Aboriginal and Torres Strait Islander Housing Rental Program</td>
<td>-</td>
</tr>
<tr>
<td>Public Housing</td>
<td>78%</td>
</tr>
<tr>
<td>Community Housing</td>
<td>85%</td>
</tr>
</tbody>
</table>

Source: National Social Housing Surveys.

Measure: Key measure from the department’s Strategic Plan 2007–2012.

* The previous result for the Public Housing survey relates to 2003–04 and the Community Housing survey relates to 2002–03.

#### Dwelling proximity to services

<table>
<thead>
<tr>
<th></th>
<th>Results (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Previous*</td>
</tr>
<tr>
<td>Aboriginal and Torres Strait Islander Housing Rental Program</td>
<td>-</td>
</tr>
<tr>
<td>Public Housing</td>
<td>88%</td>
</tr>
<tr>
<td>Community Housing</td>
<td>85%</td>
</tr>
</tbody>
</table>

Source: National Social Housing Surveys.

Measure: Key measure from the department’s Strategic Plan 2007–2012.

#### 2008–2013

The department will:

- manage the social housing portfolio to maximise the department’s ability to meet the current and future needs of clients,
- maintain a consistently high standard of asset management practices across the department and ensure value for money outcomes, and
- assist community organisations to achieve a high standard in asset management for social housing.
Information and communication management

Information and communication technologies assist the department in enhancing its effectiveness, efficiency, functional capabilities, governance and value-for-money.

Implementing information and communication technology systems that support the department’s strategic direction

A significant amount of work is being undertaken to enhance the department’s existing information and communication technology systems to incorporate policy changes and new initiatives to realise one social housing system.

During 2007–08, the systems support for the Client Intake and Assessment Process (CIAP) was developed for use from September 2008. The CIAP system environment supports the new client application, assessment and eligibility processes introduced to assess an applicant’s housing need.

Specifically, the department has developed a Housing Needs Assessment system, as well as enhancements to the existing Client Assessment Referral Expert (CARE) system and the department’s major business system, System Applications and Products (SAP) to align with policy changes relating to assets tests, the income confirmation scheme, periodic tenancy review and referral of approved applicants to community housing organisations.

The SAP environment was also enhanced to:

- align debtor management of Aboriginal and Torres Strait Islander Housing tenancies to Public Housing tenancies, including arrears management, account finalisation, and debt collection,
- progress the department’s capability to plan, monitor and report on property inspection activities carried out on the Deed-of-Grant-in-Trust properties using the Annual Inspection Scheduler and Mobile Computing technologies. This will also expand the collection of property condition data and allow for easier and more efficient capturing of information in relation to these properties,
- provide information communication technology support systems to assist in delivering housing solutions to clients under the Mental Health Housing with Support Strategy, and Spinal Cord Injuries Unit initiatives,
- assist in managing the department’s responsibilities under the Family Responsibility Commission Act 2008, and
- establish an Easy Pay facility for tenants receiving an income from the Department of Veterans Affairs to provide a more efficient service and greater administrative efficiencies.

In addition, the department:

- amended the electronic rent calculator tool to cater for four separate Centrelink rate changes. The tool is a software application to assist community and local government housing providers to perform rent calculations,
- developed the Aligning Data Management and Reporting System, a new system to enable the department to track and coordinate compliance documents, and capture and monitor compliance information supplied by Indigenous councils,
- enhanced the Capital Investment Management System to improve administration functionality, project management functionality and reporting,
- continued the development of the new BondScape system, scheduled to be implemented in October 2008, to provide the department with enhanced flexibility in managing its Bond Loan product, and
- developed a new Project Management Database for Community Renewal, enabling the administration and coordination of projects and associated compliance information supplied by external agencies.

Reviewing communication processes to meet the changing needs of our client base

With its continuing focus on realising one social housing system in Queensland, it is critical that the department is well positioned to meet the communication needs of its clients, partners and stakeholders, now and moving into the future.
ORGANISATIONAL CAPABILITY AND GOVERNANCE

To this end, the department needs to maintain its understanding of these groups and the current and emerging environment to deliver responsive, targeted and relevant communication materials and channels.

Market research firm Colmar Brunton was engaged to collate information from tenants about the quality and effectiveness of the department’s communication products, including the ‘Welcome to your home’ kit, tenant newsletters, fact sheets, forms and general communication materials. The objective of this project was to assist in the evaluation of the overall effectiveness of these products and to provide insight for future projects involving communication with tenants and applicants.

One thousand tenants were surveyed through a mailed questionnaire and focus groups conducted with Aboriginal and Torres Strait Islander Housing tenants.

The department is using the feedback received from this consultation process to improve, update or adjust its communication tools for tenants and applicants to ensure they continue to become more relevant, easier to read and understand, more adapted to the needs of the audience, and in the case of the internet, more intuitive for users.

The department is also reviewing indicators of language demand to ensure it provides written (and audiovisual) information in the languages most needed by clients.

2008–2013
The department will:

• continue to improve its communication to meet the needs of a diverse range of clients,

• provide a responsive and robust information, communication and technology environment to support the effective delivery of housing products and services, and

• implement innovative and effective information, communication and technological solutions that support the organisation’s core and emerging business.

Financial management
During 2007–08, the department’s statutory financial management obligations were met including preparation of a comprehensive set of financial statements which reflect the financial performance of the department. A full set of these financial statements is provided at the end of this report.

Supporting the department’s goals and initiatives by broadening existing, and identifying new, funding opportunities; further maximising financial returns and ensuring value for Government investment; and continuing to minimise operating costs
The department’s funding base was broadened through a $500 million five-year funding injection from the Queensland Future Growth Fund for social housing, together with $60 million over four years for improved housing provision for rural and remote Aboriginal and Torres Strait Islander communities.

Ensuring value for Government investment was enhanced through the ongoing application of sound asset management strategies, including the use of property condition data to inform maintenance and upgrade programs so as to extend the useful life of the social housing portfolio.

The Finance and Risk Management Steering Committee has overseen the management of departmental resources through an effective financial management framework which includes a rigorous annual resource allocation process and monthly examination of the department’s financial performance.

Renegotiating funding agreements with the Australian Government
The 2003–2008 Commonwealth State Housing Agreement provided a significant portion of the department’s funding and was due to expire on the 30 June 2008. However, following the change of Federal Government in November 2007, it was extended to 31 December 2008 to enable finalisation of a new funding agreement between the states and the Australian Government. The new agreement, the National Affordable Housing Agreement, will commence on 1 January 2009.
Overview
The department delivered its six outputs within the overall limits of available revenue sources including record housing assistance expenditure through the provision of capital works, grants and maintenance. At the same time, the department has continued to maintain its strong net asset position, as detailed below.

Balance sheet

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Total assets ($'000)</td>
<td>10,839,861</td>
<td>11,824,813</td>
<td>13,951,157</td>
</tr>
<tr>
<td>Total liabilities ($'000)</td>
<td>501,400</td>
<td>496,368</td>
<td>495,999</td>
</tr>
<tr>
<td>Net assets ($'000)</td>
<td>10,338,362</td>
<td>11,328,445</td>
<td>13,455,158</td>
</tr>
<tr>
<td>Capital expenditure ($’000)</td>
<td>351,103</td>
<td>373,415</td>
<td>368,505</td>
</tr>
<tr>
<td>Percentage of liabilities to assets</td>
<td>5%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Growth in net assets ($’000)</td>
<td>1,030,246</td>
<td>990,083</td>
<td>2,126,713</td>
</tr>
</tbody>
</table>

Income
The department’s main income sources comprise:
- rental revenue from the department’s property portfolio,
- funding from the Queensland Government (including the State’s funding under the Commonwealth State Housing Agreement), and
- funding from the Australian Government (under the Commonwealth State Housing Agreement).

Expenses
The major costs to deliver each output include supplies and services (such as maintenance on housing stock and rates paid to local governments), providing grants for housing assistance and employee expenses.

Income statement

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Income ($’000)</td>
<td>649,172</td>
<td>670,140</td>
<td>676,282</td>
</tr>
<tr>
<td>Expenses ($’000)</td>
<td>560,600</td>
<td>588,401</td>
<td>626,309</td>
</tr>
</tbody>
</table>

Sources and applications of funds
The extent of the department’s sources of funds and application of funds are detailed on the following charts:

How each dollar was raised in 2007–08

- State grants 30%
- Australian Government grants 23%
- Inventory and asset disposals 8%
- Interest and redemption 4%
- Other revenue 2%
- Rent 33%

* Includes proceeds from the sale of land inventories and proceeds from the sale of the department’s share in Rental Purchase Plan properties.

How each dollar was spent in 2007–08

- Maintenance 14%
- Grants 14%
- Employee expenses 10%
- Rates 9%
- Operating costs 7%
- Debt repayments 3%
- Lending 2%
- Capital acquisitions 41%

2008–2013
The department will:
- maintain a financial management framework that supports the department’s strategic direction, maximises financial returns, and ensures value for Government investment,
- optimise funding availability through identifying new funding opportunities and broadening existing arrangements, and
- provide and promote a strong focus on financial performance.
Environmental management

The department's operations impact most significantly on the human environment as each year, the department assists almost 259,600 Queenslanders experiencing some form of housing need.

On a smaller scale, impacts on the physical environment relate to the designs and products used in the social housing portfolio, while impacts on the environment are minimised through policies and procedures to reduce waste, conserve natural resources (such as water), and to prevent pollution.

The Department of Housing has an environmental management system based on the international environmental management standard (AS/NZS ISO 14001:2004). The environmental standard provides benchmarks for a management approach on environmental risk.

The department maintains certification to the Environmental Management System Standard which publicly demonstrates its commitment to providing environmentally sensitive, quality services to clients.

The department approaches ecological sustainability by:

- integrating the principles of sound environmental management into the department's policies and procedures. This ensures that all services to the department's clients reflect care for the environment and contribute to ecologically sustainable development within Queensland, and
- being cognisant of the impact of the department's policies, activities, products and services on the physical environment and reducing any negative environmental impacts arising from the performance of departmental activities.

The department's environmental management policy and system have positioned the department well for implementing initiatives aligned with Queensland's Climate Change Strategy, ClimateSmart 2050. The department has:

- established environmental objectives and targets for waste minimisation, energy and water conservation and conservation of natural resources which are monitored and reported on a regular basis, and
- provided 50% of funding required for a solar water heating trial in social housing as part of the Government Energy Management Strategy for energy saving in Government-owned buildings.

The department is committed to the identification and minimisation of current and predicted types and amounts of waste, water and energy usage, and has implemented a Waste Reduction Strategic Plan as a key element of its overall environmental management system.

The department aims to minimise waste by applying the Waste Reduction Strategic Plan's waste management hierarchy of avoidance, reuse, recycling, energy, recovery from waste and disposal to six key areas of waste, being:

- water,
- energy,
- motor vehicles,
- office equipment and consumables,
- capital works including construction, maintenance and demolition, and
- municipal solid waste.

Water

Since the introduction of Level 5 Water Restrictions in April 2007, the department has increased its effort to assist social housing tenants in minimising water consumption through water conservation awareness and the installation of water-efficient devices across the department's portfolio.

During 2007–08:

- water-efficient shower roses and water flow restrictors were installed to 10,941 dwellings, and dual flush toilet cisterns were installed to 9,093 dwellings in South East Queensland, at a cost of $20 million,
- water sub-meters were installed in over 1,000 existing multi-unit accommodation dwellings,
- rainwater tanks were installed in new construction of department-owned dwellings as per local council and Queensland Development Code requirements, and
- a Water Efficiency program was developed to meet Queensland Water Commission restriction requirements and Residential Tenancies Authority water efficiency requirements for residential sites.
Water conservation is promoted to social housing tenants at the start of new tenancies, at annual property inspections, through tenant newsletters and information fact sheets.

Social housing tenants using over 800 litres of water each per day within the South East Queensland regions were targeted with information on water conservation and properties were checked for water leaks. In addition, tenants in 142 detached houses in South East Queensland consuming more than 2,000 litres per day had water-efficient devices installed where required. This resulted in almost half of these households reducing their daily water consumption.

The effect of the Department of Housing’s water saving initiatives is demonstrated by the reduction in consumption. For example, in the Brisbane City Council area, the number of detached, social housing dwelling where water use was in excess of 800 litres per day has decreased from 1,973 to 1,098 in the past 12 months, which equates to a reduction of 44% of households or 83.8 mega litres of water.

**Energy**

The Department of Housing is committed to the Queensland Government’s strategies Environmental Protection (Waste Management) Policy 2000 and ClimateSmart 2050 which aim to reduce the Government’s carbon footprint. Six gases have been identified under the Kyoto Protocol as the main gases that need to be accounted for being carbon dioxide, hydrofluorocarbons, methane, nitrous oxides, perfluorocarbons and sulphur hexafluoride. As part of standard emission accounting practices these gases are reported as carbon dioxide equivalent emissions (CO₂-e).

The Queensland Government is developing whole-of-Government systems to standardise reporting on carbon emissions (measured in CO₂ equivalents). The basis for this reporting is consistent with national and international standards including definitions outlined in the AS Standard ISO 14064 and the Australian Government’s National Greenhouse Accounts Factors workbook, as detailed below:

**Scope 1** Emissions that occur from sources that are owned or controlled by the company (e.g. emissions from departmental controlled vehicles, diesel generators, gas boilers etc).

**Scope 2** Emissions are classed as indirect emissions solely from the generation and consumption of purchased electricity or steam or heating/cooling. Scope 2 emissions are physically produced by the burning of fuels (coal, natural gas, etc.) at the power station or facilities not controlled by the organisation.

**Scope 3** Emissions are the result of actions of a company, but occur from sources not owned or controlled by the company. Their inclusion should be based on their relevance to the operations of the organisation. More broadly, Scope 3 emissions can include:

- employee business travel (in vehicles or aircraft not owned or owned by the reporting organisation),
- employees commuting to and from work,
- extraction, production and transport of purchased fuels consumed,
- extraction, production and transport of other purchased materials or goods,
- generation of electricity that is consumed in a transport and delivery system (reported by end user),
- out-sourced activities, and
- transportation of products, materials and waste.

In 2007–08, all Queensland Government agencies are reporting on the carbon emissions from:

- fuels used by vehicles,
- purchased electricity, and
- domestic air travel on commercial airlines.

The Queensland Government is committed to continuing to improve data collection methods and reporting carbon emissions in line with national and international standards. While the best available data has been used, in some instances estimates have been reported due to the limitation of data collection systems, for example in Government-owned buildings where there are multiple tenants and the electricity usage cannot be attributed to a single agency, the Department of Public Works calculates the electricity usage by tenanted agencies based on the m² leased.
The following table outlines the Department of Housing’s carbon emissions during 2007–08.

<table>
<thead>
<tr>
<th>Scope</th>
<th>Category</th>
<th>Notes</th>
<th>Carbon emissions (Tonnes of CO₂)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>QFleet vehicles</td>
<td>1</td>
<td>535</td>
</tr>
<tr>
<td></td>
<td>Purchased electricity for major workplaces</td>
<td></td>
<td>611</td>
</tr>
<tr>
<td></td>
<td>Government-owned premises</td>
<td>2a</td>
<td>2316.13</td>
</tr>
<tr>
<td>Scope 2</td>
<td>Premises leased from the private sector</td>
<td>2b</td>
<td>3713.46</td>
</tr>
<tr>
<td></td>
<td>Domestic air travel on commercial airlines</td>
<td>3</td>
<td>265</td>
</tr>
<tr>
<td></td>
<td>International travel on commercial airlines</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Scope 3</td>
<td>Domestic travel using Avis rental cars</td>
<td>5</td>
<td>15</td>
</tr>
</tbody>
</table>

Notes:
1. The 2007–08 vehicle CO₂ emissions figure represents the estimated cumulative emissions for the period 1 July 2007 to 30 June 2008. It takes into account progressive changes in the size and composition of the fleet during the 12 months, including vehicle replacement. The figure is derived for each vehicle leased from QFleet using:
   - the lease package details (time and kilometres)
   - CO₂ emissions data from testing in accordance with Australian Design Rules for emissions and fuel consumption labelling.
   - Data provided by QFleet reflects CO₂ emissions and not CO₂ equivalent. These calculations also exclude any secondary or indirect emissions.
2a. Electricity — Government-owned premises: These figures are based on actuals from current available records of electricity accounts received by the Department of Public Works, applicable for 2007–08. All electricity consumption has been converted to carbon emissions using a combined Scope 2 and Scope 3 conversion factor of 1.04 kg CO₂ e/kWh as recommended in the National Greenhouse Accounts (NGA) Factors workbook dated January 2008. Electricity consumption information relates to all building/non-building electricity use where an electricity account has been received by a department directly from an electricity retailer or building owner.
2b. Electricity — Premises leased from the private sector: These figures are based on actuals from current available records of electricity accounts received by the Department of Public Works, applicable for 2007–08. On full year leases, where full year records were not available, data has been apportioned/extrapolated to provide an estimate of full year usage. Where leases are less than 12 months old the data relates to the actual period the lease was in place. Based on historical data, tenant energy consumption equates to approximately 55% of total building energy use. The remaining 45% used to air condition the building and light the common areas of a building forms part of the carbon emissions for individual tenants. This 45% has been added to known electricity consumption for private sector leased accommodation.
3. Air travel includes all recorded air travel booked under arrangements managed by the Queensland Government Chief Procurement Office for:
   - international travel on all airlines
   - domestic air travel on both the mainline ‘trunk’ carriers (Qantas and Virgin Blue)
   - travel on smaller, regional carriers 2007–08.
   This includes air travel booked either directly with an airline, through the Queensland Government appointed Travel Management Companies Qantas Business Travel and Hogg Robinson Group or through the Queensland Government’s Travel Management System and bookings made directly with Jetstar or MacAir using a Queensland Government account. It also includes other bookings reported to the Queensland Government Chief Procurement Office. This data is primarily for bookings made by Queensland Health on Qantas.com and data received from the Department of the Premier and Cabinet, Department of Infrastructure and Planning and Department of Tourism, Regional Development and Industry for booking made through American Express as their Travel Management Company which is not managed by Queensland Government Chief Procurement Office.
4. The Queensland Government Chief Procurement Office calculates the number of passengers per sector for domestic (Qantas, Qantaslink, Jetstar and Virgin Blue) for the period 10 December 2007 to 30 June 2008. This information is then passed on to the respective airline for calculation of carbon emissions (Qantas receives and calculates for Qantas, Qantaslink and Jetstar). They all have accredited calculation methodologies and the Department of Climate Change approved offset schemes.
For regional and international air travel and domestic air travel, as defined above, for the period 1 July 2007 to 9 December 2007, the following methodology is used:
From data provided by each airline, agency or travel management company Queensland Government Chief Procurement Office calculates the kilometres flown. The kilometre figure is divided by 100 and multiplied by an industry average number of litres of fuel burnt per pax per 100 kilometres. The factor of five for regional, international and domestic is used. These figures were suggested during discussions with Australian Department of Infrastructure, Transport, Regional Development and Local Government. The Queensland Government Chief Procurement Office tested the formula against current airline calculations and found the results were within a reasonably acceptable variance. The formula is (((Kilometres /100)*Average number of litres of fuel burnt per pax per 100 Km's)*factor to convert litres of fuel to kilometres of fuel)*factor to convert kilometres of fuel to kilometres of CO₂).
5. The hire car vehicle emissions show only emissions for Avis vehicles booked under Standing Offer Arrangement QP691 managed by the Queensland Government Chief Procurement Office. Avis is the major supplier under this arrangement. It supplies emission figures based on the Green Vehicle Guide published by the Department of Infrastructure, Transport, Regional Development and Local Government. Its emission calculation scheme for carbon will be accredited for their offset scheme. Vehicle use linked to other suppliers is not available.
Motor vehicles

The department has implemented its ClimateSmart Fleet Management plan which outlines the strategic processes by which the department manages its motor vehicle fleet to successfully meet the whole-of-Government greenhouse gas emission reduction targets of:

- 15% by 31 December 2012,
- 25% by 2012, and
- 50% by 2017, when compared with 30 June 2007 levels.

The department is progressing well to meet these targets and has reduced its overall fleet size every year since 2004–05. The department has also continued to restructure its fleet type with lower-emission vehicles to improve the fleet environmental profile.

The following table outlines the Department of Housing’s fleet profile during 2007–08.

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Number of fleet vehicles at 30 June</td>
<td>149</td>
<td>147</td>
<td>146</td>
</tr>
<tr>
<td>Number of six cylinder vehicles at 30 June</td>
<td>66</td>
<td>57</td>
<td>40</td>
</tr>
<tr>
<td>Petrol purchased (litres)</td>
<td>225,387</td>
<td>211,224</td>
<td>195,589</td>
</tr>
<tr>
<td>Ethanol petrol purchased (litres)</td>
<td>31,681</td>
<td>39,292</td>
<td>53,903</td>
</tr>
<tr>
<td>Diesel purchased (litres)</td>
<td>11,953</td>
<td>9,569</td>
<td>12,482</td>
</tr>
</tbody>
</table>

Office equipment and consumables

The department encourages environmentally sensitive office management practices involving avoidance, reusing and recycling in all office consumables and fit-outs. This includes minimising waste paper by avoiding printing where possible, setting all photocopier defaults to the double-sided option, recovering and reusing office material where possible, and recycling paper and photocopier cartridges in preference to disposing in landfill. Computers, printers and photocopiers are sold in the second-hand market for reuse.

The department’s Agency Purchasing Procedures were developed in accordance with the Queensland Government’s Better Purchasing Guide on Environmentally Friendly Purchasing. In accordance with the department’s Agency Purchasing Procedures, all suppliers must submit an environmental management plan or strategy as part of their response to departmental offers for the supply of office equipment and consumables.

Waste reduction plans across the department have resulted in a decline in the amount of paper purchased by the department in 2007–08, as evidenced by the following table:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reams of paper purchased</td>
<td>21,082</td>
<td>22,410</td>
<td>22,089</td>
</tr>
</tbody>
</table>

Growing community pride in our own back yards

A garden is a great place to express your personality and pride in your surroundings. The department encourages this by holding annual Water-Wise Garden Awards for its social housing tenants. Competition in the awards increases each year, with over 1,140 entries received from across the State in 2007.

This year also marked the first time tenants in a remote Indigenous community participated, with the Wujal Wujal community entering their gardens in the competition. The community truly embraced the awards with a total of 26 nominations submitted, which was the greatest percentage of nominations for a participating community in Queensland.

Robyn, the 2007 Garden Awards winner from Wujal Wujal (pictured), said: “I really enjoy gardening and entered the Garden Awards for the first time in 2007. I was so excited to receive an award for something I love. I have a variety of plants and flowers which are beautiful in bloom and I hope everyone enjoys my garden as much as I do.”

We also look forward to welcoming the Indigenous communities of Napranum, Hope Vale and Lockhart River for the first time next year, and to seeing the results of all our tenants’ hard work.
Quality management

The Department of Housing uses the term quality management to refer to the processes undertaken to ensure that all the necessary activities for planning, developing and implementing a service are efficient, effective and integrated throughout the organisation.

The department has a quality management system based on the international Quality Management Standard (AS/NZS ISO 9001:2000). The quality management standard provides benchmarks for a management approach which focuses on promoting customer and client satisfaction.

The department has maintained certification to the Quality Management System Standard since 1998 which demonstrates its ongoing commitment to providing quality service to all clients and tenants.

Planning

Planning is undertaken within the Department of Housing against a legislative framework which encourages concepts such as efficient, effective and responsive service delivery aimed at achieving value for money for the Government. The concepts are encapsulated in Part 2 of the Financial Management Standard 1997 and Part 3 of the Public Service Act 1996.

The department’s integrated planning and performance framework ensures that its strategic direction drives all planning activities and resource decisions. It also seeks to identify ways to reduce duplication, improve coordination and integration, and streamline reporting requirements across the department.

The Department of Housing’s goals and outputs align with the Government’s outcomes and priorities for Queensland and the department’s strategic directions and performance requirements are outlined in its Strategic Plan.

Subsidiary plans, such as the department’s operational plan, service area business plans and other corporate support plans have direct links to the Strategic Plan, support Government’s priorities, and provide more detail on the implementation of strategies and actions across the department’s outputs and service areas.

The performance of departmental staff, including managers and Board of Management members, is linked to corporate values, goals and strategies through individual performance management plans. These enable employees and teams to understand the goals of the organisation and how individual and team outputs contribute to the achievement of overarching organisational objectives and values.

The department has embedded a risk management system based on the Australian Standard for Risk Management (AS/NZS 4360:2004). The system is integrated into the department’s overall management approach through the application of risk management strategies when planning and making decisions about significant strategic issues and operational activities. Priorities for risk assessment are identified by advice and direction provided from the Board of Management. Risk assessments are undertaken for each initiative in the department’s Strategic Plan, as well as activities within the department’s operational plan and for other major projects or activities. The risk assessment and controls are recorded in the department’s risk register and the Board of Management agrees the assessment and appropriateness of the mitigating strategies to address the identified risks, and monitors the progress of risk mitigation activities.

Process

The department’s quality management system recognises the organisation’s activities as a complex interrelationship of processes that assist in the delivery of products and services, and support the management of the organisation. A process approach has been adopted to manage and improve services provided to our clients. The principle of a whole-of-department focus recognises that increasingly, many of the department’s key processes cross service area boundaries and as a result, service areas need to work together to ensure end-to-end processes are efficient and effective.

A series of high-level process flow diagrams describe the processes involved in delivering the department’s products and services, and depict interrelationships between the service areas involved. These diagrams also indicate where other interested parties, such as the department’s partner organisations in Government, the community and the private sector, contribute to the delivery of Department of Housing products and services.

Performance

The department has a comprehensive performance assessment system to analyse and report financial and non-financial performance to the Financial and Risk Management Steering Committee on a monthly basis, and performance against the department’s operational plan to the Board of Management on a quarterly basis. Financial and non-financial management information and analysis from all areas of the department are considered against major performance indicators and appropriate action initiated as necessary.
The performance management system:

- translates the department’s vision into clear, measurable outcomes that define success that are shared throughout the agency, with clients and key stakeholders,
- provides a tool for assessing, managing and improving the overall health and success of the department and the delivery of products and services to the people of Queensland, and
- includes measures of quality, cost, timeliness, client satisfaction, employee alignment, motivation and skills to provide an in-depth understanding of the department.

The department provides financial and operational performance reports annually to Queensland Treasury and the Australian Government. Under the Commonwealth State Housing Agreement, the department’s performance is benchmarked against other states and territories based on a National Performance Indicator Framework according to effectiveness and efficiency measures. The results are published annually in the Report on Government Services and are available from http://www.pc.gov.au/gsp/reports/rogs.

The former Service Delivery and Performance Commission conducted a service delivery and performance management review of the Department of Housing during 2007–08. This review assessed the efficiency and effectiveness of the department’s service delivery and its organisational capacity across six elements:

- planning and strategy,
- resource management,
- performance measurement and monitoring,
- governance,
- evaluation and continuous improvement, and
- leadership and capability.

For five of these elements, the department rated at the ‘embedded’ level of maturity which demonstrates it is operating at a sophisticated level of organisational performance. For the element of ‘resource management’, the department was assessed at the highest rating of having a ‘leading’ level of maturity.

Some of the key messages from the report were that the department:

- has a strong service delivery culture aimed at providing available services and using resources efficiently,
- exceeds the national average on most measures of efficiency. In particular, vacancy rates are kept low and the stock of assets is well-managed and maintained,
- has a solid corporate governance framework and sound supervision and monitoring systems which enable accountable and evidence-based decision making,
- has an active involvement in research and development of policy, and
- has a willingness and capacity to reform service delivery arrangements, particularly in the area of provision of value for money, in achieving improved outcomes for clients and Government.

In addition to these positive results, 19 recommendations were included in the review report, many of which reflected work in progress for the department, and therefore acted as confirmation that the department is on an appropriate path to continue to transform the social housing system in Queensland.

Continuous improvement

An essential part of quality management is continuous improvement to enhance performance and strive for excellence. The department conducts a rolling program of self assessments using a systems appraisal process whereby systems are appraised following an assessment of the inherent risks in delivery of a product, service or conduct of an organisational support function. The department’s rolling plan of systems appraisals specifies the systems and schedule of appraisals over a three-year period, and progress is monitored and reported to the Board of Management on a quarterly basis. In 2007–08, the department conducted 96 system appraisals across the three categories of corporate, financial and non-financial systems.

Findings from the appraisals and the corrective actions undertaken are recorded in the department’s Innovation and Improvement Register. An enhanced version of the Innovation and Improvement Register was released in October 2007 and further upgrades, including a revised user-friendly help function and more comprehensive reporting functions, have also been implemented since this time.
Additional departmental functions and activities focusing on continuously improving processes and services include:

- Board of Management review of strategic direction,
- the Risk Management system,
- service area senior management and team meetings,
- constant reviews undertaken by policy and development teams within service areas based on feedback received from clients and front-line staff,
- individual suggestions raised through the Innovation and Improvement Register,
- audits and systems appraisals,
- inter-service area meetings, and
- analysis and reporting of data.

During 2007–08, training in both systems appraisals and statistical sampling was organised for quality officers and auditors within the department. The Quality and Environmental Management Systems Network met on a regular basis to discuss issues such as progress on system appraisals, audit findings and corrective actions, training needs and to share knowledge and experiences relating to quality and environmental management.

A re-certification audit was conducted on the department’s Quality and Environmental Management System in October 2007 by an external auditor that confirmed the systems and processes used throughout the department met the necessary criteria for retaining certification, meeting international standards for quality and the environment. In addition, a surveillance audit on the department’s Quality and Environmental Management System is scheduled for December 2008.

**Business continuity**

The department has developed business continuity plans using a risk management approach to allow the department to continue to provide essential services in the event that normal business operations are interrupted for any reason.

During 2007–08, the department broadened its strategic approach to business continuity management by implementing an overarching business continuity management framework. This framework integrates the department’s arrangements for managing internal interruptions, as well as contributing to external recovery activities. The framework describes how the department links with the Queensland Disaster Management System, details the department’s approach to minimising the impact to the department’s business due to disruptions, and outlines the roles and responsibilities of areas within the department.

In 2007–08 the department integrated the whole-of-Government arrangements for Coordinating Public Information in a Crisis and the Queensland Government Action Plan for Pandemic Influenza.

For 2008–09, the department will continue to maintain business continuity management arrangements as well as finalise its three-year Business Continuity Management Testing Program. This program identifies the testing of plans based on a priority basis, and any identified improvements or deficiencies are recorded and actioned through the department’s Innovation and Improvement Register.

**Leadership**

Leadership development remains an important priority for Government. The Queensland Public Service Charter outlines the principles of public service, requiring leadership in the areas of commitment to the Government, commitment to the people of Queensland and commitment to a professional public service.

To realise the objectives of Realising the Vision: Governance for the Smart State, leadership development is a critical strategy for building organisational capability to achieve innovation, integrated service delivery and stronger partnerships across agencies to meet the future challenges of Government.

**Board of Management committees**

The Board of Management is the department’s principal advisory committee to the Director-General. The Board of Management is responsible for leading and managing the department and is accountable to the Minister for Public Works, Housing, and Information and Communication Technology, the Premier and Queensland Parliament for the efficient management and governance of the department. The Board of Management is responsible for:

- leading and overseeing the department’s strategic direction,
- determining and applying priorities, and driving organisational performance,
- ensuring the department’s structure and resources are appropriate to achieve the priorities of Government and community outcomes for the people of Queensland, and
- operating under a terms of reference which outlines its role in providing leadership and stewardship for the department.
The members of the Board of Management at 30 June 2008 were:

- Director-General, Chief Executive Officer, Department of Housing (Chair),
- General Manager, Aboriginal and Torres Strait Islander Housing,
- General Manager, Client Services,
- Director, Community Renewal,
- General Manager, Housing Finance,
- General Manager, Community and Public Housing,
- Assistant General Manager, Community and Public Housing,
- General Manager, Housing Policy and Strategy,
- General Manager, Organisation Services and Strategy,
- Director, Private Housing Support,
- General Manager, Property Portfolio Management, and
- Executive Director, Service Delivery Reform Unit.

All members of the Board of Management are members of the committees, except for the Audit Committee. Details for the membership of the Audit Committee are addressed later.

The Director-General is supported by a number of management committees, including:

- Board of Management Committee,
- Human Resources Steering Committee,
- Indigenous Housing Steering Committee,
- Information Steering Committee,
- Finance and Risk Management Steering Committee,
- Portfolio Management Steering Committee,
- Private Housing Steering Committee,
- Policy and Strategy Steering Committee,
- One Social Housing System Implementation Steering Committee,
- Audit Committee, and
- Client Intake and Assessment Steering Committee.

Board of Management Committee

The key strategic areas that the Board of Management Committee considers include:

- strategic planning,
- joint arrangements and partnerships,
- inter-governmental relationships, in particular the Commonwealth State Housing Agreement,
- legislation and policy proposals including Cabinet submissions,
- service delivery initiatives, and
- organisational capacity, infrastructure and structural issues.

In 2007–08, the Board:

- developed and implemented strategies to improve governance arrangements of the organisation including consideration and endorsement of the Corporate Procurement Plan 2007–12, Complaints Management System, Multicultural Action Plan and the department’s Strategic Plan 2008–2013,
- established communication protocols and strategies to ensure clients better understood the policy changes of the department, including the One Social Housing Communication Strategy and Client Intake and Assessment Communication Strategy, and
- considered other matters of significance for clients including consideration of Community Renewal’s future program arrangements, Framework for Affordable Housing, Regional and Remote Housing Strategy, new product development for private market assistance, client priority assessment and service delivery reform.

Human Resources Steering Committee

The Human Resources Steering Committee is a forum to assist the Director-General discharge human resources management responsibilities under relevant legislation and agreements by giving advice on strategic human resource management issues. The role of the Human Resources Steering Committee is to:

- provide a governance function by formulating corporate policy and carrying out statutory reporting as required,
- provide leadership by developing and promoting a strategic vision, guiding implementation of department-wide projects and establishing examples of good management,
- assist decision-making by acting as an advisory group, and
- provide a forum for information sharing and discussion of department and sector issues.
In 2007–08, the committee undertook planning for the future availability of a highly skilled workforce through the development and implementation of:

- a Workforce Management Strategic Plan,
- an Indigenous Workforce Strategy Action Plan,
- a Leadership and Management Development Implementation Plan,
- New Attraction, Recruitment and Selection Guidelines,
- the Department of Housing as an attractive employer,
- the Employment Pathways Policy,
- a Capability Framework, and
- Appointment at level and Employee Placement strategy.

**Indigenous Housing Steering Committee**

The Indigenous Housing Steering Committee coordinates the development, implementation and review of departmental policies in relation to Indigenous housing by providing a forum for discussion, setting policy directions and strategies, and monitoring current and emerging issues and trends related to housing for Queensland’s Aboriginal and Torres Strait Islander people. Key strategic areas considered include:

- increasing access to mainstream products and services for Indigenous Queenslanders across all tenancy types,
- developing new models and options for service delivery for Indigenous Queenslanders living in Deed-of-Grant-in-Trust communities, and
- developing strategies to respond to housing and housing-related issues in Indigenous communities including affordable housing, child safety, disability and homelessness.

In 2007–08, the committee led the improvement of service delivery to Indigenous clients through the development and implementation of:

- Improving Indigenous Service Delivery Plan 2007,
- Indigenous Community Engagement – A Guide for Department of Housing Staff,
- a review of the implementation of tenancy management in four Indigenous communities,
- Housing Improvement Plan program of work,
- Palm Island Housing Improvement Plan,
- Fixing Houses for Better Health program, and
- Healthy Indigenous Housing.

**Information Steering Committee**

The role of the Information Steering Committee is to ensure the application, management and review of the department’s information and communication technology resources and investments to ensure they are consistent and effective in their contribution to the strategic directions of both the department and the Queensland Government.

In 2007–08, the committee developed and oversaw the implementation of strategies to improve the life-cycle and support for information and communication technology systems including:

- an upgrade of the system for the Bond Loan product and TRIM record management system,
- enhancements to the Strategic Asset Management System and the Client Assessment Referral Expert,
- system changes to accommodate Water Usage Policy and Debt Management and Recovery,
- preparation and implementation of the System Applications and Products finance system, and
- preparatory analysis for the Client Intake and Assessment System process.

**Finance and Risk Management Steering Committee**

The role of the Finance and Risk Management Steering Committee is to provide the strategic financial and risk management decision-making forum for the department. It is the primary mechanism through which the department manages financial resources, risk exposure and delivers control over budget and risk management processes. The committee is responsible for providing advice to the Director-General on:

- the overall financial framework of the department,
- the management of financial assets,
- the review and assessment of current funding and alternative funding options,
- resourcing issues and strategies, budget allocations and variations,
- the nature, extent and appropriate mitigation for departmental risks, and
- the Risk Management Framework which embraces the Quality and Environmental Management systems and includes certification of those systems.
In 2007–08, the Finance and Risk Management Steering Committee considered departmental financial delegations, monitoring of contingent assets and liabilities, resource allocation and budget adjustments. Other matters overseen include:

- the development of the 2008–09 departmental budget,
- the department’s Business Continuity Management Framework and Action Plan,
- Queensland Government Chief Information Officer whole-of-Government standards for project management,
- departmental risks and system appraisals, and
- performance reporting.

**Portfolio Management Steering Committee**

The Portfolio Management Steering Committee considers significant portfolio management strategies that contribute to maximising the use of the department’s portfolio and any other significant portfolio issues of a strategic nature.

In 2007–08, the committee reviewed the planning and maintenance of the department’s housing asset base to ensure it meets clients’ changing housing needs through consideration of:

- the department’s overall Capital Works Program,
- realignment of stock to client need,
- maintenance management arrangements for community housing dwellings,
- the department’s Asset Strategic Plan,
- the development of the Lady Bowen Complex as part of the Responding to Homelessness initiative, and
- planning parameters for social housing projects.

**Private Housing Steering Committee**

The Private Housing Steering Committee coordinates the development, implementation and review of departmental policies and products in relation to private housing and their application. It does this by providing:

- a forum for discussion and setting of policy directions and strategies, and for monitoring emerging issues and trends in relation to private housing and housing affordability, and for considering application issues related to implementation of departmental policies, strategies and products, and
- advice on matters of strategic significance including policy development, significant operational issues, market research and information, and priority directions for private housing assistance and interventions.

In 2007–08, the committee ensured that private housing policy, products and activities were implemented with due regard to the effective identification, assessment and management of risks and costs including:

- review of the public housing exemption in the *Integrated Planning Act 1997*,
- implementation of RentConnect and integration with the Client Intake and Assessment Project,
- implementation of the Caravan Park Program,
- new product development for private market assistance,
- housing responses and asset usage in the Bowen Basin, and
- development of affordable housing outcomes for the Boggo Road Urban Village.

**Policy and Strategy Steering Committee**

The key strategic areas considered by the Policy and Strategy Steering Committee include:

- overseeing the development and implementation of the Queensland Government Housing Policy,
- assessing the demand on the Queensland housing system and the capacity of the department to respond, particularly for those who find difficulty accessing the private market,
- overseeing higher level policy development to respond to those who are seeking housing assistance,
- overseeing linkages between strategic, tactical and operational policy,
- determining strategies for increasing access to low-income housing in future State planning and Budget processes,
- forming views on the role of housing within broader Government initiatives, and
- determining strategic views on impacts of national work and of research and evaluation outcomes.

The committee directed planning for the future through the development of major policy direction including:

- the Thursday Island Project,
- the Regional and Remote Housing Strategy,
• a new resourcing framework to support the implementation of one social housing system,
• overseeing the Client Intake and Assessment Project which will allow full prioritisation to ensure client housing need is more comprehensively understood, so housing assistance is directed to those in greatest need,
• Commonwealth and State Housing Agreement negotiations, and
• cross-Government initiatives including the Responding to Homelessness initiative, Mental Health initiative and the Disability Services Plan.

One Social Housing Steering Committee
The role of the One Social Housing Steering Committee is to:
• monitor the Community Housing Five-year Implementation Plan,
• monitor resourcing impacts, linkages and alignment to other key policy deliverables,
• direct the development of a broad information strategy, including a product and service guide that can assist clients understand the range of products and services the department provides, and
• direct the development of an infrastructure plan that will support third party providers to ensure high quality service delivery to clients.

In 2007–08, the committee led the planning for the development of major policy including:
• Housing with Shared Support,
• Rural Housing Service Centres,
• Strengthening social housing – A strategy to build capacity for not-for-profit social housing providers in Queensland,
• the future of Community-managed Housing — Studio Units,
• the development of a new social housing Tenant Participation program, and
• realignment of transitional housing within one social housing system.

Audit Committee
The Director-General established the Audit Committee in compliance with section 82 of the Financial Management Standard 1997. The objective of the committee is to provide independent assurance and assistance to the Director-General on the department’s risk, control and compliance framework, and to discharge financial management responsibilities under the Financial Administration and Audit Act 1977.

At 30 June 2008, Audit Committee members were:
• Director-General, Department of Housing (Chair),
• Team Leader, Local Government and Regional Queensland Team, Queensland Treasury Corporation as an independent external member, and
• Director, Community Renewal, General Manager, Client Services and Director, Private Housing Support as departmental representatives.

Members of the Queensland Audit Office are invited to attend each meeting.

General Manager, Housing Finance and General Manager, Organisation Services and Strategy, Department of Housing, attend Audit Committee meetings as observers and to provide advice on corporate governance. The Manager, Internal Audit, Department of Housing and representatives from PricewaterhouseCoopers, as the department’s co-source audit partners, are also in attendance.

In 2007–08, the Audit Committee:
• reviewed the 2006–07 general purpose financial statements,
• reviewed the 2006–07 Commonwealth State Housing Agreement financial statements,
• reviewed the 2006–07 Annual Goods and Services Tax report,
• reviewed the annual report summarising Fringe Benefit Tax (FBT) issues for 2006–07 as part of Treasury’s FBT Compliance Certificate process,
• implemented the internal audit annual plan, and
• reviewed the Audit Committee Charter.

The Audit Committee has observed the terms of its charter and had due regard to Queensland Treasury’s Audit Committee Guidelines.
Aboriginal and Torres Strait Islander Housing provides planning and service delivery of housing, and housing-related products and services, to meet the immediate and long-term needs of Aboriginal and Torres Strait Islander Queenslanders.

Client Services is the department's primary service delivery arm and provides the department's products and services to clients across the State through a network of 24 service delivery offices and a central Call Centre.

It is responsible for the strategic management of the department's property portfolio through building, buying, redeveloping, and maintaining properties to a high standard. It also promotes best practice in residential design.

Housing Finance is the primary source of financial strategy and advice within the department and manages the department's home lending and private bond loan programs.

Community and Public Housing work in partnership with not-for-profit organisations and local governments to provide community-based solutions to local housing need and provide the operational policy and performance framework for planning, delivering and managing the public housing rental program.

The Service Delivery Reform Unit is developing the department's forward service delivery strategy in the short, medium and long-term, to improve the way we deliver services to our clients under one social housing system.

Pascale Anderson
Served on the Board of Management as Acting Director, Community Renewal until October 2007.
**Internal Audit**

The Internal Audit unit was established within the department as a process by which the department gains assurance that the risk exposures it faces are understood and managed appropriately. It is an independent control that functions within the department by measuring and evaluating other controls within the department. Specifically, the unit exists to provide assistance to the Director-General in the effective discharge of that officer’s responsibilities by providing independent and objective insights, analyses, appraisals, observations and recommendations relating to improving performance within the department.

The unit assures that:

- the department is achieving its goals and objectives efficiently, effectively and economically,
- significant financial, managerial and operating information is accurate, reliable and timely,
- resources are acquired economically, used efficiently and are adequately protected,
- programs, plans and objectives are achieved,
- there is compliance with relevant laws, regulations, policies and plans,
- there is a common approach and continuous process for identifying, sourcing and measuring risks,
- quality and continuous improvement are fostered in the department’s control process, and
- the existence of an effective Audit Committee indicates a positive attitude towards internal control.

In 2007–08, the Internal Audit unit:

- completed all audits outlined in the 2007–08 Audit Plan,
- reviewed the department’s Compliance Framework,
- reviewed the Audit Committee Charter, and
- endorsed the 2006–07 Financial Statement Audit.

In November 2005, the department entered into a partnership arrangement with PricewaterhouseCoopers to complement the role of the Internal Audit unit by working in a co-sourced arrangement to undertake audits using best practice audit methodology and systems. In addition to the services provided by Internal Audit, this arrangement ensures independence in assessments and objectiveness in observations and recommendations.

**External Audit**

The department is subject to external audit by the Queensland Audit Office and also by an external auditor appointed to monitor certification to international standards for quality and the environment. The department also periodically commissions external experts to provide advice on audit matters or to perform audit functions in specific areas of interest or concern.

**Self assessment**

By regularly appraising its key business activities and systems, the department not only complies with legislative requirements but is also able to identify any inefficiencies or risks inherent in its processes and implement improvement or mitigation strategies to ensure the highest possible quality of service delivery and housing products are provided.

This continual assessment is implemented through the systems appraisal process, mapped out in a three-year rolling plan. This plan outlines the systems to be appraised, the timing and frequency of the appraisals, and responsible service areas. This is a dynamic plan which evolves in response to the changing needs and environment within the department. Findings from the appraisals and the corrective actions undertaken are recorded in the department’s Innovation and Improvement Register for monitoring by the department’s Financial and Risk Management Steering Committee.

**Community Housing Standards and Accreditation Council**

The Department of Housing has one committee, the Community Housing Standards and Accreditation Council, which receives financial payments.

The Community Housing Standards Accreditation Council:

- sets the strategic directions for the Standards and Accreditation system,
- proactively works with the department to monitor and evaluate progress through the development, implementation and updating of a two-year strategic plan for the Queensland Community Housing Standards and Accreditation system,
- provides advice on issues related to the management of the accreditation system, including training requirements, policy matters and work plan priorities,
- provides advice on how best to promote the accreditation system and support provision of a quality service to providers, Government and tenants,
annually evaluates the outcomes of the accreditation system for community housing tenants and providers,

provides advice on agreements reached between the National Community Housing Accreditation Council and the Queensland Community Housing Accreditation Council on the operation of the accreditation system and the use of standards, and

monitors and reviews the appropriateness of National Community Housing Standards from a Queensland context and further develops the standards to facilitate a broader up-take in Queensland.

The Council has established a sub-committee to consider accreditation reports and determine the accreditation status of organisations.

The members of the Council at 30 June 2008 were:

- Ms Coralie Kingston, Chairperson,
- Ms Helen Collins, peer evaluator representative,
- Ms Jane Keating, independent expert representative,
- Mr Thalep Ahmat, Indigenous housing provider representative,
- Dr Kerry Brown, Deputy Chairperson and independent expert representative,
- Ms Rose Brown, Tenants’ Union of Queensland representative, (community housing tenant organisation representative),
- Ms Wynn Hopkins, rural housing provider representative,
- Mr William Small, community housing tenant representative,
- Ms Jennifer Clark, General Manager, Community and Public Housing, Department of Housing, and
- Ms Toni Malamoo, General Manager, Aboriginal and Torres Strait Islander Housing, Department of Housing.

During 2007–08 the Council:

- considered accreditation reports and granted full three-year accreditation to seven organisations,
- convened Accreditation Assessment Panels to provide an avenue through which the Council can identify emerging accreditation issues,
- continued work to address improving tenant and provider outcomes from the accreditation system,
- worked with the department to publish information about providers who achieve accreditation in the Community and Public Housing Information Bulletin and on the Standards and Accreditation Unit website,
- supported the review of the National Community Housing Standards and requested that it be raised at a national level. The review of the National Community Housing Standards is now in progress, coordinated by the department, with members of the Council providing individual input, and
- approved three new trainees who have met competency requirements of the peer evaluator program and issued attendance certificates to seven other participants. The Council issued letters to peer evaluators and their organisations acknowledging their contribution and the vital role they play in the standards and accreditation system in Queensland.

In 2007–08, the cost for remunerating the Chairperson and members of the Committee, including on-costs, was $11,900.10.

**Boards of the Queensland Building Services Authority and the Residential Tenancies Authority**

For details of the boards for the Queensland Building Services Authority and the Residential Tenancies Authority, please refer to their individual annual reports which are available on their websites by visiting www.bsa.qld.gov.au and www.rta.qld.gov.au.
Appendices
Appendices

Statutory obligations and powers

The Director-General of the Department of Housing was responsible for the following legislation at 30 June 2008:

Department of Housing
- Housing Act 2003
- Housing (Freeholding of Land) Act 1957
- Inala Shopping Centre Freeholding Act 2006

Queensland Building Services Authority
- Building and Construction Industry Payments Act 2004
- Domestic Building Contracts Act 2000
- Queensland Building Services Authority Act 1991
- Subcontractors’ Charges Act 1974

Residential Tenancies Authority
- Residential Services (Accommodation) Act 2002
- Residential Tenancies Act 1994

The Director-General is also given specific authority and responsibilities under the Integrated Planning Act 1997.

As the responsible officer, the Director-General is accountable for preparing and processing reports to Cabinet and Executive Council, subordinate legislation including regulations and forms, and other machinery-of-Government matters. This includes processes for disseminating information to, and reporting by, the department and the statutory authorities within the portfolio, namely the Residential Tenancies Authority and the Queensland Building Services Authority.

The Residential Tenancies Authority and the Queensland Building Services Authority prepare separate annual reports.

The main objectives of the department, as established by the Housing Act 2003, are to:

- improve access to safe, secure, appropriate and affordable housing for Queenslanders, and
- help contribute to building sustainable communities.

The general powers of the department are to:

- enter into contracts,
- acquire, hold, lease, sell and otherwise deal with land and other property,
- carry out building and related works and make other improvements to land,
- appoint agents and attorneys,
- charge for goods and services supplied,
- make loans and investments, and
- waive amounts owed.

Legislative changes that affected the department

Housing Regulation amendments

Housing Amendment Regulation (No.1) 2007 updated the schedule of fees and charges originally prescribed in the Housing Regulation 2003.

Housing Amendment Regulation (No.1) 2008 commenced on 15 March 2008, and ensured consequential amendments required as a result of amendments to the Local Government Act 1993 gave proper effect of the changeover of local government boundaries in March 2008. In addition, the amendment reflected the name change of the Boarding House Program to Community-managed Housing — Studio Units Program.

Housing Amendment Regulation (No.2) 2008 increased fees and charges in line with the Brisbane Consumer Price Index, and amended the common eligibility criteria to include the additions to property ownership and a new liquid assets test.

Housing Amendment Regulation (No.3) 2008 amended the common eligibility criteria to include “appropriateness” of the existing housing of an applicant for social housing assistance in line with the Client Intake and Assessment Process.
Consultancies

The department engaged the following consultancies over the last three years:

<table>
<thead>
<tr>
<th>Consultancy type</th>
<th>New consultancies engaged</th>
<th>Consultancies continued from previous years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Financial accounting</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Human resources</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Information technology</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Management</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>Professional/Technical</td>
<td>11</td>
<td>17</td>
</tr>
<tr>
<td>Total</td>
<td>22</td>
<td>24</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Consultancy type</th>
<th>2005–06 $</th>
<th>2006–07 $</th>
<th>2007–08 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication</td>
<td>71,607</td>
<td>23,297</td>
<td>19,999</td>
</tr>
<tr>
<td>Financial accounting</td>
<td>3,625</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Human resources</td>
<td>35,486</td>
<td>34,226</td>
<td>43,315</td>
</tr>
<tr>
<td>Information technology</td>
<td>75,000</td>
<td>58,975</td>
<td>133,610</td>
</tr>
<tr>
<td>Management</td>
<td>265,427</td>
<td>260,092</td>
<td>259,853</td>
</tr>
<tr>
<td>Professional/Technical</td>
<td>1,743,946</td>
<td>1,377,795</td>
<td>2,275,286</td>
</tr>
<tr>
<td>Amount paid by the department for consultancies</td>
<td>2,195,091</td>
<td>1,754,385</td>
<td>2,732,063</td>
</tr>
<tr>
<td>Consultancies engaged by external parties</td>
<td>(83,280)</td>
<td>(94,124)</td>
<td>(102,224)</td>
</tr>
<tr>
<td>Receipt of reimbursements from external parties</td>
<td>455,802</td>
<td>480,288</td>
<td>277,529</td>
</tr>
<tr>
<td>Cost of consultancies engaged by the department</td>
<td>2,567,613</td>
<td>2,140,549</td>
<td>2,907,368</td>
</tr>
</tbody>
</table>

Overseas travel

The following overseas travel was undertaken to progress departmental business:

<table>
<thead>
<tr>
<th>Financial year</th>
<th>Purpose of trip</th>
<th>Destination</th>
<th>Officer/s</th>
<th>Agency cost</th>
<th>Contribution from other sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007–08</td>
<td>To pursue future potential collaborative activities with the Thai Ministry for Social Development and Human Security and its agencies. To share information with the National Housing Authority in Thailand in relation to property and tenancy management for social housing. To assist the Vietnamese Government with road safety by providing information on Queensland mitigation strategies.</td>
<td>Vietnam and Thailand</td>
<td>Natalie MacDonald, Director-General, Department of Housing</td>
<td>$12,225</td>
<td>Nil</td>
</tr>
</tbody>
</table>
Recordkeeping

Public authorities must comply with legal, administrative, cultural and business recordkeeping requirements through reliable recordkeeping systems that ensure full and accurate records of Government business is adequately documented, preserved and made accessible.

The Queensland Government outlines its compliance principles in Information Standard 40: Recordkeeping, which is enacted by the Public Records Act 2002.

The Department of Housing continued implementing a comprehensive records management strategy to address the standards set in Information Standard 40 (Recordkeeping). In 2007–08:

- local recordkeeping policies and guidelines were reviewed and promoted and are available for all staff to access,
- archived facilities were reviewed,
- a project commenced to upgrade the department’s records management system, and
- significant recordkeeping training was provided to staff.

In addition, recordkeeping information and responsibilities are included in the department’s orientation program.

Shared Services initiative

The Shared Services initiative is a whole-of-Government approach to corporate service delivery. The vision is partnering with corporate services to support and connect Government. Shared services are underpinned by standardising business processes, consolidating technology and pooling resources and expertise.

Under the shared service model, Government agencies joined together to share corporate services and resources through shared service providers. The shared service providers service their existing customer agencies through operating level agreements.

In 2007–08, Queensland Treasury led the refinement of the whole-of-Government model for shared service delivery and provided policy and program management for the Shared Service initiative.

From 21 September 2007, the Shared Service Agency was transferred from Queensland Treasury to the Department of Public Works through a machinery-of-Government change. The Agency now services a number of departments, agencies and other entities across Government. For more information on the Agency, refer to the Department of Public Works’ Annual Report.

Shared service providers for Queensland Health (Queensland Health Shared Service Partner) and the Department of Education, Training and the Arts (Corporate and Professional Services and the Corporate Administration Agency) and Parliamentary Services continue to operate under their existing hosts.

Corporate Solutions Queensland provides selected financial, human resource, document and records management, telecommunications, fleet management and mail services to the Department of Housing. CorpTech provides selected System Applications and Products (SAP) related information management to the department.

During 2007–08, the Department of Employment and Training hosted Corporate Solutions Queensland as a separate entity, and Queensland Treasury hosted CorpTech as a separate entity, and they will report on their activities in their respective annual reports.

Structure of the department

Department of Housing

The Department of Housing comprises ten service areas that all play a crucial role in the provision and delivery of housing assistance to our clients.

Aboriginal and Torres Strait Islander Housing oversees the provision of secure, appropriate and affordable housing to Aboriginal and Torres Strait Islander people in Queensland as a basis for improving social and health outcomes. This is provided through targeted rental housing, grant funding for social housing in discrete Aboriginal and Torres Strait Islander communities, and planning and coordination of housing improvement initiatives for the benefit of Indigenous people living in these communities and on reserves where the department supports social housing.

Client Services is the department’s primary service delivery arm for its products and services, and represents the ‘public face’ of the department. It operates through a service delivery network of 18 area offices, six client service centres and a Call Centre. Client Services works collaboratively with clients to identify their specific housing needs and to
match these to products and services available from the department or by referral to community-based providers. This service area also provides tenancy management for clients in department-owned accommodation and assists them to sustain their tenancies by working closely with other support agencies and organisations.

Community and Public Housing provides the operational policy and performance framework for the planning, delivery and management of social rental and crisis housing. It provides funding to community and local government-managed housing providers to deliver crisis, transitional and long-term affordable accommodation, administers the regulation of funded providers and monitors the compliance of registered providers. It also assists households in the private housing market by funding organisations to provide referral services, information and advice on tenancy, maintenance and home security matters.

Community Renewal is a whole-of-Government program coordinated through the Department of Housing. Community Renewal brokers integrated Queensland Government responses to complex and interrelated community issues in selected areas of the State. The program operates at the community level to build the capacity of local residents and groups by addressing identified priorities in renewal zones. Community Renewal works closely with State, local and non-government agencies in each renewal area, ensuring efforts are coordinated and resources directed towards developing sustainable responses to community-identified issues.

Housing Finance is the primary source of financial management advice within the department and is responsible for the department's financial management framework and environment. It also provides a range of housing assistance to eligible Queenslanders to access or maintain home ownership or private rental accommodation.

Housing Policy and Strategy provides leadership, strategic analysis and advice on housing and related social policy across the department. Housing Policy and Strategy oversees the development of policies that enable the department to achieve broader whole-of-Government objectives, as well as contributing to new and enhanced options for delivering housing services.

Organisation Services and Strategy is responsible for the framework of corporate governance and the provision of corporate and executive support across the organisation, including human resources, information and facilities management, performance and reporting, legal services, appeals and review, executive services and marketing and communication.

Private Housing Support is responsible for the development of policy, products and services that enable government, the private sector and the community to maximise outcomes for low to moderate income households in the private housing market.

Property Portfolio Management is responsible for the strategic management of the department's property portfolio and providing expert guidance in the management of associated non-departmental owned properties.

The Service Delivery Reform Unit is responsible for developing the department's forward service delivery strategy in the short, medium and long-term, to improve the way the department delivers services to its clients.

The contact details of the department's area offices are provided later in this section with a map showing the location of these offices.

Statutory authorities

The Director-General, Department of Housing administers the Acts for the Queensland Building Services Authority and the Residential Tenancies Authority.

The Queensland Building Service Authority regulates the building industry through the licensing of contractors, educates consumers about their rights and obligations, makes contractors aware of their legal rights and responsibilities, handles disputes, protects consumers against loss through statutory insurance, implements and enforces legislative reforms, and where necessary, prosecutes persons not complying with the law.

Further information can be obtained by visiting www.bsa.qld.gov.au.

The Residential Tenancies Authority assists tenants, lessors, agents, residents and service providers by providing a custodial service for rental bonds, tenancy information and education, and a dispute resolution service and will investigate and prosecute offences under the legislation for which it is responsible, when appropriate.

Further information can be obtained by visiting www.rta.qld.gov.au.
Organisational chart

Minister for Public Works, Housing, Information and Communication Technology

Director-General
Department of Housing

Aboriginal and Torres Strait Islander Housing
Program Management
Policy and Planning
Community Program Delivery (Cairns)
Business Support

Client Services
Service Development and Review
Regional Services
Regional Operations
Area Offices
Call Centre
Child Safety and Disability Services
Business Support

Community and Public Housing
Service Delivery
Policy and Implementation Branch
Policy and Program Development
Planning, Research and Investment
Program Management
Performance Management and Compliance
Business Management and Support

Community Renewal
Policy and Strategy
Renewal Delivery (North Queensland)
Renewal Delivery (South Queensland)
Renewal Systems

Housing Finance
Financial Services
Housing Loans

Residential Tenancies Authority

Queensland Building Services Authority

Housing Policy and Strategy
Housing Supply
Housing Demand
Housing Response
Client Intake and Assessment Process Project Team

Organisation Services and Strategy
 Appeals and Review
 Human Resource Management
 Information and Facilities Management
 Internal Audit
 Legal Services
 Marketing and Communication
 Organisational Performance and Strategy

Private Housing Support
Policy and Project Development
Planning and Market Analysis
Business Services

Property Portfolio Management
Portfolio Asset Management
Portfolio Development
Portfolio Investment
Portfolio Planning
Business and Performance Management

Service Delivery Reform Unit
Office details
Department of Housing
Level 13, 61 Mary Street, Brisbane
dohnet@housing.qld.gov.au
GPO Box 690, Brisbane Qld 4001
www.housing.qld.gov.au
Ph. 1300 880 882
Fax. 07 3227 6639

Service areas
Aboriginal and Torres Strait Islander Housing
Level 5, 133 Mary Street, Brisbane
GPO Box 690, Brisbane Qld 4001
Ph. 07 3225 1913
Fax. 07 3227 6736

Community Program Delivery
396 Sheridan Street, Cairns Qld 4870
PO Box 2556, Cairns Qld 4870
Ph. 07 4046 3012
Fax. 07 4046 3030

Client Services
Level 4, 133 Mary Street, Brisbane
GPO Box 690, Brisbane Qld 4001
clientservices@housing.qld.gov.au
Ph. 07 3227 6457
Fax. 07 3227 6639

Community Renewal
Level 6, 133 Mary Street, Brisbane
GPO Box 690, Brisbane Qld 4001
communityrenewal@housing.qld.gov.au
www.communityrenewal.qld.gov.au
Ph. 07 3227 7196
Fax. 07 3235 9093

Housing Finance
Financial Services
Level 7, 133 Mary Street, Brisbane
GPO Box 690, Brisbane Qld 4001
Ph. 07 3225 1497
Fax. 07 3227 8095

Regional Director's office (Northern)
Level 12, 15 Lake Street, Cairns
GPO Box 690, Brisbane Qld 4001
Ph. 07 4039 8799
Fax. 07 4039 8787

Community and Public Housing
Level 9, 61 Mary Street, Brisbane
GPO Box 690, Brisbane Qld 4001
communityhousing@housing.qld.gov.au
publichousing@housing.qld.gov.au
Ph. 07 3247 9115
Fax. 07 3225 1266

Private Housing Support
Level 9, 61 Mary Street, Brisbane
GPO Box 690, Brisbane Qld 4001
Ph. 07 3227 7949
Fax. 07 3227 8094

Property Portfolio Management
Level 8, 61 Mary Street, Brisbane
GPO Box 690, Brisbane Qld 4001
Ph. 07 3225 1530
Fax. 07 3225 1529

Service Delivery Reform Unit
Level 9, 10 Felix Street, Brisbane
GPO Box 690, Brisbane Qld 4001
Ph. 07 3247 6380
Fax. 07 3247 9013
Client Service Centres

Bayside Area Office
Capalaba Tower Court
36 Old Cleveland Road, Capalaba
PO Box 91, Capalaba Qld 4157
Ph. 07 3362 9100
Fax. 07 3362 9104

Brisbane Central Area Office
505 St Pauls Terrace, Fortitude Valley
PO Box 445, Fortitude Valley 4006
Ph. 07 3872 0320
Fax. 07 3872 0316

Brisbane North Area Office
Level 3, 18 Banfield Street, Chermside
PO Box 2352, Chermside Qld 4032
Ph. 07 3896 9300
Fax. 07 3896 9304

Brisbane South Area Office
Level 1, 221 Logan Road, Buranda
PO Box 230, Stones Corner Qld 4102
Ph. 07 3405 5300
Fax. 07 3405 5324

Brisbane South West Area Office
Cnr Wirraway Pde and Kittyhawk Ave, Inala
PO Box 258, Inala Qld 4077
Ph. 07 3362 9200
Fax. 07 3362 9220

Caboolture Area Office
Level 5, Caboolture Park Shopping Centre
60–78 King Street, Caboolture
PO Box 588, Caboolture Qld 4510
Ph. 07 5431 2501
Fax. 07 5431 2505

Central Queensland Area Office
229 Musgrave Street, North Rockhampton
PO Box 6015, Central Qld MC 4702
Ph. 07 4938 4089
Toll Free. 1800 801 176
Fax. 07 4938 4088

Collinsville Queensland Government Agent Program
64 Sonoma Street, Collinsville
PO Box 58, Collinsville Qld 4804
Ph. 07 4785 5567
Fax. 07 4785 5789

Emerald Client Service Centre
27A Hospital Road, Emerald
PO Box 37, Emerald Qld 4720
Ph. 07 4987 4871
Toll Free. 1800 659 160
Fax. 07 4982 1721

Far North Queensland Area Office
13–15 Sheridan Street, Cairns
PO Box 471, Cairns Qld 4870
Ph. 07 4039 8822
Toll Free. 1800 623 208
Fax. 07 4039 8248

Gladstone Client Service Centre
147 Goondoon Street, Gladstone
PO Box 5082, Gladstone Qld 4680
Ph. 07 4979 6560
Toll Free. 1800 266 807
Fax. 07 4979 6574

Gold Coast Area Office
Robina Town Centre, Robina
PO Box 4059, Robina Town Centre Qld 4230
Ph. 07 5583 2200
Fax. 07 5583 2242

Herberton Queensland Government Agent Program
56 Grace Street, Herberton
PO Box 130, Herberton Qld 4887
Ph. 07 4096 2702
Fax. 07 4096 2704

Logan Area Office
11 Station Road, Woodridge
PO Box 5, Woodridge Qld 4114
Ph. 07 3884 9800
Fax. 07 3884 9830

Mackay–Whitsunday Area Office
22–30 Wood Street, Mackay
PO Box 978, Mackay Qld 4740
Ph. 4967 0888
Toll Free. 1800 069 237
Fax. 4967 0906

Mt Garnet Queensland Government Agent Program
Garnet Street, Mt Garnet Qld 4872
Ph. 07 4097 9005
Fax. 07 4097 9036

Maryborough Client Service Centre
116 Lennox Street, Maryborough
PO Box 535, Maryborough Qld 4650
Ph. 07 4121 1918
Toll Free. 1800 623 242
Fax. 07 4121 1775

North Queensland Area Office
Level 2, 143 Walker Street, Townsville
PO Box 953, Townsville Qld 4810
Ph. 07 4760 7378
Toll Free. 1800 806 197
Fax. 07 4760 7376
North West Queensland Area Office
19 West Street, Mount Isa
PO Box 1866, Mount Isa Qld 4825
Ph. 07 4747 2137
Toll Free. 1800 620 466
Fax. 07 4747 2138

Ravenshoe Queensland Government Agent Program
Grigg Street, Ravenshoe
PO Box 43, Ravenshoe Qld 4888
Ph. 07 4097 6660
Fax. 07 4097 6830

Redcliffe Area Office
102 Sutton Street, Redcliffe
PO Box 132, Redcliffe Qld 4020
Ph. 07 3480 1550
Fax. 07 3480 1577

South West Queensland Area Office
Level 2, Condamine Centre
10 Russell Street, Toowoomba
PO Box 418, Toowoomba Qld 4350
Ph. 07 4615 3560
Toll Free. 1800 623 435
Fax. 07 4615 3679

Sunshine Coast Area Office
96 Memorial Avenue, Maroochydore
PO Box 99, Maroochydore Qld 4558
Ph. 07 5475 9700
Fax. 07 5475 9701

Torres Strait Area Office
156 Douglas Street, Thursday Island
PO Box 514, Thursday Island Qld 4875
Ph. 07 4069 2188
Fax. 07 4069 2154

West Moreton Area Office
4 Bell Street, Ipswich
PO Box 263, Ipswich Qld 4305
Ph. 07 3280 1420
Fax. 07 3280 1421

Wide Bay–Burnett Area Office
16 Quay Street, Bundaberg
PO Box 1120, Bundaberg Qld 4670
Ph. 07 4131 5990
Toll Free. 1800 809 835
Fax. 07 4131 5989

Wynnum Client Service Centre
212 Bay Terrace, Wynnum
PO Box 757, Wynnum Qld 4178
Ph. 07 3362 9000
Fax. 07 3362 9005

Community Renewal Offices

Brisbane South/Brisbane South West Office
Cnr Wirraway Parade and Kittyhawk Avenue, Inala
PO Box 466, Inala Qld 4077
Ph. 07 3710 1250
Fax. 07 3710 1251

Caboolture–Deception Bay Office
Level 5, Caboolture Shopping Centre
PO Box 808, Caboolture Qld 4510
Ph. 07 5420 1301
Fax. 07 5420 1310

Gold Coast North Office
5/92 George Street, Beenleigh
Locked Bag 2010, Beenleigh Qld 4207
Ph. 07 3287 8571
Fax. 07 3287 8569

Gold Coast South Office
Level 2, Robina Town Centre
PO Box 4059, Robina Town Centre Qld 4230
Ph. 07 5583 2262
Fax. 07 5583 2249

Logan Office
Unit 1, 8 Blackwood Road, Woodridge
PO Box 369, Woodridge Qld 4114
Ph. 07 3884 9868
Fax. 07 3884 9866

Cairns West Office
Suite 2, 5 Anderson Street, Manunda
PO Box 471, Cairns Qld 4870
Ph. 07 4039 8879
Fax. 07 4039 8883

Upper Ross and West Townsville Office
Level 2, 143 Walker Street, Townsville
PO Box 953, Townsville Qld 4810
Ph. 07 4760 7464
Fax. 07 4760 7472
Funded organisations

Below is a list of organisations that have received grant funding from the department in 2007–08.

Acacia Ridge Community Support Inc.
Access Community Housing Association Inc.
Addiction Help Agency Cairns Inc.
Anglicare Central Queensland Ltd
Anglicare North Queensland Ltd
Atherton Shire Council
Aurukun Shire Council
Australian Community Safety and Research Organisation Inc. (ACRO)
Bahloo Women’s Youth Shelter Association Inc.
Banana Shire Emergency Accommodation and Support Centre Inc.
Barcaldine Regional Council (previously Aramac and Barcaldine Shire Councils)
Bayside Adolescent Boarding Inc. (BABI)
Bayside Tenancy Advice and Advocacy Service Inc.
Beenleigh District Community Development Association Inc.
Better Housing Projects Association Inc.
Booval Community Services Inc.
Breakthrough Community Housing Service Inc.
Bribie Island Voluntary Community Help Association Inc.
Brisbane Housing Company Ltd
Brisbane YMCA Youth Services Inc.
Brisbane Youth Service Inc.
Bundaberg Area Youth Service Inc.
Bundaberg Housing Services Inc.
Bynoe Community Advancement Co-operative Society Ltd
Cabbage Tree Housing Inc.
Caboolture Family Haven Inc.
Caloundra Youth Focus Inc.
Caravan and Manufactured Home Residents Association of Queensland Inc.
Carina Youth Agency Inc.
Central Highlands Regional Council (previously Emerald Shire Council)
Central Queensland Consumers Association
Central Queensland Youth Links Inc.
Charleville and District Community Support Association Inc.
Charleville Youth Centre
Charters Towers Neighbourhood Centre Inc.
Cherbourg Aboriginal Shire Council
Chermside and District Senior Citizens Centre Inc. (The)
Chisholm Inc.
Churches of Christ in Queensland
Clermont Community Housing and Other Services (CCHAO5) Inc.
Communitique Queensland Inc.
Community Accommodation Support Association Inc. (CASA)
Community Emergency Support Centre
Community Housing and Information Centre Inc.
Community Living Association Inc.
Community Rent Scheme Association Townsville Inc.
Cooloola Community Housing Association Inc.
Cooloola Youth Service Inc.
Corporation of the Synod of the Diocese of Brisbane
Corporation of the Trustee of the Order of the Sisters of Mercy in Queensland (Brisbane) (The)
Corporation of the Trustees of the Roman Catholic Archdiocese of Brisbane
Doombadgee Aboriginal Shire Council
Emergency and Long-term Accommodation Moranbah Inc. (ELAM)
Employment Action Centre Ltd
Fraser Coast Community Rental Group Inc.
Gateway Community Group Inc.
Gladstone City Council
Gold Coast Drug Council Inc.
Gold Coast Housing Association Inc.
Gold Coast Housing Company
Goodna Youth Services Inc.
Hervey Bay City Council
Hinchinbrook Community Support Centre Inc.
Home Maintenance and Security Service Association Inc.
Hope Vale Aboriginal Shire Council
Housing Action Group - Maryborough District Inc.
Inala Family Accommodation and Support Service Inc.
Inala Youth Care Community Inc.
Inner Northern Community Housing Brisbane Association Inc.
Innisfail Youth and Family Care Inc.
Integrated Family and Youth Service Inc.
Interlink Housing and Support Association Inc.
Ipswich City Council
Ipswich Community Youth Service Inc. (ICYS)
Ipswich Regional Advocacy Service Inc.
Isaac Regional Council (previously Nebo Shire Council)
Kowanyama Aboriginal Shire Council
Kyabra Community Association Inc.
Lockhart River Aboriginal Shire Council
Lodge Youth Support Service Inc. (The)
Longreach Home and Community Care Inc.
Lutheran Church of Australia Queensland District
Lutheran Community Care
Mackay Regional Council (previously Mirani Shire Council)
Mackay Regional Council for Social Development Ltd.
Maclean Accommodation Support Service Inc.
Mangrove Housing Association Inc.
Mapoon Aboriginal Shire Council
Mareeba Community Housing Association Inc.
Mareeba Shire Council
Maroochy Home Maintenance and Care Association Inc.
Maybanke Association Inc.
Metropolitan Association Towards Community Housing Inc. (MATCH)
Monnington Aboriginal Shire Council
Mount Gravatt District Community Support Inc.
Mount Isa Community Development Association Inc.
Muri Sisters Association Inc.
Naparangk Aboriginal Shire Council
Near North Housing Service Inc.
New Farm Neighbourhood Centre Inc.
Noosa Shire Council
North West Youth Accommodation Service Inc.
North-East Community Support Group Inc.
Northern Peninsula Area Regional Council
Northern Peninsula Area Women’s Shelter
Othila’s Young Women’s Housing and Support Services Inc.
Ozcare
Palmer Island Aboriginal Shire Council
Pine Rivers Shire Council
Pompumraaw Aboriginal Shire Council
Princess Alexandra Health Service District
Queensland Community Housing Coalition Ltd
Queensland Disability Housing Coalition
Queensland Shelter
Queensland University of Technology
Queensland Youth Housing Coalition Inc.
Quilpie Shire Council
Redback Housing Association Inc.
Redland Shire Council
Residential Tenants Association Inc.
Rockhampton City Council
Rockhampton Women’s Shelter Inc.
Roma Regional Council (previously Roma Town Council)
Roman Catholic Trust Corporation for the Diocese of Rockhampton
Roseberry Community Services Inc.
Rosewood Aged Peoples Home
Saint John’s Community Care Ltd
Salvation Army (Qld) Property Trust
Seras Women’s Shelter Inc.
Shelter Housing Action Cairns Committee (SHAC)
Skills Training Mackay Association Inc.
South Burnett Community Training Centre Inc.
St. Mark’s Lutheran Church (Dalby)
St Vincent De Paul Society Queensland
Sunshine Coast Regional Housing Council Inc.
In addition, the department funds Community Renewal activities through partnerships with other Queensland Government agencies, local governments, non-government organisations and businesses.
Financial Statements
For the year ended 30 June 2008

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</thead>
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<td>Income Statement</td>
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<td>Balance Sheet</td>
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<td>Certificate of the Department of Housing</td>
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</tr>
<tr>
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</tr>
</tbody>
</table>

Foreword

The Department of Housing is a Queensland Government department established under the Public Service Act 1996. The department is controlled by the State of Queensland which is the ultimate parent.

The financial statements cover the Department of Housing and its controlled entities, and have been prepared in accordance with the Financial Administration and Audit Act 1977 and other requirements detailed in note 1(a).

The financial statements report the department’s assets, liabilities and equity as at 30 June 2008 and the revenues and expenses for the year ended 30 June 2008.

The financial statements have been prepared to provide the following users with information relevant to the department’s financial performance for the year and its financial position at year end:

- Minister for Public Works, Housing, and Information and Communication Technology,
- Members of the Legislative Assembly of Queensland,
- the building and housing industry,
- community organisations with interests in housing,
- government and semi-government instrumentalities, and
- our clients.
Department of Housing  
Income Statement  
for the year ended 30 June 2008

<table>
<thead>
<tr>
<th>Note</th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCOME</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output revenue</td>
<td>2</td>
<td>107,867</td>
</tr>
<tr>
<td>User charges</td>
<td>3</td>
<td>295,387</td>
</tr>
<tr>
<td>Grants and other contributions</td>
<td>4</td>
<td>231,188</td>
</tr>
<tr>
<td>Other revenue</td>
<td>5</td>
<td>19,370</td>
</tr>
<tr>
<td><strong>Gains</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net gains on financial assets at fair value through profit or loss</td>
<td>6</td>
<td>20,967</td>
</tr>
<tr>
<td>Net gains on disposal of property, plant and equipment</td>
<td></td>
<td>1,503</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td></td>
<td>676,282</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee expenses</td>
<td>7</td>
<td>95,227</td>
</tr>
<tr>
<td>Supplies and services</td>
<td>8</td>
<td>261,343</td>
</tr>
<tr>
<td>Grants and subsidies</td>
<td>9</td>
<td>129,808</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>10</td>
<td>100,461</td>
</tr>
<tr>
<td>Borrowing costs</td>
<td>11</td>
<td>19,479</td>
</tr>
<tr>
<td>Other expenses</td>
<td>12</td>
<td>19,991</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td></td>
<td>626,309</td>
</tr>
<tr>
<td><strong>Operating surplus</strong></td>
<td></td>
<td>49,973</td>
</tr>
</tbody>
</table>

*This Income Statement should be read in conjunction with the accompanying notes.*
## Department of Housing
### Balance Sheet

**as at 30 June 2008**

<table>
<thead>
<tr>
<th>Note</th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash assets</td>
<td>13</td>
<td>88,620</td>
</tr>
<tr>
<td>Loans and receivables</td>
<td>14</td>
<td>30,699</td>
</tr>
<tr>
<td>Inventories</td>
<td>16</td>
<td>15,663</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td>17</td>
<td>9,000</td>
</tr>
<tr>
<td>Prepayments</td>
<td></td>
<td>5,432</td>
</tr>
<tr>
<td>Non-current assets classified as held for sale</td>
<td>18</td>
<td>22,329</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td>171,743</td>
</tr>
<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans and receivables</td>
<td>14</td>
<td>31,933</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td>17</td>
<td>187,060</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>19</td>
<td>8,416</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>20</td>
<td>13,536,545</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>21</td>
<td>15,460</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td></td>
<td>13,779,414</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td></td>
<td>13,951,157</td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>22</td>
<td>51,341</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>23</td>
<td>12,178</td>
</tr>
<tr>
<td>Accrued employee benefits</td>
<td>24</td>
<td>2,417</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>25</td>
<td>13,309</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td></td>
<td>79,245</td>
</tr>
<tr>
<td><strong>NON-CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>23</td>
<td>416,719</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>25</td>
<td>35</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td></td>
<td>416,754</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td></td>
<td>495,999</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td>13,455,158</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributed equity</td>
<td></td>
<td>418,757</td>
</tr>
<tr>
<td>Retained surpluses</td>
<td></td>
<td>3,845,026</td>
</tr>
<tr>
<td>Asset revaluation reserve</td>
<td>26</td>
<td>9,191,375</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td></td>
<td>13,455,158</td>
</tr>
</tbody>
</table>

*This Balance Sheet should be read in conjunction with the accompanying notes.*
## Statement of Changes in Equity

for the year ended 30 June 2008

<table>
<thead>
<tr>
<th>Retained surpluses</th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance 1 July</strong></td>
<td>3,753,250</td>
<td>3,643,172</td>
</tr>
<tr>
<td>Prior period error corrections:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Assets not previously recognised</td>
<td>2,798</td>
<td>6,182</td>
</tr>
<tr>
<td>– Other</td>
<td>-</td>
<td>(269)</td>
</tr>
<tr>
<td><strong>Restated opening balance</strong></td>
<td>3,756,048</td>
<td>3,649,085</td>
</tr>
<tr>
<td>Operating surplus</td>
<td>49,973</td>
<td>81,739</td>
</tr>
<tr>
<td>Other non-owner changes in equity:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Net increase in asset revaluation reserve</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total other non-owner changes in equity</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total recognised income and expense for the year</strong></td>
<td>49,973</td>
<td>81,739</td>
</tr>
<tr>
<td>Transactions with owners as owners:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Equity injection (refer note 2)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>– Net assets transferred from other Queensland public sector entities (refer to note 1(ab))</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>– Net leave liabilities transferred from (to) other Queensland public sector entities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>– Transfer to retained surpluses for assets disposed of</td>
<td>39,005</td>
<td>22,426</td>
</tr>
<tr>
<td><strong>Total transactions with owners as owners</strong></td>
<td>39,005</td>
<td>22,426</td>
</tr>
<tr>
<td><strong>Balance 30 June</strong></td>
<td>3,845,026</td>
<td>3,753,250</td>
</tr>
</tbody>
</table>

*This Statement of Changes in Equity should be read in conjunction with the accompanying notes.*
Department of Housing
Statement of Changes in Equity
for the year ended 30 June 2008

<table>
<thead>
<tr>
<th>Asset revaluation reserve (note 26)</th>
<th>Contributed equity</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008 $'000</td>
<td>2007 $'000</td>
<td>2008 $'000</td>
</tr>
<tr>
<td>7,313,192</td>
<td>6,523,076</td>
<td>262,003</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>7,313,192</td>
<td>6,523,076</td>
<td>262,003</td>
</tr>
</tbody>
</table>

| - | - | - | - | 49,973 | 81,739 |
| 1,917,188 | 812,542 | - | - | 1,917,188 | 812,542 |
| 1,917,188 | 812,542 | - | - | 1,917,188 | 812,542 |
| 1,917,188 | 812,542 | - | - | 1,967,161 | 894,281 |
| - | - | 156,558 | 82,246 | 156,558 | 82,246 |
| - | - | - | 7,770 | - | 7,770 |
| - | - | 196 | (127) | 196 | (127) |
| (39,005) | (22,426) | - | - | - | - |
| (39,005) | (22,426) | 156,754 | 89,889 | 156,754 | 89,889 |
| 9,191,375 | 7,313,192 | 418,757 | 262,003 | 13,455,158 | 11,328,445 |

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.
Department of Housing
Cash Flow Statement
for the year ended 30 June 2008

<table>
<thead>
<tr>
<th>Note</th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Inflows:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output receipts</td>
<td>109,812</td>
<td>127,691</td>
</tr>
<tr>
<td>User charges</td>
<td>293,409</td>
<td>274,937</td>
</tr>
<tr>
<td>Grants and other contributions</td>
<td>219,229</td>
<td>203,185</td>
</tr>
<tr>
<td>Interest receipts</td>
<td>3,053</td>
<td>10,281</td>
</tr>
<tr>
<td>GST input tax credits received from Australian Taxation Office</td>
<td>142,902</td>
<td>132,958</td>
</tr>
<tr>
<td>GST collected</td>
<td>4,182</td>
<td>6,281</td>
</tr>
<tr>
<td>Sale of inventories</td>
<td>12,312</td>
<td>21,260</td>
</tr>
<tr>
<td>Other</td>
<td>22,580</td>
<td>21,788</td>
</tr>
<tr>
<td><strong>Outflows:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee expenses</td>
<td>(93,829)</td>
<td>(86,487)</td>
</tr>
<tr>
<td>Supplies and services</td>
<td>(252,992)</td>
<td>(239,699)</td>
</tr>
<tr>
<td>Grants and subsidies</td>
<td>(125,547)</td>
<td>(115,884)</td>
</tr>
<tr>
<td>Borrowing costs</td>
<td>(19,479)</td>
<td>(19,974)</td>
</tr>
<tr>
<td>GST remitted to Australian Taxation Office</td>
<td>(153,326)</td>
<td>(144,243)</td>
</tr>
<tr>
<td>GST paid</td>
<td>(9,763)</td>
<td>(10,628)</td>
</tr>
<tr>
<td>Cost of inventories</td>
<td>(4)</td>
<td>(1,060)</td>
</tr>
<tr>
<td>Other</td>
<td>(20,010)</td>
<td>(8,445)</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td>27</td>
<td>132,529</td>
</tr>
</tbody>
</table>
Department of Housing
Cash Flow Statement
for the year ended 30 June 2008

CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Note</th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflows:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales of property, plant and equipment</td>
<td>51,839</td>
<td>57,206</td>
</tr>
<tr>
<td>Redemption of loans and advances</td>
<td>19,535</td>
<td>24,039</td>
</tr>
<tr>
<td>Redemption of financial assets at fair value through profit or loss</td>
<td>9,888</td>
<td>12,358</td>
</tr>
<tr>
<td>Outflows:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments for property, plant and equipment</td>
<td>(363,469)</td>
<td>(354,184)</td>
</tr>
<tr>
<td>Payments for intangible assets</td>
<td>(6,424)</td>
<td>(5,188)</td>
</tr>
<tr>
<td>Loans and advances made</td>
<td>(13,536)</td>
<td>(14,592)</td>
</tr>
<tr>
<td>Acquisition of financial assets</td>
<td>(194)</td>
<td>(509)</td>
</tr>
<tr>
<td>Investment in controlled entities</td>
<td>(116)</td>
<td>(8,300)</td>
</tr>
</tbody>
</table>

Net cash used in investing activities | (302,477) | (289,170) |

CASH FLOWS FROM FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Note</th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflows:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity injections</td>
<td>156,558</td>
<td>82,246</td>
</tr>
<tr>
<td>Outflows:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayment of borrowings</td>
<td>(11,792)</td>
<td>(11,629)</td>
</tr>
</tbody>
</table>

Net cash from financing activities | 144,766 | 70,617 |

Net increase (decrease) in cash held | (25,182) | (46,592) |

Cash at beginning of financial year | 113,802 | 160,394 |

Cash at end of financial year | 13 | 88,620 |

For non-cash financing and investing activities, refer to note 28.
This Cash Flow Statement should be read in conjunction with the accompanying notes.
**Department of Housing**  
**Income Statement by Outputs**  
for the year ended 30 June 2008

<table>
<thead>
<tr>
<th></th>
<th>Aboriginal and Torres Strait Islander Housing</th>
<th>Public Rental Housing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2008  $'000</td>
<td>2007  $'000</td>
</tr>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue</strong>*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output revenue</td>
<td>21,005</td>
<td>30,277</td>
</tr>
<tr>
<td>User charges</td>
<td>19,722</td>
<td>16,557</td>
</tr>
<tr>
<td>Grants and other contributions</td>
<td>73,952</td>
<td>43,073</td>
</tr>
<tr>
<td>Other</td>
<td>219</td>
<td>678</td>
</tr>
<tr>
<td><strong>Gains</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net gains on financial assets at fair value through profit or loss</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net gains on disposal of property, plant and equipment</td>
<td>103</td>
<td>1,201</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>115,001</td>
<td>91,786</td>
</tr>
<tr>
<td><strong>Expenses</strong>*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee expenses</td>
<td>11,507</td>
<td>10,828</td>
</tr>
<tr>
<td>Supplies and services</td>
<td>22,471</td>
<td>20,576</td>
</tr>
<tr>
<td>Grants and subsidies</td>
<td>62,054</td>
<td>52,527</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>8,172</td>
<td>7,525</td>
</tr>
<tr>
<td>Borrowing costs</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>257</td>
<td>330</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>104,461</td>
<td>91,786</td>
</tr>
<tr>
<td><strong>Operating surplus (deficit)</strong></td>
<td>10,540</td>
<td>-</td>
</tr>
</tbody>
</table>

*Allocation of income and expenses to corporate services

<table>
<thead>
<tr>
<th></th>
<th>2008  $'000</th>
<th>2007  $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>95</td>
<td>567</td>
</tr>
<tr>
<td>Expenses</td>
<td>5,689</td>
<td>5,442</td>
</tr>
</tbody>
</table>

*This Income Statement by Outputs should be read in conjunction with the accompanying notes.*
## Income Statement by Outputs

Department of Housing

for the year ended 30 June 2008

<table>
<thead>
<tr>
<th>Community Housing</th>
<th>Private Housing</th>
<th>Home Purchase Assistance</th>
<th>Community Renewal</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008 $'000</td>
<td>2007 $'000</td>
<td>2008 $'000</td>
<td>2007 $'000</td>
<td>2008 $'000</td>
</tr>
<tr>
<td>11,085</td>
<td>8,400</td>
<td>17,650</td>
<td>14,551</td>
<td>-</td>
</tr>
<tr>
<td>2,356</td>
<td>1,990</td>
<td>2</td>
<td>1,123</td>
<td>1,217</td>
</tr>
<tr>
<td>43,148</td>
<td>36,070</td>
<td>34,744</td>
<td>27,998</td>
<td>-</td>
</tr>
<tr>
<td>861</td>
<td>1,643</td>
<td>11,802</td>
<td>25,964</td>
<td>2,965</td>
</tr>
</tbody>
</table>

| 62               | 11            | 20,967                   | 9,004             | -     | 20,967       |
| 52               | 432           | 10                       | -                 | 11    | 1,503        |

| 57,502            | 48,535         | 64,206                   | 68,515            | 25,055 | 15,508       |
| 2008 $'000       | 2007 $'000     | 2008 $'000               | 2007 $'000       | 2008 $'000 |
| 8,080            | 7,189          | 11,435                   | 11,242            | 2,491  | 2,157         |
| 11,205           | 9,501          | 8,542                    | 8,434             | 2,054  | 1,993         |
| 24,153           | 22,082         | 33,898                   | 32,770            | 72     | 8483          |
| 4,962            | 3,803          | 288                      | 321               | 107    | 87            |
| 198              | 67             | 10,043                   | 15,748            | 36     | 42            |

| 48,598           | 42,642         | 64,206                   | 68,515            | 4,760  | 4,370         |
| 2008 $'000       | 2007 $'000     | 2008 $'000               | 2007 $'000       | 2008 $'000 |
| 8,904            | 5,893          | -                        | -                | 20,295 | 11,138       |
| 95               | 567            | 95                       | 567              | -      | 95            |
| 4,107            | 4,026          | 5,402                    | 6,075             | 1,990  | 1,956         |

| 3,594            | 3,104          | 45,177                   | 44,280            | 49,973 | 81,739 |

Department of Housing Annual Report 2007–08
Objectives and principal activities of the department
The objectives and principal activities of the Department of Housing are detailed in the body of the Annual Report in the section headed "Statutory obligations and functions".

1 Summary of significant accounting policies

a) Basis of accounting
This financial report is a general purpose financial report and has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AeIFRS), other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Urgent Issues Group Interpretations.
In particular, the financial statements comply with AAS29 Financial Reporting by Government Departments, the Treasurer's Minimum Reporting Requirements and the 'Non-current Asset Policies for the Queensland Public Sector'.
Except where stated, the historical cost convention is used.

b) The reporting entity
The financial statements include the value of all revenues, expenses, assets, liabilities and equity of the department. The department did not control any material entities during 2007–08 and is not required to prepare consolidated financial statements.
Those controlled entities that are not material are:
– Monte Carlo Caravan Park Trust,
– Monte Carlo Caravan Park Pty Ltd,
– Woombye Gardens Caravan Park, and
– Lazy Acres Caravan Park.
Refer to note 31 for further information on these entities.

c) Administered transactions and balances
The department administers, but does not control, certain resources on behalf of the Queensland Government. 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.
Administered transactions and balances are disclosed in note 33. These transactions and balances are not significant in comparison to the department's overall financial performance/financial position.

d) Agency transactions and balances
The department acts as an agent for other entities. Any money collected (and subsequently distributed) in conjunction with this role is not recognised in the financial statements, as the department only has a custodial role in respect of such transactions and balances. Refer to note 34 for further information.

e) Output revenue/administered revenue
Appropriations provided under the Annual Appropriation Act are recognised as revenue when receivable.
Amounts appropriated to the department for transfer to other entities in accordance with legislative or other requirements are reported as administered item appropriations.

f) User charges
User charges controlled by the department are recognised as revenue when charges for the services are raised, to the extent that these relate to the financial year concerned. User charges are controlled where they can be deployed for the achievement of departmental objectives.
Rental income charges are based on household income and are established so that no more than 25% of a tenant's household income is paid in rent.
The department also receives rental income from dwellings rented to community organisations, local councils or other entities, and rental of land. Rental income from land is recognised as Other Revenue.
1 Summary of significant accounting policies (continued)

g) Grants and other contributions
Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year when the department obtains control over them. Control is normally obtained upon their receipt. Where grants are received that are reciprocal in nature, revenue is accrued over the term of the funding arrangements. Contributions of assets are recognised in accordance with the policies described in note 1(l). Contributions of other resources and services (including where these are received free of charge or for nominal value) are only recognised when a fair value can be reliably determined and the resources or other services would have been purchased if not donated. Where this is the case, an equal amount is recognised as revenue and as an expense.

h) Cash assets
For the purposes of the Balance Sheet and the Cash Flow Statement, cash assets include cash on hand (e.g. imprest account balances), all cash and cheques receipted but not banked as at 30 June, as well as deposits on call with financial institutions. Cash at bank is held with the Commonwealth Bank of Australia.

i) Loans and receivables
Loans and receivables are recognised at the nominal amount due at the time of service provision or raising of the charge. The collectability of loans and receivables is periodically assessed with adequate provision being made for impairment. All known bad debts were written-off as at 30 June. Refer to note 14 and note 32 for further information on loans and receivables.

Rental bond loans
The department recognises as a receivable the future repayments required from rental bond loan clients. These repayments are in respect of amounts the department has previously lodged with the Residential Tenancies Authority to fund those clients’ rental bonds.

Borrowers
Loans are recorded at the amount of monies lent, plus interest and other costs less payments from borrowers.

j) Inventories — land held for resale
Land held for resale is recognised at the lower of cost and net realisable value. Cost includes the cost of acquisition and development. Past and future development costs are assigned to lots on a weighted average basis when the lots are sold. These costs are only assigned to those lots initially acquired by the department at the outset of the development. Expenses associated with marketing and selling are deducted from each lot’s market value to determine net realisable value.

k) Non-current assets classified as held for sale
Non-current assets held for sale consist of those assets that management has determined are available for immediate sale in their present condition and for which sale is highly probable within the next 12 months. Prior to transfer of an asset to non-current assets classified as held for sale, it is revalued to fair value (such revaluations are accounted for as described in note 1(o)). Upon transfer to non-current assets classified as held for sale, it is then written-down to net fair value (i.e. fair value less estimated costs to sell). This write-down is recognised as an impairment loss expense. The percentage for estimated costs to sell is re-assessed annually. Non-current assets held for sale are not depreciated.
1 Summary of significant accounting policies (continued)

l) Acquisitions of assets
Actual cost is used for the initial recording of all 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 assets ready for use.

Where assets are received free of charge from another wholly-owned Queensland State public sector entity as a result of a machinery-of-Government change or other involuntary transfer, the acquisition cost is the gross carrying amount in the books of the transferor, immediately prior to the transfer, together with any accumulated depreciation.

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another wholly-owned Queensland State public sector entity, are recognised at their fair value at date of acquisition in accordance with AASB116 Property, Plant and Equipment.

m) Property, plant and equipment
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>Item</th>
<th>Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>$10,000</td>
</tr>
<tr>
<td>Land</td>
<td>$1</td>
</tr>
<tr>
<td>Plant and Equipment</td>
<td>$5,000</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 of an asset is capitalised to the value of that asset.

n) Depreciation of property, plant and equipment

Land, being an asset with an unlimited useful life, is not depreciated.

Buildings, plant and equipment are depreciated on a straight-line basis, so as to progressively allocate the carrying amount of such depreciable assets over their estimated remaining useful lives to the department. The remaining useful lives of all buildings, plant and equipment are reviewed annually. The department has determined a residual value of zero for all of its buildings, plant and equipment.

Capital works in progress are not depreciated until they have reached service delivery capability.

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.

For each class of depreciable asset, the following depreciation rates were used:

<table>
<thead>
<tr>
<th>Class</th>
<th>Depreciation rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>2% per annum</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>15–40% per annum</td>
</tr>
</tbody>
</table>

o) Revaluations of property, plant and equipment

Subsequent to initial acquisition, land and buildings are revalued to fair value in accordance with AASB116 Property, Plant and Equipment and Queensland Treasury’s ‘Non-Current Asset Policies for the Queensland Public Sector’.

Plant and equipment are measured at cost and are not revalued. The carrying amounts for such plant and equipment do not materially differ from their fair value.

Capital works in progress are measured at their acquisition cost or construction cost.

Revaluations of property assets are performed annually using a statistically valid indexation methodology to calculate the valuations. This involves the independent field valuation of a representative sample of land and rental buildings by external valuers located within discrete localities across the State. Indices are calculated using these independent valuations and are applied to all other land and rental buildings. This approach is in accordance with Queensland Treasury’s ‘Non-Current Asset Policies for the Queensland Public Sector’ (refer also to note 20).
1 Summary of significant accounting policies (continued)

o) Revaluations of property, plant and equipment (continued)

An interim revaluation of property assets was performed during 2007–08. A comprehensive revaluation was performed during 2006–07 in accordance with the department’s policy of performing comprehensive valuations at five-yearly intervals. The above methodology is used for both interim and comprehensive valuations, however the latter involves a larger representative sample of properties.

Valuations are based on the following key assumptions:
– the property portfolio can be broken into homogeneous groups, and
– locations in which the department owns property have adequate market depth to determine fair value.

All field valuations are determined directly by reference to observable prices in an active market or recent market transactions.

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation reserve of the appropriate class, except to the extent that 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 that it exceeds the balance, if any, in the revaluation reserve relating to that class.

On revaluation, accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

p) Impairment of non-financial assets

Physical and intangible assets are assessed for indicators of material impairment on an annual basis. If an indicator of possible material 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.

The asset’s recoverable amount is determined as the higher of the asset’s fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the Income Statement, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation reserve of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

q) Leases

A distinction is made in the financial statements between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership, and operating leases, under which the lessor retains substantially all risks and benefits.

The department has not entered into any finance lease agreements.

Operating lease payments are representative of the pattern of benefits derived from the leased assets and accordingly are expensed in the periods in which they are incurred.

Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of the liability. See note 25 for further details.

r) Other financial assets

Investments in other financial assets are disclosed at cost. The transactions and balances of these assets are not consolidated into the department’s financial statements due to their relative immateriality.

Refer to note 19 for further information on other financial assets.
1 Summary of significant accounting policies (continued)

s) Financial assets at fair value through profit or loss

Under the Rental Purchase Plan agreement, clients obtain a loan from the department for the purchase of a part share in a property, and pay monthly instalments which include both a loan repayment (including interest) and a rent component. Note 32 includes further details of this product, as well as other financial information.

The accounting policy relating to loans provided under the product’s loan agreement is detailed in note 1(i) Loans and receivables — borrowers.

The department has made a judgement that it does not have effective control of properties subject to these agreements, but rather that its interest in the properties meets the definition of a financial instrument.

The department's interest in the properties is designated upon initial recognition as financial assets at fair value through profit or loss. Fair value is based on the net market value of the department’s proportion of the underlying properties (refer to note 17 for details about how market values are determined for these properties).

The department has made the judgement that this measurement basis is the most reliable estimate of fair value given the inherent uncertainties associated with estimating future cash flows for these assets under the discounted cash flow valuation approach. Based on long-term averages of property growth and rental income, it is expected that the fair value of the department's interest in the properties will be recovered through future sales and rental income, taking into account the time value of money.

The department’s interest in Rental Purchase Plan properties is classified as Non-Current Financial Assets at Fair Value through Profit or Loss except to the extent that the department has been advised of clients’ intention to sell or refinance their properties, or where properties have been repossessed and will be sold within the next 12 months.

t) Intangible assets and amortisation

Intangible assets held by the department represent its investment in internal use software, principally in respect to financial management and operational systems.

Intangible assets with a cost greater than $100,000 are recognised in the financial statements, with items of a lesser value being expensed.

Expenditure on research activities relating to intangible assets is recognised as an expense in the period in which it is incurred.

It has been determined that there is not an active market for any of the department’s intangible assets. As such, the assets are recognised and carried at cost less accumulated amortisation.

These assets are initially amortised on a straight-line basis at a rate of 20% per annum, reflecting their estimated useful lives to the department. The remaining useful life of each intangible asset is reviewed annually. The department has determined a residual value of zero for all its intangible assets.

u) Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price net of applicable trade and other discounts. Amounts owing are unsecured and are generally settled according to individual vendors’ terms.

v) Other financial liabilities

These liabilities represent Australian Government borrowings and are recognised at book value as the amount contractually owing.

All associated borrowing costs are settled in the reporting period in which they arise, and are recognised according to the nominal amounts paid. No borrowing costs are capitalised.

Further information on other financial liabilities, including their fair value, is disclosed in note 32.
1 Summary of significant accounting policies (continued)

w) Accrued employee benefits

Wages and salaries
Wages and salaries due, but unpaid at 30 June, are recognised in the Balance Sheet including related on-costs such as payroll tax, long service leave levies and employer superannuation contributions.

Annual leave
An Annual Leave Central Scheme (ALCS) has been established at 30 June 2008 for departments, commercialised business units and shared service providers. Member agencies must transfer their annual leave liabilities as at 30 June 2008 to the scheme on 9 September 2008. Accordingly, the annual leave liability is recognised as a payable and is disclosed in note 22. The annual leave liability will be held on a whole-of-Government basis and disclosed in the Report on State Finances. Under the ALCS, member agencies must contribute a levy equal to their accrued quarterly annual leave cost, including leave loading and on-costs. Amounts paid to employees for annual leave are claimed back from the scheme.

Sick leave
Prior history indicates that, on average, sick leave taken each reporting period is less than the entitlement accrued. The department has made the judgement that this is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Superannuation
Employer contributions for superannuation are paid to QSuper, the superannuation plan for Queensland Government employees, at rates determined by the Treasurer on advice from the State Actuary. Contributions are expensed in the period in which they are paid or payable. The department’s obligation is limited to its required fortnightly contribution to the respective superannuation plans.

No liability is recognised for accruing superannuation benefits in these financial statements as this liability is held on a whole-of-Government basis and reported in the whole-of-Government financial statements prepared in accordance with AAS 31, Financial Reporting by Governments.

Long service leave
Under the Queensland Government’s long service leave scheme, a levy is made on the department to cover this cost. This levy is expensed in the period in which it is payable. Amounts paid to employees for long service leave are claimed from the scheme as and when such payments are made. No provision for long service leave is recognised in these financial statements, as this liability is held on a whole-of-Government basis and reported in the whole-of-Government financial statements prepared pursuant to AAS 31, Financial Reporting by Governments.

Executive remuneration
The executive remuneration disclosures in the Employee Expenses note (note 7) in the financial statements include:

– the aggregate remuneration of all senior executive officers (including the Chief Executive Officer) whose remuneration for the financial year is $100,000 or more, and

– the number of senior executives whose total remuneration for the financial year falls within each successive $20,000 band, commencing at $100,000.
1 Summary of significant accounting policies (continued)

w) Accrued employee benefits (continued)

The remuneration disclosed is all remuneration paid or payable, directly or indirectly, by the department or any related party in connection with the management of the affairs of the department or any of its controlled entities, whether as an executive or otherwise. For this purpose, remuneration includes:

- wages and salaries,
- accrued leave (that is, the increase/decrease in the amount of recreation and long service leave owed to an executive, inclusive of any increase in the value of leave balances as a result of salary rate increases or the like),
- accrued super (being the value of all employer superannuation contributions during the financial year, both paid and payable as at 30 June),
- car parking benefits and the cost of motor vehicles, such as lease payments, fuel costs, registration/insurance, repairs/maintenance and fringe benefits tax on motor vehicles incurred by the department during the financial year, both paid and payable as at 30 June, net of any amounts subsequently reimbursed by the executives,
- allowances included in remuneration agreements of executives, and
- fringe benefits tax associated with the above benefits.

The disclosures apply to all senior executives appointed by the Governor in Council and classified as SES1 and above, with remuneration above $100,000 in the financial year. ‘Remuneration’ means any money, consideration or benefit, but excludes amounts:

- paid to an executive by the department or a controlled entity where the person worked during the financial year wholly or mainly outside Australia during the time the person was so employed, or
- in payment or reimbursement of out-of-pocket expenses incurred for the benefit of the department or any of its controlled entities.

In addition, separate disclosure of separation and redundancy/termination benefit payments is included where applicable.

x) Contributed equity

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State public sector entities, as a result of machinery-of-Government changes or other involuntary transfers, are adjusted to Contributed Equity in accordance with Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities. Appropriations for equity adjustments are similarly designated.

y) Insurance

The department’s non-current physical assets and other risks are insured through the Queensland Government Insurance Fund, with premiums paid on a risk assessment basis. In addition, the department pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Pursuant to the terms of their Rental Purchase Plan Loan agreements, clients are required to take out building insurance in their own name with the department noted as an interested party.

z) Taxation

The department is a State body as defined under the Income Tax Assessment Act 1936, and is exempt from Australian Government taxation except for Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). As such, input tax credits receivable from and GST payable to the Australian Taxation Office (ATO), along with FBT, are recognised and accrued. FBT payable by the department is recognised as a current payable in the Balance Sheet.

The department formed a GST group with QBuild and Project Services effective from 1 July 2000. Under the department’s GST grouping arrangements, the ATO deems the department, as the nominated representative, to be responsible for remitting GST collected and for claiming input tax credits for GST on behalf of all members of the group. The net amount of GST recovered or payable by the group to the ATO is included as a current receivable or payable in the Balance Sheet. In turn, the department recognises a receivable from other group members to the extent that any GST payable is attributable to those respective group members. Further, the department recognises a payable to other group members to the extent that a GST receivable is attributable to those respective group members.
1 Summary of significant accounting policies (continued)

2) Taxation (continued)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable as an input tax credit from the ATO. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the item of expense.

All receivables and payables are stated with the amount of GST included, provided the related invoices are dated on or before 30 June. Other receivables and payables resulting from accrued revenues and expenses are not reported inclusive of GST (if any is applicable).

Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

aa) Outputs of the department

The identity and purpose of each output undertaken by the department during the year are summarised below.

Aboriginal and Torres Strait Islander Housing

Aboriginal and Torres Strait Islander Housing provides secure and appropriate housing to Aboriginal and Torres Strait Islander people in Queensland, as part of one social housing system, as a basis for improving their social and health outcomes. It involves the direct provision of social housing through the Aboriginal and Torres Strait Islander Housing Rental Program and the administration of capital and recurrent grants and support to Aboriginal and Torres Strait Islander registered providers on Deed of Grant in Trust land to deliver viable and sustainable social housing.

Public Rental Housing

Public Rental Housing, as part of one social housing system, provides affordable rental housing targeted at low-income, disadvantaged families and individuals who have difficulties accessing accommodation in the private market.

Community Housing

The Community Housing output includes provision of crisis and transitional housing, community-managed housing, and community-managed housing-related services by not-for-profit community organisations, churches and local governments, to meet local needs as part of one social housing system. This is achieved through the administration of capital and recurrent grants as well as the lease of department-owned properties to eligible organisations. It also involves regulation of funded organisations and capacity building initiatives to support a sustainable and accountable service delivery system.

Private Housing

The Private Housing output provides a range of housing assistance and housing supply responses, as part of one social housing system, that enable Queenslanders to remain in their homes or access appropriate private rental housing. This output also includes systemic strategies, in partnership with key stakeholders, to address the diverse housing needs of Queenslanders, particularly those on low incomes.

Home Purchase Assistance

The Home Purchase Assistance output provides assistance for people on low to moderate incomes to access and sustain home ownership through a range of products and services such as housing loan products, deposit assistance, special assistance grants and mortgage relief.

Community Renewal

Community Renewal brokers integrated Queensland Government responses to complex and interrelated community issues in selected areas of the State. The program operates at the community level to increase the capacity of residents and groups in renewal communities to harness resources from local, State and Australian Government agencies, and the business and community sectors to develop sustainable responses to locally identified issues.
1 Summary of significant accounting policies (continued)

aa) Outputs of the department (continued)

Outputs for 2008–09

During 2007–08 a review of the department’s outputs was undertaken. From 1 July 2008 the following outputs will be used:

– Social Rental Housing — secure and affordable rental housing for low to moderate income families and individuals, in particular, those who have difficulties in the private market,
– Indigenous Community Housing — the provision of appropriate housing in regional and remote Indigenous communities,
– Crisis Housing — assistance to people who are homeless or at risk of homelessness,
– Private Market Assistance — products and services to improve options for households with housing needs that can be met in the private rental and home purchase markets, and
– Community Renewal — brokering integrated Queensland Government responses to complex and interrelated community issues in selected areas of the State.

ab) Machinery-of-Government changes

On 1 July 2006, five hostels formerly operated by the Department of Aboriginal and Torres Strait Islander Policy were transferred to the department as a result of a machinery-of-Government change.

Assets to the value of $7.77 million and liabilities of $0.01 million were transferred, with the increase in net assets of $7.76 million reflected in an increase in contributed equity as disclosed in the Statement of Changes in Equity.

ac) Allocation of revenues and expenses from ordinary activities to corporate services

The department discloses revenues and expenses attributable to corporate services in the Income Statement by Outputs.

ad) Issuance of financial statements

The financial statements are authorised for issue by the Director-General and General Manager, Housing Finance at the date of signing the ‘Certificate of the Department of Housing’.

ae) Comparative information and rounding

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

All figures in these statements have been rounded to the nearest $1,000 or, where that amount is less than $500, to zero.

af) Judgements and assumptions

Where the department has made significant judgements regarding the classification or measurement of a particular transaction or balance, these are outlined in relevant places throughout the ‘Notes to and forming part of the financial statements’. Any relevant assumptions are also disclosed in those notes. None of these assumptions involve a significant risk of material adjustments needing to be made to the carrying amounts of assets or liabilities during the following reporting period.

ag) New and revised accounting standards

No Australian Accounting Standards and Interpretations issued or amended and applicable for the first time in the 2007–08 financial year have an effect on the accounting policies of the department. Also, the department has not voluntarily changed any of its accounting policies.

The department is not permitted to early adopt a new accounting standard ahead of the specified commencement date unless approval is obtained from the Treasury Department. Consequently, the department has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. The department will apply these standards and Interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, the following Australian Accounting Standards and Interpretations with future commencement dates are applicable to the department:
1 Summary of significant accounting policies (continued)

a) New and revised accounting standards (continued)

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<thead>
<tr>
<th>Title</th>
<th>Issued</th>
<th>Applicable*</th>
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</thead>
<tbody>
<tr>
<td>AASB–I 12 Service Concession Arrangements, AASB2007–2 Amendments</td>
<td>February 2007</td>
<td>1 January 2008</td>
</tr>
<tr>
<td>to Australian Accounting Standards arising from AASB Interpretation</td>
<td></td>
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<td>12, revised UIG 4 Determining whether an Arrangement contains a</td>
<td></td>
<td></td>
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<tr>
<td>Lease and revised UIG 129 Service Concessions Arrangements:</td>
<td></td>
<td></td>
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<tr>
<td>Disclosures</td>
<td></td>
<td></td>
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<td>Revised AASB123 Borrowing Costs and AASB2007–6 Amendments to</td>
<td>June 2007</td>
<td>1 January 2009</td>
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<td>Australian Accounting Standards arising from AASB123 [AASB1,</td>
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<tr>
<td>AASB101, AASB107, AASB111, AASB116, AASB138 and Interpretations</td>
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<td>1 and 12]</td>
<td></td>
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<td>and December 2007</td>
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<td>AASB1049 Whole of Government and General Government Section</td>
<td>October 2007</td>
<td>1 July 2008</td>
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<td>Financial Reporting</td>
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<td>December 2007</td>
<td>1 July 2008</td>
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</tr>
<tr>
<td>–9 Amendments to Australian Accounting Standards arising from AASB</td>
<td></td>
<td></td>
</tr>
<tr>
<td>27, AAS29, AAS31 and revised Interpretation 1038 Contributions by</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owners Made to Wholly-Owned Public Sector Entities</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Applicable to reporting periods commencing on or after the given date.

A number of these new or amended Australian accounting standards and Interpretations will have a material impact on the department. Details of such impacts are set out below:

AASB1004 Contributions has been revised, and will affect the department as from 2008–09. This standard will require more detail to be disclosed in respect of the department's appropriations, eg. expenditures in respect of each category of appropriation and reasons for material variances between amounts appropriated and the associated expenditures.

The new accounting standard AASB1052 Disaggregated Disclosures will also impact on the department as from 2008–09. The most significant impact of this standard on the department is that it will require disclosure of the amounts of controlled assets and liabilities attributable to each departmental output. The amounts attributable to the department's 2008–09 outputs (refer to note 1 (aa)) are not known or reasonably estimable at this time.

AASB101 Presentation of Financial Statements has been revised, but such revisions will not impact on the department until 2009–10. This revised standard does not have measurement or recognition implications. Instead, there will be significant changes to the presentation of the department's overall financial performance and position, particularly the content of the Statement of Changes in Equity, and preparation of a new Statement of Comprehensive Income (which will include certain items currently disclosed in the Statement of Changes in Equity, in line with the definition of ‘comprehensive income’ in the revised AASB101). If the department makes a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period.
2 Reconciliation of payments from consolidated fund

Reconciliation of payments from consolidated fund to output revenue recognised in the Income Statement

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgeted output appropriation</td>
<td>122,237</td>
<td>127,804</td>
</tr>
<tr>
<td>Lapsed output appropriation</td>
<td>(12,425)</td>
<td>-</td>
</tr>
<tr>
<td>Transfers from the Department of Aboriginal and Torres Strait Islander Policy</td>
<td>-</td>
<td>199</td>
</tr>
<tr>
<td>Transfers to Contributed Equity</td>
<td>-</td>
<td>(312)</td>
</tr>
<tr>
<td>Total output receipts</td>
<td>109,812</td>
<td>127,691</td>
</tr>
<tr>
<td>Less: Opening balance of output revenue receivable</td>
<td>(2,466)</td>
<td>-</td>
</tr>
<tr>
<td>Plus: Closing balance of output revenue receivable</td>
<td>521</td>
<td>2,466</td>
</tr>
<tr>
<td>Output revenue recognised in Income Statement</td>
<td>107,867</td>
<td>130,157</td>
</tr>
</tbody>
</table>

Reconciliation of payments from consolidated fund to equity adjustment recognised in Contributed Equity (Statement of Changes in Equity)

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgeted equity adjustment appropriation</td>
<td>164,635</td>
<td>77,805</td>
</tr>
<tr>
<td>Transfer from Output Revenue</td>
<td>-</td>
<td>312</td>
</tr>
<tr>
<td>Unforeseen expenditure</td>
<td>-</td>
<td>4,129</td>
</tr>
<tr>
<td>Lapsed equity adjustment</td>
<td>(8,077)</td>
<td>-</td>
</tr>
<tr>
<td>Equity adjustment recognised in Contributed Equity</td>
<td>156,558</td>
<td>82,246</td>
</tr>
</tbody>
</table>

3 User charges

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental income</td>
<td>292,525</td>
<td>274,072</td>
</tr>
<tr>
<td>Other recoveries</td>
<td>2,862</td>
<td>2,587</td>
</tr>
<tr>
<td>Total</td>
<td>295,387</td>
<td>276,659</td>
</tr>
</tbody>
</table>

4 Grants and other contributions

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Government grants*</td>
<td>208,890</td>
<td>192,777</td>
</tr>
<tr>
<td>Donated non-current physical assets</td>
<td>9,529</td>
<td>5,894</td>
</tr>
<tr>
<td>Other*</td>
<td>12,769</td>
<td>8,612</td>
</tr>
<tr>
<td>Total</td>
<td>231,188</td>
<td>207,283</td>
</tr>
</tbody>
</table>

* The Department receives funding from the Australian Government pursuant to the Commonwealth State Housing Agreement. The current agreement expires on 31 December 2008 and will be replaced by a National Affordable Housing Agreement from 1 January 2009. The current agreement provides for specific outputs and performance measures to be achieved. Reports on outputs and performance measures are provided to the Australian Government annually.

* Included in Other Grants and Contributions are the following non-reciprocal contributions which are yet to be fully expended:
  – $8 million received on 25 June 2008 from the Australian Government Department of Families, Housing, Community Services and Indigenous Affairs for the development of an Indigenous single person’s accommodation complex in Mt Isa. These funds remain unspent at 30 June 2008.
  – $3 million received on 18 April 2008 from the Residential Tenancies Authority to contribute to the establishment of the Gold Coast Housing Company. At 30 June 2008, $2.124 million of these funds remains unspent.
5 Other revenue

Interest on financial assets
− Bank - 4,358
− Borrowers 2,957 3,373
− Other 96 96
Sale of inventories 3,053 7,827
Rent of land 10,750 24,574
Insurance compensation from loss of property 2,063 1,464
Bad debt recoveries 1,401 1,398
Miscellaneous 1,815 3,535
Total 19,370 41,097

6 Net gains on financial assets at fair value through profit or loss

Net gains on revaluation 19,752 8,044
Net gains on disposal 1,215 960
Total 20,967 9,004

7 Employee expenses

Employee benefits
Wages and salaries 78,426 71,701
Employer superannuation contributions 9,354 8,493
Long service leave levy 1,339 1,275
Other 157 468
Total 89,276 81,937

Other employee expenses
Payroll tax 4,170 3,818
Training and development 1,236 1,163
WorkCover premium 322 312
Other 223 288
Total 5,951 5,581

Total employee expenses 95,227 87,518

The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis as at 30 June 2008 was 1,256 (2007 1,200).
7 Employee expenses (continued)

Executive remuneration
The number of senior executives who received, or were due to receive, total remuneration of $100,000 or more:

<table>
<thead>
<tr>
<th>Remuneration Range</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>$120,000 to $139,999</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>$140,000 to $159,999</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>$160,000 to $179,999</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>$180,000 to $199,999</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>$260,000 to $279,999</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>$300,000 to $320,000</td>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>

Total: 8

The total remuneration of the executives shown above was $1.54 million during 2007–08 (2007 $1.54 million).

The amount calculated as executive remuneration in these financial statements includes the direct remuneration received, as well as items not directly received by senior executives, such as the movement in leave accruals and fringe benefits tax paid on motor vehicles. This will therefore differ from advertised executive remuneration packages which do not include the latter items.

Total separation or redundancy/termination benefit payments to executives during 2007–08 were $27,822 (2007 nil).

8 Supplies and services

<table>
<thead>
<tr>
<th>Description</th>
<th>2008 ($'000)</th>
<th>2007 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building maintenance*</td>
<td>127,000</td>
<td>123,961</td>
</tr>
<tr>
<td>Rates to local governments#</td>
<td>79,407</td>
<td>74,331</td>
</tr>
<tr>
<td>Shared services charges</td>
<td>10,626</td>
<td>10,771</td>
</tr>
<tr>
<td>Operating lease rentals</td>
<td>9,862</td>
<td>8,033</td>
</tr>
<tr>
<td>Miscellaneous fees and charges</td>
<td>6,673</td>
<td>6,617</td>
</tr>
<tr>
<td>Short term contractors</td>
<td>4,868</td>
<td>5,345</td>
</tr>
<tr>
<td>Office accommodation expenses</td>
<td>3,670</td>
<td>3,775</td>
</tr>
<tr>
<td>Consultancies</td>
<td>2,389</td>
<td>1,747</td>
</tr>
<tr>
<td>Other†</td>
<td>16,848</td>
<td>15,370</td>
</tr>
</tbody>
</table>

Total: 261,343

* This item has been re-named from Housing Maintenance to Building Maintenance. It now includes maintenance of non-residential building assets previously included in Supplies and Services — Other.

# Pursuant to section 95 of the Housing Act 2003, the department is not required to pay general rates to local governments. Consequently, rates to local governments include special payments totalling $24.598 million (2007 $22.515 million) in respect of general rates.

† Supplies and Services — Other includes special payments totalling $22,587 (2007 $12,934) representing ex gratia compensation paid to certain borrowers for maintenance of their homes.
## Department of Housing

### Notes to and forming part of the financial statements

for the year ended 30 June 2008

<table>
<thead>
<tr>
<th>9 Grants and subsidies</th>
<th>2008  $'000</th>
<th>2007  $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Housing</td>
<td>33,898</td>
<td>32,770</td>
</tr>
<tr>
<td>Aboriginal and Torres Strait Islander Housing</td>
<td>62,054</td>
<td>52,527</td>
</tr>
<tr>
<td>Community Housing</td>
<td>24,153</td>
<td>22,082</td>
</tr>
<tr>
<td>Community Renewal</td>
<td>8,483</td>
<td>6,742</td>
</tr>
<tr>
<td>Public Rental Housing</td>
<td>1,148</td>
<td>1,034</td>
</tr>
<tr>
<td>Home Purchase Assistance</td>
<td>72</td>
<td>91</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>129,808</strong></td>
<td><strong>115,246</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>10 Depreciation and amortisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation and amortisation incurred in respect of:</td>
</tr>
<tr>
<td>Buildings</td>
</tr>
<tr>
<td>Plant and equipment</td>
</tr>
<tr>
<td>Software</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>11 Borrowing costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest — Public Housing</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>12 Other expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impairment losses</td>
</tr>
<tr>
<td>— borrowers</td>
</tr>
<tr>
<td>— rental debtors</td>
</tr>
<tr>
<td>— rental bond loans</td>
</tr>
<tr>
<td>— other debtors</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Queensland Government Insurance Fund insurance premiums*</td>
</tr>
<tr>
<td>Cost of sales of inventories</td>
</tr>
<tr>
<td>Donated non-current physical assets</td>
</tr>
<tr>
<td>Losses of buildings subject to insurance*</td>
</tr>
<tr>
<td>Impairment losses — non-current assets classified as held for sale (refer to note 1(k))</td>
</tr>
<tr>
<td>External audit fees*</td>
</tr>
<tr>
<td>Special payments:</td>
</tr>
<tr>
<td>— ex gratia payments</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

* Certain losses of public property are insured by the Queensland Government Insurance Fund. Where claims made in respect of these losses have yet to be assessed by the Queensland Government Insurance Fund and the amounts recoverable cannot be estimated reliably at reporting date, the claims are not disclosed. Revenue is recognised for the agreed settlement amount and disclosed as Other Revenue — Insurance Compensation from Loss of Property upon notification by the Queensland Government Insurance Fund of the acceptance of the claims.

* The Queensland Audit Office is the department’s external auditor. According to the Queensland Audit Office’s Client Strategy for the 2007-08 audit, the estimated fee for this work will be $283,580 (inclusive of GST). The corresponding fee based on the 2006-07 Client Strategy was $247,550 (inclusive of GST). There are no non-audit services included in this amount.
Department of Housing  
Notes to and forming part of the financial statements  
for the year ended 30 June 2008

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

13 Cash assets

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank</td>
<td>88,606</td>
<td>113,788</td>
</tr>
<tr>
<td>Cash on hand</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>88,620</td>
<td>113,802</td>
</tr>
</tbody>
</table>

14 Loans and receivables

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowers</td>
<td>6,678</td>
<td>9,960</td>
</tr>
<tr>
<td>Rental debtors</td>
<td>6,565</td>
<td>6,268</td>
</tr>
<tr>
<td>Less provision for impairment</td>
<td>(3,233)</td>
<td>(3,414)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,332</td>
<td>2,854</td>
</tr>
<tr>
<td>Rental bond loans</td>
<td>11,895</td>
<td>12,317</td>
</tr>
<tr>
<td>Less provision for impairment</td>
<td>(2,092)</td>
<td>(1,797)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>9,803</td>
<td>10,520</td>
</tr>
<tr>
<td>Other debtors</td>
<td>10,681</td>
<td>11,269</td>
</tr>
<tr>
<td>Less provision for impairment</td>
<td>(91)</td>
<td>(25)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10,590</td>
<td>11,244</td>
</tr>
<tr>
<td>Long service leave reimbursements</td>
<td>296</td>
<td>239</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>30,699</td>
<td>34,817</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowers</td>
<td>29,482</td>
<td>33,356</td>
</tr>
<tr>
<td>Rental bond loans</td>
<td>2,974</td>
<td>3,079</td>
</tr>
<tr>
<td>Less provision for impairment</td>
<td>(523)</td>
<td>(449)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,451</td>
<td>2,630</td>
</tr>
<tr>
<td>Other debtors</td>
<td>-</td>
<td>1,562</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>31,933</td>
<td>37,548</td>
</tr>
</tbody>
</table>

Refer to note 32 for further information on these assets.
14 Loans and receivables (continued)

Reconciliations of the provisions for impairment for each class are provided below:

<table>
<thead>
<tr>
<th>Current provisions for impairment</th>
<th>Borrowers</th>
<th>Rental debtors</th>
<th>Rental bond loans</th>
<th>Other debtors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2008 $'000</td>
<td>2007 $'000</td>
<td>2008 $'000</td>
<td>2007 $'000</td>
</tr>
<tr>
<td>Carrying amount at 1 July</td>
<td>- 151</td>
<td>3,414</td>
<td>4,001</td>
<td>1,797</td>
</tr>
<tr>
<td>Provision re-assessment</td>
<td>- (9)</td>
<td>2,812</td>
<td>1,408</td>
<td>1,606</td>
</tr>
<tr>
<td>Loans and receivables written off</td>
<td>- (142)</td>
<td>(2,993)</td>
<td>(1,995)</td>
<td>(1,311)</td>
</tr>
<tr>
<td>Carrying amount at 30 June</td>
<td>- -</td>
<td>3,233</td>
<td>3,414</td>
<td>2,092</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-current provisions for impairment</th>
<th>Borrowers</th>
<th>Rental bond loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008 $'000</td>
<td>2007 $'000</td>
<td>2008 $'000</td>
</tr>
<tr>
<td>Carrying amount at 1 July</td>
<td>- 12</td>
<td>449</td>
</tr>
<tr>
<td>Provision re-assessment</td>
<td>- (12)</td>
<td>402</td>
</tr>
<tr>
<td>Loans and receivables written off</td>
<td>- -</td>
<td>(328)</td>
</tr>
<tr>
<td>Carrying amount at 30 June</td>
<td>- -</td>
<td>523</td>
</tr>
</tbody>
</table>

15 Interest in joint venture operation

The department entered into a joint venture operation with the Queensland University of Technology to develop the Kelvin Grove Urban Village. The joint venture is for the development of a site at Kelvin Grove. Each party to the venture owns and develops its own land located at the site, but contributes to the cost of shared infrastructure and other project common works.

The department has made a judgement that land employed in this joint venture operation meets the definition of inventories on the basis that the land is being developed for resale. This land is included within Inventories disclosed in note 16.

<table>
<thead>
<tr>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
</table>

16 Inventories

<table>
<thead>
<tr>
<th>Land held for resale (at cost)</th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs of acquisition</td>
<td>11,208</td>
<td>19,107</td>
</tr>
<tr>
<td>Development costs</td>
<td>4,000</td>
<td>3,998</td>
</tr>
<tr>
<td>Land held for resale (at net realisable value)</td>
<td>455</td>
<td>455</td>
</tr>
<tr>
<td>Total</td>
<td>15,663</td>
<td>23,560</td>
</tr>
</tbody>
</table>

Of the inventories on hand at 30 June 2008, $11.213 million (2007 $14.895 million) is expected to be realised after more than 12 months.
Department of Housing

Notes to and forming part of the financial statements
for the year ended 30 June 2008

<table>
<thead>
<tr>
<th>17 Financial assets at fair value through profit or loss</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
</tr>
<tr>
<td>Interest in Rental Purchase Plan properties*</td>
</tr>
<tr>
<td>$'000</td>
</tr>
<tr>
<td>2008</td>
</tr>
<tr>
<td>9,000</td>
</tr>
<tr>
<td>2007</td>
</tr>
<tr>
<td>10,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>$'000</td>
</tr>
<tr>
<td>2008</td>
</tr>
<tr>
<td>9,000</td>
</tr>
<tr>
<td>2007</td>
</tr>
<tr>
<td>10,000</td>
</tr>
<tr>
<td><strong>Non-current</strong></td>
</tr>
<tr>
<td>Interest in Rental Purchase Plan properties*</td>
</tr>
<tr>
<td>$'000</td>
</tr>
<tr>
<td>2008</td>
</tr>
<tr>
<td>187,060</td>
</tr>
<tr>
<td>2007</td>
</tr>
<tr>
<td>174,787</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>$'000</td>
</tr>
<tr>
<td>2008</td>
</tr>
<tr>
<td>187,060</td>
</tr>
<tr>
<td>2007</td>
</tr>
<tr>
<td>174,787</td>
</tr>
</tbody>
</table>

* The department’s method of valuing its interest in Rental Purchase Plan properties involves an independent valuation of all properties on a five-year rolling plan. The total portfolio as at 30 June 2008 comprised 1,269 properties (1,326 as at 30 June 2007). There were 88 independent kerbside valuations and 63 full independent valuations performed during 2007–08. The remaining properties were valued by applying a Rental Purchase Plan suburbs index for all suburbs where Rental Purchase Plan properties are located, based on actual sales data provided by the Department of Natural Resources and Water.

Refer to note 32 for other financial information on these assets.

<table>
<thead>
<tr>
<th>18 Non-current assets classified as held for sale</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Land</strong></td>
</tr>
<tr>
<td>$'000</td>
</tr>
<tr>
<td>2008</td>
</tr>
<tr>
<td>17,688</td>
</tr>
<tr>
<td>2007</td>
</tr>
<tr>
<td>22,995</td>
</tr>
<tr>
<td><strong>Buildings</strong></td>
</tr>
<tr>
<td>$'000</td>
</tr>
<tr>
<td>2008</td>
</tr>
<tr>
<td>4,641</td>
</tr>
<tr>
<td>2007</td>
</tr>
<tr>
<td>763</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>$'000</td>
</tr>
<tr>
<td>2008</td>
</tr>
<tr>
<td>22,329</td>
</tr>
<tr>
<td>2007</td>
</tr>
<tr>
<td>23,758</td>
</tr>
</tbody>
</table>

The department has made the judgement that these assets meet the criteria to be classified as non-current assets held for sale. These assets consist of:

- 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 achieved by listing the properties on the open market,
- properties for which sales are negotiated directly with a prospective purchaser (usually another Queensland Government agency or community organisation) after direct approaches about purchasing the property concerned, and
- properties being sold to existing tenants. These sales are directly negotiated with the tenants after receiving advice from them that they wish to purchase the property concerned.

Property sales are expected to be finalised within 12 months.

Refer to note 1(k) for an explanation of the valuation basis for these properties.

<table>
<thead>
<tr>
<th>19 Other financial assets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investment in controlled entities</strong></td>
</tr>
<tr>
<td>$'000</td>
</tr>
<tr>
<td>2008</td>
</tr>
<tr>
<td>8,416</td>
</tr>
<tr>
<td>2007</td>
</tr>
<tr>
<td>8,300</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>$'000</td>
</tr>
<tr>
<td>2008</td>
</tr>
<tr>
<td>8,416</td>
</tr>
<tr>
<td>2007</td>
</tr>
<tr>
<td>8,300</td>
</tr>
</tbody>
</table>

Refer to note 1(b), 1(r) and note 31 for further information on these assets.
Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>Carrying amount at 1 July 2006</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land <strong>At valuation</strong></td>
<td>8,096,021</td>
<td>6,509,800</td>
</tr>
<tr>
<td>Buildings <strong>At valuation</strong></td>
<td>5,346,323</td>
<td>4,773,258</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>13,542,344</td>
<td>11,283,058</td>
</tr>
<tr>
<td><strong>Carrying amount at 30 June 2007</strong></td>
<td>6,509,800</td>
<td>11,386,586</td>
</tr>
<tr>
<td><strong>Carrying amount at 1 July 2007</strong></td>
<td>6,509,800</td>
<td>11,386,586</td>
</tr>
<tr>
<td>Prior period error corrections</td>
<td>1,820</td>
<td>17,966</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>3,180</td>
<td>2,947</td>
</tr>
<tr>
<td>Acquisitions through restructuring</td>
<td>1,073</td>
<td>1,234</td>
</tr>
<tr>
<td>(note 1(ab))</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers between classes</td>
<td>3,048</td>
<td>4,719</td>
</tr>
<tr>
<td>Disposals</td>
<td>(8)</td>
<td>(1,403)</td>
</tr>
<tr>
<td>Assets reclassified as held for sale</td>
<td>43,292</td>
<td>7,421</td>
</tr>
<tr>
<td>Revaluation increments</td>
<td>590,194</td>
<td>222,348</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-</td>
<td>(89,804)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10,294</td>
<td>90,430</td>
</tr>
<tr>
<td><strong>Carrying amount at 30 June 2008</strong></td>
<td>8,096,021</td>
<td>13,536,545</td>
</tr>
</tbody>
</table>

* An interim revaluation of property assets was performed during 2007–08. A comprehensive revaluation was performed in 2006–07 in accordance with the department’s policy of performing comprehensive valuations at five-yearly intervals.

The closing balance of land includes $7.29 million (2007 $7.145 million) of restricted assets and the closing balance of buildings includes $6.215 million (2007 $5.69 million) of restricted assets. The restricted land is Reserve land located at Thursday Island. The department, as trustee, is appointed to manage this land on behalf of the State. In respect of buildings, the restriction relates to a heritage listing in relation to the Lady Bowen Complex at Spring Hill, Brisbane.

* The department has plant and equipment with an original cost of $2.819 million (2007 $3.194 million) and a written-down value of zero still being used in the provision of services.
21 Intangible assets

<table>
<thead>
<tr>
<th></th>
<th>2008 $’000</th>
<th>2007 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software — internally generated (at cost)</td>
<td>3,702</td>
<td>3,702</td>
</tr>
<tr>
<td>Less accumulated amortisation</td>
<td>(3,147)</td>
<td>(2,907)</td>
</tr>
<tr>
<td>Software — other (at cost)</td>
<td>20,491</td>
<td>19,461</td>
</tr>
<tr>
<td>Less accumulated amortisation</td>
<td>(17,407)</td>
<td>(15,636)</td>
</tr>
<tr>
<td>Work in progress — internally generated software (at cost)</td>
<td>10,357</td>
<td>4,847</td>
</tr>
<tr>
<td>Work in progress — other software (at cost)</td>
<td>1,464</td>
<td>1,580</td>
</tr>
<tr>
<td>Total</td>
<td>15,460</td>
<td>11,047</td>
</tr>
</tbody>
</table>

Reconciliations of the carrying amounts for each class of intangible assets are set out below:

<table>
<thead>
<tr>
<th></th>
<th>Software Internally generated $’000</th>
<th>Other $’000</th>
<th>Work in progress Internally generated software $’000</th>
<th>Other software $’000</th>
<th>Total $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying amount at 1 July 2006</td>
<td>1,063</td>
<td>4,836</td>
<td>695</td>
<td>1,365</td>
<td>7,959</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>-</td>
<td>-</td>
<td>4,152</td>
<td>1,036</td>
<td>5,188</td>
</tr>
<tr>
<td>Transfers (to) from other classes of intangible asset</td>
<td>-</td>
<td>821</td>
<td>-</td>
<td>(821)</td>
<td>-</td>
</tr>
<tr>
<td>Amortisation</td>
<td>(268)</td>
<td>(1,832)</td>
<td>-</td>
<td>-</td>
<td>(2,100)</td>
</tr>
<tr>
<td>Carrying amount at 30 June 2006</td>
<td>795</td>
<td>3,825</td>
<td>4,847</td>
<td>1,580</td>
<td>11,047</td>
</tr>
<tr>
<td>Carrying amount at 1 July 2007</td>
<td>795</td>
<td>3,825</td>
<td>4,847</td>
<td>1,580</td>
<td>11,047</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>-</td>
<td>-</td>
<td>5,510</td>
<td>914</td>
<td>6,424</td>
</tr>
<tr>
<td>Transfers (to) from other classes of intangible asset</td>
<td>-</td>
<td>1,030</td>
<td>-</td>
<td>(1,030)</td>
<td>-</td>
</tr>
<tr>
<td>Amortisation</td>
<td>(240)</td>
<td>(1,771)</td>
<td>-</td>
<td>-</td>
<td>(2,011)</td>
</tr>
<tr>
<td>Carrying amount at 30 June 2008</td>
<td>555</td>
<td>3,084</td>
<td>10,357</td>
<td>1,464</td>
<td>15,460</td>
</tr>
</tbody>
</table>

Amortisation of intangible assets is included in the line item Depreciation and Amortisation in the Income Statement. All intangible assets of the department have finite useful lives and are amortised on a straight line basis — refer to note 1(t). Total research and development costs expensed during 2007–08 are $913,046 (2007 $1,649 million). Such costs are included in the figures in notes 7, 8 and 10.
Department of Housing
Notes to and forming part of the financial statements
for the year ended 30 June 2008

22 Payables

<table>
<thead>
<tr>
<th>Description</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors and accruals</td>
<td>38,166</td>
<td>29,289</td>
</tr>
<tr>
<td>Annual Leave Central Scheme*</td>
<td>8,723</td>
<td>-</td>
</tr>
<tr>
<td>GST payable</td>
<td>32,775</td>
<td>35,176</td>
</tr>
<tr>
<td>GST input tax credits receivable</td>
<td>(28,323)</td>
<td>(32,299)</td>
</tr>
<tr>
<td>Net GST payable</td>
<td>4,452</td>
<td>2,877</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>51,341</td>
<td>32,166</td>
</tr>
</tbody>
</table>

*The Queensland Treasury have established an Annual Leave Central Scheme at 30 June 2008. Member agencies must transfer their annual leave liabilities as at 30 June 2008 to the scheme on 9 September 2008. Accordingly, the annual leave liability is recognised as a payable. Refer to note 1(w) for further information.

23 Other financial liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australian Government borrowings</td>
<td>12,178</td>
<td>11,791</td>
</tr>
<tr>
<td><strong>Non-current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australian Government borrowings</td>
<td>416,719</td>
<td>428,898</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>416,719</td>
<td>428,898</td>
</tr>
</tbody>
</table>

Refer to note 32 for further information on these liabilities.

24 Accrued employee benefits

<table>
<thead>
<tr>
<th>Description</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recreation leave entitlements*</td>
<td>-</td>
<td>8,035</td>
</tr>
<tr>
<td>Salaries and wages payable</td>
<td>2,003</td>
<td>1,559</td>
</tr>
<tr>
<td>Long service leave levy payable</td>
<td>317</td>
<td>287</td>
</tr>
<tr>
<td>Other</td>
<td>97</td>
<td>46</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,417</td>
<td>9,927</td>
</tr>
</tbody>
</table>

*An Annual Leave Central Scheme has been established at 30 June 2008. Member agencies must transfer their annual leave liabilities as at 30 June 2008 to the scheme on 9 September 2008. Accordingly, recreation leave entitlements are disclosed in note 22 as an Annual Leave Central Scheme payable. Refer to note 1(w) for further information.
## 25 Other liabilities

**Current**
- Unearned revenue: 13,279
- Lease incentives: 20
- Other: 10
  
  **Total:** 13,309

**Non-current**
- Lease incentives: 35
  
  **Total:** 35

## 26 Asset revaluation reserve by class

### Land
- Carrying amount at 1 July: 5,403,006
- Net revaluation increments: 1,516,067
- Transfer to retained surpluses for assets disposed of: (32,482)
  
  **Carrying amount at 30 June:** 6,886,591

### Buildings
- Carrying amount at 1 July: 1,910,186
- Net revaluation increments: 401,121
- Transfer to retained surpluses for assets disposed of: (6,523)
  
  **Carrying amount at 30 June:** 2,304,784

  **Total:** 9,191,375

The asset revaluation reserve represents the net effect of upwards and downwards revaluations of assets to fair value.
## 27 Reconciliation of operating surplus to net cash from operating activities

<table>
<thead>
<tr>
<th>Item</th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating surplus</strong></td>
<td>49,973</td>
<td>81,739</td>
</tr>
<tr>
<td><strong>Non-cash items:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortisation expense</td>
<td>100,461</td>
<td>92,530</td>
</tr>
<tr>
<td>Donated assets and services expensed</td>
<td>617</td>
<td>343</td>
</tr>
<tr>
<td>Donated assets and services received</td>
<td>(9,529)</td>
<td>(15,293)</td>
</tr>
<tr>
<td>Gain on disposal or granting of non-current assets</td>
<td>(2,718)</td>
<td>(7,936)</td>
</tr>
<tr>
<td>Losses of buildings subject to insurance</td>
<td>712</td>
<td>583</td>
</tr>
<tr>
<td>Donated assets and services received</td>
<td>(9,529)</td>
<td>(15,293)</td>
</tr>
<tr>
<td>Gain on disposal or granting of non-current assets</td>
<td>(2,718)</td>
<td>(7,936)</td>
</tr>
<tr>
<td>Net gain on revaluation of financial assets at fair value through profit or loss</td>
<td>(19,752)</td>
<td>(8,044)</td>
</tr>
<tr>
<td>Impairment losses</td>
<td>551</td>
<td>476</td>
</tr>
<tr>
<td><strong>Change in assets and liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease in GST input tax credits receivable</td>
<td>3,162</td>
<td>3,769</td>
</tr>
<tr>
<td>(Increase) decrease in other receivables</td>
<td>3,227</td>
<td>(1,359)</td>
</tr>
<tr>
<td>Decrease in inventories</td>
<td>7,897</td>
<td>13,122</td>
</tr>
<tr>
<td>(Increase) decrease in prepayments</td>
<td>(4,824)</td>
<td>5,010</td>
</tr>
<tr>
<td>Increase (decrease) in accrued employee benefits</td>
<td>(7,313)</td>
<td>1,097</td>
</tr>
<tr>
<td>Increase in payables</td>
<td>11,295</td>
<td>1,838</td>
</tr>
<tr>
<td>Increase (decrease) in GST payable</td>
<td>(977)</td>
<td>1,914</td>
</tr>
<tr>
<td>Increase (decrease) in other liabilities</td>
<td>(253)</td>
<td>2,172</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td>132,529</td>
<td>171,961</td>
</tr>
</tbody>
</table>

### 28 Non-cash financing and investing activities

Assets received or donated/transferred by the department and recognised as revenues and expenses are set out in notes 4 and 12 respectively.

Assets received or transferred by the department as a result of machinery-of-Government changes or other involuntary transfers, and liabilities transferred to/from other Queensland State public sector entities, are set out in the Statement of Changes in Equity. Note 1(ab) contains further details about machinery-of-Government changes.
Department of Housing
Notes to and forming part of the financial statements
for the year ended 30 June 2008

29 Commitments for expenditure

<table>
<thead>
<tr>
<th>a) Non-cancellable operating lease commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows:</td>
</tr>
<tr>
<td>— Within 12 months</td>
</tr>
<tr>
<td>— 12 months or longer and not longer than five years</td>
</tr>
<tr>
<td>— Longer than five years</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Operating leases are entered into as a means of acquiring access to office accommodation and storage facilities for departmental operations throughout Queensland.
Lease payments are generally fixed on an annual basis with annual rent reviews tied to CPI increases or a percentage negotiated with the landlord. The lease term is generally for an initial fixed period with options to extend the lease for a further period or periods, generally one or two years. No purchase options exist in relation to operating leases. Further, the department’s operating leases do not make provision for dividends (returns of money to the lessee where there is a reduction in the lessor’s own costs under the lease) or additional debt (costs incurred by the lessor — over and above the agreed costs — which are on-charged to the lessee).
Each lease varies to some extent based on factors such as market conditions and concessions that can be negotiated with individual landlords and their agents.

<table>
<thead>
<tr>
<th>b) Expenditure commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Material expenditure commitments inclusive of anticipated GST, contracted for at reporting date but not recognised are payable as follows:</td>
</tr>
<tr>
<td>Land and buildings — acquisitions (within 12 months)</td>
</tr>
<tr>
<td>Plant and equipment (within 12 months)</td>
</tr>
<tr>
<td>Capital grants</td>
</tr>
<tr>
<td>— Within 12 months</td>
</tr>
<tr>
<td>— 12 months or longer and not longer than five years</td>
</tr>
<tr>
<td>— Longer than five years</td>
</tr>
<tr>
<td>Shared service providers (within 12 months)</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>— Within 12 months</td>
</tr>
<tr>
<td>— 12 months or longer and not longer than five years</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>
30 Contingencies

a) Legal claims

As at 30 June 2008, there were 33 public liability claims litigated and threatened (2007 44 claims) with a value of $0.271 million (2007 $0.269 million) which have been reported as being current and for which the department may be required to expend funds. The department is indemnified for each of these claims through either the Queensland Government Insurance Fund, QBE Insurance or Suncorp Insurance. The maximum amount that the department may need to pay in relation to each claim is $10,000, being the excess applied by each insurer.

There are an additional 22 public liability claims (2007 2 claims) notified to the Queensland Government Insurance Fund for which it is not yet possible to reliably measure the potential value of these claims.

b) Property damage claims

As at 30 June 2008, the department had 42 outstanding property damage insurance claims (2007 38 claims) for which the estimated recoveries (net of excesses) total $2.26 million (2007 $1.53 million). The department’s insurer for these claims is the Queensland Government Insurance Fund.

31 Controlled entities

The controlled entities of the department are Monte Carlo Caravan Park Trust, Monte Carlo Caravan Park Pty Ltd, Lazy Acres Caravan Park and Woombye Gardens Caravan Park.

As sole beneficiary, the department controls the Monte Carlo Caravan Park Trust. The department also controls Monte Carlo Caravan Park Pty Ltd, the trustee of the Monte Carlo Caravan Park Trust. Monte Carlo Caravan Park Pty Ltd has two shareholders — the Department of Housing and the Public Trustee, who jointly appoint directors of the company. The creation of both the Monte Carlo Caravan Park Trust and Monte Carlo Caravan Park Pty Ltd was approved by the then Deputy Premier The Honourable Tom Burns, who at the time had Ministerial responsibility for Housing. Monte Carlo Caravan Park Pty Ltd was incorporated under the Corporations Act 1989 on 9 April 1992. The trust deed was signed by the Honourable Tom Burns as settlor, and by Monte Carlo Caravan Park Pty Ltd as trustee. The principal activity of the Monte Carlo Caravan Park Trust is to oversee the operations of the Monte Carlo Caravan Park. The Monte Carlo Caravan Park Trust is a Queensland Government housing initiative, originally instigated to offer secure tenancy for existing residents of the caravan park, as well as for independent caravan owners who were displaced from a neighbouring park due to redevelopment of its site.

In June 2007, the department acquired 100% ownership of the Lazy Acres and Woombye Gardens caravan parks. The financial and operating policies of the caravan parks are determined by the department. The Public Trustee manages the parks on behalf of the department. The caravan parks provide affordable long term housing to permanent park residents. Each of the controlled entities prepares its own annual financial statements that are audited by the Queensland Audit Office. Total external audit fees are estimated to be as follows:

<table>
<thead>
<tr>
<th>Entity</th>
<th>2008 $’000</th>
<th>2007 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monte Carlo Caravan Park</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>Lazy Acres Caravan Park</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Woombye Gardens Caravan Park</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>22</strong></td>
<td><strong>9</strong></td>
</tr>
</tbody>
</table>

There are no non-audit services included in this amount.
### 31 Controlled entities (continued)

Transactions and balances of the controlled entities are not consolidated into the department’s financial statements due to the relative immateriality of their financial results. Each of the controlled entities is currently managed by the Public Trustee. During 2008–09, it is planned to transfer the controlled entities to the department. This will result in the winding up of the Monte Carlo Caravan Park Trust and the trustee company Monte Carlo Caravan Park Pty Ltd. The department will derecognise its Investment in Controlled Entities (refer note 19) and instead, will record the assets and liabilities of the controlled entities within the relevant line items in the financial statements.

A summary of the financial performance and position of the entities is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2008 $’000</th>
<th>2007 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>a) Monte Carlo Caravan Park</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>609</td>
<td>619</td>
</tr>
<tr>
<td>Expenses</td>
<td>(552)</td>
<td>(456)</td>
</tr>
<tr>
<td>Operating surplus (deficit)</td>
<td>57</td>
<td>163</td>
</tr>
<tr>
<td>Assets</td>
<td>7,700</td>
<td>5,668</td>
</tr>
<tr>
<td>Liabilities</td>
<td>(365)</td>
<td>(537)</td>
</tr>
<tr>
<td>Net assets</td>
<td>7,335</td>
<td>5,131</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2008 $’000</th>
<th>2007 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>b) Lazy Acres Caravan Park</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>579</td>
<td>51</td>
</tr>
<tr>
<td>Expenses</td>
<td>(713)</td>
<td>(33)</td>
</tr>
<tr>
<td>Operating surplus (deficit)</td>
<td>(134)</td>
<td>18</td>
</tr>
<tr>
<td>Assets</td>
<td>4,889</td>
<td>4,279</td>
</tr>
<tr>
<td>Liabilities</td>
<td>(44)</td>
<td>(45)</td>
</tr>
<tr>
<td>Net assets</td>
<td>4,845</td>
<td>4,234</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2008 $’000</th>
<th>2007 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>c) Woombye Gardens Caravan Park</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>408</td>
<td>5</td>
</tr>
<tr>
<td>Expenses</td>
<td>(562)</td>
<td>(13)</td>
</tr>
<tr>
<td>Operating surplus (deficit)</td>
<td>(154)</td>
<td>(8)</td>
</tr>
<tr>
<td>Assets</td>
<td>4,260</td>
<td>4,139</td>
</tr>
<tr>
<td>Liabilities</td>
<td>(20)</td>
<td>(38)</td>
</tr>
<tr>
<td>Net assets</td>
<td>4,240</td>
<td>4,101</td>
</tr>
</tbody>
</table>

* The Revenues, Expenses and Operating surplus for 2006–07 are in respect of the period 6 June 2007 to 30 June 2007.

* The Revenues, Expenses and Operating deficit for 2006–07 are in respect of the period 28 June 2007 to 30 June 2007.
32 Financial instruments

a) Description of financial instruments
The department has the following categories of financial assets and financial liabilities:

<table>
<thead>
<tr>
<th>Category</th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>88,620</td>
<td>113,802</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td>196,060</td>
<td>184,787</td>
</tr>
<tr>
<td>Loans and receivables</td>
<td>62,632</td>
<td>72,365</td>
</tr>
<tr>
<td>Total</td>
<td>347,312</td>
<td>370,954</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial liabilities measured at cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>51,341</td>
<td>32,166</td>
</tr>
<tr>
<td>Accrued employee benefits</td>
<td>2,417</td>
<td>9,927</td>
</tr>
<tr>
<td>Other financial liabilities — Australian Government borrowings</td>
<td>428,897</td>
<td>440,689</td>
</tr>
<tr>
<td>Total</td>
<td>482,655</td>
<td>482,782</td>
</tr>
</tbody>
</table>

In addition to the explanations set out in the remainder of this note, note 1 includes information on the accounting policies relating to all financial assets and liabilities.

The department does not enter into financial instruments for speculative purposes. Financial instruments consist of loans to borrowers (the department provides home lending assistance to people on low-to-moderate incomes in Queensland), the department's interest in Rental Purchase Plan properties (financial assets at fair value through profit or loss), Australian Government borrowings, accrued employee benefits and other receivables and payables.

b) Credit risk
No financial assets or financial liabilities have been offset and presented net in the Balance Sheet.

Cash
The maximum potential exposure to credit risk associated with the department’s cash at bank is the amount reported in note 13.

Loans and receivables
The credit risk for loans and receivables relates to the risk that the department will not receive all amounts owing to it. The extent of credit risk relating to the department’s loans and receivables (according to the extent to which provisions for impairment are warranted) is as disclosed in note 14.

For all classes of loans and receivables, objective evidence of impairment exists where balances of debtors’ accounts are in arrears, and on the basis of recent past experience, there is a probability that those balances will not be fully recovered. Where individually impaired debts within a given class of loans and receivables warrant separate assessment, the provision for impairment for that class reflects the outcomes of such separate assessments.

No loans or receivables have had their arrears re-negotiated to avoid such amounts being recorded as past due.

Write-offs of loans and receivables are only processed after all reasonable and cost-effective steps have been taken to recover the arrears owing, and the relevant approving officer is satisfied that this is the case.
32 Financial instruments (continued)

b) Credit risk (continued)

Borrowers

For most borrowers, their loan is secured by a registered first mortgage over the property concerned. The department obtains an independent market valuation of the secured property at the time of loan assessment, but does not undertake regular valuations thereafter. Properties repossessed due to default by the borrower are not retained by the department but are sold at auction through a licensed real estate agent.

For borrowers under the Rental Purchase Plan or Contract of Sale scheme, title remains with the department until the purchase is fully completed under the contract. This practice is solely to ensure the department's interest as a lender is secured.

The department's lending practices include a range of features to mitigate risk, including a requirement for new borrowers to obtain independent financial advice plus a thorough departmental assessment of risk (including credit history reports) at the time of loan assessment. The department has a range of safety nets for different loan products including interest subsidies, extending loan terms and mortgage relief assistance. Credit risk is also minimised through pro-active arrears and loan management practices.

The credit quality of the loans in the department's lending portfolio that are neither past due nor impaired is therefore considered to be high, due to the low level of arrears, the absence of borrower defaults, and the fact that most of the loans were provided many years ago based on much lower residential property values. As at 30 June 2008, the weighted average age of such loans is 15.78 years (2007 15.18 years) with the weighted average loan balance being $23,547 (2007 $22,669).

The following table sets out an analysis of borrowers past due but not impaired at 30 June (due to the factors explained above).

<table>
<thead>
<tr>
<th>Product type</th>
<th>Total $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&gt;0 &amp; &lt;1 instalments* $'000</td>
</tr>
<tr>
<td>Deposit Assistance</td>
<td>1</td>
</tr>
<tr>
<td>HOME Loans</td>
<td>8</td>
</tr>
<tr>
<td>Interest Subsidy</td>
<td>8</td>
</tr>
<tr>
<td>QHFL</td>
<td>1</td>
</tr>
<tr>
<td>QHL</td>
<td>2</td>
</tr>
<tr>
<td>QHSL</td>
<td>1</td>
</tr>
<tr>
<td>RPP</td>
<td>10</td>
</tr>
<tr>
<td>Societies</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>31</td>
</tr>
</tbody>
</table>

*Loan instalments are due monthly. To the extent that the value of arrears for an individual borrower does not equate to one or more whole instalments, this is regarded as a portion of an instalment in arrears.
Department of Housing

Notes to and forming part of the financial statements for the year ended 30 June 2008

32 Financial instruments (continued)

b) Credit risk (continued)

<table>
<thead>
<tr>
<th>Product type</th>
<th>&gt;0 &amp; &lt;1 instalments* $’000</th>
<th>&gt;=1 &amp; &lt;2 instalments* $’000</th>
<th>&gt;=2 &amp; &lt;3 instalments* $’000</th>
<th>&gt;=3 &amp; &lt;4 instalments* $’000</th>
<th>&gt;=4 instalments* $’000</th>
<th>Total $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposit Assistance</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>93</td>
</tr>
<tr>
<td>HOME Loans</td>
<td>10</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Interest Subsidy</td>
<td>11</td>
<td>3</td>
<td>1</td>
<td>3</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>QHFL</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>QHL</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>RPP</td>
<td>18</td>
<td>10</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>37</td>
</tr>
<tr>
<td>Societies</td>
<td>1</td>
<td>2</td>
<td>14</td>
<td></td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>42</td>
<td>18</td>
<td>20</td>
<td>4</td>
<td>9</td>
<td>93</td>
</tr>
</tbody>
</table>

*Loan instalments are due monthly. To the extent that the value of arrears for an individual borrower does not equate to one or more whole instalments, this is regarded as a portion of an instalment in arrears.

The department lends to people on low-to-moderate incomes within Queensland. Approximately 82% of the gross value of loans ($29.548 million) at 30 June 2008 relates to borrowers in the south-east corner of Queensland (83% or $35.743 million as at 30 June 2007) — representing a concentration of credit risk with the department’s lending portfolio.

Rental debtors

Rental debtors relate to rental housing assistance provided to people on low-to-moderate incomes across Queensland. These receivables have a high credit risk with no identifiable concentrations of that risk. The credit quality of debts that are neither past due nor impaired is considered to be moderate.

Policies and processes for managing the credit risk associated with these receivables are focused on arrears management. The department has in place specific arrears management procedures that broadly include:

- prompt follow-up of debtors who fall into arrears via written notices and in many cases personal or telephone contact by departmental officers,
- repayment agreements for debtors in arrears, and
- use of a debt collection agency for certain debts.

Write-offs of unrecoverable amounts for rental debtors are deducted from the related provision for impairment, except where the department has decided to waive amounts previously charged (such write-offs being deducted directly from the relevant debtor’s account).

Rental bond loans

Rental bond loan assistance is provided to people on low-to-moderate incomes across Queensland who are in housing need, and no identifiable concentrations of credit risk exist within the class. Substantial credit risk is associated with these loans as they are unsecured. However, the department does have the right to recover the amount of any defaults from any available rental bond balance.

Policies and processes for managing the credit risk associated with these loans are focused on arrears management. The department has in place specific arrears management procedures that broadly include:

- prompt follow-up of debtors who fall into arrears via written notices and in many cases personal or telephone contact by departmental officers, and
- repayment agreements for debtors in arrears, where appropriate.

Write-offs of unrecoverable amounts for rental bond loans are deducted from the related provision for impairment.
32 Financial instruments (continued)

b) Credit risk (continued)

Other debtors

No identifiable concentrations of risk exist in relation to the department’s other debtors. The credit quality of debts within this class that are neither past due or impaired is assessed as high.

To minimise credit risk, timely monitoring and management of overdue accounts is conducted, including prompt follow-up of outstanding debts with letters and telephone calls.

Write-offs of unrecoverable amounts for other debtors are deducted from the relevant provision for impairment to the extent that such write-offs have been anticipated via that provision. In all other situations, write-offs of unrecoverable amounts are deducted directly from the relevant debtor’s account.

c) Market risk

The department does not trade in foreign currency and is not materially exposed to commodity price changes. The department does not undertake any hedging in relation to interest risk and manages its risk as per the liquidity risk management strategy.

The department’s only market risk relating to financial instruments is in respect of its interest in Rental Purchase Plan properties. At 30 June 2008 the exposure to market risk is equal to the carrying amount of these assets (refer to note 17). The value of the department’s interest in these properties is directly related to movements in the residential property market in the respective areas where these properties are located. Refer to note 1(s) for an explanation of the measurement basis for these assets.

Approximately 80.3% (2007 83.7%) of the value of the department’s interest in these properties is concentrated in the south-east corner of Queensland, where movements in the residential property market have been most significant.

Interest Rate Sensitivity Analysis

The following table summarises the sensitivity of the department’s financial assets which are subject to interest rate risk, showing the effects of a plus or minus movement of 1% on profit and equity:

<table>
<thead>
<tr>
<th>Financial Assets</th>
<th>Carrying Amount $’000</th>
<th>2008 Interest rate risk</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>+ 1%</td>
<td>-1 %</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Profit $’000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Equity $’000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>88,606</td>
<td>886</td>
<td>886</td>
<td>(886)</td>
</tr>
<tr>
<td>Loans and Receivables (Borrowers)</td>
<td>36,161</td>
<td>362</td>
<td>362</td>
<td>(362)</td>
</tr>
<tr>
<td>Overall effect on profit and equity</td>
<td>1,248</td>
<td>1,248</td>
<td>(1,248)</td>
<td>(1,248)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Assets</th>
<th>Carrying Amount $’000</th>
<th>2007 Interest rate risk</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>+ 1%</td>
<td>-1 %</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Profit $’000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Equity $’000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>113,788</td>
<td>1,138</td>
<td>1,138</td>
<td>(1,138)</td>
</tr>
<tr>
<td>Loans and Receivables (Borrowers)</td>
<td>43,316</td>
<td>433</td>
<td>433</td>
<td>(433)</td>
</tr>
<tr>
<td>Overall effect on profit and equity</td>
<td>1,571</td>
<td>1,571</td>
<td>(1,571)</td>
<td>(1,571)</td>
</tr>
</tbody>
</table>
32 Financial instruments (continued)

d) Liquidity risk

The department is exposed to liquidity risk in respect of its payables, accrued employee benefits and Australian Government borrowings, in that the department needs to be able to pay these amounts when they fall due. The department has implemented and maintains robust cash management practices, including day-to-day monitoring and regular liquidity reporting to the department’s Financial and Risk Management Steering Committee. These practices ensure cash resources are adequate to meet future commitments.

The department’s liquidity risk is low for the following reasons:
– cash resources consistently exceed the total amount of liabilities expected to become payable in the ensuing 12 months (refer to the Balance Sheet),
– payments are made to take advantage of suppliers’ terms of trade and any available discount periods, as far as possible, and
– borrowings from the Australian Government are subject to a fixed repayment schedule and fixed interest rate, resulting in certainty of the amount and timing of future cash outlays for forward planning purposes.

The following table sets out the liquidity risk of financial liabilities held by the department. It represents the contractual maturity of financial liabilities, calculated based on cash flows relating to the repayment of the principal amount outstanding at balance date.

<table>
<thead>
<tr>
<th>2008 Payable in</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;1 year</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>51,341</td>
</tr>
<tr>
<td>Accrued Employee Benefits</td>
<td>2,417</td>
</tr>
<tr>
<td>Other Financial Liabilities —</td>
<td>12,178</td>
</tr>
<tr>
<td>Australian Government borrowings</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>65,936</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2007 Payable in</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;1 year</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>32,166</td>
</tr>
<tr>
<td>Accrued Employee Benefits</td>
<td>9,927</td>
</tr>
<tr>
<td>Other Financial Liabilities —</td>
<td>11,791</td>
</tr>
<tr>
<td>Australian Government borrowings</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>53,884</td>
</tr>
</tbody>
</table>

There are no identifiable concentrations of liquidity risk associated with the above liabilities.
### 32 Financial instruments (continued)

#### e) Fair value

For cash, loans and receivables (excluding borrowers), financial assets at fair value through profit or loss, payables and accrued employee benefits, carrying amounts are a reasonable approximation of fair value.

The carrying amounts and estimated fair values of borrowers and Australian Government borrowings held at balance date are as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and Receivables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>— Borrowers</td>
<td>36,161 $'000</td>
<td>35,821 $'000</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Financial Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>— Australian Government borrowings</td>
<td>428,897 $'000</td>
<td>351,994 $'000</td>
</tr>
</tbody>
</table>

Methods used to derive fair value are as follows:

**Loans and receivables — borrowers**

The fair value of borrowers is the present value of future principal and interest cash flows. The amount calculated is based on a discounted cash flow analysis using the Queensland Treasury Corporation yield curve to derive discount rates that most closely match the term of the individual loans. Future cash flows take into account the scheduled instalments, projected interest rate profiles for individual products (based on implied forward rates derived from the Queensland Treasury Corporation yield curve), and estimated arrears, prepayments and defaults based on recent payment history.

**Other financial liabilities — Australian Government borrowings**

The fair value of the Australian Government debt is determined by discounting the future loan principal and interest instalments pursuant to the aggregated repayment schedule for the individual loans. The discount rates used are derived from an Australian Government yield curve supplied by the Queensland Treasury Corporation.
Department of Housing

Notes to and forming part of the financial statements
for the year ended 30 June 2008

33 Schedule of administered items

<table>
<thead>
<tr>
<th>Administered revenues</th>
<th>2008 '$000</th>
<th>2007 '$000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administered item appropriation*</td>
<td>-</td>
<td>1,000</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>18</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>1,018</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Administered expenses</th>
<th>2008 '$000</th>
<th>2007 '$000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer payments*</td>
<td>-</td>
<td>1,000</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>1,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Transfers to government</th>
<th>2008 '$000</th>
<th>2007 '$000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
<td>18</td>
</tr>
</tbody>
</table>

* On 29 September 2006, the Cabinet Budget Review Committee approved funding to be provided to the Queensland Building Services Authority in response to Cyclone Larry in Far North Queensland.

34 Agency transactions

a) Employee wage and salary disbursements

In conjunction with the implementation of its new human resources system on 19 March 2007, the department ceased the use of CITEC for payroll functions. These functions are now undertaken by Corptech and the Shared Service Agency on behalf of the department. A reconciliation of amounts deducted from employee pays for disbursement to third parties is as follows:

<table>
<thead>
<tr>
<th>2008 '$000</th>
<th>2007 '$000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wage and salary deductions*</td>
<td>24,573</td>
</tr>
<tr>
<td>Payments to third parties</td>
<td>(24,573)</td>
</tr>
<tr>
<td>Balance at 30 June</td>
<td>-</td>
</tr>
</tbody>
</table>

* Wage and salary deductions for 2007 are in respect of the period 19 March 2007 to 30 June 2007.

b) Tenancy management

In 2005, the Queensland Government endorsed an alternative housing service delivery model for 34 Indigenous communities. Indigenous councils were offered the opportunity to hand over responsibility for tenancy management to the Department of Housing. As at 30 June 2008, five (2007 four) Indigenous councils have handed over this responsibility. The department acts as an agent in taking on the role of tenancy manager with each of the five communities and in respect of the collection and disbursement of rent. A reconciliation of rent collected and disbursed is as follows:

<table>
<thead>
<tr>
<th>2008 '$000</th>
<th>2007 '$000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 July</td>
<td>23</td>
</tr>
<tr>
<td>Collections during the year</td>
<td>1,412</td>
</tr>
<tr>
<td>Distributions during the year</td>
<td>(1,432)</td>
</tr>
<tr>
<td>Balance at 30 June</td>
<td>3</td>
</tr>
</tbody>
</table>
34 Agency transactions (continued)

c) Stamp duty

As part of the Inala Civic Centre Divestment Project, freehold titles were issued to the existing shopping centre lessees on 18 June 2007 (conversion date). Tax invoices for conversion costs were provided to the lessees with payment to be made by the conversion date. The conversion costs included transfer duty levied by the Office of State Revenue:

<table>
<thead>
<tr>
<th></th>
<th>2008 $'000</th>
<th>2007 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collection</td>
<td></td>
<td>1,342</td>
</tr>
<tr>
<td>Distribution</td>
<td></td>
<td>(1,342)</td>
</tr>
<tr>
<td><strong>Balance at 30 June</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

35 Correction of error in recording land inventories in the previous financial year

Three land inventory lots purchased in June 2007 were included in the land asset class in 2006–07 instead of in inventories. This land should have been classified as inventories as it was purchased for the purposes of resale. This error had the effect of understating Inventories and overstating Property, Plant and Equipment by $8.665 million. Consequently, total Current Assets were understated and total Non-current Assets overstated by $8.665 million. Within the Cash Flow Statement, Cost of Inventories was understated and Payments for Property, Plant and Equipment were overstated by $8.665 million. Consequently Net Cash from Operating Activities and Net Cash used in Investing Activities were both overstated by $8.665 million.

The error has been corrected by restating each of the affected financial statement line items for the prior year, as described above.
Certificate of the Department of Housing

These general purpose financial statements have been prepared pursuant to section 40(1) of the Financial Administration and Audit Act 1977 (the Act) and other prescribed requirements. In accordance with section 40(3) 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
(ii) the 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 for the financial year ended 30 June 2008, and of the financial position of the department at the end of that year.

Ian Fulton BCom
General Manager, Housing Finance
DEPARTMENT OF HOUSING

Natalie MacDonald
BA MBA MComm (Prof Accounting)
Director-General
DEPARTMENT OF HOUSING

12 August 2008
Independent Auditor’s Report

To the Accountable Officer of the Department of Housing

Matters Relating to the Electronic Presentation of the Audited Financial Report
The audit report relates to the financial report of the Department of Housing for the financial year ended 30 June 2008 included on the Department of Housing’s web site. The Accountable Officer is responsible for the integrity of the Department of Housing’s web site. We have not been engaged to report on the integrity of the Department of Housing’s web site. The audit report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report, available from the Department of Housing to confirm the information included in the audited financial report presented on this web site.
These matters also relate to the presentation of the audited financial report in other electronic media including CD Rom.

I have audited the accompanying financial report of the Department of Housing which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity, cash flow statement and income statement by outputs for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the certificates given by the Accountable Officer and Officer responsible for financial administration.

The Accountable Officer’s Responsibility for the Financial Report
The Accountable Officer is responsible for the preparation and fair presentation of the financial report in accordance with the prescribed accounting requirements identified in the Financial Administration and Audit Act 1977 and the Financial Management Standard 1997, including compliance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor’s Responsibility
My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the Auditor-General of Queensland Auditing Standards, which incorporate the Australian Auditing Standards. These Auditing Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor’s judgement, including the assessment of risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates made by the Accountable Officer, as well as evaluating the overall presentation of the financial report and any mandatory financial reporting requirements as approved by the Treasurer for application in Queensland.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence
The Financial Administration and Audit Act 1977 promotes the independence of the Auditor-General and QAO authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.
The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor General’s opinion are significant.

Auditor’s Opinion
In accordance with s.40 of the Financial Administration and Audit Act 1977 –
(a) I have received all the information and explanations which I have required; and
(b) in my opinion –
(i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
(ii) the financial report has been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of the Department of Housing for the financial year 1 July 2007 to 30 June 2008 and of the financial position as at the end of that year.

M R HYMAN CA
as Delegate of the Auditor-General of Queensland

Queensland Audit Office
Brisbane

15 Aug 2008
Feedback

The Department of Housing strives to continuously provide high quality, relevant information to readers and welcomes your feedback on this report.

You can provide feedback by emailing the department at annual.report@housing.qld.gov.au