

# 2019–2020 ANNUAL REPORT





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## Communication objective

This annual report provides information about the Department of Housing and Public Works' financial and non-financial performance for 2019-20. It has been prepared in accordance with the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019* and the *Annual report requirements for Queensland Government agencies*.

The report records the significant achievements against the strategies detailed in the department's *Strategic Plan 2019-23* and the *2019-20 Service Delivery Statements*.

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



[www.qld.gov.au/languages](http://www.qld.gov.au/languages)

Department of Housing and Public Works Annual Report 2019-20

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## Online open data reporting

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

- consultancies
- overseas travel
- Queensland Language Services Policy.

# Letter of compliance



Department of  
**Housing and Public Works**

18 September 2020

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

Dear Minister

I am pleased to submit for presentation to the Parliament, the Annual Report 2019-20 and financial statements for the Department of Housing and Public Works.

I certify that this annual report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*, and
- the detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements can be found at page 53 of this annual report.

Yours sincerely

A handwritten signature in black ink, appearing to read "Liza Carroll".

Liza Carroll  
**Director-General**

Level 31 1 William Street  
Brisbane Queensland  
GPO Box 2457 Brisbane  
Queensland 4001 Australia

Telephone +617 3008 2934  
Website [www.hpw.qld.gov.au](http://www.hpw.qld.gov.au)

# Message from the Director-General

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The 2019-20 year has been one of significant challenge and delivery for the Department of Housing and Public Works.

The impact of the COVID-19 pandemic in 2020 saw the rapid pivot of the department's priorities and resources as we supported the Queensland Government's efforts to unite, respond and recover. This event also saw the transition of the department's workforce to remote and flexible work arrangements for an extended period of time.

The energy and commitment of the department in responding to the challenges of COVID-19 is worthy of acknowledgement and I thank all staff for their continued dedication and efforts. During this unprecedented event, we worked collaboratively to ensure continued frontline delivery of services to Queenslanders in housing and homelessness services and in the provision of critical cross-agency support in the areas of customer and digital services, procurement, cyber security and office accommodation, among others.

COVID-19 has further emphasised the importance of the department's future-ready focus, through our work as the lead agency for the 'Be a Responsive Government' priority, under *Our Future State: Advancing Queensland's Priorities* (AQP) program of work.

Digital connectedness has been brought firmly into focus during the pandemic, making our ongoing work in developing better customer-to-government interactions supported by technology more important than ever. This work continues to be at the heart of our development and delivery of responsive and joined-up services that help us meet the changing needs of Queenslanders and communities.

This annual report highlights the work we have done both as the lead agency for 'Be a Responsive Government', but also as a contributor to the five other AQP priorities. It also outlines what we have achieved together across our four strategic objective areas.

## Services for Queenslanders

Our work across our housing, homelessness, sport and building policy areas has contributed to important outcomes for Queenslanders, from growing the supply of social and affordable housing through the Housing Construction Jobs Program, improving housing opportunities for Aboriginal and Torres Strait Islander peoples and encouraging Queenslanders of all ages to get out and active in their communities, to building a safer, fairer and more sustainable building and construction industry that supports the livelihoods of thousands of Queensland families.

During COVID-19, the agile efforts of these teams was demonstrated by the department's response in finding ways to support people and communities across the state. Initiatives such as the Housing and Homelessness Immediate Response Residential Rental Hub and *Sport and Recreation COVID SAFE Restart Plan* were developed and implemented rapidly, ensuring our communities were supported during this time.

The department's digital and information areas delivered across the key focus areas of government services, recordkeeping, archives and open government data and played a significant role during COVID-19 in leading a number of initiatives that supported the sector-wide response effort. The rapid establishment of a 134COVID phone service, the COVID19.qld.gov.au website and support for initiatives like the Care Army were some of the key outcomes that connected communities and provided vital information to Queenslanders.

Significant work was also accomplished in terms of contributing to the Queensland Government's Unite and Recover Economic Recovery Strategy through the development of programs and pipelines of work aimed at generating and supporting jobs across the state.



The energy and commitment of the department in responding to the challenges of COVID-19 is worthy of acknowledgement and I thank all staff for their continued dedication and efforts.

### Services for Government

The department plays a critical role across government, delivering major projects, office accommodation and government employee housing, procurement and digital services. These services to government are delivered through the department and via our three commercialised business units – QBuild, CITEC and QFleet, and our shared service provider Queensland Shared Services.

Key highlights during 2019-20 included the Rebuilding QBuild initiative, which set out a roadmap for the employment of 240 tradespeople and 60 apprentices over the next three years, the delivery of the 25,000-seat North Queensland Stadium in Townsville, the implementation of the Buy Queensland Food and Beverage Supplier Directory, and the delivery of the Lattice Replacement Project which saw a further 16,000 Queensland Government employees brought onto a common payroll system.

We also continued to play a critical role in protecting the Queensland Government's digital assets, particularly during COVID-19 with our advanced cyber protection services to agencies preventing numerous cyber-attacks. The rapid establishment of a COVID-19 supplier portal for government buyers and work to secure personal protective equipment including hand sanitiser during the pandemic supported agencies as they responded to the challenges of COVID-19.

### Future-facing Strategy and Policy

We delivered a number of initiatives during 2019-20 that will play a key role in supporting the development of our strategies and policies into the future.

The implementation of the *Human Rights Act 2019* saw the department's policies, procedures and complaints management processes updated to reflect the provisions of the Act across our work practices and decision-making processes.

A significant consultation exercise was also undertaken via the Open Doors to Renting Reform initiative, to ensure that the input of all stakeholders in the Queensland residential rental sector was considered in the development of the *Better Renting Future Reform Roadmap*.

The department also established a COVID-19 Taskforce to respond to the challenge of the pandemic, working across agencies to deliver critical information, health advice and support for staff as they transitioned from, and back to, their workplaces.

### A Unified Organisation

Internally, we have maintained a strong focus on inclusivity and equipping our people with the support, tools and training they need to deliver their important work. This effort has in turn helped us strive to become a high-performance culture that values people, diversity, health, safety and wellbeing.

Some of the department's internal achievements during 2019-20 include the establishment of a number of Diversity and Inclusion Employee Networks to help ensure every person can be their whole selves in the workplace. Another significant undertaking has been the review of the department's *Aboriginal and Torres Strait Islander Advancement Framework*.

During COVID-19, the health, safety and wellbeing of our employees has been the highest priority, and critical support, advice, resources and flexible work arrangements were made available to our people during the health emergency, and as they transitioned out of, and back into, their workplaces.

The commitment and talent of our workforce has been at the fore, particularly as we navigated the challenge posed by the COVID-19 pandemic.

It has been a great honour to lead the Department of Housing and Public Works over the past five years. The department is well positioned to deliver for Queenslanders into the future, in ways that will make a real difference. This delivery will continue to be underpinned by human-centred design, responsiveness, innovation and care, supporting our aspiration as a future-facing agency focussed on positive change.

In closing, I would like to reflect on, and pay tribute to, our QBuild colleagues Wayne Brischke, Henry Roebig, Wayne Ganter and contractor Mark Rawlings, as well as charter pilot Stuart Wavell, who tragically lost their lives on 11 March 2020 in an aviation accident at Lockhart River. The dedication, service and legacy of these members of the Housing and Public Works family will not be forgotten.

**Liza Carroll**

**Director-General**

# About us

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## Our vision

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

## Our purpose

The department unifies diverse services to benefit Queenslanders and support government service delivery including housing and homelessness, building policy, public works, sport and recreation, digital and information technology and government corporate services.

## Our operating environment

The department operates within a complex environment, shaped by a range of factors including digitisation and the shifting demographic profile of Queenslanders, that results in changing expectations of government services.

Understanding the community and putting citizens at the centre of our work drives the design and delivery of our services.

Our key challenges are:

- **Services meeting client needs** – by strengthening our planning process, client engagement, and monitoring our service delivery, we manage our ability to meet client needs and community expectations
- **Customer use of our services and products** – by better understanding our customers, improving our engagement and building staff capability, we aim to ensure our customers are satisfied with our business delivery
- **Planning and resources** – by working to align the department's plans and resources to its strategic direction and priorities, we aim to optimise our financial and service delivery outcomes
- **Workforce capability** – by focusing on improving the skills and engagement of our leaders and staff, we will attract and retain skilled employees and lift our productivity.

We will continue to be responsive to the changing environment and take leadership and action to ensure Queenslanders have better access to information and government services.

Our key opportunities are to:

- develop our leadership capabilities at all levels to drive organisational change and embrace new opportunities
- foster a culture of workforce flexibility, innovation and agility that enables us to meet the future needs and changing expectations of our clients, customers and stakeholders
- lead by example and position ourselves to create pathways to a climate-resilient Queensland
- build our capacity to respond to a digitised future, utilise technology to analyse and share data to gain new insights and transform the way we do business
- harness our collective strength and expertise to build a resilient, unified organisation.



## Our values

Our values form the foundation for our work and our culture. We are committed to high standards of professional conduct and ethical business practices.

Our values support the government's vision to be a connected government of the 21st century.

Our people are engaged in what they do and are committed to:



**Putting customers first:** we will focus on our customers at all levels by understanding them and delivering what matters.



**Transforming ideas into action:** we will be responsive and innovative in delivering solutions by encouraging and embracing new ideas and working across boundaries.



**Unleashing potential:** we will excel by being clear about our vision and continuing to challenge ourselves.



**Being courageous:** we will take calculated risks to achieve better outcomes.



**Empowering people:** we will empower our people to lead by example within an integrated department.



**Ensuring a safe work environment:** we will ensure the safety of our workers, customers, contractors, other stakeholders and the public.

## Contributing to the government's objectives for the community

The Queensland Government's objectives guide the department's strategic direction. The department contributes to the government's objectives for the community, *Our Future State: Advancing Queensland's Priorities* by:

- **Being a responsive government** – by giving Queenslanders better access to information and government services online, over the phone or in person by leading the implementation of priority whole-of-government initiatives
- **Creating jobs in a strong economy** – by contributing to the creation of jobs across Queensland and through regional development
- **Giving all our children a great start** – by providing a safe place to grow and learn through safe, secure and sustainable housing, and investing in sport and active recreation to provide opportunities for physical activities and a bright future
- **Keeping communities safe** – by providing housing for vulnerable Queenslanders and building a safer construction industry
- **Keeping Queenslanders healthy** – by supporting sport and recreation outcomes to ensure physical activity enriches the Queensland way of life and supports elite athletes success and collaboration within the sport and active recreation industry
- **Protecting the Great Barrier Reef** – by delivering programs to purchase renewable energy, lowering fleet emissions and fostering sustainable building initiatives.







# Our strategic objectives

Our strategic plan maps our future directions and the steps we intend to take over four years to deliver our strategic outcomes and the Queensland Government objectives of the *Our Future State: Advancing Queensland's Priorities*. The plan also guides how we will work together with our customers and key stakeholders.

Our *Strategic Plan 2019-23* objectives include:

- Two core objectives relating to frontline service delivery:
  1. Services for Queenslanders
  2. Services for Government
- Two enabling objectives that support the delivery of frontline services:
  3. Future-facing Strategy and Policy
  4. A Unified Organisation

We deliver our objectives according to the Queensland Government's objectives for the community, *Our Future State: Advancing Queensland's Priorities* as follows:

<i>Our Future State: Advancing Queensland's Priorities</i>						
	 Be a responsive government	 Create jobs in a strong economy	 Keep Queenslanders healthy	 Give all our children a great start	 Keep communities safe	 Protect the Great Barrier Reef
Services for Queenslanders	✓	✓	✓	✓	✓	✓
Services for Government	✓	✓			✓	✓
Future-facing Strategy and Policy	✓					
A Unified Organisation	✓					

# Objective one

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## Services for Queenslanders

Our objective is to provide services for Queenslanders that are responsive, citizen-centric, integrated, accessible, easy to use and that will benefit Queenslanders and future generations and their communities.

We deliver this strategic objective through two service areas:

### **1. Services for Queenslanders – Community**

These services benefit Queenslanders and their communities by providing housing, homelessness, sports and active recreation, and building policy services, that are responsive, integrated and accessible, and promoting healthier lifestyles by supporting and encouraging participation in sports and recreation.

The services provided are:

- delivery of safe, secure and sustainable housing by funding and improving housing and homelessness services and providing support which meets the needs of Queenslanders and enables social and economic participation
- support to Queenslanders to be more physically active, healthier and better connected while also supporting elite athletic success, economic growth and jobs
- ensuring safe and fair industry building standards in the building and construction industry.

### **2. Services for Queenslanders – Digital and Information**

These services benefit Queenslanders and future generations by providing digitally-enabled, simple and easy access to integrated, person-centric and responsive Queensland Government services.

The services delivered are whole-of-government customer service, government recordkeeping and archives and open data services, including:

- developing and delivering innovative digitally-enabled and integrated government services that are simpler and faster for the community to access online or through phone and counter channels
- leading Queensland public authorities in managing and preserving Queensland public records in a useable form and improving public access to the collection by embracing digital government practices
- responsibility for implementing the government's commitment to making government data open for anyone to access, use and share.

# Our Achievements

## In response to COVID-19, we:

- delivered a \$24.7 million Housing and Homelessness Immediate Response package, providing temporary accommodation, brokerage, outreach and other support to people experiencing homelessness, while protecting vulnerable people and supporting public health outcomes
- introduced the \$51.3M Sport and Recreation COVID SAFE Restart Plan to support Queenslanders return to play, including recovery assistance package for community sport, recreation and fitness organisations including:
  - \$14 million for the COVID SAFE Active Clubs Kickstart program providing \$2,000 for clubs to purchase hygiene supplies, products, training or equipment, as well as for operational costs such as utilities and bills
  - \$11 million for FairPlay vouchers to help pay membership, registration or participation fees for children from low-income families
  - \$15.5 million for the Active Restart Infrastructure Recovery Fund, providing grants of up to \$20,000 for minor works, supporting up to 3,000 clubs to purchase revenue generating equipment and undertake minor upgrades to their facilities to help them return
  - \$10.8 million for the bring forward of the Active Industry Fund payments providing funding for 77 state level sporting organisations and industry peak bodies through existing arrangements.
- worked with multiple agencies to deliver pandemic services to support Queenslanders, including:
  - 13HEALTH call triage
  - vulnerable Queenslanders outbound calls
  - self-quarantine and self-isolation compliance outbound calls and SMS
  - Care Army community recovery line
  - international student grants applications
  - seniors and accessibility assistance
  - information and referrals regarding Queensland border travel restrictions
- launched the 134COVID single phone number to provide Queenslanders with a single entry phone channel point
- launched the COVID19.qld.gov.au and COVID rental hub websites and online eligibility checker tools to provide Queenslanders with accurate and up-to-date information
- led the data sharing and analytics activities between Queensland Health, the Department of Justice and Attorney-General, and the Department of Housing and Public Works, to enable the delivery of a number of initiatives, including the COVID-19 Compliance Service and the Vulnerable Queensland Outbound Service
- led whole-of-government advice to support the Queensland Government to record and store business information during the pandemic
- worked in partnership with Aboriginal and Torres Strait Islander Councils and local stakeholders to deliver urgent and essential housing services to those impacted by COVID-19 access restrictions
- developed communications including fact sheets, mailouts, and updated web content for retirement villages, manufactured home/residential parks and residential services to ensure the safety of homeowners and residents throughout the pandemic
- increased the supply of Community Rent Scheme headleased properties, and removed the time limitations on transitional housing properties, enabling more Queenslanders to be housed safely and securely without the need to relocate during the pandemic

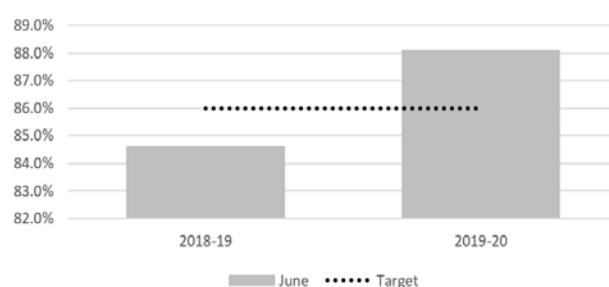
- engaged regularly with the building and construction industry about the impacts of COVID-19
- streamlined accounts payable processes to facilitate faster payments in response to concerns about small and medium enterprises experiencing financial hardship.

## Delivering and funding safe, secure and affordable housing and improving housing and homelessness services and support which meets the needs of Queenslanders

In 2019-20, we:

- awarded contracts for the commencement of 540 new social housing dwellings through the Housing Construction Jobs Program (HCJP). Since the inception of the HCJP in June 2017, 1,949 new social housing dwellings have commenced construction which has exceeded the three-year target by 249 dwellings
- ensured the safety and security of social housing tenants in well-maintained homes through a combined \$416.4 million maintenance and upgrade program
- established place-based response teams and provided funding to support care coordination in nine priority locations (Brisbane, Cairns, Gold Coast, Logan, Mackay, Moreton Bay, Redlands, Sunshine Coast and Townsville) under the Coordinated Housing and Homelessness Response – Integrating Services Initiative
- delivered new social housing dwellings with environmentally sustainable features and design elements responsive to varying climates across the state
- delivered over 65 percent of new urban dwellings to livable design standards (gold and platinum levels) to help ensure more social housing tenants can be housed in properties that suit their individual needs
- won the Government award for Queensland at the Get Ready Queensland Resilient Australia Awards for the Household Resilience Program. The program has helped over 1,740 Queensland households improve the cyclone resilience of their homes, as well as helping to increase jobs for local tradespeople in cyclone affected areas
- developed and delivered a suite of new products and services to an expanded group of low income households to facilitate their entry into the private rental market or to support existing private renters to maintain their existing tenancy and divert these households from the social housing waitlist.

**Proportion of total new households assisted to access rental accommodation who moved into the private rental market**



*This was a new measure in 2017-18. As a result only two years of data is available.*

## We improved housing opportunities for Aboriginal and Torres Strait Islander peoples by:

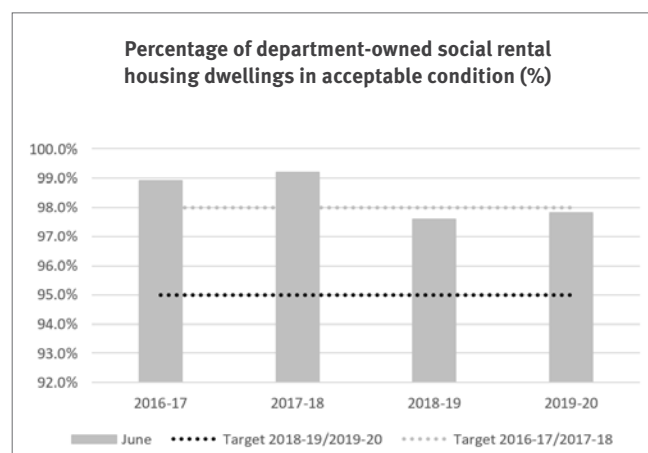
- launched and commenced implementation of the *Aboriginal and Torres Strait Islander Housing Action Plan 2019-2023*, which commits to a new way of working to enable Aboriginal and Torres Strait Islander Queenslanders to have more choice and control over their housing
- approving all 17 proposals under the \$40 million Interim Remote Housing Program. This new approach is benefiting each community by enabling their local council to be the decision-makers around what is built, how it is built, and how it is managed
- securing from the Australian Government of \$105 million contribution for remote Indigenous housing in Queensland across 17 Aboriginal and Torres Strait Islander Councils, while also reserving the right to advocate to a future Australian Government for further funding. The \$105 million comprises \$5 million in 2019-20 and \$100 million in 2020-21
- supporting people displaced by community unrest in Aurukun in March 2020 by finding temporary accommodation for families and assessing homes that were affected. The Aurukun Recovery Response Team was stood up in Cairns to support affected or displaced families. Repairs and maintenance to homes were coordinated, and safe, alternative and appropriate housing solutions were offered
- delivering approximately 31,000 maintenance and upgrade projects to the social housing portfolio within the 34 remote Aboriginal and Torres Strait Islander communities
- completing the construction of the Pormpuraaw women's shelter, a centre for supporting Aboriginal and Torres Strait Islander women escaping domestic and family violence. Development of a similar women's shelter in Woorabinda has commenced.

## We supported retirement villages and manufactured homes by:

- establishing the Queensland Resident Operated Retirement Village Support Service to assist resident-operated freehold retirement villages to meet their obligations under the *Retirement Villages Act 1999*
- commencing changes to the *Manufactured Homes (Residential Parks) Act 2003* and the *Retirement Villages Act 1999*. These laws will help deliver certainty for the residential parks and retirement village industries and improve transparency between operators, manufactured homeowners and residents
- supporting the establishment of a panel of independent experts to conduct a review of mandatory payment of retirement village exit entitlement payments and report back to the Minister by 30 November 2020.

## We took action to reduce homelessness by:

- developing a critical response plan to house vulnerable people who are homeless or at risk of homelessness due to unstable or inappropriate housing. People living in shared accommodation settings were quickly relocated to more suitable self-contained accommodation
- completing recent extensions to the purpose-built crisis accommodation facility in Redland City and a further two facilities in the Moreton Bay and Gold Coast regions. The additional beds and new facilities will provide accommodation for women and children escaping family violence
- standing up the Gold Coast Agency Coordination Project and working with non-government services and government agencies to take an immediate, coordinated response to visible homelessness on the Gold Coast
- partnering with peak organisations, specialist homelessness services and other organisations involved in the delivery of services to people experiencing or at risk of homelessness to deliver *Partnering for Impact* to reduce homelessness, and 14 projects on the *Queensland Homelessness Compact Workplan 2018-2020*
- providing \$3.1 million to 42 organisations across Queensland under Round 4 of the Dignity First Fund (DFF) to deliver 43 projects that help Queenslanders experiencing homelessness to live with dignity, and prevent or reduce homelessness. As part of the COVID-19 Immediate Response Fund, the next \$2.5 million round of the DFF was brought forward from the 2020-21 budget and funded 24 organisations across Queensland to deliver projects that focus on assisting vulnerable people affected by the pandemic
- continuing delivery of the Next Step Home – Women on Parole Program to support women at risk of homelessness to find safe and secure housing following their release from custody.



Report on Government Services - Measure	Queensland	National Average
Greatest need allocations as a proportion of all new allocations – public housing	95.4%	76.4%
Proportion of clients with an identified need for services who did not have this need met	29%	33.8%

Source: Report on Government Services 2020, Part G, Section 18 and 19: Released on 23 January 2020. Latest available data is for 2018-19.

## Supporting Queenslanders to be more physically active, healthier and better connected while also supporting elite athletic success

In 2019-20, we:

- launched the *Activate! Queensland Sport and Active Recreation Strategy 2019-2029*, a 10-year blueprint for getting more Queenslanders moving, more often. This strategy is a key part of our work toward the Advancing Queensland's Priorities of 'Keeping Queenslanders healthy' and 'Giving all of our children a great start'
- contributed to the development of the Boost your Healthy campaign and a series of activity challenges, including a website go-live which hosts a number of health and wellbeing resources for all Queenslanders to access
- delivered Active Clubs Round 1, providing \$2.85 million for equipment and training to enable physical activity opportunities through local and regional organisations
- opened rounds one and two of FairPlay with vouchers worth up to \$150 to help Queensland children and young people from low-income families participate in sport and active recreation. The program has been one of the most popular initiatives under the *Activate! Queensland Strategy* with 69,083 vouchers issued.
- executed pilot partnership agreements with six state level sporting organisations to transition from existing funding arrangements to partnership agreements, to achieve health, wellbeing and social outcomes for Queenslanders through physical activity
- opened the first round of the Active Community Infrastructure Program, and approved 19 projects totalling \$13.9 million to deliver infrastructure projects to sport and recreation organisations
- completed Stage One of the planned redevelopment of the Gold Coast Recreation Centre, an iconic facility located at Talbudgera Creek, visited by some 30,000 Queensland school students each year
- worked in partnership at the Queensland Academy of Sport with the Australian Olympic Committee to continue to encourage young Queenslanders to be physically active and healthier through the Olympics Unleashed program. This program also provides financial support to elite athlete presenters to assist with living and training expenses. In 2019-20, 249 Queensland athletes visited and inspired 38,351 school children.

## Shaping sustainable communities and industries by ensuring safe and fair industry building standards and environmental sustainability in the building and construction industry and supporting good design practices

In 2019-20, we:

- banned highly flammable aluminium composite panels with polyethylene core greater than 30 percent by mass on all buildings in Queensland
- introduced the *Building Industry Fairness (Security of Payment) and Other Legislation Amendment Bill 2020*. The amendments will ultimately help ensure people in the building and construction industry are paid for the work that they do and contribute to the government's Advancing Queensland's Priority of creating jobs in a strong economy
- commenced the *Plumbing and Drainage Act 2018*, *Plumbing and Drainage Regulation* and *Queensland Plumbing and Wastewater Code* to keep Queenslanders healthy and safe and make our building construction industry safer, fairer and more sustainable
- commenced the mechanical services licensing framework to ensure people working on commercial air-conditioning or medical gas systems are appropriately qualified
- held nine Ministerial Construction Council meetings, providing a platform for key stakeholders and statutory bodies to discuss matters relating to the building construction industry.



**Providing digitally-enabled and integrated Queensland Government services that are simpler, more accessible and faster for the community and ensuring Queensland public records are managed and preserved**

In 2019-20, we:

- implemented new telephony payment technology which makes it easier for Queenslanders to securely make payments over the phone, while also providing a simpler way for contact centre staff to receive payments
- upgraded the qld.gov.au content management system that gives agencies the ability to manage their content using a single system. The upgrade will enhance the publishing experience for users through an improved interface for editors and better infrastructure for faster load times
- launched the new Customer Contact Rapid Response capability which allows staff to log on at home within 15-30 minutes to take SES and Community Recovery calls. This significantly enhances our ability to respond quickly to customer requests during unpredictable events
- delivered a four-week program of GetOnlineQld digital skill training at the Charles Avenue Housing complex in Logan. This program supported community groups and digital mentors to provide free, one-on-one digital skills training for Queenslanders. Since June 2018, more than 400 people have registered to volunteer as digital mentors and more than 500 people have enhanced their digital skills
- developed and released the *Guideline for creating and keeping records for the proactive protection of vulnerable persons* in response to the Queensland Government commitment to address recommendations from the Royal Commission into Institutional Responses to Child Sexual Abuse
- continued to co-contribute to the Australian Government Mobile Black Spot Program to extend mobile coverage for Queenslanders. The Queensland Government's Round 5 contribution of \$1.1 million secured \$10.3 million of telecommunications infrastructure investment for Queenslanders
- delivered open data policy and services, engaged with key stakeholders to encourage the release of high quality and high value datasets, and increased the number of datasets available to the public on the Open Data Portal by 3.7 percent
- hosted the annual Serve You Right forum for government service delivery organisations from across Australia that included networking, information sharing and in-depth conversations about the delivery of services to the public via online, counter and contact centre channels
- made an impressive showing at the Queensland Auscontact Awards, with Smart Service Queensland winning three categories in and winner of the National Awards for Best Contact Centre in the categories of 'Change, Innovation and Improvements' and 'Workforce Management Champion'

**In 2019-20, Queensland State Archives (QSA):**

- implemented a new archival management system that provides Queenslanders with an intuitive and accessible online platform to engage with QSA's historical collection
- released Q-Album – a mobile-first platform that enables and empowers regional historical organisations to share their collections online
- delivered a program of community engagement within a dementia-friendly space, the 'Memory Lounge', an initiative that provides a social experience to share stories inspired by QSA's collection, comprising millions of records dating back to 1822
- collaborated with the Cairns Museum with the launch of the exhibition 'Toad vs Beetle: Clash in the Cane 1935', a part of QSA's ongoing Regional Program. The interactive exhibition combined augmented reality with archival material and museum objects
- completed a whole-of-government survey which showed that agencies are holding over 100km of permanent hard copy records and 250 Tb of permanent digital records spanning 150 years. The insights gained through the survey will allow QSA to better prioritise the most historically significant records to be preserved for future generations
- significantly increased engagement with over 14 million public records being accessed by Queenslanders and the global community
- delivered school holiday workshops for school children to interact and 'play' with the collection and also provided professional development workshops for educators to expand their knowledge of Queensland history and the many ways the collection can contribute to educational outcomes
- launched a new space 'PlayLab', where QSA experiments with different interactive technology and methods of engaging. Each project in the space encourages the public to play with interactivity and discover the collection in new ways.

# Looking forward

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While firmly focused on delivery, we also have an eye on the future. In 2020-21, we will continue to support government priorities by:

- contributing to Queensland's Economic Recovery Strategy: *Unite and Recover for Queensland Jobs* by:
  - delivering an additional 215 new social housing dwellings which will support more than 235 jobs in the construction sector through the \$100 million Works for Tradies initiative
  - delivering the \$21.25 million extension to the Household Resilience Program, with \$11.25 million funded by the Queensland Government and \$10 million funded by the Australian Government, which supports people in cyclone affected areas to improve the resilience of their homes, while also stimulating the local jobs economy
- delivering the *Sport and Recreation COVID SAFE Restart Plan* to support the Queensland sport and recreation industry, save and create jobs and support Queensland communities to be healthier and better connected including:
  - support, advice and guidance for the sporting industry, clubs and organisations to facilitate a safe return to play
  - \$15.5 million for the *Active Restart Infrastructure Recovery Fund* – grants for minor works. It will support up to 3,000 clubs to purchase revenue generating equipment and undertake minor upgrades to their facilities to help them return to play
  - \$11 million to FairPlay with vouchers of up to \$150 to help around 73,000 young Queenslanders get back into their chosen sport or recreation activity and support families experiencing hardship due to COVID-19
  - \$10.8 million Active Industry Fund to provide funding for 77 state level sporting organisations and industry peak bodies through existing arrangements
- delivering improved housing outcomes for Queenslanders through continued implementation of the *Queensland Housing Strategy 2017-2027* and its action plans
- resolving the ownership of social housing dwellings impacted by leases and lease entitlements that arose under the *Aborigines and Torres Strait Islanders (Land Holding) Act 1985* which increases home ownership opportunities for Aboriginal and Torres Strait Islander peoples living in urban, regional, remote and discrete communities
- delivering improved housing outcomes for Aboriginal and Torres Strait Islander Queenslanders through continued implementation of the *Queensland Housing Strategy 2017-2027*, the *Aboriginal and Torres Strait Islander Housing Action Plan 2019-2023* and the \$105 million capital program
- developing place-based, community-led local housing plans with communities to identify and respond to local priorities, with a strong focus in the Torres Shire Region
- supporting the development of an Aboriginal and Torres Strait Islander Housing Body to work with Indigenous Community Housing Organisations and Aboriginal and Torres Strait Islander Councils to improve Indigenous housing outcomes and strengthen sector capacity
- inducting the first intake of trainees under the Aboriginal and Torres Strait Islander Traineeship Program. Trainees will gain experience in policy, programs or service delivery across the department
- providing housing and support to vulnerable people, and particularly young people and older Queenslanders, through investing in homelessness support services across Queensland and delivering *Partnering for Impact* through broadening our partnerships with the homelessness sector
- completing implementation of reforms to regulatory frameworks for retirement villages and manufactured homes and increasing consumer protections and providing certainty for industry
- enhancing sport performance excellence to ensure Queenslanders are supported through coordinated athlete and coach pathways by investing in high performance programs, services and knowledge, and partnerships (including support for Athlete Bonus Grant)
- prioritising the preservation and transfer of permanent public records by focusing on those that have significant interest to the public and are immediately available to access
- delivering programs to our regional communities that provide access to QSA's historical collection
- developing QSA's partnership with Google Arts and Culture to further online access for our community
- streamlining and personalising the way people connect and engage with government by reducing the effort and burden to provide information to multiple agencies
- transitioning services to online methods to reduce the requirement to present in person to transact with government.



# Service Delivery Statements – Performance

We track our performance through a range of service standards, as published in the 2019-20 Service Delivery Statements (SDS) budget paper.

## Services for Queenslanders – Community

Service standards are provided for three service types:

- Housing
- Homelessness
- Sport and Recreation

Housing	2019-20 Target/Est	2019-20 Actual
<b>Effectiveness measures</b>		
Level of overall client satisfaction <i>These service standards are based on a biennial survey, with the next survey to be undertaken in 2020-21. The overall client satisfaction in 2018-19 was 87 percent for public housing and 82 percent for community housing.</i>		
Public Housing	..	..
Community Housing	..	..
Percentage of new households assisted into government-owned and managed social rental housing who were in very high or high need <i>Positive variance between 2019-20 Target/Estimate and 2019-20 Actual reflects the continued commitment through the Queensland Housing Strategy 2017-2027 to ensure those most in need are provided supportive housing</i>	94%	97.6%
Percentage of department-owned social rental housing dwellings in acceptable condition	95%	97.8%
Proportion of total new households assisted to access rental accommodation who moved into the private rental market	86%	88.2%
Proportion of newly constructed social housing dwellings meeting the Livable Housing Design guidelines gold or platinum standards <i>Positive variance between 2019-20 Target/Estimate and 2019-20 Actual is mainly due to more projects being delivered that incorporate lifts, resulting in all dwellings in those developments being 'accessible'</i>	50%	66.7%
Average wait time to allocation for assistance (months) with government-owned and managed social rental housing for clients in very high or high need	8	7.9
Percentage of under occupied government-owned and managed social rental housing	15%	15.7%
Proportion of government-owned social rental housing stock matched to greatest demand	54%	54%
<b>Efficiency measure</b>		
Average tenancy and property management administration cost per household assisted with social rental housing	\$1,302	\$1,296

Homelessness	2019-20 Target/Est	2019-20 Actual
<b>Effectiveness measures</b>		
<p>Percentage of clients who were homeless or at risk of homelessness who needed assistance to obtain or maintain independent housing and obtained or maintained independent housing after support</p> <p><i>This is an annual measure and the result is from Report on Government Services (ROGS) data published in 2020 for 2018-19 (the last available data). The variance between 2019-20 Target/Estimate and 2019-20 Actual is due to a number of factors impacting the sustainable housing outcomes for clients, such as cost of rent in the private rental housing market, level of income support and client circumstances.</i></p>	67%	63.8%
<p>Percentage of homelessness services clients who requested assistance relating to domestic and family violence and received this assistance</p> <p><i>This is an annual measure and the result is from ROGS data published in 2020 for 2018-19 (the last available data).</i></p>	87%	87.2%
<b>Efficiency measure</b>		
<p>Recurrent cost per client accessing homelessness services</p> <p><i>This is an annual measure and the result is from ROGS data published in 2020 for 2018-19 (the last available data). The variance between 2019-20 Target/Estimate and 2019-20 Actual is due to varying costs of individual services provided to clients and is higher than estimated due to more complex needs clients receiving services.</i></p>	\$3,400	\$3,808

Sport and Recreation	2019-20 Target/Est	2019-20 Actual
<b>Effectiveness measures</b>		
<p>Percentage of young people redeeming a Get Started voucher who have not played club sport before</p> <p><i>The name of the program changed from Get Started to FairPlay in July 2019. The variance between 2019-20 Target/Estimate and 2019-20 Actual result is due to the lockdown restrictions introduced for the COVID-19 response and recovery from March 2020. The Department of Housing and Public Works used this unprecedented time of disruption to the public as an opportunity to support FairPlay registered activity providers through this difficult time. This measure has been discontinued as of 30 June 2020.</i></p>	20%	16.2%
<p>Percentage of athletes selected for national teams supported by the Queensland Academy of Sport</p> <p><i>The variance between 2019-20 Target/Estimate and 2019-20 Actual result is due to the lockdown restrictions introduced for the COVID-19 response and recovery from March 2020, including the postponement of all sporting events and competitions. The Department of Housing and Public Works used this time as an opportunity to realign athlete conditioning with a changed and unknown competition schedule. It is expected that results for this measure will return to 25% in the future</i></p>	25%	21%
Co-contribution ratio of partnership investment to the Queensland Academy of Sport investment in grants research	1:1	1:1.34
<p>Utilisation of Queensland Recreation Centres accommodation facilities</p> <p><i>The variance between 2019-20 Target/Estimate and 2019-20 Actual result is due to the lockdown restrictions introduced for the COVID-19 response and recovery from March 2020. The Queensland Recreation Centres used this unprecedented time of the venues being closed to the public as an opportunity to provide accommodation to vulnerable Queenslanders and undertake a full review of WHS and risk management procedures and planning to operate camps under a COVID Safe industry plan. This measure has been discontinued as of 30 June 2020</i></p>	42%	33%
<b>Efficiency measure</b>		
<p>Queensland Recreation Centres operational bed cost per night</p> <p><i>The variance between 2019-20 Target/Estimate and 2019-20 Actual result is due to the lockdown restrictions introduced for the COVID-19 response and recovery from March 2020. Recreation Centres used this unprecedented time of closure to the public as an opportunity to provide accommodation to vulnerable Queenslanders. This measure has been discontinued as of 30 June 2020.</i></p>	<\$45	\$63.29

## Services for Queenslanders – Digital and Information

This is a new Service Area for the 2019-20 SDS. These service standards were presented in the Digital Capability and Information Service Area in the 2018-19 SDS.

Digital and Information	2019-20 Target/Est	2019-20 Actual
<b>Effectiveness measures</b>		
<p>Percentage of customers satisfied with the services provided by Smart Service Queensland on behalf of government agencies</p> <p><i>The 2019-20 Actual result is not available as the satisfaction survey was not undertaken for 2019-20 due to changing priorities in order to provide key services during the bushfires and COVID-19 pandemic. This measure will resume for the 2020-21 reporting period.</i></p>	≥90%	N/A
<p>Percentage increase in number of Queensland State Archives records accessed</p> <p><i>This new service standard demonstrates Queensland State Archive (QSA)'s effectiveness in ensuring more of the government records of Queensland are available and accessible to the public. This service standard better measures QSA's effectiveness in achieving its statutory purpose of access and replaces the discontinued measure 'Overall customer satisfaction with Queensland State Archives delivery of services to the public'.</i></p> <p><i>The positive variance between 2019-20 Target/Estimate and 2019-20 Actual reflects QSA effectiveness in ensuring more of the public records of Queensland were made available by utilising multiple digital channels particularly during COVID-19.</i></p>	20%	121%
<p>Percentage of data sets available on qld.gov.au with an Open Data Certificate</p> <p><i>The positive variance between 2019-20 Target/Estimate and 2019-20 Actual is due to the team keeping pace with certifying new datasets and the lower number of anticipated datasets published during the period.</i></p>	70%	95%
<b>Efficiency measures</b>		
<p>Cost per customer interaction (phone, counter, online) provided by Smart Service Queensland</p> <p><i>The wording of this service standard has been amended to clearly describe the scope of the measure. The service standard was previously called 'Cost per customer service interaction (all interaction)'. The method of calculating the results remains unchanged. The positive variance between 2019-20 Target/Estimate and 2019-20 Actual is due to increased online transactions.</i></p>	\$1.00	\$0.65
<p>Average cost to Queensland State Archives per record accessed</p> <p><i>The positive variance between 2019-20 Target/Estimate and 2019-20 Actual reflects QSA effectiveness in ensuring more of the public records of Queensland are available via more digital channels. The positive variance is directly related to the increase in records accessed.</i></p>	\$2.50	\$1.04

# Objective two

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## Services for Government

Our objective is to provide services for government that are responsive and make it easier to do business with the Queensland Government and that support government agencies to effectively and efficiently deliver their services to Queenslanders.

We deliver this strategic objective through the service area of ‘Services for government’.

Our services for government support government agencies in the effective and efficient delivery of their services and deliver for the whole Queensland community including through procurement, major government projects and government accommodation.

The services provided are:

- assisting government agencies in the delivery of major government building and construction projects that support Queensland’s growing communities
- delivering office accommodation and government employee housing solutions for the Queensland Government
- providing expert advisory and enabling procurement services to government agencies, including category management for general goods and services, building construction and maintenance, and ICT strategic procurement arrangements
- collaborating across government to enable and support agencies to deliver digital services
- developing and implementing digital strategies and policies to guide government investment decisions, as well as cyber security, and drive digital capability programs.

Other services include Major Government Projects and advice on digital ICT and investment. Advice on digital ICT and investment was provided by the Queensland Government Chief Information Office until September 2019. The Customer and Digital Strategy division and the Office of Assurance and Investment were established at this time and continue to provide these services.

This strategic objective also includes the services of three commercialised business units and one shared service provider, as follows:

### **QBuild**

- partners with and supports Queensland Government agencies to effectively and efficiently deliver their core services to Queenslanders by strategically managing and delivering their building, construction and maintenance activities and programs statewide
- delivers strategic and responsive asset management to its Queensland Government agency customers by managing risks for diverse building asset portfolios and providing expertise in planning, procurement and delivery of new building infrastructure, building maintenance and asset and facilities management
- provides agency customers with access to professional, technical and ancillary services, and works closely with industry and suppliers to maximise value-for-money procurement and contract management outcomes.

QBuild was known as Building and Asset Services until 25 August 2019.

### **CITEC**

- provides Queensland Government departments, statutory bodies and commercial clients with ICT infrastructure and information brokerage services that support the delivery of quality frontline services to Queensland communities and businesses
- delivers consolidated, core ICT infrastructure services for the Queensland Government, covering data centre, network, storage, data protection, and ICT platform and solution integration services
- delivers information solutions to customers in business and the community Australia-wide on a fully commercial basis.

### **QFleet**

- fleet manager for the Queensland Government and provides vehicle leasing and strategic fleet management services for approximately 10,000 vehicles across Queensland. Services include provision of expertise in fleet management and fleet management services, to enable the Government and government-funded organisations to safely deliver frontline services to the community
- responsible for whole-of-government fleet management and advisory services. These services include vehicle procurement and contract management, fleet advisory services to public sector departments, as well as government-funded organisations, in-service maintenance, accident management, end-of-life repairs and vehicle remarketing.

### **Queensland Shared Services**

- provides modern and trusted corporate services and advice to other government departments and statutory bodies to enable them to meet government policies and objectives
- provides a range of corporate services for finance, human resource (HR) management and supporting technology functions to government departments and statutory bodies.

# Our Achievements

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## In response to COVID-19, we:

- provided leadership across the sector to assist government agencies following the emergence of the COVID-19 pandemic, with the planning and implementation of returning public servants to the workplace in accordance with physical distancing measures
- defended Queensland Government infrastructure from the onset of COVID-19 related cyber-attacks at the Internet Gateway through the Queensland Government Cyber Security Operations Centre
- provided additional support to agencies during COVID-19, facilitating remote access solutions and internet bandwidth and infrastructure capacity uplifts to ensure they could support their customers
- facilitated whole-of-government ICT security and technical meetings to address COVID-19 challenges, opportunities and to share learnings
- enhanced resources for government buyers including the COVID-19 Supplier Portal
- issued guidance on emergency procurement, along with a series of Procurement Advisory Notices on priority subjects
- collaborated with the Department of Employment Small Business and Training (DESBT) to establish a 25 percent target commitment to increasing procurement spend value with Queensland small and medium enterprises and enacting immediate payment terms to ensure Queensland businesses are supported in the response and recovery post-COVID19
- developed a short form contract to enable emergency and fast turnaround procurement of ICT products and services, and support agile government procurement from small and medium enterprises and local suppliers during COVID-19
- connected suppliers of critical personal protective equipment with government buyers, ensuring that frontline workers were safe during COVID-19
- established an arrangement with three local Queensland companies for the emergency supply of hand sanitiser across government.

## Delivering safe, efficient, and environmentally sustainable whole-of-lifecycle asset management of government property and vehicles

In 2019-20, we:

- supported the government's transition to a zero emissions economy and the 2030 target to reduce emissions by 30 percent by:
  - procuring 39 electric vehicles (EV), exceeding our 2019 target of 36 EVs
  - showcasing the new EV range for our customers, introducing them to manufacturers and exploring some of the many benefits
  - supporting the Premier's *Queensland Hydrogen Industry Strategy 2019-2024* by committing to trial five hydrogen electric vehicles for evaluation
- held a Road Safety Focus Network Forum for more than 60 attendees from across Queensland. Highlights included Department of Transport and Main Roads' presentation of Queensland's latest *Road Safety Action Plan*, a deep dive into in-vehicle monitoring systems from Griffith University and a session on driver behaviour and safety from the RACQ
- commenced an asset data requirement exercise to enable QBuild to deliver improved asset lifecycle management services and data management.

## Partnering with, and supporting Queensland Government agencies to strategically manage and deliver their building, construction and maintenance activities and programs

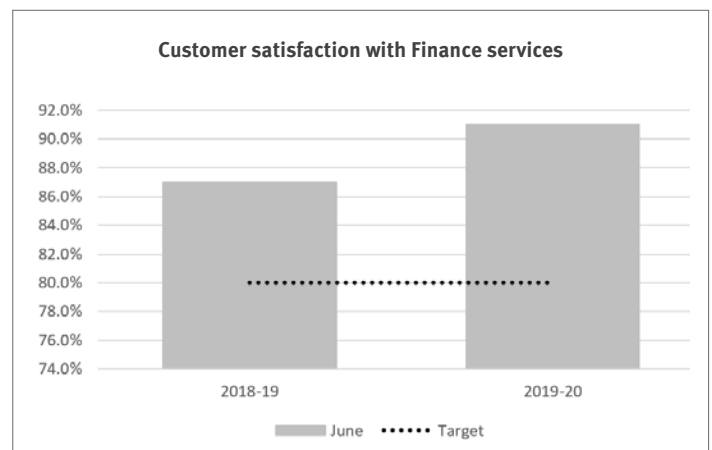
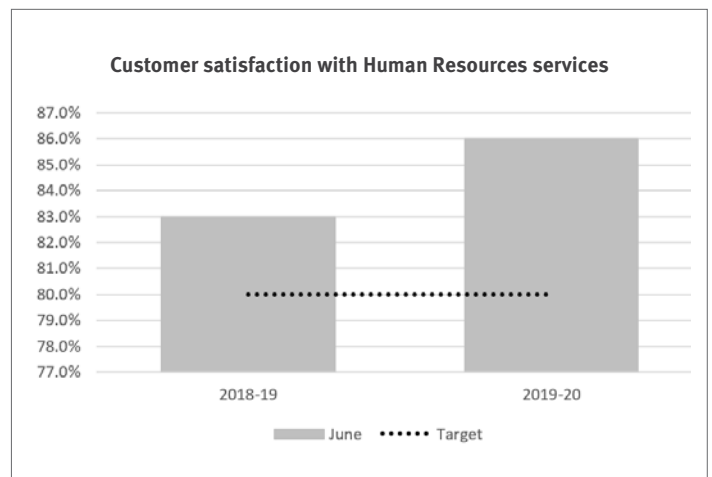
In 2019-20, we:

- progressed the Rebuilding QBuild Program including the hiring of 60 apprentices and 240 tradespeople over three years. Recruitment was completed for the first apprentice and tradespeople intake that will help deliver quality building and maintenance services for customers across the state and supply a skilled, trade-qualified workforce for the building and construction industry
- established the Women in Construction exemplar project at Cannon Hill to increase female participation rates in the industry and test initiatives to potentially inform future government policy
- supported local economies, businesses and jobs in Queensland by publishing future procurement opportunities that are searchable by region, agency and spend.
- conducted BCM Collaboration Forums in Cairns and Brisbane to build capability and collaborative engagement of government procurement professionals, capital planners and maintenance managers
- implemented the Government's Ethical Supplier Mandate and Threshold requirements across the BCM category for government buyers and industry suppliers
- delivered the North Queensland Stadium, a 25,000-seat, best practice, purpose-built regional stadium in time for the commencement of the 2020 National Rugby League Premiership Season
- delivered the cross-agency Wairuna Homestead Conservation Works project including asbestos removal, refurbishment and modernisation of the existing buildings, and site restoration works to ensure continued operation of the site
- delivered 34 new government employee residences to support the retention of skilled staff in rural and remote areas for the delivery of government services across Queensland, which included the completion of the Aurukun multi-unit precinct in October 2019 (Stage 2 included the delivery of 15 residences for a total yield of 24 residences)
- commenced construction on a further nine government employee residences across rural, remote, and Aboriginal and Torres Strait Islander communities, which are due for completion by 30 June 2021
- delivered \$48 million in maintenance, upgrade and improvement programs to enhance the quality and standard of government employee housing.

## Optimising modern and trusted corporate services and advice to other government departments and statutory bodies to enable them to meet government policies and objectives

In 2019-20, we:

- Implemented technology improvements including:
  - single touch payroll in Department of Transport and Main Roads SAP
  - flexible real estate module in Rest-of-Government SAP Finance solution to ensure compliance with the new leasing accounting standards
- completed the Lattice Replacement Project, which saw some 16,000 Queensland Government employees brought across to a common payroll system
- celebrated the anniversary of the One Number initiative that was launched in February 2019. The initiative involved the introduction of a streamlined menu to transfer callers to the relevant area, with around 170,000 calls already answered since its launch
- delivered the single sign-on feature for payroll self-service users making it quicker and easier to access the services for approximately 30,000 staff across multiple government agencies.



## Providing government and the ICT Industry with ICT infrastructure and information brokerage services that support the delivery of frontline services

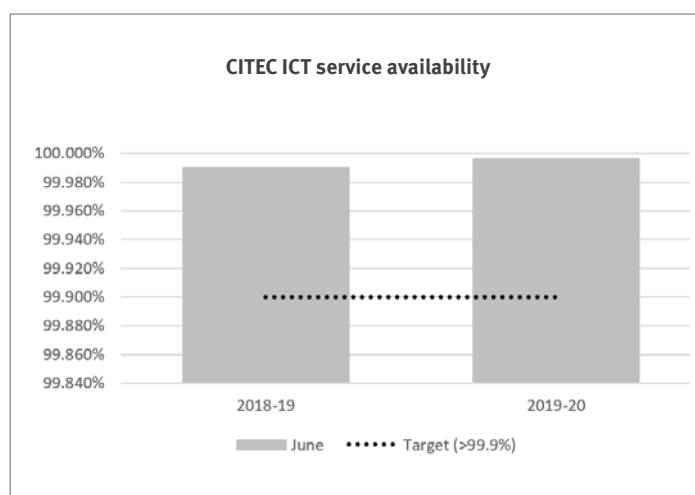
In 2019-20, we:

- implemented technology improvements including:
  - BPoint and BPAY technology to ensure compliance with the *Payment Card Industry Data Security Standard*
  - new Internet transit provider, providing redundancy for ISP services
  - Phase 1 of the Enterprise Monitoring and Reporting System
- held the GovHack hackathon, with 178 Queensland participants in Brisbane, Gold Coast, Mackay, Peregian Beach, Rockhampton and Sunshine Coast, helping to build trust between government, industry and citizens to improve communities by unlocking the power and potential of open data
- released the first phase of the new Queensland Data Analytics Portal, an initiative that will improve our capability to share and analyse information
- progressed the Queensland Government Regional Network service delivering improved ICT network connectivity across Queensland by consolidating connections for government departments and agencies. The service has delivered a total of 297 sites and has achieved increased connectivity capacity of 50 percent (average) while decreasing the cost to government by 40 percent (average)
- provided additional internet bandwidth, through CITEC, for the public safety agencies during the 2019 bushfires
- commenced the 317 Data Centre Relocation project in transitioning to a Data-Centre-as-a-Service Model which will allow flexible data centre solutions to support government business needs
- improved client experience by implementing an enhanced client interface for online traffic incident reports from Queensland Police Service
- worked with a number of agencies to implement Microsoft Azure Sentinel to deliver security analytics and threat intelligence for all Queensland Government Office 365 tenancies
- implemented pilot Microsoft Azure Windows Virtual Desktop with the aim of providing the Queensland Government with a highly scalable remote access capability
- commenced a distributed Denial-of-Service Proof of Concept to evaluate alternate technology solutions across government with the aim of meeting future demand and a reduced total cost of ownership.

## Developing and implementing digital strategies and policies to guide government investment decisions and address cyber security, and driving digital capability programs

In 2019-20, we:

- provided advanced cyber protection, earlier detection, and coordinated incident response across agencies to protect Queensland against cyber security threats by collecting and analysing an average of 800 million events per day from over 1,400 sources
- successfully blocked, on average, 10,000 malicious Domain Name System requests per minute through the Queensland Government Cyber Security Operations Centre
- defended an average of 30,000 Denial of Service cyber-attacks per day of varying sizes, using always-on, on-premise Distributed Denial-of-Service protection
- received the Security Operations Team of the Year Award for the CITEC Information Security Services team at the annual cyber security sector update.





## Providing expert advisory, enabling and support services to agencies, suppliers and the community in the achievement of procurement outcomes and reducing the cost of doing business with the Queensland Government

In 2019-20, we:

- launched the *Queensland Government Food and Beverage Supplier Directory* to support local producers, businesses and jobs throughout Queensland, listing over 500 businesses
- held the inaugural Buy Queensland Supplier Awards, and continued engagement with government buyers, suppliers and other interested businesses during the COVID-19 pandemic via a series of online webinars and engagement sessions
- Implemented the Ethical Supplier Mandate and Ethical Supplier Threshold to help ensure suppliers are treated fairly and not exposed to undercutting and unjust competition
- established a new Temporary and Contracted Workers Preferred Supplier Panel. The panel delivers opportunities for 145 businesses to become valued suppliers to the Queensland Government, including 95 Queensland businesses, 120 small and medium enterprises, three social enterprises and five Aboriginal and Torres Strait Islander owned businesses.

## Looking forward

In 2020-21, we will continue to work across government to realise and support government priorities by:

- further strengthening the *Queensland Procurement Policy* with commitments to Queensland small and medium enterprises, supporting local jobs and expectations to do business with ethically, socially and environmentally responsible suppliers
- implementing further security of payment reforms through the progression of the *Building Industry Fairness and Other Legislation Amendment Bill 2020* and associated regulation amendments
- delivering a redevelopment project in partnership with the Queensland Ballet to transform the heritage listed, state-owned Thomas Dixon Centre into a centre of artistic excellence. The state has invested \$14 million towards the centre's expansion and improvement, of which \$5.5 million will be used to preserve the cultural heritage of the site
- enabling delivery of key strategic projects including Cairns Convention Centre refurbishment and expansion, new Youth Detention Centre, Southern Queensland

Correctional Precinct (Gatton), new Performing Arts Venue and the Gabba refurbishment, by assuring time, cost and quality parameters are appropriately met

- continuing to expand supplier participation, emphasising local and small and medium enterprises and Indigenous businesses in government arrangements via implementation of preferred supplier panels across the marketing category and grocery, beverages and dairy sub-categories
- continuing to deliver safe and secure government employee housing in regional and remote locations, including Aboriginal and Torres Strait Islander communities, enabling police, teachers, medical professionals and associated government employees to deliver critical frontline services to the people of Queensland
- streamlining the building prequalification application process to save industry time, reduce red tape and implement improved performance reporting on registered contractors and consultants
- continuing enhancement of the *Buy Queensland* procurement compliance and enforcement framework, with a focus on supplier compliance with key policy provisions
- growing the '*Buy Queensland first*' commitment for food and beverages by increasing supplier registrations and use of the *Queensland Government Food and Beverage Supplier Directory* by government, private organisations and the public
- improving community and industry outcomes by using BCM data analytics and intelligence to enhance the planned programming and consistency of capital programs
- establishing new and renewing existing whole-of-government panel arrangements in areas including telecommunications, network hardware, corporate services software and ICT research services
- re-developing the current *Digital/ICT Governance Framework, Investment and Assurance Frameworks* to ensure investment decisions support a responsive government through effective digital transformation
- re-developing a strategic customer-focused digital roadmap and transformation plan that articulates a pipeline of digital/ICT investment priorities focussed on whole-of-government initiatives.

**Our commercialised business units and shared service provider deliver services and progress key initiatives that make a difference to Queenslanders by:**

- expanding the QBuild apprenticeship program, creating employment opportunities for apprentices and tradespersons
- working with Queensland Government agencies to effectively manage asset portfolios, creating value-for-money partnerships and enabling agencies to deliver more services to Queenslanders
- delivering maintenance and facilities management with local/regional contractors/suppliers to advance the government's economic, environmental and social objectives
- broadening and integrating our workplace health and safety strategies at the interface of our partnerships with Queensland Government agencies
- extending regional connectivity across the state to continue to support agencies to improve the delivery of their frontline services
- maturing processes through automation to achieve efficiencies in CITEC services
- continuing to implement a new fleet management system
- increasing the range and number of low-emission and electric vehicles in the Queensland Government motor vehicle fleet as we continue to implement the *QFleet Environmental Strategy* and *QFleet Electric Vehicle Transition Strategy*
- developing resources and tools to promote road and driver safety for Queensland Government employees in line with QFleet's road safety initiatives
- delivering shared corporate services to 28 agencies and making technological improvements including:
  - maintaining and improving the finance and payroll systems to enhance functionality, improve fraud prevention and increase automation
  - working with agencies to optimise transactional corporate services, delivering efficiencies to customers through more streamlined services, while complying with Queensland Government financial and human resource policy objectives
  - increasing robotic process automation capabilities to increase efficiency within service delivery.

# Service Delivery Statements – Performance

We track our performance through a range of service standards, as published in the 2019-20 Service Delivery Statements (SDS) budget paper.

## Services for Government

Service standards are provided for three service types:

- Government accommodation
- Procurement
- Digital services

This is a new Service Area for the 2019-20 SDS.

<b>Government accommodation</b>	<b>2019-20 Target/Est</b>	<b>2019-20 Actual</b>
<i>This is a new Service for the 2019-20 SDS and service standards presented in this Service were previously published in the Government Accommodation and Building Policy Service Area in the 2018-19 SDS.</i>		
<b>Effectiveness measures</b>		
Return on investment		
Commercial properties included in the office portfolio <i>Variance between 2019-20 Target/Estimate and 2019-20 Actual is mainly due to the provision of rent relief to non-government tenants between April and June 2020 due to COVID-19.</i>	≥6.5%	6.4%
Government employee housing <i>Variance between 2019-20 Target/Estimate and 2019-20 Actual is mainly due to delays in expenditure for the property condition assessment program, with access to residences restricted due to COVID-19.</i>	≥1.5%	1.9%
Vacancy rate		
Office portfolio <i>Variance between 2019-20 Target/Estimate and 2019-20 Actual is principally due to the ongoing strategic management of the office portfolio and delivery of a number of departmentally funded projects in the CBD and regional locations to secure tenants into existing portfolio vacancy. Vacancy rate further reduced in the second quarter of 2020 with the establishment of a number of initiatives across the state to address COVID-19 impacts.</i>	≤3.5%	2.1%
Government employee housing <i>Positive variance between 2019-20 Target/Estimate and 2019-20 Actual is due to the increased use of the vacant residences by private tenants and also the divestment of vacant residences that are surplus to employee housing requirements.</i>	≤6%	3.3%
Percentage of government-owned employee housing with an acceptable facility condition index rating <i>Positive variance between 2019-20 Target/Estimate and 2019-20 Actual is due to the low level of maintenance liability at the end of the financial year following delivery of most of the identified maintenance works in 2019-20.</i>	≥90%	98%
Energy performance – percentage of occupied government office accommodation achieving a rating ≥5 star under the National Australian Built Environmental Rating System	>80%	83%
<b>Efficiency measure</b>		
Work point density		
Average	13.5m <sup>2</sup> per person	12.26m <sup>2</sup> per person
New fitout	12m <sup>2</sup> per person	11.54m <sup>2</sup> per person

Procurement	2019-20 Target/Est	2019-20 Actual
<b>Effectiveness measures</b>		
<p>Overall satisfaction with advice and support provided by the Office of the Chief Advisor – Procurement (internal to government)</p> <p><i>Variance between 2019-20 Target/Estimate and 2019-20 Actual is due to ongoing agency expectations for additional support services to deliver on the government's Buy Queensland procurement approach. The 2019-20 Actual represents a significant improvement over the 2018-19 result of 59% and reinforces the initiatives undertaken by the Office of the Chief Advisor – Procurement to date to enhance engagement and support services.</i></p>	90%	73%
<p>Overall satisfaction with the way the Office of the Chief Advisor – Procurement engages with the Procurement Industry Advisory Group (external to government)</p> <p><i>Variance between 2019-20 Target/Estimate and 2019-20 Actual has identified areas where enhanced engagement and consultation processes could further build awareness and involvement of Procurement Industry Advisory Group members.</i></p>	80%	73%
<p>Percentage of whole-of-government ICT spend awarded to small to medium sized enterprises (transactions over \$10,000)</p> <p><i>The 2019-20 actual result for these measures is still pending due to data non-availability. Data will be published at <a href="http://www.hpw.qld.gov.au">www.hpw.qld.gov.au</a> by 30 December 2020.</i></p>	19%	N/A
<b>Efficiency measures</b>		
<p>Operating cost per \$1,000 of managed spend on general goods and services</p> <p><i>This is a new service standard demonstrating efficiency in the management of procurement services. The measure is calculated as the operating costs (i.e. expenses such as labour and supplies/services) of the General Goods and Services business unit, as a ratio of every \$1,000 whole-of-government spend awarded under the procurement categories managed by the unit.</i></p>	≤\$2	\$1.24
<p>Operating cost per \$1,000 of managed spend on ICT products and services</p> <p><i>The 2019-20 actual result for these measures is still pending due to data non-availability. Data will be published at <a href="http://www.hpw.qld.gov.au">www.hpw.qld.gov.au</a> by 30 December 2020.</i></p>	≤\$20	N/A

Digital services	2019-20 Target/Est	2019-20 Actual
<i>This is a new Service for the 2019-20 SDS</i>		
<b>Effectiveness measure</b>		
<p>Overall satisfaction with Responsive Government partnerships, advice and support (internal to government)</p> <p><i>This is a new service standard to measure agencies' satisfaction with the effectiveness of partnerships, and advice and support provided by Responsive Government to support agencies contribution to the 'Be a Responsive Government' priority as part of the government's objectives for the community Our Future State: Advancing Queensland's Priorities.</i></p>	70%	94%

## QBuild

The name of this commercialised business unit was changed from Building and Asset Services to QBuild on 25 August 2019.

QBuild	2019-20 Target/Est	2019-20 Actual
<b>Effectiveness measures</b>		
Overall customer satisfaction <i>QBuild is currently carrying out business improvements designed to enhance this measure, by focusing on the customer experience in reference to responsiveness, communication, consistency and reporting.</i>	81%	77%
Percentage of maintenance spend on QBuild's customer facilities with Local Zone 1 suppliers (based on physical location of contractor's workplace)	80%	82.3%
<b>Efficiency measures</b>		
Gross profit as a percentage of revenue generated from work delivered on behalf of QBuild customers <i>Variance between 2019-20 Target/Estimate and 2019-20 Actual is mainly due to the products and services delivered and related gross profits received.</i>	8.5%	8.1%
Net profit before tax and dividends as a percentage of sales <i>Variance between 2019-20 Target/Estimate and 2019-20 Actual is mainly due to the increase in contribution from a higher volume of sales.</i>	0.1%	0.7%
Current ratio <i>Variance between 2019-20 Target/Estimate and 2019-20 Actual is mainly due to the decision to support small and medium enterprises during the COVID-19 pandemic by paying vendors immediately.</i>	1.8:1	2.1:1

## CITEC

Service standards are provided for two service types:

- CITEC information and communication technology (ICT)
- CITEC information brokerage (IB)

CITEC ICT	2019-20 Target/Est	2019-20 Actual
<b>Effectiveness measures</b>		
CITEC ICT customer satisfaction	>75%	78%
CITEC ICT service availability	99.9%	99.996%
<b>Efficiency measure</b>		
CITEC ICT Earnings before interest and tax less Depreciation and Amortisation (EBITDA) <i>Variance between 2019-20 Target/Estimate and 2019-20 Actual is mainly due to change in accounting for Leases under AASB16 Leases, which took effect from 1 July 2019.</i>	(\$0.691m)	\$13.485m

CITEC IB	2019-20 Target/Est	2019-20 Actual
<b>Effectiveness measure</b>		
CITEC IB customer satisfaction	>80%	89.1%
<b>Efficiency measure</b>		
CITEC IB Earnings before interest and tax less Depreciation and Amortisation (EBITDA)	(\$0.295m)	(\$0.267m)

## QFleet

QFleet	2019-20 Target/Est	2019-20 Actual
<b>Effectiveness measures</b>		
Overall customer satisfaction <i>Variance between 2019-20 Target/Estimate and 2019-20 Actual is due to the dedicated efforts of QFleet staff to maintain a high level of customer service by working closely with customers on their requirements and focusing on the areas of improvement highlighted in the 2018 survey.</i>	85%	86.5%
Percentage of total QFleet vehicles with a 5-star ANCAP safety rating <i>Variance between 2019-20 Target/Estimate and 2019-20 Actual is due to QFleet's policy of prioritising 5-star ANCAP rated vehicle for agencies to lease. This result is expected to continue in the future as manufacturers increase their focus on the safety features of vehicles to maintain 5-star ANCAP ratings.</i>	90%	97%
<b>Efficiency measures</b>		
Current ratio <i>Variance between 2019-20 Target/Estimate and 2019-20 Actual is mainly due to the decision to support small and medium enterprises during the COVID-19 pandemic by paying vendors immediately.</i>	1.88:1	2.47:1
Return on net assets <i>Variance between 2019-20 Target/Estimate and 2019-20 Actual is mainly due to a higher operating surplus achieved than budgeted</i>	3.0%	6.1%
Gearing level <i>Variance between 2019-20 Target/Estimate and 2019-20 Actual is mainly due to a higher operating surplus after tax and dividend resulting in higher equity.</i>	70%	68.6%
Percentage of vehicle fleet utilisation compared to agreed lease parameters <i>Variance between 2019-20 Target/Estimate and 2019-20 Actual result can be attributed to the impact of COVID-19. Due to the large percentage of government staff working from home, the requirement for fleet cars declined significantly between April and June 2020. The target for this measure will be reviewed in subsequent years in order to take into consideration the longer-term impact of the COVID-19 response and recovery.</i>	90%	82.5%

## Queensland Shared Services

Service standards are provided for two service types:

- HR
- Finance

HR	2019-20 Target/Est	2019-20 Actual
<b>Effectiveness measures</b>		
Percentage of Payroll Services delivered within Service Agreement Standards	≥97%	99.8%
Customer satisfaction with HR Services	80%	86.1%
<b>Efficiency measure</b>		
Number of pays processed per full-time equivalent (FTE) per fortnight	≥325	331

Finance	2019-20 Target/Est	2019-20 Actual
<b>Effectiveness measures</b>		
Percentage of Finance Services delivered within Service Agreement Standards	≥95%	96.3%
Customer satisfaction with Finance Services	80%	90.7%
<b>Efficiency measure</b>		
Number of accounts payable transactions processed per FTE per annum	≥9,000	10,603

# Objective three

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## Future-facing Strategy and Policy

Our objective is to achieve future-facing strategy and policy that leads to evidence-based reforms, influences innovation to achieve change, builds capability, improves performance and delivers a more responsive government.

### Our Achievements

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In 2019-20, we:

- established a HPW COVID-19 Taskforce as a coordination point for the valuable work that needed to be undertaken across our department to respond to the evolving pandemic, rapidly deliver services and ensure stakeholders and customers were considered and kept informed including:
  - developing 'Returning to the Workplace' resources and messaging to support the progressive and safe return of public service employees to workplaces
  - providing strategic advice and support to our divisions to respond to COVID-19 impacts
- delivered the pilot Public Administration Capability (PAC) program to a cohort of 24 AO7-SO departmental employees, with the aim of:
  - enhancing capability in public administration with a focus on areas such as the Westminster system of government, monitoring and evaluation, stewardship and managing complexity
  - supporting a tradition of excellence in the craft of public administration across the department
- delivered two briefing note writing workshops, designed to support the PAC program, to a cohort of 46 employees from AO4-SO level, with the aim of refining skill in the development of compelling advice
- implemented a community of practice for project, program and portfolio management to share best practice tools and knowledge across divisions and project teams, improve capabilities in the agency and achieve better outcomes
- developed an approach to lessons management and practice improvement for the department, which has been piloted to capture the learnings from the department's response to COVID-19
- delivered *A Better Renting Future Reform Roadmap* outlining the Queensland Government's response to community feedback received through the Open Doors to Renting Reform consultation to improve renting in Queensland
- engaged the residential rental sector on proposed Stage 1 Better Renting Future reforms through a Consultation Regulatory Impact Statement that received over 15,000 responses
- delivered the COVID-19 Response for Residential Tenancies to implement the National Cabinet agreed evictions moratorium and other Queensland-specific protections for tenants, lessors and property managers during the COVID-19 pandemic
- partnered with a Queensland-based university to develop a monitoring and evaluation framework for the *Queensland Housing Strategy*. Interim analysis of early results will inform the development of the second action plan of the *Queensland Housing Strategy*
- delivered an evaluation of the *Next Step Home – Women on Parole* pilot initiative
- continued to contribute to and leverage intergovernmental opportunities to progress digital and data-related initiatives through the Australian Data and Digital Council and its working groups, particularly on digital identity, life journeys, digital inclusion, national principles for data sharing, and data governance with cross-jurisdictional benefits
- contributed to the Australian Government's proposed guidelines for further Mobile Black Spot Program funding.



## Embedding human rights

The Department of Housing and Public Works is committed to protecting and promoting the human rights of all Queenslanders. Significant work was undertaken in 2019-20 to embed the *Human Rights Act 2019* (HR Act) into our everyday business to ensure we act and make decisions that are compatible with the Act's provisions. We have promoted human rights through our new *Strategic Plan 2020-24* and raised staff awareness to entrench human rights into our department's culture.

### Training

In 2019-20, targeted human rights training was developed and delivered to support staff to make decisions and act in accordance with the HR Act including:

- over 2,000 staff completing online human rights training
- over 850 service delivery housing staff participating in tailored face-to-face decision-making and recordkeeping training
- human rights complaints management training being delivered across the state.

To support our funded housing and homelessness providers to understand their obligations under the HR Act, we partnered across government and with the Queensland Human Rights Commission to deliver information sessions to providers across the state.

### Policy and legislation reviews

In 2019-20, we:

- reviewed all legislation and subordinate legislation against the requirements of the HR Act
- commenced a department-wide review of policies, procedures and service delivery models in October 2019, including the development of a risk assessment framework to identify and prioritise required amendments to ensure compatibility with the HR Act
- reviewed the *Queensland Procurement Policy* and whole-of-government procurement guidance resources and they were assessed as compatible with the HR Act. These and tools to support agencies to undertake robust procurement processes
- reviewed all whole-of-government digital and ICT policies and guidelines published with the Queensland Government Enterprise Architecture in collaboration across government
- updated internal processes to ensure human rights assessments are incorporated into the review and development of legislation and subordinate legislation. Statement of Compatibility documents were completed for the following legislation to demonstrate their compatibility with the HR Act:
  - *Building Industry Fairness (Security of Payment) and Other Legislation Amendment Bill 2020*
  - *Major Sports Facilities (Prescribed Events-North Queensland Stadium) Amendment Regulation.*

## COVID-19

Some key actions and initiatives we undertook to protect and promote human rights during our response to COVID-19 included:

- In April 2020, introducing the *Residential Tenancies and Rooming Accommodation (COVID-19 Emergency Response) Regulation 2020* to implement the National Cabinet agreed moratorium on evictions and other measures to support the residential rental sector manage COVID-19 impacts on residential leases. The regulation made several changes to residential tenancy protections, rights and obligations for the duration of the COVID-19 emergency period .
- In May 2020, the *Justice and Other Legislation (COVID-19 Emergency Response) Amendment Act 2020* was passed by Parliament. This Act contained amendments to the *Manufactured Homes (Residential Parks) Act 2003* to enable a regulation to modify or suspend the processes for how site rent increases or decreases may occur in residential parks during the COVID-19 emergency and modified the process for disputing a proposed increase in site rent.
- Working closely with our sector partners across Queensland to support people who are homeless or at risk of homelessness, and supporting 2,632 households (including families and individuals) with emergency housing assistance.
- In partnership with Aboriginal and Torres Strait Islander Councils across the state, ensuring the continued delivery of critical services to these communities including urgent maintenance works, the provision of vacant properties for potential isolation, tenancy management services and immediate responses to critical safety situations.



## Human rights complaints

To ensure we appropriately manage and record human rights complaints, a department-wide complaints management process was established and a Human Rights Complaints Advisory Panel formed.

The process has allowed the department to identify trends and learnings that have informed the human rights training program and opportunities for future service improvements.

<b>Number of complaints between 1 January – 30 June 2020</b>	<p>10 human rights complaints were received</p> <p>All 10 complaints received were from customers of the department.</p>
<b>Outcome of complaints</b>	<ul style="list-style-type: none"><li>• two complaints were assessed as not limiting human rights</li><li>• four complaints were assessed as limiting human rights, however the limitation/s were found to be reasonable and justifiable</li><li>• one complaint was assessed as limiting human rights and resolution was reached between the customer and department</li><li>• two complaints were referred to the Queensland Human Rights Commission for conciliation</li><li>• one complaint is yet to be finalised.</li></ul>

## Looking forward

In 2020-21, we will continue to support government priorities by:

- monitoring, adjusting and evaluating the COVID-19 Response for Residential Tenancies to continue supporting the residential rental sector during the COVID-19 emergency and economic recovery period
- continuing to train staff and embed human rights considerations into all aspects of our business
- finalising the review of dispute resolution in residential (manufactured home) parks and retirement villages by developing a discussion paper, consulting with the community on options for reform and reporting to the Minister on the outcomes
- considering consultation with peak legal, consumer and industry groups to commence amending the *Retirement Villages Regulation 2018* to implement reforms to create more standardised residence contracts and financial statements
- implementing recommendations accepted by government as a result of the independent panel's review of mandatory payment of retirement village exit entitlement payments
- continuing to reform Queensland's rental laws to better protect tenants and lessors and improve housing stability in the rental market
- finalising the development of a second action plan of the *Queensland Housing Strategy*
- finalising evaluation of the first *Housing Strategy Action Plan*, including the department's response to COVID-19
- working with the community to consider legislation to protect Queensland's World Surfing Reserve.

# Objective four

## A Unified Organisation

Our objective is to achieve a citizen-centric organisation that is responsive, collaborative and a great place to work.

### **Continuing to develop a diverse, agile, healthy, compassionate, safe and engaged workforce, respecting one another and those we provide services to**

The department is committed to building an inclusive and diverse workforce where:

- people feel comfortable to bring their real selves to work
- we attract, retain and develop a diverse array of talent
- we understand the diverse needs of our customers, and create innovative services and experiences that reflect real needs
- our services and workplaces are culturally safe for Aboriginal and Torres Strait Islander peoples.

Our revised *Diversity and Inclusion Strategy 2019-2022* was launched in early 2020, affirming our commitment to building an inclusive culture, that promotes the skills and insights of all people irrespective of difference.

In 2019-20, a number of key initiatives were successfully implemented, including:

- the establishment of an employee network group, Be You @ HPW, which helps to implement activities to support our LGBTIQ+ employees and community
- senior executives adopting the role of Diversity and Inclusion Champions for key diversity groups
- finalising the 'Stepping Into' Internship Program with the department taking seven interns (an increase of five from last year) – 'Stepping Into' is a national internship program that is available through the Australian Network on Disability
- participating in *AccessAbility Day* with 27 placements across the department. *AccessAbility Day* is an Australian Government initiative developed to connect jobseekers with disability with employers
- celebrating a range of diversity events including Disability Action Week, Pride Month, NAIDOC Week and Multicultural Month

- commencing a review of the department's *Aboriginal and Torres Strait Islander Advancement Framework* to ensure continued alignment to our strategic commitments as outlined in the *Cultural Capability Action Plan* and *Reconciliation Action Plan* as well as the priorities identified through employee forums
- strengthening the Aboriginal and Torres Strait Islander staff network.

The department had some positive results in the 2019 Working for Queensland Employee Opinion Survey.

In 2019, 4,398 staff responded to the survey. It demonstrated that 89 percent of staff 'understand how their work contributes to HPW's objectives', 87 percent 'believe people in their workgroup treat customers with respect', and 85 percent 'believe people in their workgroup are committed to workplace safety'.

### **Workforce profile**

SDS service area	Full-time equivalent
Services for Queenslanders - Community	1,708.34
Services for Queenslanders - Digital and Information	560.78
Services for Government	398.61
QBuild	1,305.41
CITEC	336.20
QFleet	44.88
Queensland Shared Services	1,023.41
<b>Total</b>	<b>5,377.63</b>

Table: Staffing numbers – 30 June 2020

The department is committed to achieving the whole-of-government Equal Employment Opportunity (EEO) targets.

EEO target group	Department status	Target
Aboriginal and Torres Strait Islander peoples	3.27% (above target and an increase of 0.12% compared to 2018-19)	3%
People from a non-English speaking background	9.91% (decrease of 0.22% compared to 2018-19)	10%
People with disability	3.41% (decrease of 0.04% compared to 2018-19)	8%
Women in leadership	43.31% (increase of 1.93% compared to 2018-19)	50%

Table: Equal Employment Opportunity (EEO) targets and results

The permanent separation rate result for 2019-20 is 5.16 percent.

No redundancy, early retirement, or retrenchment packages were paid during 2019-20.

### Improving our systems and culture to enhance our health, safety and wellbeing

A healthy and safe workforce is one of the department's core values and the department is committed to providing all employees, contractors, customers, visitors and members of the public with a safe and healthy working environment.

The department aims to achieve Zero Harm: where there is no harm to any employee, any time while at work and a workplace where our:

- people are committed to creating and maintaining a healthy and safe place to work
- leaders embrace and demonstrate healthy and safe work practices and recognise that health and safety extends beyond the workplace
- culture supports maintaining a healthy and safe work environment, where there is zero tolerance for unreasonable or 'at risk' behaviours.

In 2019-20, we:

- continued to deliver the Housing and Homelessness Employee Support and Resilience Program to all frontline service delivery workplaces, including providing dedicated remote support services for staff during the department's COVID-19 response
- completed 218 areas for improvement identified in the Healthy and Safe Workplaces Audit, with 173 in progress

- delivered 72 Domestic and Family Violence awareness training sessions to over 300 managers and supervisors, designed to build capability for those who provide necessary support to staff affected by domestic and family violence
- our staff contributed over 600 blood donations to the department's Australian Red Cross Red25 group.

	2019-20 result
Seasonal influenza vaccinations	3,102
Skin cancer checks	1,021
Health assessments	1,147

Table: Pathways Health and Wellbeing Program initiatives

### Work-life balance

The department is committed to providing flexible working arrangements for employees designed to improve the balance between their professional and personal lives.

Employees have access to a range of flexible working options regarding where, when and how they work including part-time work, job sharing, telecommuting, compressed hours, reduced hours, staggered start and finish times, purchased leave, aggregated/averaging ordinary hours, non-consecutive long service leave, and leave for parental and/or caring purposes.

The department promotes information on these flexible working options in job advertisements, at inductions and throughout the employment lifecycle.

In 2019-20, we:

- provided additional flexibility to assist staff manage their family and/or caring responsibilities, including while working remotely during the COVID-19 pandemic, by offering flexible hours of work arrangements
  - prior to the COVID-19 pandemic, 63 percent of staff reported that they had used a flexible work option (Working for Queensland Survey results, 2019)
  - 67 percent of staff worked from home as part of the department's response to the COVID-19 pandemic
- commenced a review of the department's *Telecommuting Policy* to ensure safe and sustainable work from home arrangements can be maintained on an ongoing basis throughout the department's COVID-19 response, and post-pandemic.

## **Demonstrating strong leadership that effectively manages resources while driving innovation in an agile and changing environment**

The department recognises that everyone is a leader regardless of classification level or position title, or whether they have formal people management responsibilities and, as leaders, we are all required to adapt and respond to a rapidly changing environment.

The department continues to prioritise building its leadership capability at all levels that align with the Queensland public sector *Leadership competencies for Queensland*.

In 2020, the department prioritised the development of tools and resources to support managers to respond to the COVID-19 pandemic. In 2019-20:

- we delivered 14 Leading through COVID-19 live online sessions for managers to provide support in responding to the specific challenges of managing teams during the pandemic – topics included leading remotely, acknowledging stress while facilitating calm and leading through complex change
- we delivered one *QUTeX Learning through Turbulent Times* webinar to assist managers develop effective ways of working and relating to others during the COVID-19 pandemic
- 28 employees completed the Enterprise Leadership Program, which provides developing and experienced leaders with knowledge and skills on topical business and leadership subjects to successfully lead in ever-changing complex work environments
- 98 employees completed the QUTeX short courses, which are intensive one-day workshops that provide discussion and insight on the latest research to help leaders navigate the difficult and complex challenges they face today
- 46 employees completed the Taking the Lead Program, which provides emerging leaders with the skills to lead, influence and inspire a sense of purpose and direction
- 92 employees completed the Leading in a Rapidly Changing World Program, which assists managers and leaders to lead themselves and their teams in an environment that is in a constant state of uncertainty and change
- five employees participated in a Cynefin Foundation course, which provided participants with tools and methods for working in environments characterised by uncertainty, diversity of opinions, multiple perspectives and options, limited resources and rapidly shifting and competing priorities.

## **Investing in our people to achieve performance excellence, continually build our capabilities and realise potential**

The department is committed to building the capabilities of its workforce and to providing all employees with access to a range of learning and development opportunities delivered in a variety of ways.

In 2019-20:

- we continued to provide induction training to employees to ensure they are provided with the information they need to succeed in their role and within our department – this includes information about our values, strategic objectives, relevant legislation and policies, the requirements of the role, and the standard of performance and behaviour expected
- our employees continued to undertake formal achievement and development planning processes in addition to regular ongoing performance conversations and feedback to support a positive, high performance culture – these conversations are a shared responsibility between employees and managers and include work and behaviour expectations, career aspirations, professional development opportunities and performance feedback
- we actively used employee mobility within the department and across the sector to build the agility, responsiveness, capacity and capability of our workforce – these opportunities are identified through workforce planning processes and are implemented using relevant directives and policies
- we supported the addition of 130 new courses, modules and e-learning assets, covering a range of departmental and business-specific topics
- we commenced implementation of the Public Administration Capability program, a long-term initiative of the department to build excellence in public administration
- 72 employees participated in Practical Emotional Intelligence training to improve emotional competencies such as self-awareness, self-management, social awareness and interaction management
- 72 employees participated in Recruitment and Selection training and 66 employees participated in Report Writing training to build the skills of selection panel members to perform effective end-to-end recruitment and selection processes
- 37 employees participated in Effective Workplace Conversations training to build the capability and confidence of managers to drive a culture of productive and continuous workplace conversations
- 56 employees participated in Write Well training and 25 employees in Editing and Proofreading training to recognise the characteristics and purpose of different types of government documents and learn how to approach the writing task effectively
- 31 employees participated in Good Decision training to provide an understanding of the principles and factors of making good decisions in government
- 172 staff were trained in Human-centred design and Agile fundamentals.

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

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

### **Ethics and the Code of Conduct—supporting our employees to do the right things**

We recognise employment in the public service is a position of trust, and as such hold ourselves and our colleagues to a high standard.

To ensure our people are aware of their ethical obligations as Queensland Public Sector employees under the *Public Sector Ethics Act 1994*, a Public Sector Ethics online training module has been developed. The module includes the *Code of Conduct for the Queensland Public Service*, the four ethics principles, key legislation guiding professional conduct and employees' responsibilities and obligations to disclose conflict of interests.

Public Sector Ethics training is provided to new employees as part of their induction, with staff required to undertake a mandatory annual refresher.

Our policies and procedures are in line with the Code of Conduct and our ethics, principles and values. These support our people to undertake their roles in an impartial and apolitical manner. In addition, our departmental *Governance Framework* emphasises the application of public sector ethics and values.

### **Recognising our employees**

The department recognises the strong link between employee recognition and employee engagement and job satisfaction.

Our formal recognition programs include:

- *Recognition of Excellence Awards* – the department's premier event for recognising and acknowledging the outstanding achievements of individuals, teams and projects. In 2019, the awards were aligned to the department's six core values, and additional awards included the Director-General's Award for an emerging leader and leadership excellence, Apprentice of the Year and the Minister's Award for outstanding achievement
- *Australia Day Community Achievement Awards* – an opportunity to recognise the people in our department who have gone above and beyond to improve the lives of Queenslanders

- *NAIDOC Awards* – to celebrate the outstanding contributions of our Aboriginal and Torres Strait Islander staff. In 2019, our NAIDOC Awards were held in Cairns and the award categories were inspired by the NAIDOC Week theme of 'Voice, Treaty, Truth – Let's work together for a shared future'
- *Long Service Awards* – presented to employees who have served 25, 40 or 50 years with either the department or continuous service with Queensland Government departments
- Business Area awards programs – divisional award ceremonies held to recognise our employees' outstanding achievements throughout the year.

Appreciating and recognising the efforts of our people also occurs through informal channels and is an important part of our workplace culture.

### **Industrial and employee relations framework**

As at 30 June 2020, there were five certified agreements covering employees in the department:

- *Building and Asset Services Field Staff Certified Agreement 9 (2016)* – covering QBuild field staff
- *Building and Asset Services Office Staff Certified Agreement 2016* – covering QBuild office staff
- *QFleet Certified Agreement 2018* – covering QFleet staff
- *CITEC Certified Agreement 2016* – covering CITEC staff
- *State Government Entities' Certified Agreement 2019 (Core Agreement)* – covering the remainder of the department's certified agreement covered employees.

Negotiation to replace the agreements applying to QBuild field staff, QBuild office staff and CITEC employees is currently being finalised.

The department continues to support the government's policies on the contracting-out of services, union encouragement and employment security.

With respect to union encouragement, the department actively encourages union membership among its employees, by:

- acknowledging the roles union delegates and job representatives play within a workplace, including during the agreement-making process
- allowing employees full access to union delegates/officials during working hours to discuss any employment matter or seek union advice, provided that service delivery is not disrupted and work requirements are not unduly affected
- affirming its commitment to joint union and employer consultative committees at both an agency and local level
- providing an application for union membership and information on the relevant union(s) to all employees at the point of engagement and during induction
- providing union(s) with details of new employees
- actively consulting with unions about organisational change and restructuring initiatives and other significant matters affecting the welfare of employees.

The department attempts to provide stability to employees by limiting the contracting-out of services as well as maximising employment security for tenured public sector employees. The department's commitment to employment security for its employees is reinforced by efforts to maximise permanent employment through the continued conversion of temporary employees to permanent, where possible.

**We embrace digitisation of services, emerging technologies and new ways of doing our work and ensure we have the right tools and information to transform and optimise our capacity to provide service excellence**

In 2019-20, we:

- progressed implementation of an enterprise electronic document and records management system (eDRMS), in order to transition from a paper-based records culture to managing records digitally as well as improving recordkeeping capabilities across the department
- commenced the Departmental Collaboration and Identity Project, which will place all HPW staff on the same Office 365 tenancy in order to enable greater collaboration and provide a consistent user experience. Benefits of this include reduced licencing costs and the implementation of a platform that will minimise the maintenance cost and reduce technical complexity
- continued to improve data analytics to support and inform evidence-based decision-making by commencing the HR Business Intelligence Project
- consolidated the department's timesheet systems, where appropriate
- implemented a foundational data governance practice, maturing our appreciation for the importance of our data and its role in decision-making
- continued to mature the department's Information Security Management System, understanding our role as information owners and the importance of securing our data.

## Looking forward

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In 2020-21, we will continue to harness our shared strengths and expertise to build a resilient, unified organisation by:

- prioritising the safety, health and wellbeing of all employees at all times
- supporting individuals and teams to work flexibly while continuing to ensure that business and customer expectations are met
- developing and implementing strategies that enable us to reimagine our future workforce and workplaces
- continuing the transition of managing records digitally, by delivering a foundational eDRMS, which in turn will facilitate a mobilised, collaborative and connected workforce
- embedding the information and insights strategy and enhancing the department's analytic capability
- embedding the *HPW Digital Strategy 2020-23*, embracing the benefits of digitisation and emerging technologies to transform the way we do our work.

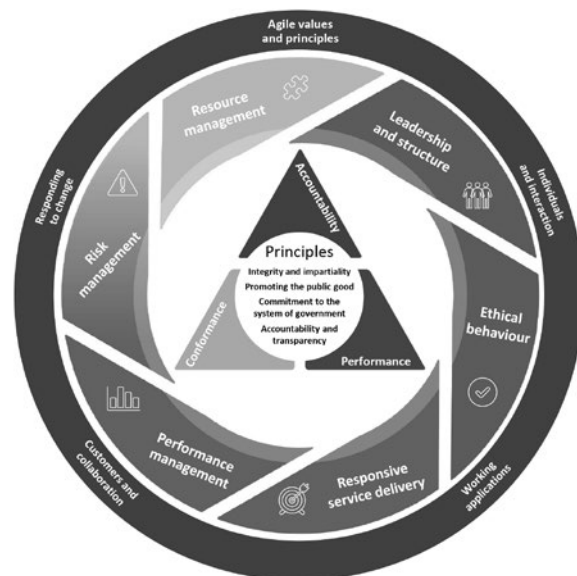


# Our Governance

Our **Governance Framework** sets out the principles of accountability and transparency that support our strategic objectives, by demonstrating the alignment of our structure, management, planning, performance, service delivery, risk management, reporting and decision-making with our corporate, legislative and regulatory requirements.

The framework empowers our people to act and respond to our changing legislative and fiscal environment while fostering continuous improvement and enhanced productivity within the department.

The framework supports the Director-General, as the Accountable Officer, to meet the requirements of the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019*, the *Public Sector Ethics Act 1992* and other legislative and accountability requirements.



## Executive Leadership Team

The Executive Leadership Team is the department's principal strategic governing body, responsible for setting the strategic direction of the department, demonstrating leadership, overseeing financial and business performance, ensuring effective use of resources and supporting the Director-General as the Accountable Officer.

The role of the Executive Leadership Team is to:

- set the department's strategic direction, goals and performance levels, aligned to government objectives
- provide stewardship over the implementation of programs and policies
- demonstrate visible and aligned leadership to the agency
- ensure effective financial management and use of resources, including reprioritisation when necessary
- monitor the performance of business activities and the achievement of priorities and objectives
- ensure effective business continuity practices and culture within the department
- support the Director-General to meet legislative requirements and accountabilities
- ensure the effective management of risk through:
  - setting the organisation's risk culture and appetite and monitoring key departmental risks
  - ensuring fraud and corruption risk assessment occurs at departmental and business area levels.

### Chair: Director-General

#### Members:

- Chief Customer and Digital Officer
- Deputy Director-General, Housing, Homelessness and Sport
- Deputy Director-General, Building Policy and Asset Management
- Deputy Director-General, Portfolio Strategy and Chief Advisor Queensland Government Procurement
- Deputy Director-General, Services Delivery and Operations
- Deputy Director-General, Transformation and Enabling Technologies
- Deputy Director-General, Customer and Digital Strategy
- Assistant Director-General, Building Legislation and Policy
- Assistant Director-General, Corporate Services
- Assistant Director-General, Sport and Recreation
- Executive General Manager, QBuild

## Our Executive Leadership Team as at 30 June 2020

Liza Carroll

**Chair: Director-General**

*BEd, MEd (Hons)*

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

Liza previously held the role of Associate Secretary, Head of Indigenous Affairs in the Department of Prime Minister and Cabinet. Prior to this, Liza was the Deputy Secretary in the Department of Families, Housing, Community Services and Indigenous Affairs with responsibility for housing, homelessness, families, children, women's issues, gambling and community services.

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

Chris Fechner

**Member: Chief Customer and Digital Officer, Queensland Government Customer and Digital Group**

*Exec MBusAdmin, BAppSc Computing, GradDipProjMgmt*

Chris became Queensland's first Chief Customer and Digital Officer in February 2020. A key focus for Chris in this role is driving customer and digital transformation across government.

Chris brings to the department a wealth of digital and IT experience as a Senior Executive in both the Queensland and NSW Public Service.

Most recently as Chief Digital and Product Officer, Service NSW, Chris was the driving force behind the implementation of the global standard in customer service and digital excellence in delivering customer-centric technology and services.

Trish Woolley

**Member: Deputy Director-General, Housing, Homelessness and Sport**

*LLB, BSocWk*

Trish joined the Department of Housing and Public Works in September 2016. She has almost 20 years' experience in public administration, working across a range of social policy and service delivery agencies in state government (Queensland and Victoria) and the Australian Government (Department of Human Services, Department of Social Services and Department of the Prime Minister and Cabinet).

Trish is an experienced leader of social policy reforms nationally, while contributing to the critical business transformation and modernisation of a number of social policy agencies to improve government delivery of key services and improve policy capability.

Graham Atkins

**Member: Deputy Director-General, Building Policy and Asset Management**

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

Graham has vast experience in the building and construction industry spanning a number of decades. Graham has contributed to the Executive Leadership Team in his role as Deputy Director-General since joining the department in July 2011.

Graham has held senior executive positions within other government departments, including Deputy Director-General of the Department of Education and Training, where he was responsible for infrastructure planning and delivery. Graham holds a Queensland Open Builders Licence.



## Sharon Bailey

**Member: Acting Deputy Director-General,  
Portfolio Strategy and Chief Advisor Queensland  
Government Procurement**

*BSocWk, BA, PgD-Arts*

Sharon joined the Department of Housing and Public Works in April 2019 and brings extensive policy implementation experience across Australian and state jurisdictions of government.

Most recently, she spent seven years with the Australian Government, undertaking both corporate and policy roles within the Department of Social Services. This followed numerous economic and social policy roles across the Queensland Government, including the Departments of the Premier and Cabinet, Public Works and Families and Communities.

## Andrew Spina

**Member: Deputy Director-General,  
Services Delivery and Operations, Queensland  
Government Customer and Digital Group**

*BSc (Comp)*

Andrew has worked in the Queensland public sector for more than 35 years and has extensive experience in leading the delivery of digital transformation, digital service delivery and shared government services.

Andrew has undertaken a number of Deputy Director-General and Chief Information Officer roles, providing strategic digital leadership in the Department of Communities, Department of Science, Information Technology and Innovation, Department of Public Works and Housing; and roles in CITEC and Treasury.

## Dallas Stower

**Member: Deputy Director-General,  
Transformation and Enabling Technologies, Queensland  
Government Customer and Digital Group**

*B. Bus(Comp), Grad Cert (PSM)*

Dallas has over 30 years' experience in the ICT industry across a range of senior leadership positions. In his role as Deputy Director-General, Transformation and Enabling Technologies, Dallas leads the development and implementation of initiatives that strengthen Queensland's ICT service delivery.

Dallas is responsible for CITEC Enabling Services, CITEC Integration and Enabling Technologies, Data and Information Services, ICT Strategic Sourcing, Transformation Projects and Office of the Chief Information Security Officer.

Dallas has undertaken a number of senior leadership roles including Assistant Director-General, Strategic ICT; General Manager, CITEC; Executive Director, Telecommunications and Digital Economy Coordination Office; and Chief Information Officer, Queensland Rail.

## Irene Violet

**Member: Acting Deputy Director-General,  
Customer and Digital Strategy, Queensland Government  
Customer and Digital Group**

*MAICD, BA (Psych), BHealthSc, MBA*

Irene, as Acting Deputy Director-General, Customer and Digital Strategy, leads the government priority to develop and deliver responsive government services for Queenslanders and businesses. Recently, Irene participated in a six-month interchange with the Department of Employment, Small Business and Training as acting Deputy Director-General, Investment.

Previously, Irene has held several senior executive roles in Queensland Shared Services and WorkCover Queensland.

Irene is a graduate of the Australian Institute of Company Directors.

## Richard Cassidy

**Member: Assistant Director-General, Building Legislation  
and Policy, Building Policy and Asset Management**

*BCom*

Richard commenced as Assistant Director-General, Building Legislation and Policy in February 2019 and brings many years' strategic leadership experience within public sector environments. Richard's approach is characterised by a strong focus on outcomes and a demonstrated ability to develop policy and strategy solutions, which meet the needs of diverse stakeholder groups.

Richard has previously worked for the department as the Executive Director, Office of the Chief Advisor Procurement, where he led the development and implementation of the *Buy Queensland* procurement policy to deliver broader economic, social and environmental outcomes for Queensland through the government's procurement spend.

Richard has also spent time as a management consultant providing infrastructure advisory services and prior to that working for Queensland Health implementing large system-wide reforms.

## Robyn Turbit

**Member: Assistant Director-General, Corporate Services**

*BCom, BEcon*

In her career spanning over 40 years, Robyn has worked in various public and private sector organisations, predominantly in accounting, auditing and governance functions and has undertaken roles using many employment styles, including full-time, part-time, telecommuting and contracting.

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

## Andrew Sly

**Member: Acting Assistant Director-General, Sport and Recreation, Housing, Homelessness and Sport**

*BA GAICD*

Andrew has over 20 years' experience in property, infrastructure, governance and stakeholder engagement across the public and private sectors.

Andrew joined the department in November 2018 as the Executive Director of Venues and Sport Infrastructure where he has led the program management, infrastructure planning and investment, and delivery of key sporting capital projects and the management of the Queensland Venues and Recreation Centres.

Prior to joining the department, he held the positions of Executive Director of Development Strategy and Executive Director of Regional and Residential Development at the Queensland Government's specialist land use planning and property development unit, Economic Development Queensland, where he led the facilitation and delivery of projects and programs throughout Queensland.

Andrew holds tertiary qualifications in planning and geographical sciences and is a graduate of the Australian Institute of Company Directors.

## Paige Ridgewell

**Member: Executive General Manager QBuild, Building Policy and Asset Management**

*BLeisSt, MBA, MPP, MAICD*

Paige's 25-year Queensland public sector career has seen her working across a number of portfolios including infrastructure and planning, main roads, racing, national parks, social policy, and sport and recreation. She is known for her experience in successfully leading transformation within government through community collaboration and co-design and a strong focus on creating better futures for Queenslanders.

She has extensive experience in managing and directing teams to achieve high-level outcomes in strategy, policy and program development.

Most recently, Paige is leading business transformation across QBuild to better align business practices to deliver products and services in partnership with a range of Queensland Government agencies to build and maintain infrastructure across Queensland communities.

In her previous role as Assistant Director-General, Sport and Recreation, Paige led the delivery of the Queensland Government's *Activate! Queensland 2019-2029 Strategy*. The strategy channels investment across the Queensland Government to build and activate infrastructure and social environments that support communities across the state and inspire physical activity.

Paige brings her many years' experience as an athlete, coach and administrator to the work environment by applying the principles of high performance, training and teamwork.

## Retirement acknowledgement

### Andrew Mills

**Queensland Government Chief Information Officer (January 2014 – February 2020)**

After six years, Andrew retired from his role of Queensland Government Chief Information Officer. The department would like to thank Andrew for his significant work with agencies and his support to Queensland's ICT industry. His experience in digitally transforming and using information and communication technology was especially invaluable during our realignment of digital services.

# Governance Committees

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The department has eight committees in its governance structure to support the effective operation of the agency and provide appropriate assurance and accountability. Committees report to the Executive Leadership Team and/or the Director-General.

## Executive Finance Committee

The role of the Executive Finance Committee is to consider and provide appropriate advice to the Director-General, through the Executive Leadership Team, about the effective alignment and deployment of departmental financial resources to support the department's strategic objectives and the government's priorities.

## Strategic Procurement Committee

The Strategic Procurement Committee advises the Director-General and departmental staff on procurement policies and practices and leads the delivery of excellence in procurement across the department.

## Information Steering Committee

The Information Steering Committee oversees the department's investment in Information, Communication and Technology (ICT) to ensure these services and capabilities enable efficient business operations across the state. The committee ensures the ICT services align to the department's strategic objectives and the government's priorities for Queenslanders.

## Property Asset Management Committee

The Property Asset Management Committee ensures the effective use and management of departmental built infrastructure, oversees the linkage between planning, delivery and built infrastructure policy formulation, directs the development of the department's *Strategic Asset Management Plan*, monitors capital delivery and tracks all facets of asset valuation.

## People and Culture Committee

The People and Culture Committee provides strategic support to the Director-General and Executive Leadership Team to build a culture that reflects the department's values through effective human resource strategies and programs. The committee focuses on strategic leadership, workforce investment and capability, people management practices, risk and innovation strategies.

## Workplace Health and Safety (WHS) ELT

The WHS Executive Leadership Team provides direction and leadership to support an effective workplace health and safety management system to achieve improved safety performance and culture. The committee focuses on providing strategic direction on WHS policies and the management of WHS risks, the effective resourcing of activities, critically reviews WHS performance and lead initiatives, monitors WHS plans and legislative compliance.

## Aboriginal and Torres Strait Islander Advancement Framework Committee

The Aboriginal and Torres Strait Islander Advancement Framework Committee provides advice, guidance and direction on the implementation of the *Aboriginal and Torres Strait Islander Advancement Framework*.

A review of the framework commenced in February 2020 with a revised framework to be available in 2020-21.

## Audit and Risk Committee

The Audit and Risk Committee acts as an advisory service to the Director-General to assist in the effective discharge of the responsibilities detailed in the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019* and other relevant legislation and prescribed requirements. In doing so, it provides independent comment, advice and counsel to the Director-General.

The Audit and Risk Committee charter sets out the authority, roles and responsibilities, membership and operations expected of the committee. The committee observed the terms of its charter in 2019-20 and had due regard to Queensland Treasury's *Audit Committee Guidelines*.

**Chair:** Peter Dowling (external member)

### Members:

- Sue Ryan (external member)
- Deputy Director-General, Housing, Homelessness and Sport
- Assistant Director-General, Building Legislation and Policy, Building Policy and Asset Management
- Assistant Director-General, Transformation and Enabling Technologies, Queensland Government Customer and Digital Group

In 2019-20, the Audit and Risk Committee:

- reviewed and recommended approval of the department's 2019-20 financial statements
- considered and endorsed the *External Audit Plan* and proposed fees of the external auditors
- considered and endorsed the annual *Internal Audit Plan* and endorsed changes to the *Internal Audit Plan*
- considered and endorsed the *Audit and Risk Charter* and the *Internal Audit Charter*
- considered external audit and internal audit findings and recommendations, and monitored their sustainable implementation of recommendations
- considered the appropriateness of the systems of performance measurement and reporting
- on rotation, received presentations from the department's key risk owners and undertook discussions to confirm key risks are adequately managed within the department's *Risk Management Framework* and risk appetite
- noted fraud risks and actions taken by the department to manage these risks, including training and awareness activities
- discussed and monitored the department's response to the COVID-19 pandemic
- considered the effectiveness of the department's information security management system and the department's readiness to meet the requirements of the *IS18 Information Security Policy*
- self-assessed the committee's effectiveness and agreed improvement initiatives
- briefed the Director-General on relevant matters, opinions, decisions and recommendations made by the committee.

The Audit and Risk Committee met on five occasions during 2019-20.

The remuneration paid to two external members was as follows: Peter Dowling (\$7,200) and Sue Ryan (\$4,070).

## Strategic Planning, Performance Monitoring and Reporting

Our strategic plan is the roadmap which guides our future directions and the steps we intend to take over the next four years to deliver our vision and strategic outcomes. We cascade our strategic plan into annual divisional operational plans, demonstrating how the government's strategic priorities and targets inform our objectives and how these are operationalised through our business areas.

Annually, we develop and publish a set of strategic measures to track our progress in achieving our strategic objectives, as well as service standards for each service area through our Service Delivery Statements. We measure our progress quarterly through reporting to our Executive Leadership Team and in the annual report. Our performance is also monitored externally through the Parliamentary Estimates Committee process held after each year's state budget.

The department's performance management regime, encompassing planning, measuring and monitoring performance, and reporting, aligns to the *Queensland Government Performance Management Framework*. Our performance management establishes the relationship between whole-of-government priorities and our department's governance, planning, risk, performance monitoring and reporting practices.

## Risk Management

Our *Risk Management Framework* is based on international standard AS/NZS ISO 31000:2018 and aims to ensure that risk management is fully integrated with existing management processes and responsibilities. It is an integral part of the department's governance activities and is a critical element of our strategic and operational planning, service delivery, management, and decision-making processes as well as protecting the department against fraud and corruption and contributing to the safety and wellbeing of employees.

In 2019-20, the risk framework was revised to strengthen fraud and information security risk management and to ensure compatibility with the *Human Rights Act 2019*. The agency's risk matrix impact categories and the department's risk appetite were adjusted to introduce information security considerations.

Our three-year *Risk Management Strategy 2019-21* continues to be implemented. There has been strong uptake of the department's risk management eLearning modules to grow awareness and embed risk management awareness and practices, with over 1,000 staff completing the modules. Risk maturity development within the department is monitored using divisional Risk Maturity Action Plans to strengthen capability. Risks are identified and managed at strategic and divisional levels by risk owners and assessed quarterly to ensure appropriate controls and treatments are in place.

## Integrity Services

The department's Integrity Services Unit deals with corrupt conduct matters (including fraud and corruption) and provides expert and high-level advice about conflicts of interest, public interest disclosures, complaints management and other integrity-related matters.

The department demonstrates its commitment to integrity through setting, implementing and monitoring integrity standards and through managing non-conformance, with these components forming its integrity framework.

During 2019-20, the Integrity Services Unit revised the department's *Complaints Management Policy* and procedure to incorporate requirements under the *Human Rights Act 2019* as well as commenced a refresh of the department's integrity framework.

## Internal Audit

The Internal Audit Unit provides independent assurance that the department's policies, operations, systems and procedures meet appropriate standards of effectiveness, efficiency, propriety, regulatory requirements and good business practice, while adequately recognising and managing risk and complying with internal policies.

The department's Internal Audit Unit operates in accordance with an approved *Internal Audit Charter* as required under the *Financial and Performance Management Standard 2019*. The charter defines the purpose, authority and roles and responsibilities of the function and is consistent with the requirements of the International Standards for the Professional Practice of Internal Auditing as set by the Institute of Internal Auditors. The Internal Audit function applies and upholds the principles of integrity, objectivity, confidentiality and competency under the Institute of Internal Auditors' formal Code of Ethics. The charter authorises appropriate access to all functions, records, property and personnel within the department as well as direct access to the chair and independent members of the Audit and Risk Committee.

The Internal Audit Unit provides a broad range of assurance, advisory and support activities in line with the *Internal Audit Plan* endorsed by the Audit and Risk Committee and approved by the Director-General. During the year, the Internal Audit Unit revised the 2019-20 *Internal Audit Plan* to respond to the COVID-19 pandemic.

The Internal Audit Unit assisted management with:

- real-time control design activities to provide management assurance that adequate controls are in place during the time of rapid change due to COVID-19
- analysis of data to assess control effectiveness and identify potential areas of concern or unwanted trends
- mapping changed processes and controls in business-critical functions
- executing operational, financial and compliance internal audits
- reviewing information systems and information security activities
- providing a comprehensive program of continuous assurance.

The Internal Audit Unit applies a risk-based approach to strategic internal audit planning and triaging its program of work. The Internal Audit Unit collaborates with the corporate risk management function to ensure appropriate coverage of risks and controls across the department.

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

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

During 2019-20, the Internal Audit Unit completed 16 internal audit reviews, six management requests and provided ad-hoc advice to managers on a range of issues.

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

## Information Systems and Recordkeeping

The department is committed to complying with recordkeeping practices. Records are managed within each business area. The department manages records using both business information systems and an electronic records management system (eDRMS), using a suite of policies to direct staff on the roles and responsibilities of record management.

In 2019-20, we:

- continued to implement an eDRMS by completing the design and configuration of an enterprise environment and completing a successful pilot implementation
- commenced a program of consolidating datasets in order to merge a number of disparate eDRMS datasets into one enterprise dataset, including successfully merging one of the department's largest datasets, which has resulted in a simplified and integrated information management environment
- provided ongoing recordkeeping support to departmental staff
- continued to undertake data cleansing activities and authorised disposal activities in accordance with the authorised retention and disposal schedules
- established a community of practice to assist the department's record team with reviewing and implementing the *Records Governance Policy*
- continued to adhere, in accordance with relevant legislative requirements, to the department's various retention and disposal schedules including retaining records as per the schedules and transferring records to the Queensland State Archives as required
- continued to strengthen the reliability and security of our information and records regardless of where they are stored and in what format.

## External Reviews

In 2019-20, the department was involved in the following reviews by the Queensland Audit Office:

- Auditor-General of Queensland: Report to Parliament 8: 2019-20—Queensland state government entities: 2018-19 results of financial audits: the department obtained an unmodified audit opinion on the 2018-19 financial statements
- Auditor-General of Queensland: Report to Parliament No. 3: 2019-20—Managing cyber security risks

The department responds to recommendations made by coroners in findings of inquests. In 2019-20, the department:

- as a supporting agency, continued to consult in relation to three recommendations from a 2016 inquest relevant to building industry inspections and standards (relating to awnings)
- as the lead agency, continued to consult with relevant stakeholders to progress the response to the fourth recommendation from the same 2016 inquest
- as the lead agency, continued to consult with relevant stakeholders to progress the first recommendation from a 2014 inquest related to fire safety in tourist accommodation.

### QFleet

QFleet engaged industry expert, Grant Thornton, to review its operating model and compare it to other state and Australian government jurisdictions.

The outcome of this assessment was very positive, highlighting the robustness of the QFleet fleet management model and the scale benefits the current model continues to deliver for Queensland taxpayers.

The review highlighted areas of focus and future growth that QFleet should address to ensure continued relevance in a changing fleet industry. Topics including the introduction of electric vehicles and 'as-a-service' offerings were highlighted, with Grant Thornton believing QFleet is well positioned to adapt to these future models of service.



## Whole-of-government plans and specific initiatives

The department has the following whole-of-government and specific-purpose plans:

- *Aboriginal and Torres Strait Islander Advancement Framework 2017-20*
- *Aboriginal and Torres Strait Islander Housing Action Plan 2019-23*
- *Queensland Housing Strategy 2017-27*
- *Queensland Housing Strategy 2017-20 Action Plan*
- *Activate! Queensland 2019-29 Strategy*
- *Activate! Queensland Action Plan 2019-22*
- *People and Culture Strategy*
- *HPW Diversity and Inclusion Strategy 2019-2022*
- *Multicultural Action Plan 2019-20 to 2021-22*
- *Disability Service Plan 2017-2020*
- *Cultural Capability Action Plan 2020*
- *Healthy and Safe Workforce Action Plan*
- *Fraud and Corruption Control Plan*
- *Queensland Domestic and Family Violence Prevention Strategy 2016-2026*
- *ICT Disaster Recovery Plan*
- *Strategic Internal Audit Plan 2020-21*
- *Procurement Plan 2020-24*
- *Queensland Government Procurement Strategy 2017*
- *Open Data Action Plan 2019-21*

Achievement	Result
% of datasets available on data.qld.gov.au with Open Data Certificate	95%
% net increase in total datasets published	3.7%
number of new datasets created this financial year	284
% increase in unique views	8.4%
API queries/events per month	1.4m
% decrease in file downloads partially attributable to introduction of improved data visualisation in July 2019.	19.9%

Table: Open Data Action Plan Results

## National Agreements and National Partnership Agreements

In 2019-20, the following activities occurred to progress Queensland's national commitments:

- the *National Housing and Homelessness Agreement* (NHHA) and Queensland's associated bilateral schedule remained in place throughout 2019-20. Queensland contributed to the ongoing development of a data improvement plan that will form a new schedule to the agreement and advocated for national consistency in reporting. The NHHA is likely to be subject to review in 2020-21 through the National Federation Reform Council
- a Memorandum of Understanding for \$5 million in 2019-20 of the \$105 million for remote housing was put in place between the Department of Housing and Public Works and the National Indigenous Australians Agency. A needs-based funding allocation methodology was agreed on 6 February 2020 with the Mayors of the 17 Aboriginal and Torres Strait Islander Local Government Areas. Elements of the methodology include population bands, relative shares of overcrowded households and homeless persons, as well as construction costs
- multiple meetings of Sport and Recreation Ministers occurred, which is the standing committee of Ministers from Australia and New Zealand established in 2011 to provide a forum for cooperation and coordination on matters relating to the development of sport and recreation in Australia, including community participation and elite sport
- the *Household Resilience Program* Phase 2 Project Agreement was established to deliver the \$10 million Australian Government contribution which supports people in cyclone affected areas to improve the resilience of their homes, while also stimulating the local jobs economy
- the Australasian Procurement and Construction Council met, a peak council, the members of which are responsible for procurement, construction, asset management and property policy delivery for the governments of Australian states and territories, the Commonwealth and New Zealand
- multiple meetings of the Building Ministers' Forum, comprising the Australian Government and state and territory government ministers with responsibility for building and construction, which oversees policy and regulatory issues affecting Australia's building and construction industries
- intergovernmental Agreement between the Australian Government, states and territories that establishes the Australian Building Codes Board
- *Strata Title Inspection Scheme Project Agreement*, which provides funding of up to \$12.5 million over a four-year period from 1 July 2018 to 30 June 2021 to the state, represented by the department to facilitate the provision of engineering assessments on strata titled properties. The agreement's proposed objective is to reduce the cost of home, contents and strata insurance premiums in the cyclone areas of North Queensland.



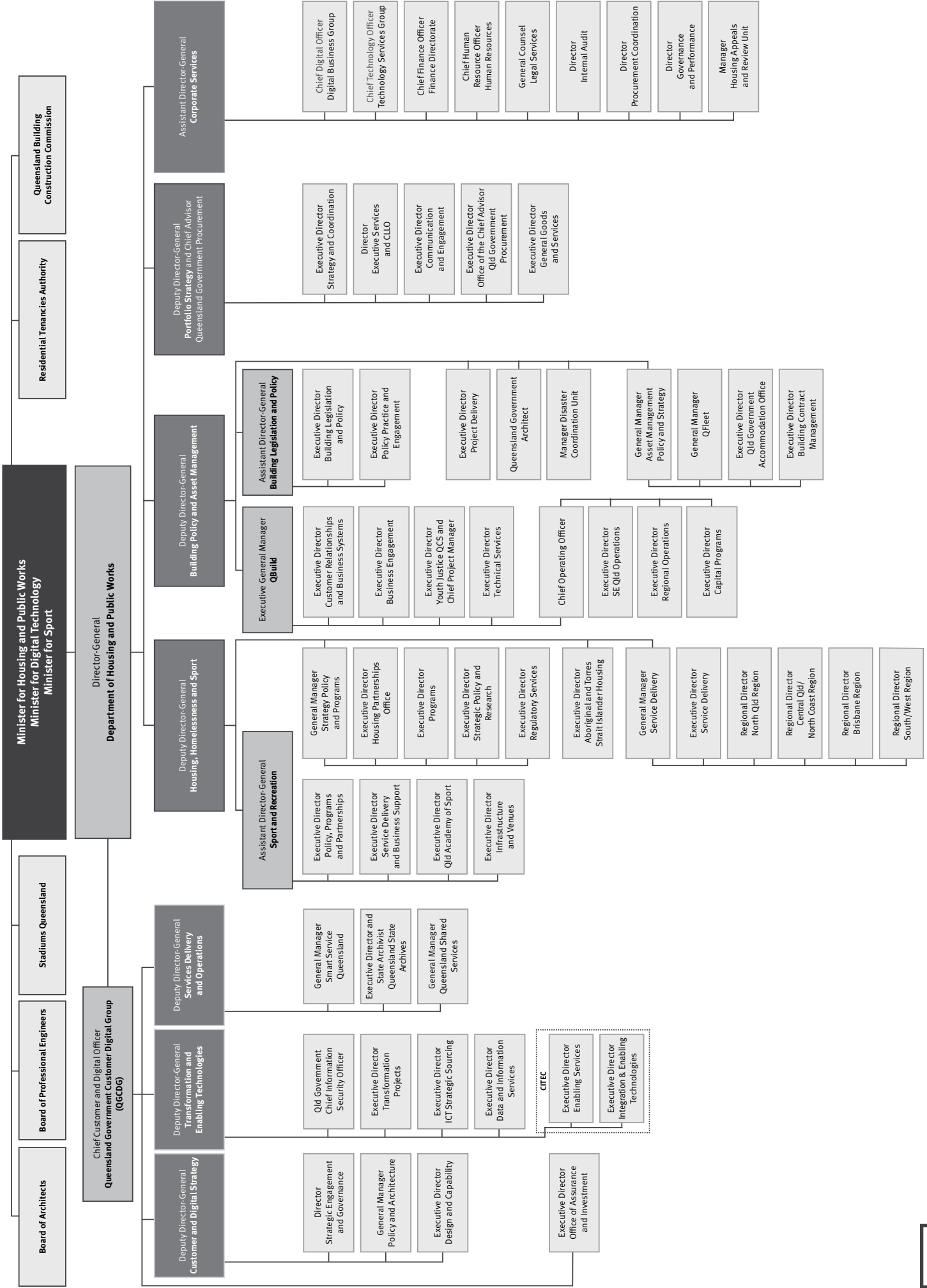
# Organisational Structure

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Our department is at the forefront of embracing change, and this is reflected in the leadership role our department has been entrusted to play in coordinating delivery of the 'Be a Responsive Government' priority. This whole-of-government priority is a key element of *Our Future State: Advancing Queensland's Priorities* and encompasses all customer-to-government interactions.

The Queensland Government Customer and Digital Group (QGCDG) was established on 2 December 2019 to lead and drive a more digitally enabled and responsive government that positions us well to enable our future state and drive transformation across government.

QGCDG brought together the department's digital areas of the Queensland Government Chief Information Office, Responsive Government and Digital Technology and Services in order to strengthen its role in the delivery of the 'Be a Responsive Government' priority.



# How to contact us

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## Head Office

1 William Street, Brisbane, Qld, 4000  
GPO Box 2457, Brisbane, Qld, 4001

Visit [www.hpw.qld.gov.au](http://www.hpw.qld.gov.au)

For more contact details: [www.hpw.qld.gov.au/contact/find](http://www.hpw.qld.gov.au/contact/find)

## Queensland Government Service Centres

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### Brisbane

33 Charlotte Street, Brisbane, Qld, 4000  
PO Box 10817, Brisbane, Qld, 4000  
07 3227 7131

### Cairns

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

### Maroochydore

Ground Floor, 12 First Avenue,  
Mike Ahern Centre  
Maroochydore, Qld, 4558  
07 5453 1816

## Building Legislation and Policy

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### Brisbane

Level 7, 63 George Street, Brisbane, Qld, 4000  
GPO Box 2457, Brisbane, Qld, 4001  
07 3008 2502

## Housing and Homelessness

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### Head Office

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

### Aboriginal and Torres Strait Islander Housing Regional Office

Level 3, 5B Sheridan Street,  
William McCormack Place, Cairns, Qld, 4870  
PO Box 471, Cairns, Qld, 4870  
07 4036 5555

### Other locations

Regional Offices are located throughout Queensland in Ipswich, Maroochydore, Maryborough, Rockhampton, Toowoomba, Townsville and Cairns.

Housing Service Centres are located throughout Queensland.

For more detailed contact information, visit [www.qld.gov.au/housing](http://www.qld.gov.au/housing)

## QBuild

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### Central Office

Level 5 and 6, 60 Albert Street,  
Brisbane, Qld, 4000  
GPO Box 2937, Brisbane, Qld, 4001  
07 3008 3300

### Other locations

Regional Offices are located throughout Queensland in Maryborough, Rockhampton, Toowoomba, Townsville and Cairns.

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

For details on district offices and depots, visit [www.hpw.qld.gov.au/about/department/business-areas/building-policy-asset-management/qbuild/locations](http://www.hpw.qld.gov.au/about/department/business-areas/building-policy-asset-management/qbuild/locations)

## Queensland Government Customer and Digital Group

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### Head Office

Level 24, 111 George Street, Brisbane, Qld, 4000  
GPO Box 2457, Brisbane, Qld, 4001  
13 QGOV (13 74 68)

### Queensland State Archives

435 Compton Road, Runcorn, Qld, 4113  
PO Box 1397, Sunnybank Hills, Qld, 4109  
07 3037 6777

### Smart Service Queensland

310 Ann Street, Brisbane, Qld 4000  
PO Box 10817, Brisbane, Qld, 4000  
13 QGOV (13 74 68)

### SSQ contact centres

#### Upper Mt Gravatt

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

#### Zillmere

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

#### Maroochydore

12 First Avenue, Mike Ahern Centre  
Maroochydore, Qld, 4558  
13 QGOV (13 74 68)

#### CITEC

317 Edward Street, Railway 1D, Brisbane, Qld, 4000  
GPO Box 2457, Brisbane, Qld, 4001  
07 3222 2555

## Queensland Shared Services

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### Head Office

140 Creek Street, Brisbane, Qld, 4000  
PO Box 474, Brisbane, Qld, 4000  
1300 146 370

### Other locations

Regional Offices are located throughout Queensland in Cairns, Gympie, Maroochydore, Robina, Rockhampton, Toowoomba, and Townsville.

## Sport and Recreation

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### Head Office

Level 6, 400 George Street Brisbane, Qld, 4000  
GPO Box 15487, City East, Qld, 4002  
13 QGOV (13 74 68)

### Other locations

Sport and Recreation operates from a central head office in Brisbane and from a network of offices throughout Queensland. Sport and Recreation also operates the Queensland Recreation Centres on the Gold and Sunshine Coasts.

For more detailed contact information, visit [www.hpw.qld.gov.au/Sport/Pages/default.aspx](http://www.hpw.qld.gov.au/Sport/Pages/default.aspx)

## Other Locations

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### Development Tribunals

Level 16, 41 George Street, Brisbane, Qld, 4000  
GPO Box 2457, Brisbane, Qld, 4001  
1800 804 833

### Government Employee Housing

Level 4, 60 Albert Street, Brisbane, Qld, 4000  
GPO Box 2457, Brisbane, Qld, 4001  
07 3008 2722

### Prequalification System

Level 16, 41 George Street, Brisbane, Qld, 4000  
GPO Box 2457, Brisbane, Qld, 4001  
1800 072 621

### QFleet

Mezzanine Level, 60 Albert Street, Brisbane, Qld, 4000  
GPO Box 293, Brisbane, Qld, 4001  
07 3008 2633

### Queensland Government Accommodation Office

Level 4, 60 Albert Street, Brisbane, Qld, 4000  
GPO Box 2457, Brisbane, Qld, 4001  
07 3008 2761

### Queensland Government Procurement

Level 15, 41 George Street, Brisbane, Qld, 4000  
GPO Box 123, Brisbane, Qld, 4001  
13 QGOV (13 74 68)

### Regulatory Services

#### (formerly Office of the Registrar)

Level 19, 41 George Street, Brisbane, Qld, 4000  
GPO Box 690, Brisbane, Qld, 4001  
13 QGOV (13 74 68)

# Appendices

## Appendix 1 – Legislation administered by the department

Legislation administered by the Minister for Housing and Public Works, Minister for Digital Technology and Minister for Sport as at 30 June 2020

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

- *Architects Act 2002*
- *Building Act 1975*
- *Building Industry Fairness (Security of Payment) Act 2017*
- *Housing Act 2003*
- *Housing (Freeholding of Land) Act 1957*
- *Inala Shopping Centre Freeholding Act 2006*
- *Major Sports Facilities Act 2001*
- *Manufactured Homes (Residential Parks) Act 2003*
- *Mt. Gravatt Showgrounds Act 1988*
- *Plumbing and Drainage Act 2018*
- *Planning Act 2016 (to the extent the provisions relate to the administration of the development tribunal under that Act: Chapter 6; Section 282; and Schedule 1)*
- *Professional Engineers Act 2002*
- *Public Records Act 2002*
- *Queensland Building and Construction Commission Act 1991*
- *Residential Services (Accreditation) Act 2002*
- *Residential Tenancies and Rooming Accommodation Act 2008*
- *Retirement Villages Act 1999*
- *Schools of Arts (Winding Up and Transfer) Act 1960*
- *Schools of Arts (Winding Up and Transfer) Act Amendment Act 1981*
- *Sports Anti-Doping Act 2003*

## Appendix 2 - Statutory Bodies

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

Name of body as described in the constituting Act	Constituting Act	Annual reporting arrangements
Board of Architects of Queensland	<i>Architects Act 2002</i>	Annual report to Parliament
Board of Professional Engineers of Queensland	<i>Professional Engineers Act 2002</i>	Annual report to Parliament
Queensland Building and Construction Commission	<i>Queensland Building and Construction Commission Act 1991</i>	Annual report to Parliament
Residential Tenancies Authority	<i>Residential Tenancies and Rooming Accommodation Act 2008</i>	Annual report to Parliament
Mt Gravatt Showgrounds Trust	<i>Mt. Gravatt Showgrounds Act 1988</i>	Annual report to Parliament
Stadiums Queensland	<i>Major Sports Facilities Act 2001</i>	Annual report to Parliament

## Appendix 3 - Government bodies, boards and committees

The following bodies, boards and committees were active during 2019-20 with reporting arrangements to the department. Additional information on government bodies is available on the department's website:

[www.hpw.qld.gov.au/aboutus/ReportsPublications/AnnualReports/Pages/default.aspx](http://www.hpw.qld.gov.au/aboutus/ReportsPublications/AnnualReports/Pages/default.aspx)

### **Brisbane Housing Company Ltd**

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

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

### **Development tribunals**

The development tribunals provide a cost effective, timely and accessible non-court-based dispute-resolution service for deciding appeals against decisions of local governments and private building certifiers about a range of building, plumbing and planning matters, and infrastructure charges notices.

Referees are appointed by the Minister or Director-General under the *Planning Act 2016* for a maximum term of three years at a time.

### **Minister's Advisory Committee on Women and Girls in Sport and Recreation (expired May 2020)**

The committee provided advice to the Department of Housing and Public Works and the Minister for Sport on the implementation of initiatives to improve women and girls' participation in sport and recreation.

### **Public Records Review Committee**

The Public Records Review Committee is established to advise the Minister for Housing and Public Works and State Archivist on the administration and enforcement of the *Public Records Act 2002*.

The committee has a number of dispute resolution functions. The committee can review decisions of the State Archivist not to authorise the disposal of particular records, if requested by a public authority. The committee can also be asked to resolve disputes between the State Archivist and a public authority about restricted access periods for records.

### **Sport Minister's Advisory Council (SMAC)**

The Sport Minister's Advisory Council meetings provide a platform for key stakeholders and statutory bodies to discuss matters relating to the implementation of *Activate! Queensland 2019-2029*, Queensland's 10-year strategy for sport, active recreation and physical activity.

### **Suncorp Stadium Management Advisory Committee**

The committee was established by, and reports to, the commercial operator of Suncorp Stadium. It was established as a requirement of the Development Approval for the redevelopment of Suncorp Stadium. The committee advises on the development of management plans for stadium operations, advises on the coordination of local arrangements for stadium events and manages stakeholder and community relations.

## Appendix 4 - Glossary of Terms

<b>AQP</b>	Advancing Queensland's Priorities
<b>BAS</b>	Building and Asset Services
<b>BCM</b>	Building construction and maintenance
<b>CBU</b>	Commercialised Business Unit
<b>DESBT</b>	Department of Employment, Small Business and Training
<b>DFV</b>	Domestic and family violence
<b>DFF</b>	Dignity First Fund
<b>DOGIT</b>	Deed of Grant in Trust
<b>EEO</b>	Equal Employment Opportunity
<b>eDRMS</b>	Electronic document and records management system
<b>EV</b>	Electric Vehicles
<b>FTE</b>	Full-time equivalent
<b>GEH</b>	Government employee housing
<b>GPO</b>	General Post Office
<b>HHS</b>	Housing and Homelessness Services
<b>EBITDA</b>	Earnings before interest and tax less Depreciation and Amortisation
<b>HCJP</b>	Housing Construction Jobs Program
<b>HPW</b>	Housing and Public Works
<b>HR</b>	Human resources
<b>IB</b>	Information Brokerage
<b>ICT</b>	Information and Communication Technology
<b>ISMS</b>	Information Security Management System
<b>KMP</b>	Key management personnel
<b>NHHA</b>	National Housing and Homelessness Agreement
<b>PAC</b>	Public Administration Capability program
<b>QAO</b>	Queensland Audit Office
<b>QBCC</b>	Queensland Building and Construction Commission
<b>QGAO</b>	Queensland Government Accommodation Office
<b>QGCDG</b>	Queensland Government Customer and Digital Group
<b>QGEA</b>	Queensland Government Enterprise Architecture
<b>QGIF</b>	Queensland Government Insurance Fund
<b>QGOV</b>	Queensland Government
<b>QSA</b>	Queensland State Archives
<b>QSS</b>	Queensland Shared Services
<b>QUT</b>	Queensland University of Technology
<b>ROGS</b>	Report on Government Services
<b>SDS</b>	Service Delivery Statements
<b>SMAC</b>	Sport Minister's Advisory Council
<b>SSP</b>	Shared Service Providers
<b>SSQ</b>	Smart Service Queensland
<b>WHS</b>	Workplace Health and Safety



## Appendix 5 – Compliance Checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> <li>A letter of compliance from the accountable officer or statutory body to the relevant Minister/s</li> </ul>	ARRs – section 7	3
Accessibility	<ul style="list-style-type: none"> <li>Table of contents</li> </ul>	ARRs – section 9.1	1
	<ul style="list-style-type: none"> <li>Glossary</li> </ul>		52
	<ul style="list-style-type: none"> <li>Public availability</li> </ul>	ARRs – section 9.2	2
	<ul style="list-style-type: none"> <li>Interpreter service statement</li> </ul>	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	2
	<ul style="list-style-type: none"> <li>Copyright notice</li> </ul>	<i>Copyright Act 1968</i> ARRs – section 9.4	2
	<ul style="list-style-type: none"> <li>Information Licensing</li> </ul>	<i>QGEA – Information Licensing</i> ARRs – section 9.5	2
General information	<ul style="list-style-type: none"> <li>Introductory Information</li> </ul>	ARRs – section 10.1	4
	<ul style="list-style-type: none"> <li>Machinery of Government changes</li> </ul>	ARRs – section 10.2, 31 and 32	(if applicable) N/A
	<ul style="list-style-type: none"> <li>Agency role and main functions</li> </ul>	ARRs – section 10.2	6-7, 48-49, 50
	<ul style="list-style-type: none"> <li>Operating environment</li> </ul>	ARRs – section 10.3	6
Non-financial performance	<ul style="list-style-type: none"> <li>Government's objectives for the community</li> </ul>	ARRs – section 11.1	7
	<ul style="list-style-type: none"> <li>Other whole-of-government plans / specific initiatives</li> </ul>	ARRs – section 11.2	45
	<ul style="list-style-type: none"> <li>Agency objectives and performance indicators</li> </ul>	ARRs – section 11.3	9-36
	<ul style="list-style-type: none"> <li>Agency service areas and service standards</li> </ul>	ARRs – section 11.4	9-36
Financial performance	<ul style="list-style-type: none"> <li>Summary of financial performance</li> </ul>	ARRs – section 12.1	55-121
Governance – management and structure	<ul style="list-style-type: none"> <li>Organisational structure</li> </ul>	ARRs – section 13.1	46-47
	<ul style="list-style-type: none"> <li>Executive management</li> </ul>	ARRs – section 13.2	37-40
	<ul style="list-style-type: none"> <li>Government bodies (statutory bodies and other entities)</li> </ul>	ARRs – section 13.3	51
	<ul style="list-style-type: none"> <li>Public Sector Ethics</li> </ul>	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	35
	<ul style="list-style-type: none"> <li>Human Rights</li> </ul>	<i>Human Rights Act 2019</i> ARRs – section 13.5	30-31
	<ul style="list-style-type: none"> <li>Queensland public service values</li> </ul>	ARRs – section 13.6	7
Governance – risk management and accountability	<ul style="list-style-type: none"> <li>Risk management</li> </ul>	ARRs – section 14.1	42
	<ul style="list-style-type: none"> <li>Audit committee</li> </ul>	ARRs – section 14.2	41-42
	<ul style="list-style-type: none"> <li>Internal audit</li> </ul>	ARRs – section 14.3	43
	<ul style="list-style-type: none"> <li>External scrutiny</li> </ul>	ARRs – section 14.4	44
	<ul style="list-style-type: none"> <li>Information systems and recordkeeping</li> </ul>	ARRs – section 14.5	44

Summary of requirement		Basis for requirement	Annual report reference
Governance – human resources	<ul style="list-style-type: none"> <li>Strategic workforce planning and performance</li> </ul>	ARRs – section 15.1	32-36
	<ul style="list-style-type: none"> <li>Early retirement, redundancy and retrenchment</li> </ul>	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	33
Open Data	<ul style="list-style-type: none"> <li>Statement advising publication of information</li> </ul>	ARRs – section 16	2
	<ul style="list-style-type: none"> <li>Consultancies</li> </ul>	ARRs – section 33.1	<a href="http://data.qld.gov.au">data.qld.gov.au</a>
	<ul style="list-style-type: none"> <li>Overseas travel</li> </ul>	ARRs – section 33.2	<a href="http://data.qld.gov.au">data.qld.gov.au</a>
	<ul style="list-style-type: none"> <li>Queensland Language Services Policy</li> </ul>	ARRs – section 33.3	<a href="http://data.qld.gov.au">data.qld.gov.au</a>
Financial statements	<ul style="list-style-type: none"> <li>Certification of financial statements</li> </ul>	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	121
	<ul style="list-style-type: none"> <li>Independent Auditor's Report</li> </ul>	FAA – section 62 FPMS – section 46 ARRs – section 17.2	122-127

FAA Financial Accountability Act 2009

FPMS Financial and Performance Management Standard 2019

ARRs Annual report requirements for Queensland Government agencies

# Financial Statements

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## 2019–2020

for the financial year ended 30 June 2020

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## Financial Summary

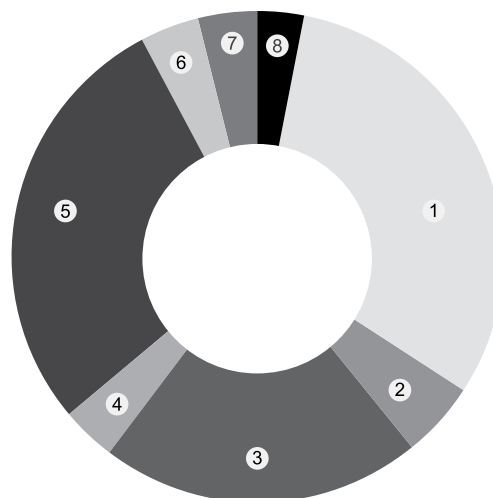
As at 30 June 2020, the reporting entity comprised the Department of Housing and Public Works, three commercialised business units (CBUs) (QBuild, CITEC and QFleet) and Queensland Shared Services.

A Statement of Comprehensive Income and a Balance Sheet for the 2019-20 financial year for the department are provided on the following pages with explanations of significant variances from the previous year's results.

The department obtains the majority of its total income from user charges which comprise \$2,068 million or 64.1 percent of the department's total income of \$3,225 million. User charges include:

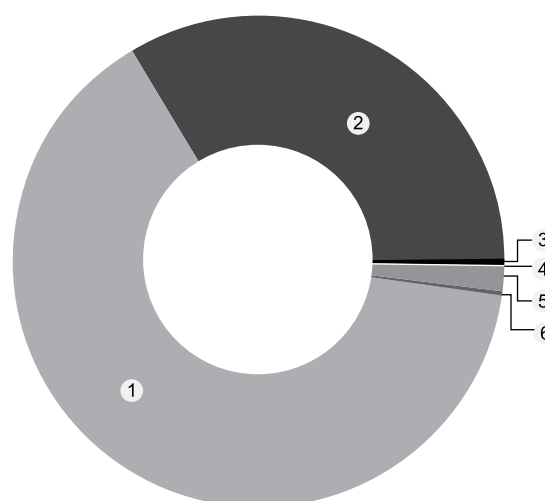
- supply of commercial accommodation and employee housing to other Queensland state government entities
- rent of social housing
- building construction and professional consultancy charges
- fleet management services
- services rendered by shared service provider
- information, communication and technology services

**Total income by Major Departmental Services, Commercialised Business Units and Shared Service Providers (SSP) in 2019–20<sup>#</sup>**



1. Services for Queenslanders - Community \$1,236.7m (31.31%)
2. Services for Queenslanders - Digital and Information \$197.4m (5.00%)
3. Services for Government \$831.5m (21.05%)
4. Queensland Shared Services (SSP) \$140.3m (3.55%)
5. QBuild \$1,118.7m (28.33%)
6. QFleet \$152.8m (3.87%)
7. CITEC \$151.0m (3.82%)
8. General - not attributed \$121.0m (3.07%)

**Total income by category in 2019–20**



1. User charges and fees \$2,067.7m (64.13%)
2. Appropriation revenue \$1,083.2m (33.59%)
3. Grants and other contributions \$12.7m (0.39%)
4. Interest \$4.3m (0.13%)
5. Other revenue \$50.0m (1.55%)
6. Gains on disposal/remeasurement of assets \$6.6m (0.21%)

The major expense of the department is supplies and services which totals \$1,681 million or 46.4 percent of the department's expenses of \$3,628 million. The major supplies and services comprise government building expenses, expenses associated with providing social housing and information, communication and technology.

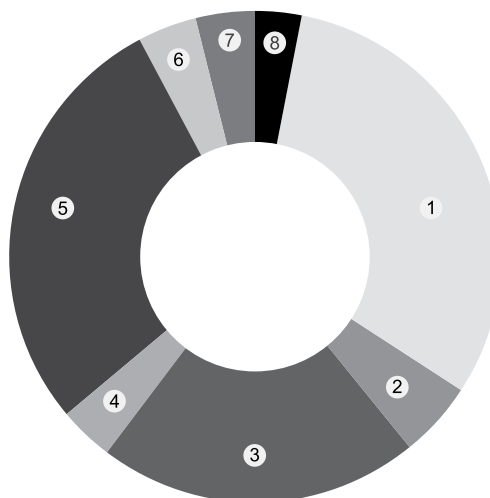
The major asset of the department is property, plant and equipment which totals \$18,728 million of the department's total assets of \$22,986 million (81.5 percent). The majority of this comprises social housing, commercial properties and the land on which these are situated.

## Statement by the Chief Finance Officer

In accordance with the requirements of the *Financial Accountability Act 2009*, the Chief Finance Officer has provided the Director-General with a statement confirming the financial internal controls of the department are operating efficiently, effectively and economically in conformance with Section 54 of the *Financial and Performance Management Standard 2019*. The statement was presented at the Audit and Risk Committee meeting in August 2020.

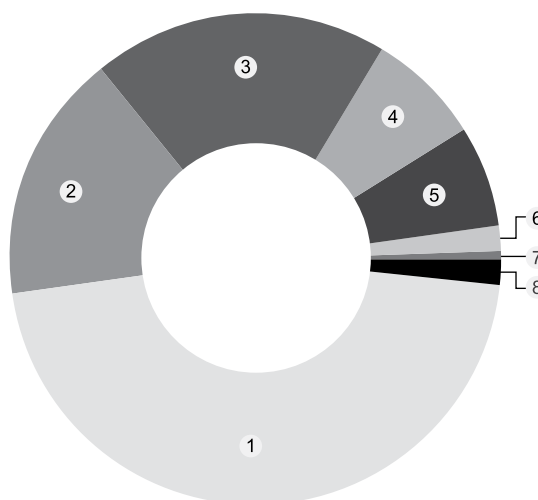
The Chief Finance Officer has fulfilled the minimum responsibilities as required by the *Financial Accountability Act 2009*.

### Total expenses by Major Departmental Services, Commercialised Business Units and Shared Service Providers (SSP) in 2019–20<sup>#</sup>



1. Services for Queenslanders - Community \$1,615.9m (37.13%)
2. Services for Queenslanders - Digital and Information \$210.6m (4.84%)
3. Services for Government \$851.4m (19.56%)
4. Queensland Shared Services (SSP) \$145.3m (3.34%)
5. QBuild \$1,110.4m (25.51%)
6. QFleet \$142.1m (3.26%)
7. CITEC \$155.5m (3.57%)
8. General - not attributed \$121.2m (2.79%)

### Total expenses by category in 2019–20



1. Supplies and services \$1,681.5m (46.35%)
2. Employee expenses \$605.3m (16.69%)
3. Depreciation and amortisation \$711.7m (19.62%)
4. Grants and subsidies \$266.1m (7.33%)
5. Revaluation decrement \$245.4m (6.76%)
6. Finance/borrowing costs \$66.3m (1.83%)
7. Impairment losses on loans and receivables \$12.0m (0.33%)
8. Other expenses \$39.4m (1.09%)

<sup>#</sup> Revenue and expenses by Major Departmental Services, Commercialised Business Units and Shared Service Providers (SSP) do not include internal departmental transaction eliminations which are eliminated in the Statement of Financial Position.

# Statement of Comprehensive Income

for the year ended 30 June 2020

	NOTES	Actual 2019–20 \$'000	Actual 2018–19 \$'000
<b>INCOME</b>			
User charges and fees		2,067,749	2,020,521
Appropriation revenue	1	1,083,163	962,289
Grants and other contributions		12,696	28,789
Interest		4,282	6,048
Other revenue		50,042	32,422
Gains on disposal /remeasurement of assets		6,578	16,017
<b>Total income</b>		<b>3,224,510</b>	<b>3,066,086</b>
<b>EXPENSES</b>			
Supplies and services	2	1,681,473	2,051,664
Employee expenses		605,311	565,738
Depreciation and amortisation	2	711,662	277,641
Grants and subsidies		266,065	218,752
Revaluation decrement	3	245,367	-
Finance/borrowing costs	2	66,315	28,607
Impairment losses on loans and receivables		11,955	22,429
Other expenses		39,354	89,752
<b>Total expenses</b>		<b>3,627,502</b>	<b>3,254,583</b>
Operating result before income tax		(402,992)	(188,497)
Income tax benefit / (expense)		(5,879)	(6,674)
Operating result after income tax		(408,871)	(195,171)
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified to operating result			
Increase/(decrease) in asset revaluation surplus	4	415,391	254,247
Total other comprehensive income		415,391	254,247
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>6,520</b>	<b>59,076</b>

**Notes:**

1. The increase in Appropriation revenue is mainly due to the change in accounting for leases under AASB16 Leases, which took effect from 1 July 2019.
2. The decrease in Supplies and services and increases in Depreciation and amortisation and Finance/borrowing costs are mainly due to the change in accounting for leases under AASB16 Leases, which took effect from 1 July 2019.
3. The revaluation decrement is mainly due to a decrement in the value of social housing residential buildings in the Queensland residential property market where social housing residential properties are held.
4. The 2019-20 growth in the revaluation reserve was higher than for 2018-19 mainly due to the higher growth in the value of social housing residential land in the Queensland residential property market where social housing residential properties are held.

# Balance Sheet (as at 30 June 2020)

	NOTES	Actual 2019–20 \$'000	Actual 2018–19 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	426,406	567,354
Loans and receivables		201,305	235,531
Contract assets	6	28,296	-
Inventories	6	9,259	42,474
Other financial assets		6,000	6,000
Deferred operating lease rent	7	-	4,525
Other current assets		47,362	65,336
Non-current assets classified as held for sale		54,619	31,421
<b>Total current assets</b>		<b>773,247</b>	<b>952,641</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		18,727,253	19,748,354
Right-of-use assets	7	3,160,811	-
Other financial assets		179,717	180,949
Deferred operating lease rent	7	-	104,285
Loans and receivables		112,723	69,345
Intangible assets		26,286	30,292
Other non-current assets		6,443	4,826
<b>Total non-current assets</b>		<b>22,213,233</b>	<b>20,138,051</b>
<b>TOTAL ASSETS</b>		<b>22,986,480</b>	<b>21,090,692</b>
<b>CURRENT LIABILITIES</b>			
Payables	8	275,839	421,786
Lease liabilities	7	405,877	13,790
Contract liabilities	6	29,517	-
Accrued employee benefits		27,495	25,665
Unearned revenue	6	30,018	57,423
Borrowings		15,640	15,450
Lease incentives	7	-	17,521
Deferred operating lease rent	7	-	5,335
Provisions		22,094	3,034
Other current liabilities		9,440	5,572
<b>Total current liabilities</b>		<b>815,920</b>	<b>565,576</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	7	2,289,179	230,049
Borrowings		443,938	449,578
Lease incentives	7	-	178,431
Deferred operating lease rent	7	-	139,990
Queen's Wharf deferred consideration		102,725	91,891
Provisions		57,152	44,106
Unearned revenue	6	26,452	28,984
Contract liabilities	6	2,732	-
Other non-current liabilities		16,102	17,226
<b>Total non-current liabilities</b>		<b>2,938,280</b>	<b>1,180,255</b>
<b>TOTAL LIABILITIES</b>		<b>3,754,200</b>	<b>1,745,831</b>
<b>NET ASSETS</b>		<b>19,232,280</b>	<b>19,344,861</b>
<b>EQUITY</b>			
Contributed equity		17,126,020	17,075,205
Asset revaluation surplus		2,958,360	2,619,033
Accumulated surplus / (deficit)		(852,100)	(349,377)
<b>TOTAL EQUITY</b>		<b>19,232,280</b>	<b>19,344,861</b>

## Notes:

- The decrease in Cash and cash equivalents is mainly due to accelerated payments to vendors in response to COVID-19.
- The recognition of Contract assets and Contract Liabilities and decreases in Inventories and Unearned revenue are due to the application of AASB15 Revenue from Contracts with Customers, which took effect from 1 July 2019.
- The recognition of Right-of-use assets and Lease liabilities, and the de-recognition of Lease incentives and Deferred operating lease rent are due to the change in accounting for leases under AASB16 Leases, which took effect from 1 July 2019.
- The decrease in Payables is mainly due to accelerated payments to vendors in response to COVID-19.



# Introduction to financial statements

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

- Statement of Comprehensive Income
- Balance Sheet
- Statement of Changes in Equity
- Statement of Cash Flows
- Statement of Comprehensive Income by Major Departmental Services, Commercialised Business Units and Shared Service Providers
- Statement of Assets and Liabilities by Major Departmental Services, Commercialised Business Units and Shared Service Providers
- Notes to the Financial Statements 2019–20
- Management Certificate
- Independent Auditor’s Report.

## General Information

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

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

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

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

1 William Street  
BRISBANE QLD 4000

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

For information in relation to the department’s financial statements, please call 07 300 83138 or visit the departmental website [www.hpw.qld.gov.au](http://www.hpw.qld.gov.au)

**Contents**

Statement of Comprehensive Income

Balance Sheet

Statement of Changes in Equity

Statement of Cash Flows

Statement of Comprehensive Income by Major Departmental Services, CBUs and SSPs

Statement of Assets and Liabilities by Major Departmental Services, CBUs and SSPs

Notes to the Financial Statements 2019-20

Management Certificate

Independent Auditor's Report

**Department of Housing and Public Works**  
**Statement of Comprehensive Income**  
**for the year ended 30 June 2020**

	<b>Note</b>	<b>2020 \$'000</b>	<b>2019 \$'000</b>
<b>INCOME</b>			
User charges and fees	2.1	2,067,749	2,020,521
Appropriation revenue	2.2	1,083,163	962,289
Grants and other contributions		12,696	28,789
Interest		4,282	6,048
Other revenue		50,042	32,422
<b>Total revenue</b>		<b>3,217,932</b>	<b>3,050,069</b>
Gains on disposal/remeasurement of assets	2.3	6,578	16,017
<b>Total income</b>		<b>3,224,510</b>	<b>3,066,086</b>
<b>EXPENSES</b>			
Supplies and services	2.4	1,681,473	2,051,664
Employee expenses	2.5	605,311	565,738
Depreciation and amortisation	3.1, 3.2	711,662	277,641
Grants and subsidies	2.6	266,065	218,752
Revaluation decrement	3.1	245,367	-
Finance/borrowing costs		66,315	28,607
Impairment losses on loans and receivables	3.3	11,955	22,429
Other expenses	2.7	39,354	89,752
<b>Total expenses</b>		<b>3,627,502</b>	<b>3,254,583</b>
<b>Operating result before income tax</b>		<b>(402,992)</b>	<b>(188,497)</b>
Income tax benefit/(expense)		(5,879)	(6,674)
<b>Operating result after income tax</b>		<b>(408,871)</b>	<b>(195,171)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified to operating result</b>			
Increase/(decrease) in asset revaluation surplus	3.1(d)	415,391	254,247
<b>Total other comprehensive income</b>		<b>415,391</b>	<b>254,247</b>
<b>Total comprehensive income</b>		<b>6,520</b>	<b>59,076</b>

*The accompanying notes form part of these financial statements.*

**Department of Housing and Public Works**  
**Balance Sheet**  
**as at 30 June 2020**

	<b>Note</b>	<b>2020 \$'000</b>	<b>2019 \$'000</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		426,406	567,354
Loans and receivables	3.3	201,305	235,531
Contract assets	3.9	28,296	-
Inventories	3.5	9,259	42,474
Other financial assets	3.6	6,000	6,000
Deferred operating lease rent		-	4,525
Other current assets	3.7	47,362	65,336
		<u>718,628</u>	<u>921,220</u>
Non-current assets classified as held for sale	3.8	54,619	31,421
<b>Total current assets</b>		<u>773,247</u>	<u>952,641</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	3.1	18,727,253	19,748,354
Right-of-use assets	3.2	3,160,811	-
Other financial assets	3.6	179,717	180,949
Deferred operating lease rent		-	104,285
Loans and receivables	3.3	112,723	69,345
Intangible assets		26,286	30,292
Other non-current assets	3.7	6,443	4,826
<b>Total non-current assets</b>		<u>22,213,233</u>	<u>20,138,051</u>
<b>TOTAL ASSETS</b>		<u>22,986,480</u>	<u>21,090,692</u>
<b>CURRENT LIABILITIES</b>			
Payables	3.11	275,839	421,786
Lease liabilities	3.2	405,877	13,790
Contract liabilities	3.9	29,517	-
Accrued employee benefits		27,495	25,665
Unearned revenue	3.15	30,018	57,423
Borrowings	3.10	15,640	15,450
Lease incentives	3.12	-	17,521
Deferred operating lease rent		-	5,335
Provisions	3.14	22,094	3,034
Other current liabilities	3.16	9,440	5,572
<b>Total current liabilities</b>		<u>815,920</u>	<u>565,576</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	3.2	2,289,179	230,049
Borrowings	3.10	443,938	449,578
Lease incentives	3.12	-	178,431
Deferred operating lease rent		-	139,990
Queen's Wharf deferred consideration	3.13	102,725	91,891
Provisions	3.14	57,152	44,106
Unearned revenue	3.15	26,452	28,984
Contract liabilities	3.9	2,732	-
Other non-current liabilities	3.16	16,102	17,226
<b>Total non-current liabilities</b>		<u>2,938,280</u>	<u>1,180,255</u>
<b>TOTAL LIABILITIES</b>		<u>3,754,200</u>	<u>1,745,831</u>
<b>NET ASSETS</b>		<u>19,232,280</u>	<u>19,344,861</u>
<b>EQUITY</b>			
Contributed equity		17,126,020	17,075,205
Asset revaluation surplus	3.1(d)	2,958,360	2,619,033
Accumulated surplus/(deficit)		(852,100)	(349,377)
<b>TOTAL EQUITY</b>		<u>19,232,280</u>	<u>19,344,861</u>

The accompanying notes form part of these financial statements.

Department of Housing and Public Works  
Statement of Changes in Equity  
for the year ended 30 June 2020

	Contributed equity \$'000	Asset revaluation surplus (Note 3.1(d)) \$'000	Accumulated surplus/(deficit) \$'000	Total \$'000
<b>Balance as at 1 July 2018</b>	16,828,044	2,364,786	(145,899)	19,046,931
Adjustment on initial application of AASB 9	-	-	(416)	(416)
<b>Restated balance as at 1 July 2018</b>	16,828,044	2,364,786	(146,315)	19,046,515
Operating result	-	-	(195,171)	(195,171)
Other comprehensive income				
- Increase/(decrease) in asset revaluation surplus	-	254,247	-	254,247
<b>Total comprehensive income for the year</b>	-	254,247	(195,171)	59,076
<b>Transactions with owners as owners</b>				
- Appropriated equity injections (Note 3.19)	405,486	-	-	405,486
- Appropriated equity withdrawals (Note 3.19)	(132,863)	-	-	(132,863)
- Non-appropriated equity adjustments	(91,163)	-	-	(91,163)
- Net transfers in/(out) from/(to) other Queensland Government entities	65,701	-	-	65,701
- Dividends paid or declared	-	-	(7,891)	(7,891)
<b>Net transactions with owners as owners</b>	247,161	-	(7,891)	239,270
<b>Balance as at 30 June 2019</b>	17,075,205	2,619,033	(349,377)	19,344,861
Adjustment on initial application of AASB 16 (refer to Note 1.8(a))	-	(76,064)	(87,185)	(163,249)
<b>Restated balance as at 1 July 2019</b>	17,075,205	2,542,969	(436,562)	19,181,612
Operating result	-	-	(408,871)	(408,871)
Other comprehensive income				
- Increase/(decrease) in asset revaluation surplus	-	415,391	-	415,391
<b>Total comprehensive income for the year</b>	-	415,391	(408,871)	6,520
<b>Transactions with owners as owners</b>				
- Appropriated equity injections (Note 3.19)	803,069	-	-	803,069
- Appropriated equity withdrawals (Note 3.19)	(506,111)	-	-	(506,111)
- Net transfers in/(out) from/(to) other Queensland Government entities	(246,143)	-	-	(246,143)
- Dividends paid or declared	-	-	(6,667)	(6,667)
<b>Net transactions with owners as owners</b>	50,815	-	(6,667)	44,148
<b>Balance as at 30 June 2020</b>	17,126,020	2,958,360	(852,100)	19,232,280

The accompanying notes form part of these financial statements.

**Department of Housing and Public Works**  
**Statement of Cash Flows**  
**for the year ended 30 June 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<i>Inflows:</i>		
User charges and fees	2,074,747	1,949,117
Appropriation receipts	1,082,008	909,555
GST input tax credits received from the Australian Taxation Office	273,939	200,787
GST collected from customers	173,910	155,031
Grants and other contributions	18,357	20,308
Interest receipts	2,418	4,028
Other	41,567	58,601
<i>Outflows:</i>		
Supplies and services	(1,785,867)	(2,065,828)
Employee expenses	(602,139)	(566,783)
GST remitted to the Australian Taxation Office	(223,769)	(200,318)
GST paid to suppliers	(253,398)	(192,497)
Grants and subsidies	(266,908)	(205,977)
Finance/borrowing costs	(66,337)	(28,463)
Taxation equivalents	(8,918)	(7,836)
Other	(21,020)	(23,677)
<b>Net cash provided by (used in) operating activities</b>	<b>438,590</b>	<b>6,048</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<i>Inflows:</i>		
Sales of property, plant and equipment	101,429	169,875
Loans and advances redeemed	25,346	23,757
Redemption of other financial assets	6,994	6,030
<i>Outflows:</i>		
Payments for property, plant and equipment	(536,031)	(507,688)
Loans and advances made	(33,092)	(33,903)
Payments for intangible assets	(4,753)	(2,635)
<b>Net cash provided by (used in) investing activities</b>	<b>(440,107)</b>	<b>(344,564)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<i>Inflows:</i>		
Equity injections	759,547	428,644
Borrowings	10,000	10,000
<i>Outflows:</i>		
Payment of lease liabilities	(392,347)	(13,247)
Equity withdrawals	(493,290)	(228,332)
Borrowing redemptions	(15,450)	(15,460)
Dividends paid	(7,891)	(8,438)
<b>Net cash provided by (used in) financing activities</b>	<b>(139,431)</b>	<b>173,167</b>
Net increase (decrease) in cash and cash equivalents	(140,948)	(165,349)
Increase (decrease) in cash and cash equivalents from restructuring (Note 1.5)	-	4,787
Cash and cash equivalents – opening balance	567,354	727,916
<b>Cash and cash equivalents – closing balance</b>	<b>426,406</b>	<b>567,354</b>

*The accompanying notes form part of these financial statements.*

Department of Housing and Public Works  
Statement of Cash Flows  
for the year ended 30 June 2020

2020  
\$'000

2019  
\$'000

NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of operating result to net cash from operating activities

<b>Operating surplus/(deficit) before income tax</b>	(402,992)	(188,497)
Less: income tax benefit/(expense)	(5,879)	(6,674)
	(408,871)	(195,171)
<i>Non-cash items:</i>		
Depreciation and amortisation expense	711,662	277,641
Motor vehicles sold	49,558	43,764
Donated assets and services expensed	1,130	157
Contributed assets and services received	(630)	(7,653)
Impairment losses	15,977	26,274
Loss/(gain) on disposal of non-current assets	(2,011)	(6,996)
Revaluation decrement/(increment)	245,367	(4,897)
Write-off of assets	1,950	1,947
Net loss/(gain) on revaluation of financial assets	(6,659)	(6,264)
<i>Change in assets and liabilities:</i>		
(Increase) decrease in GST input tax credits receivable	(4,940)	(6,649)
(Increase) decrease in loans and receivables	43,412	(45,121)
(Increase) decrease in contract assets	(28,296)	-
(Increase) decrease in inventories	31,936	(1,479)
(Increase) decrease in deferred operating lease rent receivable	-	(22,952)
(Increase) decrease in other assets	(7,728)	2,992
Acquisition of motor vehicles held for rental	(105,493)	(91,684)
Increase (decrease) in GST payable	2,547	(341)
Increase (decrease) in payables	(101,012)	79,886
Increase (decrease) in contract liabilities	22,474	-
Increase (decrease) in lease incentive liabilities	-	4,930
Increase (decrease) in provisions	(6,195)	(6,679)
Increase (decrease) in unearned revenue	(20,160)	(55,316)
Increase (decrease) in accrued employee benefits	1,830	1,019
Increase (decrease) in deferred operating lease rent payable	-	20,053
Increase (decrease) in other liabilities	2,742	(1,413)
<b>Net cash from operating activities</b>	<b>438,590</b>	<b>6,048</b>



Department of Housing and Public Works  
Statement of Cash Flows  
for the year ended 30 June 2020

NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

Changes in liabilities arising from financing activities

	<b>Borrowings</b>	<b>Lease liabilities</b>	<b>Dividends payable</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance as at 1 July 2018	478,433	247,992	8,438	734,863
Cash flows:				
Cash received	10,000	-	-	10,000
Cash paid	(15,460)	(13,247)	(8,438)	(37,145)
Non-cash changes:				
Leases acquired/surrendered	-	9,094	-	9,094
Other	(7,945)	-	-	(7,945)
Dividends declared	-	-	7,891	7,891
Balance as at 30 June 2019	465,028	243,839	7,891	716,758
Adjustment on initial application of AASB 16	-	2,442,765	-	2,442,765
Restated balance as at 1 July 2019	465,028	2,686,604	7,891	3,159,523
Cash flows:				
Cash received	10,000	-	-	10,000
Cash paid	(15,450)	(392,347)	(7,891)	(415,688)
Non-cash changes:				
Leases acquired/surrendered	-	286,592	-	286,592
Remeasurement of lease liability	-	145,682	-	145,682
Other	-	(31,475)	-	(31,475)
Dividends declared	-	-	6,667	6,667
Balance as at 30 June 2020	459,578	2,695,056	6,667	3,161,301

For changes in liabilities relating to equity appropriations refer to Note 3.19 which details equity appropriations payable/receivable.

Department of Housing and Public Works

Statement of Comprehensive Income by Major Departmental Services, Commercialised Business Units  
and Shared Service Providers (SSP)  
for the year ended 30 June 2020

	Services for Queenslanders - Community		Services for Queenslanders - Digital and Information		Services for Government	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>						
User charges and fees	432,863	422,654	33,518	30,951	649,643	716,910
Appropriation revenue	757,597	694,379	155,527	172,691	170,039	94,254
Grants and other contributions	6,144	18,840	-	160	3,643	6,150
Interest	1,730	1,681	-	-	2,474	2,998
Other revenue	32,241	20,135	8,362	11,065	4,983	(580)
Total revenue	1,230,575	1,157,689	197,407	214,867	830,782	819,732
Gains on disposal/remeasurement of assets	6,087	(62,291)	-	(1)	697	78,280
<b>Total income</b>	1,236,662	1,095,398	197,407	214,866	831,479	898,012
<b>EXPENSES</b>						
Supplies and services	799,735	773,153	112,290	110,882	233,986	700,447
Employee expenses	158,595	149,578	75,156	70,657	45,165	40,005
Depreciation and amortisation	142,789	146,398	14,731	13,772	487,515	65,390
Grants and subsidies	253,975	210,612	4,424	5,029	4,324	1,517
Revaluation decrement	209,069	-	-	-	36,298	-
Finance/borrowing costs	17,617	18,259	3,908	4,046	38,016	121
Impairment losses on loans and receivables	12,012	22,348	1	-	(64)	66
Other expenses	22,082	46,704	54	10,655	6,130	14,699
<b>Total expenses</b>	1,615,874	1,367,052	210,564	215,041	851,370	822,245
<b>Operating result before income tax</b>	(379,212)	(271,654)	(13,157)	(175)	(19,891)	75,767
Income tax benefit/(expense)	-	-	-	-	-	-
<b>Operating result after income tax</b>	(379,212)	(271,654)	(13,157)	(175)	(19,891)	75,767
<b>OTHER COMPREHENSIVE INCOME</b>						
<b>Items that will not be reclassified to operating result</b>						
Increase/(decrease) in asset revaluation surplus	407,724	271,692	-	-	7,667	(17,445)
<b>Total other comprehensive income</b>	407,724	271,692	-	-	7,667	(17,445)
<b>Total comprehensive income</b>	28,512	38	(13,157)	(175)	(12,224)	58,322

Department of Housing and Public Works

Statement of Comprehensive Income by Major Departmental Services, Commercialised Business Units  
and Shared Service Providers (SSP)  
for the year ended 30 June 2020

	Queensland Shared Services (SSP)		Commercialised Business Units					
			QBuild		QFleet		CITEC	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>INCOME</b>								
User charges and fees	136,930	136,956	1,113,854	1,028,247	152,289	141,818	150,949	150,629
Appropriation revenue	-	-	-	-	-	-	-	-
Grants and other contributions	2,030	2,338	879	2,535	-	-	-	-
Interest	-	-	58	1,015	16	233	4	121
Other revenue	1,465	176	3,997	6,140	490	492	3	14
<b>Total revenue</b>	<b>140,425</b>	<b>139,470</b>	<b>1,118,788</b>	<b>1,037,937</b>	<b>152,795</b>	<b>142,543</b>	<b>150,956</b>	<b>150,764</b>
Gains on disposal/remeasurement of assets	(93)	-	(100)	18	-	-	(1)	11
<b>Total income</b>	<b>140,332</b>	<b>139,470</b>	<b>1,118,688</b>	<b>1,037,955</b>	<b>152,795</b>	<b>142,543</b>	<b>150,955</b>	<b>150,775</b>
<b>EXPENSES</b>								
Supplies and services	47,829	50,368	978,499	903,595	82,749	75,190	95,621	112,931
Employee expenses	91,127	85,021	126,602	117,863	4,750	4,576	41,711	41,539
Depreciation and amortisation	5,501	5,512	1,282	1,880	42,007	39,875	17,128	4,209
Grants and subsidies	-	-	739	1,586	-	8	-	-
Revaluation decrement	-	-	-	-	-	-	-	-
Finance/borrowing costs	10	14	-	-	6,130	6,082	634	85
Impairment losses on loans and receivables	2	-	4	6	-	4	-	5
Other expenses	865	1,128	3,253	1,199	6,416	5,781	401	503
<b>Total expenses</b>	<b>145,334</b>	<b>142,043</b>	<b>1,110,379</b>	<b>1,026,129</b>	<b>142,052</b>	<b>131,516</b>	<b>155,495</b>	<b>159,272</b>
<b>Operating result before income tax</b>	<b>(5,002)</b>	<b>(2,573)</b>	<b>8,309</b>	<b>11,826</b>	<b>10,743</b>	<b>11,027</b>	<b>(4,540)</b>	<b>(8,497)</b>
Income tax benefit/(expense)	-	-	(2,494)	(3,548)	(3,223)	(3,523)	(162)	397
<b>Operating result after income tax</b>	<b>(5,002)</b>	<b>(2,573)</b>	<b>5,815</b>	<b>8,278</b>	<b>7,520</b>	<b>7,504</b>	<b>(4,702)</b>	<b>(8,100)</b>
<b>OTHER COMPREHENSIVE INCOME</b>								
<b>Items that will not be reclassified to operating result</b>								
Increase/(decrease) in asset revaluation surplus	-	-	-	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>(5,002)</b>	<b>(2,573)</b>	<b>5,815</b>	<b>8,278</b>	<b>7,520</b>	<b>7,504</b>	<b>(4,702)</b>	<b>(8,100)</b>

**Department of Housing and Public Works**  
**Statement of Comprehensive Income by Major Departmental Services, Commercialised Business Units**  
**and Shared Service Providers (SSP)**  
**for the year ended 30 June 2020**

	General - not attributed		Inter-service/unit eliminations		Total department	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>						
User charges and fees	121,040	119,050	(723,337)	(726,694)	2,067,749	2,020,521
Appropriation revenue	-	965	-	-	1,083,163	962,289
Grants and other contributions	-	-	-	(1,234)	12,696	28,789
Interest	-	-	-	-	4,282	6,048
Other revenue	(37)	229	(1,462)	(5,249)	50,042	32,422
Total revenue	121,003	120,244	(724,799)	(733,177)	3,217,932	3,050,069
Gains on disposal/remeasurement of assets	(12)	-	-	-	6,578	16,017
<b>Total income</b>	120,991	120,244	(724,799)	(733,177)	3,224,510	3,066,086
<b>EXPENSES</b>						
Supplies and services	55,562	55,302	(724,798)	(730,204)	1,681,473	2,051,664
Employee expenses	64,706	59,472	(2,501)	(2,973)	605,311	565,738
Depreciation and amortisation	709	605	-	-	711,662	277,641
Grants and subsidies	103	-	2,500	-	266,065	218,752
Revaluation decrement	-	-	-	-	245,367	-
Finance/borrowing costs	-	-	-	-	66,315	28,607
Impairment losses on loans and receivables	-	-	-	-	11,955	22,429
Other expenses	153	9,083	-	-	39,354	89,752
<b>Total expenses</b>	121,233	124,462	(724,799)	(733,177)	3,627,502	3,254,583
<b>Operating result before income tax</b>	(242)	(4,218)	-	-	(402,992)	(188,497)
Income tax benefit/(expense)	-	-	-	-	(5,879)	(6,674)
<b>Operating result after income tax</b>	(242)	(4,218)	-	-	(408,871)	(195,171)
<b>OTHER COMPREHENSIVE INCOME</b>						
<b>Items that will not be reclassified to operating result</b>						
Increase/(decrease) in asset revaluation surplus	-	-	-	-	415,391	254,247
<b>Total other comprehensive income</b>	-	-	-	-	415,391	254,247
<b>Total comprehensive income</b>	(242)	(4,218)	-	-	6,520	59,076

**Department of Housing and Public Works**  
**Statement of Assets and Liabilities by Major Departmental Services, Commercialised Business Units**  
**and Shared Service Providers (SSP)**  
**as at 30 June 2020**

	Services for Queenslanders - Community		Services for Queenslanders - Digital and Information		Services for Government	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	115,726	215,354	5,865	60	30,055	34,547
Loans and receivables	63,604	49,493	18,683	22,314	14,079	50,428
Contract assets	-	-	-	-	-	-
Inventories	-	-	-	-	220	348
Other financial assets	6,000	6,000	-	-	-	-
Deferred operating lease rent	-	-	-	-	-	4,525
Other current assets	11,642	920	3,200	13,068	15,446	35,771
	196,972	271,767	27,748	35,442	59,800	125,619
Non-current assets classified as held for sale	13,521	26,412	-	-	41,098	5,009
<b>Total current assets</b>	<b>210,493</b>	<b>298,179</b>	<b>27,748</b>	<b>35,442</b>	<b>100,898</b>	<b>130,628</b>
<b>NON-CURRENT ASSETS</b>						
Property, plant and equipment	15,417,899	16,105,010	2,671	110,463	3,033,488	3,270,995
Right-of-use assets	826,752	-	109,356	-	2,188,405	-
Other financial assets	179,717	180,949	-	-	-	-
Deferred operating lease rent	-	-	-	-	-	104,285
Loans and receivables	42,843	41,571	-	-	69,880	27,774
Intangible assets	5,549	1,553	5,304	6,207	-	-
Other non-current assets	-	-	1,389	1,545	1,815	-
<b>Total non-current assets</b>	<b>16,472,760</b>	<b>16,329,083</b>	<b>118,720</b>	<b>118,215</b>	<b>5,293,588</b>	<b>3,403,054</b>
<b>TOTAL ASSETS</b>	<b>16,683,253</b>	<b>16,627,262</b>	<b>146,468</b>	<b>153,657</b>	<b>5,394,486</b>	<b>3,533,682</b>
<b>CURRENT LIABILITIES</b>						
Payables	113,063	153,346	43,397	34,468	41,859	91,962
Lease liabilities	3,676	1,647	12,735	10,789	375,425	-
Contract liabilities	6,756	-	226	-	7,710	-
Accrued employee benefits	4,907	6,543	2,802	2,914	1,016	1,634
Unearned revenue	27,069	21,802	-	236	1,323	24,637
Borrowings	15,640	15,450	-	-	-	-
Lease incentives	-	-	-	-	-	17,521
Deferred operating lease rent	-	-	-	-	-	5,335
Provisions	-	-	-	-	21,979	2,516
Other current liabilities	9	12	-	-	7,387	2,608
<b>Total current liabilities</b>	<b>171,120</b>	<b>198,800</b>	<b>59,160</b>	<b>48,407</b>	<b>456,699</b>	<b>146,213</b>
<b>NON-CURRENT LIABILITIES</b>						
Lease liabilities	157,560	124,447	104,491	103,439	2,006,790	-
Borrowings	247,426	263,066	-	-	-	-
Lease incentives	-	-	-	-	-	178,431
Deferred operating lease rent	-	-	-	-	-	139,990
Queen's Wharf deferred consideration	-	-	-	-	102,725	91,891
Provisions	-	-	-	-	57,152	44,106
Unearned revenue	-	-	-	-	26,452	28,067
Contract liabilities	-	-	-	-	2,426	-
Other non-current liabilities	-	-	-	-	141	349
<b>Total non-current liabilities</b>	<b>404,986</b>	<b>387,513</b>	<b>104,491</b>	<b>103,439</b>	<b>2,195,686</b>	<b>482,834</b>
<b>TOTAL LIABILITIES</b>	<b>576,106</b>	<b>586,313</b>	<b>163,651</b>	<b>151,846</b>	<b>2,652,385</b>	<b>629,047</b>

**Department of Housing and Public Works**  
**Statement of Assets and Liabilities by Major Departmental Services, Commercialised Business Units**  
**and Shared Service Providers (SSP)**  
**as at 30 June 2020**

	Queensland Shared Services (SSP)		Commercialised Business Units					
			QBuild		QFleet		CITEC	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>CURRENT ASSETS</b>								
Cash and cash equivalents	24,494	27,266	105,238	134,808	18,925	30,705	7,366	9,449
Loans and receivables	13,619	11,845	84,990	118,564	11,849	9,957	15,811	16,751
Contract assets	-	-	47,987	-	-	-	-	-
Inventories	-	-	53	43,743	8,986	10,265	-	-
Other financial assets	-	-	-	-	-	-	-	-
Deferred operating lease rent	-	-	-	-	-	-	-	-
Other current assets	1,202	1,029	900	124	6,828	6,413	5,376	5,184
	39,315	40,140	239,168	297,239	46,588	57,340	28,553	31,384
Non-current assets classified as held for sale	-	-	-	-	-	-	-	-
<b>Total current assets</b>	39,315	40,140	239,168	297,239	46,588	57,340	28,553	31,384
<b>NON-CURRENT ASSETS</b>								
Property, plant and equipment	276	665	678	488	265,055	249,848	6,297	9,482
Right-of-use assets	308	-	-	-	-	-	35,990	-
Other financial assets	-	-	-	-	-	-	-	-
Deferred operating lease rent	-	-	-	-	-	-	-	-
Loans and receivables	-	-	-	-	-	-	-	-
Intangible assets	12,194	17,604	2,215	3,427	-	-	1,024	1,501
Other non-current assets	39	77	2,419	2,005	6	6	770	1,171
<b>Total non-current assets</b>	12,817	18,346	5,312	5,920	265,061	249,854	44,081	12,154
<b>TOTAL ASSETS</b>	52,132	58,486	244,480	303,159	311,649	307,194	72,634	43,538
<b>CURRENT LIABILITIES</b>								
Payables	1,749	3,706	102,382	168,436	10,149	18,041	8,746	8,229
Lease liabilities	163	158	-	-	-	-	13,878	1,196
Contract liabilities	-	-	804	-	6,845	-	3,772	-
Accrued employee benefits	4,637	3,817	10,118	5,820	236	199	1,777	1,993
Unearned revenue	26	83	1,600	1,513	-	6,570	-	904
Borrowings	-	-	-	-	-	-	-	-
Lease incentives	-	-	-	-	-	-	-	-
Deferred operating lease rent	-	-	-	-	-	-	-	-
Provisions	-	-	115	518	-	-	-	-
Other current liabilities	-	-	-	18	1,375	2,323	669	611
<b>Total current liabilities</b>	6,575	7,764	115,019	176,305	18,605	27,133	28,842	12,933
<b>NON-CURRENT LIABILITIES</b>								
Lease liabilities	155	318	-	-	-	-	20,183	1,845
Borrowings	-	-	-	-	196,512	186,512	-	-
Lease incentives	-	-	-	-	-	-	-	-
Deferred operating lease rent	-	-	-	-	-	-	-	-
Queen's Wharf deferred consideration	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	917
Contract liabilities	-	-	-	-	-	-	306	-
Other non-current liabilities	-	-	692	993	15,101	15,878	168	6
<b>Total non-current liabilities</b>	155	318	692	993	211,613	202,390	20,657	2,768
<b>TOTAL LIABILITIES</b>	6,730	8,082	115,711	177,298	230,218	229,523	49,499	15,701

**Department of Housing and Public Works**  
**Statement of Assets and Liabilities by Major Departmental Services, Commercialised Business Units**  
**and Shared Service Providers (SSP)**  
**as at 30 June 2020**

	General - not attributed		Inter-service/unit eliminations		Total department	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	118,737	115,165	-	-	426,406	567,354
Loans and receivables	13,292	16,139	(34,622)	(59,960)	201,305	235,531
Contract assets	-	-	(19,691)	-	28,296	-
Inventories	-	-	-	(11,882)	9,259	42,474
Other financial assets	-	-	-	-	6,000	6,000
Deferred operating lease rent	-	-	-	-	-	4,525
Other current assets	2,768	2,827	-	-	47,362	65,336
	134,797	134,131	(54,313)	(71,842)	718,628	921,220
Non-current assets classified as held for sale	-	-	-	-	54,619	31,421
<b>Total current assets</b>	134,797	134,131	(54,313)	(71,842)	773,247	952,641
<b>NON-CURRENT ASSETS</b>						
Property, plant and equipment	889	1,403	-	-	18,727,253	19,748,354
Right-of-use assets	-	-	-	-	3,160,811	-
Other financial assets	-	-	-	-	179,717	180,949
Deferred operating lease rent	-	-	-	-	-	104,285
Loans and receivables	-	-	-	-	112,723	69,345
Intangible assets	-	-	-	-	26,286	30,292
Other non-current assets	5	22	-	-	6,443	4,826
<b>Total non-current assets</b>	894	1,425	-	-	22,213,233	20,138,051
<b>TOTAL ASSETS</b>	135,691	135,556	(54,313)	(71,842)	22,986,480	21,090,692
<b>CURRENT LIABILITIES</b>						
Payables	8,807	15,440	(54,313)	(71,842)	275,839	421,786
Lease liabilities	-	-	-	-	405,877	13,790
Contract liabilities	3,404	-	-	-	29,517	-
Accrued employee benefits	2,002	2,745	-	-	27,495	25,665
Unearned revenue	-	1,678	-	-	30,018	57,423
Borrowings	-	-	-	-	15,640	15,450
Lease incentives	-	-	-	-	-	17,521
Deferred operating lease rent	-	-	-	-	-	5,335
Provisions	-	-	-	-	22,094	3,034
Other current liabilities	-	-	-	-	9,440	5,572
<b>Total current liabilities</b>	14,213	19,863	(54,313)	(71,842)	815,920	565,576
<b>NON-CURRENT LIABILITIES</b>						
Lease liabilities	-	-	-	-	2,289,179	230,049
Borrowings	-	-	-	-	443,938	449,578
Lease incentives	-	-	-	-	-	178,431
Deferred operating lease rent	-	-	-	-	-	139,990
Queen's Wharf deferred consideration	-	-	-	-	102,725	91,891
Provisions	-	-	-	-	57,152	44,106
Unearned revenue	-	-	-	-	26,452	28,984
Contract liabilities	-	-	-	-	2,732	-
Other non-current liabilities	-	-	-	-	16,102	17,226
<b>Total non-current liabilities</b>	-	-	-	-	2,938,280	1,180,255
<b>TOTAL LIABILITIES</b>	14,213	19,863	(54,313)	(71,842)	3,754,200	1,745,831



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## 1 BASIS OF PREPARATION

### 1.1 Authorisation of financial statements

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

### 1.2 General information

The Department of Housing and Public Works is a not-for-profit Queensland Government department established under the *Public Service Act 2008* and controlled by the State of Queensland which is the ultimate parent and therefore a related party. Other Queensland public sector entities, over which the State has control, joint control or significant influence are also related parties of the Department of Housing and Public Works. The department's principal activities are described in Note 1.4 below and include major activities involving other Queensland Government entities such as construction and maintenance programs, motor vehicle fleet management, office accommodation, government employee housing, information and communication technology and corporate services. Transactions with related party entities that are individually or collectively significant are reported throughout these financial statements. Transactions with key management personnel (who are all related parties) are reported in Note 5.1.

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

For information in relation to the department's financial statements, please call 07 3008 3138 or visit the department's website at [www.hpw.qld.gov.au](http://www.hpw.qld.gov.au).

### 1.3 Statement of compliance

The department has prepared these general purpose financial statements in compliance with section 38 of the *Financial and Performance Management Standard 2019*, the Australian Accounting Standards and Interpretations applicable to not-for-profit entities, and Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2019.

### 1.4 Department objectives and principal activities

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

The department's purpose is to unify diverse services to benefit Queenslanders and support government service delivery including housing and homelessness, building policy, public works, sport and recreation, digital and information technology and government corporate services.

The department's vision is working together with respect and compassion to influence change and deliver responsive services that build a healthy and connected Queensland.

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

#### ***Services for Queenslanders - Community***

The service area, which includes housing, homelessness, sport and recreation, and building policy:

- delivers safe, secure and sustainable housing by funding and improving housing and homelessness services and provides support which meets the needs of Queenslanders and enables social and economic participation
- supports Queenslanders to be more physically active, healthier and better connected while also supporting elite athletic success, economic growth and jobs
- ensures safe and fair industry building standards in the building and construction industry.

## 1.4 Department objectives and principal activities (continued)

### *Services for Queenslanders - Digital and Information*

The service area delivers whole-of-government customer service, government recordkeeping and archives and open data services, including:

- developing and delivering innovative digitally enabled and integrated government services that are simpler and faster for the community to access online or through phone and counter channels
- leading Queensland public authorities in managing and preserving Queensland public records in a useable form and improves public access to the collection by embracing digital government practices
- responsibility for implementing the government's commitment to making government data open for anyone to access, use and share.

### *Services for Government*

The service area includes major government projects, procurement, government accommodation, digital services, and Queensland Government Chief Information Office advice on digital ICT and investment, and:

- assists government agencies in the delivery of major government building and construction projects that support Queensland's growing communities
- delivers office accommodation and government employee housing solutions for the Queensland Government
- provides expert advisory, enabling and support procurement services to government agencies, including category management for general goods and services, building construction and maintenance, and ICT strategic procurement arrangements
- provides procurement services to local contractors and suppliers that reduce the cost of doing business with the Queensland Government, support employment and better social outcomes for communities
- collaborates across government to enable and support agencies to deliver digital services
- develops and implements digital strategies and policies to guide government investment decisions, as well as cyber security, and drives digital capability programs.

### *Queensland Shared Services*

Queensland Shared Services provides a range of corporate services for finance, human resource management and supporting technology functions to government departments and statutory bodies.

### *QBuild*

QBuild delivers strategic and responsive asset management to its Queensland Government agency customers by managing risks for diverse building asset portfolios and providing expertise in planning, procurement and delivery of new building infrastructure, building maintenance and asset and facilities management. QBuild provides agency customers access to professional, technical and ancillary services, and works closely with industry and suppliers to maximise value for money procurement and contract management outcomes.

### *QFleet*

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

### *CITEC*

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

## 1.5 Machinery-of-government changes

### *Public Service Departmental Arrangements Notice (No.3) 2018*

Details of transfer: Responsibility for the following functions were transferred from the Department of State Development, Manufacturing, Infrastructure and Planning:

- Construction Project Delivery
- Office of the Queensland Government Architect.

Date of transfer: Effective from 1 September 2018.

### *Assets and liabilities transferred*

#### *Controlled*

Cash and cash equivalents	4,787
Property, plant and equipment	63,350
<b>Total assets</b>	<b>68,137</b>
Payables	536
Other liabilities	4,251
<b>Total liabilities</b>	<b>4,787</b>
<b>Net assets</b>	<b>63,350</b>

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

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

Controlled - appropriation revenue	2,190
Controlled - equity adjustments	108,000

## 1.6 Measurement

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

## 1.7 Presentation

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

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

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

## 1.8 New and revised accounting standards

### (a) AASB 16 Leases

#### *Lessee accounting*

The department adopted AASB 16 *Leases* for the first time in 2019-20. The department applied the modified retrospective transition method and has not restated comparative information for 2018-19 which continues to be reported under AASB 117 *Leases* and related interpretations. The reclassifications and adjustments are therefore recognised in the opening Balance Sheet on 1 July 2019 as disclosed in Note 3.2(e). In applying AASB 16 for the first time, the department used the following practical expedients permitted by the standard:

- accounting for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases
- electing not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the department relied on its assessment made at the inception of the lease applying AASB 117 *Leases* and Interpretation 4 *Determining Whether an Arrangement Contains a Lease*.

New accounting policies are disclosed in Notes 3.2(a) and 3.2(b).

#### *Lessor accounting*

##### *Key judgement - Commercial and government employee housing accommodation and motor vehicles*

The department provides access to non-specialised, commercial accommodation and residential accommodation to other Queensland public sector entities under government-wide frameworks. The department has made a judgement that these arrangements are exempt from lease accounting under AASB 16 *Leases* due to the department having substantive substitution rights over the assets used within these arrangements. Motor vehicles provided by QFleet are also exempt from lease accounting under AASB 16 due to the department holding substantive substitution rights for vehicles provided.

The department did not need to make any other adjustments to the accounting for assets held as lessor as a result of the adoption of AASB 16.

#### *Impact of transition*

The overall impact of the transition to AASB 16 on the department's Statement of Changes in Equity was an \$87 million increase to accumulated deficit and a \$76 million decrease to the asset revaluation surplus relating to the:

- de-recognition of commercial office accommodation deferred operating lease rent assets and liabilities and lease incentive liabilities under AASB 117, followed by creation of right-of-use assets and lease liabilities (\$45 million decrease to accumulated deficit)
- remeasurement of Deed of Grant in Trust finance lease assets from fair value to cost and the de-recognition of the asset revaluation surplus for these assets (\$132 million increase to accumulated deficit and \$76 million decrease to asset revaluation surplus).

### (b) AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

The department applied these standards for the first time in 2019-20. The standards did not have a material impact on the department's revenue recognition policies however AASB 15 introduced new disclosure requirements. These include the disclosure of construction works-in-progress and unearned revenue relating to contracts with customers as contract assets and contract liabilities respectively. The department applied the modified retrospective transition method and has not restated comparative information for 2018-19.

Refer to Note 5.3 for details of the future impact of accounting standards not yet effective.

	2020 \$'000	2019 \$'000
<b>2 STATEMENT OF COMPREHENSIVE INCOME NOTES</b>		
<b>2.1 User charges and fees</b>		
Revenue from contracts with customers		
Building services*	658,572	607,690
Commercial accommodation service*	442,816	459,054
Government employee housing accommodation service*	46,845	41,963
Information, communication and technology services**	145,042	145,441
Services provided by shared service provider*	127,617	124,663
Fleet management services*	90,323	88,021
Vehicle sales	57,139	49,871
Other**	78,955	97,306
Other user charges and fees		
Property rental - social housing	420,440	406,512
<b>Total</b>	<b>2,067,749</b>	<b>2,020,521</b>

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

\*\* Approximately half of these user charges and fees have been collected from related parties (Queensland state government entities).

#### **Revenue from contracts with customers**

Revenue from contracts with customers is recognised when the department transfers control over a good or service to the customer. The following table provides information about the nature and timing of the satisfaction of performance obligations, significant payment terms, and revenue recognition for the department's major categories of user charges revenue from contracts with customers.

Type of good or service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Building Services	<p>The department provides strategic management of building, construction and maintenance activities primarily to other Queensland state government entities under fixed-price and variable-price contracts. Variable prices are included in the transaction price when they relate to provisional amounts (such as final cleaning, statutory charges etc) that are highly likely to occur. Contingent amounts are subject to a high degree of uncertainty and are therefore only included in the transaction price when it is highly probable that a significant reversal will not occur.</p> <p>When the department acts as an agent (refer Note 5.6(a)) it will provide project management services with respect to these capital works projects.</p> <p>Building services contracts typically have durations of less than 12 months and contain one performance obligation. These performance obligations are satisfied over time as services are rendered.</p> <p>Customers are either invoiced progressively or on completion depending on the complexity of the work and consideration is payable when invoiced.</p>	<p>Revenue from providing building services is recognised in the accounting period in which the services are provided.</p> <p>Revenue is recognised over time as the building services are provided using either:</p> <ul style="list-style-type: none"> <li>percentage of completion methodology: stage of completion is measured by reference to the proportion of physical work completed as this represents the transfer of building services to the customer; or</li> <li>costs incurred to date: this method is typically used for straight-forward activities that occur over a short period of time.</li> </ul> <p>When customers are invoiced progressively, the timing of customer payment does not always match the revenue recognition policies described above. If the building services provided by the department exceed the payment, a contract asset is recognised. If customer payments exceed the building services provided by the department, a contract liability is recognised.</p>

## 2.1 User charges and fees (continued)

### Revenue from contracts with customers (continued)

Type of good or service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Building Services (continued)		<p>Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known.</p> <p>In 2018-19 the department recognised building services revenue over time under AASB 111 <i>Construction Contracts</i> and the adoption of AASB 15 has not materially impacted its revenue recognition policy.</p>
Commercial Accommodation Service	<p>The department provides access to commercial accommodation primarily to other Queensland state government entities.</p> <p>Commercial accommodation contracts typically have durations of up to 10 years and contain multiple performance obligations relating to the commercial space being provided. Customers simultaneously receive and consume the benefits provided during the contract period and the department invoices on a monthly basis in a manner that fairly represents the transfer of these services. Consideration is receivable when invoiced.</p>	<p>Revenue is recognised on a monthly basis as the actual services are provided over the duration of the contract.</p> <p>From 1 July 2019 these arrangements were no longer recognised as a lease as disclosed in Note 1.8. As a result, revenue is no longer recognised on a straight-line basis over the lease term as was required previously under AASB 117.</p>
Government Employee Housing Accommodation Service	<p>The department provides access to government employee housing primarily to other Queensland state government entities.</p> <p>Government employee housing contracts are typically open ended and contain multiple performance obligations relating to the government employee housing being provided. Customers simultaneously receive and consume the benefits provided during the contract period and the department invoices on a monthly basis in a manner that fairly represents the transfer of these services. Consideration is receivable when invoiced.</p>	<p>Revenue is recognised on a monthly basis as the actual services are provided over the duration of the contract.</p> <p>From 1 July 2019 these arrangements were no longer recognised as a lease as disclosed in Note 1.8. As a result, revenue is no longer recognised on a straight-line basis over the lease term as was required previously under AASB 117.</p>

## 2.1 User charges and fees (continued)

### *Revenue from contracts with customers (continued)*

Type of good or service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Information, Communication and Technology (ICT) Services	<p>The department provides ICT services and information solutions to other Queensland state government entities and private sector clients.</p> <p>The contracts contain multiple performance obligations relating to the ICT services being provided. Customers simultaneously receive and consume the benefits provided during that period and the department invoices on a fortnightly or monthly basis in a manner that fairly represents the transfer of these services. Consideration is receivable when invoiced.</p>	Revenue is recognised on a fortnightly or monthly basis as the actual services are provided over the duration of the contract. The adoption of AASB 15 has not changed the timing of revenue recognition for these services.
Services Provided by Shared Service Provider	<p>The department provides shared finance and payroll services to other Queensland state government entities.</p> <p>The contracts contain multiple performance obligations relating to the shared services being provided. Customers simultaneously receive and consume the benefits provided during that period and the department invoices on a monthly basis in a manner that fairly represents the transfer of these services. Consideration is receivable when invoiced.</p>	Revenue is recognised on a monthly basis as the actual services are provided over the duration of the contract. The adoption of AASB 15 has not changed the timing of revenue recognition for these services.
Fleet Management Services	<p>The department provides fleet management services primarily to other Queensland state government entities.</p> <p>Fleet management contracts are typically two years and contain multiple performance obligations relating to the vehicle being provided. Customers simultaneously receive and consume the benefits provided during the contract period and the department invoices on a monthly basis in a manner that fairly represents the transfer of these services. Consideration is receivable when invoiced.</p>	<p>Revenue is recognised on a monthly basis as the actual services are provided over the duration of the contract.</p> <p>From 1 July 2019 these arrangements were no longer recognised as a lease as disclosed in Note 1.8. As a result, revenue is no longer recognised on a straight-line basis over the lease term as was required previously under AASB 117.</p>

Refer to Note 3.9 for disclosures about contract assets and liabilities outstanding at year end.

### **Property rental - social housing**

Operating lease rent is received in respect of social housing and remote Aboriginal and Torres Strait Islander housing provided by the department to low-income households. Variable rent charges are capped at 25% of total household assessable income.



**Department of Housing and Public Works**  
**Notes to the financial statements 2019-20**

	2020 \$'000	2019 \$'000
<b>2.2 Appropriation revenue</b>		
<i><b>Reconciliation of payments from Consolidated Fund to appropriation revenue recognised in operating result</b></i>		
Original budgeted appropriation revenue	1,135,129	1,091,871
Supplementary amounts:		
Transfers from/to other headings - variation in headings	(19,915)	(2,428)
Transfers from/to other departments - redistribution of public business	-	2,190
Lapsed appropriation revenue	(33,206)	(182,078)
<b>Total appropriation receipts (cash)</b>	<b>1,082,008</b>	<b>909,555</b>
Plus: Opening balance of deferred appropriation payable to Consolidated Fund	56,020	53,975
Plus: Transfer of deferred appropriation payable from other Queensland Government entities	-	519
Less: Closing balance of deferred appropriation payable to Consolidated Fund	(54,865)	(56,020)
<b>Net appropriation revenue</b>	<b>1,083,163</b>	<b>908,029</b>
Plus: Deferred appropriation payable to Consolidated Fund (expense in 2018-19)	-	54,260
<b>Appropriation revenue recognised in Statement of Comprehensive Income</b>	<b>1,083,163</b>	<b>962,289</b>
Variance between original budgeted and actual appropriation revenue	(51,966)	(129,582)

Appropriations provided under the *Appropriation Act 2019* and the *Appropriation (COVID-19) Act 2020* are recognised as revenue when received under AASB 1058 *Income of Not-for-profit Entities*. Where the department has an obligation to return unspent (or unapplied) appropriation receipts to Consolidated Fund at year end (a deferred appropriation payable to Consolidated Fund), a liability is recognised with a corresponding reduction to appropriation revenue, reflecting the net appropriation revenue position with Consolidated Fund for the reporting period. Prior to 1 July 2019, any liability at the end of the financial year for deferred appropriation payable was recorded as an expense under the requirements of the superseded AASB 1004 *Contributions* (refer to Note 2.7). Capital appropriations are recognised as adjustments to equity (refer to Note 3.19).

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

**2.3 Gains on disposal/remeasurement of assets**

Revaluation increment - buildings	-	4,897
Net gain on financial assets at fair value through profit or loss	4,792	4,399
Impairment loss reversal (receivables)	-	19
Net gain on disposal of assets	1,786	6,702
<b>Total</b>	<b>6,578</b>	<b>16,017</b>

**2.4 Supplies and services**

Property rental*	30,583	434,754
Cost of sales		
Building, construction and maintenance services	428,659	385,572
Motor vehicles and land sold through inventory	50,176	44,268
Property repairs and maintenance	332,815	343,292
Outsourced service delivery - Housing and Homelessness Services	200,935	175,188
Rates to local governments**	178,526	171,646
Information, communication and technology expenses	176,772	186,795
Other property expenses	58,842	65,877
Consultants and contractors	85,927	98,023
Motor vehicle costs***	24,315	25,326
Electricity and gas	20,839	22,844
Other	93,084	98,079
<b>Total</b>	<b>1,681,473</b>	<b>2,051,664</b>

	2020 \$'000	2019 \$'000
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## 2.4 Supplies and services (continued)

\* Until 30 June 2019, property rental expenses in respect of operating leases were recognised on a straight line basis over the period of the lease term. Due to the adoption of AASB 16, from 1 July 2019 the majority of leases have been recognised on the Balance Sheet (refer to Notes 1.8 and 3.2 for further details). There is an exception for short-term (up to one year) and low-value leases (less than \$10,000) - for these leases, property rental expenses will continue to be reported within supplies and services above.

\*\* The department is not required to pay general rates to local governments for properties covered by Section 95 of the *Housing Act 2003* so these payments are considered special payments. Consequently, rates to local governments include special payments totalling \$57.732 million (2019 \$52.197 million) in respect of general rates.

\*\*\* Motor vehicle costs include registration for QFleet motor vehicles paid to the Department of Transport and Main Roads.

## 2.5 Employee expenses

### **Employee benefits**

Wages and salaries	467,688	434,800
Annual leave levy	49,016	46,796
Employer superannuation contributions	61,046	57,610
Long service leave levy	10,979	9,174
Termination benefits	50	663
Other employee benefits	645	648
	<u>589,424</u>	<u>549,691</u>

Employee-related expenses	15,887	16,047
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<b>Total</b>	<u>605,311</u>	<u>565,738</u>
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### **Wages and salaries**

Wages and salaries includes \$4.895 million of \$1,250 one-off, pro-rata payments for 3,917 full-time equivalent employees (announced in September 2019).

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

### **Annual leave and long service leave**

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

### **Superannuation**

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

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

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

	2020 \$'000	2019 \$'000
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## 2.5 Employee expenses (continued)

### Employee-related expenses

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

### Number of employees

The number of employees (measured on a full-time equivalent basis) as at 30 June 2020 is 5,356 (2019 5,436).

Key management personnel and remuneration disclosures are detailed in Note 5.1.

## 2.6 Grants and subsidies

Housing grants		
Private housing programs	45,674	43,531
Aboriginal and Torres Strait Islander housing	49,805	62,115
Social rental housing*	35,639	11,118
Other	850	1,308
Sport and recreation grants**	124,507	92,540
Other grants and subsidies	9,590	8,140
<b>Total</b>	<b>266,065</b>	<b>218,752</b>

The above amounts include the following related party transactions:

\* Includes \$5.015 million (2019 \$1.052 million) paid to Brisbane Housing Company for housing.

\*\* Includes \$5.553 million (2019 \$5.553 million) paid to Stadiums Queensland for the Carrara Stadium loan.

## 2.7 Other expenses

Deferred appropriation payable to Consolidated Fund	-	54,260
Insurance premiums - Queensland Government Insurance Fund	16,596	15,377
Insurance premiums - other	8,092	7,718
Impairment losses on non-current assets classified as held for sale	4,022	3,845
Queensland Audit Office - external audit fees*	1,633	1,837
Losses:		
Buildings subject to insurance**	1,955	1,586
Public money	9	1
Special payments:***		
Ex-gratia payments - other	99	101
Other	6,948	5,027
<b>Total</b>	<b>39,354</b>	<b>89,752</b>

\* Total audit fees quoted by the Queensland Audit Office (related party) relating to the 2019-20 financial statements are \$1.004 million (GST exclusive) (2019 \$0.929 million). Other audit services relate to the audit of the report on service provider controls.

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

\*\*\* Special payments include ex-gratia expenditure and other expenditure that the department is not contractually or legally obligated to make to other parties. Special payments over \$5,000 include ex gratia payments to certain borrowers for maintenance of their houses and ex-gratia payments made on compassionate grounds.

The total of all special payments includes rates payments that are required to be disclosed within Supplies and services (Note 2.4).

Department of Housing and Public Works  
Notes to the financial statements 2019-20

	2020 \$'000	2019 \$'000
<b>3 BALANCE SHEET NOTES</b>		
<b>3.1 Property, plant and equipment</b>		
Land: at fair value	10,881,831	10,536,454
Buildings: at fair value	6,928,866	7,100,280
Leased assets: at fair value		
Gross	-	1,548,243
Less accumulated depreciation	-	(455,364)
	-	1,092,879
Plant and equipment: at cost		
Gross	670,589	639,453
Less accumulated depreciation	(226,858)	(212,520)
	443,731	426,933
Infrastructure: at fair value		
Gross	337,951	318,832
Less accumulated depreciation	(95,963)	(97,939)
	241,988	220,893
Heritage and cultural assets: at fair value		
Gross	182,112	180,299
Less accumulated depreciation	(131,563)	(129,056)
	50,549	51,243
Work in progress: at cost	180,288	319,672
<b>Total</b>	<b>18,727,253</b>	<b>19,748,354</b>

Department of Housing and Public Works  
Notes to the financial statements 2019-20

3.1 Property, plant and equipment (continued)

*Property, plant and equipment reconciliation*

	Land \$'000	Buildings \$'000	Leased assets \$'000	Plant and equipment \$'000	Infrastructure \$'000	Heritage and cultural assets \$'000	Work in progress \$'000	Total \$'000
Carrying amount at 1 July 2018	10,302,949	7,020,454	1,005,293	402,321	240,067	51,432	193,980	19,216,496
Transfers from other Queensland Government entities	-	94	1,308	-	-	-	63,350	64,752
Transfers to other Queensland Government entities	(8)	(1,854)	-	(61)	(125)	-	-	(2,048)
Acquisitions	36,835	27,176	9,364	95,460	660	-	451,244	620,729
Transfers between classes	4,024	238,702	109,276	36,027	205	-	(388,234)	-
Transfers to inventories	-	-	-	(46,229)	-	-	-	(46,229)
Disposals	(1,617)	(2,243)	(1,184)	(38)	-	-	(668)	(5,750)
Assets reclassified as held for sale	(65,344)	(25,210)	-	-	-	-	-	(90,554)
Net revaluation increments/(decrements) recognised in asset revaluation surplus	259,615	-	9,491	-	(15,217)	358	-	254,247
Net revaluation increments/(decrements) recognised in operating result	-	4,897	-	-	-	-	-	4,897
Depreciation	-	(161,736)	(40,669)	(60,547)	(4,687)	(547)	-	(268,186)
Carrying amount at 30 June 2019	10,536,454	7,100,280	1,092,879	426,933	220,893	51,243	319,672	19,748,354
Adjustment on initial application of AASB 16*	-	-	(1,092,879)	-	-	-	-	(1,092,879)
Restated carrying amount at 1 July 2019	10,536,454	7,100,280	-	426,933	220,893	51,243	319,672	18,655,475
Transfers from other Queensland Government entities	25,271	-	-	-	-	-	-	25,271
Transfers to other Queensland Government entities**	(9,400)	-	-	-	-	-	(261,019)	(270,419)
Acquisitions	48,000	998	-	114,029	25,560	-	459,529	648,116
Transfers between classes	8,976	271,346	-	15,891	-	-	(296,213)	-
Transfers to right-of-use assets	-	-	-	-	-	-	(41,614)	(41,614)
Transfers to inventories	-	-	-	(48,279)	-	-	-	(48,279)
Disposals	(46,617)	(4,725)	-	(45)	-	(44)	(66)	(51,497)
Assets reclassified as held for sale	(95,961)	(25,799)	-	-	-	-	(1)	(121,761)
Net revaluation increments/(decrements) recognised in asset revaluation surplus	415,108	-	-	-	389	(106)	-	415,391
Net revaluation increments/(decrements) recognised in operating result	-	(245,367)	-	-	-	-	-	(245,367)
Depreciation	-	(167,867)	-	(64,798)	(4,854)	(544)	-	(238,063)
Carrying amount at 30 June 2020	10,881,831	6,928,866	-	443,731	241,988	50,549	180,288	18,727,253

\* Leased assets previously recognised under AASB 117 Leases were de-recognised on 1 July 2019. At this date right-of-use assets were recognised under the principles of AASB 16 Leases - refer to Notes 1.8 and 3.2.

\*\* Includes the transfer to Stadiums Queensland (a related party) of \$261.019 million of assets associated with the North Queensland Stadium.

### 3.1 Property, plant and equipment (continued)

#### (a) Acquisitions

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

Until 30 June 2019, where a non-current physical asset was acquired by means of a finance lease, the asset was recognised at the lower of the fair value of the leased asset, and the present value of the minimum lease payments. For accounting policies relating to the acquisition of right-of-use assets via lease from 1 July 2019 refer to Note 3.2.

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

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

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

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

Subsequent expenditure that increases the originally assessed service potential or useful life of an asset is capitalised to the value of that asset. Maintenance expenditure that merely restores original service potential (arising from ordinary wear and tear) is expensed.

Land improvements undertaken by the department are included with buildings.

#### (b) Measurement

Land, buildings, infrastructure and heritage and cultural assets are measured at fair value. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation. All assets are valued at highest and best use unless otherwise stated. Leased assets (excluding the Government Wireless Network) were measured at fair value until 30 June 2019 - refer to Notes 1.8 and 3.2.

**Key judgement:** The cost of items acquired during the year has been judged by management to materially represent their fair value at the end of the reporting period.

Plant and equipment is measured at cost. The carrying amounts are not materially different from their fair value.

Capital works in progress are measured at their acquisition cost or construction cost.

### 3.1 Property, plant and equipment (continued)

#### (c) Revaluation of property, plant and equipment

Land, buildings, infrastructure and heritage and cultural assets are revalued on an annual basis, either by specific appraisals undertaken by an independent professional valuer or internal expert or by the use of appropriate and relevant indices.

The department has a Property Asset Management Committee (of which the Chief Finance Officer is a member) that oversees the valuation process undertaken by Housing and Homelessness, Queensland Government Accommodation Office, Government Employee Housing and Sport and Recreation. These units determine the specific revaluation practices and procedures. There are separate committees to provide detailed oversight of their revaluation practices, reports and outcomes arising from each annual review.

The fair values reported by the department are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs. All assets are valued at highest and best use, which is generally consistent with current use.

All assets measured at fair value are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- level one – represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities
- level two – represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level one) that are observable, either directly or indirectly
- level three – represents fair value measurements that are substantially derived from unobservable inputs.

For assets revalued using a cost valuation method (e.g. current replacement cost), accumulated depreciation is adjusted to equal the difference between the gross amount and carrying amount. This is generally referred to as the 'gross method'.

For assets revalued using a market or income-based valuation approach, accumulated depreciation is eliminated against the gross amount of the asset prior to restating for the revaluation. This is generally referred to as the 'net method'.

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

When an asset is derecognised, any revaluation surplus included in equity in respect of that asset is not transferred to accumulated surplus.

There has been no evidence of a material decline in the market values of properties valued using the market and income based methods from the date of valuation to 30 June 2020.

#### (i) Social housing – land and buildings

Fair value is primarily determined by establishing current market value from the sale prices of comparable properties as there are usually active and liquid residential property markets which provide sufficient applicable sales evidence. The revaluation framework for social housing assets has been developed in recognition of the large number, homogenous nature, location and density of the property portfolio.

As at 30 June 2020, the department revalued its social housing properties by dividing the state into geographical regions and homogenous groups within each region according to certain criteria (including number of bedrooms, condition, previous value, age of property, building type). Properties were sampled for specific appraisal from groups where the department owns its highest proportion of properties and where there is adequate market depth to determine fair value. In 2019-20 33% (2018-19 31%) of properties were specifically appraised. A sample of valuations that resulted in significant movements (+ or - 20% or greater than \$1 million) was reviewed by the department for reasonableness against external market information.

### 3.1 Property, plant and equipment (continued)

#### (c) Revaluation of property, plant and equipment (continued)

##### (i) Social housing – land and buildings (continued)

Following the specific appraisals of the representative sample of properties, separate indices were calculated for assets within each region using the mean of the ratios of the previous year's values to the current year's values. To ensure the integrity of the valuation results used to derive the indices, the department used two independent valuers to provide specific appraisals for different properties within the sample for that region. Properties with similar characteristics were given to each valuer. The mean of the test valuations provided by the second valuation firm must be within one standard deviation (+ or -) of the mean of the valuations provided by the primary valuation firm, and the relative standard error rate  $\leq 4\%$ , before the indices are accepted.

The indices were subsequently applied to properties across each region not specifically appraised, in order to derive current market values. An analysis performed by the department has indicated that on average, the variance between an indexed asset value and the valuation by an independent valuer when performed on a rotational basis is not significant, and the department's indices are sound.

Every five years, the sample is increased to further test the robustness of the index calculation process, and to provide greater coverage of the property portfolio by specific appraisal. The increased sample size was last applied to the valuations for 2016-17.

Specific appraisals of land are undertaken at the same time as the related building revaluations are performed.

The most significant inputs into the valuations were location, bedroom count, price per square metre (units generally), land size (detached houses generally), condition and a discount factor applied to accommodation in recognition of the cost of obtaining strata title to sell. Under the fair value hierarchy there are two inputs categorised as unobservable – condition of the property and the discount applied to some multi-unit properties without strata title on individual units.

The condition rating of the properties is supplied to the valuers as part of the valuation kit. The condition rating of the properties does not result in a significant adjustment to the valuations as the department's renewal policy requires properties to be maintained to a satisfactory standard, with property condition assessed at least once every three years by internal inspection.

The discounts applied to some multi-unit residential properties where there is no strata title for individual units results in adjustments to the level two inputs that are significant to the fair value measurement, and those buildings become subject to level three hierarchy disclosures. Where single title (i.e. not strata title) exists over multi-unit properties, an adjustment is made to reflect the required costs for strata title.

**Key assumptions:** The following assumptions were made in relation to the valuation of social housing properties:

- All assets were valued at highest and best use. There were no assets valued where it was assumed that the highest and best use was other than its current use.
- Valuers have made the assumption that the data provided by the department is current and a true reflection of the characteristics of each property, e.g. number of bedrooms and property size.
- Valuers have assumed that all properties are in sound condition with no essential repairs required, or have assumed that the condition of the interior is consistent with the exterior of the building.
- Where recent sales for comparable properties were limited, valuers have assessed market value with reference to older sales in the area, sales in comparable areas or have applied an income approach.



### 3.1 Property, plant and equipment (continued)

#### (c) Revaluation of property, plant and equipment (continued)

##### *(ii) Leased assets - buildings on Deed of Grant in Trust (DOGIT) land*

Leased assets previously recognised under AASB 117 *Leases* were de-recognised on 1 July 2019. At this date right-of-use assets were recognised under the principles of AASB 16 *Leases* - refer to Notes 1.8 and 3.2.

##### *(iii) Government employee houses – land and buildings*

Fair value for Queensland Government employee houses is determined by establishing market value, primarily by the direct comparison method of valuation, or by indexation. There are usually active and liquid residential property markets which provide sufficient applicable sales evidence. Where there is no active and liquid market for assets, fair value is the current replacement cost. Where properties are indexed a number of indices are used depending on the location:

- indices supplied by a registered valuer
- indices applied to social housing properties
- indices applied to Deed of Grant in Trust properties.

Specific appraisals are performed on these properties once every five years. They were last specifically appraised by an independent valuer in 2015-16. Properties that aren't specifically appraised in any given year are indexed.

##### *(iv) Commercial properties – land and buildings*

As at 30 June 2020, commercial properties were either:

- specifically appraised by independent valuers
- indexed using Rawlinsons Brisbane Construction Cost Index or
- indexed using a location-specific market index provided by an independent valuer.

These properties are specifically appraised on a rolling basis every two to four years, using a combination of market, income and cost-based approaches. Specific appraisals are procured annually in volatile property market conditions.

Valuation methods include direct comparison, capitalisation or discounted cash flow approaches or a combination of approaches depending on the size of the property and the available market evidence. Key inputs for valuation methods include sale prices, square metre of land or building area, capitalisation rates, rent rates, discount rates, operating expense rates per square metre and lease terms. These measures are influenced by market supply and demand dynamics. Building characteristics, such as size, grade and condition as well as functional, physical and economic obsolescence factors were also determinants considered by the valuers in assessing values. Valuers are required to maximise the use of observable property market evidence in determining values. In localities with adequate market activity, valuation methods are adopted that have direct reference to recent sales evidence of comparable properties.

Some localities, particularly remote areas, lack sufficient market activity to derive building values directly from sales evidence. Also, the specialised nature of some assets, such as convention centres and other purpose built structures, do not have an active market. Fair value for these assets has been assessed using current replacement cost.

Land values were assessed by the valuers having regard to market evidence of recent and relevant land sales. Land location, size, shape, elevation, accessibility, zoning and development potential were aspects considered in determining land values. Physical, legal and statutory constraints, such as heritage listings, easements, flooding and environmental, were also considered by the valuers.

##### *(v) Sport and recreation properties - land and buildings*

The majority of the sport and recreation buildings are Queensland Recreation Centres. As there is insufficient sales activity for these types of properties to derive market based valuations, the buildings are valued using the current replacement cost. Management judge that the highest and best use of these properties is their current use.

Land is comprised of freehold and reserve land. Freehold land is valued using comparisons to land that is similar in topography and location. For reserve land, market data is adjusted by the valuer to reflect the nature of the restriction and therefore uses unobservable inputs.

Specific appraisals are performed on these properties once every five years. All properties were specifically appraised by an independent valuer in 2019-20. Properties that aren't specifically appraised in any given year are indexed.

### 3.1 Property, plant and equipment (continued)

#### (c) Revaluation of property, plant and equipment (continued)

##### (vi) Infrastructure

The infrastructure assets include Roma Street Parkland improvements, the Goodwill Bridge and the Kurilpa Bridge. Fair value for the infrastructure assets is assessed using current replacement cost due to the lack of market sales evidence for such assets.

Infrastructure assets are specifically appraised at least every four years, using independent experts. They were subject to specific appraisal at 30 June 2020 by an independent valuer taking into account useful life, age, condition and functionality. Quantity surveyors assessed the replacement cost for the valuer. The valuer's assumptions for the infrastructure assets include:

- the property complies with all statutory requirements with respect to health, building, town planning and fire safety regulations
- a detailed structural survey would not reveal defects
- improvements are sited within title boundaries and without encroachment.

##### (vii) Heritage and cultural assets

Heritage and cultural buildings at Queen's Wharf Precinct are valued in accordance with Note 3.1(i).

Fair value for the department's other heritage and cultural buildings is assessed based on relevant market evidence for similar assets. In localities where there is insufficient sales activity to derive market-based valuations, the buildings are valued using the current replacement cost and reproduction cost methods. This is also the case for unique or highly specialised buildings for which there is no comparable property market evidence. Properties are specifically appraised every four years unless there is an indication that more frequent revaluation is required. Specific appraisals were last performed by an independent valuer in 2017-18. At 30 June 2020 these properties were all indexed.

#### (d) Asset revaluation surplus by class

	Land \$'000	Leased assets \$'000	Infrastructure \$'000	Heritage and cultural assets \$'000	Total \$'000
Balance at 1 July 2018	2,159,670	66,573	119,260	19,283	2,364,786
Net revaluation increments/(decrements)	259,615	9,491	(15,217)	358	254,247
Balance at 30 June 2019	2,419,285	76,064	104,043	19,641	2,619,033
Adjustment on initial application of AASB 16	-	(76,064)	-	-	(76,064)
Restated balance as at 1 July 2019	2,419,285	-	104,043	19,641	2,542,969
Net revaluation increments/(decrements)	415,108	-	389	(106)	415,391
Balance at 30 June 2020	2,834,393	-	104,432	19,535	2,958,360

### 3.1 Property, plant and equipment (continued)

#### (e) Fair value measurement

##### *Categorisation of fair values recognised as at 30 June 2020*

	Level 2 \$'000		Level 3 \$'000		Total \$'000	
	2020	2019	2020	2019	2020	2019
Land						
- social housing	9,636,233	9,234,011	-	-	9,636,233	9,234,011
- government employee housing	151,855	155,326	-	-	151,855	155,326
- commercial	551,438	597,429	453,739	461,991	1,005,177	1,059,420
- sport and recreation	20,455	20,271	68,111	67,426	88,566	87,697
Total land	10,359,981	10,007,037	521,850	529,417	10,881,831	10,536,454
Buildings						
- social housing	2,549,521	2,703,931	2,927,185	2,917,856	5,476,706	5,621,787
- government employee housing	483,425	467,733	36,209	30,759	519,634	498,492
- commercial	584,977	605,226	258,771	299,220	843,748	904,446
- sport and recreation	-	-	88,778	75,555	88,778	75,555
Total buildings	3,617,923	3,776,890	3,310,943	3,323,390	6,928,866	7,100,280
Infrastructure	-	-	241,988	220,893	241,988	220,893
Heritage and cultural assets	6,797	6,834	43,752	44,409	50,549	51,243
<b>Total</b>	<b>13,984,701</b>	<b>13,790,761</b>	<b>4,118,533</b>	<b>4,118,109</b>	<b>18,103,234</b>	<b>17,908,870</b>

##### *Level 3 significant valuation inputs*

Asset class	Type of significant unobservable inputs
Land	Future estimates of non-cash consideration to be received under non-cancellable contractual arrangements. The discount rate used to calculate a single present value of the future estimates. Land tenure.
Buildings	Discounts for non-strata title units. This represents the cost of obtaining strata title to sell.
Infrastructure	Infrastructure replacement costs are on a per component basis. Remaining useful lives.
Heritage and cultural assets	Building replacement/ reproduction cost rates. Remaining useful lives. Capitalisation rates. Future estimates of non-cash consideration to be received under non-cancellable contractual arrangements. The discount rate used to calculate a single present value of the future estimates.

#### (f) Impairment

Property, plant and equipment assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the department determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

#### (g) Depreciation

Land is not depreciated as it has an unlimited useful life.

Buildings, infrastructure, heritage and cultural assets and plant and equipment are depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset progressively over its estimated useful life to the department.

Any subsequent expenditure that increases the originally assessed capacity or service potential of an asset is capitalised, and the new depreciable amount is depreciated over the remaining useful life of the asset to the department.

### 3.1 Property, plant and equipment (continued)

#### (g) Depreciation (continued)

Until 30 June 2019, assets subject to finance leases under AASB 117 were depreciated on a straight-line basis over the term of the lease, or where it was likely that the department would obtain ownership of the asset, the expected useful life of the asset to the department.

Assets under construction (work-in-progress) are not depreciated until they reach their service delivery capacity. Service delivery capacity relates to when construction is complete and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant classes of property, plant and equipment.

**Key estimate:** For each class of asset the following depreciation rates are used:

Buildings	1% to 14%
Plant and equipment	3% to 57%
Infrastructure	1% to 33% in accordance with useful life of components
Heritage and cultural assets	1% to 3%

Remaining useful lives are reviewed annually. Where remaining useful lives require modification, the depreciation expense changes from the date of assessment until the end of the useful life (for both current and future years). The estimation of useful lives requires management judgement in assessing the condition of the asset.

**Key judgement:** A key strategic asset management principle of the department is the efficient and effective maintenance and upgrade of social housing properties to optimise the useful lives of assets. Property condition is assessed at least once every three years by internal inspection. This results in a condition rating being assigned, and informs future maintenance and upgrade activities. A property that is ready for demolition has a condition rating of one and a property that is like new has a condition rating of ten. Management has assessed that where at least 95% of social housing buildings have a condition rating greater than eight, this supports the annual revision of the remaining useful life for social housing buildings to 50 years.

#### (h) Leased assets

Net carrying amounts for leased assets are shown below:

Buildings on Deed of Grant in Trust land	-	981,996
Government Wireless Network equipment	-	107,441
Other	-	3,442
	-	<u>1,092,879</u>

Leased assets previously recognised under AASB 117 *Leases* were de-recognised on 1 July 2019. At this date right-of-use assets were recognised under the principles of AASB 16 *Leases* - refer to Notes 1.8 and 3.2.

#### (i) Queen's Wharf Precinct

On 16 November 2015 the Queensland Government entered into contractual arrangements with the Destination Brisbane Consortium ('the Consortium') to redevelop the Queen's Wharf Precinct in the centre of Brisbane into an Integrated Resort Development ('the IRD Project'). The redevelopment area is located between the Brisbane River and George Street, and between Alice and Queen Streets ('the IRD Precinct').

The Department of Housing and Public Works is the owner of the majority of land and buildings within the IRD Precinct. A leasehold development lease and a freehold development lease for the project commenced on 22 February 2018 transferring responsibility of the whole of the site to the Consortium. As at 30 June 2020 the land and buildings in the precinct have been valued on the basis that the contractual arrangements are considered to be non-cancellable and the highest and best use of the land and buildings in the precinct is that of an IRD. The fair value is based on the income approach with the cash and future estimates for the non-cash consideration to be received under the contractual arrangements discounted to a single present value. Under the fair value hierarchy the future estimates of the non-cash consideration and the discount rate are categorised as unobservable inputs. As at 30 June 2020, the Waterline Park (Goodwill Bridge Extension) was completed and therefore recognised as property, plant and equipment at fair value. The carrying value of the land and buildings within the Precinct was \$494.554 million (2019 \$478.784 million).

### 3.1 Property, plant and equipment (continued)

#### (j) Long-term Community Housing Program

The department's Long-term Community Housing Program aims to deliver long-term rental housing that is secure, appropriate and affordable, for persons whose needs are not adequately met by other housing options. Under this program the department may provide grants of property or monetary assistance to community housing providers. Grant funding is provided for the construction, purchase or upgrade of dwellings and community housing providers may also contribute land and funding for the dwellings. The terms and conditions of the grant funding are contained in agreements entered into between the State and the provider. Legal title to dwellings funded under this program may be held by the provider or the department. As at 30 June 2020, the department had provided funding in relation to 3,043 (2019 3,169) properties under this program where title is held by the provider. Due to the fact that the department does not have sole control of these assets, and they are not material, these assets are not disclosed as department assets.

### 3.2 Leases as lessee

A new accounting standard AASB 16 *Leases* came into effect in 2019-20, resulting in significant changes to the department's accounting for leases for which it is lessee. The transitional impacts of the new standard are disclosed in Note 1.8.

#### (a) Right-of-use assets

	Buildings \$'000	Plant and equipment \$'000	Total \$'000
1 July 2019 opening balance on adoption of AASB 16	3,037,332	125,320	3,162,652
Additions	450,302	15,597	465,899
Depreciation charge	(444,432)	(20,596)	(465,028)
Disposals / derecognition	(2,712)	-	(2,712)
Closing balance at 30 June 2020	3,040,490	120,321	3,160,811

Leased assets under finance leases in 2018-19 are disclosed in Note 3.1 Property, plant and equipment.

Right-of-use assets are recognised at cost, consisting of the initial amount of the associated lease liability:

- less any lease incentives received
- plus any capital works completed on the underlying asset
- plus any restoration costs.

Right-of-use assets are depreciated over the lease term on a straight-line basis. The department has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets (less than \$10,000) and short-term leases (lease term 12 months or less). Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

#### (b) Lease liabilities

	2020 \$'000	2019 \$'000
Current	405,877	13,790
Non-current	2,289,179	230,049

Lease liabilities are initially recognised at an amount equal to the present value of the following lease payments:

- fixed payments, less any lease incentives receivable
- variable lease payments that are based on the consumer price index (CPI) or market rates, initially measured using the CPI or market rate as at the commencement date.

Lease payments are discounted using Queensland Treasury Corporation's Fixed Rate Loan borrowing rate that best corresponds with the lease commencement month and term. Rental payments are apportioned between a reduction in the recognised lease liability and the finance charge.

### 3.2 Leases as lessee (continued)

#### (b) Lease liabilities (continued)

A maturity analysis for lease liabilities is included in Note 3.17. For 2018-19, future minimum lease payments for finance leases were assessed under AASB 117 as follows:

	Minimum lease payments	Present value of minimum lease payments
	2019 \$'000	2019 \$'000
Not later than one year	22,860	19,030
Later than one year and not later than five years	102,068	86,189
Later than five years	247,565	138,620
	372,493	243,839
Less future finance charges	(128,654)	-
<b>Present value of minimum lease payments</b>	<b>243,839</b>	<b>243,839</b>

#### (c) Lease interest

	2020 \$'000
Interest expense on lease liabilities	47,794

#### (d) Amounts recognised in Statement of Cash Flows

Total cash outflow for leases	444,049
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#### (e) The department's leasing activities

##### **Buildings - office accommodation**

As Queensland Government's central manager of government office accommodation, the Queensland Government Accommodation Office manages a portfolio of commercial accommodation leases represented by right-of-use assets (buildings) of \$2.188 billion.

Leases are negotiated on an individual basis and contain a wide range of different terms and conditions in order to achieve the best whole-of-government benefit. The department is exposed to potential future increases in variable lease payments based on CPI or market rates, which make up approximately 5% of the portfolio and these are not included in the lease liability until they take effect. When adjustments to lease payments based on CPI or market rates do take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

The lease agreements do not impose any covenants other than the security interests in the leased assets that may be held by the lessor.

##### *Key judgements in determining the lease term*

Extension options are included in the majority of office accommodation leases, however these are not included in the lease term assessed at commencement date due to the department not being reasonably certain that they will be used. In determining whether these options should be included in the lease term assessed at commencement date, the department considered its current office accommodation strategic plan and its history of exercising extension options.

The lease term is reassessed if the department becomes reasonably certain that an extension option will be exercised. The department has exercised approximately 16% of its extension options for the year ending 30 June 2020.

### 3.2 Leases as lessee (continued)

#### (e) The department's leasing activities (continued)

##### *Key judgements regarding lease and non-lease components*

The department has not separated out non-lease components from lease components for those leases where the base rent is 'all inclusive' as the non-lease component of the base rent cannot be reliably measured.

##### *Measurement of lease liabilities*

Until 30 June 2019, office accommodation leases were classified as operating leases under the principles of AASB 117 *Leases*. The following table shows operating lease commitments for office accommodation leases disclosed applying AASB 117 as at 30 June 2019, and the corresponding lease liabilities recognised on initial application of AASB 16 on 1 July 2019.

	<b>\$M</b>
Operating lease commitments disclosed as at 30 June 2019	2,675
Discount using the weighted average borrowing rate as at 1 July 2019	(204)
Less: short-term leases	(24)
Less: other adjustments recognised	(56)
Lease liability recognised as at 1 July 2019	2,391

The weighted average borrowing rate on 1 July 2019 was 1.69%.

##### ***Buildings on Deed of Grant in Trust land***

The department has concessionary leases of \$820.470 million consisting of buildings on Deed of Grant in Trust land. These buildings are leased from a number of Aboriginal and Torres Strait Islander councils. The leases facilitate the construction and/or refurbishment of properties on communal land in accordance with the National Partnership on Remote Housing, entered into between the Australian Government and the Queensland Government.

The leases have below-market rental terms, with rent starting from \$800 per annum per property, indexed annually by CPI. The department is responsible for construction, upgrades, maintenance and insurance of the properties and the use of the properties is restricted to social housing purposes. Lease terms are 40 years with renewal options of an additional 40 years. The department may terminate the leases with 3 months' notice. No leases have been terminated by the department or have reached the end of the lease term.

Prior to transition to AASB 16, these leases were classified as finance leases under the principles of AASB 117 *Leases*. On 1 July 2019 the carrying amounts of the finance lease assets were derecognised and right-of-use assets created after remeasurement from fair value to cost (-\$209 million). The carrying amounts of lease liabilities remained the same. The measurement principles disclosed in Notes 3.2(a) and 3.2(b) were then applied after transition. The weighted average borrowing rate on 1 July 2019 was 4.47%.

##### ***Plant and equipment - Government Wireless Network***

The Government Wireless Network is a digital radio network provisioned, operated and maintained by a telecommunication service provider under a service agreement dated September 2013. The lease is a means of funding the acquisition and replacement of information and communication equipment.

Until 30 June 2019, these leases were classified as finance leases under the principles of AASB 117 *Leases*. On 1 July 2019 the carrying amounts of the finance lease assets were derecognised and right-of-use assets were created. The lease liability remained the same. The measurement principles disclosed in Notes 3.2(a) and 3.2(b) were then applied after transition.

Department of Housing and Public Works  
Notes to the financial statements 2019-20

	2020 \$'000	2019 \$'000
<b>3.3 Loans and receivables</b>		
<b>Current</b>		
<i>Contracts with customers</i>		
Trade debtors	144,384	193,735
Social housing debtors - maintenance	29,782	28,820
Less: loss allowance	(21,216)	(21,541)
	8,566	7,279
<i>Total contracts with customers</i>	152,950	201,014
Rental bond loans	30,567	24,630
Less: loss allowance	(12,561)	(9,655)
	18,006	14,975
Social housing debtors - rent	11,802	5,391
Less: loss allowance	(5,088)	(4,221)
	6,714	1,170
GST input tax credits receivable	23,524	-
GST payable	(23,074)	-
Net GST receivable	450	-
Annual leave reimbursements*	5,136	9,062
Long service leave reimbursements*	2,062	2,777
Housing loans	4,935	5,210
Equity adjustment receivable	9,729	-
Finance lease receivables	1,323	1,323
<b>Total</b>	201,305	235,531
<b>Non-current</b>		
Rental bond loans	7,641	6,154
Less: loss allowance	(3,140)	(2,414)
	4,501	3,740
Housing loans	38,342	37,831
Finance lease receivables	69,880	27,774
<b>Total</b>	112,723	69,345

\*Refer to Note 2.5 for further information.

Loans and receivables are measured at amortised cost which approximates their fair value at reporting date. Loans and receivables are recognised at the amount due at the time of sale or service delivery with the exception of housing loans, which reflect the monies lent, plus interest and other costs, less repayments from borrowers. Settlement of trade debtors is generally required within 30 days from invoice date. Bond loan terms range from 18 to 30 months. Original housing loan terms range from 10 to 30 years on average.

Related party receivables include the following debts owed at 30 June by other Queensland public sector entities:

- trade debtors - mostly comprised of debts owed for building maintenance/construction, information and communication technology and corporate services
- annual and long service leave reimbursements receivable.



### 3.3 Loans and receivables (continued)

#### *Movements in loss allowance*

	Current			Non-current Rental bond loans
	Rental bond loans	Social housing debtors - Rent	Social housing debtors - Maintenance	
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2018	10,717	3,034	10,034	2,588
Increase in allowance recognised in operating result	2,725	1,465	12,635	773
Amounts written-off during the year	(3,787)	(278)	(1,128)	(947)
Balance at 30 June 2019	9,655	4,221	21,541	2,414
Balance at 1 July 2019	9,655	4,221	21,541	2,414
Increase in allowance recognised in operating result	2,943	1,823	3,526	726
Amounts written-off during the year	(37)	(956)	(3,851)	-
Balance at 30 June 2020	12,561	5,088	21,216	3,140

The department's impairment accounting policies for loans and receivables are outlined in Note 3.4.

### 3.4 Credit risk

The department is exposed to credit risk on its loans and receivables. The maximum exposure to credit risk at balance date is the gross carrying amount of these assets without taking into account collateral. The department manages credit risk by monitoring all funds owed on a timely basis.

#### *Rental bond loans and social housing debtors*

##### *Risk management*

Rental bond loans and social housing debtors are the main sources of credit risk for the department. To manage credit risk, the department's preferred payment method is Easypay, which consists of three types of electronic deductions, the Rent Deduction Scheme (through the Commonwealth Department of Human Services - Centrelink), the Direct Deduction Facility through the Commonwealth Department of Veteran Affairs and a bank direct debit through financial institutions. Prior to COVID-19 it was the department's policy to not provide further housing assistance to customers with a prior debt to the department, until that debt has been repaid or where customers have made an agreement to and progress repaying the debt through a Deed of Repayment arrangement.

##### *Loss allowance*

To measure the loss allowance under AASB 9 *Financial Instruments*, the department has used the following approach.

For social housing debtors the department has applied the simplified approach in AASB 9 and has calculated the lifetime expected credit loss on a collective basis.

For rental bond loans the department has applied, on a collective basis, the general approach for measuring the loss allowance. This involves the recognition of a lifetime expected credit loss for loans that have a significant increase in credit risk. A 12-month expected credit loss is recognised for those loans that do not have a significant increase in credit risk. Loans are considered to have a significant increase in credit risk where they have repayments that are past due.

To calculate the lifetime expected credit losses for both rental bond loans and social housing debtors, the department uses a provision matrix that is based on the department's historical credit loss experience for various groups of debtors with shared credit risk characteristics, adjusted for current circumstances and forward-looking factors where relevant. Loss histories associated with the various debtor groups are reviewed to determine percentage rates to be applied to calculate the expected credit loss. Social housing debts are grouped based on days past due, the nature of the debt (rent or maintenance) and the type of property (remote Indigenous housing or public housing). Bond loan debts are grouped based on days past due and current vs terminated tenancy.

### 3.4 Credit risk (continued)

#### *Rental bond loans and social housing debtors (continued)*

##### *Write-offs*

Debts are written off against the relevant allowance for impairment when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include:

- bankruptcy conditions apply
- customers are deceased
- the tenancy is terminated and the debt is low value
- for all other amounts - the tenancy is terminated (and for bond loan customers the bond is disbursed) and multiple attempts to contact the customer (through various channels) and recover the debt have been unsuccessful.

The write-off of a debt does not release the customer from the debt and future action may be taken to recover the debt if further housing assistance is sought. A debt may only be waived in exceptional circumstances after a full review of the debt has been undertaken.

All known bad debts were written-off as at 30 June.

##### *Impact of COVID-19*

The department's overall exposure to credit risk and loss for bond loan and social housing clients has not been materially impacted due to COVID-19, which is evidenced by the nature of the payment arrangements in place and immaterial changes in days past due.

##### *Housing loans*

Housing loans have low credit risk and accordingly no impairment allowance is recognised for these debts. Most loans in the department's housing lending portfolio are secured by a registered first mortgage over the property concerned. Loans under the Rental Purchase Plan scheme are secured through title to the property remaining with the department until the purchase is fully completed under the contract. For loans under the Pathways Shared Equity Program, title to the property is held jointly by the department and the borrower until the purchase is fully completed under the contract. Housing loans generally have a low level of arrears and defaults, and a lot of the loans were provided many years ago based on much lower residential property values. The level of write-offs has been immaterial.

##### *Other receivables*

Trade debtors have low credit risk as they are predominately with other state government agencies. Finance lease receivables have low credit risk as they are with a Commonwealth Government agency and an industry superannuation fund. The level of write-offs has been immaterial and therefore no impairment allowance is recognised for these receivables.

### 3.5 Inventories

#### Inventory held for resale

##### Construction work in progress\*

##### Motor vehicles

##### Finished goods

-	31,811
8,986	10,265
220	348
9,206	42,424

#### Raw materials

#### Total

53	50
9,259	42,474

\*From 1 July 2019, Construction work in progress is reported as Contract assets due to the adoption of AASB 15 - refer to Note 3.9.

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	2020 \$'000	2019 \$'000
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**3.6 Other financial assets**

**Current**

Financial assets at fair value through profit or loss	6,000	6,000
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**Non-current**

Financial assets at fair value through profit or loss	179,717	180,949
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The department has two housing products which are classified as financial assets at fair value through profit or loss, being Rental Purchase Plan and Pathways Shared Equity.

Under a Rental Purchase Plan agreement, clients obtain a loan from the department for the purchase of a part share in a home and pay monthly instalments which include both a loan repayment (including interest) and a rent component. Under the Pathways Shared Equity Program, clients obtain a loan from the department for the purchase of a share in a property they are currently renting from the department. Clients pay monthly loan repayments to the department.

The department does not have effective control of properties subject to these agreements and its interest in the properties meets the definition of a financial instrument. Fair value is based on the net market value of the department's proportion of the underlying properties.

Loans provided under the loan agreements for these products are disclosed as housing loans receivable.

The department is exposed to market risk through its interest in Rental Purchase Plan and Pathways Shared Equity properties as the value of the department's interest in the properties is directly related to movements in the residential property market in the respective areas where they are located. Historically between 80% to 91% of the value of the department's interest in these properties is concentrated in the south-east corner of Queensland.

**3.7 Other assets**

**Current**

Prepayments*	46,615	65,336
Tax assets	744	-
Other	3	-
<b>Total</b>	<b>47,362</b>	<b>65,336</b>

**Non-current**

Prepayments	2,204	2,815
Deferred tax assets	2,425	2,011
Other	1,814	-
<b>Total</b>	<b>6,443</b>	<b>4,826</b>

\*Prepayments include the following amounts paid to related parties:

- \$9.827 million (2019 nil) paid to Stadiums Queensland for the Queensland Sport and Athletics Centre redevelopment
- \$4.945 million (2019 \$4.345 million) paid to the Department of Transport and Main Roads for QFleet motor vehicle registrations.

**3.8 Non-current assets classified as held for sale**

Land	47,990	24,553
Buildings	6,629	6,868
<b>Total</b>	<b>54,619</b>	<b>31,421</b>

Non-current assets held for sale consist of those assets that management has determined are available for immediate sale in their present condition, for which their sale is highly probable within the next twelve months.

The assets are measured at the lower of their carrying amount and their fair value less costs to sell. Any write-down to fair value less costs to sell is a non-recurring valuation. The write-down is recognised as an impairment loss expense. These assets are no longer depreciated upon being classified as held for sale.

### 3.8 Non-current assets classified as held for sale (continued)

These assets consist of social housing, government employee housing and commercial properties to be sold in line with ongoing portfolio management strategies to ensure the alignment of cost-effective and suitable properties with client needs in specific locations. These sales are generally achieved by listing the properties on the open market, but may also be negotiated directly with prospective purchasers (e.g. another Queensland Government agency or community organisation) or existing tenants.

The method to determine fair value less costs to sell for land and buildings is consistent with the method used for the valuation of the department's social housing, government employee housing and commercial properties (i.e. market and income approaches). The valuation represents a level two measurement. Refer to Note 3.1 for further details about the valuation of land and buildings.

Included in land is \$32.865 million of land held for sale to Cross River Rail Delivery Authority (related party).

### 3.9 Assets and liabilities related to contracts with customers

#### **Contract assets**

The department recognises contract assets for work performed for customers under Building Services contracts. Contract assets are transferred to receivables when the department's right to payment becomes unconditional. This usually occurs when the invoice is issued to the customer.

#### **Contract liabilities**

Contracts with customers are generally for periods of one year or less or are billed based on time elapsed. The balance of contract liabilities at the end of the financial year is generally recognised as revenue in the following year.

The department has applied the practical expedient in AASB 15 *Revenue from Contracts with Customers*, relating to transaction prices allocated to unsatisfied or partially satisfied performance obligations at the end of the reporting period.

Accrued revenue and unearned revenue that do not arise from contracts with customers are included in Notes 3.3 and 3.15 respectively.

#### **Project bank accounts**

The department enters into a number of building and construction project contracts during its ordinary course of business. For each of these contracts a competitive tendering process is undertaken to appoint head contractors, who in turn, may engage subcontractors to complete part of the works.

Under the *Building Industry Fairness (Security of Payment) Act 2017* ("the Act"), the head contractor would establish a project bank account with the head contractor as trustee and both the head contractor and the 'first tier' subcontractors as beneficiaries.

Each project bank account is a set of three trust accounts intended to facilitate all payment transactions for the head contractor and first tier subcontractors. The general trust account will receive the progress payments from the principal as required under the head contract and distribute payments to the head contractor and subcontractors and transfers of retentions and disputed amounts. The retention trust account will hold subcontractors' cash retentions until ready to be paid out while the disputed funds trust account will hold disputed amounts pending resolution of any disputes between the head contractor and subcontractors.

The department has no involvement in the management of the trust accounts except in limited circumstances where the head contractor is terminated or enters insolvency and, under Section 54 of the Act, the department may step into the role of trustee. During 2018-19 and 2019-20 there have been no situations where the department has had to step into the role of trustee.

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	2020 \$'000	2019 \$'000
<b>3.10 Borrowings</b>		
<b>Current</b>		
Australian Government borrowings	15,640	15,450
<b>Total</b>	<u>15,640</u>	<u>15,450</u>
<b>Non-current</b>		
Australian Government borrowings	247,426	263,066
Queensland Treasury Corporation borrowings	196,512	186,512
<b>Total</b>	<u>443,938</u>	<u>449,578</u>

Borrowings are initially recognised at fair value, plus any transaction costs directly attributable to the borrowings, and then subsequently held at amortised cost using the effective interest method. Borrowing costs are recognised as an expense.

The fair value of Australian Government borrowings and Queensland Treasury Corporation borrowings is notified by the Queensland Treasury Corporation and is calculated using discounted cash flow analysis. It is classified as a level three fair value in the fair value hierarchy. The carrying amount and fair value of borrowings is disclosed below:

	2020		2019	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Australian Government borrowings	263,066	340,519	278,516	351,849
Queensland Treasury Corporation borrowings	196,512	199,879	186,512	189,737

	2020 \$'000	2019 \$'000
<b>3.11 Payables</b>		
<b>Current</b>		
Trade creditors	171,478	292,391
Grants and subsidies payable	42,829	42,569
Deferred appropriation payable to Consolidated Fund	54,865	56,020
Equity adjustment payable	-	20,972
Dividends	6,667	7,891
GST payable	-	20,527
GST input tax credits receivable	-	(18,584)
Net GST payable	-	1,943
<b>Total</b>	<u>275,839</u>	<u>421,786</u>

Trade creditors are recognised upon receipt of the goods or services ordered, and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

The department recognises as payable those dividends declared on, or before, the reporting date, in relation to the profit of the commercialised business units. The entire amount of declared dividends remaining undistributed at the reporting date is recognised.

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	2020 \$'000	2019 \$'000
<b>3.12 Lease incentives</b>		
<b>Current</b>		
1 William St, Brisbane	-	13,841
Other	-	3,680
<b>Total</b>	-	17,521
<b>Non-current</b>		
1 William St, Brisbane	-	153,332
Other	-	25,099
<b>Total</b>	-	178,431

Until 30 June 2019, incentives received on entering into operating leases were recognised as liabilities. Lease payments were allocated between rental expense and reduction of the liability. On 1 July 2019 lease incentives were de-recognised due to the adoption of AASB 16 - refer to Notes 1.8 and 3.2 for further details.

**3.13 Queen's Wharf deferred consideration**

The developer of the Queen's Wharf Project is providing the state with cash and non-cash consideration in return for the right to develop the Precinct and operate the Integrated Resort Development. The upfront cash received cannot be recognised as revenue until completion of the Project. Until this point in time, the upfront cash is recognised with a corresponding liability.

**3.14 Provisions**

Current	22,094	3,034
Non-current	57,152	44,106

**Cladding remediation**

In 2018-19 the department recognised a provision for rectification costs for 15 department owned buildings requiring further fire engineering assessment and/or some form of remediation to address the presence of combustible cladding. All buildings have had interim risk mitigation strategies implemented and are safe for occupation pending final remediation. For one building the fire engineering assessment is now complete and the building has been removed from the Inter-Departmental Committee register of affected buildings. Further fire engineering and remediation works will continue to be undertaken on the 14 remaining buildings during 2020-21 and continue over a number of years.

**Make good**

Commercial office leases may contain a make good clause that requires the premises to be returned in a specified condition or other consideration to be provided at the end of the lease term. The department has established make good provisions in respect of these leases.

**Transfer duty**

A provision has been recognised for transfer duty in relation to:

- the Queens Wharf Precinct Integrated Resort Development (IRD) agreement and
  - the Queens Wharf Precinct Residential Development Agreement due to a change in tenure.
- Duty is payable to Queensland Treasury (related party) when the IRD long term lease is issued.

**Movements**

	Cladding remediation \$'000	Make good \$'000	Transfer duty \$'000	Other \$'000	Total \$'000
Balance at 30 June 2019	27,622	-	19,000	518	47,140
Additional provision made	-	21,634	16,667	115	38,416
Provision utilised through payments	-	-	-	(427)	(427)
Unused provisions reversed	(5,792)	-	-	(91)	(5,883)
Balance at 30 June 2020	21,830	21,634	35,667	115	79,246

Department of Housing and Public Works  
Notes to the financial statements 2019-20

	2020 \$'000	2019 \$'000
<b>3.15 Unearned revenue</b>		
<b>Current</b>		
Construction contracts	-	15,786
Rent	27,069	20,485
Finance lease revenue	1,323	1,323
Other	1,626	19,829
<b>Total</b>	<b>30,018</b>	<b>57,423</b>
<b>Non-current</b>		
Finance lease revenue	26,452	27,774
Other	-	1,210
<b>Total</b>	<b>26,452</b>	<b>28,984</b>

**3.16 Other liabilities**

<b>Current</b>		
Current tax liability	1,375	2,341
Other	8,065	3,231
<b>Total</b>	<b>9,440</b>	<b>5,572</b>
<b>Non-current</b>		
Deferred tax liability	15,961	16,877
Other	141	349
<b>Total</b>	<b>16,102</b>	<b>17,226</b>

**3.17 Liquidity risk**

The department is exposed to liquidity risk in respect of its payables, Australian Government and Queensland Treasury Corporation (related party) borrowings and lease liabilities. The department reduces the exposure to liquidity risk by ensuring it has sufficient funds available to meet these obligations as they fall due.

The department has overdraft facilities of \$95.450 million (2019 \$45.450 million) with the Commonwealth Bank and working capital facilities of \$60.000 million (2019 \$60.000 million) with Queensland Treasury Corporation. These facilities were undrawn as at 30 June and are available for future use.

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 undiscounted cash flows relating to the liabilities at reporting date. The undiscounted cash flows will differ from the amortised cost (carrying amount) where this is based on principal loan amount outstanding or discounted cash flows.

Queensland Treasury Corporation borrowings in respect of the motor vehicle fleet are interest only with no fixed repayment date for the principal component. For the purposes of completing the maturity analysis, the principal component of these loans has been included in the more than five year time band with no interest payment assumed in this time band.

2020	Amortised Cost \$'000	Undiscounted cash flows			
		Contractual maturity payable in			Total \$'000
		<1 year \$'000	1-5 years \$'000	>5 years \$'000	
<b>Financial liabilities</b>					
Lease liabilities	2,695,056	450,635	1,403,190	1,166,629	3,020,454
Borrowings					
Australian Government borrowings	263,066	27,335	104,173	237,944	369,452
Queensland Treasury Corporation borrowings	196,512	6,288	25,114	196,512	227,914
Payables	275,839	275,839	-	-	275,839
<b>Total</b>	<b>3,430,473</b>	<b>760,097</b>	<b>1,532,477</b>	<b>1,601,085</b>	<b>3,893,659</b>

### 3.17 Liquidity risk (continued)

2019	Amortised Cost \$'000	Undiscounted cash flows			
		Contractual maturity payable in			Total \$'000
		<1 year \$'000	1-5 years \$'000	>5 years \$'000	
<b>Financial liabilities</b>					
Finance lease liabilities	243,839	22,860	102,068	247,565	372,493
Borrowings					
Australian Government borrowings	278,516	27,831	106,375	263,077	397,283
Queensland Treasury Corporation borrowings	186,512	6,089	24,284	186,512	216,885
Payables	421,786	421,786	-	-	421,786
<b>Total</b>	<b>1,130,653</b>	<b>478,566</b>	<b>232,727</b>	<b>697,154</b>	<b>1,408,447</b>

### 3.18 Contributed equity

Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* specifies the principles for recognising contributed equity by the department. The following items are recognised as contributed equity during the reporting and comparative years and are disclosed in the Statement of Changes in Equity:

- appropriations for equity adjustments (refer to Note 3.19)
- non-appropriated equity adjustments
- non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities as a result of machinery-of-government changes.

### 3.19 Appropriations recognised in equity

	2020 \$'000	2019 \$'000
<b>Reconciliation of payments from consolidated fund to equity adjustment</b>		
Original budgeted equity adjustment appropriation	326,220	225,903
Supplementary amounts		
Transfers from/to other departments - redistribution of public business	-	108,000
Transfers from/to other headings	(27,381)	-
Lapsed equity adjustment	(32,582)	(42,427)
<b>Equity adjustment receipts (payments)</b>	<b>266,257</b>	<b>291,476</b>
Plus: Closing balance of equity adjustment receivable	9,729	-
Plus: Opening balance of equity adjustment payable	20,972	2,119
Less: Closing balance of equity adjustment payable	-	(20,972)
<b>Equity adjustment recognised in contributed equity</b>	<b>296,958</b>	<b>272,623</b>
Variance between original budgeted and actual equity adjustment appropriation	(29,262)	46,720



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	Variance notes	Original budget 2020 \$'000	Actual 2020 \$'000	Variance \$'000
<b>4 BUDGET TO ACTUAL COMPARISON</b>				
This section details the major variances between the department's actual 2019-20 financial results and the original budget presented to Parliament.				
<b>STATEMENT OF COMPREHENSIVE INCOME</b>				
<b>INCOME</b>				
User charges and fees		2,011,403	2,067,749	56,346
Appropriation revenue		1,137,386	1,083,163	(54,223)
Grants and other contributions		7,430	12,696	5,266
Interest		6,352	4,282	(2,070)
Other revenue		24,949	50,042	25,093
<b>Total revenue</b>		<b>3,187,520</b>	<b>3,217,932</b>	<b>30,412</b>
Gains on disposal/remeasurement of assets		4,268	6,578	2,310
<b>Total income</b>		<b>3,191,788</b>	<b>3,224,510</b>	<b>32,722</b>
<b>EXPENSES</b>				
Supplies and services		1,711,749	1,681,473	(30,276)
Employee expenses		608,938	605,311	(3,627)
Depreciation and amortisation		658,538	711,662	53,124
Grants and subsidies		296,361	266,065	(30,296)
Revaluation decrement	1	-	245,367	245,367
Finance/borrowing costs		86,691	66,315	(20,376)
Impairment losses on loans and receivables		4,357	11,955	7,598
Other expenses		37,366	39,354	1,988
<b>Total expenses</b>		<b>3,404,000</b>	<b>3,627,502</b>	<b>223,502</b>
<b>Operating result before income tax</b>		<b>(212,212)</b>	<b>(402,992)</b>	<b>(190,780)</b>
Income tax benefit/(expense)		(922)	(5,879)	(4,957)
<b>Operating result after income tax</b>		<b>(213,134)</b>	<b>(408,871)</b>	<b>(195,737)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that will not be reclassified to operating result</b>				
Increase/(decrease) in asset revaluation surplus	2	-	415,391	415,391
<b>Total other comprehensive income</b>		<b>-</b>	<b>415,391</b>	<b>415,391</b>
<b>Total comprehensive income</b>		<b>(213,134)</b>	<b>6,520</b>	<b>219,654</b>

Department of Housing and Public Works  
Notes to the financial statements 2019-20

	Variance notes	Original budget 2020 \$'000	Actual 2020 \$'000	Variance \$'000
<b>4 BUDGET TO ACTUAL COMPARISON (CONTINUED)</b>				
<b>BALANCE SHEET</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	3	256,176	426,406	170,230
Loans and receivables		197,399	201,305	3,906
Contract assets		41,348	28,296	(13,052)
Inventories		13,168	9,259	(3,909)
Other financial assets		6,000	6,000	-
Other current assets		68,409	47,362	(21,047)
		582,500	718,628	136,128
Non-current assets classified as held for sale		42,611	54,619	12,008
<b>Total current assets</b>		625,111	773,247	148,136
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment		18,680,828	18,727,253	46,425
Right-of-use assets	4	2,911,296	3,160,811	249,515
Other financial assets		177,284	179,717	2,433
Loans and receivables		69,941	112,723	42,782
Intangible assets		25,315	26,286	971
Other non-current assets		2,707	6,443	3,736
<b>Total non-current assets</b>		21,867,371	22,213,233	345,862
<b>TOTAL ASSETS</b>		22,492,482	22,986,480	493,998
<b>CURRENT LIABILITIES</b>				
Payables		266,402	275,839	9,437
Lease liabilities	4	42,862	405,877	363,015
Contract liabilities		20,020	29,517	9,497
Accrued employee benefits		25,471	27,495	2,024
Unearned revenue		22,716	30,018	7,302
Borrowings		15,627	15,640	13
Provisions		-	22,094	22,094
Other current liabilities		5,197	9,440	4,243
<b>Total current liabilities</b>		398,295	815,920	417,625
<b>NON-CURRENT LIABILITIES</b>				
Lease liabilities	4	2,214,366	2,289,179	74,813
Borrowings		443,938	443,938	-
Queen's Wharf deferred consideration		129,391	102,725	(26,666)
Provisions		9,000	57,152	48,152
Unearned revenue		26,450	26,452	2
Contract liabilities		284	2,732	2,448
Other non-current liabilities		15,763	16,102	339
<b>Total non-current liabilities</b>		2,839,192	2,938,280	99,088
<b>TOTAL LIABILITIES</b>		3,237,487	3,754,200	516,713
<b>NET ASSETS / TOTAL EQUITY</b>		19,254,995	19,232,280	(22,715)

	Variance notes	Original budget 2020 \$'000	Actual 2020 \$'000	Variance \$'000
<b>4 BUDGET TO ACTUAL COMPARISON (CONTINUED)</b>				
<b>STATEMENT OF CASH FLOWS</b>				
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<i>Inflows:</i>				
User charges and fees		2,013,260	2,074,747	61,487
Appropriation receipts		1,135,129	1,082,008	(53,121)
GST input tax credits received from Australian Taxation Office		245,378	273,939	28,561
GST collected from customers		163,761	173,910	10,149
Grants and other contributions		7,430	18,357	10,927
Interest receipts		4,267	2,418	(1,849)
Other		28,128	41,567	13,439
<i>Outflows:</i>				
Supplies and services		(1,770,888)	(1,785,867)	(14,979)
Employee expenses		(606,986)	(602,139)	4,847
GST remitted to Australian Taxation Office		(190,515)	(223,769)	(33,254)
GST paid to suppliers		(220,174)	(253,398)	(33,224)
Grants and subsidies		(296,361)	(266,908)	29,453
Finance/borrowing costs		(86,704)	(66,337)	20,367
Taxation equivalents		(5,892)	(8,918)	(3,026)
Other		(39,131)	(21,020)	18,111
<b>Net cash provided by (used in) operating activities</b>		<b>380,702</b>	<b>438,590</b>	<b>57,888</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<i>Inflows:</i>				
Sales of property, plant and equipment		111,802	101,429	(10,373)
Loans and advances redeemed	5	33,585	25,346	(8,239)
Redemption of other financial assets		5,000	6,994	1,994
<i>Outflows:</i>				
Payments for property, plant and equipment	6	(607,004)	(536,031)	70,973
Loans and advances made		(37,946)	(33,092)	4,854
Payments for intangible assets		(3,800)	(4,753)	(953)
<b>Net cash provided by (used in) investing activities</b>		<b>(498,363)</b>	<b>(440,107)</b>	<b>58,256</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<i>Inflows:</i>				
Equity injections		780,422	759,547	(20,875)
Borrowings		10,000	10,000	-
<i>Outflows:</i>				
Equity withdrawals		(454,202)	(493,290)	(39,088)
Borrowing redemptions		(15,450)	(15,450)	-
Dividends paid		(5,780)	(7,891)	(2,111)
Payment of lease liabilities	7	(336,108)	(392,347)	(56,239)
<b>Net cash provided by (used in) financing activities</b>		<b>(21,118)</b>	<b>(139,431)</b>	<b>(118,313)</b>
Net increase (decrease) in cash and cash equivalents		(138,779)	(140,948)	(2,169)
Cash and cash equivalents – opening balance		394,955	567,354	172,399
<b>Cash and cash equivalents – closing balance</b>		<b>256,176</b>	<b>426,406</b>	<b>170,230</b>

#### 4 BUDGET TO ACTUAL COMPARISON (CONTINUED)

##### Explanations of major variances

Major variances have been assessed as meeting both of the following criteria:

- The line item within the Statement of Comprehensive Income or the Balance Sheet is material (greater than 10%) compared to total income, total expenses, total assets (less property, plant and equipment) or total liabilities, as applicable. The line item within the Statement of Cash Flows is material (greater than 10%) compared to total inflows or total outflows (as applicable) for the relevant cash flow category (i.e. operating/investing/financing).
- The variance between the actual amount and the budget is greater than 10% except for payments for property, plant and equipment (Statement of Cash Flows) and employee expenses and supplies and services (Statement of Comprehensive Income) where 5% is used.

The department may include as major variances, line items not meeting the above criteria, but which are considered material due to their nature.

##### Statement of Comprehensive Income

###### 1 *Revaluation decrement*

The department does not budget for movements in the fair value of property, plant and equipment as this is reflective of market movements which cannot be reliably estimated, particularly given the size and diversity of the department's property portfolio.

The variance of \$245.367 million principally represents decreases in the value of social housing residential buildings (\$218.988 million). Whilst properties have experienced modest growth across the Queensland residential property market, this is largely driven by land values. Building values continue to reflect the ageing portfolio and the relatively low amenity of the department's detached housing portfolio, comparative to product in the market.

###### 2 *Movement in asset revaluation surplus*

The department does not budget for movements in the fair value of property, plant and equipment as this is reflective of market movements which cannot be reliably estimated, particularly given the size and diversity of the department's property portfolio.

The variance of \$415.391 million principally represents increases in the value of social housing residential land (\$405.277 million). The movement in social housing land values principally reflects increased values across the Queensland residential property market, particularly in South-East Queensland.

#### 4 BUDGET TO ACTUAL COMPARISON (CONTINUED)

##### **Balance Sheet**

##### 3 *Cash*

The variance of \$170.230 million is mainly due to:

- increased cash balance of \$85.851 million for Housing and Homelessness Services mainly due to a higher cash opening balance (\$69.788 million) for timing differences in capital works, grants and outsourced service delivery and lower supplies and services, as well as the timing in 2019-20 of expenditure for capital works (\$24.052 million), GST refunds (\$10.953 million) and a Commonwealth Government grant (\$5.000 million), partly offset by higher maintenance (\$8.387 million) and supplies and services expenditure (\$6.401 million) and lower asset sales (\$5.965 million)
- increased cash balance for Public Works of \$100.403 million mainly due to deferrals from 2019-20 to 2020-21 for maintenance, information technology and capital projects committed but not finalised (\$43.911 million), funding retained from the land premiums returned to the Consolidated Fund for the future duty payable on the Queen's Wharf Integrated Resort Development agreement (\$19.000 million) and the timing of invoices for work delivered but paid after 30 June (\$16.260 million)
- decreased cash balances for QBuild (\$12.727 million) mainly due to the decision to support small and medium enterprises during the COVID-19 pandemic by paying vendors immediately (\$62.500 million) offset by higher actual opening balances and a higher value of client payments received in June than anticipated (\$46.706 million).

##### 4 *Right-of-use assets and lease liabilities*

The right-of-use assets variance of \$249.515 million and the combined current and non-current lease liability variance of \$437.828 million is mainly due to the actual opening balance on transition to AASB16 *Leases* being higher than budgeted due to a downward movement in the incremental borrowing rate, changes to lease terms and additional leases requiring recognition.

##### **Statement of Cash Flows**

##### 5 *Loans and advances redeemed*

The (\$8.239 million) variance for lower bond loan redemptions is due to lower advances in 2018-19. Demand for loans is client driven and difficult to predict.

##### 6 *Payments for property, plant and equipment*

The variance of \$70.973 million mainly relates to Housing and Homelessness Services (\$50.829 million) for deferrals of capital works for Public Rental Housing (\$12.017 million) and Remote Indigenous Capital Delivery (\$17.290 million) due to delays resulting from COVID-19 restrictions on site access, as well as timing differences in the delivery of a school boarding facility under the National Partnership on Remote Housing (\$14.616 million) and a Youth Foyer in Townsville (\$9.884 million).

##### 7 *Payment of lease liabilities*

The variance of (\$56.239 million) is mainly due to the increase in lease liability payments as outlined in variance note 4 above.

## 5 OTHER INFORMATION

### 5.1 Key management personnel disclosures

#### (a) Details of key management personnel (KMP)

The department's responsible Minister is identified as part of the department's KMP, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. That Minister is the Minister for Housing and Public Works, Minister for Digital Technology and Minister for Sport.

The following details for non-ministerial KMP reflect those positions that had authority and responsibility for planning, directing and controlling the activities of the department. Further information about these positions can be found in the body of the Annual Report under the section relating to Executive Management. There were no material related party transactions with KMP during 2019-20 other than what is reported in this KMP note.

Position	Position responsibility
Director-General	Responsible for executive leadership, overall strategic direction and the financial administration of the department.
Deputy Director-General, Building Policy and Asset Management	Responsible for providing strategic leadership to deliver high quality outcomes under the department's capital works and building asset management programs, accommodation and employee housing programs and disaster management coordination efforts. The role is critical in developing and maintaining effective partnerships and relationships with key stakeholders and clients including interface with the building industry.
Deputy Director-General, Housing, Homelessness and Sport	Responsible for providing strategic leadership to design and deliver housing and homelessness services in Queensland through remote Aboriginal and Torres Strait Islander housing, social and private housing assistance, homelessness support services, crisis accommodation and regulatory services which regulate residential services, residential parks and retirement villages industries in Queensland. The role also provides strategic leadership for sport and recreation strategies and programs as well as initiatives to build the capacity of the sport and recreation industry.
Deputy-Director-General, Digital Technology and Services <sup>1</sup>	Responsible for providing strategic leadership on whole-of-government ICT initiatives that enable modern, responsive and integrated frontline services for Queenslanders and preserves and improves access to Queensland's record-related information. The role also provides strategic leadership to deliver a range of corporate transactional and advisory services and associated technology solutions across Queensland Government departments and agencies.
Deputy Director-General, Services Delivery and Operations	Responsible for providing strategic leadership for digitally-enabled whole-of-government services to the Queensland public and modern and trusted corporate services and advice to Queensland Government departments and statutory authorities.
Deputy Director-General Portfolio Strategy and Chief Advisor Queensland Government Procurement	Responsible for providing strategic coordination across the department and leading effective whole-of-government change across procurement, service transformation and digitisation, delivering a more responsive government for all Queenslanders. The Chief Advisor Queensland Government Procurement oversees the entire Queensland Government procurement system, establishing policy, strategy and governance of Queensland's agency led, centrally enabled procurement function.
Assistant Director-General, Digital Platforms and Data <sup>2</sup>	Responsible for providing strategic leadership on whole-of-government ICT initiatives that enable modern, responsive and integrated frontline services for Queenslanders.
Deputy Director-General, Transformation and Enabling Technologies	Responsible for providing strategic leadership to the Transformation and Enabling Technologies stream to deliver the services, solutions and technologies that empower Queensland Government agencies to provide high-quality services to Queenslanders. The stream has a heavy focus on partnering with Queensland Government agencies and industry to provide innovative, responsive and integrated services. With its service delivery focus, the division plays a key support role in advancing the State Government's priority to be a responsive government.
Assistant Director-General, Sport and Recreation	Responsible for strategic leadership of the division, implementing strategies and programs to encourage active lifestyles and initiatives to build the capacity of the sport and recreation industry.

## 5.1 Key management personnel disclosures (continued)

### (a) Details of key management personnel (KMP) (continued)

Position	Position responsibility
Executive General Manager, QBuild <sup>3</sup>	The primary purpose of this position is to lead the overall operations of QBuild, including the comprehensive range of asset management, maintenance, construction, consultancy, and building services that it provides. The role provides strategic direction to and is accountable for the effective governance of, operational and strategic areas of the business unit to ensure continued commercial viability and the achievement of government and business objectives.
Assistant Director-General, Building Legislation and Policy	Responsible for leading, managing and coordinating all building related policy areas for government, by ensuring close working relationships between individual policy groups resulting in efficient and effective policies for all building related functions. The position is also accountable for the provision of expert policy advice and implementation of building legislation and policy.
Assistant Director-General, Responsive Government <sup>4</sup>	Responsible for oversight and successful delivery of the Responsive Government Program. The program includes direct delivery by staff in the Responsive Government Group, activation and oversight of service delivery within the Digital Technology and Services Division and activation of effective partnerships and delivery by partner agencies.
Deputy Director-General, Customer and Digital Strategy	Responsible for providing strategic leadership to the Customer and Digital Strategy Division to develop, facilitate and coordinate the Queensland Government's customer and digital strategies, policies, roadmaps and standards. Ensuring collaboration and engagement across government to improve customer experiences through government services that are digitally enabled, responsive, easy to use and accessible online, over the phone and in person.
Assistant Director-General, Corporate Services	Responsible for providing strategic leadership to deliver the department's corporate support services.
Queensland Government Chief Information Officer <sup>5</sup>	Responsible for providing independent quality advice to the Director-General and Minister on information communication technology issues from a whole-of-government perspective.
Chief Customer and Digital Officer	Responsible for leading and driving a more digitally enabled and responsive government, whilst facilitating simple and effective access to services for all Queenslanders. Ensuring digital, strategic and service delivery leadership and capability to enable more responsive services across the Queensland Government.

<sup>1</sup> This position was renamed Deputy Director-General, Services Delivery and Operations from 2 December 2019 as part of a departmental restructure.

<sup>2</sup> This position was renamed Deputy Director-General, Transformation and Enabling Technologies from 2 December 2019 as part of a departmental restructure.

<sup>3</sup> This position was created from 3 February 2020.

<sup>4</sup> This position was renamed Deputy Director-General, Customer and Digital Strategy from 2 December 2019 as part of a departmental restructure.

<sup>5</sup> This position was renamed Chief Customer and Digital Officer from 3 February 2020 as part of a departmental restructure.

### (b) Remuneration policies

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The department does not bear any cost of remuneration of ministers. The majority of ministerial entitlements are paid by the Legislative Assembly with the remaining being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements, which are published as part of the Queensland Treasury's Report on the State Finances.

Remuneration policy for the department's other KMP is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*. Individual remuneration and other terms of employment (including motor vehicle entitlements) are specified in employment contracts.

## 5.1 Key management personnel disclosures (continued)

### (b) Remuneration policies (continued)

Remuneration expenses for those KMP comprise the following components:

Short-term employee expenses include:

- salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee was a KMP
- non-monetary benefits - consisting of provision of vehicle, together with fringe benefits tax applicable to the benefit.

Long-term employee expenses include amounts expensed in respect of long service leave entitlements earned.

Post-employment expenses include amounts expensed in respect of employer superannuation obligations.

Termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

No remuneration packages for key management personnel provide for any performance or bonus payments.

### (c) Remuneration expenses

The following disclosures focus on the expenses incurred by the department that are attributable to non-ministerial key management personnel positions during the respective reporting periods. Therefore, the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income.

**1 July 2019 – 30 June 2020**

Position	Short-term employee expenses		Long-term employee expenses	Post-employment expenses	Termination benefits	Total expenses
	Monetary expenses	Non-monetary benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Director-General	431	9	9	56	-	505
Deputy Director-General, Building Policy and Asset Management	289	11	7	30	-	337
Deputy Director-General, Housing, Homelessness and Sport	276	10	6	30	-	322
Deputy Director-General, Digital Technology and Services <sup>1</sup>	115	4	3	13	-	135
Deputy Director-General, Services Delivery and Operations (from 2/12/2019)	140	5	3	15	-	163
Deputy Director-General Portfolio Strategy and Chief Advisor Queensland Government Procurement (acting from 18/06/2019)	236	10	5	20	-	271
Assistant Director-General, Digital Platforms and Data <sup>2</sup>	112	4	3	12	-	131
Deputy Director-General, Transformation and Enabling Technologies (from 2/12/2019)	129	5	3	14	-	151
Assistant Director-General, Sport and Recreation (to 2/02/2020)	122	6	3	13	-	144
Assistant Director-General, Sport and Recreation (from 3/02/2020)	94	4	2	11	-	111



5.1 Key management personnel disclosures (continued)

(c) Remuneration expenses (continued)

Position	Short-term employee expenses		Long-term employee expenses	Post-employment expenses	Termination benefits	Total expenses
	Monetary expenses	Non-monetary benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Executive General Manager, QBuild (from 3/02/2020) <sup>3</sup>	135	4	2	9	-	150
Assistant Director-General, Building Legislation and Policy	237	11	5	24	-	277
Assistant Director-General, Responsive Government (acting to 18/10/2019)	71	3	2	7	-	83
Assistant Director-General, Responsive Government (from 26/10/2019) <sup>4</sup>	43	1	1	3	-	48
Deputy Director-General, Customer and Digital Strategy (from 2/12/2019)	139	6	3	15	-	163
Assistant Director-General, Corporate Services	235	11	6	22	-	274
Queensland Government Chief Information Officer <sup>5</sup>	247	7	5	26	30	315
Chief Customer and Digital Officer (from 3/02/2020)	143	4	3	15	-	165

<sup>1</sup> This position was renamed Deputy Director-General, Services Delivery and Operations from 2 December 2019 as part of a departmental restructure.

<sup>2</sup> This position was renamed Deputy Director-General, Transformation and Enabling Technologies from 2 December 2019 as part of a departmental restructure.

<sup>3</sup> This position was created from 3 February 2020.

<sup>4</sup> This position was renamed Deputy Director-General, Customer and Digital Strategy from 2 December 2019 as part of a departmental restructure.

<sup>5</sup> This position was renamed Chief Customer and Digital Officer from 3 February 2020 as part of a departmental restructure.

## 5.1 Key management personnel disclosures (continued)

### (c) Remuneration expenses (continued)

1 July 2018 – 30 June 2019

Position	Short-term employee expenses		Long-term employee expenses	Post-employment expenses	Termination benefits	Total expenses
	Monetary expenses	Non-monetary benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Director-General	437	11	9	56	-	513
Deputy Director-General, Building Policy and Asset Management <sup>1</sup>	242	12	5	27	-	286
Deputy Director-General, Building Policy and Asset Management (Acting 11/02/19 - 15/03/19)	26	1	-	1	-	28
Deputy Director-General, Housing, Homelessness and Sport (to 15/07/2018)	13	1	-	2	-	16
Deputy Director-General, Housing, Homelessness and Sport (from 16/07/2018)	260	10	5	26	-	301
Deputy Director-General, Digital Technology and Services	258	11	5	28	-	302
Deputy Director-General Portfolio Strategy and Chief Advisor Queensland Government Procurement <sup>2</sup> (to 17/06/19)	271	-	6	29	-	306
Deputy Director-General Portfolio Strategy and Chief Advisor Queensland Government Procurement (Acting from 18/06/19)	8	-	-	1	-	9
Assistant Director-General, Digital Platforms and Data <sup>3</sup>	28	1	1	3	-	33
Assistant Director-General, Sport and Recreation <sup>3</sup>	26	1	-	3	-	30
Assistant Director-General, Building Legislation and Policy <sup>3</sup>	25	1	1	3	-	30
Assistant Director-General, Responsive Government (Acting) <sup>3</sup>	32	1	1	2	-	36
Assistant Director-General, Corporate Services	247	13	5	22	-	287
Queensland Government Chief Information Officer	337	10	7	38	-	392

<sup>1</sup> During the period 24 December 2018 to 6 January 2019, the position of Director-General was performed by the Deputy Director-General Building Policy and Asset Management. The remuneration paid to this KMP for this period is reflected above in the total expenses against their substantive position.

<sup>2</sup> During the period 4 August 2018 to 2 September 2018, the position of Director-General was performed by the Deputy Director-General Portfolio Strategy and Chief Advisor Queensland Government Procurement. The remuneration paid to this KMP for this period is reflected above in the total expenses against their substantive position.

<sup>3</sup> Effective from 24 May 2019, these positions became KMP as they were included in the strategic decision making meetings of the Executive Leadership Team.

## 5.2 Unrecognised items

### (a) Commitments for expenditure

Commitments at reporting date (inclusive of non-recoverable GST input tax credits) are payable:

	Not later than one year \$'000	Later than one year and not later than five years \$'000	Later than five years \$'000	Total \$'000
<b>2020</b>				
Property, plant and equipment	305,583	15,443	-	321,026
<b>Total</b>	<b>305,583</b>	<b>15,443</b>	<b>-</b>	<b>321,026</b>
<b>2019</b>				
Non-cancellable operating leases*	453,913	1,277,125	967,372	2,698,410
Property, plant and equipment	318,970	11,228	-	330,198
<b>Total</b>	<b>772,883</b>	<b>1,288,353</b>	<b>967,372</b>	<b>3,028,608</b>

\*From 1 July 2019, lease liabilities are recognised for the majority of these leases due to the adoption of AASB 16. Future amounts payable are included in the maturity analysis of lease liabilities presented in Note 3.17.

### (b) Future operating lease receivables

Future minimum lease payments receivable under non-cancellable operating subleases (as defined by AASB 117) are disclosed below for 2018-19. The subleases are with other Queensland Government entities in respect of the office accommodation referred to in Note 3.2. From 1 July 2019 these arrangements are exempt from the lease accounting and disclosure requirements of AASB 16 - refer to Note 1.8.

	Not later than one year \$'000	Later than one year and not later than five years \$'000	Later than five years \$'000	Total \$'000
<b>2019</b>				
Non-cancellable operating subleases	402,992	1,175,202	937,601	2,515,795

## 5.3 Future impact of accounting standards not yet effective

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards issued but with future effective dates are set out below.

### **AASB 1059 Service Concession Arrangements: Grantors**

This standard defines service concession arrangements and applies a new control concept to the recognition of service concession assets and related liabilities. AASB 1059 will first apply to the department in 2020-21. The department does not currently have any arrangements that would fall within the scope of AASB 1059.

Other Australia Accounting Standards and Interpretations with future effective dates are either not applicable or have no material impact on the department.

#### 5.4 Taxation

The department is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax, Luxury Car Tax (in respect of certain fleet vehicles) and Goods and Services Tax (GST). As such, input tax credits receivable and GST payable from/to the Australian Taxation Office are recognised.

Agreements have been reached with Queensland Treasury for the commercialised business units of the department to pay an income tax equivalent, in accordance with the requirements of the National Tax Equivalents Regime.

Where a commercialised business unit is subject to the tax equivalents regime, the income tax equivalent expense is calculated based on the Balance Sheet approach under which temporary differences are identified for each asset and liability. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is recognised as a tax asset or a tax liability.

Tax assets are not brought to account unless realisation of the asset is probable. Tax assets relating to commercialised business units with tax losses are only brought to account to the extent that future profits are probable. Recovery of deferred tax assets is primarily based on projected operational results outlined in three year forecasting budgets provided to Queensland Treasury.

#### 5.5 Administered activities

	Variance notes	Original Budget 2020 \$'000	Actual 2020 \$'000	Budget Variance 2020 \$'000	Actual 2019 \$'000
<b>Administered revenues</b>					
Appropriation revenue	1	53,495	73,410	19,915	52,386
User charges and fees		114	82	(32)	138
<b>Total administered revenues</b>		<b>53,609</b>	<b>73,492</b>	<b>19,883</b>	<b>52,524</b>
<b>Administered expenses</b>					
Supplies and services	2	15,237	23,152	7,915	18,179
Grants and subsidies	3	43,396	55,827	12,431	39,527
Transfer of administered revenue to government		114	82	(32)	140
<b>Total administered expenses</b>		<b>58,747</b>	<b>79,061</b>	<b>20,314</b>	<b>57,846</b>
<b>Operating result</b>		<b>(5,138)</b>	<b>(5,569)</b>	<b>(431)</b>	<b>(5,322)</b>
<b>Administered current assets</b>					
Cash	4	2,705	1,433	(1,272)	2,541
Receivables		-	9	9	26
Prepayments		4,101	4,101	-	4,101
<b>Total administered current assets</b>		<b>6,806</b>	<b>5,543</b>	<b>(1,263)</b>	<b>6,668</b>
<b>Administered non-current assets</b>					
Prepayments		1,368	1,367	(1)	5,468
<b>Total administered non-current assets</b>		<b>1,368</b>	<b>1,367</b>	<b>(1)</b>	<b>5,468</b>
<b>Administered current liabilities</b>					
Payables		-	86	86	179
<b>Total administered current liabilities</b>		<b>-</b>	<b>86</b>	<b>86</b>	<b>179</b>
<b>Net administered assets</b>		<b>8,174</b>	<b>6,824</b>	<b>(1,350)</b>	<b>11,957</b>

The department administers, but does not control, certain resources on behalf of the Queensland Government. In doing so, it has responsibility and is accountable for administering related transactions and balances, but does not have the discretion to deploy the resources for the achievement of the department's objectives.

Administered transactions and balances are not significant in comparison to the department's overall financial performance/financial position.

	2020 \$'000	2019 \$'000
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## 5.5 Administered activities (continued)

Accounting policies applicable to administered items are consistent with the equivalent policies for controlled items.

Amounts appropriated to the department for transfer to other entities in accordance with legislative or other requirements are reported as administered appropriation revenue or equity injections.

### **Budget to actual comparison - explanations of major variances**

#### 1 *Appropriation revenue*

The variance of \$19.915 million is mainly due to \$16.840 million additional funding provided to Stadiums Queensland for stamp duty on the transfer of the North Queensland Stadium.

#### 2 *Supplies and services*

The variance of \$7.915 million is mainly due to a \$1.600 million additional expenditure for the QBuild Apprentice Program, \$3.892 million additional expenditure for the QBCC Building Industry Fairness Reforms and \$2.140 million additional expenditure relating to the \$1,250 one-off payments payable on certification of Enterprise Bargaining Agreements.

#### 3 *Grants and subsidies*

The variance of \$12.431 million is mainly due to the \$16.840 million additional grant to Stadiums Queensland for stamp duty on the transfer of the North Queensland Stadium. This has been offset by a (\$5.400 million) variance due to the deferral of the North Queensland Strata Title Inspection Scheme.

#### 4 *Cash*

The variance of (\$1.272 million) is due to an unbudgeted \$1.246 million equity withdrawal to Queensland Shared Services for cash received in prior years.

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

Budgeted appropriation revenue	53,495	47,978
Transfers from/(to) other headings	19,915	2,428
<b>Total administered appropriation revenue receipts (cash)</b>	<b>73,410</b>	<b>50,406</b>
Plus: Opening balance of deferred administered appropriation payable to Consolidated Fund	-	1,980
<b>Administered appropriation revenue</b>	<b>73,410</b>	<b>52,386</b>

Appropriation revenue includes \$53.360 million (2019 \$34.601 million) paid as grants to Stadiums Queensland (a related party).

### **Administered equity payments from consolidated fund**

Budgeted equity appropriation	35,000	-
Transfers from/(to) other headings	27,381	-
<b>Total administered appropriation equity receipts (cash)</b>	<b>62,381</b>	<b>-</b>
Less: Transfers out to other Queensland Government entities	(62,381)	-
	-	-

During 2019-20 the department received administered appropriated equity injections which were paid to Stadiums Queensland (a related party) for upgrades to the Gabba and construction of the North Queensland Stadium.

	2020 \$'000	2019 \$'000
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## 5.6 Agency transactions and balances

As the department performs only a custodial role in respect of agency transactions and balances, they are not recognised in the financial statements but are disclosed in these notes for the information of users.

### (a) QBuild

QBuild acts as an agent on behalf of other Queensland Government agencies in relation to the procurement and project management for large capital works projects.

#### Agency revenues

Receipts for goods and services	489,803	480,536
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#### Agency expenses

Payments for supplies and services	489,803	480,536
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#### Agency current assets

Receivables	57,242	77,881
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#### Agency current liabilities

Bank overdraft	37,635	50,948
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Payables	18,053	24,344
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Other	1,554	2,589
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<b>Total liabilities</b>	<b>57,242</b>	<b>77,881</b>
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Fees received for the provision of these services are included in user charges.

### (b) Resource management services

Until 30 June 2019 the department acted as an agent on behalf of other Queensland Government agencies and Allegis Global Solutions in relation to the provision of resource management services for information and communication technology contractors. The department did not receive any fees for providing agent services but was entitled to the interest earned from a bank account associated with this agency arrangement. The department engaged information and communication technology contractors through the resource management service – the receipts and payments relating to these engagements are included in these figures. From 1 July 2019 the department is no longer an agent in this arrangement due to changes in the contract.

#### Agency revenues

Receipts for goods and services	-	138,691
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#### Agency expenses

Payments for supplies and services	-	136,729
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#### Agency current assets

Cash	-	8,869
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### (c) Smart Service Queensland

Smart Service Queensland acts as an agent for collection and payment processing services, and undertakes certain transactions on behalf of Queensland Government agencies and its clients.

#### Agency cash assets

Balance at 1 July	396	344
Collections during the period	193,175	54,900
Distributions according to clients' instructions during the period	(192,232)	(54,848)
Balance at 30 June	1,339	396

Fees received for the provision of these services are included in user charges.

	2020 \$'000	2019 \$'000
<b>5.6 Agency transactions and balances (continued)</b>		
<b>(d) Construction Project Delivery</b>		
Effective from 1 September 2018, Construction Project Delivery was transferred from the Department of State Development, Manufacturing, Infrastructure and Planning (refer to Note 1.5). Construction Project Delivery acts as an agent on behalf of other Queensland Government agencies and non-government entities to project manage major capital works projects. Fees received for the provision of these services are included in user charges.		
<b>Agency revenues</b>		
Receipts for goods and services	214,605	40,574
<b>Agency expenses</b>		
Payments for supplies and services	214,605	40,574
<b>Agency current assets</b>		
Receivables	33,188	36,413
<b>Agency current liabilities</b>		
Payables*	33,188	36,413

\*This amount includes nil (2019 \$25.552 million) payable to the Public Works controlled bank account.

**(e) Agent transactions - machinery-of-government**

The department acted as an agent, processing transactions on behalf of the Department of Environment and Science, the Department of Innovation, Tourism Industry Development and the Commonwealth Games and the Department of the Premier and Cabinet following machinery-of-government changes. This arrangement ceased on 27 July 2018.

Revenues	-	488
Expenses	-	(8,409)
Assets	-	3,267
Liabilities	-	(7,090)

**5.7 Climate risk disclosure**

The department has not identified any material climate related risks relevant to the financial report at the reporting date, and monitors the emergence of such risks under the Queensland Government's Climate Transition Strategy.

During the financial year the department had no adjustments to the amounts recorded in the financial statements, including the amounts of recorded assets, as a consequence of climate change related risks.

**5.8 COVID-19 pandemic impacts**

There has been a focus on continuity of service delivery throughout the department's response to COVID-19. The department has reviewed assumptions and areas of judgement made, in the process of applying accounting policies and have determined COVID-19 has had no material impact to the financial statements, including those related to:

- market and income based asset valuations (refer to Note 3.1(c))
- impairment of receivables (refer to Note 3.4).

Any major variances due to COVID-19 between the department's actual 2019-20 financial results and the original budget presented to Parliament are disclosed in Note 4.

**5.9 Events occurring after the reporting date**

No events have occurred after the reporting date that require additional disclosures or adjustments to these financial statements.

## Department of Housing and Public Works

### Management Certificate of the Department of Housing and Public Works

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 38 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62(1)(b) of the Act, we certify that in our opinion:

- (i) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (ii) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Department of Housing and Public Works for the financial year ended 30 June 2020, and of the financial position of the department at the end of that year; and

The Director-General, as *and* the Accountable Officer of the department, acknowledges responsibility under section 7 and section 11 of the *Financial Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



Deborah McLeod  
BCom,FCPA  
**Chief Finance Officer**  
**Department of Housing and Public Works**



Liza Carroll  
B.Ed, M.Ed (Hons)  
**Director-General**  
**Department of Housing and Public Works**

27 August 2020

27 August 2020



## INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Department of Housing and Public Works

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of the Department of Housing and Public Works.

In my opinion, the financial report:

- a) gives a true and fair view of the department's financial position as at 30 June 2020, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the balance sheet and statement of assets and liabilities by major departmental services, commercialised business units and shared service providers as at 30 June 2020, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental services, commercialised business units and shared service providers for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

#### Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. I addressed these matters in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

**Valuation of social housing land (\$9.636 billion) and buildings (\$5.478 billion)**

Refer to Note 3.1 in the financial report

Key audit matter	How my audit addressed this key audit matter
<p>The Department engaged independent valuers to perform specific appraisal valuations representing 33% of social housing properties in the current year using significant inputs such as location, bedroom count, price per square metre, land size, condition and a discount factor applied to accommodation in recognition of the cost of obtaining strata title to sell.</p> <p>Specific judgement was required in relation to:</p> <ul style="list-style-type: none"> <li>the condition of the property. The condition rating of the properties was supplied to the valuer by management based on property condition assessments performed at least once every three years by internal inspection. Management assessed the overall condition of properties by using a rating scale of one (property ready for demolition) to ten (property is as new), and assessed that 98% of properties had a condition rating of greater than eight at balance date. Judgement is required for interpreting and applying this condition rating scale.</li> <li>the discount applied to some multi-unit properties without strata title on individual units. Where there is no comparable sales data available, strata comparison is applied with discount to non-strata units determined by the independent valuer.</li> </ul> <p>The department updated the fair values of the remaining properties using indices it derived from the results of the specific appraisal valuations. The development of these indices required significant judgement for determining the criteria for classifying properties into homogenous groups with materially similar characteristics.</p>	<p>My procedures included, but were not limited to:</p> <p>Verifying the adequacy of management's review of the valuation process by inspecting final valuation approvals and evidence of oversight by property committees.</p> <p>For specific appraisal valuations in the current year:</p> <ul style="list-style-type: none"> <li>reviewing evidence to confirm the competence, capability and objectivity of the independent valuers</li> <li>obtaining an understanding of the appraiser's methodology (including by reviewing the terms of engagement and valuers' methodology statements) and comparing for appropriateness to common industry practice</li> <li>for a sample of valuations, evaluating the relevance, completeness and accuracy of market evidence (comparable sales for similar properties) provided to support the fair value, including by benchmarking against other published market data</li> <li>comparing the reasonableness of discount rates applied to properties without strata title to industry benchmarks</li> </ul> <p>Auditing the condition rating system for reasonableness and appropriate application. This included:</p> <ul style="list-style-type: none"> <li>obtaining an understanding of the quality assurance process on condition assessments to assess the occurrence and accuracy of the recorded condition ratings</li> <li>confirming that property condition assessments were being performed by management until restrictions were imposed due to COVID 19 on 25 March 2020, and that the number of overdue assessments at 30 June 2020 were not material to the total of social housing properties</li> <li>for a sample of social housing buildings, re-performing the calculation of the overall property condition rating determined by management, including verification of benchmark data (inputs such as size and bedroom count) and locality indices applied by management to supporting documentation</li> <li>inspecting maintenance/upgrade costs incurred during the year and assessing management's total asset management plans to support management's judgement that properties rated greater than eight are in sound condition.</li> </ul>

Key audit matter	How my audit addressed this key audit matter
	<p>For valuations where indexation was applied in the current year:</p> <ul style="list-style-type: none"> <li>evaluating the methodology for appropriateness relative to common industry practice</li> <li>verifying the appropriateness of the criteria for classifying properties by considering the common characteristics of each homogenous group, and investigating whether homogenous groups required further disaggregation where they experienced a broad range of fair value movements for specific appraisal valuations in the current year</li> <li>re-performing the calculation of a sample of valuation indices applied by management for properties with common characteristics in a sample of regions</li> <li>benchmarking the indices against property market movements published by various relevant industry participants such as the Valuer-General of Queensland to evaluate their reasonableness.</li> </ul>

**Accounting for leased asset under AASB 16 Leases (Right-of-use asset \$3.161 billion; Lease liability \$2.695 billion; Interest expense \$47.794 million; Depreciation expense \$465.028 million)**

Refer to Note 3.2 in the financial report

Key audit matter	How my audit addressed this key audit matter
<p>As Queensland Government's central manager of government office accommodation, the Department manages a portfolio of commercial accommodation leases. This represents the majority of lease transactions and balances in the financial statements. Accounting for leases using AASB 16 is inherently complex, where specific and individualised lease features drive different accounting outcomes, increasing the need for interpretation and judgement. This is a key audit matter for us, focusing on the judgements, along with other factors driving additional audit effort, such as:</p> <ul style="list-style-type: none"> <li>First time adoption – the Department was required to determine interpretations for these new and complex accounting requirements for the first time in the year, including new accounting policies and procedures.</li> <li>High volume of leases – the Department has a high volume of individualised lease agreements used to estimate the right-of-use asset, lease liability, depreciation and interest expense. These lease agreements contain multiple and varied inputs which may drive different accounting outcomes, including key dates, fixed and variable rent payments, and renewal options.</li> <li>Relative magnitude – the size of balances has a significant financial impact on the Department's financial statements.</li> </ul>	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>Considering the appropriateness of the Department's new accounting policies against the requirements of the accounting standard.</li> <li>Obtaining an understanding of the Department's new processes used to calculate the right-of-use asset, lease liability, and depreciation and interest expense.</li> <li>Assessing the completeness of the Department's leases taking into consideration the transition approach and practical expedients adopted by the Department by checking the Department's listing of leases to the items included in the operating lease commitments disclosure in the prior year's financial statements.</li> <li>Comparing the Department's inputs in the AASB 16 lease calculation model, such as key dates, fixed and variable rent payments and renewal options for consistency to the relevant clauses of a sample of underlying signed lease agreements.</li> </ul>

Key audit matter	How my audit addressed this key audit matter
<p>Specific judgement was required in relation to:</p> <ul style="list-style-type: none"> <li>Discount rates – the AASB 16 lease calculation model is sensitive to small changes in the discount rate.</li> <li>Lease terms where leases have renewal options – assessing the probability of exercising the renewal options to determine each lease term impacts the accurate measurement of the lease accounting.</li> </ul> <p>Lease and non-lease components – determining whether reliable measurement of lease and non-lease components is possible where the base rent is 'all inclusive'</p>	<ul style="list-style-type: none"> <li>Assessing the integrity of the Department's AASB 16 lease calculation model used, including the accuracy of the underlying calculation formulas. For a sample of leases, we recalculated the amount of right-of-use asset, lease liability, depreciation and interest expense relevant to this financial year and compared our recalculated amounts against the amounts recorded by the Department.</li> <li>Analysing the weighted average borrowing rate applied to a sample of the leases and compared it to the incremental borrowing rates applicable to the Department.</li> <li>Assessing the Department's determination of a sample of lease terms based on the probability of the Department exercising the lease renewal options. We evaluated the Department's assessment whether the lease renewal options would be exercised and compared to the Department's current office accommodation strategic plan and history of exercising options.</li> <li>Reviewing new lease agreements to determine whether non-lease components can be quantified and therefore be removed from the measurement of the cost of right-of-use assets and lease liabilities.</li> <li>Assessing the disclosures in the financial statements using the understanding obtained from our testing and the requirements of the accounting standard.</li> </ul>

## Responsibilities of the department for the financial report

The Accountable Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Accountable Officer is also responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the department or to otherwise cease operations.

## Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of expressing an opinion on the effectiveness of the department's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the department.
- Conclude on the appropriateness of the department's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the department's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the department to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Officer, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on other legal and regulatory requirements**

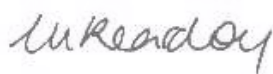
### **Statement**

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

### **Prescribed requirements scope**

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the department's transactions and account balances to enable the preparation of a true and fair financial report.



31 August 2020

Michelle Reardon  
as delegate of the Auditor-General

Queensland Audit Office  
Brisbane

