

Department of State Development, Infrastructure,
Local Government and Planning

ANNUAL REPORT

2020–2021



Queensland
Government

The Department of State Development, Infrastructure, Local Government and Planning connects industries, businesses, communities and government (at all levels) to leverage regions' strengths to generate sustainable and enduring economic growth that supports well-planned, inclusive and resilient communities.

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Copies of this publication are available on our website at www.statedevelopment.qld.gov.au and further copies are available upon request.

A number of annual reporting requirements are also addressed through publication of information on the Queensland Open Data website at www.data.qld.gov.au.

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ISSN: 2206-6012

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Letter of Compliance

28 September 2021

The Honourable Steven Miles MP
Deputy Premier and Minister for State Development, Infrastructure,
Local Government and Planning
1 William Street
BRISBANE QLD 4000

Dear Deputy Premier

I am pleased to submit for presentation to the Parliament, the Annual Report 2020–21 and financial statements for the Department of State Development, Infrastructure, Local Government and Planning.

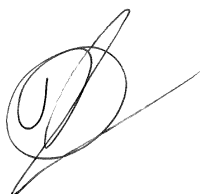
This report is prepared in line with the current administrative arrangements for this department applying for the whole of the 2020–21 financial year. It reflects the structure, operations and performance of the department as it existed at 30 June 2021.

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
- the detailed requirements set out in the annual report requirements for Queensland Government agencies.

A checklist outlining the Queensland Government's annual reporting requirements is included in Appendix 3 of this report or can be accessed at www.statedevelopment.qld.gov.au.

Yours sincerely



Damien Walker
Director-General
Department of State Development, Infrastructure,
Local Government and Planning

Message from the Director-General

I am delighted to present the Department of State Development, Infrastructure, Local Government and Planning's annual report for 2020–21. It reflects a period in which we have faced a health and economic challenge not experienced in our lifetime: a pandemic causing disruption both globally and locally. I could not be prouder of the department's response to the pandemic. Our people have risen to the significant challenge before them and worked innovatively, diligently and passionately to help lead Queensland out of economic uncertainty by connecting industry, businesses, community and government at all levels to deliver jobs and sustainable growth.

Our department is responsible for the state's major economic functions: the facilitation and assessment of large-scale infrastructure projects; infrastructure and regional development strategy; industry development; state and regional planning and investment stimulation. We do this in partnership with local government, which plays a vital role in driving economic growth and enabling well-planned, inclusive and resilient local communities.

This powerful combination of functions has enabled us to steer Queensland's economy during this difficult time and to work with partners and stakeholders to implement key strategies outlined in *Queensland's COVID-19 Economic Recovery Plan*.

I am pleased to share a snapshot of the extraordinary work we've done in 2020–21 in this report.

Private infrastructure and investment

The Coordinator-General has continued to assess and facilitate the development of many of the large-scale private infrastructure projects that underpin Queensland's economic development. One example is Tassal's \$257 million investment in prawn farming in the Mackay-Whitsunday region, which is expected to create up to 980 local jobs and double the size of the existing prawn industry in coming years. Other projects relating to agriculture, aquaculture, energy, water and resource projects are also under assessment.

State and regional planning

Queensland's strong economy and strong health response has increasingly positioned it as a desirable place to live, fuelling significant interstate migration to Queensland far exceeding other states. To manage impacts of this trend, the department has established the Growth Areas Team to ensure Queensland can keep up with population growth and the demand for housing and related infrastructure. The Growth Areas Team harnesses planning, infrastructure and local government expertise and works with councils, utility providers and the development industry to match land supply with demand and address the need for affordable and diverse housing. A new suburb at Caboolture West is the first project site selected, with stakeholders — Moreton Bay Regional Council, Unitywater, the Department of Transport and Main Roads and landowners — collaborating effectively to unlock growth, housing choice and affordability.

State infrastructure

The Queensland Government Infrastructure Pipeline sets the direction for planning, investment and delivery of infrastructure in Queensland. It details a four-year program of infrastructure projects, updated annually, to build industry confidence, generate jobs and growth and improve liveability. Work also commenced on a new State Infrastructure Strategy that will guide long-term infrastructure planning in Queensland, by driving investment in infrastructure that supports recovery, resilience, and future prosperity. Planning is also underway on seven integrated Regional Infrastructure Plans, ensuring a strong focus on regional Queensland. We have delivered the Capital Program 2020 Update, reinforcing the government's commitment to a significant pipeline of capital investment, supporting industry confidence and attracting further investment.

Stimulating investment

Economic Development Queensland has continued to create and catalyse investment opportunities by creating desirable and sustainable living and working environments. Carseldine Village in Brisbane's north is leading the way with a 100 per cent net zero energy emission residential development, a \$6.5 million state-of-the-art sport and recreation precinct, features to help residents live an active and prosperous life, as well as aged care facilities.

Also, the Gold Coast's Health and Knowledge Precinct continues to grow with the construction of the \$80 million Proxima Children's Health and Education Centre of Excellence.

Industry development

The department has worked hard to support industries to respond to changing circumstances and meet future needs. Using our network spread throughout Queensland's regions we have supported traditional industries to improve productivity and accelerated the growth of emerging industry sectors by:

- » supporting the renewable hydrogen sector through industry development initiatives
- » assisting Queensland's biomedical industry to respond to COVID-19 by developing cutting edge advancements in diagnostics and vaccines and pivoting to build sovereign manufacturing capability
- » maintaining Queensland's momentum in the biofutures sector by investigating opportunities to develop the bioeconomy in regional locations, including Mackay
- » continuing support of the defence and aerospace sectors through the Defence Industry Hubs
- » positioning the Cairns Marine Precinct as Northern Australia's leading regional marine maintenance, repair and training centre to capitalise on increased spending on naval defence assets and military modernisation within the Indo-Pacific
- » introducing the new Industry Partnership Program as part of the Queensland Jobs Fund to facilitate the next evolution of Queensland's industry development.

Working with Local Government

With local and regional communities at the heart of our vision for Queensland and our strategy for creating place-based solutions that leverage regional strengths and unlock sustainable growth, our work with local governments is essential to our overall success. Over the last year, the department has rolled out the statewide Works for Queensland program and the Unite and Recover Community Stimulus Package for South East Queensland councils, delivering \$250 million for job-creating infrastructure projects in local government areas across the state this year.

The department has also supported good local governance, the rollout of government priorities and thriving communities by delivering governance and financial management capability training across the state.

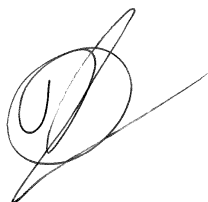
The road ahead

While Queensland has performed well from both a health management and economic management perspective in response to COVID-19, the effects of the pandemic continue to make an impact. I am proud of the department's contribution to Queensland's economic wellbeing. The year ahead presents us with considerable challenges and unique opportunities. In 2021–22 we look forward to:

- » progressing assessment and delivery of large-scale and complex infrastructure, agriculture, aquaculture, energy, water and resource projects through the Coordinator-General's statutory powers and whole-of-government coordination
- » implementing the 10-year roadmaps and action plans and five-year strategies for priority and emerging sectors with global growth potential covering industries such as defence and aerospace, biofutures, biomedical, mining equipment, technology and services, resource recovery, space, hydrogen, superyachts and beef
- » positioning the department to deliver the state's extensive infrastructure agenda by merging the functions of Building Queensland with Infrastructure and Economic Resilience to create the Infrastructure and Regional Strategy Group which will also lead regional economic recovery
- » continuing the rollout of the Works for Queensland and the South East Queensland Community Stimulus Package programs delivering essential infrastructure funding and facilitating jobs growth across the state's 77 local governments
- » maintaining an effective and efficient planning framework that promotes liveable cities, towns and regions, creates places that support economic growth, productivity and innovation and underpins sound infrastructure and investment decisions
- » supporting the State Government in commencing preparation for the Brisbane 2032 Olympic and Paralympic Games, in particular the development of the Northshore Hamilton site which will be home to the main Athletes' Village during the Games.

Queensland's economy is now in a strong position to recover and thrive following COVID-19. My thanks go to the staff in my department whose agility and responsiveness has allowed us to deliver on the government's strategic priorities and meet the needs and expectations of stakeholders and the broader community.

I would like to acknowledge our teams across Queensland for the innovative, collaborative and enthusiastic way they have gone about their work, under pressure and during what has been a challenging year, both professionally and personally. Queenslanders can feel proud that their public servants are doing their utmost to lead Queensland through these challenging times.

A handwritten signature in black ink, appearing to be 'D Walker', enclosed within a circular scribble.

Damien Walker

Director-General

Department of State Development, Infrastructure,
Local Government and Planning



Part 01

About the department

Machinery-of-Government

A new department – vision and purpose

Our structure

Executive Leadership

Our operating environment

Strategic risks

Opportunities

People and culture

Public sector values

Machinery-of-Government

Following Machinery-of-Government (MoG) changes effective from 12 November 2020, the former Department of Local Government, Racing and Multicultural Affairs became the Department of State Development, Infrastructure, Local Government and Planning under the portfolio of the Deputy Premier, the Honourable Steven Miles MP.

The Office of the Coordinator-General, the functions of Local Government, Infrastructure and Economic Resilience, Planning, State Development and Economic Development Queensland became part of the new department.

The Multicultural Affairs function moved to the Department of Children, Youth Justice and Multicultural Affairs and the Racing function moved to the renamed Office of Racing as part of the education and racing portfolio.

Incoming and outgoing functions

Incoming functions

| Joined the department | Date of transfer | Related annual report* |
|---|------------------|---|
| State Development Economic Development Integrated Resort Development and Global Tourism Hubs | 12 November 2020 | Department of Tourism, Innovation and Sport |
| Infrastructure Planning | 12 November 2020 | Queensland Treasury |

**Financial statements for the period 1 July – 30 November 2020 can be found in the related annual report.*

Outgoing functions

| Left the department | Date of transfer | Related annual report*# |
|-----------------------|------------------|--|
| Multicultural Affairs | 12 November 2020 | Department of Children, Youth Justice and Multicultural Affairs |
| Racing | 12 November 2020 | Department of Education |

**Financial statements for the period 1 December 2020 – 30 June 2021 can be found in the related annual report.*

Non-financial performance information for the 2020–21 reporting period can be found in the related annual report.

A new department – vision and purpose

The MoG changes provided a perfect opportunity to refocus attention on new and emerging priorities for economic growth, infrastructure and development, the local government sector and productive partnerships.

Our new department has an ambitious vision to shape Queensland's future by driving economic growth and enabling well-planned, inclusive and resilient local communities. Our purpose is to connect industry, businesses, community and government at all levels to create place-based solutions that leverage regional strengths and unlock sustainable growth.

Aligned to our vision and purpose, and delivery of key priorities, we have contributed to the Queensland Government's objectives for the community.

Guided by our vision and purpose, and with an understanding of government and departmental priorities, our strategic plan sets out the objectives, strategies and activities through which we delivered outcomes for communities and Queenslanders across the past year.

Our structure as at 30 June 2021

Our organisational structure aligns with the department's key functions and with our vision, purpose and strategic objectives. It also enables us to deliver on the state government priorities while addressing the needs and aspirations of diverse enterprises, local governments and communities across Queensland. Priorities are implemented and objectives realised through the professionalism and enthusiasm of staff working collaboratively across the department's business groups.

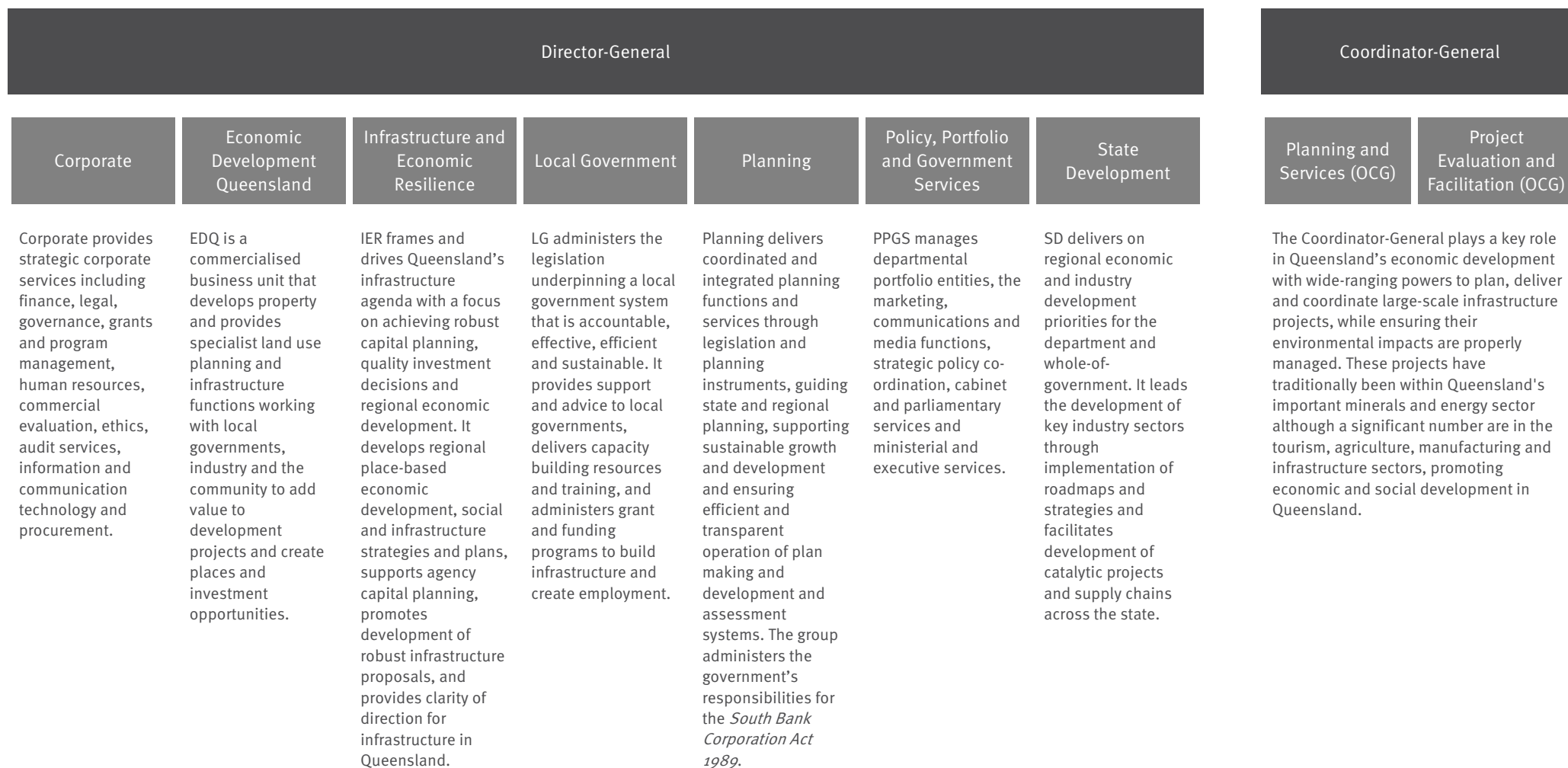


Fig 1. DSDILGP organisational structure

Executive leadership

Overseeing the roles and functions of the department and led by the Director-General are our executive leaders.

| Group head | Biography |
|--|--|
| Damien Walker Director-General | <p>As Director-General, Damien is a key leader of the Queensland Government's agenda to drive economic growth and create jobs for Queenslanders. Damien works to ensure the department can deliver on its large work program to support economic growth, sustainable development and to unlock industry potential across the state. Damien undertakes the following board roles:</p> <ul style="list-style-type: none"> » Chair, Economic Development Board » Member, South Bank Corporation » Chair, Townsville Industrial Development Board. <p>Damien has held senior executive roles in the South Australian Government in infrastructure planning and delivery, investment facilitation, contract management and reform implementation. He holds academic qualifications in public policy and strategic planning, and has broad experience, particularly in the economic development and strategic planning arena. Damien is a champion for gender equity in the workplace and the prevention of domestic and family violence in all our communities. He is also passionate about delivering initiatives to create opportunities for Aboriginal and Torres Strait Islanders. Damien is the Director-General Champion for Kowanyama Aboriginal Shire. Damien consults with Gary Uhlmann, the Shire's Chief Executive Officer, on matters relevant to Kowanyama and Queensland Government projects, including the completion of the Men's Shed, airport and sporting precinct.</p> |
| Toni Power Coordinator-General | <p>Appointed in February 2020, Toni is Queensland's first female Coordinator-General. The role gives Toni wide-ranging powers to independently assess and balance the economic development, environmental sustainability and social impacts of large-scale projects. Toni has a professional background in government property management, commercialised business services and corporate services. Toni has experience in leading strategy and people across government and industry to connect sectors and find opportunities to deliver public/private outcomes. She has a strong commitment to achieving results through collaboration and a reputation for authentic leadership and good governance. Toni's team is working across state agencies, with local governments and the private sector, leading initiatives that assist economic growth and the development of sustainable communities in regional and remote areas.</p> |
| Michael McKee Deputy Director-General Corporate | <p>Michael is responsible for leading the internal operations of the department and supporting the Executive Leadership Team to ensure resources and governance align to strategy. Michael has been in similar roles within the Queensland public sector for nearly 20 years, drawing upon experience with local governments, statutory bodies and departments, as well as some time with a large, chartered accounting firm. Michael's extensive public sector corporate experience is often sought for governance committees across the sector, including audit, risk, procurement and financial management, and most recently, appointment as a state representative to the Resource Community Infrastructure Fund Advisory Committee.</p> |
| Debbie McNamara General Manager, Economic | <p>Debbie is a specialist executive leader across the public and private sector within an infrastructure environment including development of large-scale retail, commercial, education and health facilities. An Adjunct Professor, Debbie recently led the development and opening of the Surgical, Treatment and Rehabilitation Service</p> |

| Group head | Biography |
|--|--|
| Development Queensland | (STARS) for Metro North Hospital and Health Service, from inception to being an operational, specialist public health facility. Having held Chief Executive and non-Executive Director roles in public private organisations in Glasgow, Debbie brings international experience in building lasting partnerships with statutory authorities, tenants, investors and key business and community organisations. Jason Camden acted in the role throughout the financial year prior to Debbie's appointment. |
| Maree Parker Deputy Director-General, Infrastructure and Economic Resilience | Maree has worked in regional, infrastructure and economic development for more than 20 years across several Queensland Government agencies. Her approach is characterised by forming strong partnerships with regional and other stakeholders to deliver on economic and infrastructure priorities. Maree has oversight and delivery of: state policy and planning for infrastructure, including developing a new State Infrastructure Strategy and Regional Infrastructure Plans; driving the government's Capital Program performance and reporting as well as project assurance and advisory. Maree also leads place-based strategies to build economic resilience, best practice social infrastructure strategies and precinct development and the economic recovery function under the Disaster Recovery Framework. |
| Jasmina Joldic Assistant Director-General Policy, Portfolio and Government Services | Jasmina is an accomplished senior executive and policy expert with more than 15 years' experience in the state and federal governments and higher education sector. She coordinates portfolio responsibilities and also leads Strategic and Economic Policy Futures, the Office of the Director-General, the Cabinet Liaison and Legislation Office, and Media and Communications. |
| Natalie Wilde Deputy Director-General, Local Government | Natalie is responsible for leading the development and implementation of strategies, policies and programs that support sustainable outcomes for local governments and their communities. Natalie has more than 20 years' experience in the public service at both state and local government levels where she has specialised in leading policy and legislation reform in the areas of local government, planning, building, infrastructure and property. |
| Kerry Doss State Planner, Planning | Kerry has more than 32 years of senior leadership and professional experience in a diverse range of roles in state and local government and the private sector. Kerry is responsible for managing planning legislation, an ongoing process of planning reform, regional planning, managing the State Assessment and Referral Agency, planning policy and strategy development and advice on planning matters across the state to Queensland's 77 local governments. Kerry places great importance on effective community consultation about the planning system as well as collaborative problem solving with stakeholders. Kerry is a Registered Planner and Fellow of the Planning Institute of Australia, a Griffith University Adjunct Industry Fellow and a member of the South Bank Corporation Board. |
| Michele Bauer Deputy Director-General, State Development | Michele has extensive experience in economic development portfolios with a focus on industry development, investment attraction and regional infrastructure programs. Michele's career has included whole-of-government infrastructure planning for mineral processing and industrial development in North West and North Queensland. Throughout her various roles, Michele promotes stakeholder relationships and has extensive networks across regional Queensland and within government agencies. Prior to her current role, Michele held senior positions in the Office of the Coordinator - General including Assistant Coordinator-General, Coordinated Project Delivery. |

Operating environment

Queensland is Australia's second largest and most decentralised state in Australia and derives its strength from a diversified economy, strong and emerging industry sectors, employment opportunities, vibrant places and communities and the energy and agility of its people.

For much of 2020, the state was focused on response to the various outcomes of the COVID-19 pandemic including in particular impacts on regional economies, local businesses and employment.

Attention has now turned to dealing with the economic and social fallout of the pandemic and its ongoing effects on industry, regions and communities with rebuilding efforts focused on community resilience, improving productivity and growing investment and jobs. Over recent months, our department, like other government agencies, has supported the *Queensland's COVID-19 Economic Recovery Plan*, engaging with industry partners and local governments to build economic momentum, stimulate enterprise and open up development opportunities in growth industries.

The changed economic and social environment required energy and innovation to work across all levels of government, drive investment, build infrastructure and to create employment opportunities and pathways.

Risks

Within the current operating environment, a number of risks that could impede delivery of outcomes and priorities have been identified including:

- » economic development must be balanced with changing community expectations for environmentally and socially sustainable outcomes
- » impacts of global competition for talent and high growth industry may create challenges for Queensland in driving sustainable economic growth
- » changing global economic conditions and geopolitical dynamics, such as trade agreements, commodity prices and international demand, including as a result of the COVID-19 pandemic, may impact Queensland's economic performance
- » major disaster and emergency events may lead to adverse economic outcomes, a downturn in visitation and possible delays in infrastructure development
- » Queensland's workforce profile means that reduced access to skilled labour in regional areas, migration of workers to urban areas, and an ageing population may have an adverse impact on Queensland's productivity and investment attractiveness
- » Queensland's vast geography and diversity of infrastructure, investment and skills creates challenges in developing the economy across the state.

Opportunities

- » facilitate collaborative relationships with local government sector partners that build capacity, promote integrity and support sustainability
- » promote economic diversity to improve inclusion, build regional economic resilience and reduce volatility
- » create jobs for Queenslanders by providing the environment for private sector investment and encouraging growth in new and existing industries
- » develop sound policies, programs and services in line with current priorities, meeting both government and community expectations
- » deliver community-focused programs by having sound funding agreements and clear outcome measures in place
- » leverage Queensland's reputation for liveability and affordability to attract skills and investment to the state
- » harness expertise in the regions to tailor programs and projects to support the local economy and connect people and places to accelerate economic growth

- » build and sustain productive and collaborative relationships with stakeholders through sound consultation and engagement practices
- » plan communities that are liveable and environmentally and socially sustainable to ensure prosperity and quality of life for current and future generations.

People and Culture

A positive workplace culture underpins the work undertaken and achievements delivered during the past year. Driven by committed and trusted leadership with a shared vision, we have attracted and retained talent; fostered innovation, engagement and collaboration; recognised individual skills and abilities; promoted diversity; built sound governance systems; and worked collaboratively with partners and stakeholders to realise our aspirations and objectives.

Through a network of offices across the state, we delivered responsive and integrated services, facilitated policy design and initiated programs that focused on portfolio priorities and delivered key achievements. Our employees work in Brisbane's central business district and in our regional offices in Bundaberg, Cairns, Gladstone, Ipswich, Mackay, Maroochydore, Maryborough, Mount Isa, North Lakes, Rockhampton, Roma, Southport, Toowoomba and Townsville.

Working closely with stakeholders and the community, and making connections between industry, key bodies and all levels of government, staff across the state facilitated productive discussions and enabled community focused decision-making.

Public Service Values

Permeating all work is a commitment to Queensland public service values through which our staff are encouraged to be courageous, turn ideas into action and contribute to the efficiency and effectiveness of the organisation. We have adopted another value – 'to collaborate'. With a large program of work and ambitious goals, collaboration — with each other, with our partners, stakeholders and customers — enables us to deliver the most successful outcomes.



Across our business groups, work is underpinned by our values and by striving to implement activities and initiatives that bring lasting benefits to Queensland's diverse regions and communities.



Part 02

Year in review

Overview

Future-focused

A future-focused, innovative, well-planned and diverse economy

Growth-oriented

Growth in investment and priority industry sectors

Coordinated, integrated, interconnected

Coordinated, integrated, interconnected opportunities for regions, industry sectors and the private sector

Leveraged

Leveraged opportunities to maximise jobs for Queenslanders in developments, priority industries and associated supply chains, and circular, localised economies

Capable and accountable

Sustainable, capable and accountable local governments enabling thriving local communities

Overview

Throughout 2020-21, we focused on developing and supporting a more resilient competitive and strong economy undertaking activities and projects that:

- » supported recovery from the COVID-19 pandemic
- » encouraged growth in priority industries
- » invested in productive infrastructure
- » built our regions
- » focused on strategic planning and local government priorities
- » created an environment for business confidence and job creation
- » supported major projects and developments and supported Queensland communities.

In achieving our goals and delivering on key priorities, we have also contributed to the Queensland Government's objectives for the community by:



supporting jobs through projects and investments that we lead and support



backing small business by providing opportunities in priority sectors and catalyst infrastructure



making it for Queensland by maintaining, enhancing and attracting industry investment



building Queensland by driving the largest infrastructure program in over a decade



growing our regions through state and regional planning, regional economic diversification, business and industry investment, and supporting local government infrastructure



investing in skills by building capability and enhancing supply chain opportunities and connections

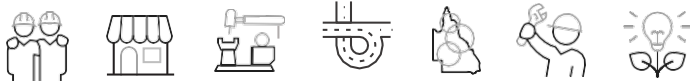


protecting the environment through state and regional planning delivers economic, social and environmental outcomes.

Our review of the year is seen through the lens of activities and achievements against the 2020–24 strategic plan objectives:

- » *Future-focused* – A future-focused, innovative, well-planned and diverse economy
- » *Growth-oriented* – Growth in investment and priority industry sectors
- » *Coordinated, integrated, interconnected* – Coordinated, integrated, interconnected opportunities for regions, industry sectors and the private sector
- » *Leveraged* – Leveraged opportunities to maximise jobs for Queenslanders in developments, priority industries and associated supply chains, and circular, localised economies
- » *Capable and accountable* – Sustainable, capable and accountable local governments enabling thriving local communities.

Future-focused



To achieve the goal of having a future-focused, innovative, well-planned and diverse and resilient economy, the department has implemented the Queensland Government's economic response to COVID-19 through the Unite and Recover: Queensland's Economic Recovery Plan and the rollout of Queensland Disaster Management Arrangements, aligned regional and local land use plans with economic and infrastructure strategies and facilitated delivery of, and investment in, major public and private projects in cities and regions.

Activities and achievements

- » Managed by the department, the Building Acceleration Fund is a Queensland Government initiative providing co-investment funds through an interest-free loan to eligible developers, local governments and industry for infrastructure projects that generate private investment, accelerate growth and stimulate post-COVID-19 economic recovery. In 2020–21, the fund received more than 150 funding applications and to date, more than \$69.85 million has been co-invested in projects including Archerfield Airport Corporation, Lendlease at Yarrabilba and Unitywater at Caboolture West. These projects have delivered essential infrastructure, boosted construction, created more than 300 jobs and opened up almost 11,700 residential lots for development.
- » The Building our Regions (BoR) program provides funding for regional infrastructure projects that create flow-on economic development opportunities and jobs. Working with local government, we identified projects that deliver local growth, support local businesses and create more liveable regional communities. With projects spanning from Torres Strait Island in the far north to Goondiwindi near the southern border and from Boulia in the west to Fraser Coast in the east, the BoR program has approved 271 infrastructure projects, supported an estimated 2,770 jobs during construction, leveraged more than \$539 million in additional investment from councils and other organisations, improved liveability in regional communities and helped mitigate the impacts of COVID-19.
- » Through coordinated environmental and social assessment processes, the Coordinator-General establishes the terms of reference and evaluates impact assessments expediting delivery of major projects across the state. In 2020–21 the Coordinator-General:
 - coordinated and evaluated the environmental and social impact assessments of the \$5.4 billion Cross River Rail project including evaluation of change applications lodged by the Cross River Rail Delivery Authority
 - coordinated a rigorous assessment of all environmental, social and economic impacts of the \$1.7 billion CopperString project – an overhead high voltage electricity transmission line, connecting the North West Minerals Province and Mount Isa to the national electricity market grid south of Townsville
 - facilitated economic development outcomes across Queensland, with 32 development applications approved in State Development Areas, having the potential to deliver approximately \$398 million in capital investment, should all projects proceed to construction.
- » Continuous improvement of the planning framework and amendments to legislation has resulted in enhanced planning schemes and more efficient development assessment systems that integrate land use and infrastructure delivery. In addition, it has delivered greater diversity in local economies as well as flexibility and agility during unexpected events.
- » Amendments made to the *Planning Act 2016* in March 2020, allowed 24/7 operations for supply of essential goods and services, extended currency periods for development applications and provided temporary use licences, enabling supermarkets and other businesses to pivot their operations in response to the adverse impacts of the COVID-19 pandemic across 2020–21.
- » Following extensive consultation and more than 20,000 responses from community members, local government and industry, new assessment provisions in the Planning Regulation 2017 were put in place to ensure developers and local government achieve better neighbourhood design and walkability in new residential subdivisions.

- » In progressing work on new and existing City Deals, we:
 - continued to work with the Commonwealth and South East Queensland local governments to secure a coherent and future-focused City Deal for South East Queensland that will accelerate economic recovery and deliver sustainable growth through better access to jobs and community-enabling infrastructure
 - worked with the Commonwealth and Townsville City Council on reallocating the Commonwealth's \$195 million to prepare a shortlist of projects that can deliver on the Townsville City Deal's vision for a prosperous, vibrant, liveable and innovative city
 - worked with Townsville City Council on development of the State-funded \$195 million Haughton Pipeline – Stage 2 project to improve water security for Townsville.
- » We have lead responsibility for the Economic Functional Recovery Group (EFRG) that advises the government and stakeholders on the economic impacts of disaster events and recovery actions. With membership including government agencies, mayors, affected peak industry groups, business representatives and Directors-General and CEOs of relevant economic agencies, the EFRG provided coordinated agency and stakeholder advice on the economic impacts of and economic recovery responses and actions to the impact of COVID-19. The group's work led to the release of *Queensland's COVID-19 Economic Recovery Plan* which has guided Queensland as it navigates a return to a strong economy.
- » To support the *Queensland COVID-19 Economic Recovery Plan*, 12 Regional Economic Recovery Plans were finalised in September and October 2020. Informed by extensive stakeholder consultation, the plans identified targeted investments to address the specific recovery needs and boost economic opportunities in each region.
- » The department commenced the development of a new State Infrastructure Strategy (SIS) along with seven supporting Regional Infrastructure Plans (RIPs). The new SIS will guide long-term infrastructure planning in Queensland, supporting key priorities in *Queensland's COVID-19 Economic Recovery Plan* by driving investment in infrastructure that supports recovery, resilience and future prosperity. The RIPs will help align infrastructure investment with regional priorities and attract private sector investment.

Performance

| Key Performance Indicator | Results |
|--|--|
| <i>Positive results in Queensland's economic indicators of:</i> <ul style="list-style-type: none"> » <i>Employment</i> » <i>Industry</i> » <i>Investment.</i> | <p>Queensland unemployment by the end of 2020–21 was at its lowest rate in more than 12 years at 5.1% with the participation rate sitting at 66.7%, up almost 4 percentage points from June 2020.</p> <p>Employee numbers increased across a variety of industries including those that have bounced back from the impact of COVID-19 in the 2019–20 year. In particular, Retail Trade, Accommodation and Food Services saw the largest swings with an almost 40% increase in employment since June 2020. Other sectors of growth include Mining, Manufacturing and Financial and Insurance Services.</p> <p>In the last year, due to the impact of the pandemic, private sector investment saw a decrease in private capital expenditure in Queensland, down 12.8% from June 2020 on top of a 5.7% decrease in the previous year.</p> |
| <i>Value of capital investment enabled through project facilitation</i> | \$1.505 billion worth of capital investment was enabled through project facilitation. |
| <i>Estimated number of jobs enabled through project facilitation</i> | An estimated 1,682 jobs were enabled through the department's project facilitation. |
| <i>Capital investment enabled per dollar spent on project facilitation</i> | For each dollar spent on project facilitation \$785.26 of capital investment was enabled. |

Growth-oriented



Growth in investment and priority industry sectors has been achieved by working with local governments, industry and communities to deliver new developments, design appropriate growth strategies, foster emerging markets, build dedicated precincts and administer an efficient planning system. Our actions have delivered improved confidence in Queensland's economy and unlocked opportunities for future growth in private sector investment and development.

Activities and achievements

- » We have supported the Queensland Government's pursuit of innovation-led economic growth through increased collaboration between government, industry and research organisations and by undertaking initiatives and implementing strategies to build the state's competitive strengths, diversify our economy and create the knowledge-based jobs of the future. During 2020–21, we:
 - launched the \$3.34 billion Queensland Jobs Fund, including the \$350 million Industry Partnership Program (IPP) boosting the state's industry footprint, creating jobs and strengthening Queensland's economy
 - opened the IPP for registrations of interest from business, industry and research institutes, underpinning job growth and creation across a number of priority sectors such as advanced manufacturing, hydrogen, biofutures, biomedical, defence, aerospace, space, resource recovery and the Mining Equipment, Technology and Services (METS)
 - facilitated the development of Queensland's renewable hydrogen industry by:
 - delivering the Hydrogen Industry Development Fund with Round 2 funding focused on mobility and integration into wastewater treatment plants
 - finalising a Gladstone and Townsville opportunities study on land infrastructure and services to support large facilities for production and export
 - supporting National Energy Resources Australia (NERA) to expand the National Hydrogen Technology Cluster program in Queensland.
 - supported the continued growth in biofutures by gauging market interest for a Future Foods BioHub in Mackay. Advances in Queensland's biofutures industries have positioned our bioeconomy with the foundational capabilities and manufacturing strengths to deliver on opportunities in a range of markets including future foods, biofuels, biochemicals and bioplastics
 - continued to deliver the Biomedical Industry Roadmap to build on strengths and attract new opportunities, enabling biomedical companies to pivot or ramp up production and supply chain activities in response to COVID-19 through ongoing collaboration with universities, research institutes, clinicians and health services, for example, supporting Vaxxas in establishing purpose-built vaccine production facilities and facilitating the Queensland Government's support for medical technology manufacturer Ellume and its COVID-19 rapid test kits
 - created opportunities for the emerging space industry with the \$8 million Queensland Space Industry Strategy, positioning the state to be an Australasian leader in this field. Activities in the strategy include supporting the development of an Earth observation analytics hub, progressing development of a common-user static rocket engine testing site and undertaking a feasibility study into the establishment of a rocket launch facility at Abbot Point
 - continued the delivery of the \$7 million METS 10-Year Roadmap and Action Plan including the \$1 million Queensland METS Collaborative Projects Fund to commercialise new technologies with mining customers and the Quantum TX Accelerator for late-stage Queensland METS Small and Medium Enterprises seeking to commercialise high-potential innovative products and services

- supported the superyacht industry with a further \$1 million contribution towards the development of Australia’s largest superyacht berthing facility on the Gold Coast in July 2020, taking the government’s total contribution towards this project to \$2.87 million and helping create 30 jobs during construction. Superyacht Australia advise that Queensland led the way for visiting superyachts with a direct economic impact of \$81.5 million in 2020, a 48 per cent increase on 2019
- funded \$14.5 million toward construction and initial operation of a world-class common-user facility for testing and evaluating unmanned aerial systems at Cloncurry Airport in North West Queensland. This was completed in October 2020 with the construction phase supporting more than 100 jobs. The Queensland Flight Test Range is now operational, and Boeing has successfully used the facility
- committed \$2 million to support the development of an Australian-first maritime autonomous systems testing capability in Townsville to enable testing of autonomous marine technologies and unmanned platforms for civil and defence use. We are collaborating with the Australian Institute of Marine Science to deliver the foundation stage
- guided the resource recovery industries to lead the way in creating a zero-waste society under the Resource Recovery Industries Roadmap. With Queensland Government support, these industries are diverting waste from landfill and harnessing the potential value of resources traditionally discarded by society
- allocated \$28 million to undertake wharf infrastructure projects within the Cairns Marine Precinct (CMP) and a further \$2 million for a CMP Infrastructure Investment Business Case to determine future infrastructure requirements for potential expansion.
- » To support the growing defence and aerospace industries we:
 - promoted the successful operation of the Townsville and Ipswich Defence Industry Hubs
 - highlighted Queensland industry capability at the Land Forces 2021 and the defence industry’s maintenance, repair and overhaul (MRO) Asia events
 - worked with the Department of Defence to promote supply chain opportunities through the Australia Singapore Military Training Initiative
 - delivered capability development programs to grow opportunities for Queensland’s defence and aerospace industries
 - engaged with industry through the Minister’s Advisory Council on Defence Industry and Jobs and the regionally focused boards for North and South Queensland, which have provided expert advice on key defence matters.
- » Led whole-of-government implementation of *A Strategic Blueprint for Queensland’s North West Mineral Province* facilitating a strong and prosperous future for the region by building on existing economic and community strengths, in collaboration with industry, business and community leaders.
- » Implementation of *ShapingSEQ* — the South East Queensland Regional Plan — was ongoing across the year with actions focused on opening new growth areas, driving future prosperity and managing sustainability and natural systems. Priority implementation actions included unlocking the Caboolture West and Beerwah East growth areas, protecting the Northern Inter-Urban Break and continuing the South East Queensland Growth Monitoring Program. The Growth Areas Team was established to address the challenges of rapid population growth and land supply challenges in South East Queensland by accelerating works in growth areas, planning for new growth areas and improving planning processes.
- » We progressed implementation of the North Queensland Regional Plan — a 25-year strategic statutory planning document for the local government areas of Burdekin, Charters Towers, Hinchinbrook, Palm Island and Townsville. The plan will support established and emerging industries and address changes expected to occur within the region. These changes include a growing and ageing population, shifting economic and employment patterns, impacts from climate change and continued technological advances.
- » The revitalisation of the Wide Bay Burnett Regional Plan, which commenced in 2020–21 in collaboration with regional industry, local governments and community stakeholders sets out government’s priorities for economic, social and environmental outcomes in the region over the next 25 years. The plan will ensure a renewed focus on priority economic development and investment opportunities and supports job creation and regional economic growth.

- » Approval of development applications and ongoing facilitation of significant regional projects within existing state development areas (SDA) in support of emerging industries included the:
 - Alpha HPA Ltd project in the Gladstone SDA – development of a 10,000 tonnes per annum processing plant that will manufacture high-purity alumina, a \$300 million investment generating 300 jobs in construction and supporting 120 jobs for plant operation and maintenance with construction expected to commence in early 2022
 - Sun Metals Corporation Pty Ltd construction of a zinc refinery upgrade and expansion in the Townsville SDA. This project is a \$455.7 million investment generating up to 310 jobs during construction and supporting 100 permanent jobs. It is expected to be operational in 2021–22.
- » To support local communities in remote parts of the state in providing input to major infrastructure projects and to guarantee rigour in planning, the department declared four sections of the Inland Rail project between the Queensland border and Kagaru as coordinated projects, each requiring an environmental impact statement. The Inland Rail project proposes to deliver a 1,700km freight rail line that will allow trains to travel from Melbourne to Brisbane in 24 hours via regional Victoria, New South Wales and Queensland.
- » On 8 July 2020, the Coordinator-General released the evaluation report on the environmental impact statement for the \$760 million Port of Gladstone Gatcombe and Golding Cutting Channel Duplication Project proposed by Gladstone Ports Corporation. The report sets out stringent environmental conditions for managing water quality impacts and ensures construction of the reclamation areas will be best practice. The project would deepen and widen the existing channels to accommodate future growth and provide better safety and efficiency for larger vessels.
- » Work undertaken by Economic Development Queensland (EDQ) to establish and progress major development projects and unlock residential land continued unabated throughout the year with:
 - construction on the first 53 terrace homes at Carseldine Village following completion of the \$8.9 million Stage 1 civil works and opening of the Plaza Place. The entry boulevard and other streets and laneways are now completed. The \$2.3 million Stage 2 civil works is underway providing infrastructure to deliver a further 48 residential lots for new housing and start of work by Rockpool on a \$43 million Residential Aged Care development
 - start of stage 1 civil works at Songbird Oxley, providing infrastructure to deliver 39 residential lots as well as sites for proposed retirement accommodation and a new childcare centre. Upcoming Stage 2 civil works will deliver a further 48 residential lots as well as more than 10 hectares of public open space and the renewal of 3.4 hectares of conservation area with tracks and trails. The development is estimated to support 330 construction jobs and 100 ongoing jobs
 - commencement of the design for the redevelopment of the former Yeronga TAFE site to deliver community facilities, purpose-built specialist child health services and a diverse range of housing options. The Queensland Government's investment at Yeronga is expected to attract private sector investment over the next eight years, supporting up to 525 construction jobs. It includes a private sector consortium investing \$124 million to build a range of town houses and diverse residential options
 - further development at Northshore Hamilton is underway with the delivery of \$14 million in infrastructure to facilitate land supply. Among the many benefits of the expanded development are the proposed construction of a new research and manufacturing facility for Vaxxas to manufacture its needle-free vaccine technology and the commencement of the \$7.4 million stage 1 waterfront project, which will transform a large part of the river edge into a collection of fit-for-purpose flexible spaces for arts, culture, emerging knowledge-based and e-commerce start-ups
 - approvals were obtained to open almost 3,300 residential lots in South East Queensland (SEQ) in response to increasing population growth and consequent demand for residential land. The approvals are part of the delivery of 140,000 greenfield and 45,000 infill dwellings across seven Priority Development Areas (PDAs) in SEQ. Applications are now being processed to facilitate \$1.1 billion of private sector investment within PDAs
 - The Queensland Government is also investing \$31 million to deliver key road projects in the Greater Flagstone PDA, unlocking more than 27,000 lots.
- » Under the COVID-response accelerated capital works program, EDQ is continuing its unprecedented level of capital investment delivering construction projects and creating jobs across the state. Over the next 18 months more than \$200 million will be invested in SEQ across a range of projects from site enabling infrastructure to

complex building projects. Supporting more than 650 construction jobs and facilitating more than \$1 billion in private sector investment, the accelerated works program is building industry confidence, generating jobs and economic growth, and maximising potential across civil and construction sectors.

Performance

| Key Performance Indicator | Results |
|--|--|
| <i>Stakeholder satisfaction with infrastructure policy and planning</i> | 83% of stakeholders surveyed were satisfied with the assessment work undertaken on infrastructure policy and planning |
| <i>Positive results in Queensland's economic indicators of:</i> <ul style="list-style-type: none"> » Infrastructure » Engineering construction » Building approvals | <p>There has been a steady decrease in infrastructure works in Queensland over the past four years with the latest decrease of 1.74% from March 2020 to March 2021. In particular, engineering construction saw a decrease of 3% during this period.</p> <p>Total dwelling approvals in Queensland in the 2020–21 financial year were 36.7% higher than in the 2019–20 financial year, in seasonally adjusted terms. This was driven by private sector house approvals which were 43.5% higher in 2020–21 than in 2019–20. Public sector dwellings also showed a large rise, up 29.9% in 2020–21 from 2019–20.</p> |
| <i>Level of satisfaction of key stakeholders with timeliness and effectiveness of consultation undertaken relating to infrastructure and economic resilience strategy, policy and planning</i> | 80% of key stakeholders were satisfied with timeliness and effectiveness of consultation. |
| <i>Administration costs as a percentage of infrastructure investment coordinated through the service area</i> | Administration costs as a percentage of infrastructure investment coordinated was 0.08%. This equates to administration costs of \$0.80 per \$1000 coordinated. |
| <i>Annual progress against priority industry roadmaps and strategies</i> | <p>Achievement reports for industry roadmaps and strategies were finalised and published in June 2021. *</p> <p>*https://www.statedevelopment.qld.gov.au/industry/priority-industries/achievements-reports</p> |

Coordinated, integrated, interconnected



To achieve the results that arise from having coordinated, integrated, interconnected regions and industry sectors, the department facilitated timely, coordinated and environmentally responsible planning and development, set a clear vision and a sound framework for planning and prioritising infrastructure investment and delivery, and worked closely with state and local government partners and industry and community stakeholders

Activities and achievements

- » Successful projects and initiatives that were the outcome of collaborative planning included the:
 - development of the Yarrabilba Community Hub – the result of detailed collaborative planning between state agencies, local government, private education providers and the developer Lendlease to co-invest in a strategically located community hub between two new high schools in a major, fast-growing residential community. Situated within the Logan City Council area and expected to open in 2022, the Yarrabilba Community Hub will improve community connectedness and access to learning and employment pathways
 - Community Infrastructure Investment Partnership (CIIP) grants program was an initiative under *Queensland's COVID-19 Economic Recovery Plan* to support communities impacted by COVID-19. Including a competitive grants program of approximately \$8 million and open to not-for-profit organisations to expand, upgrade or rebuild existing facilities, the CIIP has delivered vital social services such as job-readiness programs for targeted communities
 - coordination of the Queensland submission to Infrastructure Australia (IA) for the 2021 Infrastructure Priority List (IPL). As of June 2021, Queensland had 25 proposals on the 2021 IPL
 - delivery of the Capital Program Update 2020 and development of the 2020 Budget Paper 3 in collaboration with Queensland Treasury.
- » A range of activities and projects designed to set industry on a path to success and bring benefits to local communities were undertaken, including:
 - implementation of the \$33.3 million North West Queensland Economic Diversification Strategy is supporting long-term sustainable growth across the resources, agriculture, tourism, business and industry sectors through improvements to the investment environment, building supply chains and supporting communities in North West Queensland
 - chairing the first interdepartmental Inland Rail Economic Opportunities Working Group meeting, bringing eight Queensland Government agencies together to collaborate on ways to maximise the economic opportunities of the Inland Rail investment for Queensland. The Inland Rail project is being delivered by the Australian Rail Track Corporation to provide new rail linkage between Melbourne and Brisbane.
- » The Coordinator-General plays a significant role in facilitating an integrated, coordinated and environmentally responsible approach to project design and delivery and in 2020–21:
 - worked with proponents in the resources, energy, transport, tourism, agricultural, water and infrastructure sectors to develop, assess and manage major projects to create jobs and investment for the State. As of 30 June 2021, there were 16 coordinated projects under assessment with a capital value of around \$15 billion and potential to create around 28,000 jobs, should they proceed. Key projects include the \$1 billion Winchester South Project; the \$2.9 billion Urannah Project; the \$358 million – \$665 million Burdekin Falls Dam Raising Project; and the \$60 million Big Rocks Weir Project
 - facilitated 12 complex prescribed projects ensuring that critical approvals were obtained on time. These projects have a total capital value of approximately \$5.6 billion, an estimated 2,770 construction jobs and 4,180 operational jobs, and include the \$1.3 billion Kidston Pumped Storage Hydro Project; the \$470 million Saint Elmo Vanadium Project; and the \$495 million Lower Fitzroy River Infrastructure Project

- facilitated Ravenswood Gold's \$300 million gold mine expansion project, including approvals required to commence full-scale open-pit mining of Buck Reef West in December 2020
- assisted Sunwater to progress the Rookwood Weir project by acquiring land for the weir infrastructure and to construct a bridge and road realignment. Preliminary works for the weir infrastructure created 95 construction jobs for central Queensland. The Riverslea bridge on Riverslea Road at Gogango was opened on 7 May 2021
- continued to assist the Department of Education by acquiring land and authorising ancillary works to expedite the delivery of six schools. Work included negotiation on land acquisitions for four schools, acquisition of land by agreement for the Gold Coast North Special School and assistance with road closures and amalgamation of lots for the New Farm State School
- reviewed the *Strong and Sustainable Resource Communities Act 2017*, with extensive community consultation, ensuring the act continues to benefit the communities as intended
- completed the social impact assessment of three resource projects under the *Strong and Sustainable Resource Communities Act 2017*, outlining measures to ensure benefits and potential impacts on nearby communities are monitored and managed during construction and operation.
- » Giving effect to government policy by:
 - having a connected and integrated approach to planning processes and systems has resulted in improved planning literacy with design of a simplified 'plain English' planning framework that everyone can understand.
- » We understand the importance of timely, well-coordinated and environmentally responsible planning and development and through EDQ, have facilitated:
 - the \$5.95 million Roma Hospital Student Accommodation precinct, which opened in June 2021. Built near the new \$70 million Roma Hospital and featuring modern residential pavilions, communal facilities and recreation areas, it provides quality accommodation for students and helps the South West Hospital and Health Service attract and retain staff resulting in better health services for the community and sustained employment outcomes. Construction of the precinct supported 81 jobs, seven local construction-related businesses and delivered more than 4,300 training hours to 13 apprentices
 - private sector industrial development of around \$180 million through the sale of 26 industrial lots across the state, supporting 892 existing jobs and with the potential to create 432 new jobs in a variety of businesses including advanced manufacturers, pharmaceutical, resource recovery, food processing and building services. A number of sales have been with interstate businesses seeking to expand operations or relocate to Queensland
 - delivery of catalyst infrastructure projects being funded in the Ripley Valley PDA including the recently completed \$7.14 million road and bridge infrastructure on Binnies Road West, which supported 29 jobs and will open access to an extra 3,300 affordable residential lots, the \$15.9 million Cumner Road and the \$5.91 million Barrams Road sewer projects.
- » Working closely with local governments we:
 - delivered the \$200 million 2019–21 Works for Queensland (W4Q) program which has supported 65 Local Governments outside SEQ to deliver job-creating maintenance and minor infrastructure projects
 - supported, sustained or created more than 22,000 jobs in regional Queensland since the commencement of the W4Q program.

Performance

| Key Performance Indicator | Results |
|--|--|
| <i>Value of private sector investment generated through the facilitation of economic and community development projects</i> | The value of private sector investment generated through the department's facilitation role was \$323.4 million. |
| <i>Administrative costs as a percentage of private sector investment generated through the facilitation of economic and community development projects</i> | Administrative costs as a percentage of private sector investment generated was 4.6%. This equates to \$46.00 for each \$1,000 of private sector investment generated. |
| <i>Average administrative costs per decision made by the State Assessment and Referral Agency (SARA)</i> | Average administrative costs per decision made by SARA was \$4,518. |

Leveraged



The department has leveraged opportunities to maximise jobs for Queenslanders in developments, priority industries and associated supply chains as well as in circular, localised economies. It does this by responding to emerging trends and opportunities, integrating land use and infrastructure planning, improving connectivity across diverse regions and creating opportunities for local, Indigenous and new industries. This work has optimised growth potential and improved the state's attractiveness to private sector investment.

Activities and achievements

- » The Queensland Charter for Local Content – the government's local industry policy under the *Queensland Industry Participation Policy Act 2011* was applied to 71 new projects during 2020–21, giving capable local suppliers the opportunity to participate in a tender process. Data shows that more than 82 per cent of the value of the work reported has been won by businesses with a Queensland presence.
- » Our local content supply chain development services have assisted local suppliers to win approximately \$78 million worth of contracts on major projects by working directly with project proponents and their main contractors to increase the visibility of local suppliers and manufacturers.
- » In providing rapid response to business closures, we assisted in delivering the Queensland Government's Worker Transition Scheme, which identifies support services for workers who may find themselves unemployed as a result of business closures or redundancy programs. The scheme is designed to complement other related services and has provided both formal actions and informal assistance to businesses in the wake of COVID-19.
- » We pursued a diverse range of targeted industry support initiatives that have brought wide ranging economic and social benefits to the state. These include:
 - helping to secure \$1 million funding for Gladstone Ports Corporation to support remediation and development of a strategic site at the Port of Bundaberg. This will create a common use bulk storage and trial shipment facility delivering significant time and cost efficiencies for exporters
 - providing Isis Central Sugar Mill with \$1.905 million to expand its transport fleet by 72 specialist combination trailers required to transport cane from Maryborough and the Sunshine Coast to a new facility at Childers following the closure of Maryborough Sugar Mill. The Isis mill will employ an additional 40 workers during each cane season and the Maryborough district will retain an estimated 130 canegrower jobs and 45 transport drivers
 - creating promotional videos for the Bundaberg Burnett Workforce Attraction project to showcase the exciting and diverse career opportunities available in the manufacturing sector and highlighting the benefits of living and working in the Bundaberg and Burnett regions
 - announcing a series of projects supporting 29 businesses and local governments to divert 1.3 million tonnes of waste per annum from landfill through the Resource Recovery Industry Development Program delivering an additional \$193.8 million in capital investment, creating more than 360 jobs across Queensland and promoting the move to a circular economy
 - continuing to deliver the \$5 million Queensland Waste to the Biofutures Fund, supporting 12 projects investing more than \$32 million into Queensland's economy, delivering innovative, scalable waste processing technologies and creating an estimated 125 jobs.
- » We have undertaken several initiatives to support and promote innovation and uptake in the state's growing Biomedical industry:
 - Queensland's world-class biomedical infrastructure and capabilities are being embedded in the national and international biomedical product value chain through continued success of the Biomedical Voucher Program in attracting customers and capital to Queensland

- Brisbane-based biomedical companies, Ellume and WearOptimo were successful in receiving funding under the Essential Goods and Supply Chain Program. Ellume production of its COVID-19 rapid tests will increase from 60,000 to more than 200,000 per day and support more than 500 jobs when fully operational. WearOptimo will construct a new facility to produce its wearable health sensors and expects to create more than 90 new jobs over the next five years
- Queensland's biomedical industry incorporates the clinical trials sector that drives research investigations, new treatment and technologies. We delivered the Regional Biomedical Supply Chain Project to identify the current and projected economic value of the Gold Coast clinical trials sector. The project confirmed this sector and related supply chain are expected to double over the next decade and create high-value jobs.
- » Across Queensland, defence industries employ thousands of people and contribute significantly to regional economies. Through the following diverse initiatives and activities, we created opportunities for research, new markets and job growth in the burgeoning defence industry.
 - Defence Industry Hubs in Ipswich and Townsville help businesses become 'defence ready' to access state, national and global defence supply chain opportunities and act as landing points for businesses wanting to pursue work in the growing defence and aerospace sectors. We facilitated this through assistance for small to medium businesses to capitalise on opportunities such as the \$2.5 billion Australia-Singapore Military Training Initiative and by delivering workshops and other events to support capability development and provide networking opportunities.
 - The Defence and Aerospace Industry Development Fund enables recipients to acquire globally recognised certification required to secure defence and aerospace supply chain contracts.
 - In September 2020, we supported 10 aerospace businesses to co-exhibit as part of the Queensland Government pavilion at the virtual MRO Asia Pacific tradeshow, showcasing the state's maintenance, repair and overhaul capabilities in the defence and aerospace industry. In June, we supported the Land Forces 2021 Exposition, including hosting 26 organisations on the Queensland Government stand at the largest land defence trade show in the southern hemisphere.
 - Maximising the State's defence industry contribution to the national and global market across the reporting period, we:
 - worked with Rheinmetall Defence Australia as it rolled out the LAND 400 Phase 2 project that will deliver vehicles into the Australian Army and be a catalyst for the development of defence industry capability and skills in the state
 - supported the work of the Trusted Autonomous Systems Defence Cooperative Research Centre
 - helped strengthen Queensland's defence industry supply chains and build industry capability by delivering 20 industry capability workshops across Queensland, attracting more than 295 participants
 - piloted Factory in a Box with the Defence Materials Technology Centre to support defence manufacturers to adopt Industry 4.0 technology by highlighting connection to big data and analytics with automation and robotics and by promoting mechanisms to build greater efficiency and productivity.
- » We continued to deliver workshops, seminars and networking events to increase the adoption of leading-edge design and technologies and build business capability. In partnership with the Department of Regional Development, Manufacturing and Water, we held a total of 87 workshops for more than 2,300 participants.
- » We continued to facilitate delivery of the Queen's Wharf Brisbane integrated resort development (IRD), including significant progress on the construction of the IRD podium levels and tower cores as well as substructure for the Neville Bonner Bridge.
- » We leveraged \$25 million for five projects through the Australian Government's Regional Recovery Partnerships Program to extend COVID-19 recovery efforts in identified regions across the state, with projects in Cairns and tropical North Queensland, Mackay-Isaac-Whitsunday and Gladstone focusing on agriculture/aquaculture, arts and culture, bio-commodities, hydrogen development and tourism.
- » To progress efficient and collaborative project planning, design and construction, we continued to deliver on the Cabinet endorsed five-year Building Information Modelling (BIM) implementation work program, ensuring BIM is standard practice in project delivery and asset management across government by 2023. Currently BIM is being

used on four construction projects, each valued at less than \$50 million as well as 27 major projects, each valued at more than \$50 million including our largest infrastructure project – Cross River Rail.

- » Supporting the Deputy Premier in his role as the Queensland representative on the Infrastructure and Transport National Cabinet Reform Committee, we worked across all levels of government to promote the State's strategic infrastructure agenda and leverage the Committee's work program to highlight Queensland's broad infrastructure interests encompassing water, renewable energy, social and digital infrastructure.
- » We continued to identify opportunities and undertake actions to deliver projects that promote and encourage greater economic involvement for Aboriginal and Torres Strait Islander businesses, communities and peoples.
- » The State Government Financial Aid, Revenue Replacement and Indigenous Economic Development Grant programs provided more than \$41.26 million in 2020–21 to Indigenous Councils across Queensland. These funding programs support local job creation and ensure Queensland's Indigenous local governments can provide much-needed services for their communities.
- » The State Assessment and Referral Agency (SARA) carried out development assessment, in a well-coordinated, timely and professional manner as demonstrated through SARA's lead role in helping to facilitate the \$1 billion M1 Pacific Motorway (Varsity Lakes to Tugun) upgrade project. Working with the Department of Transport and Main Roads and its contractors, the Department of Environment and Science and the Department of Agriculture and Fisheries, the approvals process was timely, efficient and collaborative.
- » Through the Planning Group, we progressed the North Queensland Regional Plan's priority implementation actions to drive the region's economy and take advantage of its location to the Asia Pacific markets, increasing the prosperity and liveability of the region. Activities included identifying emerging aquaculture and agribusiness opportunities, coordinating industrial land supply, growing advanced manufacturing and defence industries and de-risking tourism investment in the region.

Performance

| Key Performance Indicator | Results |
|---|---|
| <i>Percentage of (relevant) local government infrastructure plans in place</i> | 100% of relevant local government infrastructure plans were in place |
| <i>Economic recovery strategies implemented</i> | <p>Economic recovery strategies were successfully implemented as follows:</p> <p>Natural disasters – Two-year State Recovery Plans* in operation for 2019 Queensland Bushfires and 2019 Monsoon Trough had the following results:</p> <ul style="list-style-type: none"> • businesses and industries in the local economy returned to operating and trading • betterment projects result in more resilient infrastructure. <p><i>Queensland's COVID-19 Economic Recovery Plan</i> assisted impacted businesses and communities through the pandemic and outlined Queensland's longer term recovery pathway – with the objectives to protect health, create jobs and work together.</p> <p>A suite of regional economic recovery plans was developed and released in September and October 2020 focusing on regional recovery needs and key recovery initiatives.</p> <p>*Reports on economic recovery include actions undertaken by other agencies as part of these Recovery Plans.</p> |
| <i>Land and housing affordability targets achieved</i> | <p>In 2020–21 Economic Development Queensland:</p> <ul style="list-style-type: none"> • put 92 residential lots under contract within the Carseldine Village, with house and land packages priced below the Carseldine median house price • approved 3091 residential lots within the greenfield Priority Development Areas • worked with the Department of Housing to provide seven residential lots for social housing. |
| <i>Level of stakeholder satisfaction with accessibility and transparency of the requirements of the planning system</i> | 79% of stakeholders were satisfied with accessibility and transparency of the requirements of the planning system. |

Capable and accountable



To build sustainable, capable and accountable local governments enabling thriving communities, the department administered local government funding and capacity building programs, ensured adequate land supplies through the planning framework and championed place specific infrastructure planning to strengthen investment, deliver community outcomes and drive economic growth and job creation initiatives.

Activities and achievements

- » The \$200 million COVID Works for Queensland program was rolled out to support all 77 Queensland local governments with job creating projects that invest in essential services, economic development and community focused infrastructure. Under the program, local governments are expected to complete 519 projects, supporting or creating more than 4,600 jobs.
- » The \$50 million Unite and Recover Community Stimulus Package program fast-tracked investment in ‘shovel ready’ projects for new infrastructure and community assets, creating jobs and delivering economic stimulus across the 12 eligible SEQ local governments. It is estimated that more than 1,500 jobs will be created or supported across SEQ through these projects.
- » We progressed legislative amendments to improve local government operations and accountability, create flexibility and address impacts of the COVID-19 pandemic. These include:
 - introducing temporary legislative changes that have facilitated the process for holding by-elections and allowed council meetings to be held by audio or video link
 - enabling local governments to make additional decisions about council rates outside usual timeframes in the 2020–21 financial year and simplifying procedures for sales of land to recover overdue rates and charges
 - changing the process and timeframes for filling Councillor and Mayoral vacancies
 - updating requirements covering the organisation and conduct of local government meetings
 - requiring publication of important documents — Councillors’ registers of interests, annual financial statements of controlled entities and statutory notices — on each local government website.
- » We finalised the Rural and Remote Councils Compact to support the way government and councils work together to address key issues facing rural and remote communities.
- » Working with local governments to build capacity and improve processes we:
 - continued to deliver local government capacity building programs for more than 1,700 participants including Mayors, Councillors, council officers and election candidates. The 2020–21 programs included 65 workshops on conflicts of interest and integrity matters that were attended by 732 mayors, councillors and council employees. The Register of Interests training was attended by 386 people and the Tropical Financial Statements workshops saw 224 participants gaining a better understanding of financial management and decision-making
 - commenced a leadership development program for 89 female councillors. The *Women Leading in Local Government* program has been designed to increase the leadership capabilities of women councillors through training, support and coaching
 - implemented a new eGrant management system, underpinning more efficient and effective delivery of grants to local governments.
- » Protection of the Bundaberg Coast’s endangered loggerhead turtle population through design of a Temporary Local Planning Instrument (TLPI) that sets updated and more appropriate building heights in the residential zone at Bargara has been a boost for the natural environment and the tourism industry alike. The TLPI will be in effect

for two years while the Bundaberg Regional Council incorporates the changes in the Bundaberg Regional Council Planning Scheme.

- » Working collaboratively with South Bank Corporation we were able to:
 - continue the preparation of a draft 30-year South Bank Master Plan that will support better and more sustainable outcomes for one of Brisbane’s most loved and visited tourist and community spaces with the potential for delivery by both the public and private sectors
 - ensure the delivery of high-quality parklands at South Bank and Roma Street, which continue to provide outstanding community outcomes for residents and both international and domestic tourists producing significant contributions to the local and statewide economy.
- » Changes to Development Assessment (DA) Rules and to Minister’s guidelines regarding local government infrastructure designations enabled:
 - streamlined and clarified processes relating to the making of infrastructure designations, and amending of Local Government Infrastructure Plans. Changes also provided for development applications to be publicly notified via digital or other media rather than through hard copy newspapers, bringing the DA process up to date and creating greater efficiency.
- » In partnership with the Local Government Association of Queensland, we engaged 18 councils across Queensland to undertake an Activity Monitoring Pilot project to collate, cleanse and analyse a range of local government development activity data for the 2019–20 financial year. Analysis of development activity for a variety of local governments provided valuable insights into the volume of activity in a local government area and cumulatively across the State. Outcomes from the pilot will benefit Queenslanders by assisting us in better monitoring the performance of strategic planning and the development assessment framework.
- » Launched in September 2020, the Plan-making Dashboard has increased the transparency of Queensland’s plan-making system. Located on Queensland’s planning framework website, the publicly-accessible online dashboard displays live summary information on the preparation of new, or amendments to, existing planning schemes being undertaken by local governments, timeframes for related public consultation processes and council timelines for consideration and adoption of new and amended schemes.

Performance

| Key Performance Indicator | Results |
|--|---|
| <i>Percentage of local governments:</i> <ul style="list-style-type: none"> » <i>participating in training programs designed to increase capacity and capability at both council-elected member and officer levels</i> » <i>with key governance documents and frameworks in place</i> | 100% of local governments have participated in training programs. 85% of training participants reported positive benefits from attending according to feedback from the end of training surveys. 93.5% of local governments have key governance documents and frameworks in place, based on council financial statements completed on time. |
| <i>Level of satisfaction of local governments (Mayors and CEOs) with the effectiveness, timeliness and quality of advice services and support and funding administration provided by the department</i> | The annual survey of Local Government Mayors and Chief Executive Officers returned a satisfaction level of 91%. |
| <i>Cost of capacity building per local government</i> | The average cost of capacity building including publications, online training and workshops was \$34,500 per local government. |
| <i>Administration costs as a percentage of all funding distributed through the Local Government Service Area</i> | Administration cost as a percentage of total funding distributed was 0.43%. This equates to an extremely efficient \$4.30 per \$1,000 of funding distributed. |



Part 03

Financial performance

Statement by the Chief Finance Officer
Summary of financial performance

Statement by the Chief Finance Officer

In accordance with the requirements of section 77(2)(b) of the *Financial Accountability Act 2009*, the Chief Finance Officer has provided the Director-General with a statement confirming the department's financial internal controls are operating efficiently, effectively and economically in compliance with section 54 of the Financial and Performance Management Standard 2019.

The Chief Finance Officer has therefore fulfilled the responsibilities set out in section 77(1)(b) of the *Financial Accountability Act 2009*.

Summary of Financial Performance

This section provides an overview of the financial position of the department for the 2020–21 financial year. The department's audited financial statements can be found in Part 7 of this report.

Understanding the financial statements

Under the Public Service Departmental Arrangements Notice (No.4) 2020 of 12 November 2020, following machinery-of-Government (MoG) changes, the Department of Local Government, Racing and Multicultural Affairs (DLGRMA) was renamed the Department of State Development, Infrastructure, Local Government and Planning (DSDILGP). As a result of MoG changes the department's financial statements consist of the following functions:

- » Local Government – 1 July 2020 to 30 June 2021
- » Multicultural Affairs and Racing – 1 July 2020 to 30 November 2020
- » State Development, Economic Development, Infrastructure, Planning – 1 December 2020 to 30 June 2021.

Additionally, as a result of the *Debt Reduction and Savings Act 2021* assented on 2 June 2021, the *Building Queensland Act 2015* was repealed, and Building Queensland (BQ) was abolished with net assets transferring to the department.

These MoG changes have largely attributed to the material movements in the Statement of Comprehensive Income and Statement of Financial Position between 2019–20 and 2020–21.

The following comparisons of the 2020–21 financial results against 2019–20 were considered and accepted by the department's Audit and Risk Management Committee at the 24 August 2021 meeting.

Table 1: Financial snapshot

| | 2021 | 2020 |
|---------------------------------------|-----------|-----------|
| | \$'000 | \$'000 |
| Controlled income | 536,574 | 273,316 |
| Controlled expenses | (537,334) | (330,101) |
| Operating results for the year | (760) | (56,785) |
| Income tax equivalents | 11,169 | - |
| Increase in asset revaluation surplus | 1,998 | |
| Total comprehensive income | 12,407 | (56,785) |
| Total assets | 1,293,419 | 44,215 |
| Total liabilities | (421,080) | (29,845) |
| Net assets | 872,340 | 14,370 |

Source: Department of State Development, Infrastructure, Local Government and Planning

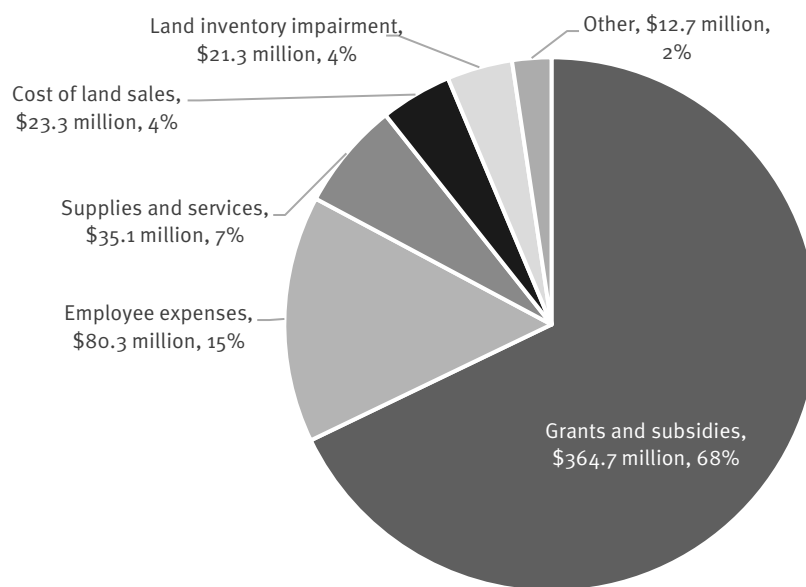
Income

Total income for the year ended 30 June 2021 is \$536.6 million. The 2020–21 appropriation revenue increased by \$170.8 million predominantly due to the transfer of functions into the department due to MoG changes.

Expenses

Total expenses for the year ended 30 June 2021 is \$537.3 million. This is an increase of \$207.2 million from last year, mainly due to MoG changes effective 1 December 2020. The department's significant expenses categories are grants and subsidies (including programs such as COVID Works for Queensland, Works for Queensland, Unite and Recover Community Stimulus Package and Building our Regions), employee expenses and supplies and services.

Fig 2. Total expenses



Assets and Liabilities

Total assets and liabilities as at 30 June 2021 are \$1.293 billion and \$421.1 million respectively. Both increased significantly from last year predominantly due to Economic Development Queensland being transferred in as a result of the November 2020 MoG changes.

Open Data Reporting 2020–21

Due to overseas travel not being undertaken by any officers of the department during the 2020–21 reporting year, an overseas travel expenditure report was not required.

As the department did not engage consultants during the 2020–21 reporting year, a report on expenditure on consultancies was not required.

The department did not engage interpreter services as part of the Queensland Government Language Services Policy during the 2020–21 reporting year, so a report was not required.



Part 04

Governance

Governance framework

Governance committees

Executive management (Executive Leadership Team)

Audit and Risk Management Committee

Finance and Asset Management Committee

Information Steering Committee

People and Culture Committee

Risk management and accountability

Internal Audit

External scrutiny

Information systems and recordkeeping

ISMS attestation

Ethics

Human Rights

Complaints

Governance

Our corporate governance arrangements outline our commitment to the fundamental principles of good governance, performance and accountability practices, which guide us in achieving our strategic goals and operational objectives effectively, efficiently and ethically.

The purpose of corporate governance is to facilitate accountability and responsibility for performance and ethical behaviour, providing stakeholder confidence in our ability to identify and achieve valuable outcomes.

Our approach to corporate governance is to establish the links between our corporate planning and performance processes, strategic and operational planning, risk management and accountability frameworks. Our corporate governance structures are designed, along with our organisational structure, to enable and support our vision, purpose and objectives.

As a result of the MoG changes, our corporate policies and procedures are being progressively reviewed to support legislative requirements and whole-of-government directives. Corporate delegations also undergo an annual review to ensure our business operations are supported, that delegated functions and powers are clear, business needs are balanced with risk and decisions can be made at the most appropriate levels.

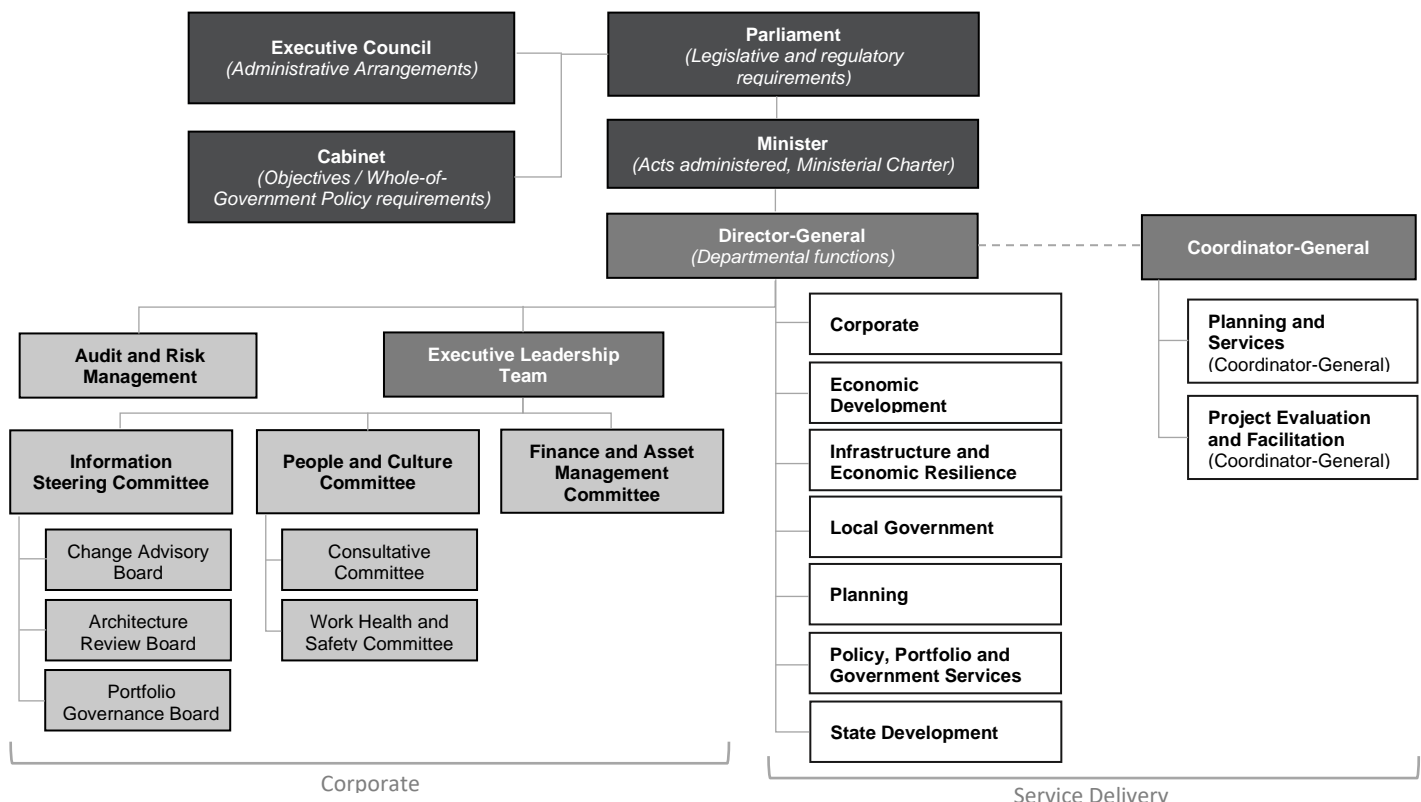
Governance Framework

In establishing good governance, we have embraced the principles outlined in the *Public Sector Ethics Act 1994*, which guide everyday business practices and reinforce our obligations to ethical and transparent processes and systems. This commitment to good governance underpins our strategic planning, performance monitoring, risk and financial management processes and procedures and ensures governance is embedded in our daily work.

Our Corporate Governance Framework outlines the key governance practices that underpin our corporate governance. These practices ensure we comply with its legislative obligations and best-practice management standards, to provide ongoing confidence in the delivery and integrity of our services. This includes compliance with our obligations under the *Financial Accountability Act 2009*, Financial and Performance Management Standard 2019 and *Public Sector Ethics Act 1994*.

The framework ensures we can deliver our work with transparency, openness and integrity and to a high standard of ethical behaviour. This is further reinforced by strong leadership, a clear organisational and governance committee structure and well-defined roles, responsibilities and accountabilities.

Fig 3. DSDILGP Governance Framework



Governance committees

The Director-General has overall responsibility under the *Public Service Act 2008* (section 98) for the management, governance and operation of the department.

Our governance committees meet regularly and assist the Director-General and senior executives in decision-making and ensuring our goals and objectives are met.

Executive Leadership Team (ELT)

The ELT is a committee that considers our business priorities and resourcing, ministerial and parliamentary business, and corporate policy. The ELT is our principal policy-setting and decision-making authority. It supports the Director-General (as the department's accountable officer) to ensure the department operates within a sound governance framework.

The ELT works collectively to:

- » provide leadership on emerging and/or contentious issues
- » set departmental strategy and oversee the department's forward policy agenda
- » allow consideration of significant issues affecting the department's operations
- » develop departmental budget strategy and approve changes in line with emerging priorities
- » provide direction for appropriate management of risks escalated to ELT
- » consider new project proposals, particularly with respect to:
 - resourcing impacts
 - project alignment with the department's strategic direction
 - stakeholder assistance and interest in the project.

The ELT meets weekly and, as at 30 June 2021, comprised:

- » Director-General (**Chair**)
- » Deputy Director-General, Corporate (**Deputy Chair**)
- » Coordinator-General, Office of the Coordinator-General
- » General Manager, Economic Development Queensland
- » Deputy Director-General, Infrastructure and Economic Resilience
- » Deputy Director-General, Local Government
- » State Planner, Planning
- » Assistant Director-General, Policy, Portfolio and Government Services
- » Deputy Director-General, State Development
- » Assistant Coordinator-General, Planning and Services, Office of the Coordinator-General
- » Assistant Coordinator-General, Project Evaluation and Facilitation, Office of the Coordinator-General.

The ELT is supported by the following four governance sub-committees:

- » Audit and Risk Management Committee (ARMC)
- » Finance and Asset Management Committee (FAMC)
- » Information Steering Committee (ISC), with standing sub-committees – the Change Advisory Board (CAB), the Architecture Review Board (ARB) and the Portfolio Governance Board (PGB)
- » People and Culture Committee (PCC), with standing sub-committees – the Consultative Committee and the Work Health and Safety (WHS) Committee.

Audit and Risk Management Committee (ARMC)

The Department of State Development, Infrastructure, Local Government and Planning (DSDILGP) was established under the Administrative Arrangements Order (No. 2) 2020, including MoG changes announced on 12 November 2020. As DSDILGP was renamed from the former Department of Local Government, Racing and Multicultural Affairs (DLGRMA) and incoming functions added, it was appropriate to abolish the former DLGRMA Audit and Risk Management Committee (ARMC) and stand up a new ARMC for DSDILGP, including appointment of new members and a new external Chair.

The ARMC for DSDILGP and for the former DLGRMA were each established pursuant to the Financial and Performance Management Standard 2019 (the Standard).

The ARMC provides independent assurance and assistance to the Director-General on the department's:

- » risk management, control and compliance frameworks
- » external accountability responsibilities as prescribed in legislation and standards.

The ARMC Charter established the authority and responsibilities of each committee and was prepared with reference to:

- » relevant provisions of the *Financial Accountability Act 2009* (the Act) and the Standard
- » Queensland Treasury Audit Committee Guidelines – Improving Accountability and Performance
- » better practice guidance issued by the Institute of Internal Auditors, the Australian Accounting Standards Board, the Australian National Audit Office and the Australian Institute of Company Directors including *Audit Committees: A Guide to Good Practice 3rd Ed.*

During 2020–21, each ARMC considers it observed the terms of its Charter and had due regard to the *Audit Committee Guidelines: Improving Accountability and Performance* issued by Queensland Treasury in June 2012.

In discharging its responsibilities, the ARMC has the authority to:

- » conduct or authorise investigations into matters within its scope of responsibility
- » access information, records and personnel of the department for such purpose
- » request the attendance of any employee, including executive staff, at ARMC meetings
- » conduct meetings with the department's internal and external auditors as necessary
- » seek advice from external parties as necessary.

Internal Audit provided secretariat support to the DSDILGP ARMC and to the former DLGRMA ARMC.

The DSDILGP ARMC met on three occasions. Membership and remuneration details from 15 February 2021 to 30 June 2021 are as follows:

- » Mr Peter Dowling, External Chair, appointed 15 February 2021. Remuneration: \$5,280 (GST excluded). Attended three meetings.
- » Ms Karen Smith-Pomeroy, External Member, appointed 15 February 2021. Remuneration: \$3,082 (GST excluded). Attended three meetings.
- » Mr Ian Rodin, External Member, appointed 15 February 2021. Remuneration: \$4,730 (GST excluded). Attended three meetings.
- » Ms Maree Parker, Deputy Director-General, Infrastructure and Economic Resilience, DSDILGP, Internal Member, appointed 15 February 2021. Attended three meetings.
- » Ms Michele Bauer, Deputy Director-General, State Development, DSDILGP, Internal Member, appointed 15 February 2021. Attended three meetings.

Key achievements of the DSDILGP ARMC since its inception included:

- » reviewing and endorsing the department's annual report for the year ended 30 June 2021
- » reviewing and endorsing the department's financial statements for the year ended 30 June 2021

- » reviewing and endorsing the department's Internal Audit Strategic Plan 2021–24 and Annual Audit Plan 2020–21, and the department's Internal Audit Plan 2020–21 post the MoG changes announced on 12 November 2020
- » endorsing the ARMC Charter, March 2021 and the Internal Audit Charter, March 2021
- » receiving reports on Internal Audit activities, including audits and reviews completed as part of the Internal Audit Annual Audit Plan
- » reviewing and considering the Queensland Audit Office (QAO) Strategic Audit Plan and the QAO Client Strategy for the department
- » receiving reports on the implementation status of internal and external audit recommendations
- » receiving trend and statistical reports on issues arising relating to ethics, and any fraud and corruption matters.

The former DLGRMA ARMC met on two occasions prior to the MoG changes announced on 12 November 2020. Membership and remuneration details from 1 July 2020 to November 2020 are as follows:

- » Ms Karen Smith-Pomeroy, Chair and External Member, appointed 8 October 2018; (previously External Member). Remuneration: \$2,945 (GST exclusive). Attended two meetings.
- » Mr Ian Rodin, External Member, appointed 8 October 2018. Remuneration: \$3,036 (GST exclusive). Attended two meetings.
- » Ms Natalie Wilde, Deputy Director-General, Local Government, former DLGRMA, Internal Member, appointed 8 October 2018. Attended one meeting.
- » Ms Rebecca Atkinson, Deputy Director-General, Strategy, Racing and Multicultural Affairs, former DLGRMA, Internal Member, appointed 13 August 2019. Attended two meetings.

Key achievements of the former DLGRMA ARMC included:

- » endorsing the annual Queensland Government Enterprise Architecture Information Security Policy (IS18:2018) return in September 2020 for the year ended 30 June 2020
- » receiving reports on Internal Audit activities, including audits and reviews completed as part of the Internal Audit Annual Audit Plan 2020–21
- » receiving reports on the implementation status of internal and external audit recommendations
- » receiving trend and statistical reports on issues arising relating to ethics, and any fraud and corruption matters
- » enhancing management's oversight of risk management and receiving reports on the department's risk status.

Finance and Asset Management Committee (FAMC)

The FAMC focuses on strategic resource decisions including budget development, financial management and controls, emerging risks to funding, reporting, assets or resourcing.

Specifically, the FAMC provides strategic advice, insight and assurance to the ELT through:

- » identifying budget and financial issues and overseeing departmental budget processes, including referral of unresolved issues to the ELT and/or Director-General for decision
- » implementing strategies and methodologies to improve resource usage that aligns with the department's objectives
- » monitoring the business performance and resource usage of the department through the monthly financial report and escalating significant risks to achieving departmental objectives to ELT
- » assisting the Chief Finance Officer (CFO) to certify internal controls and financial statements
- » managing the department's assets and liabilities through review of the Total Asset Management Plan annually, and quarterly monitoring through the Capital Performance Report and Financial Performance Report
- » examining procurement issues and trends
- » managing funded full-time equivalents (FTEs) including monitoring of unfunded positions.

The FAMC meets a minimum of five times per year, or as otherwise determined by the Chair. Attendees include invited guests/observers based on content expertise, including the department's CFO.

As at 30 June 2021, FAMC comprised:

- » Deputy Director-General, Corporate (**Chair**)
- » Assistant Director-General, Policy, Portfolio and Government Services (**Deputy Chair**)
- » Director-General
- » Coordinator-General, Office of the Coordinator-General
- » General Manager, Economic Development Queensland
- » Deputy Director-General, Infrastructure and Economic Resilience
- » Deputy Director-General, Local Government
- » State Planner, Planning
- » Deputy Director-General, State Development.

Information Steering Committee (ISC)

The ISC focuses on strategic management of information and technology resources to ensure that new investments support our strategic plan and information security oversight. The ISC also contributes to the efficient and effective operation of the department in alignment with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019, *Information Standard 2 – ICT Resources Strategic Planning*, and *Information Standard 18 – Information Security*.

Specifically, the ISC:

- » ensures decisions and actions are in accordance with legislation, are transparent and evidence-based, equitable in outcome and sustained through integrity
- » develops the department's information management (IM) and ICT strategy and related roadmap
- » directs the priority and sequence of programs and projects to ensure the ICT and IM portfolio supports departmental and government strategy, policy and objectives for the community
- » ensures the ICT and IM investment portfolio is evaluated and monitored using departmental and government investment, project, procurement, architecture, policy and risk frameworks, assurance and governance process
- » makes and applies financial and resource decisions for the ICT and IM portfolio within budgetary and resource allocations
- » develops and manages portfolio and project reporting and analysis
- » ensures risks are identified, managed and independently audited
- » develops and manages policy, procedures and technology to ensure the security of data, information assets and related ICT and IM systems.

The ISC meets monthly or as otherwise determined by the Chair. Attendees include invited guests/observers based on content expertise.

As at 30 June 2021, ISC comprised:

- » Assistant Director-General, Policy, Portfolio and Government Services (**Chair**)
- » Deputy Director-General, Corporate (**Deputy Chair**)
- » Director-General
- » Assistant Coordinator-General, State Development Areas, Office of the Coordinator-General
- » Executive Director, Project Support, Economic Development Queensland
- » Deputy Director-General, Infrastructure and Economic Resilience
- » Deputy Director-General, Local Government
- » State Planner, Planning
- » Executive Director, Regional Development (South), State Development.

People and Culture Committee (PCC)

The PCC is a strategic committee focusing on ensuring a high-performing, valued, agile and skilled workforce with a culture that supports mobility. The PCC:

- » provides oversight on the strategic direction and management of human resources including facilitating the sharing of resources and identifying when resources will become available
- » aims to ensure the department's work is conducted ethically and that the workforce is flexible, agile and capable of meeting the needs of a rapidly changing environment
- » acts to review and make decisions regarding all matters relating to the attraction, recruitment and utilisation of people in a way that delivers on the strategic priorities of the department.

The PCC meets quarterly or as otherwise determined by the Chair. Attendees may include invited guests and observers including the Chief Human Resources Officer, based on content expertise.

As at 30 June 2021, PCC comprised:

- » Director-General (**Chair**)
- » Deputy Director-General, Corporate (**Deputy Chair**)
- » Coordinator-General, Office of the Coordinator-General
- » General Manager, Economic Development Queensland
- » Deputy Director-General, Infrastructure and Economic Resilience
- » Deputy Director-General, Local Government
- » State Planner, Planning
- » Assistant Director-General, Policy, Portfolio and Government Services
- » Deputy Director-General, State Development.

Risk management and accountability

We take an integrated risk management approach in accordance with the obligations set out in the *Financial Accountability Act 2009* and the Financial and Performance Management Standard 2019. Risk management practices are aligned with AS/NZS ISO 31000:2018 - *Risk management – Guidelines*, and the Queensland Government – *A Guide to Risk Management*.

Our Integrated Risk Management Framework provides the foundation and arrangements for risk management through defined systems, processes and practices and is characterised by the following policy principles:

- » **Integrated** – risk management is an integral part of all organisational activities.
- » **Structured and comprehensive** – a structured and comprehensive approach to risk management contributes to consistent and comparable results.
- » **Customised** – the integrated risk management framework and process are customised and proportionate to the organisation's external and internal context related to its objectives.
- » **Inclusive** – appropriate and timely involvement of stakeholders enables their knowledge, views and perceptions to be considered, resulting in improved awareness and informed risk management.
- » **Dynamic** – risks and opportunities can emerge, change or disappear as an organisation's external and internal context changes. Risk management anticipates, detects, acknowledges and responds to those changes and events in an appropriate and timely manner.
- » **Best available information** – the inputs to risk management are based on historical and current information, as well as on future expectations. Risk management explicitly recognises any limitations and uncertainties associated with such information and expectations. Information should be timely, clear and available to relevant stakeholders.

- » **Human and cultural factors** – human behaviour and culture significantly influence all aspects of risk management at each level and stage.
- » **Continual improvement** – risk management is continually improved through learning and experience.

Our strong culture, incorporating risk-based decision-making, aligns with our risk appetite to support the achievement of strategic plan objectives including strategic risks and opportunities.

Operational planning activities are undertaken each year across the department to identify risks and opportunities that may impact business objectives. Given the dynamic nature of the department's business environment, significant risks are reviewed regularly by executive leaders, the ELT and the ARMC.

Our risk registers include strategic, operational and program/project risks and are maintained through day-to-day risk management activities with review on a quarterly basis to identify trends that warrant attention.

The COVID-19 pandemic has introduced new and significant risks to the community and, in turn, to the department and inform revised business continuity practices. Agile and robust risk management will continue to be critical as the department leads economic recovery and planning for long-term economic growth.

Internal Audit

Pursuant to section 24(1) of the Financial and Performance Management Standard 2019 (the Standard), the department has established an independent internal audit function that provides independent and objective advice to the Director-General.

Through its assurance activities, Internal Audit aids the Director-General in the discharge of his functions and duties under the relevant provisions of the *Financial Accountability Act 2009* (the Act) and the Standard.

Internal Audit provides independent, objective assurance and consulting activity designed to add value and improve the department's operations and achieve its objectives. It brings a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

Internal Audit operates under a charter approved by the Director-General that sets the purpose, authority and responsibilities for the department and was prepared with reference to:

- » the relevant provisions of the Act and the Standard
- » the Institute of Internal Auditors International Professional Practice Framework
- » the Queensland Treasury *Audit Committee Guidelines: Improving Accountability and Performance*
- » better practice guidance issued by the Australian National Audit Office.

The scope of Internal Audit coverage for 2020–21 was set out in the respective approved Internal Audit Strategic Plan 2020–23 and Annual Audit Plan 2020–21 for the former DLGRMA prior to the November 2020 MoG changes and then for DSDILGP thereafter. This plan followed a risk-based agile methodology, balancing emerging issues against core business reviews and transactional processes. Auditable areas were identified based on consultation and assurance mapping relative to risk.

In 2020–21, Internal Audit delivered 11 reviews and assurance advisory services across a broad range of risk areas including governance arrangements, financial internal controls, grant administration, information security management system implementation and selected program and project management controls. Internal Audit also closed out seven earlier 2019–20 reviews that were delayed by the COVID-19 pandemic response and MoG changes in 2020.

Internal Audit also delivers ongoing support to various governance activities and provides advice on emerging risk issues or on request of management. Additional governance and controls support in 2020–21 included:

- » attending some ICT project governance boards as advisor
- » attending Information Steering Committee meetings as an observer
- » providing targeted assurance activities for the department's Information Security Management System
- » governance advice for decisions on various grant programs and activities

- » providing the secretariat function for the ARMC and its meetings.

External scrutiny

Queensland Audit Office Reports

In addition to an annual audit of the department's financial statements, the Auditor-General conducted performance and whole-of-government audits in accordance with the Queensland Audit Office Strategic Audit Plan.

Reports issued by Queensland Audit Office in 2020–21 containing significant findings of relevance to DSDILGP included:

- » Report 2: 2020–21 – Effectiveness of audit committees in state government entities, tabled 8 September 2020

This report provided insights on the current profile and practices of audit committees in the Queensland public sector and to identify actions that can help lift their performance and effectiveness. Recommendations of this report were considered when reviewing the Internal Audit Charter and the Audit and Risk Management Committee Charter as established for DSDILGP.

- » Report 6: 2020–21 – Awarding of sports grants, tabled 29 September 2020

This report shared key facts about sports grants in Queensland between 1 July 2017 and 29 February 2020.

As new grant programs are established the first recommendation will be taken into consideration during their design. Review of processes is a normal part of transition after MoG changes and continues to be conducted across DSDILGP, with activities prioritised on a risk-basis.

- » Report 7: 2020–21 – Delivering successful technology projects, tabled 30 September 2020

This report highlighted recurring risks and issues in delivering technology projects and sharing learnings with the wider public sector. The recommendations are all components of accepted good business practice for managing IT projects and form part of the existing approach to managing the DSDILGP project portfolio

- » Report 13: 2020–21 – State entities 2020, tabled 11 February 2021

This report summarises the financial audit results of Queensland state government entities for 2019–20, including the 22 government departments. The recommendations are in effect continuous improvement measures for the financial statement preparation process and internal control environment and are considered and implemented in the department's ongoing activity to monitor and improve control effectiveness.

- » Report 17: 2020–21 – Local government 2020, tabled 22 April 2021

This report summarises the audit results of Queensland's 77 local government entities (councils) and the entities they control. The recommendations made relate to selection and use of financial ratios by local government entities and delivery of governance training. Activities to deliver governance training to Councils are established and continue year-to-year. The project established to review and implement new financial sustainability ratios is close to completion with the final stages requiring changes to regulations and legislation to allow implementation. Some other recommendations first require legislative change.

Information systems and recordkeeping

The department complies with the *Public Records Act 2002* and aligns with the records governance policy by creating, managing, securing and retaining information as a valuable critical asset across numerous information systems and platforms. Adherence to the policy supports the delivery of services, transparency in decision-making and actions, effective risk mitigation and retention of the department's corporate history and knowledge.

The department continues to strive to reduce its paper-based footprint with a 'Born Digital, Stay Digital' approach to recordkeeping. This is underpinned by embracing electronic business processes and internal electronic approvals by creating, sending and receiving electronic records managed within the department's state-wide electronic documents and recordkeeping system (eDRMS) where possible.

Records created within this recordkeeping system are automatically assigned retention periods that align with general or core retention and disposal schedules and relevant legislation. The department has an established archive management program that authorises the disposal of eligible records against these schedules.

Departmental records managed within whole-of-government systems, SAP for financial performance management and Aurion for human resource management also support recordkeeping obligations.

To ensure public records are transferred or retained by the relevant agency following MoG or administrative changes, the department has undertaken numerous information systems realignments of functions, responsibilities and regulatory obligations.

The department is committed to providing the Queensland public with easier access to its information. In accordance with the *Right to Information Act 2009*, the department maintains a publication scheme, ensuring that certain types of information are made available to the public. The department's publication scheme is available at www.statedevelopment.qld.gov.au/about-us/right-to-information/rti-publication-scheme.

In addition, the department supports the whole-of-government Open Data Policy statement by publishing suitably classified datasets through the Open Data Portal at www.data.qld.gov.au. Datasets identified and published to this data portal include reports on overseas travel, late payments and gifts and benefits.

Protecting the confidentiality, integrity and availability of business information remains a key focus through the continual development of the department's information security management system (ISMS) framework and alignment to the department's risk appetite. With ISMS governance frameworks, security policies, assurance and annual reporting processes established, the department continues to work collaboratively with whole-of-government security leads, and internal and external security content experts, to uplift the department's information security posture.

The department plans to continue improving its information systems and recordkeeping, as well as enhancing and promoting education and awareness materials on the topics of information management, including information security and records management.

ISMS attestation

Within the mandatory annual Information Security reporting process timeframe, the Director-General will attest to the appropriateness of the information security risk management within the department. The attestation will be provided in a statement letter to the Queensland Government Chief Information Security Officer by 30 September 2021 and will note that appropriate assurance activities have been undertaken to inform both the attestation and the Department's information security risk position.

Ethics

The *Public Sector Ethics Act 1994* (PSE Act) lays the foundation for the department's Ethics Framework which ensures systems, policies, procedures and resources are in place to provide assurance that our activities are conducted in an ethical, accountable and transparent manner. Corporate policies and complementary procedures support the requirements, ethics principles and values outlined in the PSE Act.

To support the framework and drive a culture of transparency and accountability, specialist ethics advice and services are provided to:

- » manage customer, employee, privacy and human rights complaints as well as complaints involving corrupt conduct including liaison with the Crime and Corruption Commission
- » coordinate management of public interest disclosures
- » register declarations of interest and provide advice on the management of conflicts of interest
- » advise on and review gifts and benefits
- » register and advise on contact with lobbyists
- » assess and manage fraud and corruption risk.

Our employees uphold the Code of Conduct for the Queensland Public Service and receive regular training on the code. New employees receive information about the Code of Conduct at induction.

The department's Ethics, Compliance and Risk Unit provides tailored information sessions and advice on ethical decision-making, reporting wrongdoing and best practice complaints management and handling. In 2020–21, employees were required to complete ethical decision-making and code of conduct training as well as public interest disclosure training.

Human Rights

The department is committed to respecting, protecting and promoting human rights in our actions and decision-making.

Actions undertaken by the department to further the objects of the *Human Rights Act 2019* (HR Act), including reviews for compatibility with human rights, have been impacted as a result of COVID-19 and MoG changes.

Significant work undertaken in the year included:

- » embedding our commitment to human rights in our strategic and workforce plans
- » raising departmental awareness through briefing and training senior leaders and policy staff and publication of human rights information and resources on the intranet and via internal communications
- » engaging with our functional public entities to raise awareness of their obligations under the HR Act
- » completing our review of legislation and regulations for compatibility with human rights
- » continuing our review and incorporation of human rights considerations into our corporate and operational policies, including complaint handling policies and procedures
- » including prompts in new internal human resources processes arising from reforms to the *Public Service Act 2008*, to ensure consideration is given to relevant human rights during decision-making processes.

Information and resources are periodically updated and circulated to our staff to continue to build our understanding of our obligations under the HR Act. This includes making decisions that are compatible with relevant human rights and ongoing incorporation of human rights impact assessments in our decision-making processes.

Human rights considerations are included when the department develops new policy and legislation. This includes identifying human rights impacts and compatibility as part of the briefing process. Policy and legislation staff across the department are aware of their obligations to develop Statements of Compatibility for new Bills and Human Rights Certificates for new subordinate legislation.

Actions during the year relating to human rights

Throughout 2020–21, the department was mindful of its obligation to act compatibly with human rights by taking actions and making decisions that protected them and by ensuring that any limitations on human rights were reasonable and justified.

For example, in June 2021, the Office of the Coordinator-General completed a review of the *Strong and Sustainable Resource Communities Act 2017* (SSRC Act). The review was undertaken in consultation with the Department of Justice and Attorney-General and the Queensland Human Rights Commission (QHRC).

The SSRC Act provides anti-discrimination protections for residents of towns near large resource projects that are enforced through the *Anti-Discrimination Act 1991* and managed by the QHRC.

A Human Rights Impact Assessment was undertaken regarding the decision to release the final report for the SSRC Act review, which found that no human rights would be limited by the decision. Relevant human rights include freedom of expression (under section 21) and the right to participate in the conduct of public affairs including a right to vote (under section 23).

Complaints

Human rights complaints

From 1 January 2020, individuals have a right to make a complaint if they believe their human rights have been limited by a public entity. Complaints can only be made for alleged breaches that occur after this date. No human rights complaints were received by the department for the period of 1 July 2020 to 30 June 2021.

Customer complaints

In 2020–21, the department received 48 customer complaints. As at 30 June 2021:

- » 42 complaints were closed
- » 2 of these were closed with an outcome of ‘further action’
- » 40 of these were closed with an outcome of ‘no further action’.



Part 05

Our workforce

Workforce profile

Strategic workforce planning

- Attraction and retention activities

- Planning for the future

- Leadership Capability and staff development

Industrial and employee relations

Employee performance strategies and policies

Employee health and wellbeing

- Flexibility in the workplace

Early retirement, redundancy and retrenchment

Our workforce

The department is invested in our people – we know that they are the key to achieving our vision for Queensland. We are committed to creating a thriving, inclusive and diverse workplace where people are respected, have sound shared values, are given the opportunity to fulfil their potential and ultimately deliver the best possible outcomes for Queensland.

Workforce profile

The department has a workforce of 879.42 full-time equivalent (FTE) employees*. Due to the MoG changes that established the Department of State Development, Infrastructure, Local Government and Planning as a new department, the data required to undertake the calculation of a separation rate is not available. A separation rate will be made available in the department's 2021–22 annual report.

**This is based on Minimum Obligatory Human Resource Information (MOHRI) FTE data for the fortnight ending 18 June 2021. FTE data in the financial statements is as at 30 June 2021 (based upon the fortnight ending 2 July 2021).*

Strategic workforce planning

The department's approach to strategic workforce planning is multi-faceted and includes the consideration of a number of internal and external environmental factors driving both the department's workforce demand as well as expectations and sentiment of the workforce itself. The department's strategic workforce objectives are:

- » fostering an environment that allows people to thrive and translate opportunities into outcomes and that supports the health and wellbeing of our employees
- » fostering innovation and diversity to support a creative, diverse and inclusive workplace
- » expecting accountability and agility in work performance and contribution to agency culture through ethical decision making, strong leadership and corporate governance
- » enabling an effective workforce through strong collaboration, knowledge sharing, systems and process reform.

In designing contemporary strategies for the workforce, and monitoring success of objectives, the department draws on information and data related to resource management, the representation of diversity groups, complaints, legislative compliance and employee opinions expressed through the Working for Queensland annual survey.

The survey, in particular, has assisted the department to prioritise issues impacting on attraction and retention of employees. The department continues to work on improving workload and health, learning and career development, organisational fairness and organisational leadership.

Attraction and retention activities

As a department we aim to attract, recruit and retain an inclusive, diverse and capable workforce. This is supported by competitive remuneration and benefits to employees. Benefits include utilisation of the rewards and recognition framework, a learning and talent management system, regular Director-General led bespoke virtual forums for all staff and various leadership development opportunities.

Recruitment and selection practices have been updated to reflect contemporary approaches to recruitment including consideration of diversity and inclusion, flexible workplace location and virtual recruitment.

Employees and managers were supported to build capability in achieving an inclusive culture through virtual forums, e-learning modules and celebration of culturally significant dates and events including NAIDOC week, Reconciliation Week and Harmony Week.

Planning for the future

The department continues to monitor the changing environment in terms of work and workforce and respond to these changes through strategic and operational workforce planning.

Two key recent examples of this include moving towards increased levels of flexible working as well as managing human resourcing levels through a period of uncertainty and resource constraint resulting from whole-of-government debt management efforts.

The need to work remotely and to maintain social distancing practices has seen the department develop new processes for team engagement and collaboration. These include having interactive online events and team meetings, managing and collaborating online, focusing on social connection and holding online communities-of-practice sessions on key topics.

The department has also moved increasingly toward more agile resource management practices in pursuit of efficiency and financial savings. This has included:

- » the sharing of resources across work areas
- » consideration regarding monitoring and managing full-time-equivalent (FTE) levels
- » increased risk appetite for maintaining resourcing levels despite uncertainty regarding work/project delivery
- » redesigning job roles to fit with new work demands and practices.

Throughout the year the department has continued its pursuit of better capability and understanding of using data for decision making related to workforce management. In addition to activities and decisions related to resource management mentioned above, the department has used data analytics to inform management of workforce presence in the office and engagement and retention of staff. Following the creation of the new department after the 2020 Queensland state election, a review of structure and functions ensured alignment of objectives, clarity of responsibilities and an organisational design that is fit-for-purpose.

Leadership capability and staff development

Leadership development remains a key priority for the department. As with the broader learning and development effort, the department uses a blended approach to developing leaders. This includes on-the-job development, developing through others by engaging in activities such as collaboration and coaching. Complementing these is access to targeted information sessions and online self-paced learning.

This year a number of employees completed periods of higher duties and/or stretch tasks, enabling them to gather experience in job roles and duties.

A range of opportunities were also provided for employees to learn through others including communities of practice, working groups and cross department projects. To support learning through others, the department released the whole-of-sector 'Everyday coaching skills for better conversations' online module. Other opportunities provided for employees to develop leadership capability include:

- » completion of the Lead4QLD assessment and development program
- » participation in a number of leadership orientated online modules provided through the department's learning management system
- » attendance at or engagement with information sessions and events concerning issues such as cultural capability
- » participation in a range of Australia and New Zealand School of Government (ANZSOG) seminars and classes.

Industrial and employee relations

We continue to ensure our employment and industrial relations practices and processes reflect and support the government's employment security and union engagement policies.

The department's Consultative Committee (CC) is the channel of communication with the union to engage on industrial issues impacting, or which may impact, our workforce. It provides a forum for management and unions to identify, raise and discuss current or emerging issues.

The CC has focused on organisational realignments and MoG changes, response to the COVID-19 pandemic impacting on staff, flexible working, employment security, variation to the ordinary spread of working hours and employee health and wellbeing.

In September 2020 Queensland public sector reforms presented new statutory requirements to undertake temporary employment and higher duties appointment reviews. Since then, the department has actively undertaken these reviews in accordance with revised statutory requirements. Reviews are conducted where a temporary employee has been continuously performing in a role or a permanent employee has been performing in a higher-level role for 12 months or longer. During 2020–21, the department converted 29 employees from temporary to permanent and appointed 12 permanent employees into a role at a higher classification level.

Employee performance strategies and policies

The Performance and Development Agreement framework (the framework) provides a line of sight to the department's strategic objectives. It supports development, engagement and collaboration and provides an avenue for transparent discussion and feedback on employees' capabilities and performance. In line with Public Sector Reform and positive performance management measures, the framework is in the process of review and update.

Regular staff development is encouraged through the 70-20-10 framework and access to several internal and external development opportunities through the Public Service Commission and FANZSOG leadership development initiatives and opportunities.

The department provides an on-line induction program to further support inclusivity and ease of learning across our workplaces. The on-line induction program is supplemented with a local induction enabling familiarisation with an office location.

Employee health and wellbeing

Health, safety and wellbeing is a key priority for the department and is informed by the Public Service Commission's Be Healthy, Be Safe, Be Well framework. Employee health and wellbeing has been an important part of our COVID-19 workforce response and employees have been supported throughout this period to ensure they continue to drive positive outcomes for Queensland. The department has continued its ongoing commitment to employee safety and wellbeing by reviewing, maturing and enhancing the work health and safety (WHS) framework with particular reference to COVID safe work arrangements. This includes:

- » sharing information and resources to support employees in understanding and applying COVID-19 requirements in the workplace
- » standing up the Return to Office Working group – a sub-group of the WHS Committee – that met monthly to support COVID safe return to office practices
- » developing materials to guide and assist employees and managers on matters relating to flexible work arrangements.

Additionally, the flexible work arrangements that were in place throughout the COVID-19 pandemic saw the department record a significant decrease in workplace incidents and injuries throughout 2020–21. This is attributed to the reduced journeys to and from the office by employees. The department's ongoing commitment to flexible work will likely see this downward trend continue.

The Employee Assistance Program (EAP) service provides confidential and professional counselling, coaching and support for employees and their immediate family members on a range of work and life matters. We worked with our EAP provider to promote support services and to share proactive and educational materials and communiques on relevant topics including mental health awareness for employees and managers, the importance of physical health, nutrition and diet, domestic and family violence awareness and financial fitness.

The department also participated in programs and events to support and promote employee health and wellbeing including:

- » health and wellbeing virtual education and discussion seminars
- » promotion of mental health and wellbeing on-line education modules
- » promotion of key health and wellbeing community events
- » flu vaccinations
- » My Health for Life Program to improve physical health
- » mental health awareness campaigns
- » prevention of domestic and family violence education and awareness events.

Flexible workplace

From June 2020 with the easing of COVID-19 restrictions we continued a graduated return to the workplace supported by a Return to Office Plan. Increasing workplace presence in the office focused on a staged approach where employees returned to the office gradually to achieve a balance between business operations and the health and safety of employees. The focus was on putting people's safety first and achieving social distancing requirements, providing for flexibility in relation to personal circumstances and assisting staff realise the operational and social benefits of attending the workplace.

In April 2021, Queensland Health issued advice outlining that office work environments were no longer restricted under the current public health directions. The advice encouraged public sector employees, who had been working from home, to increase their workplace presence. A decision was made by government for agencies to implement strategies to support the return to workplaces from May 2021 onwards. This was supported and complemented by the use of flexible working and the establishment of Flexible Work Agreements.

The department has been supporting its employees in increasing workplace presence and transitioning to working from the office. The department has been supportive of flexible work arrangements that allow employees to achieve a balance between work, family and life responsibilities. A Flexible Working Community of Practice has been established to share approaches to flexible working. A key objective of this forum is to share themes and observations to assist the department in supporting leaders and employees in establishing flexible working that aligns with business objectives and to better support a work life balance.

This provided for a staged approach to enable the department to best manage the health, safety and wellbeing of our staff. In providing guidance on operational considerations to managers and staff, the plan was informed by Chief Health Officer directions and advice from other key government agencies. A 'Flexible work and return to office' survey conducted earlier in 2020 informed initiatives to support this transition. Additional guidance and support have been provided to leaders and staff through Director-General led virtual forums for all employees, discussion forums, information sessions, webinars and regular internal communication via direct employee email and intranet. Flexible work practices available to the workforce include:

- » variation to the spread of hours during the COVID-19 pandemic
- » formal and informal flexible work arrangements
- » options to access compressed hours, part-time arrangements, staggered start and finish times
- » access to use a mix of flexible work arrangements in any one formal or informal flexible work agreement
- » promotion and supported use of Decentralised Work Centres.

Early retirement, redundancy and retrenchment

No redundancy, early retirement or retrenchment packages were paid during the period.



Part 06 Appendices

Appendix 1: Service performance (SDS)

Appendix 2: Boards and committees (government bodies)

Appendix 3: Compliance checklist

Appendix 1: Service performance (SDS)

The Department of State Development, Infrastructure, Local Government and Planning service areas are presented here in the order they appear in the Service Delivery Statement:

- » Develop the economy
- » Infrastructure and Economic Resilience Strategy, Policy and Planning
- » Local Government
- » Independent Assessor
- » Better Planning for Queensland
- » Business and Economic Growth.

The tables below report the actual result for the service standards for the 2020–21 financial year. These may vary from the Estimated actuals reported in the *Service Delivery Statements 2021–22* which were calculated prior to the State Budget handed down in June 2021.

Develop the economy

The objective of this service area is to attract and facilitate investment opportunities and industry development in Queensland that provide enduring economic benefit. This service area facilitates the timely planning and delivery of projects that drive economic growth, stimulate enterprise development and provide job creation opportunities. It provides tailored regulation, advisory, facilitation and delivery services to support increased economic activity.

| Develop the economy | 2020–2021 Target/Est | 2020–2021 Actual |
|--|-------------------------|---------------------|
| <i>Effectiveness measure</i> | | |
| Value of capital investment enabled through project facilitation ¹ | \$890.0 million | \$1.505 billion |
| Estimated number of jobs enabled through project facilitation ^{2, 3} | 2,937 | 1,682 |
| <i>Efficiency measure</i> | | |
| Project facilitation costs per \$1000 of capital investment enabled ⁴ | New measure | New measure |
| Discontinued measures | | |
| Capital investment enabled per dollar spent on project facilitation ⁵ | – | – |
| Value of infrastructure investment being developed or delivered through the Building our Regions and Royalties for the Regions programs ⁶ | \$390.08 million | \$391.08 million |
| Value of infrastructure investment being developed or delivered through the Building our Regions and Royalties for the Regions programs enabled per dollar invested in program management ⁶ | \$287.23 | \$287.97 |
| Value of capital investment being developed or delivered through the department's facilitated tourism infrastructure projects ⁷ | \$3.6 billion | \$3.6 billion |
| Estimated number of jobs enabled through projects developed or delivered ⁷ | 2000 | 2000 |
| Value of capital investment enabled per dollar spent on project development and delivery ⁷ | \$918 | \$1,502 |

Notes:

1. This service standard is a measure of the capital investment generated from private sector companies, government-owned corporations and government agencies/entities that is enabled through a range of facilitation initiatives and activities undertaken in the department. The information reported in this measure is based on projects where the proponent/s have made a delivery commitment during the reporting

period, regardless of the expected year/s of project delivery and are only reported in the year the commitment is made. The 2020–21 Actual is higher than the 2020–21 Target/Estimate due to two major projects reaching an earlier than expected financial investment decision during the year.

2. This service standard calculates the estimated number of jobs enabled through projects that have been facilitated and supported through the department's activities. The number of jobs reported here is the number of jobs expected to be enabled by all in-scope projects over the life of the project, even where these jobs will occur over several financial years. The 2020–21 Actual is lower than the 2020–21 Target/Estimate as proponent information informs the actual whereas the target is primarily based on the Queensland Treasury methodology being applied to the capital investment target.
3. The number of jobs reported in this measure refers to the number of jobs expected to be enabled by all in-scope projects over their entire project life, even where these jobs will occur over several financial years. Job numbers are reported in the financial year that the proponent/s have made a delivery commitment during the reporting period, regardless of the expected year/s of project delivery.
4. This service standard measures the efficiency of the resources utilised to facilitate capital investment being developed or delivered through the department's investment and project facilitation functions including support services by the department; post approval monitoring of projects that require multiple regulatory approvals; cross agency project coordination that is complex and sensitive; and rapid response to emerging recognised regional need or government priorities.
5. This measure has been discontinued as it does not meet the requirements of an efficiency measure. It has been replaced with a new measure: Project facilitation costs per \$1,000 of capital investment enabled. At the time of developing the 2020–21 *Service Delivery Statements*, it was not practical to provide a 2020–21 Target/Estimate due to the recent November 2020 machinery-of-government changes, so no results are reported against this measure.
6. The service regional economic development and related service standards are discontinued as the department is not receiving new funding for Rounds 1 to 5 of the Building our Regions (BoR) program. Under current government arrangements, responsibility for the delivery of Round 6 of BoR sits with the Department of Regional Development, Manufacturing and Water. The Royalties for Regions program projects were completed in 2020–21.
7. The service tourism industry development and related service standards are discontinued as the calculation methodology resulted in solely reporting on the Queen's Wharf Brisbane development, which does not meet the requirements of an effectiveness or efficiency measure. Tourism infrastructure projects facilitated by the department in the future will be reflected in the Develop the economy service standards. The increase in the 2020–21 Actual reflects lower operating costs incurred by the state in the delivery of Queen's Wharf Brisbane development during 2020–21.

Infrastructure and economic resilience strategy, policy and planning

The objective of this service area is to deliver a clear and consistent economic policy direction for the state with the development of economic, infrastructure and regional strategies.

This service area undertakes a key role in the Queensland Government's efforts in developing a medium to long-term economic strategy that provides direction for policy, planning and prioritisation to maximise the benefits to Queensland of infrastructure activities, regional economic development and industry roadmaps, driving infrastructure innovation and best-practice across government.

| Infrastructure and economic resilience strategy, policy and planning | 2020–2021 Target/Est | 2020–2021 Actual |
|--|-------------------------|---------------------|
| Effectiveness measure Level of satisfaction of key stakeholders with timeliness and effectiveness of consultation undertaken relating to infrastructure and economic resilience strategy, policy and planning ¹ | 75% | 80% |
| Efficiency measure Administration costs per \$1,000 of infrastructure investment coordinated through the service area ² | New measure | New measure |
| Discontinued measure | | |
| Administration costs as a percentage of infrastructure investment coordinated through the service area ³ | <0.5% | 0.08% |

Notes:

1. This service standard measures the components of timeliness, effectiveness and overall satisfaction of key stakeholder's experience with actions and activities undertaken by Infrastructure and Economic Resilience group in the department. The stakeholders surveyed comprise a

cross section of industry experts, state and local government representatives and academia. The 2020–21 survey result was higher than anticipated due to higher than anticipated levels of satisfaction from respondents involved with the Binna Burra Recovery Taskforce and economic recovery activities led by the department.

- Administration costs comprise the operating expenditure of the Infrastructure Innovation, Performance and Delivery function (i.e., full-time equivalents, supplies and services). The measure is based on total administration costs per \$1,000 of the projected infrastructure investment in the state's infrastructure program as published in *BP3 – Capital Statement*.
- This measure has been discontinued as it does not meet the requirements of an efficiency measure. It has been replaced with a new measure: Administration costs per \$1,000 of infrastructure investment coordinated through the service area.

Local government

The objective of this service area is to provide high quality and timely administration of both the local government system and local government funding programs through administration of the local government system and administration of funding programs.

| Local government | 2020–2021 Target/Est | 2020–2021 Actual |
|---|-------------------------|---------------------|
| Service: Administration of the local government system | | |
| <i>Effectiveness measure</i> Level of satisfaction of local governments (Mayors and CEOs) with the effectiveness, timeliness and quality of advice, services and support provided by the department ¹ | 85% | 89% |
| <i>Efficiency measure</i> Cost of capacity building per local government ² | \$37,000 | \$34,500 |
| Service: Administration of funding programs | | |
| <i>Effectiveness measure</i> Level of satisfaction of local governments (Mayors and CEOs) with the administration of local government funding programs ³ | 85% | 93% |
| <i>Efficiency measure</i> Administration costs per \$1,000 of local government funding distributed ⁴ | New measure | New measure |
| Discontinued measure | | |
| Administration costs as a percentage of all funding distributed ⁵ | <0.65% | 0.43% |

Notes:

- This service standard measures the level of satisfaction of the Mayors and Chief Executive Officers of the 77 local governments in Queensland with the effectiveness, timeliness and quality and overall satisfaction with advice, services and support provided by the department.
- Total costs include labour and related costs of developing resources and publications and delivering training programs and are averaged across the 77 local governments. The capacity building program was impacted by COVID-19 pandemic travel restrictions during 2020–21. Integrity training was delivered online, reducing client service visits and resulting in lower travel and associated costs which is reflected in the 2020–21 Target/Estimate. The variance between the 2020–21 Target/Estimate and Actual is due to the unexpected and complex impact of the COVID-19 pandemic.
- This service standard measures the level of satisfaction of the Mayors and Chief Executive Officers of the 77 local governments in Queensland with the effectiveness, timeliness, quality and overall satisfaction of the administration of local government funding programs.
- Total administration costs include labour and related costs and are expressed as an amount per \$1,000 of the total value of local government funding programs distributed.
- This measure has been discontinued as it does not meet the requirements of an efficiency measure. It has been replaced with a new measure: Administration costs per \$1,000 of local government funding distributed.

Independent Assessor

The objective of this service area is timely and proficient administration of the councillor complaints framework to enhance the integrity and sustainability of the local government system.

| Independent Assessor | 2020–2021 Target/Est | 2020–2021 Actual |
|---|-------------------------|---------------------|
| <i>Effectiveness measure</i> Complaint clearance rate ¹ | 80% | 85% |
| <i>Efficiency measures</i> Average cost per assessment of complaint ² | \$380 | \$380 |
| Average cost per investigation ³ | \$1,340 | \$2,704 |

Notes:

1. This service standard measures the complaint clearance rate across the financial year and demonstrates the effectiveness of the complaint management process.
2. This efficiency measure calculates the average cost of the assessment of complaints received by the Independent Assessor in a financial year. The purpose is to monitor and report on the actual cost of assessments undertaken by the Independent Assessor across the financial year.
3. This service standard measures the average cost per complaint investigation undertaken by the Independent Assessor during the financial year. The purpose is to monitor the efficiency of the investigation process, the expenditure on investigations and the impact on budget across the financial year. The variance between the 2020–21 Target/Estimate and the 2020–21 Actual relates to how complaints and subsequent investigations against individual councillors are counted. In setting the 2020–21 target, multiple complaints on a single issue relating to one councillor were treated individually in the investigation phase. This methodology was amended during the 2020–21 year whereby multiple complaints on a single issue relating to one councillor would be treated as one matter for investigation. This has resulted in a reduction in the total number of investigations compared to original target thereby increasing the average cost.

Better Planning for Queensland

The objective of this service area is to drive effectiveness of Queensland's planning system by ensuring accessible and transparent requirements and efficiency of the State's assessment functions. The service area administers the *Planning Act 2016* which gives effect to government policy through the planning system.

| Better planning for Queensland | 2020–2021 Target/Est | 2020–2021 Actual |
|---|-------------------------|---------------------|
| <i>Effectiveness measure</i> Level of stakeholder satisfaction with accessibility and transparency of the requirements of the planning system ¹ | 70% | 79% |
| <i>Efficiency measure</i> Average administration costs per decision made by the State Assessment and Referral Agency ² | \$4,600 | \$4,518 |

Notes:

1. This service standard measures the effectiveness of the service area based on the extent to which the instruments and supporting material delivered by the department under the *Planning Act 2016* can be easily accessed and understood by system users (the stakeholders). The stakeholders surveyed comprise a cross section of industry experts, state and local government, and community groups.
2. The measure demonstrates the efficiency in delivery of state interests in development assessment decision-making. It is calculated by dividing the total cost of administering and delivering development assessment services and decisions within the State Assessment and Referral Agency by the number of decisions made.

Commercialised Business Unit

Economic Development Queensland

Business and Economic Growth

The objective of this service area is to drive business and economic growth in Queensland by delivering policies and programs consistent with the government's economic development agenda. Economic Development Queensland combines property development with specialist planning functions to create places and investment opportunities for Queenslanders to prosper.

| Business and economic growth | 2020–2021 Target/Est | 2020–2021 Actual |
|---|-------------------------|---------------------|
| <i>Effectiveness measure</i> Value of private sector investment generated through the facilitation of economic and community development projects ¹ | \$285.1 million | \$323.4 million |
| <i>Efficiency measure</i> Facilitation costs per \$1,000 of private sector investment generated for economic and community development projects ² | New measure | New measure |
| Discontinued measure | | |
| Administrative costs as a percentage of private sector investment generated through the facilitation of economic and community development projects ³ | 6.10% | 4.60% |

Notes:

1. This measure is the value of private sector capital investment generated through the facilitation of economic and community development projects in Economic Development Queensland (EDQ), including the value of land sales for which EDQ is responsible. The variance between the 2020–21 Target/Estimate and the 2020–21 Actual is due to greater than forecast private sector investment as a result of land sales.
2. Facilitation costs include employee expenses, sales and marketing costs, and an allocation for operating expenses which relate to the delivery of development projects. These are expressed as an amount per \$1,000 of the value of private sector investment generated for economic and community development projects.
3. This measure has been discontinued as it does not meet the requirements of an efficiency measure. It has been replaced with a new measure: Facilitation costs per \$1,000 of private sector investment generated for economic and community development projects. The variance between the 2020–21 Target/Estimate and the 2020–21 Actual is due to greater than forecast private sector investment.

Appendix 2: Boards and committees

| Local Government Grants Commission | | | | | |
|------------------------------------|---|---|--|---|---|
| Act or instrument | Sections 228–233 of the <i>Local Government Act 2009</i> ; Sections 308–311 Local Government Regulation 2012 | | | | |
| Functions | The Local Government Grants Commission provides recommendations to the Minister responsible for local government in Queensland on the distribution of the Commonwealth Government’s Financial Assistance Grant to all local governing bodies within the state. This must be done in accordance with the requirements of the Commonwealth <i>Local Government (Financial Assistance) Act 1995</i> and the National Principles prescribed under the Act. | | | | |
| Achievements | In 2020–21, the Commission: <ul style="list-style-type: none">» finalised the recommendations to the Minister of the 2020–21 Financial Assistance Grant» formed a policy position on the 2021–22 Financial Assistance Grant» attended the Local Government Association of Queensland (LGAQ) State Conference in October 2020 and the Western Queensland Alliance of Councils (WQAC) Assembly in 2021. Held dedicated meetings with Gladstone Regional Council, Banana Shire Council, Rockhampton Regional Council and Livingstone Shire Council» commenced a review into the allocation methodology for the Financial Assistance Grant in Queensland. Discussion paper published on 3 June 2021. | | | | |
| Financial reporting | Under the Commonwealth <i>Local Government (Financial Assistance) Act 1995</i> section 15(b), the State Treasurer must provide the Commonwealth Minister with a schedule of Financial Assistance Grant payments (amounts and dates) that has been certified by the State Auditor-General. This is to be provided as soon as practicable after 30 June each year. Funding for the operations of the Commission, including secretariat staff, is provided by the department. | | | | |
| Remuneration | | | | | |
| Position | Name | Meetings/sessions attendance | Approved annual, sessional or daily fee (excluding superannuation) | Approved sub-committee fees if applicable | Actual fees received (excluding superannuation) |
| Chair | Paul Bell AM | 6 formal meetings 4 dedicated meetings with councils LGAQ Conference WQAC Assembly | \$10,000 | N/A | \$10,000 |
| Deputy Chair | Natalie Wilde | 5 formal meetings LGAQ Conference | \$0 (departmental employee) | N/A | \$0 |
| Member | Deirdre Comerford | 6 formal meetings | \$6,000 | N/A | \$6,000 |
| Member | Jo Sheppard | 6 formal meetings | \$6,000 | N/A | \$6,000 |
| Member | Janelle Menzies | 6 formal meetings | \$0 (public sector employee) | N/A | \$0 |
| Member | Les Walker (resigned 17 November 2020) | 2 formal meetings | \$6,000 (per annum) | N/A | \$2,301 (pro-rata to 17 November 2020) |
| No. scheduled meetings/sessions | 12 meetings inclusive of the LGAQ Conference, Western Queensland Alliance of Councils Assembly and four dedicated council meetings. | | | | |
| Total out of pocket expenses | \$2,125 | | | | |

| Economic Development Board | | | | | |
|---|--|------------------------------------|---|---|----------------------|
| Act or instrument | Economic Development Act 2012 (ED Act) | | | | |
| Functions | The functions of the Economic Development Board are to: <ul style="list-style-type: none">» advise and make recommendations to the Minister for Economic Development Queensland (MEDQ) about how MEDQ can give effect to the main purpose of the <i>Economic Development Act 2012</i> (the ED Act)» monitor and report to MEDQ about the performance of MEDQ's functions or exercise of MEDQ's powers by entities (including the board) to whom the functions or powers are delegated» ensure MEDQ adopts best practice corporate governance and financial management and accountability arrangements» perform the functions and exercising the powers of MEDQ delegated under the ED Act. | | | | |
| Achievements | In 2020–21, the Board: <ul style="list-style-type: none">» regularly reviewed the performance of EDQ’s industrial and residential portfolios to ensure optimum financial and community outcomes» approved the EDQ Business Plan for 2019–23 and monitored its implementation» had regular oversight of EDQ’s workplace health and safety activities» provided strategic input into the delivery of development projects including Northshore Hamilton, Gold Coast Health and Knowledge Precinct, and Carseldine Urban Village» guided the development of Developer Charges and Offsets Plan for Yeronga, Fitzgibbon, Northshore Hamilton Priority Development Areas» ensured the financial sustainability of infrastructure funding and provision for key Priority Development Areas» provided input into EDQ’s economic development activities in response to the COVID-19 crisis» reviewed commercial proposals for key development projects» reviewed enterprise and project related risks. | | | | |
| Financial reporting | EDQ’s annual financial performance data is incorporated into the audited annual financial statements of the Department of State Development, Infrastructure, Local Government and Planning | | | | |
| Remuneration Members are not remunerated and sitting fees are not paid. | | | | | |
| Position | Name | Meetings/sessions attendance | Approved annual, sessional or daily fee | Approved sub-committee fees if applicable | Actual fees received |
| Chair | Damien Walker | 1 as DG, DSDTI 3 as DG, DSDILGP | N/A | N/A | N/A |
| Member | Andrew Beehag | 3 as proxy for UT, QT | N/A | N/A | N/A |
| Member | Craig Mercer | 1 as proxy for UT, QT | N/A | N/A | N/A |
| Member | Danielle McAllister | 3 as proxy for DG, DPC | N/A | N/A | N/A |
| Member | Mark Cridland, | 1 as proxy for DG, DPC | N/A | N/A | N/A |
| Member | Liza Carroll | 1 | N/A | N/A | N/A |
| No. scheduled meetings/sessions | 4 | | | | |
| Total out of pocket expenses | Nil | | | | |

Note:

DSDTI - Department of State Development, Tourism and Innovation

DSDILGP - Department of State Development, Infrastructure, Local Government and Planning

QT - Queensland Treasury

DPC - Department of the Premier and Cabinet

UT - Under Treasurer

DG - Director-General

| South Bank Corporation | | | | | |
|---------------------------------|---|------------------------------|---|---|----------------------|
| Act or instrument | South Bank Corporation Act 1989 | | | | |
| Functions | <p>The purpose of the corporation is to:</p> <ul style="list-style-type: none">» promote, facilitate, carry out and control the development, disposal and management of land and other property within the corporation area» achieve an appropriate balance between the corporation’s commercial and non-commercial functions» ensure the corporation area complements, rather than duplicates, other public use sites in the inner-city Brisbane area» provide for a diverse range of recreational, cultural and educational pursuits for local, regional and international visitors» accommodate public events and entertainment that benefit the general community» achieve excellence and innovation in the management of open space and park areas. | | | | |
| Achievements | <p>South Bank Corporation:</p> <ul style="list-style-type: none">» completed and opened its Riverside Green redevelopment project to transform the area damaged by the 2011 floods into a 6,816sqm high quality lawn, rainforest and gathering place with a shade pavilion» continued to develop its draft master plan for the revitalisation of the Corporation area including its work with stakeholders and government» worked proactively with its retail tenants and the manager of its major asset; the Brisbane Convention and Exhibition Centre to address the impacts on businesses from COVID-19. | | | | |
| Financial reporting | <p>Not exempted from audit by the Auditor-General</p> <p>Transactions of the entity are accounted for in the financial statements of South Bank Corporation</p> | | | | |
| Remuneration | | | | | |
| Position | Name | Meetings/sessions attendance | Approved annual, sessional or daily fee | Approved sub-committee fees if applicable | Actual fees received |
| Chair of the Board | Leon Allen | 10 | Nil | N/A | Nil |
| Board member | Director-General of administering agency (Rachel Hunter to 12/11/20 Damien Walker to 30 June 2021) | 6 | Nil | N/A | Nil |
| Deputy Chair | State Planner - administering Agency (Kerry Doss) | 4 | Nil | N/A | Nil |
| Board member | Margaret de Wit OAM | 12 | \$15,000 pa | N/A | \$15,000 |
| Board member | Richard Kirk | 11 | \$15,000 pa | N/A | \$15,000 |
| Board member | Kyl Murphy | 12 | \$15,000 pa | N/A | \$15,000 |
| Board member | Michael Power AM | 8 | \$15,000 pa | N/A | \$15,000 |
| Board member | Tim Quinn | 12 | \$15,000 pa | N/A | \$15,000 |
| Board member | Marina Vit | 10 | \$15,000 pa | N/A | \$15,000 |
| Board member | Stephanie Wyeth | 12 | \$15,000 pa | N/A | \$15,000 |
| Board Member | Caroline Stalker (to 6/10/2020) | 1 | \$15,000 pa | N/A | \$2,293 |
| No. scheduled meetings/sessions | 14 board meetings were scheduled during the year | | | | |
| Total out of pocket expenses | Nil | | | | |

| South East Queensland Housing Supply Expert Panel | | | | | |
|--|---|------------------------------|--|---|---|
| Act or instrument | Appointed by the Minister for Planning in accordance with a Terms of Reference | | | | |
| Functions | The Housing Supply Expert Panel was established to provide independent expert advice to the Queensland Government about how to appropriately manage land supply and development and associated issues in South East Queensland. The panel is made up of members from across Australia and plays a critical role in the delivery of the South East Queensland Regional Plan’s 2017 – <i>ShapingSEQ</i> Growth Monitoring Program. | | | | |
| Achievements | The panel considers and provides advice to the department and Minister for Planning on matters including, but not limited to: <ul style="list-style-type: none">» ways to ensure South East Queensland’s housing supply is managed appropriately to reduce the pressure on housing prices» analysing the information captured by the government as part of the development of the Land Supply and Development Monitoring annual reporting» supporting government decision making by providing specialist and independent advice on a range of housing supply issues that arise from the South East Queensland’s Growth Monitoring Program, as well as providing recommendations to government on appropriate responses. | | | | |
| Financial reporting | The operating and administrative costs associated with the panel are outlined in the financial statements of the Department of State Development, Infrastructure, Local Government and Planning. | | | | |
| Remuneration In accordance with the <i>Remuneration Procedures for Part-time Chairs and Members of Government Bodies</i> | | | | | |
| Position | Name | Meetings/sessions attendance | Approved annual, sessional or daily fee | Approved sub-committee fees if applicable | Actual fees received (excluding superannuation) |
| Panel Chair | Julie Saunders | 10 | \$390 daily fee or \$195 fee for meeting less than 4 hours | N/A | Did not claim meeting fees |
| Member | Dr Elin Charles-Edwards | 8 | \$300 daily fee or \$150 fee for meeting less than 4 hours | N/A | \$1,350 |
| Member | Nerida Conisbee | 5 | | N/A | \$1,314 |
| Member | Dr Michael Fotheringham | 5 | | N/A | Did not claim meeting fees |
| Member | Dr Laurel Johnson | | | N/A | Did not claim meeting fees |
| Member | Sonya Keep | 8 | | N/A | \$1,500 |
| Member | Warren Rowe | 6 | | N/A | \$1,040 |
| No. scheduled meetings/sessions | Over the course of the 2020–21 financial year, the panel has: <ul style="list-style-type: none">• met five times (30 July 2020, 1 October 2020, 24 November 2020, 7 December 2020 and 16 March 2021)• held three working sessions (27 August 2020, 29 October 2020 and 10 June 2021)• one extraordinary meeting (24 November 2020)• one out-of-secession meeting (6 May 2021)• released four publicly accessible meeting communiques via the department’s website. | | | | |
| Total out of pocket expenses | \$5,358.50 (includes catering of \$154.50) | | | | |

| South Queensland Defence Advisory Board | | | | | |
|--|---|------------------------------|---|---|----------------------|
| Act or instrument | Cabinet Terms of Reference Established. | | | | |
| Functions | To provide advice to the Queensland Government, through the Queensland Minister’s Advisory Council on Defence Industry and Jobs, on defence industry development and investment attraction in South Queensland, to capitalise on Queensland’s defence industry capabilities and drive sustainable economic and employment growth outcomes for the state. | | | | |
| Achievements | Key achievements in 2020–21 include: <ul style="list-style-type: none">» participated in COVID-19 fit for the future discussions including lessons learned to inform industry preparedness and recovery» advised on Queensland’s industry opportunities in relation to the <i>2020 Defence Strategic Update</i> and <i>2020 Force Structure Review</i>» participated in a Defence industry skilling discussion» participated in briefings on cyber security and the Defence Industry Hub – Ipswich activities. | | | | |
| Financial reporting | The operating and administrative costs associated with the Board are outlined in the financial statements of the Department of State Development, Infrastructure, Local Government and Planning. | | | | |
| Remuneration The chair and members of the board are remunerated in accordance with the government’s <i>Remuneration Procedures for Part-time Chairs and Members of Queensland Government Bodies</i> at Regulation, Administration and Advice, Level 3. All necessary and reasonable out-of-pocket expenses associated with meeting attendance are borne by the department. | | | | | |
| Position | Name | Meetings/sessions attendance | Approved annual, sessional or daily fee | Approved sub-committee fees if applicable | Actual fees received |
| Chair | Sarah Earey | 1 | \$390 | N/A | \$390.00 |
| Ex-officio members | Departmental representatives | 1 | N/A | N/A | N/A |
| Member | Robert Brett | 1 | \$300 per meeting | N/A | \$300 |
| Member | Bernadette McIntyre | 1 | | N/A | \$300 |
| Member | Andrew Sanderson | 1 | | N/A | \$300 |
| Member | Sandra Brodie | 1 | | N/A | \$300 |
| Member | Sharon Swan | 1 | | N/A | \$300 |
| Member | Linda Griffiths | 0 | | N/A | N/A |
| Member | Mark Strambi | 0 | | N/A | N/A |
| No. scheduled meetings/sessions | 1 meeting <ul style="list-style-type: none">• 6 August 2020 | | | | |
| Total out of pocket expenses | \$278.93 | | | | |

| North Queensland Defence Advisory Board | | | | | |
|--|--|------------------------------|---|---|----------------------|
| Act or instrument | Cabinet. Terms of Reference Established. | | | | |
| Functions | To provide advice to the Queensland Government, through the Queensland Minister’s Advisory Council on Defence Industry and Jobs, on defence industry development and investment attraction in North Queensland, to capitalise on Queensland’s defence industry capabilities and drive sustainable economic and employment growth outcomes for the state. | | | | |
| Achievements | Key achievements in 2020–21 include: <ul style="list-style-type: none">» participated in COVID-19 fit for the future discussions including lessons learned to inform industry preparedness and recovery.» advised on Queensland’s opportunities in relation to the <i>2020 Defence Strategic Update</i> and <i>2020 Force Structure Review</i>.» participated in a Defence industry skilling discussion.» endorsed the Defence Industry Hub – Townsville operational plan 2020-21 and noted activities.» participated in briefings on cyber security, the Australian-Singapore Military Training Initiative (ASMTI), Step-up to Pacific and Simulation Centre of Excellence. | | | | |
| Financial reporting | The operating and administrative costs associated with the Board are outlined in the financial statements of the Department of State Development, Infrastructure, Local Government and Planning. | | | | |
| Remuneration The chair and members of the board are remunerated in accordance with the government’s <i>Remuneration Procedures for Part-time Chairs and Members of Queensland Government Bodies</i> at Regulation, Administration and Advice, Level 3. All necessary and reasonable out-of-pocket expenses associated with meeting attendance are borne by the department. | | | | | |
| Position | Name | Meetings/sessions attendance | Approved annual, sessional or daily fee | Approved sub-committee fees if applicable | Actual fees received |
| Chair | Ranee Crosby | 1 | \$390 | N/A | N/A |
| Ex-officio members | Departmental representatives | 1 | N/A | N/A | N/A |
| Member | Kari Arbouin | 1 | \$300 per meeting | N/A | N/A |
| Member | Raelene Caulley | 1 | | N/A | N/A |
| Member | Cathy Weis | 1 | | N/A | \$300 |
| Member | Olav Groot | 1 | | N/A | \$300 |
| Member | Bryan Smith | 1 | | N/A | N/A |
| Member | Isabelle Yates | 1 | | N/A | \$300 |
| No. scheduled meetings/sessions | 1 meeting <ul style="list-style-type: none">• 31 July 2020 | | | | |
| Total out of pocket expenses | Nil | | | | |

| Queensland Minister's Advisory Council on Defence Industry and Jobs | | | | | |
|--|--|------------------------------|---|---|----------------------|
| Act or instrument | Cabinet. Terms of Reference established. | | | | |
| Functions | To provide high-level policy and strategic advice to the Queensland Government on defence industry development and investment attraction, to capitalise on Queensland's defence industry capabilities and drive sustainable economic and employment growth outcomes for the state. | | | | |
| Achievements | Key achievements in 2020–21 include: » advised on and endorsed Queensland's industry opportunities in the <i>2020 Defence Strategic Update</i> and <i>2020 Force Structure Review</i> » participated in a Defence industry skilling discussion » participated in Defence Science Technology Group briefing and discussion of Queensland opportunities » provided oversight of the North Queensland and South Queensland Defence Advisory Boards. | | | | |
| Financial reporting | The operating and administrative costs associated with the Advisory Council are outlined in the financial statements of the Department of State Development, Infrastructure, Local Government and Planning. | | | | |
| Remuneration The chair and members of the board are remunerated in accordance with the government's <i>Remuneration Procedures for Part-time Chairs and Members of Queensland Government Bodies</i> at Regulation, Administration and Advice, Level 3. All necessary and reasonable out-of-pocket expenses associated with meeting attendance are borne by the department | | | | | |
| Position | Name | Meetings/sessions attendance | Approved annual, sessional or daily fee | Approved sub-committee fees if applicable | Actual fees received |
| Chair | Minister | 1 | N/A | N/A | N/A |
| Ex-officio members | Departmental representatives | 1 | N/A | N/A | N/A |
| Member | Andy Keough | 1 | \$300 per meeting | N/A | \$300 |
| Member | Carl Quarterman | 1 | | N/A | \$300 |
| Member | Deanne Barnett | 1 | | N/A | \$300 |
| Member | Emma Thomas | 1 | | N/A | \$300 |
| Member | Gary Stewart | 1 | | N/A | \$300 |
| Member | Sarah Earey | 1 | | N/A | \$300 |
| Member | Scott Carpendale | 1 | | N/A | N/A |
| Member | Sue Keay | 1 | | N/A | N/A |
| Member | Karen Stanton | 1 | | N/A | \$300 |
| Member | Renee Crosby | 1 | | N/A | N/A |
| No. scheduled meetings/sessions | 1 meeting <ul style="list-style-type: none">2 September 2020 | | | | |
| Total out of pocket expenses | Nil | | | | |

| Townsville Industrial Development Board | | | | | |
|---|---|------------------------------|---|---|----------------------|
| Act or instrument | Townsville City Deal | | | | |
| Functions | <p>A commitment was made under the Townsville City Deal to establish the Industrial Development Board for Townsville.</p> <p>The board provides advice to the relevant decision-making authorities regarding potential and planned medium-to-heavy industrial projects and uses in the Townsville Region, specifically the Townsville Southern Industrial Corridor (TSIC), and other matters relating to industry and economic development.</p> <p>The TSIC comprises three distinct precincts of the Townsville State Development Area (TSDA); Lansdown Industrial Precinct; and the Port of Townsville.</p> | | | | |
| Achievements | <p>Key achievements in the 2020–21 financial year include:</p> <ul style="list-style-type: none">» identified key infrastructure requirements for precinct owners to consider in supporting growth within the TSIC including:<ul style="list-style-type: none">— rail and road overpasses, \$5M for the Woodstock/Giru road intersection, \$12M allocated for local roads to improve truck access at the Lansdown Industrial Precinct at Woodstock— trunk connections for TSDA— Lansdown master planning for infrastructure delivery including the rezoning of Lansdown from rural to heavy industrial land to enable future development.» the development of an investment attraction strategy, <i>Townsville Southern Industrial Corridor Positioning Paper, October 2020</i>» contributed to the <i>Townsville Economic Gateway</i> website project led by Townsville City Council» supported the signing of a development agreement for 320 hectares in the TSDA which established the Cleveland Bay Industrial Park» management of the North Queensland Hydrogen Industry Working Group to assist in Townsville being an optimal location for hydrogen projects with long-term potential for the export of renewable hydrogen» supporting Origin Energy to establish a green hydrogen production facility in Townsville to export to Asian markets by 2024. A Memorandum of Understanding with the Port of Townsville and Origin Energy was entered into on 14 April 2021» supporting the work of Ark Energy on the SunHQ Hydrogen Hub to spearhead the hydrogen strategy at the Sun Metals refinery. Ark Energy Corporation Pty Ltd (an Australian subsidiary of Korea Zinc Company Ltd) – \$5M funding through the Queensland Government Hydrogen Industry Development Fund will see the construction of a renewable hydrogen facility at the Sun Metals refinery. | | | | |
| Financial reporting | The operating and administrative costs associated with the Board are outlined in the financial statements of the Department of State Development, Infrastructure, Local Government and Planning (DSDILGP). | | | | |
| Remuneration Members are not remunerated and sitting fees are not paid. Out-of-pocket expenses are paid to Members. | | | | | |
| Position | Name | Meetings/sessions attendance | Approved annual, sessional or daily fee | Approved sub-committee fees if applicable | Actual fees received |
| Chair | Director-General, DSDILGP | 2 | N/A | N/A | N/A |
| Member | Coordinator-General, DSDILGP | 2 (proxy) | N/A | N/A | N/A |
| Member | Chief Executive Officer, Port of Townsville | 2 | N/A | N/A | N/A |
| Member | Chief Executive Officer, Townsville City Council | 1 1 (proxy) | N/A | N/A | N/A |
| Member | Connie Navarro | 2 | N/A | N/A | N/A |
| Member | Patrick Brady | 1 | N/A | N/A | N/A |
| Member | Stephen Motti | 1 | N/A | N/A | N/A |
| Member | Christopher Cocklin | 2 | N/A | N/A | N/A |
| Member | Stephen Cantwell | 2 | N/A | N/A | N/A |
| No. scheduled meetings/sessions | 2 | | | | |
| Total out of pocket expenses | \$740.72 | | | | |

| Councillor Conduct Tribunal | | | | | |
|---------------------------------|---|------------------------------|---|---|----------------------|
| Act or instrument | Local Government Act 2009 | | | | |
| Functions | <p>The purpose of the Tribunal is:</p> <ul style="list-style-type: none">» to hear and decide complaints of misconduct and connected inappropriate conduct referred by the Office of the Independent Assessor» to investigate the suspected inappropriate conduct of a Councillor referred to the local government by the assessor and to be dealt with by the local government» to make recommendations to the local government about dealing with the inappropriate conduct. | | | | |
| Achievements | <p>In 2020–21, the Tribunal:</p> <ul style="list-style-type: none">» had six additional members appointed» was referred 20 alleged misconduct matters by the Office of the Independent Assessor» was referred 10 alleged inappropriate conduct matters by local governments for investigation» conducted 16 misconduct hearings (see s150AL of the <i>Local Government Act 2009</i>)» delivered 13 misconduct decisions (see s150AS of the <i>Local Government Act 2009</i>)» completed seven inappropriate conduct investigations (see s150DL of the <i>Local Government Act 2009</i>)» introduced the use of video link and telephone conferencing for contested oral hearings, enhancing the accessibility of hearings for Councillors and witnesses across Queensland» conducted in service training for all members including training on the <i>Human Rights Act 2019</i> and public interest disclosures as well as inductions and other training sessions. | | | | |
| Financial reporting | Transactions of the entity are accounted for in the financial statements of the Department of State Development, Infrastructure, Local Government and Planning | | | | |
| Remuneration NB: | | | | | |
| Position | Name | Meetings/sessions attendance | Approved annual, sessional or daily fee | Approved sub-committee fees if applicable | Actual fees received |
| Chair | June Anstee | 5 | \$325 per 4-hour block or part thereof | N/A | \$101,725 |
| Member | Brendan Walker-Munro | 8 | \$250 per 4-hour block or part thereof | N/A | \$29,694.50 |
| Member | Jane Stuckey | 3 | | N/A | \$8,250 |
| Member | Jane Bishop | 1 | | N/A | \$19,750 |
| Member | Peter Black ¹ | 1 | | N/A | \$11,318.25 |
| Member | Clare O'Connor ² | 1 | | N/A | \$0 |
| Member | Russell Faulkner ² | 3 | | N/A | \$3,843.25 |
| Member | Bronwyn Springer ² | 3 | | N/A | \$4,500 |
| Member | Gabe Bednarek ² | 3 | | N/A | \$4,000 |
| Member | Troy Newman ² | 2 | | N/A | \$3,000 |
| Member | Carolyn Ashcroft ² | 3 | | N/A | \$2,000 |
| Member | Oliver Simon ² | 1 | | N/A | \$15,312.50 |
| Member | Sally Robb | 0 | | N/A | \$0 |
| Member | Tim Ryan ³ | 0 | | N/A | \$0 |
| Member | Avelina Tarrago ⁴ | 0 | | N/A | \$13,412 |
| No. scheduled meetings/sessions | 16 misconduct hearings were held in 2020–21. For these the Tribunal is constituted by two or three members. Actual fees received are fees paid in the 2020–21 financial year and may relate to attendances in the previous financial year. In addition to conducting misconduct hearings, fees paid to Tribunal members include time spent on preliminary hearings, preparation/reading, research, writing decisions, responding to court proceedings and conducting inappropriate conduct investigations. Two induction sessions and one training session were also conducted. | | | | |
| Total out of pocket expenses | \$882.82 | | | | |

¹Appointed to the Tribunal on 20 February 2020

²Appointed to the Tribunal on 10 September 2020

³Resigned effective 1 September 2020.

⁴Resigned effective 22 February 2021

| Independent Assessor (IA) | | | | | |
|---------------------------------|--|------------------------------|---|---|----------------------|
| Act or instrument | Local Government Act 2009 | | | | |
| Functions | <p>The functions of the assessor are:</p> <ul style="list-style-type: none">» to investigate and deal with the conduct of councillors if it is alleged or suspected to be inappropriate conduct, misconduct or, when referred to the assessor by the Crime and Corruption Commission, corrupt conduct» to provide advice, training and information to councillors, local government employees and other persons about dealing with alleged or suspected inappropriate conduct, misconduct, or corrupt conduct» to prosecute offences against the conduct provisions» to investigate other matters decided by the Minister» to provide advice, training and information to councillors, local government employees, local governments and other persons about alleged suspected inappropriate conduct, misconduct, and corrupt conduct, per a direction in writing, dated 18 November 2018, from the then Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs. | | | | |
| Achievements | <p>In 2020–21, the Office of the Independent Assessor (OIA) received 1074 complaints about the conduct of Queensland councillors, containing 1164 separate allegations:</p> <ul style="list-style-type: none">» 89 per cent of complaints were assessed within 21 working days of lodgement» 26 complaints relating to corrupt conduct were referred to the Crime and Corruption Commission (CCC)» 54 inappropriate conduct complaints were referred to 26 counsels to investigate and resolve» the OIA completed misconduct investigations in relation to 292 complaints, and was undertaking investigations into another 225 complaints (as at 30 June 2021)» 67 complaints containing 72 allegations against 31 councillors were assigned to the OIA legal team for a natural justice process prior to a possible referral to the Councillor Conduct Tribunal (the Tribunal)» 49 matters containing 75 allegations against 21 councillors were referred to the Tribunal (the Tribunal decided 16 matters involving 36 allegations of misconduct against 12 councillors; allegations against 10 of the 12 councillors were sustained). <p>Additionally, the OIA:</p> <ul style="list-style-type: none">» completed an amnesty for first-time councillors, elected in 2020, who were the subject of complaints; providing detailed feedback to help them learn from potential mistakes, instead of taking investigative action» collaborated with the Local Government Association of Queensland (LGAQ) to develop an innovative Conflict of Interest App, to help councillors to comply with new conflict of interest laws, introduced in October 2020. It was subsequently updated to make it easier to navigate and the updated version was released in June 2021» collaborated with LGAQ to produce a video to upskill ‘mayors and chairs’ on dealing with unsuitable meeting conduct» developed initiatives to assist the state’s 77 councils to deal with inappropriate conduct allegations fairly and effectively – resulting in significant improvement in the number of matters finalised by councils in 2020–21, compared to the previous financial year» published a report on the complaints landscape in First Nations local governments, identifying complex and unique misconduct risks as well as opportunities to build councillors’ capacity as community leaders» introduced a telephone trial for councillors in First Nations areas, giving the option to respond to OIA notices by phone rather than in writing, to help overcome challenges with reliably accessing the internet and devices» developed an example policy and accompanying framework to guide councillors’ interactions with property developers and other submitters to councils, when appropriate, for the benefit of local economies» conducted targeted training interventions with four councils to address identified issues and heightened complaint patterns at those councils» transparently published quarterly analysis of complaints, investigation and disciplinary data across all Queensland councils or council areas» regularly contributed to local government sector stakeholder publications» took part in eight stakeholder events including Corruption Prevention Network webinar on conflicts of interest, an Ethics and Integrity Webinar conducted by the Institute of Public Administration Australia, the Queensland Law Society’s disciplinary law conference, the Queensland Local Government Reform Alliance’s annual conference and the LGAQ’s Indigenous Leaders Forum. | | | | |
| Financial reporting | The financial performance of the OIA is consolidated within the annual financial statements of the Department of State Development, Infrastructure, Local Government and Planning. | | | | |
| Remuneration | | | | | |
| Position | Name | Meetings/sessions attendance | Approved annual, sessional or daily fee | Approved sub-committee fees if applicable | Actual fees received |
| Independent Assessor | Kathleen Florian | Not applicable | \$327,960.00 | Not applicable | \$327,960.00 |
| No. scheduled meetings/sessions | Not applicable | | | | |
| Total out of pocket expenses | Not applicable | | | | |

| Local Government Remuneration Commission | | | | | |
|--|--|--|---|---|-----------------------------------|
| Act or instrument | Local Government Act 2009 | | | | |
| Functions | The functions of the Commission are: » to establish the categories of local governments » to decide the category to which each local government belongs » to decide the maximum amount of remuneration payable to the councillors in each of the categories » to consider and make recommendations to the Minister about matters relating to councillor advisors » another function related to the remuneration of councillors directed, in writing, by the Minister. | | | | |
| Achievements | In 2020–21, the Commission: » attended the Local Government Association of Queensland (LGAQ) Conference 19–21 October 2020 and met with two councils » made determinations on submissions from councils » decided the maximum amount of remuneration payable to councillors of Queensland local governments (excluding Brisbane City Council) before 1 December 2020 » gazetted the Remuneration Schedule and published the 2020 annual report on 11 December 2020. | | | | |
| Financial reporting | Transactions of the Commission are accounted for in the financial statements of the Department of State Development, Infrastructure, Local Government and Planning. | | | | |
| Remuneration | | | | | |
| Position | Name | Meetings/sessions attendance | Approved annual, sessional or daily fee | Approved sub-committee fees if applicable | Actual fees received |
| Chair | Robert (Bob) Abbot OAM | 4 meetings LGAQ Conference 9.5 sessions | \$325 per session | N/A | \$3,087.50 + \$7,150 ¹ |
| Commissioner | Andrea Ranson | 4 meetings LGAQ Conference (via MS Teams as a COVID-19 precaution) 10 sessions | \$250 per session | N/A | \$2,500 |
| Commissioner | Reimen Hii | 4 meetings LGAQ Conference (via MS Teams as a COVID-19 precaution) 9 sessions | \$250 per session | N/A | \$0 ² |
| No. scheduled meetings/sessions | Five meetings inclusive of the LGAQ conference. Sessions included reading, research, report/correspondence writing, meeting/conference attendance and are conducted as and when required. | | | | |
| Total out of pocket expenses | \$2,405 | | | | |

¹ Bob Abbot OAM was paid meeting entitlement fees in August 2020 of \$7,150 for entitlements incurred in the 2019–20 financial year.

² Reimen Hii's meeting entitlement fees will be paid in the 2021–22 financial year.

| Resources Community Infrastructure Fund Advisory Committee | | | | | |
|---|---|------------------------------|---|---|----------------------|
| Act or instrument | Memorandum of Understanding for the Resources Community Infrastructure Fund | | | | |
| Functions | Considers and recommends funding allocations from the Resources Community Infrastructure Fund towards investment in economic and social Community Infrastructure Projects in Queensland resource communities. | | | | |
| Achievements | The Advisory Committee met for the first time on 13 April 2021 and over the course of three meetings before the end of the financial year: <div>» provided direction about the appropriate design of the program to govern the identification and recommendation of Community Infrastructure Projects for funding</div> <div>» reviewed, provided feedback and endorsed Applicant Guidelines for approval and public release</div> <div>» reviewed, provided feedback and endorsed a Communication Strategy for the Resources Community Infrastructure Fund and a variety of communications materials.</div> | | | | |
| Financial reporting | Not exempted from audit by the Auditor-General. The operating and administrative costs associated with the Advisory Committee are outlined in the financial statements of the Department of State Development, Infrastructure, Local Government and Planning. | | | | |
| Remuneration | | | | | |
| Position | Name | Meetings/sessions attendance | Approved annual, sessional or daily fee | Approved sub-committee fees if applicable | Actual fees received |
| Chair - Resource Community Representative | Tony Mooney AM | 3 | Not remunerated | NA | NA |
| Member - Resource Community Representative | Fiona Jose | 2 | Not remunerated | NA | NA |
| | Jane Williams | 3 | Not remunerated | NA | NA |
| Member - Participating Mineral Resource Industry Representative | Melissa Johnson | 3 | Not remunerated | NA | NA |
| | Leah Morgan | 2 | Not remunerated | NA | NA |
| | Anthony Pitt | 3 | Not remunerated | NA | NA |
| | Jess Roberson | 3 | Not remunerated | NA | NA |
| Member - State Representative | Michael McKee | 3 | Not remunerated | NA | NA |
| | Natalie Wilde | 3 | Not remunerated | NA | NA |
| No. scheduled meetings/sessions | 3 | | | | |
| Total out of pocket expenses | \$0.00 | | | | |

Building Queensland Board

| Title | Description |
|----------------------------|--|
| Act or instrument | <i>Building Queensland Act 2015</i> |
| Annual report arrangements | Details of the Building Queensland Board are reported in Building Queensland's Final Report. |

Local Government Change Commission

| Title | Description |
|----------------------------|---|
| Act or instrument | <i>Local Government Act 2009</i> |
| Annual report arrangements | Details of the Local Government Change Commission are reported in the Electoral Commission of Queensland's Annual Report 2020–21. |

Queensland Reconstruction Board

| Title | Description |
|----------------------------|---|
| Act or instrument | <i>Queensland Reconstruction Authority Act 2011</i> |
| Annual report arrangements | Details of the Queensland Reconstruction Board are reported in the Queensland Reconstruction Authority's Annual Report 2020–21. |

Appendix 3: Compliance checklist

| Summary of requirement | | Basis for requirement | Annual report reference |
|---|--|---|---|
| Letter of compliance | <ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s | ARRs – section 7 | Page 5 |
| Accessibility | <ul style="list-style-type: none"> Table of contents Glossary | ARRs – section 9.1 | Page 3 Glossary not required – all terms explained in full on first mention and in new sections as required. |
| | <ul style="list-style-type: none"> Public availability | ARRs – section 9.2 | Page 2 |
| | <ul style="list-style-type: none"> Interpreter service statement | <i>Queensland Government Language Services Policy</i> ARRs – section 9.3 | Page 2 |
| | <ul style="list-style-type: none"> Copyright notice | <i>Copyright Act 1968</i> ARRs – section 9.4 | Page 2 |
| | <ul style="list-style-type: none"> Information Licensing | <i>QGEA – Information Licensing</i> ARRs – section 9.5 | Page 2 |
| General information | <ul style="list-style-type: none"> Introductory Information | ARRs – section 10 | Pages 6–8 |
| Non-financial performance | <ul style="list-style-type: none"> Government’s objectives for the community and whole-of-government plans/specific initiatives | ARRs – section 11.1 | Page 17 |
| | <ul style="list-style-type: none"> Agency objectives and performance indicators | ARRs – section 11.2 | Page 16–30 |
| | <ul style="list-style-type: none"> Agency service areas and service standards | ARRs – section 11.3 | Appendix 1 |
| Financial performance | <ul style="list-style-type: none"> Summary of financial performance | ARRs – section 12.1 | Page 32 |
| Governance – management and structure | <ul style="list-style-type: none"> Organisational structure | ARRs – section 13.1 | Page 11 |
| | <ul style="list-style-type: none"> Executive management | ARRs – section 13.2 | Page 12–13 |
| | <ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) | ARRs – section 13.3 | Appendix 2 |
| | <ul style="list-style-type: none"> Public Sector Ethics | <i>Public Sector Ethics Act 1994</i> ARRs – section 13.4 | Page 43 |
| | <ul style="list-style-type: none"> Human Rights | <i>Human Rights Act 2019</i> ARRs – section 13.5 | Page 44 |
| | <ul style="list-style-type: none"> Queensland public service values | ARRs – section 13.6 | Page 15 |
| Governance – risk management and accountability | <ul style="list-style-type: none"> Risk management | ARRs – section 14.1 | Page 40 |
| | <ul style="list-style-type: none"> Audit committee | ARRs – section 14.2 | Page 37 |
| | <ul style="list-style-type: none"> Internal audit | ARRs – section 14.3 | Page 41 |

| Summary of requirement | | Basis for requirement | Annual report reference |
|------------------------------|---|--|-------------------------|
| | • External scrutiny | ARRs – section 14.4 | Page 42 |
| | • Information systems and recordkeeping | ARRs – section 14.5 | Page 43 |
| | • Information Security attestation | ARRs – section 14.6 | Page 43 |
| Governance – human resources | • Strategic workforce planning and performance | ARRs – section 15.1 | Page 47 |
| | • Early retirement, redundancy and retrenchment | Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2 | Page 50 |
| Open Data | • Statement advising publication of information | ARRs – section 16 | Page 2 |
| | • Consultancies | ARRs – section 33.1 | Page 33 |
| | • Overseas travel | ARRs – section 33.2 | Page 33 |
| | • Queensland Language Services Policy | ARRs – section 33.3 | Page 33 |
| Financial statements | • Certification of financial statements | FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1 | Part 07 – Page 40 |
| | • Independent Auditor's Report | FAA – section 62 FPMS – section 46 ARRs – section 17.2 | Part 07 – Page 41–44 |

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*



Part 07

Financial statements

Department of State Development, Infrastructure, Local Government and Planning
Financial Statements for the year ended 30 June 2021

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General information

The Department of State Development, Infrastructure, Local Government and Planning (the department) is a Queensland Government department established under the *Public Service Act 2008* and controlled by the State of Queensland, which is the ultimate parent.

The head office and principal place of business of the department is Level 37, 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 +61 7 3452 6930, email Financedsdilgp@dsdilgp.qld.gov.au or visit the department's website <https://www.statedevelopment.qld.gov.au/>.

Department of State Development, Infrastructure, Local Government and Planning
Statement of Comprehensive Income for the year ended 30 June 2021

| | | 2021 Actual \$'000 | 2021 Original budget \$'000 | 2021 Budget variance* \$'000 | 2020 Actual \$'000 |
|--|-------------|--------------------------|--------------------------------------|---------------------------------------|--------------------------|
| OPERATING RESULT | Note | | | | |
| Income | | | | | |
| Appropriation revenue | 4 | 439,313 | 573,677 | (134,364) | 268,526 |
| User charges and fees | 5 | 12,307 | 16,859 | (4,552) | 95 |
| Grants and other contributions | 6 | 40,535 | 500 | 40,035 | 2,515 |
| Land sales | | 38,469 | 66,370 | (27,901) | - |
| Interest | | 5,086 | 5,503 | (417) | 289 |
| Other revenue | | 690 | 214 | 476 | 1,891 |
| Total revenue | | 536,400 | 663,123 | (126,723) | 273,316 |
| Gains on disposal and remeasurement of assets | | 173 | - | 173 | - |
| Total income | | 536,574 | 663,123 | (126,549) | 273,316 |
| Expenses | | | | | |
| Supplies and services | 7 | 35,087 | 69,939 | (34,852) | 13,658 |
| Grants and subsidies | 8 | 364,662 | 450,028 | (85,366) | 290,551 |
| Employee expenses | 9 | 80,269 | 85,650 | (5,381) | 24,921 |
| Revaluation decrement | 16 | 3,292 | - | 3,292 | - |
| Finance/borrowing costs | | 2,278 | 6,720 | (4,442) | - |
| Cost of land sales | 14 | 23,268 | 44,117 | (20,849) | - |
| Depreciation and amortisation | | 1,700 | 1,787 | (87) | 581 |
| Land inventory impairment | 14 | 21,307 | - | 21,307 | - |
| Other expenses | 11 | 5,471 | 5,313 | 158 | 390 |
| Total expenses | | 537,334 | 663,554 | (126,220) | 330,101 |
| Operating result before income tax equivalent | | (760) | (431) | (329) | (56,785) |
| Income tax equivalents | 17 | 11,169 | 1,976 | 9,193 | - |
| Operating result after income tax equivalent | | 10,409 | 1,545 | 8,864 | (56,785) |
| Increase in asset revaluation surplus | | 1,998 | - | 1,998 | - |
| TOTAL OTHER COMPREHENSIVE INCOME | | 1,998 | - | 1,998 | - |
| TOTAL COMPREHENSIVE INCOME | | 12,407 | 1,545 | 10,862 | (56,785) |

* An explanation of major variances is included at Note 23.
The accompanying notes form part of these financial statements.

Department of State Development, Infrastructure, Local Government and Planning
Statement of Financial Position as at 30 June 2021

| | | 2021 | 2020 |
|--------------------------------------|------|------------------|---------------|
| | | Actual | Actual |
| | Note | \$'000 | \$'000 |
| Current assets | | | |
| Cash and cash equivalents | 12 | 235,358 | 36,575 |
| Receivables | 13 | 36,424 | 3,015 |
| Land inventories | 14 | 76,521 | - |
| Other assets | | 2,761 | 233 |
| Total current assets | | 351,064 | 39,823 |
| Non-current assets | | | |
| Receivables | 13 | 144,056 | 3,390 |
| Land inventories | 14 | 263,812 | - |
| Property, plant and equipment | 15 | 258,445 | 10 |
| Right-of-use assets | | 1,685 | - |
| Investment property | 16 | 226,091 | - |
| Intangible assets | | 14,648 | 992 |
| Deferred tax equivalent asset | 17 | 33,619 | - |
| Total non-current assets | | 942,355 | 4,392 |
| Total assets | | 1,293,419 | 44,215 |
| Current liabilities | | | |
| Payables | 18 | 73,300 | 29,209 |
| Borrowings | 19 | 31,762 | - |
| Leases | | 67 | - |
| Accrued employee benefits | | 4,295 | 636 |
| Provisions | 20 | 22,531 | - |
| Deferred tax equivalent liability | 17 | 2,912 | - |
| Other liabilities | 21 | 25,493 | - |
| Total current liabilities | | 160,360 | 29,845 |
| Non-current liabilities | | | |
| Borrowings | 19 | 117,527 | - |
| Leases | | 266 | - |
| Provisions | 20 | 56,373 | - |
| Deferred tax equivalent liability | 17 | 81,655 | - |
| Other liabilities | 21 | 4,900 | - |
| Total non-current liabilities | | 260,720 | - |
| Total liabilities | | 421,080 | 29,845 |
| Net assets | | 872,340 | 14,370 |
| Equity | | | |
| Contributed equity | | 926,005 | 78,834 |
| Accumulated deficit | | (55,663) | (64,464) |
| Asset revaluation surplus | | 1,998 | - |
| Total Equity | | 872,340 | 14,370 |

The accompanying notes form part of these financial statements.

Department of State Development, Infrastructure, Local Government and Planning
Statement of Changes in Equity for the year ended 30 June 2021

| | Note | Contributed Equity \$'000 | Accumulated Deficit \$'000 | Revaluation Surplus \$'000 | Total \$'000 |
|--|------|---------------------------------|----------------------------------|----------------------------------|-----------------|
| Balance as at 1 July 2019 | | <u>79,101</u> | <u>(21,893)</u> | <u>14,214</u> | <u>71,422</u> |
| Operating Result | | | | | |
| Operating result from continuing operations | | - | (56,785) | - | (56,785) |
| Total Comprehensive Income for the Year | | <u>-</u> | <u>(56,785)</u> | <u>-</u> | <u>(56,785)</u> |
| Transactions with Owners as Owners: | | | | | |
| Appropriated equity injections | 4 | 1,030 | - | - | 1,030 |
| Appropriated equity withdrawals | 4 | (1,297) | - | - | (1,297) |
| Asset revaluation surplus transferred to accumulated deficit | | - | 14,214 | (14,214) | - |
| Net Transactions with Owners as Owners | | <u>(267)</u> | <u>14,214</u> | <u>(14,214)</u> | <u>(267)</u> |
| Balance as at 30 June 2020 | | <u>78,834</u> | <u>(64,464)</u> | <u>-</u> | <u>14,370</u> |
| Net effect of prior year adjustments | | - | (1,608) | - | (1,608) |
| Balance as at 1 July 2020 | | <u>78,834</u> | <u>(66,072)</u> | <u>-</u> | <u>12,762</u> |
| Operating Result | | | | | |
| Operating result from continuing operations | | - | 10,409 | - | 10,409 |
| Other comprehensive income | | | | | |
| Increase/(decrease) in asset revaluation surplus | | - | - | 1,998 | 1,998 |
| Total Comprehensive Income for the Year | | <u>-</u> | <u>10,409</u> | <u>1,998</u> | <u>12,407</u> |
| Transactions with Owners as Owners: | | | | | |
| Appropriated equity injections | 4 | 17,976 | - | - | 17,976 |
| Appropriated equity withdrawals | 4 | (3,299) | - | - | (3,299) |
| Balance transferred in through machinery-of-Government (moG) changes | 3 | 835,494 | - | - | 835,494 |
| Non-appropriated equity withdrawals | | (3,000) | - | - | (3,000) |
| Net Transactions with Owners as Owners | | <u>847,171</u> | <u>-</u> | <u>-</u> | <u>847,171</u> |
| Balance as at 30 June 2021 | | <u>926,005</u> | <u>(55,663)</u> | <u>1,998</u> | <u>872,340</u> |

The accompanying notes form part of these financial statements.

Department of State Development, Infrastructure, Local Government and Planning
Statement of Cash Flows for the year ended 30 June 2021

| | | 2021 Actual \$'000 | 2020 Actual \$'000 |
|---|------|--------------------------|--------------------------|
| | Note | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| <i>Inflows:</i> | | | |
| Appropriation receipts | 4 | 462,241 | 228,428 |
| User charges and fees | | 2,822 | 245 |
| Grants and other contributions | | 49,687 | 1,657 |
| Land sales | | 38,469 | - |
| GST input tax credits from ATO | | 6,903 | 4,393 |
| GST collected from customers | | 4,026 | 55 |
| Interest receipts | | 2,781 | 289 |
| Income tax equivalents | | 1,587 | - |
| Other inflows | | 3,171 | 259 |
| <i>Outflows:</i> | | | |
| Supplies and services | | (38,153) | (12,445) |
| Employee expenses | | (81,358) | (25,039) |
| Grants and subsidies | | (357,281) | (223,637) |
| Cost of land sales | | (23,268) | - |
| GST paid to suppliers | | (6,662) | (4,336) |
| GST remitted to ATO | | (3,913) | (57) |
| Finance/borrowing costs | | (817) | - |
| Other outflows | | (724) | (403) |
| Net cash provided by/(used in) operating activities | | 59,511 | (30,591) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| <i>Inflows:</i> | | | |
| Sales of property, plant and equipment | | 1,400 | - |
| Loans and advances redeemed | | 11,717 | 625 |
| <i>Outflows:</i> | | | |
| Payments for property, plant and equipment | | (5,560) | (267) |
| Payments for investments | | (793) | - |
| Payments for intangibles | | (355) | (1,019) |
| Loans and advances made | | (15,005) | - |
| Net cash used in investing activities | | (8,596) | (661) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| <i>Inflows:</i> | | | |
| Equity injections | | 17,379 | 1,030 |
| Proceeds from borrowings | | 15,432 | - |
| <i>Outflows:</i> | | | |
| Equity withdrawals - appropriated | | (3,299) | (1,297) |
| Equity withdrawals - non-appropriated | | (3,000) | - |
| Borrowing redemptions | | (13,729) | - |
| Net cash provided by/(used in) financing activities | | 12,783 | (267) |
| Net increase/(decrease) in cash and cash equivalents | | 63,698 | (31,519) |
| Increase/(decrease) in cash and cash equivalents from restructuring | | 135,085 | - |
| Cash and Cash Equivalents – opening balance | | 36,575 | 68,094 |
| Cash and Cash Equivalents – closing balance | 12 | 235,358 | 36,575 |

The accompanying notes form part of these financial statements.

Notes to the Statement of Cash Flows for the year ended 30 June 2021

Reconciliation of operating result to net cash provided by operating activities

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|-----------------|
| Operating surplus/(deficit) | 10,409 | (56,785) |
| <i>Non-cash items included in operating result:</i> | | |
| Depreciation and amortisation expense | 1,700 | 581 |
| Net gain on disposal of property, plant and equipment and intangible assets | (110) | - |
| Impairment loss reversals - receivables | (63) | - |
| Impairment losses | - | 8 |
| Revaluation decrement | 3,292 | - |
| Transfer of non-current physical assets to local councils | - | 58,072 |
| Notional Interest | (2,318) | - |
| Loss on discounted loans advanced at concessional rates | 8,572 | - |
| Other non-cash items | 62 | - |
| <i>Change in assets and liabilities</i> | | |
| (Increase)/decrease in appropriation revenue receivable | 6,502 | - |
| (Increase)/decrease in receivables | 19,905 | (918) |
| (Increase)/decrease in inventories | 18,263 | - |
| (Increase)/decrease in deferred tax | (7,109) | - |
| (Increase)/decrease in other assets | (1,094) | (141) |
| Increase/(decrease) in appropriation payable | 16,426 | - |
| Increase/(decrease) in payables | (13,120) | (30,954) |
| Increase/(decrease) in accrued employee benefits | 543 | (413) |
| Increase/(decrease) in other liabilities | 4,043 | (41) |
| Increase/(decrease) in provisions | (6,392) | - |
| Net cash provided by operating activities | <u>59,511</u> | <u>(30,591)</u> |

Changes in liabilities arising from financing activities

| 2021 | Non-Cash Changes | | | | Cash Flows | | |
|--------------------------|------------------------------|--|----------------------------------|-----------------|----------------------------|------------------------------|------------------------------|
| | Opening Balance \$'000 | Transfers due to moG changes* \$'000 | New leases acquired \$'000 | Other \$'000 | Cash Received \$'000 | Cash Repayments \$'000 | Closing Balance \$'000 |
| QTC borrowings (Note 19) | - | 146,987 | - | 599 | 15,432 | (13,729) | 149,289 |
| Total | <u>-</u> | <u>146,987</u> | <u>-</u> | <u>599</u> | <u>15,432</u> | <u>(13,729)</u> | <u>149,289</u> |
| 2020 | Non-Cash Changes | | | | Cash Flows | | |
| | Opening Balance \$'000 | Transfers due to moG changes \$'000 | New leases acquired \$'000 | Other \$'000 | Cash Received \$'000 | Cash Repayments \$'000 | Closing Balance \$'000 |
| QTC borrowings (Note 19) | - | - | - | - | - | - | - |
| Total | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

Non-cash investing and financing activities

Assets and liabilities received by the department as a result of moG changes are set out in Note 3.

* For details of moG changes, please refer to Note 3.

Department of State Development, Infrastructure, Local Government and Planning
Statement of Comprehensive Income by Major Departmental Services and Commercialised Business Unit for the year ended 30 June 2021

| | Develop the Economy ¹ | | Business and Economic Growth ^{1 2} | | Infrastructure and Economic resilience strategy, Policy and Planning ¹ | | Better Planning for Queensland ¹ | | Local Government | | Independent Assessor | |
|--|----------------------------------|----------|---|----------|---|----------|---|----------|------------------|-----------------|----------------------|--------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Income | | | | | | | | | | | | |
| Appropriation revenue | 63,765 | - | - | - | 5,875 | - | 25,122 | - | 311,860 | 204,385 | 3,988 | 4,411 |
| User charges and fees | 2,711 | - | 7,851 | - | 239 | - | 2,883 | - | 259 | 81 | 55 | - |
| Grants and other contributions | 33,794 | - | (10,721) | - | 6,741 | - | - | - | - | 1,818 | - | 58 |
| Land sales | - | - | 38,469 | - | - | - | - | - | - | - | - | - |
| Interest | 132 | - | 4,771 | - | 41 | - | 91 | - | 41 | 289 | 9 | - |
| Other revenue | 9 | - | 705 | - | 3 | - | 6 | - | (42) | 1,860 | 1 | - |
| Total revenue | 100,411 | - | 41,075 | - | 12,900 | - | 28,103 | - | 312,117 | 208,433 | 4,053 | 4,469 |
| Gains on disposal and remeasurement of assets | 110 | - | 63 | - | - | - | - | - | - | - | - | - |
| Total income | 100,521 | - | 41,138 | - | 12,900 | - | 28,103 | - | 312,117 | 208,433 | 4,053 | 4,469 |
| Expenses | | | | | | | | | | | | |
| Supplies and services | 16,280 | - | 4,215 | - | 2,890 | - | 8,057 | - | 4,296 | 9,185 | 923 | 1,371 |
| Grants and subsidies | 22,641 | - | 8,572 | - | 893 | - | 120 | - | 294,815 | 239,567 | - | 6 |
| Employee expenses | 27,100 | - | 8,665 | - | 8,924 | - | 18,542 | - | 12,350 | 15,778 | 3,021 | 3,042 |
| Revaluation decrement | - | - | 3,292 | - | - | - | - | - | - | - | - | - |
| Finance/borrowing costs | - | - | 2,278 | - | - | - | - | - | - | - | - | - |
| Cost of land sales | - | - | 23,268 | - | - | - | - | - | - | - | - | - |
| Depreciation and amortisation | 326 | - | 185 | - | 57 | - | 921 | - | 122 | 554 | 89 | 27 |
| Impairment losses | - | - | - | - | - | - | - | - | - | 5 | - | - |
| Land inventory impairment | - | - | 21,307 | - | - | - | - | - | - | - | - | - |
| Other expenses | 369 | - | 4,558 | - | 136 | - | 238 | - | 121 | 129 | 19 | 23 |
| Total expenses | 66,716 | - | 76,341 | - | 12,900 | - | 27,878 | - | 311,705 | 265,218 | 4,053 | 4,469 |
| Operating result before income tax equivalent | 33,805 | - | (35,202) | - | - | - | 225 | - | 412 | (56,785) | - | - |
| Income tax equivalents | - | - | 11,169 | - | - | - | - | - | - | - | - | - |
| Operating result after income tax equivalent | 33,805 | - | (24,033) | - | - | - | 225 | - | 412 | (56,785) | - | - |
| OTHER COMPREHENSIVE INCOME | | | | | | | | | | | | |
| Increase in asset revaluation surplus | 1,397 | - | 601 | - | - | - | - | - | - | - | - | - |
| TOTAL OTHER COMPREHENSIVE INCOME | 1,397 | - | 601 | - | - | - | - | - | - | (56,785) | - | - |
| TOTAL COMPREHENSIVE INCOME | 35,202 | - | (23,432) | - | - | - | 225 | - | 412 | (56,785) | - | - |

¹ Function was transferred in from Department of Tourism, Innovation and Sport (DTIS) effective 1 December 2020.

² This relates to Economic Development Queensland (EDQ), a Commercialised Business Unit (CBU) transferred in from DTIS effective 1 December 2020.

Refer to Note 2 of the financial statements for a description of major departmental services.

Department of State Development, Infrastructure, Local Government and Planning
Statement of Comprehensive Income by Major Departmental Services and Commercialised Business Unit for the year ended 30 June 2021

| | Racing ³ | | Multicultural Affairs ⁴ | | Inter-Service/Unit Eliminations | | Total | |
|--|---------------------|----------------|------------------------------------|----------------|------------------------------------|----------------|----------------|-----------------|
| | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 |
| Income | | | | | | | | |
| Appropriation revenue | 24,947 | 45,247 | 3,757 | 14,483 | - | - | 439,313 | 268,526 |
| User charges and fees | - | - | - | 14 | (1,690) | - | 12,307 | 95 |
| Grants and other contributions | - | 17 | - | 622 | 10,721 | - | 40,535 | 2,515 |
| Land sales | - | - | - | - | - | - | 38,469 | - |
| Interest | - | - | - | - | - | - | 5,086 | 289 |
| Other revenue | - | 5 | 8 | 26 | - | - | 690 | 1,891 |
| Total revenue | 24,947 | 45,269 | 3,765 | 15,145 | 9,031 | - | 536,400 | 273,316 |
| Gains on disposal and remeasurement of assets | - | - | - | - | - | - | 173 | - |
| Total income | 24,947 | 45,269 | 3,765 | 15,145 | 9,031 | - | 536,574 | 273,316 |
| Expenses | | | | | | | | |
| Supplies and services | - | 290 | 115 | 2,812 | (1,690) | - | 35,087 | 13,658 |
| Grants and subsidies | 24,947 | 44,115 | 1,954 | 6,863 | 10,721 | - | 364,662 | 290,551 |
| Employee expenses | - | 857 | 1,666 | 5,244 | - | - | 80,269 | 24,921 |
| Revaluation decrement | - | - | - | - | - | - | 3,292 | - |
| Finance/borrowing costs | - | - | - | - | - | - | 2,278 | - |
| Cost of land sales | - | - | - | - | - | - | 23,268 | - |
| Depreciation and amortisation | - | - | - | - | - | - | 1,700 | 581 |
| Impairment losses | - | - | - | 3 | - | - | - | 8 |
| Land inventory impairment | - | - | - | - | - | - | 21,307 | - |
| Other expenses | - | 7 | 30 | 223 | - | - | 5,471 | 382 |
| Total expenses | 24,947 | 45,269 | 3,765 | 15,145 | 9,031 | - | 537,334 | 330,101 |
| Operating result before income tax equivalent | - | - | - | - | - | - | (760) | (56,785) |
| Income tax equivalents | - | - | - | - | - | - | 11,169 | - |
| Operating result after income tax equivalent | - | - | - | - | - | - | 10,409 | (56,785) |
| OTHER COMPREHENSIVE INCOME | | | | | | | | |
| Increase in asset revaluation surplus | - | - | - | - | - | - | 1,998 | - |
| TOTAL OTHER COMPREHENSIVE INCOME | - | - | - | - | - | - | 1,998 | (56,785) |
| TOTAL COMPREHENSIVE INCOME | - | - | - | - | - | - | 12,407 | (56,785) |

³ Function was transferred to Department of Education (DoE) effective 1 December 2020.

⁴ Function was transferred to Department of Children, Youth Justice and Multicultural Affairs (DCYJMA) effective 1 December 2020.

Refer to Note 2 of the financial statements for a description of major departmental services.

Department of State Development, Infrastructure, Local Government and Planning
Statement of Assets and Liabilities by Major Departmental Services and Commercialised Business Unit as at 30 June 2021

| | Develop the Economy ¹ | | Business and Economic Growth ^{1 2} | | Infrastructure and Economic resilience strategy, Policy and Planning ¹ | | Better Planning for Queensland ¹ | | Local Government | | Independent Assessor | |
|--------------------------------------|----------------------------------|----------------|---|----------------|---|----------------|---|----------------|------------------|----------------|----------------------|----------------|
| | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 |
| Current assets | | | | | | | | | | | | |
| Cash and cash equivalents | 41,588 | - | 136,340 | - | 12,872 | - | 28,715 | - | 12,872 | 32,138 | 2,971 | 358 |
| Receivables | 9,033 | - | 22,828 | - | 504 | - | 997 | - | 3,138 | 2,810 | 55 | 54 |
| Land inventories | - | - | 76,521 | - | - | - | - | - | - | - | - | - |
| Other assets | 956 | - | 425 | - | 298 | - | 676 | - | 342 | 146 | 64 | 27 |
| Total current assets | 51,577 | - | 236,113 | - | 13,675 | - | 30,389 | - | 16,352 | 35,094 | 3,090 | 439 |
| Non-current assets | | | | | | | | | | | | |
| Receivables | 41 | - | 141,029 | - | 13 | - | 19,552 | - | 2,942 | 3,390 | 3 | - |
| Land inventories | - | - | 263,812 | - | - | - | - | - | - | - | - | - |
| Property, plant and equipment | 94,408 | - | 163,745 | - | 65 | - | 145 | - | 65 | 7 | 15 | 1 |
| Right-of-use assets | - | - | 1,685 | - | - | - | - | - | - | - | - | - |
| Investment property | - | - | 226,091 | - | - | - | - | - | - | - | - | - |
| Intangible assets | 10,965 | - | - | - | 414 | - | 1,804 | - | 1,134 | 618 | 332 | 374 |
| Deferred tax equivalent asset | - | - | 33,619 | - | - | - | - | - | - | - | - | - |
| Total non-current assets | 105,414 | - | 829,981 | - | 492 | - | 21,502 | - | 4,141 | 4,015 | 350 | 375 |
| Total assets | 156,991 | - | 1,066,094 | - | 14,167 | - | 51,891 | - | 20,493 | 39,109 | 3,439 | 814 |
| Current liabilities | | | | | | | | | | | | |
| Payables | 49,894 | - | 18,492 | - | 182 | - | 329 | - | 4,510 | 25,009 | 25 | 286 |
| Borrowings | - | - | 31,762 | - | - | - | - | - | - | - | - | - |
| Leases | 0 | - | 67 | - | - | - | - | - | - | - | - | - |
| Accrued employee benefits | 1,275 | - | 419 | - | 737 | - | 1,228 | - | 585 | 399 | 50 | 73 |
| Provisions | 10,650 | - | 11,881 | - | - | - | - | - | - | - | - | - |
| Deferred tax equivalent liability | - | - | 2,912 | - | - | - | - | - | - | - | - | - |
| Other liabilities | 16,104 | - | 6,675 | - | - | - | 704 | - | 2,009 | - | - | - |
| Total current liabilities | 77,923 | - | 72,209 | - | 919 | - | 2,261 | - | 7,104 | 25,408 | 75 | 359 |
| Non-current liabilities | | | | | | | | | | | | |
| Payables | - | - | 19,524 | - | - | - | - | - | - | - | - | - |
| Borrowings | - | - | 117,527 | - | - | - | - | - | - | - | - | - |
| Leases | - | - | 266 | - | - | - | - | - | - | - | - | - |
| Provisions | 3,822 | - | 52,551 | - | - | - | - | - | - | - | - | - |
| Deferred tax equivalent liability | - | - | 81,655 | - | - | - | - | - | - | - | - | - |
| Other liabilities | - | - | 4,900 | - | - | - | - | - | - | - | - | - |
| Total non-current liabilities | 3,822 | - | 276,422 | - | - | - | - | - | - | - | - | - |
| Total liabilities | 81,744 | - | 348,631 | - | 919 | - | 2,261 | - | 7,104 | 25,408 | 75 | 359 |

¹ Function was transferred in from DTIS effective 1 December 2020.

² This relates to Economic Development Queensland (EDQ), a Commercialised Business Unit (CBU) transferred in from DTIS effective 1 December 2020.

Refer to Note 2 of the financial statements for a description of major departmental services.

Department of State Development, Infrastructure, Local Government and Planning
Statement of Assets and Liabilities by Major Departmental Services and Commercialised Business Unit as at 30 June 2021

| | Racing ³ | | Multicultural Affairs ³ | | Inter-Service/Unit Eliminations | | Total | |
|--------------------------------------|---------------------|----------------|------------------------------------|----------------|------------------------------------|----------------|------------------|----------------|
| | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 |
| Current assets | | | | | | | | |
| Cash and cash equivalents | - | 3,519 | - | 560 | - | - | 235,358 | 36,575 |
| Receivables | - | 16 | - | 135 | (132) | - | 36,425 | 3,015 |
| Land inventories | - | - | - | - | - | - | 76,521 | - |
| Other assets | - | 8 | - | 52 | - | - | 2,761 | 233 |
| Total current assets | - | 3,543 | - | 747 | (132) | - | 351,064 | 39,823 |
| Non-current assets | | | | | | | | |
| Receivables | - | - | - | - | (19,524) | - | 144,056 | 3,390 |
| Land inventories | - | - | - | - | - | - | 263,812 | - |
| Property, plant and equipment | - | - | - | 2 | - | - | 258,445 | 10 |
| Right-of-use assets | - | - | - | - | - | - | 1,685 | - |
| Investment property | - | - | - | - | - | - | 226,091 | - |
| Intangible assets | - | - | - | - | - | - | 14,648 | 992 |
| Deferred tax equivalent asset | - | - | - | - | - | - | 33,619 | - |
| Other assets | - | - | - | - | - | - | - | - |
| Total non-current assets | - | - | - | 2 | (19,524) | - | 942,356 | 4,392 |
| Total assets | - | 3,543 | - | 749 | (19,656) | - | 1,293,419 | 44,215 |
| Current liabilities | | | | | | | | |
| Payables | - | 3,497 | - | 417 | (132) | - | 73,300 | 29,209 |
| Borrowings | - | - | - | - | - | - | 31,762 | - |
| Leases | - | - | - | - | - | - | 67 | - |
| Accrued employee benefits | - | 21 | - | 143 | - | - | 4,295 | 636 |
| Provisions | - | - | - | - | - | - | 22,531 | - |
| Deferred tax equivalent liability | - | - | - | - | - | - | 2,912 | - |
| Other liabilities | - | - | - | - | - | - | 25,493 | - |
| Total current liabilities | - | 3,518 | - | 560 | (132) | - | 160,360 | 29,845 |
| Non-current liabilities | | | | | | | | |
| Payables | - | - | - | - | (19,524) | - | - | - |
| Borrowings | - | - | - | - | - | - | 117,527 | - |
| Leases | - | - | - | - | - | - | 266 | - |
| Provisions | - | - | - | - | - | - | 56,373 | - |
| Deferred tax equivalent liability | - | - | - | - | - | - | 81,655 | - |
| Other liabilities | - | - | - | - | - | - | 4,900 | - |
| Total non-current liabilities | - | - | - | - | (19,524) | - | 260,720 | - |
| Total liabilities | - | 3,518 | - | 560 | (19,656) | - | 421,080 | 29,845 |

³ Function was transferred to DoE effective 1 December 2020.

⁴ Function was transferred to DCYJMA effective 1 December 2020.

Refer to Note 2 of the financial statements for a description of major departmental services.

About the Department and this Financial Report

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1. Basis of financial statement preparation

Compliance with prescribed requirements

The Department of State Development, Infrastructure, Local Government and Planning (the department) has prepared these financial statements in compliance with section 38 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2020.

The department is a not-for-profit entity and these general purpose financial statements are prepared on an accrual basis (except for the Statement of Cash Flows which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

New accounting standards applied for the first time in these financial statements are outlined in this note.

Presentation

Currency and rounding

Amounts included in the financial statements are in Australian dollars and rounded to the nearest \$1,000 or, where the amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required. Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.

Comparatives

Comparative information reflects the audited 2019-20 financial statements except where restated as necessary to be consistent with disclosures in the current reporting period. The current year is not comparable to the previous year due to machinery-of-Government (moG) changes. Refer to Note 3.

Current/Non-current classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes. 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.

Authorisation of financial statements for issue

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

Basis of measurement

Historical cost is used as a measurement basis in this financial report except for the following:

- Land, buildings and investment property which are measured at fair value; and
- Inventories, which are measured at the lower of cost and net realisable value.

Historical cost: Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair value: Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique. Fair value is determined using one of the following three approaches:

- The *market approach* uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business.
- The *cost approach* reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current replacement cost methodology.
- The *income approach* converts multiple future cash flow amounts to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

Where fair value is used, the fair value approach is disclosed.

Present value: Present value represents the present discounted value of the future net cash inflows that the item is expected to generate (in respect of assets) or the present discounted value of the future net cash outflows expected to settle (in respect of liabilities) in the normal course of business.

Net realisable value: Net realisable value represents the amount of cash or cash equivalents that could currently be obtained by selling an asset in an orderly disposal.

The reporting entity

The financial statements include all income, expenses, assets, liabilities and equity of the department, including those functions transferred through moG changes as outlined in Note 3.

Following moG changes, the department now shares the following joint operations:

- Woodlands Andergrove, in partnership with the Mackay Regional Council to develop and sell land lots located at Bedford Road, Andergrove in Mackay. In accordance with the partnership agreement, the department's interest in the joint venture is 50%. The department's share of transactions and balances from this agreement are consolidated but not considered to be material for disclosure in the 2020-21 financial year.
- Toondah Harbour, in partnership with the Redland City Council to facilitate the efficient and effective development of project land located at the Toondah Harbour Priority Development Area, Cleveland. In accordance with the joint venture agreement, the department's interest in the joint venture is 50%. The department's share of transactions and balances from this agreement are consolidated but not considered to be material for disclosure in the 2020-21 financial year.

First year application of new accounting standards or change in accounting policy

Accounting standards applied for the first time

One new accounting standard is applied for the first time in 2020-21:

- AASB 1059 *Service Concessions Arrangements: Grantors*

1. Basis of financial statement preparation (continued)

AASB 1059 Service Concession Arrangements : Grantor - Assessment

The department applied AASB 1059 *Service Concession Arrangements: Grantors* for the first time in 2020-21. The nature and effect of changes resulting from the adoption of AASB 1059 are described below:

i. Scope and recognition under AASB 1059

As outlined in AASB 1059, a service concession arrangement is defined as a contract between a grantor and an operator in which:

- a. the operator has the right of access to the service concession assets to provide public services on behalf of the grantor for a specified period of time
- b. the operator is responsible for at least some of the management of the public services provided through the asset and does not act merely as an agent on behalf of the grantor
- c. the operator is compensated for its services over the period of the service concession arrangement.

ii. Transitional impact

There are no adjustments required at 1 July 2020 as the department does not have service concession arrangements.

Accounting standards early adopted

No Australian Accounting Standards have been adopted early for 2020-21.

Future Impact of Accounting Standards Not Yet Effective

At the date of authorisation of the financial report, there are no expected impacts of new or amended Australian Accounting Standards issued, but with future commencement dates.

2. Department objectives

The department's objectives are for a future-focused, innovative, well-planned and diverse economy; with growth in investment and priority industry sectors; coordinated, integrated, interconnected opportunities for regions, industry sectors and the private sectors; to leverage opportunities to maximise jobs for Queenslanders in developments, priority industries and associated supply chains, and circular, localized economies; and for sustainable, capable and accountable local governments enabling thriving local communities.

The identity and purpose of the major departmental services undertaken by the department during the year are as follows:

Develop the economy

This service area's objective is to attract and facilitate investment opportunities and industry development in Queensland that provide enduring economic benefit.

Business and Economic Growth

This commercialised business unit's objective is to initiate a range of development projects to drive economic growth, facilitate renewal and generate ongoing employment opportunities, consistent with the Queensland Government's economic development agenda.

Infrastructure and economic resilience strategy, policy and planning

This service area's objective is to deliver a clear and consistent economic policy direction for the State with the development of economic, infrastructure and regional strategies.

Better planning for Queensland

This service area's objective is to drive effectiveness of Queensland's planning system by ensuring accessible and transparent requirements and efficiency of the State's assessment functions.

Local Government

This service area's objective is to provide high quality and timely administration of both the local government system and local government funding programs.

Independent Assessor

This service area's objective is to provide timely and proficient administration of the councillor complaints framework.

3. Machinery-of-Government changes

As a result of the *Public Service Departmental Arrangements Notice (No.4) 2020* dated on 12 November 2020, the Department of Local Government, Racing and Multicultural Affairs (DLGRMA) was renamed the Department of State Development, Infrastructure, Local Government and Planning (DSDILGP). Under this notice, the following functions were transferred to the department effective 1 December 2020:

Controlled:

- State Development (SD); Coordinator-General (CG); Corporate and Office of the Director-General (ODG) from the Department of Tourism, Innovation and Sport (DTIS)
- Economic Development Queensland (EDQ) from DTIS
- Planning; Infrastructure and Economic Resilience (IER); and Cities Transformation Taskforce (CTT) from Queensland Treasury (QT)
- Queens Wharf - Integrated Resort Development and Global Tourism Hubs from DTIS

Administered:

- Queensland Reconstruction Authority (QRA); Building Queensland (BQ); South Bank Corporation; and State Assessment and Referral Agency (SARA) from QT.

The following functions were transferred out to other departments:

Controlled:

- Multicultural Affairs to the Department of Children, Youth Justice and Multicultural Affairs (DCYJMA)
- Racing to the Department of Education (DoE)

Administered:

- Racing to DoE

The assets and liabilities for controlled activities transferred are outlined below. No balance was transferred for Racing (controlled) or administered activities.

| | Transfer in | | | | Transfer out | Total |
|--------------------------------------|---|---|------------------------|------------------------------------|------------------------------------|------------------|
| | SD, CG, Corporate and ODG \$'000 | Economic Development Queensland \$'000 | Queens Wharf \$'000 | Planning, IER and CTT \$'000 | Multicultural Affairs \$'000 | |
| Current assets | | | | | | |
| Cash and cash equivalents | 7,245 | 117,926 | - | 3,541 | (67) | 128,645 |
| Receivables | 19,527 | 33,815 | - | 1,332 | - | 54,674 |
| Land inventories | - | 60,606 | - | - | - | 60,606 |
| Other assets | 980 | 404 | - | 17 | - | 1,401 |
| Total current assets | 27,752 | 212,751 | - | 4,890 | (67) | 245,326 |
| Non-current assets | | | | | | |
| Receivables | 277 | 140,167 | - | 19,524 | - | 159,968 |
| Land Inventories | - | 306,509 | - | - | - | 306,509 |
| Property, plant and equipment | 92,035 | 161,128 | 1,017 | - | (5) | 254,175 |
| Right-of-use assets | - | 1,685 | - | - | - | 1,685 |
| Investment property | - | 228,590 | - | - | - | 228,590 |
| Intangible assets | 11,880 | - | - | 2,528 | - | 14,408 |
| Deferred tax equivalent asset | - | 30,907 | - | - | - | 30,907 |
| Total non-current assets | 104,192 | 868,986 | 1,017 | 22,052 | (5) | 996,242 |
| Total assets | 131,944 | 1,081,737 | 1,017 | 26,942 | (72) | 1,241,568 |
| Current liabilities | | | | | | |
| Payables | 14,381 | 13,945 | - | 189 | - | 28,515 |
| Accrued employee benefits | 2,489 | 599 | - | 1,795 | - | 4,883 |
| Borrowings | 13,395 | 20,877 | - | - | - | 34,272 |
| Lease liabilities | - | - | - | - | - | - |
| Provisions | 16,923 | 65,891 | - | - | - | 82,814 |
| Deferred tax equivalent liability | - | 5,385 | - | - | - | 5,385 |
| Other liabilities | 1,112 | 6,362 | - | 1,839 | - | 9,313 |
| Total current liabilities | 48,300 | 113,059 | - | 3,823 | - | 165,182 |
| Non-current liabilities | | | | | | |
| Payables | 2,481 | 23,524 | - | - | - | 26,005 |
| Borrowings | - | 126,439 | - | - | - | 126,439 |
| Lease liabilities | - | - | - | - | - | - |
| Provisions | - | 2,481 | - | - | - | 2,481 |
| Deferred tax equivalent liability | - | 85,967 | - | - | - | 85,967 |
| Other liabilities | - | - | - | - | - | - |
| Total non-current liabilities | 2,481 | 238,411 | - | - | - | 240,892 |
| Total liabilities | 50,781 | 351,470 | - | 3,823 | - | 406,074 |
| Net assets | 81,163 | 730,267 | 1,017 | 23,119 | (72) | 835,494 |

3. Machinery-of-Government changes (continued)

The net increase in assets of \$835.5 million has been accounted for as an increase in contributed equity as disclosed in the Statement of Changes in Equity.

Budgeted appropriation revenue of \$127.7 million from DTIS and \$33.5 million from QT were reallocated to the department while \$8.2 million and \$17.4 million were transferred to DCYJMA and DoE respectively from the department.

As a result of the *Debt Reduction and Savings Act 2021* assented to on 2 June 2021, the *Building Queensland Act 2015* was repealed as at that date. Building Queensland (BQ) was abolished effective 2 June 2021 and balances as disclosed below were transferred to the department. Net assets of \$6.7 million were recognised as contributions (Note 6).

| | \$'000 |
|----------------------------------|---------------------|
| Current assets | |
| Cash and cash equivalents | 6,440 |
| Receivables | 368 |
| Other assets | 50 |
| Total current assets | <u>6,858</u> |
| Current liabilities | |
| Payables | 87 |
| Accrued employee benefits | 29 |
| Total current liabilities | <u>116</u> |
| Net assets | <u><u>6,742</u></u> |

| | Note | 2021 \$'000 | 2020 \$'000 |
|---|------|-----------------------|-----------------------|
| 4. Appropriation revenue | | | |
| Reconciliation of payments from Consolidated Fund to appropriated revenue recognised in operating result | | | |
| Budgeted appropriation receipts | | 601,383 | 271,774 |
| Treasurer's transfers | | <u>(139,142)</u> | <u>(43,346)</u> |
| Total appropriation receipts (cash) | | 462,241 | 228,428 |
| Plus: Opening balance of deferred appropriation payable to consolidated fund | | 17,070 | 57,168 |
| Less: Opening balance of deferred appropriation revenue receivable | | - | (223) |
| Plus: Effect of adoption of new accounting standards | | - | 223 |
| Less: Closing balance of deferred appropriation payable to consolidated fund | 18 | (33,496) | (17,070) |
| Less: Balance of appropriation revenue receivable transferred as a result of moG changes | 13 | <u>(6,502)</u> | <u>-</u> |
| Net appropriation revenue | | 439,313 | 268,526 |
| Plus: Deferred appropriation payable to Consolidated Fund | | - | - |
| Appropriation revenue recognised in statement of comprehensive income | | <u>439,313</u> | <u>268,526</u> |
| Reconciliation of payments from Consolidated Fund to equity adjustment recognised in contributed equity | | | |
| Budgeted equity adjustment appropriation | | 21,301 | 1,765 |
| Treasurer's transfers | | <u>(7,221)</u> | <u>(2,032)</u> |
| Total equity adjustment receipts (payments) | | 14,080 | (267) |
| Plus: Closing balance of equity adjustment receivable/(payable) | 13 | 597 | - |
| Equity adjustment recognised in contributed equity | | <u>14,677</u> | <u>(267)</u> |

Accounting policy

Appropriations provided under the *Appropriation (2020-2021) Act 2021* are recognised as revenue when received. Where the department has an obligation to return unspent (or unapplied) appropriation receipts to Consolidated Fund at year end (a deferred appropriation repayable 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. Capital appropriations are recognised as adjustments to equity.

Amounts appropriated to the department for transfer to other entities in accordance with legislative or other requirements are reported as 'administered' items in Note 31.

| 5. User charges and fees | 2021 \$'000 | 2020 \$'000 |
|---------------------------------------|----------------|----------------|
| Revenue from contracts with customers | | |
| Sale of services | 4,284 | 55 |
| Statutory fees and charges | 126 | - |
| Other user charges and fees | | |
| Property rental | 5,218 | - |
| Other fees | 2,679 | 40 |
| Total user charges and fees | 12,307 | 95 |

Accounting policy

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 and revenue recognition.

| Type of sale of service | Nature and timing of satisfaction of performance | Revenue recognition policies |
|---|--|--|
| Provision of services to other government entities through service level agreements | The department provides material corporate services and other support to other government entities under service level agreements. The performance obligation is the delivery of the agreed services over the agreed period. | Revenue is recognised over time to match the services performed over a period of time. The customer under the service level agreement simultaneously receives and consumes the benefits when the agreed services are performed by the department. The department has an enforceable right to payment for the completed services. |
| Cost recoveries in other fees | The department recovers costs such as expert advice or advertising it incurs from third parties under statutory requirements/contractual arrangements. The department has the principal responsibility to obtain these services. | Revenue is recognised upfront since the cost recovery is carried out under statutory requirements/contracts. |
| Statutory fees and charges | Statutory fees and charges primarily arises from fee for service from various legislation. The revenue is recognised when the legislated fees is charged for the service provided. | Revenue is recognised upfront at the time of receiving the application under the applicable legislation. |

Other user charges and fees

Property rentals Property income is mainly from EDQ's straight line lease rent revenue from industrial land and investment properties. Property income is recognised as per contractual arrangement upfront and revenue is not deferred.

Statutory fees and charges Revenue arising from Section 25 of the *State Development and Public Works Organisation Act 1971* (SDPWO Act) and Schedule 1B of SDPWO Regulation is recognised at the occurrence of the taxable event under AASB 1058. The taxable event is the performance of the activity outlined by Section 25 of the SDPWO Act.

Where payment is received before the occurrence of the taxable event, the amount is recognised as contract liabilities (Note 21).

Other fees Other fees primarily include fees for permitting third parties to access and use State Development Area land, fees for training/seminar/workshop provided and freedom of information application fees. The revenue is recognised upfront because there are no sufficiently specific performance obligations.

| 6. Grants and other contributions | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| Grants* | 33,553 | 2,009 |
| Contributions** | 6,742 | - |
| Goods and services received below fair value | 240 | 506 |
| Total grants and other contributions | 40,535 | 2,515 |

* Mostly relates to Resource Community Infrastructure Fund (RCIF) transferred from QT.

** Relates to net assets transferred from BQ as disclosed in Note 3.

Accounting Policy

Grants and contribution revenue agreements are not enforceable and/or not sufficiently specific and do not qualify for deferral and recognised as revenue as soon as they are controlled.

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and expense.

| 7. Supplies and services | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Contractors and consultants | 8,309 | 3,969 |
| Property and building expenses | 13,071 | 3,572 |
| Information technology and computer equipment | 6,680 | 1,604 |
| Shared service provider fee | 2,222 | 831 |
| Travel and hospitality | 568 | 485 |
| Transport | 706 | 228 |
| Marketing and public relations | 1,585 | 429 |
| Other | 1,945 | 2,541 |
| Total supplies and services | 35,087 | 13,658 |

Accounting policy

Distinction between grants and procurement

For a transaction to be classified as supplies and services, the value of goods or services received must be of approximately equal value to the value of the consideration exchanged for those goods or services. Where this is not the substance of the arrangement, the transaction is classified as a grant in Note 8.

Property and building expenses

Payments for non-specialised commercial office accommodation under the Queensland Government Accommodation Office (QGAO) framework arise from non-lease arrangements with the Department of Energy and Public Works (DEPW), who has substantive substitution rights over the assets used within this scheme. Payments are expensed as incurred and categorised within property and building expenses.

| 8. Grants and subsidies | 2021 \$'000 | 2020 \$'000 |
|-----------------------------------|----------------|----------------|
| Local government authorities* | 307,682 | 237,819 |
| Statutory Bodies | 25,852 | 44,114 |
| Industry attraction | 5,270 | - |
| Commonwealth agencies | 12,700 | - |
| Concessional loan discount | 8,572 | - |
| Others | 4,586 | 8,618 |
| Total grants and subsidies | 364,662 | 290,551 |

* 2019-20 comparative amount includes transfer of infrastructure assets to the Northern Peninsula Aboriginal Regional Council (\$46.2 million) and Cherbourg Aboriginal Shire Council (\$11.8 million).

Accounting policy

Grants and subsidies are recognised in accordance with the relevant funding agreement between the department and the recipient and are non-reciprocal. Grants are treated as an expense when the recipient can control the use of the resources or when the department's obligation for a transfer arises at that time.

| 9. Employee expenses | 2021 \$'000 | 2020 \$'000 |
|---------------------------------------|----------------|----------------|
| Employee benefits | | |
| Salaries and wages | 60,305 | 18,529 |
| Employer superannuation contributions | 8,376 | 2,566 |
| Annual leave levy | 6,249 | 2,020 |
| Sick leave | 1,938 | 725 |
| Long service leave levy | 1,526 | 451 |
| Other employee benefits | 645 | 234 |
| | 79,039 | 24,525 |
| Employee related expenses | | |
| Payroll tax | 411 | - |
| Workers' compensation premium | 160 | 40 |
| Other employee related expenses | 659 | 357 |
| Total employee expenses | 80,269 | 24,921 |
| Full time equivalent employees | 877 | 174 |

Accounting policy

Salaries and wages

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the 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.

Sick leave

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Annual leave and long service leave

Under the Queensland Government's Annual Leave Central Scheme and Long Service Leave Scheme, the department is required to pay a levy to cover the cost of employees' annual leave (including leave loading and on-costs) and long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for leave are claimed from the schemes, quarterly in arrears.

No provision for annual leave or long service leave is recognised in the department's financial statements as the liability 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*.

Superannuation

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

Workers' compensation premiums

The department pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. It is not an employee benefit and is recognised separately as employee related expenses.

10. Key management personnel (KMP) disclosures

Details of key management personnel

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*. The Minister is the Minister for State Development, Infrastructure, Local Government and Planning.

The following details for non-Ministerial KMP reflect those departmental positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2020-21 and 2019-20. Further information about these positions can be found in the body of the Annual Report under the section relating to Governance and Executive.

| Position | Position responsibility |
|--|---|
| Director-General | The accountable officer is responsible for directing the overall efficient, effective and economical administration of the department and is financially responsible for the performance of the department. |
| Deputy Director-General, Local Government | Responsible for the development and implementation of strategies, policies and programs that support a sustainable local government system. |
| Positions transferred from DTIS as a result of moG changes effective 1 December 2020 | |
| Coordinator-General | Operating within the statutory frameworks of the State Development and <i>Public Works Organisation Act 1971</i> and the <i>Strong and Sustainable Resource Communities Act 2017</i> , responsible for planning, delivering and coordinating large-scale infrastructure projects which are of economic significance to the state and for ensuring environmental impacts are properly managed. |
| Assistant Coordinator-General, Project Evaluation and Facilitation | Operating within the statutory frameworks of the State Development and <i>Public Works Organisation Act 1971</i> and the <i>Strong and Sustainable Resource Communities Act 2017</i> , manage whole-of-government coordination and evaluation of large-scale infrastructure projects and developments, while ensuring their environmental, economic and social impacts are properly managed. |
| Assistant Coordinator-General, Planning and Services | Operating within the statutory frameworks of the State Development and <i>Public Works Organisation Act 1971</i> and the <i>Strong and Sustainable Resource Communities Act 2017</i> , responsible for the planning, establishment and ongoing management of State Development Areas throughout Queensland; responsible for all land acquisition undertaken by Coordinator-General. |
| Deputy Director-General, State Development | Responsible for implementing the regional and industry elements of the economic strategy, driving the execution of the Queensland government's priority industry roadmaps and strategies, and leading the department's network of regionally-based offices. |
| Deputy Director-General, Corporate | Responsible for enabling a high-performing department by providing systems, advice and governance to enable delivery and manage risk, opportunities, people and resources. |
| Acting General Manager, Economic Development Queensland | Responsible for identifying, planning, facilitating and delivering property development and infrastructure projects across Queensland and creating opportunities for industry to invest in industrial and renewal projects. |
| Positions transferred from QT as a result of moG changes effective 1 December 2020 | |
| State Planner, Planning Group | Responsible for the coordinated and integrated delivery of planning functions and services for the State of Queensland and management of the Queensland Government's administrative responsibilities under the <i>South Bank Corporation Act 1989</i> . |
| Deputy Director-General, Infrastructure and Economic Resilience | Responsible for a coordinated, collaborative and strategic approach to economic and social prosperity of Queenslanders through whole-of-government policy and economic strategy, a clear vision for infrastructure and sustainable economic development at regional and state levels. |
| Positions no longer recognised as KMP in the department following moG changes effective 1 December 2020 | |
| Executive Director Finance, Performance and Programs, Local Government | Leads the development and administration of local government grants programs, including the monitoring of council financial performance and the development and delivery of governance and capability programs. |
| Executive Director Strategy and Service Delivery, Local Government | Maintains appropriate statutory and policy frameworks, develops local government strategy and policy and promotes the sustainability, integrity, capacity and performance of local government through a network of regional advisors. |
| Executive Director, Corporate | Provides strategic advice, legal services, human resources, service delivery and contract management of people, procedures and service level agreements; and provides a secretariat to the Councillor Conduct Tribunal. |
| Positions transferred to other departments as a result of moG changes effective 1 December 2020 | |
| Deputy Director-General, Strategy, Racing and Multicultural Affairs | Delivers responsive and robust governance and engagement strategies to the department and oversight of the multicultural affairs and racing policy functions. |
| Executive Director, Strategy and Racing | Manages the administration of the <i>Racing Act 2002</i> , strategic policy setting and planning, corporate governance and reporting; and coordination and provision of policy advice on government submissions including the long-term sustainability of the racing industry in Queensland. |
| Executive Director, Chief Finance Officer | Provides strategic leadership and direction for the efficient, effective and economic financial administration of the department. |
| Executive Director, Multicultural Affairs | Administers the <i>Multicultural Recognition Act 2016</i> and promotes Queensland as a united, harmonious and inclusive community across government and the broader community. |

10. Key management personnel (KMP) disclosures (continued)

KMP 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 the Minister. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by the 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 Queensland Treasury's Report on State Finances.

The 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.

Remuneration expenses for 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 occupied a KMP position.
- 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 leave and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

KMP remuneration expenses

The following disclosures focus on the expenses incurred by the department attributable to non-Ministerial KMP during the respective reporting periods. The amounts disclosed are determined on the same basis as expenses recognised in the Statement of Comprehensive Income.

2020-21

| Position | Short-term employee expenses \$'000 | | Long-term employee expenses \$'000 | Post-employment expenses \$'000 | Termination benefits \$'000 | Total expenses \$'000 |
|---|--|---------------------------------|---------------------------------------|------------------------------------|--------------------------------|--------------------------|
| | Monetary expenses \$'000 | Non-monetary expenses \$'000 | | | | |
| Director General (to 19 November 2020) ¹ | 129 | 2 | 3 | 16 | - | 150 |
| Director-General (from 20 November 2020) ²⁽ⁱ⁾ | 250 | 3 | 6 | 24 | - | 283 |
| Deputy Director-General, Local Government | 236 | 5 | 5 | 25 | - | 271 |
| Positions transferred from DTIS as a result of moG changes | | | | | | |
| Coordinator-General (from 1 December 2020) ²⁽ⁱⁱ⁾ | 229 | 3 | 5 | 27 | - | 264 |
| Assistant Coordinator-General, Project Evaluation and Facilitation (from 1 December 2020) ²⁽ⁱⁱⁱ⁾ | 130 | 3 | 3 | 14 | - | 150 |
| Assistant Coordinator-General, Planning and Services (from 1 December 2020) ^{2(iv)} | 136 | 3 | 3 | 15 | - | 157 |
| Deputy Director-General, State Development (from 1 December 2020) ^{2(v)} | 148 | 3 | 3 | 16 | - | 170 |
| Deputy Director-General, Corporate (from 1 December 2020) ^{2(vi)} | 126 | - | 3 | 16 | - | 145 |
| Acting General Manager, Economic Development Queensland (from 1 December 2020) ^{2(vii)} | 150 | 3 | 3 | 15 | - | 171 |
| Positions transferred from QT as a result of moG changes | | | | | | |
| State Planner, Planning Group (from 1 December 2020) ³⁽ⁱ⁾ | 168 | 3 | 4 | 18 | - | 193 |
| Deputy Director-General, Infrastructure and Economic Resilience (from 1 December 2020) ³⁽ⁱⁱ⁾ | 141 | 3 | 3 | 17 | - | 164 |
| Positions no longer recognised as KMP in the department following moG changes | | | | | | |
| Executive Director Finance, Performance and Programs, Local Government (to 30 November 2020) ⁴ | 80 | 2 | 2 | 8 | - | 92 |
| Executive Director Strategy and Service Delivery, Local Government (to 30 November 2020) ⁴ | 82 | 2 | 2 | 9 | - | 95 |
| Executive Director, Corporate (to 30 November 2020) ⁴ | 85 | 2 | 2 | 9 | - | 98 |
| Positions transferred to other departments as a result of moG changes | | | | | | |
| Executive Director, Chief Finance Officer (to 30 November 2020) ⁵ | 89 | 2 | 2 | 9 | - | 102 |
| Deputy Director-General, Strategy, Racing and Multicultural Affairs (to 30 November 2020) ⁶ | 90 | 2 | 2 | 9 | - | 103 |
| Executive Director, Strategy and Racing (to 30 November 2020) ⁶ | 65 | 2 | 2 | 8 | - | 77 |
| Executive Director, Multicultural Affairs (to 30 November 2020) ⁶ | 84 | 2 | 2 | 9 | - | 97 |

¹ The remuneration for the KMP transferred as a result of moG change for the year from 1 December 2020 to 30 June 2021 is disclosed in the Department of Employment, Small Business and Training (DESBT).

² The remuneration for the KMPs transferred from DTIS as a result of moG changes for the period up to 30 November 2020 is disclosed in DTIS's Financial Statements as follows:

⁽ⁱ⁾ The total remuneration was \$196,709.

⁽ⁱⁱ⁾ The total remuneration was \$181,291.

10. Key management personnel (KMP) disclosures (continued)

- (iii) The total remuneration was \$32,999.
- (iv) The total remuneration was \$114,190. The position was transferred in from DTIS as Assistant Coordinator-General, State Development Areas and redesignated to Assistant Coordinator-General, Planning and Services from 1 January 2021 as part of an organisational restructure.
- (v) The total remuneration was \$113,381.
- (vi) The total remuneration was \$126,617.
- (vii) The total remuneration was \$111,796.
- ³ The remuneration for the KMPs transferred from QT as a result of moG change for the year up to 30 November 2020 is disclosed in QT's Financial Statements as follows:
- (i) The total remuneration was \$130,242.
- (ii) The total remuneration was \$117,264.
- ⁴ These positions are no longer classified as KMPs effective 1 December 2020 as a result of moG changes (Note 3).
- ⁵ The remuneration for the KMP transferred as a result of the moG change from 1 December 2020 to 30 June 2021 is disclosed in the Department of Regional Development, Manufacturing and Water (DRDMW).
- ⁶ These positions were transferred to other Departments effective 1 December 2020 as part of moG changes (Note 3) and no longer KMPs in the new departments.

2019-20

| Position | Short-term employee expenses \$'000 | | Long-term employee expenses \$'000 | Post-employment expenses \$'000 | Termination benefits \$'000 | Total expenses \$'000 |
|--|--|---------------------------------|---------------------------------------|------------------------------------|--------------------------------|--------------------------|
| | Monetary expenses \$'000 | Non-monetary expenses \$'000 | | | | |
| Director-General | 327 | 5 | 8 | 41 | - | 381 |
| Deputy Director-General (Local Government Division) | 236 | 5 | 5 | 25 | - | 271 |
| Deputy Director-General (Strategy, Racing and Multicultural Affairs), from 8 July 2019 | 222 | 5 | 5 | 23 | - | 255 |
| Executive Director (Strategy and Service Delivery, Local Government) | 191 | 5 | 5 | 21 | - | 222 |
| Executive Director (Finance, Performance and Programs, Local Government) | 187 | 5 | 4 | 21 | - | 217 |
| Executive Director (Strategy and Racing) from 11 November 2019 | 121 | 3 | 3 | 13 | - | 140 |
| Acting Executive Director (Racing) to 10 November 2019 | 71 | 3 | 2 | 7 | - | 83 |
| Executive Director (Corporate) | 203 | 5 | 5 | 22 | - | 235 |
| Executive Director (Chief Finance Officer) | 203 | 5 | 5 | 22 | - | 235 |
| Executive Director (Multicultural Affairs) | 198 | 5 | 5 | 22 | - | 230 |
| Executive Director (Grants Review) to 10 November 2019 | 68 | 3 | 2 | 7 | - | 80 |

11. Other expenses

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Taxes - land, rates and stamp duty | 4,200 | 3 |
| Sponsorships | 254 | 217 |
| External audit fee* | 341 | 102 |
| Insurance premiums - QGIF | 229 | 56 |
| Insurance premiums - other | 179 | - |
| Losses from disposal of property, plant and equipment | 1 | - |
| Other | 266 | 12 |
| Total other expenses | 5,471 | 390 |

* Queensland Audit Office fee for the audit of the department's financial statements in 2020-21 is \$341,000 (2019-20: \$102,000). There are no non-audit services included in these amounts.

12. Cash and cash equivalents

| | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| Cash at bank | 132,044 | 36,575 |
| Deposits at call - QTC | 103,314 | - |
| Total cash and cash equivalents | 235,358 | 36,575 |

Accounting policy

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June 2021 as well as deposits at call with financial institutions.

The department has been granted a specific approval by QT to operate a departmental financial institution account in overdraft with an approved limit of \$80.0 million (2020: \$30.0 million). The operational cash at bank accounts, except for the RCIF account and EDQ's operational bank account are grouped within the whole-of-government set-off arrangement with QT where interest earned on aggregate set-off arrangement balance accrues to the Consolidated Fund.

Interest earned on Queensland Treasury Corporation (QTC) accounts is remitted to the proponents to which the balance relates as the interest is earned, except for the EDQ QTC account where interest is retained by EDQ.

| 13. Receivables | Note | 2021 \$'000 | 2020 \$'000 |
|---|------|-----------------------|---------------------|
| Current | | | |
| Trade debtors | | 9,739 | 1,717 |
| Loans and advances receivable - amortised cost * | | 12,665 | 908 |
| Finance lease debtors | | 1,152 | - |
| Operating lease debtors | | 1,215 | - |
| Less: Loss allowance | | (52) | (62) |
| | | <u>24,719</u> | <u>2,563</u> |
| Appropriation revenue for services receivable | 4 | - | - |
| Reimbursements | | 7,279 | - |
| Equity injection receivable | 4 | 597 | - |
| Loans and advances receivable - fair value through profit or loss | | - | - |
| Annual leave reimbursements | | 2,559 | 136 |
| GST receivable | | 847 | 242 |
| Long service leave reimbursements | | 353 | 65 |
| Interest receivable | | 28 | - |
| Other | | 42 | 9 |
| Total current receivables | | <u>36,424</u> | <u>3,015</u> |
| Non-current | | | |
| Trade debtors | | 1,504 | - |
| Loans and advances receivable - amortised cost * | | 139,247 | 3,390 |
| Finance lease debtors | | 3,305 | - |
| Loans and advances receivable - fair value through profit or loss | | - | - |
| Reimbursements | | - | - |
| Total non-current receivables | | <u>144,056</u> | <u>3,390</u> |

* \$8.7 million of the current loans and advances and \$103.6 million of the non-current loans and advances receivable is associated with loans to facilitate Catalyst Infrastructure that are partially funded through borrowings with QTC. These loans and advances were transferred-in as part of the moG changes in 2020-21 as disclosed in Note 3.

Accounting policy

Receivables

Trade debtors, loans and advances receivable - amortised cost, finance lease receivables and most operating lease receivables are measured at amortised cost. The concessional loans and advances containing contingent repayment terms are measured at fair value through profit or loss.

Trade debtors are recognised at the amounts due at the time of sale or service delivery being the agreed purchase/contract price. Standard settlement terms require these amounts to be paid within 30 days from the invoice date.

Where loans and advances are provided at concessional below market interest rates, they are considered to have a fair value less than the actual amount lent. Any additional amounts lent above the fair value is initially recognised as a loss in the Statement of Comprehensive Income as grants and subsidies expense (Note 8). The additional amount lent above the fair value on initial recognition is \$8.6 million (2020: Nil). The notional interest income is recognised over the term of the loan as interest income. The notional interest income from loans transferred in during 2020-21 in the Statement of Comprehensive Income is \$2.1 million (2019-20: nil).

Impairment of receivables

The loss allowance of trade receivables, except for receivables from Queensland Government agencies or Australian Government agencies, reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information, including forecast economic changes expected to impact the department's trade receivables, along with relevant industry and statistical data where applicable.

No loss allowance is recorded for receivables from Queensland government agencies on the basis of materiality. The receivables from Queensland government agencies as at 30 June 2021 are \$0.4 million (2020: \$1.0 million).

For finance lease receivables and loans and advances receivables measured at amortised cost, the department will assess the 12-months expected credit losses if the credit risk has not significantly increased from initial recognition. Otherwise, the department will assess the lifetime expected credit losses on these receivables.

Where the department has no reasonable expectation of recovering an amount owed, the amount owed is written-off by directly reducing the receivable against the loss allowance. This occurs when the department determines that an amount owing to the department does become uncollectible (after an appropriate range of debt recovery actions). If the amount written-off exceeds the loss allowance, the excess is recognised as an impairment loss.

All known bad debts were written off as at 30 June 2021.

Credit risk exposure of receivables

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets. No collateral is held as security and no credit enhancements relate to receivables held by the department. The department's credit risk exposure for receivables measured at amortised cost is determined as outlined below:

13. Receivables (continued)

Accounting policy (continued)

| Category | Assessment of expected credit losses | Information used |
|--------------------------------|---|--|
| Trade debtors | The department uses both individual assessment and a provision matrix to measure the expected credit losses. Where a provision matrix is used, the loss rates are calculated separately for groupings of customers with similar loss patterns. | Review of historical debtor settlement period, debt collections and amount of bad debts. |
| Finance lease receivables | Finance lease receivables are assessed individually considering recoverability of debt and the risk of business failure. | Review of external credit reports and credit risk assessment to determine the expected fair value of the leased land and the outstanding balance of lease. |
| Loans and advances receivables | 12-month expected credit losses are assessed on individual basis. The department's debt management policy and procedure outlines the consideration and action to take based on the days the amounts are outstanding. Individual loans are assigned with a risk level and probability of failure in the next 12 months based on external credit analysis reports. The risk levels assigned as at 30 June 2021 were between very low risk to moderate risk. The probability of failure in the next 12 months were assessed between 0.03% to 1.25%. No impairment was recognised based on this assessment as at 30 June 2021 (2020: Nil). | Review of external credit reports, historical loan draw-down patterns and management assessment of the performance of the projects. |

Set out below is the credit risk exposure on the department's receivables assessed using a provision matrix and individually, excluding Queensland government trade debtors.

Credit risk exposure

| | 2021 | | 2020 | |
|--------------------------------|-----------------------------|----------------------------------|-----------------------------|----------------------------------|
| | Gross receivables \$'000 | Expected credit losses \$'000 | Gross receivables \$'000 | Expected credit losses \$'000 |
| Trade receivables | 6,201 | 18 | 2,168 | 62 |
| Operating lease receivables | 934 | 34 | - | - |
| Finance lease receivables | 4,456 | - | - | - |
| Loans and advances receivables | 151,913 | - | 4,299 | - |
| | 163,504 | 52 | 6,467 | 62 |

Disclosure - Movement in loss allowance

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Loss allowance as at 1 July | 62 | 694 |
| Transfer due to machinery-of-Government | 115 | - |
| Increase/(decrease) in allowance recognised in operating result | (63) | 8 |
| Amounts written-off during the year | (59) | (488) |
| Amounts recovered during the year | (3) | (152) |
| Loss allowance as at 30 June | 52 | 62 |

The movement in loss allowance relates to receivables assessed using lifetime expected credit losses methodology. There were no changes to the credit risk of finance lease receivables and loans and advances receivables since initial recognition. No allowance of impairment is recognised on these financial assets.

| 14. Land inventories | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Current | | |
| Land held for resale | 76,521 | - |
| Total current land inventories | 76,521 | - |
| Non-current | | |
| Land held for resale | 263,812 | - |
| Total non-current land inventories | 263,812 | - |
| Land inventories reconciliation | | |
| Carrying amount at 1 July | - | - |
| Transfer due to machinery-of-Government | 367,115 | - |
| Acquisition and development costs | 16,353 | - |
| Cost of land sales | (23,268) | - |
| Transfer between asset classes | 1,440 | - |
| Land inventory impairment | (21,307) | - |
| Carrying amount at 30 June | 340,333 | - |

Land inventories were transferred to the department as part of the moG changes disclosed in Note 3. The department holds land inventories to facilitate development of industrial and residential projects.

Accounting policy

Land inventories

Land held for the purpose of resale is recognised at the lower of cost and net realisable value (NRV) in accordance with AASB 102 *Inventories*. Land cost includes the cost of acquisition and development of the land to a ready-for-sale condition.

Land inventories are subject to an annual impairment review. NRVs are monitored and assessed against the cost base to ensure compliance with AASB 102 *Inventories*. Where NRVs have moved lower than the current carrying value, the asset is written down to the net realisable value and a Land inventory write off expense is recorded in the Statement of Comprehensive Income. Industrial land inventory NRV is independently determined every 12 months by external certified valuers. NRV for residential and urban renewal inventories are assessed by management based on project forecasts.

Land sales

For common land sales where a buyer pays the purchase price in exchange for the ownership, revenue is recognised under AASB 15 *Revenue from Contracts with Customers* at settlement of sales contracts when the department fulfils its performance obligation of transferring title to the property to the buyer.

Land sales revenue from development management agreements with variable consideration component is recognised upon the fulfilment of relevant performance obligations. These contracts contain a percentage income from the developers' subsequent property sales revenue. Depending on the arrangements, the department's performance obligations are fulfilled either upon sale of property to the developer for future development, or sale of developed property to third party buyers.

Key estimate and judgement - Land sales

Certain variable revenue components in sales contracts require estimation. At each reporting period end, the department estimates the variable consideration to which it is entitled and only recognises revenue to the extent that it is highly probable a significant reversal of the revenue will not occur. This assessment is based on recent and estimated sales activity reports from the developers.

Cost of land sales

Cost of land sales is recognised in the operating result at the settlement of the sales contract. Where practical, inventory sales apply a cost of goods sold allocation based on actual cost (land acquisition and development cost).

Key estimate and judgement - Cost of land sales

Residential land inventory sales apply a cost of goods sold methodology that allocates a cost value to the land sold based on an estimated gross profit percentage for the life of the project. This percentage is calculated from the business case reviews which are performed biannually on a project-by-project basis. This includes judgement in determining the future sales revenue, future development costs and timing of future cash flows for the project. Key inputs used for these forecasts are validated by management using relevant industry experts and/or observable market information.

A cost of goods sold adjustment is made to the Statement of Comprehensive Income at this time, if required, to ensure the recoverability of inventory balances will be realised. Where the forecast value of a project is below the current carrying value of inventory and future development costs, an adjustment is recognised as a reduction to the value of inventory and as a Cost of goods sold expense in the Statement of Comprehensive Income.

15. Property, plant and equipment

Closing balances and reconciliation of carrying amount 30 June 2021

| | Land \$'000 | Buildings \$'000 | Plant and Equipment \$'000 | Capital Work in Progress \$'000 | Total \$'000 |
|--|----------------|---------------------|----------------------------------|---------------------------------------|-----------------|
| Gross | 235,327 | 16,760 | 3,747 | 8,391 | 264,225 |
| Less: Accumulated depreciation | - | (3,136) | (2,644) | - | (5,780) |
| Carrying amount at 30 June 2021 | 235,327 | 13,624 | 1,103 | 8,391 | 258,445 |

Represented by movements in carrying amount:

| | | | | | |
|--|----------------|---------------|--------------|--------------|----------------|
| Carrying amount at 1 July 2020 | - | - | 10 | - | 10 |
| Acquisitions | 155 | 703 | 208 | 4,498 | 5,565 |
| Transfers through moG changes | 236,523 | 3,898 | 892 | 12,861 | 254,175 |
| Disposals | (1,371) | - | - | - | (1,371) |
| Transfers between asset classes | - | 8,817 | 151 | (8,968) | - |
| Transfers to inventory | (1,440) | - | - | - | (1,440) |
| Revaluation increments/(decrements) recognised in equity | 1,460 | 538 | - | - | 1,998 |
| Depreciation | - | (333) | (160) | - | (493) |
| Carrying amount at 30 June 2021 | 235,327 | 13,623 | 1,102 | 8,391 | 258,445 |

30 June 2020

| | Infrastructure \$'000 | Plant and Equipment \$'000 | Capital Work in Progress \$'000 | Total \$'000 |
|--|--------------------------|----------------------------------|---------------------------------------|-----------------|
| Gross | - | 41 | - | 41 |
| Less: Accumulated depreciation | - | (31) | - | (31) |
| Carrying amount at 30 June 2020 | - | 10 | - | 10 |

Represented by movements in

| | | | | |
|--|----------|-----------|----------|-----------|
| Carrying amount at 1 July 2019 | 46,788 | 15 | 12,161 | 58,964 |
| Disposals | - | - | (328) | (328) |
| Transfers out to local government | (58,072) | - | - | (58,072) |
| Transfers between asset classes | 11,833 | - | (11,833) | - |
| Depreciation | (549) | (5) | - | (554) |
| Carrying amount at 30 June 2020 | - | 10 | - | 10 |

Categorisation of assets measured at fair value

| 2021 | Level 2 \$'000 | Level 3 \$'000 | Total \$'000 |
|-----------------------------------|-------------------|-------------------|-----------------|
| Recurring fair value measurements | | | |
| Land | 235,327 | - | 235,327 |
| Buildings | 870 | 12,754 | 13,624 |
| Total recurring | 236,197 | 12,754 | 248,951 |

Assets measured at fair value were transferred in as part of the moG changes disclosed in Note 3, no comparatives are disclosed for 2019-20.

| | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| Building level 3 fair value measurement – reconciliations | | |
| Carrying amount at 1 July | - | - |
| Acquisitions through moG changes | 703 | - |
| Disposals | 3,438 | - |
| Transfers between asset classes | 8,817 | - |
| Revaluation increments/(decrements) recognised in operating result | (86) | - |
| Revaluation increments/(decrements) recognised in equity | 88 | - |
| Depreciation | (206) | - |
| Carrying amount as 30 June | 12,754 | - |

None of the department's valuation of assets are eligible for categorisation into Level 1 of the fair value hierarchy.

Transfers between levels

There were no transfers between levels within the same class during the reporting period (2020: Nil).

15. Property, plant and equipment (continued)
Accounting policy

Capitalisation and recognition threshold for Property, plant and equipment

Items of property, plant and equipment with a historical cost or other value equal to or exceeding the following thresholds in the year of acquisition are reported as Property, plant and equipment in the following classes:

| | | |
|-----------------------|----|--------|
| - Land | \$ | 1 |
| - Buildings | \$ | 10,000 |
| - Plant and equipment | \$ | 5,000 |

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

Expenditure on property, plant and equipment is capitalised where it is probable that the expenditure will produce future service potential for the department. Subsequent expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of that asset. Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed.

Acquisitions of assets

Historical cost is used for the initial recording of all property, plant and equipment acquisitions. Historical cost is determined as the value given as consideration and costs incidental to the acquisition (such as architects' fees and engineering design fees), plus all other costs incurred in getting the assets ready for use.

Where assets are received free of charge from another Queensland government entity (whether as a result of moG changes or other involuntary transfer), the acquisition cost is recognised as the carrying amount in the books of the transferor immediately prior to the transfer.

Assets acquired at no cost or for nominal consideration, other than from another Queensland Government entity, are recognised at their fair value at the date of acquisition.

Depreciation of property, plant and equipment

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less any estimated residual value, progressively over its estimated useful life to the department. Land is not depreciated as it has an unlimited useful life to the department.

Key judgement

Straight line depreciation is used as that is consistent with the even consumption of service potential of these assets over their useful life to the department.

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

Assets under construction (work in progress) are not depreciated until construction is complete and the asset is first put to use or is ready for its intended use, whichever is earlier. These assets are then reclassified to the relevant class within property, plant and equipment.

For the department's depreciable assets, the estimated amount to be received on disposal at the end of their useful life (residual value) is determined to be zero.

Key estimate

Depreciation rates are assessed annually and the following rates apply for each class of depreciable asset:

| Asset class | Category | 2021 Rate % | 2020 Rate % |
|---------------------|------------------------|----------------|-------------|
| Buildings | - | 2.82% - 16.67% | - |
| Plant and equipment | Office equipment | 4.35% - 25% | 20% - 25% |
| Plant and equipment | Leasehold improvements | 4% - 33% | - |

Measurement of property, plant and equipment

Land and buildings are measured at fair value as required by Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation. The cost of items acquired during the financial 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 historical cost in accordance with Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. The carrying amounts for such plant and equipment are not materially different from their fair value.

Work in progress is recognised at cost. All costs relating to items of property, plant and equipment constructed in house are recorded as work in progress until completion of the project using all direct and indirect costs, where the latter are reliably attributable. Work in progress performed under external contracts is recorded using the invoice amount supplied by the contractor.

Fair value measurement

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Observable inputs are publicly available data that are relevant to the characteristics of the assets being valued. Observable inputs used by the department include, but are not limited to, published sales data for buildings.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets being valued. Significant unobservable inputs used by the department include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the department's assets, internal records of recent construction costs (and/or estimates of such costs), asset's characteristics/functionality, and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets.

Fair value measurement hierarchy

All property, plant and equipment is categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent valuations:

- Level 1 – represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets;
- Level 2 – represents fair value measurements that are substantially derived from inputs that are observable, either directly or indirectly; and
- Level 3 – represents fair value measurements that are substantially derived from unobservable inputs.

15. Property, plant and equipment (continued)

Revaluation of property plant and equipment measured at fair value

Property, plant and equipment classes measured at fair value are assessed on an annual basis either by appraisals undertaken by an independent professional valuer or by use of appropriate and relevant indices. For financial reporting purposes, the revaluation process is overseen by the Chief Finance Officer, who determines the specific revaluation practices and procedures in conjunction with the asset managers.

Revaluations using an independent professional valuer are performed on a four year rolling basis. However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal.

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.

Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up-to-date via the application of relevant indices. The department ensures that the application of such indices results in a valid estimation of the assets' fair values at reporting date. An independent professional valuer supplies the indices used for the various types of assets. Such indices are either publicly available, or are derived from market information available to the valuer. The valuer provides assurance of their robustness, validity and appropriateness for application to the relevant assets. Indices used are also tested for reasonableness by performing a benchmarking exercise with publicly available relevant indices. Through this process, which is undertaken annually, management assesses and confirms the relevance and suitability of indices provided by the valuer based on the department's own particular circumstances.

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 class.

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'.

Land

The department holds land throughout Queensland for various purposes including future economic development opportunities, a specific community or economic need, or for rezoning purposes.

For all land assets, excluding EDQ's land assets, the department engaged State Valuation Services (SVS) to undertake rolling comprehensive revaluations of 25% of the asset portfolio over four years. SVS used the comprehensive revaluation results as at 30 June 2021 to derive a desktop index on a further 25% of the asset portfolio, while a standard index is used for the remaining 50% of the assets with an effective date of 30 June 2021.

The department ensures that the application of such indices results in a valid estimation of the asset's fair values at reporting date. Where the land held was within a State Development Area (SDA) at reporting date, identification of land use type was determined in consultation with the SDA team who administer the *State Development and Public Works Organisation Act (1971)*. Indices and values supplied by SVS are tested for reasonableness.

For EDQ land assets, EDQ engaged SVS to undertake a full comprehensive revaluation of EDQ land assets as at 30 June 2021. EDQ confirmed with SVS that appropriate valuations for use at 1 December 2020 for the MoG changes transfer between DTIS and the department were the values obtained as at 30 June 2020.

Fair value was determined through direct comparison with the sales history of similar properties based on location, area, access and topography. SVS also considered the characteristics of the asset, any restrictions and highest and best use in the assessment of fair value.

In accordance with AASB 13 *Fair Value Measurement*, the department's land assets are generally categorised as Level 2.

Buildings

Buildings were revalued using either the market approach, the income approach or the cost approach depending on their use, with an effective valuation date of 30 June 2021.

The building assets revalued using market approach are revalued on a four year rolling program. The department engaged SVS to perform the rolling comprehensive valuations. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets. Where the asset is not comprehensively valued in the reporting period, SVS uses the Cordell Housing Price Index for residential assets. This index is specific to Queensland house price movements (observable market data) and was considered the most appropriate index to use for residential housing specific to Queensland properties. For building improvements, SVS uses the Queensland Treasury Office of Economic and Statistical Research (QT OESR) Implicit Price Deflator as this is the most appropriate for these particular assets.

The department is a lessor to rental agreements on various properties. Due to the department's current strategy for these buildings and zoning regulations, the fair value is determined using the income approach, calculated using the present value of future cash flows. The Queensland Treasury Corporation zero coupon rates are used to calculate the present value.

Impairment of non-current assets

All non-current physical 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. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and current replacement cost. Where the carrying amount of the asset exceeds the recoverable amount, an impairment loss is recorded.

| | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| 16. Investment property | | |
| Land - at fair value | 225,016 | - |
| Buildings - at fair value | 1,075 | - |
| Total investment property | 226,091 | - |
| Reconciliation of movement in investment property | | |
| Carrying amount at 1 July | - | - |
| Acquisitions | 793 | - |
| Transfer due to moG changes | 228,590 | - |
| Movement on revaluation through income statement | (3,292) | - |
| Carrying amount at 30 June | 226,091 | - |

Rental income from investment property is recognised as income on a periodic straight-line basis over the term of the lease. Rental income recognised in the operating result is \$1.5 million (2020: \$nil).

Direct operating expenses primarily for Council Rates & Water charges that generated rental income for the period were \$1.6 million (2020: \$nil). There were no direct operating expenses on property that did not generate rental income.

The department leases assets representing \$9.5 million (2020: \$nil) in the accounts. Proceeds on the disposal of these lots will not flow through to the department. There are no other restrictions on the realisability of investment property and the remittance of income and proceeds of disposal.

Accounting policy

Investment property is property held for capital appreciation and/or to earn rental returns. It is initially recognised at cost including development costs. Where investment property is acquired at no or minimal cost, it is recognised at fair value. Investment property is subsequently carried at fair value, being subject to valuations on an annual basis where significant market movements have occurred. The valuation method is based on selling prices in an active property market adjusted, if necessary, to reflect the nature, location or condition of the specific investment property.

Common costs on investment property are allocated based on lot size.

Gains or losses arising from changes in the fair value of investment property are included in the operating result for the period in which they arise.

Key judgement

In determining the investment land values the following factors are considered:

- the highest and best use given the legal and zoning restrictions and any other restrictions outside the control of the department, and
- the probability of any of the restrictions being changed in the future.

The comprehensive valuations of Investment property assets with a perpetual lease have been significantly discounted. The discount is applied due to the inability to freehold and restrictions on use.

Investment buildings and investment property land assets with a term lease were valued using the discounted cash flow method incorporating forecast rental cash flows.

The investment building assets are categorised as level 3 in accordance with the fair value hierarchy.

Categorisation of investments measured at fair value

| 2021 | Level 2 \$'000 | Level 3 \$'000 | Total \$'000 |
|--------------|-------------------|-------------------|-----------------|
| Land | 215,485 | 9,532 | 225,016 |
| Buildings | - | 1,075 | 1,075 |
| Total | 215,485 | 10,607 | 226,091 |

Investment properties were transferred to the department as part of the moG change disclosed in Note 3. There are no comparative fair value disclosures for 2019-20.

| | 2021 \$'000 | 2020 \$'000 |
|---|-----------------|----------------|
| 17. Income tax equivalents | | |
| (a) Income tax equivalent expense/(benefit) | | |
| Current tax | (7,457) | - |
| Deferred tax | (3,125) | - |
| Under/(over) provision in previous years | (587) | - |
| Balance as at 30 June | (11,169) | - |
| (b) Numeric reconciliation of income tax equivalent expense to prima facie tax payable | | |
| (Profit)/loss before tax - EDQ | 35,202 | - |
| Tax expense/(benefit) at the Australian tax rate of 30% | (10,561) | - |
| Tax effect of amounts which are not deductible (assessable) in calculating taxable income: | | |
| Prior year adjustments | (587) | - |
| Deductible lease payments | (21) | - |
| Income tax equivalent expense/(benefit) | (11,169) | - |

| 17. Income tax equivalents (continued) | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| (c) Non-current assets - deferred tax equivalent asset | | |
| The balance comprises temporary differences attributable to: | | |
| Annual leave | 104 | - |
| Long Service Leave | 21 | - |
| Allowance for doubtful debts | 16 | - |
| Written down value of other capitalised expenses | 17 | - |
| Building accumulated depreciation | 931 | - |
| Building accumulated impairment/devaluation | 3,982 | - |
| Capital asset impairment | 1,587 | - |
| Concessional loan discount | 7,783 | - |
| Deferred fee income | 332 | - |
| Losses transfer due to machinery-of-Government change | 14,041 | - |
| Current tax losses carried forward | 7,457 | - |
| Prior year adjustments to tax losses | (2,652) | - |
| Balance as at 30 June | 33,619 | - |
| (d) Current liabilities - income tax payable/(receivable) | | |
| Balance at the beginning of the year | - | - |
| Transfer due to moG changes | 5,385 | - |
| Income tax equivalent paid | 1,587 | - |
| TFN Credit | (16) | - |
| Under/(over) provision in previous years | (4,044) | - |
| Balance as at 30 June | 2,912 | - |
| (e) Non-current liabilities - deferred tax equivalent liabilities | | |
| The balance comprises temporary differences attributable to: | | |
| Land revaluations | 36,998 | - |
| Inventories | 5,298 | - |
| Investment property | 38,522 | - |
| Revenue recognised in advance | 837 | - |
| Balance as at 30 June | 81,655 | - |

Accounting policy

The department is a state body as defined under the *Income Tax Assessment Act 1936* and is exempt from Australian Government taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). As such, input tax credits receivable from and GST payable to the Australian Taxation Office are recognised. From 1 July 2014 all Queensland Government departments were exempted from payroll tax. This exemption is not extended to commercial business units, such as EDQ.

Pursuant to the National Tax Equivalents Regime, the department's commercialised business unit, EDQ is required to make payments to the Queensland Government equivalent to the amount of any Australian Government income tax for which an exemption is not received.

The income tax equivalent benefit for the period is the tax payable on the current period's taxable income based on the national tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

AASB 112 *Income Taxes* uses a 'balance sheet approach' of calculating income tax balances. This approach recognises the difference between the carrying value of an asset or liability and its tax base. The differences are recognised at the tax rate expected to be applied when the assets are recovered or liabilities settled.

If applicable, deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

| 18. Payables | Note | 2021 \$'000 | 2020 \$'000 |
|---|------|----------------|----------------|
| Current | | | |
| Trade creditors | | 25,295 | 1,885 |
| Taxes - land, rates and stamp duty payable | | 7,334 | - |
| Grants payable | | 4,495 | 10,215 |
| Interest payable | | 2,645 | - |
| Fringe benefits tax | | 30 | 32 |
| Deferred appropriation payable to Consolidated Fund | 4 | 33,496 | 17,070 |
| Other | | 5 | 7 |
| Total current payables | | 73,300 | 29,209 |

Accounting policy

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount (i.e. agreed purchase/contract price), gross of applicable trade and other discounts. Amounts owing are unsecured.

EDQ is required under the Queensland Treasury's Commercialisation of Government Business Activities in Queensland Policy Framework to recognise tax equivalents payments and payments in lieu of stamp duty, land tax and local government rates. Calculation and recognition of tax equivalents ensures EDQ is not advantaged relative to its private sector counterparts. Payments are required to be made to the Queensland Government's Consolidated Fund and are determined on a self-assessment basis giving proper regard to current rates and charges applicable.

| 19. Borrowings | 2021 \$'000 | 2020 \$'000 |
|-------------------------------------|----------------|----------------|
| Current | | |
| QTC borrowings | 31,762 | - |
| Total current borrowings | 31,762 | - |
| Non-current | | |
| QTC borrowings | 117,527 | - |
| Total non-current borrowings | 117,527 | - |
| Total borrowings | 149,289 | - |

All borrowings by the department are from the Queensland Treasury Corporation (QTC). Final repayment dates vary from December 2022 to September 2043, with a fixed interest rate range of 2.50% to 3.23% per annum. There have been no defaults or breaches of the loan agreement during the current financial year. No assets have been pledged as security for any borrowings. The undrawn facility limit at 30 June 2021 is \$98.8 million (2020: Nil).

EDQ utilises debt facilities to manage cash flow and facilitate development works for residential and catalyst infrastructure projects. A drawdown from the QTC loan occurs when development costs are incurred.

Accounting Policy

QTC borrowings are initially recognised at fair value, plus any transaction costs directly attributable to the borrowings, then subsequently held at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument (or, where appropriate, a shorter period) to the net carrying amount of that instrument.

Borrowing costs are added to the carrying amount of the borrowing to the extent they are not settled in the period in which they arise.

The department does not enter into transactions for speculative purposes, nor for hedging. No financial liabilities are measured at fair value through profit or loss.

| 20. Provisions | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| Current | | |
| Land acquisition claims | 10,650 | - |
| Infrastructure development | 6,825 | - |
| Loan discounts* | 5,056 | - |
| Total current provisions | 22,531 | - |
| Non-current | | |
| Land acquisition claims | 3,822 | - |
| Infrastructure development | 52,551 | - |
| Total non-current provisions | 56,373 | - |
| Movements in provisions | | |
| Balance at 1 July | - | - |
| Transfer in due to MoG changes | 85,296 | - |
| Additional provision recognised | 15,122 | - |
| Restatement of provision | (15,975) | - |
| Reduction in provision as a result of payments | (5,540) | - |
| Balance as at 30 June | 78,904 | - |

* Loan discounts relate to concessional loans issued under the Building Acceleration Fund (BAF) initiative and represents fair value discount on the undrawn balance.

Accounting policy

Provisions are recorded when the department has a present obligation, either legal or constructive, as a result of a past event. They are recognised at the amount expected at reporting date for which the obligation will be settled in a future period.

Key estimates

The department acquires land through compulsory acquisition in accordance with the *Acquisition of Land Act 1967* using the Coordinator-General's powers as contained in the *State Development and Public Works Organisation Act 1971*. The department pays compensation for land acquired in accordance with this legislation when an agreement is reached between the land owner and the Coordinator-General through the execution of a section 15 Compensation Agreement. Prior to the execution of a section 15 Compensation Agreement, the department recognises a provision to account for the compensation it expects to pay for all land resumptions.

The department collects infrastructure charges from developers in Priority Development Areas (PDAs) under the *Economic Development Act 2012*. Charges are payable based on projected growth and network modelling undertaken for water, sewer, transport, parks, community facilities and stormwater networks. Under the Act all infrastructure charges collected for a specific PDA must be spent on infrastructure delivery in the same PDA.

| 21. Other liabilities | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| Current | | |
| Deposits held | 16,693 | - |
| Security deposits | 2,321 | - |
| Contract liabilities | 2,161 | - |
| Unearned revenue | 3,239 | - |
| Other | 1,079 | - |
| Total current other liabilities | 25,493 | - |
| Non-current | | |
| Security deposits | 4,900 | - |
| Total non-current other liabilities | 4,900 | - |

Deposits held are largely for land resumptions. The department acquires land through compulsory acquisition in accordance with the *Acquisition of Land Act 1967* using the Coordinator-General's powers as contained in the *State Development and Public Works Organisation Act 1971*.

Security deposits are held to secure the performance of developers' obligations under development management agreements and held as security as required under these agreements. Deposits are released when contractual obligations are satisfied.

Accounting policy

Other liabilities are recognised in accordance with contract terms. Contract liabilities arise from contracts with customers while other unearned revenue arising from transactions that are not contracts with customers.

22. Leases as lessor

Finance leases

The leases currently recognised as finance leases are for property on which all the risks and rewards of ownership have passed to the lessee. The finance leases are predominantly held over industrial properties. Lessees are required to pay the principal, being the fair value of the land at the commencement of the finance lease, and an interest component calculated on the remaining balance payable. The finance leases are administered by the Department of Resources (DoR) under the *Land Act of 1994* on behalf of EDQ.

Operating leases

EDQ has land and investment property assets that are leased out predominately for industrial purposes. The majority of the leases are administered by DoR under the *Land Act of 1994* on behalf of EDQ. Under the *Land Act of 1994*, the parties leasing these properties can terminate the lease with 28 days' notice or make an application to purchase the land. The amount payable to purchase the land is the market value of the land. The leases are granted on terms of between 1 year and in perpetuity. Refer to Note 16 for additional disclosures about investment properties.

EDQ has entered into a sublease of a seabed. The sublease is considered an operating lease as the 5 year term is significantly shorter than the head lease. The lease income is calculated by applying a predetermined rate against the lessee's turnover.

The following table sets out a maturity analysis of future undiscounted lease payments receivable under the department's operating and finance leases. These leases were transferred in during 2020-21 as part of moG changes disclosed in Note 3.

| | Operating leases | | Finance leases | |
|-------------------|------------------|----------------|----------------|----------------|
| | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 |
| Less than 1 year | 6,618 | - | 1,459 | - |
| 1 to 2 years | 5,902 | - | 1,302 | - |
| 2 to 3 years | 5,767 | - | 587 | - |
| 3 to 4 years | 5,619 | - | 301 | - |
| 4 to 5 years | 5,316 | - | 318 | - |
| More than 5 years | 29,290 | - | 2,003 | - |
| Total | 58,512 | - | 5,970 | - |

Accounting policy

The department recognises lease payments from operating leases as income on a straight-line basis over the lease term.

Key Judgement

Due to lessors of operating leases being able to terminate the leases with 28 days notice, or make application to purchase the land, it is assumed that operating lease have a maximum expiry of 10 years from the reporting date.

23. Budgetary reporting disclosures

Queensland Treasury's Financial Reporting Requirements published for Queensland Government Agencies would ordinarily require actual results to be compared against the SDS adjusted budget. In 2020-21 explanations of major variances is only required for the department's Statement of Comprehensive Income.

Subject to the line item's materiality, explanations have been provided, at a minimum, for the following variances that are larger than 5% of the original budgeted figure for:

- Employee expenses (Statement of Comprehensive Income); and
- Supplies and services (Statement of Comprehensive Income).

For all other material line items, major variances have been assessed as meeting the following criteria:

- The line item within the Statement of Comprehensive Income is material where the variance is larger than 10% plus greater than 1% of total expenses.

Appropriation revenue

The actual Appropriation revenue is \$134.4 million less than the budgeted figure primarily due to:

- deferral of funding to future years for grant programs including the COVID Work for Queensland (\$41.3 million), Building our Regions (\$22.3 million), Unite and Recover Community Stimulus Package (\$16.2 million), Local Government Grants and Subsidies Program (\$11.9 million), Water Supply Infrastructure program (\$6.0 million), Community Infrastructure Investment Partnerships (\$3.9 million), Splash Parks (\$3.0 million) and various other programs.
- derecognition of provisions for future spend obligations which no longer requires appropriation funding (\$10.7 million).
- inter-departmental reallocation of corporate services funding following the November 2020 moG changes (\$3.2 million).

User Charges and Fees

The variance of \$4.6 million relates predominantly to lower rent revenue and Development Scheme fees received from developers for development applications.

Grants and other contributions

The variance of \$40.0 million in Grants and other contributions revenue is due primarily to the transfer of responsibility for delivery of the RCIF (\$33.3 million) from QT to the department in February 2021 and the transfer of \$6.7 million of BQ's net assets following its abolition.

Land sales

Actual revenue was \$27.9 million lower than budget due to a number of sale transactions deferred to 2021-22 across the South East Queensland and industrial land portfolios.

Supplies and services

The variance of \$34.9 million is primarily due to:

- lower than expected project and program spend, predominantly as a result of delays associated with the COVID-19 pandemic (\$26.0 million).
- derecognition of provisions for future spend obligations (\$10.7 million).

Grants and subsidies

The variance of \$85.4 million relates predominantly to the deferral of expenditure for grants programs (\$104.6 million), offset by \$12.9 million Works for Queensland funding brought forward and a \$12.7 million drawdown from QT's centrally held funds to cover 2020-21 expenditure for the Australian-Singapore Military Training Initiative.

Employee expenses

The variance of \$5.4 million primarily relates to inter-departmental realignment of corporate services and permanent transfer of seconded staff following the November 2020 moG changes.

Cost of land sales

The variance of \$20.8 million is due to delays in land sales across the South East Queensland and industrial land portfolios.

Land inventory impairment

The variance of \$21.3 million is due to a reduction in net realisable value of land inventories in regional residential development projects.

24. Significant financial impacts from COVID-19

The following significant transactions were recognised by the department in response to the COVID-19 pandemic.

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Operating Statement | | |
| <u>Significant expense transactions arising from COVID-19</u> | | |
| COVID Works for Queensland Program | 138,652 | - |
| Unite and Recover Community Stimulus Package | 28,754 | - |
| Fair value adjustments at initial recognition of concessional loans | 8,572 | - |
| | <u>175,978</u> | <u>-</u> |
| <u>Significant revenue transactions arising from COVID-19</u> | | |
| Appropriation - Capital Grant funding | 167,406 | - |
| | <u>167,406</u> | <u>-</u> |

On 19 May 2020, the Premier announced a \$200 million COVID-19 focused Work for Queensland (W4Q) program to be delivered over 2020-21. The funding is a key part of the Queensland Government's Economic Recovery Strategy: Unite and Recover for Queensland Jobs, to help the State recover from COVID-19 with a focus on Queensland Jobs. All 77 Local Governments were eligible to the program and councils have 12 months to deliver projects. Projects must be 'shovel ready' and focus on essential services, economic development and community wellbeing. COVID W4Q is an allocation-based program, with \$150 million available for distribution to non-SEQ councils and \$50 million available for distribution to SEQ Councils.

Futhermore, on 16 June 2020, the Premier announced stage 2 of the Government's Economic Recovery Plan, aimed at reinvigorating the Queensland economy as it recovers from the impacts of COVID-19. As part of this plan, the \$50 million Unite and Recover Community Stimulus Package grants program was established. The funding builds on the \$50 million available to South-East Queensland councils as part of the Queensland's Government's \$200 million COVID Works for Queensland program. The program is designed to fast-track investment in new infrastructure and community assets that create jobs and delivers economic stimulus. Councils had until 30 June 2021 to complete their projects.

| | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| 25. Commitments | | |
| Capital expenditure commitments | | |
| Commitments for capital expenditure at reporting date (inclusive of non-recoverable GST input tax credits) are payable: | | |
| Capital works in progress | | |
| - Not later than 1 year | 33,024 | 44 |
| - Later than 1 year and not later than 5 years | 8,457 | - |
| - Later than 5 years | 13,290 | - |
| Total capital expenditure commitments | 54,771 | 44 |
| Grants and contributions expenditure commitments | | |
| Grants and contributions commitments at reporting date (inclusive of non-recoverable GST input tax credits) are payable: | | |
| - Not later than 1 year | 506,438 | 171,145 |
| - Later than 1 year and not later than 5 years | 376,862 | 74,334 |
| - Later than 5 years | - | - |
| Total grants and contributions expenditure commitments | 883,299 | 245,479 |
| Other expenditure commitments | | |
| Other expenditure commitments at reporting date (inclusive of non-recoverable GST input tax credits) are payable: | | |
| - Not later than 1 year | 25,212 | 4,928 |
| - Later than 1 year and not later than 5 years | 3,104 | 2,104 |
| - Later than 5 years | - | - |
| Total other expenditure commitments | 28,316 | 7,032 |

26. Contingencies

Guarantees and undertakings

At 30 June 2021, the department holds the following bank guarantees from functions transferred in via moG changes as disclosed in Note 3 (2020: nil):

- \$79.0 million in cash as security under the *State Development and Public Works Organisation Act 1971*, to ensure liability to the state is minimised should proponents fail to perform their contractual obligations. Interest is accrued on cash balances held and will be paid out when the security deposit is returned. At reporting date, it is not possible to determine the extent or timing of any potential financial effect of this responsibility.
- \$82.3 million other bank guarantees and bonds held for financial support provided on projects across the department.
- \$69.2 million bank guarantees held by EDQ in relation to development projects for financial security against non-conformance of contracts.

EDQ provided financial guarantees of \$1.1 million for security over infrastructure construction and maintenance.

In response to the Queensland government's COVID-19 Industry Support Package (ISP), the department and Queensland Treasury Corporation (QTC) jointly administer the loan facilities for each entity selected by the government to receive a loan under the ISP. As QTC will undertake the role of lender for these loans, the department is requested by the State to provide an indemnity to QTC in relation to claims arising out of the loan facilities.

The State through the department entered into deeds of indemnity for the former non-government board members and the former Chief Executive Officer (CEO) of Building Queensland (BQ) to replace indemnities that existed before its abolition as outlined in Note 3.

EDQ, a commercialised business unit of the department, understands that the Commissioner of State Revenue may reassess duty payable in relation to a past commercial transaction. The outcome of a re-assessment may result in a potential liability under the contractual agreement between the Minister for Economic Development Queensland and the third party. At reporting date, it is not possible to estimate the financial impact from a re-assessment.

Litigation in progress

At 30 June 2021, there is one application filed in the Courts naming the department as respondent. Depending on the outcome of the application, indemnity may be sought through the Queensland Government Insurance fund.

Native title claims over departmental land

At 30 June 2021, native title continues to exist over certain land parcels owned by the department. Native title determination applications have been registered in the Federal Court of Australia but not all applications have been determined by the Court. At reporting date, it is not possible to make an estimate of any probable outcome of these claims or any financial effect.

27. Events occurring after balance date

The department does not have significant post balance date event.

28. Financial instruments

Financial instrument categories

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the department becomes party to the contractual provisions of the financial instrument.

The department's financial assets are classified, at initial recognition, and subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial asset receivables at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them. The department has the following categories of financial assets and financial liabilities:

| | Note | 2021 \$'000 | 2020 \$'000 |
|---|------|----------------|----------------|
| Financial assets | | | |
| Cash and cash equivalents | 12 | 235,358 | 36,575 |
| Financial assets at amortised cost - comprising: | | | |
| Receivables | 13 | 180,480 | 6,405 |
| Total financial assets | | 415,838 | 42,980 |
| Financial liabilities | | | |
| Payables | 18 | 73,300 | 29,209 |
| Borrowings | 19 | 149,289 | - |
| Other liabilities* | 21 | 23,914 | - |
| Lease liabilities | | 333 | - |
| Total financial liabilities | | 246,836 | 29,209 |

* Other liabilities only include deposits held and security deposits.

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial position.

Financial risk management

(a) Risk exposure

Financial risk management is implemented pursuant to Queensland government and departmental policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the department.

All financial risk is managed under policies approved by the department which relate to financial arrangements as per the department's policies. The department's activities expose it to a variety of financial risks as set out in the following table:

| Risk exposure | Definition | Exposure |
|----------------|--|---|
| Credit risk | The risk that the department may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation. | The department is exposed to credit risk in respect of its receivables in Note 13. |
| Liquidity risk | The risk that the department may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. | The department is exposed to liquidity risk in respect of its payables in Note 18 and borrowings from QTC in Note 19. |
| Market risk | The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. <i>Interest rate</i> risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. | The department is not materially exposed to changes in commodity prices, foreign currency or other price risk. The department is exposed to interest rate risk through its borrowings from QTC, cash deposited in interest bearing accounts and interest bearing loans and advances. The market risk is immaterial in relation to finance lease receivables due to the significantly lower interest rates stipulated in the lease contracts. The interest is recognised as time value of money. |

28. Financial instruments (continued)

(b) Risk measurement and management strategies

The department measures risk exposure using a variety of methods as follows:

| Risk exposure | Measurement method | Risk management strategies |
|----------------|------------------------------------|--|
| Credit risk | Ageing analysis | The department manages credit risk through the use of a credit management policy articulated in the department's Financial Management Practice Manual. This policy aims to reduce the exposure to credit default by assessing whether the customer has the ability and willingness to pay amounts owing to the department in an approved timeframe. The department monitors all funds owed on a monthly basis. Exposure to credit risk is monitored on an ongoing basis. |
| Liquidity risk | Sensitivity analysis | The department manages liquidity risk through the use of an Under Treasurer approved overdraft limit on the department's controlled bank account. This overdraft limit reduces the exposure to liquidity risk by ensuring the department has sufficient funds available to meet employee and supplier obligations as they fall due. |
| Market risk | Interest rate sensitivity analysis | The department does not undertake any hedging in relation to interest rate risk and manages its risk as per the department's Financial Management Practice Manual. |

Credit risk management practices

The department considers financial assets that are over 30 days past the due date to have a significantly increased credit risk, and measures the loss allowance of such assets at lifetime expected credit losses instead of 12-month expected credit losses. The exception is trade receivables (Note 13), for which the loss allowance is always measured at lifetime expected credit losses.

All financial assets with Queensland and Australian government agencies are considered to have low credit risk as the department has no prior experience of default from these counterparties. The department assumes that credit risk has not materially changed for these low credit risk assets.

The department typically considers a financial asset to be in default when it becomes 90 days past due. However, a financial asset can be in default before that point if information indicates that the department is unlikely to receive the outstanding amounts in full. The department's assessment of default does not take into account any collateral or other credit enhancements.

The department's write-off policy is disclosed in Note 13.

Credit risk exposure

Credit risk exposure relating to the department is disclosed in Note 13.

Liquidity risk - Contractual maturity of financial liabilities

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 the reporting date. The undiscounted cash flows in these tables differ from the amounts included in the Statement of Financial Position that is based on discounted cash flows.

Financial liabilities 2021

Payables
Borrowings
Other liabilities
Lease liabilities
Total

| 2021 payable in | | | |
|--------------------|---------------------|---------------------|-----------------|
| < 1 year \$'000 | 1-5 years \$'000 | > 5 years \$'000 | Total \$'000 |
| 73,300 | - | - | 73,300 |
| 3,334 | 26,811 | 128,065 | 158,210 |
| 19,014 | 4,900 | - | 23,914 |
| 81 | 324 | 68 | 473 |
| 95,729 | 32,035 | 128,133 | 255,897 |

2020

Payables
Total

| 2020 payable in | | | |
|--------------------|---------------------|---------------------|-----------------|
| < 1 year \$'000 | 1-5 years \$'000 | > 5 years \$'000 | Total \$'000 |
| 29,209 | - | - | 29,209 |
| 29,209 | - | - | 29,209 |

Fair value measurement

The department does not recognise any financial assets or financial liabilities at fair value other than loans and advances measured at fair value through profit or loss. The loans and advances measured at fair value through profit or loss are measured under Level 2.

Fair value disclosures for financial liabilities measured at amortised cost

With the exception of QTC borrowings, the carrying amount of financial liabilities measured at amortised cost approximates their fair value at reporting date.

The fair value of borrowings is notified by QTC and is calculated using discounted cash flow analysis and the effective interest rate. They are categorised as level three fair values within the fair value hierarchy.

Financial liabilities at amortised cost:
QTC borrowings
Total

| 2021 | | 2020 | |
|---------------------------|----------------------|---------------------------|----------------------|
| Carrying amount \$'000 | Fair value \$'000 | Carrying amount \$'000 | Fair value \$'000 |
| 149,289 | 151,563 | - | - |
| 149,289 | 151,563 | - | - |

Market risk

The department is not exposed to material cash flow interest rate risk.

29. Related party transactions

Transactions with other Queensland Government-controlled entities

The department's primary ongoing sources of funding from the government for services is appropriation revenue and equity injections, both of which are provided in cash via QT and are disclosed in Note 4.

The moG transfers of assets and liabilities to or from other departments is disclosed in Note 3.

QT transferred the responsibility of managing RCIF to the department during the current financial year which is recognised as grant revenue in Note 6.

The department has borrowings from QTC, and Note 19 and Note 28 outline the key terms and conditions of the borrowings. The department has deposits with QTC as disclosed in Note 12 and Note 28.

The department has leases with the Department of Energy and Public Works (DEPW) for commercial office accommodation, storage facilities and car park spaces. Property and building expenses incurred are disclosed in Note 7.

The department engages Queensland Shared Services (QSS) under a service level agreement who provides corporate business services and technology solutions to support finance and human resource transactions. Fees paid to QSS in 2020-21 were \$2.3 million (2019-20: \$0.9 million).

The department is a member of the Annual Leave Central Scheme (ALCS) and Long Service Leave Scheme (LSLS) which are administered by QT. Annual leave levy and long service leave levy expense is disclosed in Note 9.

The department holds deposits from the Department of Transport and Main Roads (DTMR) for the Townsville Eastern Access Rail Corridor project. Deposits are disclosed in Note 21.

EDQ has an agreement with DTMR to facilitate development in priority development areas by providing funding for key infrastructure projects as per Note 20.

DoR manages leases on behalf of EDQ and transfers the payments from the lessees to EDQ.

The department had significant transactions with other government departments and statutory bodies for supplies and services expenditure and grants programs as disclosed in Note 7 and Note 8.

Transactions with people and entities related to KMP

The department has no transactions with people and entities related to its key management personnel during the financial year.

30. Agency transactions and balances

At 30 June 2021 a total of \$79.9 million of third-party deposits was held by the department in an agency capacity under the *State Development and Public Works Organisation Act 1971*. These funds are received and held on behalf of proponents, with the department having no discretion over these funds. Consequently, these balances are not recognised in the financial statements but are disclosed for information purposes. Although deposits held are not controlled by the department, agency activities are included in the audit performed annually by the Auditor-General of Queensland.

The total value of land taken by Coordinator-General pursuant to the *State Development and Public Works Organisation Act 1971* is \$34.9 million. The land is currently held by the Coordinator-General and licensed to the proponent for construction of the project. Upon completion of construction, the land will be surveyed and will be utilised by the proponent for the activities under the project. Consequently, these land assets are not recognised in the financial statements but are disclosed for information purposes.

The department entered into a Memorandum of Understanding with the Department of Environment and Science (DES) to act as an agent to administer the 2020-21 Local Government Levy Ready Grant Program Round 2 and the 2020-21 Flying Fox Roost Management Grant Program. \$0.6 million funding from DES was held by the department as at 30 June 2021. As the department acts as an intermediary agent between DES and grant recipients with no discretion over the funds, relevant amount is not recognised in the financial statements and disclosed only for information purposes.

Following moG changes the department performed a custodial role in respect of transactions below for DRDMW. These transactions do not form part of the department's accounts and are reported by DRDMW.

| | 2021 \$'000 |
|----------------------------------|------------------|
| Current assets | |
| Cash and cash equivalents | (159,996) |
| Receivables | 52 |
| Prepayments | 101 |
| Total current assets | (159,843) |
| Current Liabilities | |
| Payables | (144,255) |
| Accrued employee benefits | (101) |
| Total current liabilities | (144,356) |
| Contributed equity | (13,890) |
| Revenues | |
| Appropriation Revenue | 12,058 |
| Grants and other contributions | (102) |
| Total revenue | 11,956 |
| Expenses | |
| Employee expenses | 4,025 |
| Supplies and services | 1,547 |
| Grants and subsidies | 7,871 |
| Other expenses | 110 |
| Total expenses | 13,554 |

31. Schedule of Administered items

| | Note | Queensland Reconstruction Authority (QRA) | | Roma Street and Southbank Parkland | | Local Government | | State Assessment and Referral Agency (SARA) | |
|---|------|---|----------------|---------------------------------------|----------------|------------------|------------------|--|----------------|
| | | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 |
| Administered revenue | | | | | | | | | |
| Appropriation revenue | a) | 336,163 | - | 14,273 | - | 505,272 | 504,473 | - | - |
| Grants and other contributions | b) | - | - | - | - | 504,830 | 503,514 | - | - |
| User charges and fees | c) | - | - | - | - | 112 | 314 | 3,114 | - |
| Other revenue | d) | - | - | 12,828 | - | - | - | - | - |
| Total administered revenue | | 336,163 | - | 27,101 | - | 1,010,214 | 1,008,301 | 3,114 | - |
| Administered expenses | | | | | | | | | |
| Grants and subsidies | e) | 336,163 | - | 14,273 | - | 505,272 | 504,571 | - | - |
| Transfers of administered revenue to government | | - | - | 12,828 | - | 504,942 | 503,828 | 3,114 | - |
| Total administered expenses | | 336,163 | - | 27,101 | - | 1,010,214 | 1,008,399 | 3,114 | - |
| Operating surplus/(deficit) | | - | - | - | - | - | (98) | - | - |
| Administered assets | | | | | | | | | |
| Current | | | | | | | | | |
| Cash | | - | - | 155 | - | 253 | 132 | - | - |
| Receivables | | - | - | (155) | - | (5) | - | - | - |
| Total current assets | | - | - | - | - | 248 | 132 | - | - |
| Administered liabilities | | | | | | | | | |
| Current | | | | | | | | | |
| Payables | | - | - | - | - | 248 | 1 | - | - |
| Payables to government | | - | - | - | - | - | 131 | - | - |
| Total current liabilities | | - | - | - | - | 248 | 132 | - | - |
| Net administered assets | | - | - | - | - | - | - | - | - |

31. Schedule of Administered items (continued)

| | Note | Racing | | Total | | Original Budget | Budget Variance |
|---|------|----------------|----------------|------------------|------------------|------------------|-----------------|
| | | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2021 \$'000 |
| Administered revenue | | | | | | | |
| Appropriation revenue | a) | 30,373 | 65,135 | 886,081 | 569,608 | 725,547 | 160,534 |
| Grants and other contributions | b) | 30,000 | - | 534,830 | 503,514 | 272,897 | 261,933 |
| User charges and fees | c) | - | - | 3,226 | 314 | 5,053 | (1,827) |
| Other revenue | d) | - | - | 12,828 | - | 16,541 | (3,713) |
| Total administered revenue | | 60,373 | 65,135 | 1,436,965 | 1,073,436 | 1,020,038 | 416,927 |
| Administered expenses | | | | | | | |
| Grants and subsidies | e) | 30,373 | 65,135 | 886,081 | 569,706 | 725,547 | 160,534 |
| Transfers of administered revenue to government | | 30,000 | - | 550,884 | 503,828 | 294,491 | 256,393 |
| Total administered expenses | | 60,373 | 65,135 | 1,436,965 | 1,073,534 | 1,020,038 | 416,927 |
| Operating surplus/(deficit) | | - | - | - | (98) | - | - |
| Administered assets | | | | | | | |
| Current | | | | | | | |
| Cash | | - | 2,726 | 408 | 2,858 | | |
| Receivables | | - | - | (160) | - | | |
| Total current assets | | - | 2,726 | 248 | 2,858 | | |
| Administered liabilities | | | | | | | |
| Current | | | | | | | |
| Payables | | - | 2,726 | 248 | 2,727 | | |
| Payables to government | | - | - | - | 131 | | |
| Total current liabilities | | - | 2,726 | 248 | 2,858 | | |
| Net administered assets | | - | - | - | - | | |

| 31. Schedule of administered items (continued) | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| a) Reconciliation of payments from Consolidated Fund to administered income | | |
| Budgeted appropriation | 725,416 | 326,714 |
| Treasurer's transfers | 146,363 | 45,378 |
| Unforeseen expenditure | 14,347 | 197,495 |
| Total administered receipts | 886,126 | 569,587 |
| Plus: Opening balance of appropriation revenue payable to consolidated fund | 131 | 152 |
| Less: Closing balance of deferred appropriation payable | (176) | (131) |
| Administered revenue recognised (as above) | 886,081 | 569,608 |
| b) Grants and other contributions | | |
| Commonwealth | 504,830 | 503,514 |
| Industry partners | 30,000 | - |
| Total grants and other contributions | 534,830 | 503,514 |
| c) User charges and fees | | |
| Levy - Queensland government entities | 112 | 314 |
| SARA - Planning Development Fees | 3,114 | - |
| Total user charges and fees | 3,226 | 314 |
| d) Other Revenue | | |
| Southbank and Roma Street Parklands | 12,828 | - |
| Total other revenue | 12,828 | - |
| e) Grants and subsidies | | |
| Administered grants and subsidies were made to the following entities: | | |
| Queensland Reconstruction Authority | 336,163 | - |
| Roma Street and Southbank Parkland | 14,273 | - |
| Local governments | 505,272 | 504,571 |
| Racing Queensland | 30,373 | 65,135 |
| Total grants and subsidies | 886,081 | 569,706 |

Explanation of major budget to actual variances

The large variances for appropriation revenue, grants and other contributions, grants and subsidies and transfers of administered revenue to government are mainly due to the early payment of the Financial Assistance Grants by the Australian government in June 2021 that applies to 2021-22. The variance in appropriation revenue was partially offset by lower-than-budgeted receipts for QRA's grant programs due to deferrals.

Accounting policy

The department administers, but does not control, certain activities on behalf of the Queensland government. In doing so, it has responsibility for administering those activities (and related transactions and balances) efficiently and effectively, but does not have the discretion to deploy those resources for the achievement of the department's own objectives. Accounting policies applicable to administered items are consistent with the equivalent policies for controlled items, unless stated otherwise.

Major administered revenue includes appropriations and grants received from the Australian and the Queensland government that are forwarded onto other Queensland government bodies.

32. Future impact of accounting standards not yet effective

At the date of authorisation of the financial report, there are no expected impacts from new or amended Australian Accounting Standards issued, but with future commencement dates.

33. Climate risk disclosure

The department addresses the financial impacts of climate related risks by identifying and monitoring the accounting judgments and estimates that will potentially be affected, including assets useful lives, fair value of assets, provisions or contingent liabilities and changes to future expenses and revenue.

The department has not identified any material climate related risks relevant to the financial report at the reporting date, however constantly monitors the emergence of such risks under the Queensland Government's Climate Transition Strategy.

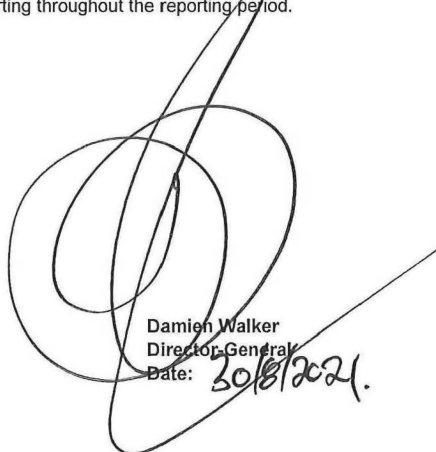
These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 38 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects;
- (b) 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 for the financial year ended 30 June 2021 and of the financial position of the department at the end of that year; and

The Director-General, as the Accountable Officer of the department, acknowledges responsibility under section 7 and section 11 of the *Financial and 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.



Chris Breitzkreuz FCPA
Chief Finance Officer
Date: 30/8/21



Damien Walker
Director-General
Date: 30/8/2021.

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Department of State Development, Infrastructure, Local Government and Planning

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Department of State Development, Infrastructure, Local Government and Planning.

In my opinion, the financial report:

- a) gives a true and fair view of the department's financial position as at 30 June 2021, 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 statement of financial position and statement of assets and liabilities by major departmental services and commercialised business unit as at 30 June 2021, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental services and commercialised business unit 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.

Carrying value of land inventories

Refer to note 14 in the financial report

| Key Audit Matter | How my audit addressed the key audit matter |
|---|---|
| <p>Land inventories were transferred from the Department of State Development, Tourism and Innovation on 1 December 2020.</p> <p>Significant judgement is required by management in the determination of the carrying value of land inventories.</p> <p>The significant judgements and key assumptions used in the model to estimate the future cash flows for the development project include:</p> <ul style="list-style-type: none"> • sales rates • land pricing • expected date of completion • future development costs • discount rates. | <p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • confirming the carrying value of land inventories transferred with the Department of State Development, Tourism and Innovation • obtaining an understanding of the model, and assessing its design, integrity and appropriateness, with reference to common industry practices • assessing the competence, capability and objectivity of the experts used by the department to value industrial land • evaluating the methodology for allocating costs against the land inventory balance • assessing the reasonableness of future project sales revenue and forecasts cost by reference to key inputs used in the model for costs and sales data • testing a sample of project land sales transactions to assess the accuracy of cost allocation calculations between the cost of sales and land inventory. |

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 2021:

- 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.



Bhavik Deoji
as delegate of the Auditor-General

31 August 2021

Queensland Audit Office
Brisbane

