

ANNUAL REPORT 2021–2022



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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Any references to legislation are not an interpretation of the law. They are to be used as a guide only. The information in this publication is general and does not account for individual circumstances or situations. Where appropriate, independent legal advice should be sought.

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.

Acknowledgement of Country

The department acknowledges the First Nations peoples in Queensland: Aboriginal and Torres Strait Islander peoples and their connections to the lands, winds and waters we now share. We pay our respect to Elders, past, present and emerging. We also acknowledge the continuous living cultures of First Nations Queenslanders – their diverse languages, customs and traditions, knowledges and systems. We acknowledge the deep relationship, connection and responsibility to land, sea, sky and Country as an integral element of First Nations identity and culture.

The Country is sacred. Everything on the land has meaning and all people are one with it. We acknowledge First Nations peoples' sacred connection as central to culture and being. We acknowledge the stories, traditions and living cultures of First Nations peoples and commit to shaping our state's future together. The department recognises the contribution of First Nations peoples and communities to the State of Queensland and how this continues to enrich our society more broadly.

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Letter of Compliance

13 September 2022

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

Dear Deputy Premier

I am pleased to submit for presentation to the Parliament, the Annual Report 2021–22 and financial statements for the Department of State Development, Infrastructure, Local Government and Planning.

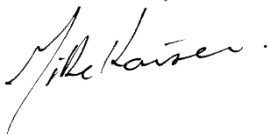
This report is prepared in line with the current administrative arrangements for this department applying for the whole of the 2021–22 financial year. It reflects the structure, operations and performance of the department as it existed at 30 June 2022.

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



Mike Kaiser
Director-General
Department of State Development, Infrastructure,
Local Government and Planning

Message from the Director-General

I am honoured to present the Department of State Development, Infrastructure, Local Government and Planning's annual report for 2021–22.

The history of Queensland's economic, social and cultural development has been shaped by this department in all its forms. The department's core purpose has remained essentially unchanged for the past 90 years: to coordinate efforts to develop Queensland's economy through strategic planning, championing innovation, enabling investment and supporting local industry.

Today, the department brings together a number of complementary functions including Queensland's commercial development arm Economic Development Queensland, local government sustainability, priority industry development and support, infrastructure strategy and coordination, land use planning and the Office of the Coordinator-General (the history of which is an integral part of the state development story).

The importance of that work – and how it combines to produce more than the sum of its parts – has never been more evident than in 2021–22.

We are helping the world to decarbonise by establishing Gladstone and Central Queensland as Australia's leading hydrogen hub. In October 2021, Premier Annastacia Palaszczuk and Deputy Premier Steven Miles announced a partnership with Dr Andrew "Twiggy" Forrest to create a world-leading hub to manufacture electrolyzers at Aldoga near Gladstone.

We are supporting more jobs through the South-East Queensland City Deal, signed in March 2022. This deal is providing a \$1.8 billion boost for infrastructure, jobs, connectivity, liveability and the environment.

Our Growth Areas Team is making rapid progress on unlocking more land, accelerating development at Caboolture West, paving the way for the streamlined assessment of 3,000 lots. In the longer term, an additional 30,000 homes will be delivered, along with supporting legislative amendments for Priority Growth Areas.

Other highlights from 2021–22 include:

- » progressing the planning, validation, coordination and delivery of the Brisbane 2032 Olympic and Paralympic Games Master Plan, associated infrastructure and the jobs and economic benefit that comes with it
- » investing \$350 million over four years through the Industry Partnership Program to grow and create jobs across priority sectors such as hydrogen, biofutures, biomedical, resource recovery, aerospace, space, advanced manufacturing and METS (mining equipment, technology and services)
- » investing in vital infrastructure projects across regional and remote Queensland with more than \$348 million approved to date under the Building our Regions program across 67 local governments supporting an estimated 2,770 jobs
- » supporting jobs across the state through the Works for Queensland program. Most recently we rolled out the \$200 million 2021–24 funding round and we have made a further \$200 million commitment for a 2024–27 round. By the end of 2024, it is estimated that Works for Queensland will have supported more than 22,000 jobs across regional Queensland
- » accelerating and coordinating development in Priority Development Areas (PDA) to expedite projects like those at Northshore Hamilton, Carseldine Village, and Yeronga. In addition, fast tracked development in four greenfield PDAs will deliver 140,000 dwellings
- » fast-tracking 113 community infrastructure projects across South-East Queensland local government areas under the 2021–24 \$100 million Community Stimulus Program.

Looking to the future we have refined our purpose to *think ahead and act now securing responsible economic development and liveable communities*, setting Queensland on the path to responsibly supporting more jobs in more industries.

I would like to thank my predecessor, Damien Walker, for his great work in guiding the department during his time at the helm. I commend the department's employees in all our offices across the state for their dedication and professionalism throughout the year.

I am very confident that through our high-performing department, with the continuing efforts and enthusiasm of our teams, and by working collaboratively with our partners and stakeholders, we will deliver on the Queensland Government's priorities. I look forward to engaging with industry, the community and all levels of government to achieve outcomes that create liveable communities and make Queensland economically prosperous.

A handwritten signature in black ink, reading "Mike Kaiser". The signature is fluid and cursive, with a small dot at the end.

Mike Kaiser

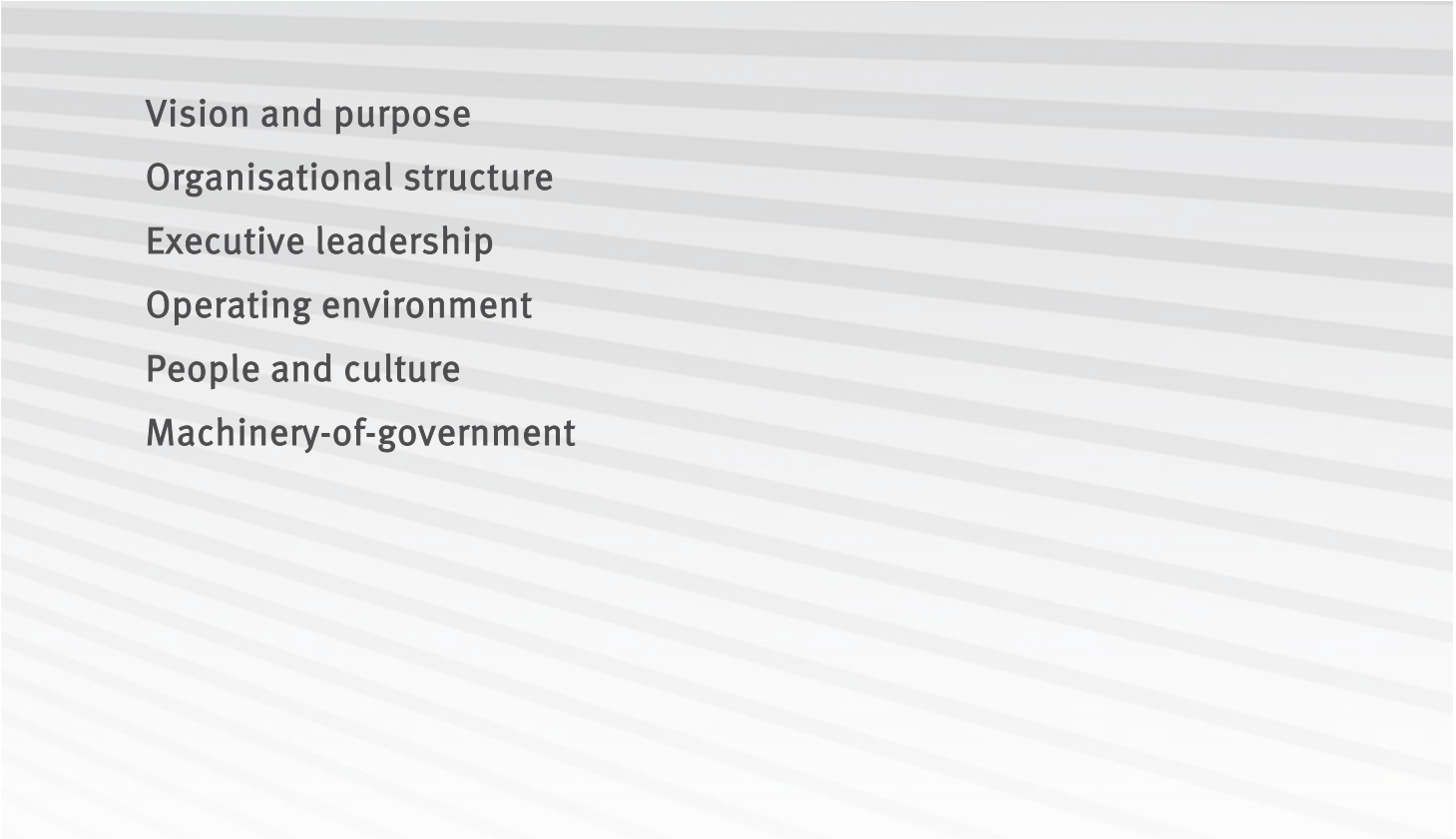
Director-General

Department of State Development, Infrastructure,
Local Government and Planning



Part 01

About the department



- Vision and purpose
- Organisational structure
- Executive leadership
- Operating environment
- People and culture
- Machinery-of-government

Vision and purpose

With a vision to shape Queensland's future by driving economic growth and enabling well-planned, inclusive, and resilient local communities, the Department of State Development, Infrastructure, Local Government and Planning's role is to connect industry, businesses, community, and government at all levels, to create place-based solutions that leverage regional strengths and unlock sustainable growth.

Led by a professional and energetic executive leadership team, the department promotes global competitiveness, facilitates modern infrastructure design and environmentally sustainable development, promotes innovation and enterprise, and fosters initiatives that sustain Queenslanders and their communities.

Organisational structure

A contemporary organisational structure complements the department's vision and purpose and enables it to deliver on the objectives and strategies and whole-of-government priorities. The structure encompasses a broad range of functions vital to the state's economic development, underpinning a focus on enterprise, infrastructure, growth, job creation, and on the aspirations and goals of diverse communities across Queensland.

Figure 1. DSDILGP organisational structure – June 2022

Director-General	
Corporate	Corporate delivers quality corporate and commercial assessment services, fulfilling a central leadership and strategic partnership role to support delivery of departmental programs, services and initiatives.
Economic Development Queensland	Economic Development Queensland is the Queensland Government's land use planning and property development agency, creating and investing in sustainable places for Queenslanders to prosper. It works in partnership across government, industry and the community to deliver new residential communities, urban precincts and industrial ecosystems.
Infrastructure and Regional Strategy	Infrastructure and Regional Strategy frames and drives Queensland's infrastructure agenda with a focus on achieving robust capital planning, quality investment decisions, and regional economic development. It develops regional place-based economic development, social and infrastructure strategies and plans, supports agency capital planning, and promotes development of robust infrastructure proposals.
Local Government	Local Government administers the legislation underpinning a local government system that is accountable, effective, efficient and sustainable. It provides support and advice to local governments, delivers capacity building resources and training, and administers grant and funding programs to build infrastructure and create employment.
Planning	Planning Group leads and administers the delivery of whole-of-government policy through a coordinated and integrated planning framework for Queensland. This includes driving opportunities across government to provide a contemporary and effective planning system for the state in collaboration with local government, key industry groups and the planning profession to ensure well-planned Queensland communities.
Policy, Portfolio and Government Services	Policy, Portfolio and Government Services manages departmental portfolio entities, the marketing, communications and media functions, strategic policy coordination, cabinet and parliamentary services, and ministerial and executive services.
Quarantine Management Taskforce	The Quarantine Management Taskforce (the Taskforce) oversees the quarantine and isolation system in line with Public Health Directions. The Taskforce has managed the network of hotels and purpose-built facilities including the Queensland Regional Accommodation Centre at Wellcamp and has collaborated with the Australian Government on the Centre for National Resilience Brisbane.
State Development	State Development delivers on regional economic and industry development priorities for the department and whole-of-government. It leads the development of key industry sectors through implementation of roadmaps and strategies and facilitates development of catalytic projects and supply chains across the state. The group works in partnership with the private sector including the \$3.6 billion Queen's Wharf Brisbane Integrated Resort Development, which will be a catalyst for renewed tourism and investment in Queensland and will provide ongoing public benefits such as a new connection to the Brisbane River and a pedestrian bridge to South Bank.

Coordinator-General

Planning and
Services

Project
Evaluation and
Facilitation

The Office of the Coordinator-General plays a key role in Queensland's economic development with wide-ranging powers to plan, assess and coordinate approvals and delivery of large-scale projects to drive economic growth, while ensuring environmental impacts are properly managed. The authority of the Coordinator-General strengthens the state's reputation as an investment destination of choice, with a focus on developing new industries such as hydrogen, critical minerals and renewables. The Coordinator-General is also responsible for the planning, establishment and ongoing management of state development areas to support long-term industrial development in regional Queensland.

Executive leadership

Led by the Director-General, the department's executive leaders drive, manage, and oversee the activities and functions undertaken across the department.

Group head	Biography
Mike Kaiser Director-General	Mike became Director-General of the department in April 2022 moving from the Department of Resources, where he had been Director-General since January 2021. He brings more than 30 years' experience to the role, having built a successful career in both private and public sector leadership and consultancy roles. Prior to his appointment, Mike was a partner at KPMG and contributed to the Queensland COVID-19 Taskforce Economic Recovery Plan in that capacity. Other public sector experiences include working as chief of staff to premiers in both Queensland and New South Wales. Mike completed his academic qualifications at The University of Queensland, earning bachelor's degrees in electrical engineering and economics.
Toni Power Coordinator-General	Toni is a senior executive with 30 years' experience in the public sector at both federal and state level. Toni held executive roles in the departments of Housing, Communities and Public Works before joining State Development in 2014. Toni's professional background is in government property management, commercialised business service delivery, corporate services and partnering to achieve private investment and industry development in Queensland. As Coordinator-General, Toni collaborates with private and public sector colleagues to progress opportunities that support economic growth and the development of sustainable communities in regional and remote areas.
David Stolz Assistant Coordinator-General, Planning and Services	David's career spans more than 30 years in private and government sectors, and across diverse areas including resources, telecommunications, banking and insurance. His employment with the Queensland Government includes roles focused on economic development, policy and industry development. As Assistant Coordinator-General, he has led development approval assessment for complex projects, many of which are in regional Queensland. A key component of this work has been the strategic development of Queensland's 12 state development areas (SDAs), including leading the declaration and growth of four SDAs. David also leads the management of the Coordinator-General's industrial land holdings including land in Gladstone, Abbot Point and Townsville.
Kerry Smeltzer Assistant Coordinator-General, Project Evaluation and Facilitation	Kerry has more than 21 years' working in the public sector, with a strong focus on economic development. As the Assistant Coordinator-General, Kerry works closely with private and public sector proponents to progress major projects for Queensland. Kerry is responsible for leading complex assessment, compliance and facilitation of major projects, requiring timely and strategic outcomes. Prior to commencing in the public sector, Kerry obtained experience in banking and finance, property and commercial transactions. Kerry delivers the priorities of the Government through contributing to the development of an agile, flexible, mobile workforce to meet strategic objectives.

Natalie Wilde A/Assistant Director-General, Policy, Portfolio and Government Services	Natalie is Acting Assistant Director-General of Policy, Portfolio and Government Services, coordinating key matters across the Deputy Premier's portfolio responsibilities and supports all touch points between the Deputy Premier's Office and the department. Natalie is responsible for leading the portfolio work of the Director-General's Office, South Bank, economic policy and strategic communications. Natalie has more than 20 years' experience in the public service at both state and local government levels. During this time, Natalie has specialised in leading policy and legislation in the areas of local government, planning, building, infrastructure and property. Natalie has qualifications in public health and business and has completed the Australian Institute of Company Directors course.
Joanne Greenfield Commissioner, Quarantine Management Taskforce	Joanne is responsible for overseeing quarantine and isolation policy and operations across the state. Joanne brings an extensive background in leading large-scale service delivery, transformation and reform agendas, disaster operations, and strategic policy and program responses in complex environments, across all levels of government and internationally. Joanne has an extensive health and disaster management background and a Master of Science majoring in infectious disease control, policy and planning, and economics.
Michael McKee Deputy Director-General, Corporate	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 Resources Community Infrastructure Fund Advisory Committee.
Graeme Garrett A/Deputy Director-General, Infrastructure and Regional Strategy	Graeme is the Acting Deputy Director-General of Infrastructure and Regional Strategy and has been in the role since January 2022. Graeme brings 25 years' experience in the planning, assessment and procurement of major infrastructure and the negotiation of commercial transactions, developed across complex and dynamic legal, project management and state government executive leadership roles. Throughout his various roles, Graeme fosters stakeholder relationships and has extensive networks across government and industry. Graeme previously held senior positions with Building Queensland, Queensland Treasury and Queensland Treasury Corporation.
Stephen Robbins A/Deputy Director-General, Local Government	Stephen has been a member of the Local Government team since 2019, where he has been responsible for leading the development and administration of local government grants programs, the monitoring of council financial performance and sustainability, and overseeing the department's engineering support to councils. As Acting Deputy Director-General of Local Government, he is responsible for leading the development and implementation of strategies, policies and programs that support sustainable outcomes for local governments and their communities. Natalie Wilde, A/Assistant Director-General and Bronwyn Blagoev, Executive Director, Strategy and Service Delivery also performed the role of Deputy Director-General, Local Government during 2021–22.
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.

Debbie McNamara General Manager, Economic Development Queensland	Debbie is a specialist executive leader within the fields of property and infrastructure, delivering large-scale mixed-use developments across the public and private sectors in both Australia and the United Kingdom. With more than 25 years' experience, Debbie has held a range of executive leadership roles across large-scale urban regeneration, social infrastructure and economic development activities. Her approach is underpinned by a fundamental commitment to achieve exceptional outcomes, a values-based approach to leadership and life-long professional development. Debbie's appointment to lead Economic Development Queensland in mid-2021 enables her to achieve a principal aim that underlies her career of making a meaningful contribution to the wellbeing and prosperity of her community.
Christopher Aston A/State Planner, Planning	Chris is the Acting State Planner of the department's Planning Group. He is an accomplished leader with a background in statutory and strategic planning, policy development and analysis in the public and private sectors across Queensland and New South Wales. Chris is outcomes focused and driven by ensuring pragmatic approaches to policy implementation and development. Chris is also a strong advocate that planning must demonstrate a value add when managing issues impacting on the lifestyles of Queenslanders.

Operating environment

Unique in its regional diversity, its decentralised population and economy, Queensland is home to more than 5 million people with approximately half of these living outside the greater metropolitan area of Brisbane. Net interstate migration to Queensland in the year to June 2021 was more than 30,000. While due in some part to the impact of COVID-19 in southern states, major contributing factors were increasing job opportunities across the state, relative housing affordability and the attractions of a kind, temperate climate.

At the same time, the department was dealing directly with the impact of COVID-19 on its services, resources and business continuity. The realities of the operating environment with population movement and the ongoing effect of the pandemic, created challenges for the state's economy, for infrastructure, development, employment, housing and delivery of local government services and planning – matters central to the department's focus at both state and local level.

With the opening of state and international borders, the department was able to undertake measures aimed at enhancing productivity and competitiveness, rebuilding industry and business confidence, and improving private sector growth and job opportunities.

Within this changing and dynamic operating environment, strategic and operational risks were identified, analysed and managed. These included:

- » ability to balance economic development and growth with community expectations for environmentally and socially sustainable outcomes
- » resourcing sustainable economic growth and essential infrastructure in an environment of changing global and geopolitical conditions where there is increasing competition for talent and capital
- » the potential for disasters and unforeseen events to lead to adverse economic outcomes, social upheaval, business continuity disruption and delays in planning and development
- » reduced access to and availability of skilled labour in regional areas, rapid increase to interstate migration, and disruption to education and opportunities for young people which may impact on the department's ability to deal with both existing and emerging priorities
- » managing adverse impact of Queensland's vast geography and its social and economic diversity on development, growth, and investment attractiveness particularly in rural and remote parts of the state
- » delivering on the department's vision for a workforce that is engaged, capable and diverse with a strong culture and sound governance arrangements, as well as information and asset security and minimised opportunity for fraud and corruption.

Across 2021–22, risks were managed, and challenges became opportunities and, as a result the department was able to:

- » facilitate collaborative relationships with local government sector partners to provide advice and deliver capacity building resources to support and promote integrity, sustainability and vibrant communities
- » undertake initiatives that help to diversify the economy, increase economic inclusion, improve regional economic resilience, and reduce market 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, with consideration to the legislative environment, in line with current priorities, meeting both government and community expectations
- » deliver community-focused funding program outcomes 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
- » leverage its regional presence to tailor programs and projects in support of the local economy and to connect people and places to accelerate economic growth
- » build and sustain productive and collaborative relationships with stakeholders, including the Australian Government, universities, and research organisations, 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 of collective responsibility for delivering on state and departmental priorities is the basis for work undertaken and achievements delivered during the past year. Respectful and professional leadership drives the organisation's focus on outcomes for industry, the economy and lifestyle in communities across the state.

Responsive and integrated services are delivered across a strong regional office network with employees working in Brisbane's central business district as well as in regional offices in Bundaberg, Cairns, Gladstone, Ipswich, Mackay, Maroochydore, Maryborough, Mount Isa, North Lakes, Rockhampton, Roma, Southport, Toowoomba and Townsville.

The network allows staff to work closely with stakeholders, make connections between industry, key bodies and all levels of government, develop shared regional goals, escalate emerging issues, provide constructive assistance with funding submissions and initiate supply chain connections for major projects.

Public service values

Integral to the diverse projects and programs undertaken by talented and professional staff across the department is a commitment to Queensland public service values. Service delivery is underpinned by the department's willingness to put customers and stakeholders first, to be courageous, to turn ideas into action, to recognise potential by empowering new ways of working and to contribute to the efficiency and effectiveness of the organisation. Collaboration both across service groups and with its many and varied partners is also a key priority for the department's teams and enables achievement of ambitious goals and delivery of beneficial outcomes for Queenslanders.

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

Figure 2. Public service values



Machinery-of-government


Following machinery-of-government (MoG) changes effective from 25 February 2022, the Investment Transactions function moved from Queensland Treasury to the Department of State Development, Infrastructure, Local Government and Planning under the portfolio of the Deputy Premier, the Honourable Steven Miles MP.

Incoming functions

The following table outlines those divisions or functions that joined the department due to MoG changes on 25 February 2022, and the related annual reports where the financial statements can be located for the 2021–2022 reporting period.

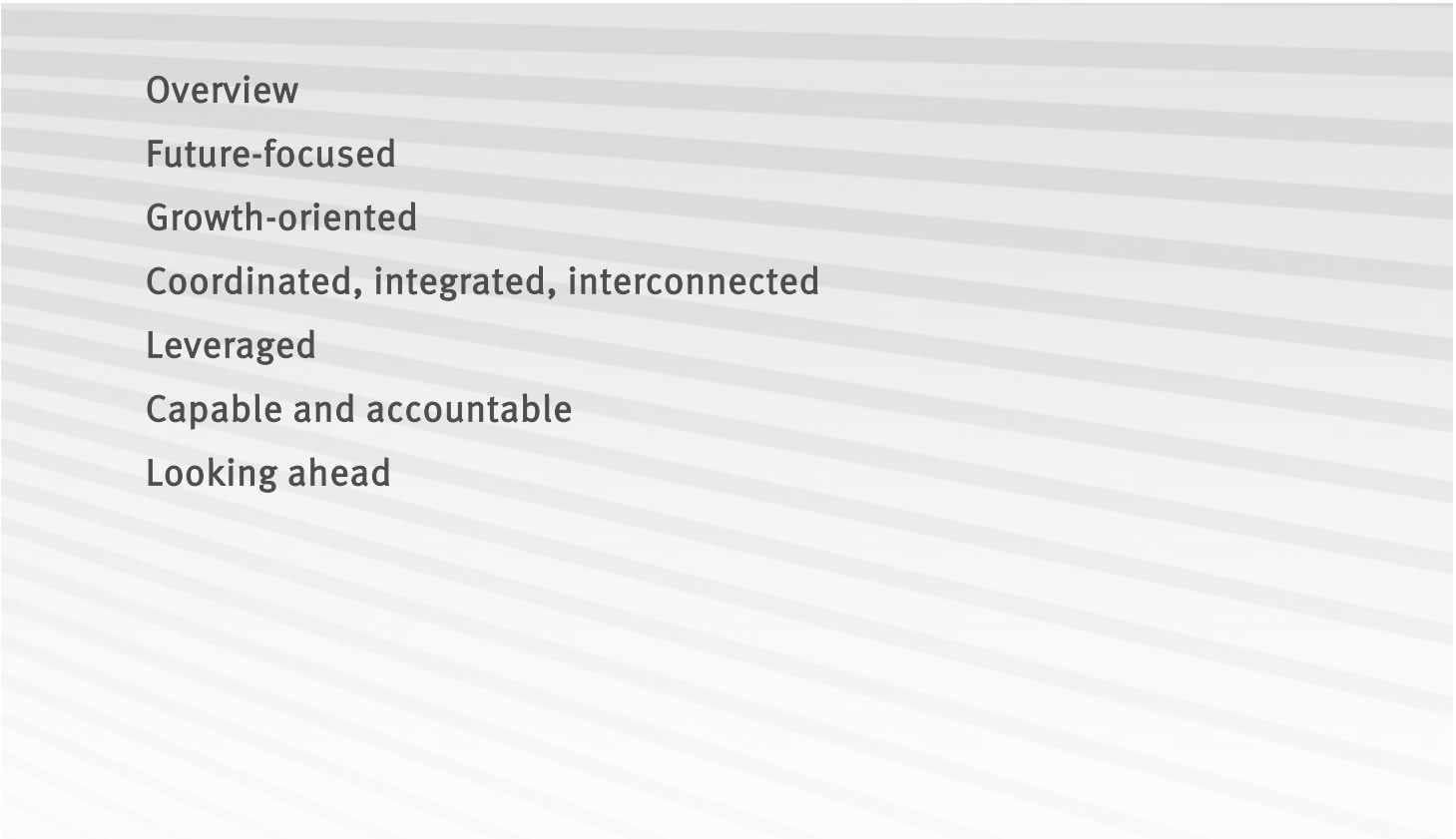
Joined the department	Date of transfer	Related annual report*
Investment Transactions	25 February 2022	Queensland Treasury

**Financial statements for the period 1 July 2021 to 28 February 2022 can be found in the Queensland Treasury annual report. Financial information for the period 1 March 2022 to 30 June 2022 is reported in the Department of State Development, Infrastructure, Local Government and Planning annual report.*



Part 02

Year in review



Overview
Future-focused
Growth-oriented
Coordinated, integrated, interconnected
Leveraged
Capable and accountable
Looking ahead

Overview

Throughout 2021–22, a strong focus on developing and supporting a more resilient, competitive and strong economy meant that the department initiated projects designed to:

- » encourage growth in priority industries both existing and emerging
- » support investment in infrastructure projects
- » focus on strategic local government sector priorities
- » generate an environment that underpins business confidence and promotes job creation
- » build and sustain liveable and vibrant places and communities.

In achieving its goals and delivering on key priorities, the department has also contributed to the Queensland Government's objectives for the community by:



supporting jobs through projects and investments that the department leads and supports



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 Queensland's 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

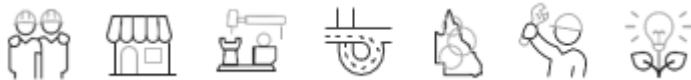


protecting the environment through state and regional planning that delivers economic, social and environmental outcomes.

The year is seen through the lens of achievements and benefits realised against the objectives of the 2021–25 strategic plan:

- » *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 private sector proponents.
- » *Leveraged* – jobs for Queenslanders through leveraged opportunities in developments, priority and skill-based industries, associated supply chains, and circular, localised economies.
- » *Capable and accountable* – sustainable, capable and accountable local governments enabling thriving local communities.

Future-focused



A future-focused, innovative, well-planned and diverse economy is the result of the department's successful facilitation of business and industry investment in major public and private projects, its response to the impacts of COVID-19, and its innovative approach to economic challenges and opportunities.

Actions and achievements

- » The department recognised the importance of having a clear vision for the state's current and future infrastructure needs and during the year:
 - released the *State Infrastructure Strategy 2022* providing an overarching framework for infrastructure planning and investment over the next 20 years. The strategy will drive collaborative state infrastructure planning, boost productivity, help grow the Queensland economy and create jobs
 - supported vital local government projects in regional and remote Queensland communities through the Building our Regions program providing much needed infrastructure, generating flow-on economic development, and creating job opportunities. To date the program has approved more than \$348 million towards 271 projects across 67 local governments, supporting an estimated 2,770 jobs and leveraging more than \$539 million in additional investment from industry and other levels of government
 - commenced the development of seven Regional Infrastructure Plans to support the implementation of the *State Infrastructure Strategy*. Developed in consultation with regional stakeholders through a place-based approach, the plans will be progressed from 2022–24 recognising the significant role infrastructure plays in catalysing regional economic recovery, growth and liveability
 - partnered with Sunshine Coast Regional Council on a pilot Infrastructure Coordination Plan, improving the ongoing coordination and alignment of state and local infrastructure planning and coordination in the Caloundra to Maroochydore corridor
 - awarded \$47 million for 20 projects in Round One of the \$100 million Resources Community Infrastructure Fund – a partnership between the resources industry (\$70 million) and the State (\$30 million) – enabling eligible communities to develop economic and social infrastructure and services that meet local needs and enhance community wellbeing
 - finalised a business case for the development of the South-East Queensland Digital Twin Workbench – a new technology platform which will improve how government plans, delivers and operates infrastructure for South East Queensland communities, by unlocking and sharing available data within agency assets, processes and systems.
- » In September 2021, the Deputy Premier publicly released the annual Queensland Government Infrastructure Pipeline, which detailed the government's capital program 2021–22 and for subsequent out-years. The pipeline gives visibility to the work that will be undertaken, enables forward planning and builds industry confidence in Queensland as an investment destination.
- » The role of assessing and evaluating the impact and viability of large-scale, complex projects sits with the Coordinator-General, who in 2021–22:
 - undertook a strategic review of the Gladstone state development area (SDA) development scheme to modernise the SDA and increase development opportunities. The review resulted in an amended development scheme which will benefit new and existing industries and support economic growth and job creation for the region
 - approved a material change of use application to develop an automated assembly facility to produce hydrogen electrolyzers and associated componentry in the Gladstone SDA. Construction of the facility, which will assemble and distribute electrolyzers capable of producing two gigawatts annually, commenced in March 2022

- declared three coordinated projects: the \$1 billion Blackwater South Coking Coal Project; emerging hydrogen project, H2-Hub Gladstone; and the new economies mineral project, Richmond-Julia Creek Vanadium. These require environmental impact statements ensuring a whole-of-government approach to the projects' roles in Queensland's 'new economy' and driving positive outcomes for regional Queensland.
- » Economic Development Queensland is facilitating the development of Lumina – the Gold Coast Health and Knowledge Precinct – over the next 10 to 15 years. In 2021–22, the department:
 - facilitated land sales to two companies: Infinite Aged Care for a 120-bed, integrated health care and training aged care facility; and to Evans Long for Proxima to build an \$80 million one-stop childcare, health and education centre. Proxima has commenced construction on the centre which will cater for up to 400 children, including those with additional needs. Services will be integrated to include paediatric research through Griffith University, and access to clinicians from Gold Coast Health
 - finalised sale of three new development sites within Lumina, with design and development planning progressing to expand the Precinct's translational research capability and catalyse \$250 million in private sector investment supporting more than 1,100 new jobs
 - completed a further expansion of the \$5 million Cohort Innovation Space to cater for continuing demand for the facility in supporting the growth of start-ups and small and medium-sized enterprises. Cohort is home to more than 250 occupants across more than 85 companies and was the winner of the National 'Government Leadership' award at the 2021 Property Council of Australia (PCA)/Rider Levett Bucknall Innovation & Excellence Awards, as well as the PCA Queensland 'State Development of the Year' award.
- » City Deals are a cooperative partnership between the federal, state and local governments and the community working towards a shared vision for productive and liveable cities and in Queensland:
 - the South East Queensland City Deal is a \$1.8 billion program that was signed by three levels of government on 21 March 2022. It comprises 31 initiatives that will contribute to job creation, build thriving communities, and facilitate a more connected and liveable region
 - the department continued to work with partners on the Townsville City Deal to reallocate \$195 million of Australian Government funding for projects that deliver on the Deal's vision for the city.
- » In response to the impact of COVID-19 and weather events of early 2022, the department:
 - led the responsibility for the Economic Functional Recovery Group that advised government and stakeholders on the economic impacts and recovery response to significant flood and weather events across the state
 - administered six projects worth \$30 million funded by the Australian Government's Regional Recovery Partnerships program to extend COVID-19 recovery efforts in North and Central Queensland focusing on agriculture, aquaculture, arts and culture, bio-commodities, hydrogen development and tourism
 - executed contracts under the Community Infrastructure Investment Partnership program with 12 not-for-profit organisations to receive a share of \$8 million for diverse projects that have enabled community organisations to expand their social services in response to local community needs
 - co-invested \$27.6 million for two projects financed under the Building Acceleration Fund to accelerate the delivery of essential infrastructure for transport logistics and fuel storage.
- » Aligned to the department's work in responding to the impacts of COVID-19 was the establishment of the Quarantine Management Taskforce which:
 - provided a coordinated quarantine and isolation program including collaboration with other levels of government to oversee the network of purpose-built and hotel facilities
 - continued to protect vulnerable persons and communities, reducing the impact on the health system and the need for other public health measures such as lockdowns
 - alleviated pressure on frontline agencies by transferring responsibilities related to quarantine and isolation to the taskforce, including standing up a Quarantine and Isolation Coordination Centre
 - managed the design, development, commissioning and operations of a purpose-built quarantine facility – the Queensland Regional Accommodation Centre (QRAC) at Wellcamp, Toowoomba – as an insurance policy enabling the state to respond effectively to the COVID-19 pandemic. Constructed in less than five months, QRAC supported approximately 400 local jobs during the October 2021 to February 2022 construction phase. It also supported a range of local businesses

- collaborated with the Australian Government on the design and development of the Centre for National Resilience Brisbane.
- » The department conducted a Year Three evaluation of the Yarrabilba Family and Community Place (YFCP) to understand the impact of the integrated service model for the YFCP on community outcomes. The evaluation findings highlighted the value of a soft entry model in reaching families who otherwise would not have engaged in health, education or social services. The YFCP model provides an evidence base to inform future community hub investment decisions.
- » Improvements to the planning framework and amendments to legislation enhanced planning schemes and created more efficient and streamlined development assessment systems:
 - the Planning Legislation Amendment Regulation 2022 updated the State Development Assessment Provisions and public guidance material. The amendments addressed known roadblocks and inconsistencies, resulting in clearer definitions and improved alignment with other legislation. Updates included amending the definition of ‘rural workers’ accommodation’ and ‘non-resident workforce accommodation’ to remove living arrangement restrictions; aligning definition of ‘food and drink outlet’ with the *Liquor Act 1992*; and updating wording to acknowledge that government supported transport infrastructure is for ‘public benefit’ rather than ‘public use’
 - the Planning and Environment Court (Expert Evidence) Amendment Rule 2022 updated previous rules to improve the dispute resolution system for the planning framework
 - the Planning Legislation (Fee Unit Conversion) Amendment Regulation 2022 led to improvements to the planning framework by prescribing fees as fee units instead of dollars, consistent with Queensland Treasury’s Principles for Fees and Charges Policy.
- » Through its Investment Transactions function, the department coordinates a process to assess, validate and explore the suitability of and investigate a potential pathway for, large scale private sector investment and development proposals. One such proposal currently under consideration is the proposed Forest Wind farm to be located across state plantation forest land between Gympie and Maryborough. The project, estimated at around \$2 billion, would see up to 226 wind turbines generating 1,200 megawatts of renewable energy for around 550,000 homes and is expected to generate 440 jobs in the three-year construction phase and 50 long-term operational jobs.

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’s unemployment rate by the end of 2021–22 was 4%, which is an improvement of 1.1% from June 2021. The participation rate was at 67.4%, slightly up from 66.7% at June 2021.</p> <p>Employment numbers increased across a variety of industries with an overall increase of 4.8% from June 2021. Largest increases were in the Health Care and Social Assistance; Information Media and Telecommunications; and Education and Training industries. These were offset by reductions in industries relating to Wholesale Trade and Agriculture, Forestry and Fishing.</p> <p>Private sector capital investment bounced back from the previous year with an increase of 8.5% in private capital expenditure in Queensland from March 2021 to the March 2022 quarter.</p>
<i>Value of capital investment enabled through project facilitation</i>	\$1.42 billion worth of capital investment was enabled through project facilitation.
<i>Estimated number of jobs enabled through project facilitation</i>	An estimated 2,363 jobs were enabled through the department’s project facilitation.
<i>Project facilitation costs per \$1,000 of capital investment enabled</i>	Project facilitation costs were \$2.60 for every \$1,000 of capital investment enabled.

Growth-oriented



Growth in investment and priority industry sectors has been achieved by working with industry and business, local governments and communities to deliver contemporary planning and development systems, opportunities, and support economic growth. Strategies implemented have fostered emerging markets, enabled construction of dedicated precincts, and unlocked potential for future growth in private sector investment and development.

Actions and achievements

- » Growth in priority industries was progressed with the department:
 - implementing initiatives and funding arrangements under the Resource Recovery 10 Year Roadmap and Action Plan, the Biofutures 10-Year Roadmap and Action Plan, the Biomedical 10-Year Roadmap and Action Plan and the METS 10-Year Roadmap and Action Plan to support job creation, growth, and investment in the resource recovery, biofutures, biomedical, and the mining equipment, technology and services industries
 - releasing refreshed 10-Year Roadmaps and Action Plans for the Aerospace and Biofutures industries
 - releasing the Queensland Defence, Maritime, Aerospace and Space Industry Skills Plan
 - providing \$2 million to support the development of an Australian-first maritime autonomous systems testing facility in Townsville in partnership with the Australian Institute of Marine Science to enable testing of autonomous marine technologies and unmanned platforms for civil and defence use
 - progressing the Queensland Space Industry Strategy 2020–2025 through strategic alliances with key partners including the Smart Sat Cooperative Research Centre, Queensland Defence Science Alliance, universities, businesses, Trade and Investment Queensland, the Australian Trade and Investment Commission, and the Australian Space Agency following the signing of a memorandum of understanding
 - establishing the \$3 million Queensland Earth Observation Hub with the national Smart Satellite Cooperative Research Centre, Earth Observation Australia and the University of Queensland
 - assisting the Queensland space industry to access funding under the Australian Government’s \$150 million Moon to Mars initiative and the \$1.3 billion Modern Manufacturing Initiative
 - working with Gilmour Space Technologies to develop its Bowen Orbital Spaceport near Abbot Point and continuing a site search for a larger-scale space launch facility. Economic Development Queensland has entered into a conditional agreement to lease land within the Salisbury Plains Industrial Precinct to Gilmour Space Technologies for the establishment of the low impact space launch facility.
- » Growth in renewable and clean energy is providing enormous benefits to Queensland communities and the environment. The department continued to implement the Queensland Hydrogen Industry Strategy 2019–2024 to attract investment in renewable hydrogen projects and in 2021–22:
 - committed funding under Round 2 of the Hydrogen Industry Development Fund
 - undertook a detailed analysis of infrastructure requirements to support large-scale renewable hydrogen production
 - facilitated an investment pipeline, leading to international investment and attraction of hydrogen technology manufacturing projects, such as LAVO and Fortescue Future Industries (FFI).
- » Following land sales and successful finalisation of assessment and approval of projects:
 - construction commenced on the FFI electrolyser manufacturing facility in the Gladstone SDA – a \$114 million investment expected to create 100 jobs during construction and 50 operational jobs in the long term
 - land was contracted for Stanwell’s Central Queensland Hydrogen Project which will see a new hydrogen production facility established by 2034

- construction of Alpha High Purity Alumina facility is underway with the high purity alumina to be used in the production of lithium batteries
- the H2-Hub™ Gladstone project – an industrial scale complex which will produce green hydrogen and green ammonia – was declared a coordinated project providing a pathway for coordinated environmental assessment
- land was contracted to Oceania Biofuels to establish a \$500 million biorefinery in Gladstone, which will be Australia's first commercial renewable diesel and sustainable aviation fuel production facility providing 6,500 barrels per day, using 100% renewable feedstocks.
- » The Wind Farm team in the State Assessment and Referral Agency is the assessment manager for all wind farm applications in Queensland. During the year the team worked with private sector energy providers to expand Queensland's renewable energy production while ensuring assessments considered the protection of Queensland's natural environment. In 2021–22, six wind farms and four change applications to already approved wind farms were approved. The six new wind farms are expected to generate a capital expenditure of more than \$4 billion, create 1,830 construction jobs and 92 ongoing jobs, and generate enough electricity to power 1,582,000 Queensland homes. The Coordinator-General negotiated with state agencies to finalise approvals for the Clarke Creek Wind and Solar Farm project – a two-stage wind, solar and battery farm. Construction of the \$3 billion project has now commenced and will deliver one of the largest renewable energy precincts in the southern hemisphere.
- » To progress economic development and advance job creation, the department:
 - assisted Sunwater to progress the Rookwood Weir Project on the lower Fitzroy River by acquiring land for road realignment and easements for water storage with the resulting Hanrahan Road crossing upgrade creating 12 construction jobs for central Queensland and improving visibility for traffic entering and exiting the crossing
 - assisted the Department of Education by acquiring land to support delivery and expansion of schools. Work included negotiations and land acquisition for Amaroo Environmental Education Centre and a new primary school at Bellbird Park
 - sold 89 hectares within 15 industrial estates located across the state generating \$189.2 million of private sector investment and supporting around 1,043 existing jobs, with the potential to create nearly 120 new jobs. The sales will ensure growth in investment in various industry sectors including advanced manufacturers, pharmaceuticals, mining, transport logistics/warehousing, food processing and building services
 - supported the Queensland Government's commitment to develop new economy minerals, a key focus area of the Queensland Resources Industry Development Plan. The Coordinator-General declared the Richmond-Julia Creek Vanadium project a coordinated project requiring an environmental impact statement, providing a pathway for coordinated environmental assessment
 - delivered the \$2 million Cairns Marine Precinct Infrastructure Investment Business Case, resulting in a \$300 million co-commitment from the Australian and Queensland Governments for a Common User Facility at the Port of Cairns
 - invested \$23 million in wharf infrastructure for the Cairns Marine Precinct, with a contractor appointed in May 2022 to carry out delivery of the two new wharves for the Port of Cairns, which will expand the port's capacity to undertake in-water maintenance on vessels.
- » The Queensland Government's \$3.34 billion Queensland Jobs Fund brings together flagship industry development programs to boost the state's industry footprint, create jobs and strengthen the economy. Through the Queensland Jobs Fund, companies with projects that have the potential to deliver ongoing economic benefits can seek government support to overcome barriers and realise opportunities. Encompassing the \$350 million Industry Partnership Program, the fund will create and sustain jobs across priority industry sectors. Projects supported include:
 - the new TM@TRI: a Translational Manufacturing facility at the Translational Research Institute (TRI) which is supporting the retention of med-tech start-ups and small and medium-sized enterprises and enabling, translational research and small-scale manufacturing. TRI estimates the facility will create 500 high-value knowledge-based jobs over 10 years
 - the first stage of FFI's Green Energy Manufacturing and assembly facility near Gladstone

- VISY Industries' upgrade to its material recovery facility on Gibson Island which will deliver a new state-of-the-art paper optical sorting plant able to turn mixed paper picked up in kerbside collections into 100% recycled paper, reducing landfill waste and creating 11 jobs.
- » Facilitated by the department, the Queensland Government has secured a conditional agreement with Mirvac Office Developments Pty Limited for the proposed \$670 million redevelopment of 200 Turbot Street. The proposed development will support 400 jobs annually over a planned three-year construction phase.

Key performance indicator	Results
<i>Stakeholder satisfaction with infrastructure policy and planning</i>	82% of stakeholders surveyed were satisfied with the assessment work undertaken by 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 was a recovery in infrastructure works in the past year with an increase of 1.2% in the March 2021 to March 2022 quarter results, which is a turnaround from the decline of previous years. This was driven by engineering construction activity which saw an increase of 2.8% during this period.</p> <p>In annual terms, the trend estimate for total dwelling units approved in Queensland in June 2022 was 15.7% lower than the June 2021 estimate. In comparison, total dwelling units approved in Australia decreased 19.7% over the same period.*</p> <p>*Source: Queensland Government Statistician Office, Building approvals, June 2022</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>	82% of key stakeholders surveyed were satisfied with timeliness and effectiveness of consultation.
<i>Administration costs per \$1,000 of infrastructure investment coordinated through the service area</i>	Administration costs were \$3.29 per \$1,000 of infrastructure investment coordinated.
<i>Annual progress against priority industry roadmaps and strategies</i>	Achievement reports for industry roadmaps and strategies have been realigned to occur in the first quarter of each financial year. 2021–22 reporting will be available in the following financial year.

Coordinated, integrated, interconnected



Coordinated, integrated, interconnected regions and industry sectors are the result of timely, coordinated and environmentally responsible planning and development frameworks, a strong pathway for planning and prioritising infrastructure investment and delivery and a clear vision of the most effective way to work with state and local government partners, and industry and community stakeholders.

Actions and achievements

- » Important work was undertaken to progress the state's regional plans and in 2021–22, the department:
 - continued to progress the draft Wide Bay Burnett Regional Plan 2022 which sets out government priorities for economic, social and environmental outcomes in the region over the next 25 years. Prepared in alignment with economic and infrastructure strategies, the plan will ensure a renewed focus on priority economic development and investment opportunities and support job creation and regional economic growth into the future
 - progressed implementation of ShapingSEQ—South East Queensland Regional Plan 2017 which focused on opening new growth areas, driving future prosperity, and managing sustainability and natural systems. As part of this work, actions were undertaken to:
 - protect the Northern Inter-Urban Break and continue the South-East Queensland Growth Monitoring Program
 - deliver new growth areas including structure planning for the Caboolture West Major Expansion Area, securing funding and project planning for the delivery of the business case for the Beerwah East Major Development Area, and initiating barrier and development capacity analysis for the Underutilised Urban Footprint.
 - progressed the North Queensland Industrial Land and Infrastructure Strategy, a key implementation action from the North Queensland Regional Plan. The strategy will deliver a 25-year plan for industrial land use and infrastructure to support sustainable industrial activity across local government areas of Burdekin, Charters Towers, Hinchinbrook, Palm Island and Townsville
 - developed the Regional Growth Framework aligning industry development, regional infrastructure and statutory regional planning. The integrated approach will enable improved stakeholder engagement and deliver streamlined regional planning outcomes.
- » Sound development outcomes depend on good planning and a robust development process with appropriate safeguards including consideration of heritage values, transport infrastructure and the environment. Administered by the department, the State Assessment and Referral Agency (SARA) coordinates the state's assessment and decision-making role in the development process. In 2021–22, SARA managed a large volume of work – handling 3,006 lodgement applications, receiving 1,409 pre-lodgement requests, and finalising 2,529 development assessments.
- » Timely, coordinated and job creating initiatives have been undertaken to boost land supply and development, support business opportunities, connect stakeholders and improve communities, demonstrated by the following activities:
 - more than 500 residential lots and almost 930 apartments were approved for development within a range of Priority Development Areas with the department facilitating \$751 million of private sector investment, supporting up to 2,480 jobs
 - at Carseldine village, construction of the \$43 million 150 bed Rockpool Residential Aged Care facility was completed and will be formally opened in July 2022. On an adjacent site, construction commenced on C&K's new childcare centre, replacing the existing smaller centre, with completion due in early 2023. Construction of the first of 53 new terrace homes in Stage 1 and of 48 terrace homes in Stage 2 of the project also commenced

- at Songbird in Oxley, development works are underway on 39 residential lots to be used for the construction of new homes, and as part of a pilot project with Brisbane City Council, 18 solar lights have been installed in the 1.28-hectare public open space area
 - the sale of 210 lots of land in Blackwater, Gladstone, Mackay, Moranbah, Roma and Townsville will support construction of new, affordable homes, and stimulate private sector investment of more than \$52 million
 - the masterplan for Yeronga Parkside, approved in May 2022, will facilitate the development of the Yeronga Community Centre and new Children’s Health Queensland facilities, generate more than \$170 million in private sector investment, and support more than 550 construction jobs and 400 ongoing jobs. The project will include a mix of retirement living units, townhouses and social and affordable units
 - within the Greater Flagstone and Ripley Valley PDAs, the Development Charges and Offsets Plans were finalised which will guide the delivery of up to \$4.4 billion in municipal and state infrastructure needed to develop these two greenfield communities, ultimately delivering up to 100,000 dwellings for more than 240,000 people
 - the department continued to manage the agreement between the State of Queensland and Dexu on its proposed \$2.1 billion Waterfront Brisbane project, which will include two commercial towers, a new Riverwalk and an enhanced public realm. Dexu estimates its project will deliver a \$5.7 billion boost to Queensland’s economy over the next 40 years and create more than 1,000 construction jobs over the next 10 years and 900 operational jobs once completed
 - delivery of A Strategic Blueprint for Queensland’s North West Minerals Province has facilitated approximately \$2.3 billion in investment and 1,700 ongoing jobs since 2017. This whole-of-government program has been highly successful in leveraging economic outcomes in the region
 - the department continued to deliver initiatives under the North West Queensland Economic Diversification Strategy to realise and maximise regional opportunities in the resources, agriculture, tourism, transport and business and industry sectors across the state’s north-west including leading the development of the New Economy Minerals Investment Prospectus and completion of Economic Development Strategies for Carpentaria Shire Council and the community of Doomadgee. Initiatives have led to an increase in crop cultivation from around 5,000 to 10,000 hectares in 2017 to approximately 61,509 hectares in 2022. An investment of \$1.09 million supported 16 local government tourism projects including enhanced signage
 - the department allocated \$480,000 to Wik Timber: a company that is harvesting timber ahead of mining operations on Cape York. The grant is for the purchase and installation of a sawmill at Hey Point, near Weipa. The first tranche of funding has allowed the company to purchase and transport the mill to Weipa
 - training in the tendering process was delivered for Queensland Indigenous furniture manufacturers and suppliers to better prepare them to participate in the upcoming Department of Education Standing Offer Arrangement for the supply of furniture for whole-of-government use – an initiative underpinned by the Queensland Indigenous (Aboriginal and Torres Strait Islander) Procurement Policy – to expand procurement with Indigenous businesses
 - refurbishment works to improve the Nareeba Moopi Pa aged care facility on Minjerribah (North Stradbroke Island) have been completed, providing necessary upgrades to the existing facility and improving its bushfire resilience.
- » The Coordinator-General has wide-ranging powers to plan, assess and coordinate large-scale, projects in a diverse range of industry sectors including minerals and energy, tourism, agriculture, and infrastructure. In 2021–22 the Coordinator-General:
- was actively managing the State and Commonwealth environmental assessments for 15 coordinated projects as at 30 June 2022, with a capital value of around \$19 billion requiring rigorous impact assessment. Examples include the ongoing assessment of four sections of the Inland Rail project
 - assisted project proponents to secure critical project approvals for 13 declared prescribed projects with a total capital value of around \$6.3 billion. Examples include the \$1 billion Townsville Energy Chemicals Hub Project, \$90 million Isaac Downs Project and \$300 million Ravenswood Expansion Project
 - facilitated integrated opportunities for regions through delivery of social impact assessments (SIA) to ensure communities benefit from the large resource projects in their region. In 2021–22, the SIA process was completed for the Ensham Life of Mine Extension project

- played a significant role in the development of emerging industries in SDAs in Gladstone, Townsville, and Abbot Point.
- » Building on key learnings from the Community Hubs and Partnerships program, the department developed a Shared Social Infrastructure Capability Framework which embeds knowledge-based collaborative approaches to social infrastructure and service planning. As part of this framework, work has commenced on a digital ecosystem and an online hub that will provide easy access to information on best practice approaches to collaborative planning.
- » Partnering with the Gold Coast Waterways Authority and Gold Coast City Council, the department is facilitating the implementation of The Spit Master Plan which includes:
 - delivery of the Federation Walk littoral rainforest, public pontoon and jetty, Marine Stadium water quality investigations and improvements, and design and construction of the accessible Oceanway
 - improvements at Muriel Henchman Park to include a boat ramp, pontoons, additional car and trailer parking bays and provision for not-for-profit organisations' facilities
 - provision of \$2.87 million towards construction of the largest superyacht berth in Australia at the Southport Yacht Club. Completed in February 2022, the new berth is integral to the Queensland Superyacht Strategy which has been extended until 2028 with a focus on employment, skills and training in the lead up to the 2032 Brisbane Olympic and Paralympic Games.

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 \$438.8 million.
<i>Facilitation costs per \$1,000 of private sector investment generated for economic and community development projects</i>	Facilitation costs were \$33.11 for every \$1,000 of private sector investment generated.
<i>Average administrative costs per decision made by the State Assessment and Referral Agency</i>	The average administrative costs per decision made by SARA was \$4,806.

Leveraged



Expanded and more diverse job opportunities for Queenslanders in priority industries and associated supply chains as well as in circular, localised economies derive from the department's understanding of emerging trends and opportunities. The department has strived to integrate land use and infrastructure planning and improve the state's attractiveness to private sector investment by building connections across regions and communities.

Actions and achievements

- » Harnessing knowledge and regional expertise, and responding to trends and opportunities, the department has supported and attracted industry and investment in Queensland. Across the year, the department:
 - continued to facilitate the Queen's Wharf Brisbane Integrated Resort Development with the structural completion of the podium levels and significant progress on the four towers above. By 30 June 2022, the Neville Bonner Pedestrian Bridge was 50% completed and the Bicentennial Bikeway had been diverted onto the newly constructed landing structure enabling public realm construction works along the river line
 - grew the local biofuels industry by improving local fuel production capabilities and supply chain resilience. Examples include delivery of Australia's first containerised shipping biofuel trial, launch of bioethanol buses in Mackay, and continuing to partner with aviation, maritime, construction and heavy vehicles sectors to help them decarbonise and transition to more sustainable fuel sources
 - supported local suppliers and contractors to participate in tendering for major projects through the department's supply chain development services
 - applied the Queensland Charter for Local Content to 62 new eligible major projects during 2021–22. The total value of the work reported in 2021–22 was more than \$1.5 billion. Of this, approximately 88% of the value of work reported has been won by businesses with a Queensland presence
 - supported the biomedical and biotechnology industry through the Essential Goods and Supply Chain Program
 - supported construction of a new 4,000 m² research and manufacturing facility for Vaxxas to produce its needle-free vaccine technology. This biomedical facility at Northshore is due for completion in early 2023 and will support 139 new high-value jobs and allow Vaxxas to manufacture up to 300 million vaccines per annum
 - committed \$35 million through two rounds of the Hydrogen Industry Development Fund. The fund will support a diverse range of domestic renewable hydrogen projects including remote area power, powering of heavy vehicles and use in commercial vessels. Successful projects are being undertaken by several organisations including Ark Energy, Emerald Coaches, Goondiwindi Regional Council, and SeaLink Marine & Tourism
 - worked with the Department of Resources, Club Property Solutions and the Hervey Bay Boat Club to plan the development of a new four-star hotel under terms of a state facilitation agreement. With development approval granted by the Fraser Coast Regional Council on 21 July 2021, the hotel development has potential to revitalise the Urangan Harbour precinct as an iconic tourism destination for the Fraser Coast
 - co-invested \$27.6 million with IOR Lytton Terminals and Interlink Global Logistics to accelerate delivery of essential infrastructure for fuel storage and transport logistics, supporting nearly 300 construction jobs. The co-investment was funded through the Building Acceleration Fund: part of the Industry Partnership Program under the Queensland Jobs Fund.
- » The department leveraged its connections across government to support and encourage recycling and diversion of waste from landfill and to build remanufacturing opportunities in related industries by:
 - working with industry to harness the potential value of resources traditionally discarded by society, providing funding through the Resource Recovery Industry Development Program supporting 29 projects to divert 1.3 million tonnes of waste from landfill and delivering \$194 million of capital investment and more than 350 new jobs

- committing to joint funding arrangements with the Australian Government through the National Partnership Agreement for Recycling Infrastructure (NPARI) to support resource recovery and recycling projects that can address impacts of export bans on plastic, paper and cardboard, tyres, and glass
- delivering both the Queensland Recycling Modernisation Fund and the Regional and Remote Recycling Modernisation Fund through the NPARI, targeting recycling projects in places where activities are challenged by distance, small populations and high costs.
- » Initiatives to strengthen supply chain infrastructure and support expansion of the Defence and Aerospace industries in Queensland included:
 - rolling out Round 2 of the Defence and Aerospace Industry Development Fund which approved more than \$515,000 in matched funding for 45 recipients to acquire globally recognised certification to assist in securing defence, aerospace, and space supply chain contracts
 - maximising Queensland’s defence industry contribution to the national and global market by working with Rheinmetall Defence Australia as they deliver the LAND 400 Phase 2 project, a catalyst for the development of industry capability and skills in the state
 - working with Boeing Defence Australia to strengthen the Queensland supply chain supporting the manufacture of its MQ-28 ‘Ghost Bat’, the first combat aircraft designed and built in Australia in over 50 years
 - supporting Queensland businesses to become defence ready through the Townsville and Ipswich Defence Hubs which assisted businesses to capitalise on opportunities such as the Australia-Singapore Military Training Initiative, delivered workshops and events to support capability development and facilitated business to business networking
 - strengthening Queensland’s defence industry supply chains through a six-month pilot program of small and medium-sized enterprises to address the need for industry capability in cyber security and improve their cyber resilience
 - showcasing Queensland’s defence and aerospace industry capabilities and organisations at the World of Drones & Robotics Congress, IndoPacific ’22 Maritime Exposition and Rotortech 2022
 - supporting the work being undertaken by the Trusted Autonomous Systems Defence Cooperative Research Centre, in delivering world-leading autonomous and robotic technologies and the Queensland Flight Test Range
 - working with the Department of Defence on future demand and land expansion requirements for HMAS Cairns.
- » The department continued to support and advocate for increased Indigenous business participation in major projects by working with both Indigenous enterprises and major project proponents to inform, educate and facilitate industry engagement. In 2021–22 work was undertaken across Queensland Government agencies to develop a dedicated Indigenous Business Portal that will allow both government and the private sector to identify suitable Indigenous businesses that can supply a range of products or services.
- » Recognising the importance of supporting and growing business capability, the department:
 - convened the Industry Capability Development Working Group to drive improvements to supply chain capability, build improved understanding of the supply requirements of major projects, and to promote engagement and value of Aboriginal and Torres Strait Islander businesses
 - delivered 58 workshops to more than 3,000 participants from various industries and communities, held seminars and networking events and developed online resources to increase the adoption of leading-edge design, innovation, technologies and updated processes and practices in business capability development.

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>The department continued to successfully implement the following economic recovery strategies:</p> <ul style="list-style-type: none"> » Natural disasters – Two-year State Recovery Plans* in operation for 2019 Queensland Bushfires and 2019 Monsoon Trough with the following results: <ul style="list-style-type: none"> – businesses and industries in the local economy returned to operating and trading – betterment projects implemented to deliver more resilient infrastructure. <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 2021–22 Economic Development Queensland:</p> <ul style="list-style-type: none"> » delivered 94 affordable homes across seven of its residential projects: HillClose, Tannum Blue, The Village, Woodlands, Clearview Rise, Bushlark Grove, and Carseldine Village » approved 510 residential lots and 929 apartments for development within PDAs.
<i>Level of stakeholder satisfaction with accessibility and transparency of the requirements of the planning system</i>	74% of stakeholders were satisfied with accessibility and transparency of the requirements of the planning system.

Capable and accountable



Sustainable, capable and accountable local governments and thriving communities are the result of sound administration of local government legislation, delivery of targeted funding programs, design of sound planning policies and frameworks, and pursuit of initiatives that contribute to economic growth, create local job opportunities, and build happy and healthy communities.

Actions and achievements

- » Queensland's planning framework continues to evolve as the state grows and changes. To streamline planning approvals, enable flexibility for local government planning, accelerate jobs and growth, make planning more transparent, and give communities a greater voice, the department:
 - designed a new, user friendly and easy to navigate planning website, making it easier for local government, state agencies, applicants, and industry to stay up-to-date with the latest information about Queensland's planning framework by providing practical content and a variety of online tools and services
 - established the Local Government Infrastructure Plan (LGIP) Reviewer Panel by engaging industry experts to review relevant draft LGIPs in accordance with the Minister's Guidelines and Rules
 - released a new suite of practical and accessible guidance material to help local government and industry when making or amending their local government planning schemes, and to inform industry and community stakeholders
 - facilitated several new and amended local planning instruments which have improved natural hazard mapping and assessment benchmarks. These updated local planning instruments will improve community awareness and build resilience to natural hazards including flood, bushfire and coastal hazards. Improved natural hazard provisions have been adopted in, or are progressing for, Central Highlands, Rockhampton, Mackay, Lockyer Valley and Maranoa
 - facilitated design of several Temporary Local Planning Instruments (TLPI) that can replace sections of the local government planning schemes for a period of up to two years, enabling timely planning scheme amendments to address adverse or unforeseen outcomes of existing schemes such as potential harm to the environment, animal habitats and historic buildings. In 2021–22, TLPIs have been established to deal with issues in Mareeba, Gympie, Ipswich, Morayfield South, Narangba and to protect the unregulated demolition of the Old Burleigh Theatre Arcade at Burleigh Heads on the Gold Coast
 - streamlined the assessment of 3,000 lots in Caboolture West through the work undertaken by the Growth Areas Team to help the state respond to land supply, population growth and property development challenges across South East Queensland.
- » The department administers the local government legislation covering the state's 77 local governments which service communities from the Torres Strait to western Queensland, along the vast coastline and across the densely populated south-east. Working with local governments and the community to build councils' capability, improve sustainability and progress understanding of planning and development, the department:
 - consulted on a new sustainability framework which will form the basis of the department's monitoring of councils' performance and sustainability and will assist the department in providing more targeted support to councils
 - delivered training programs across the state with 1,043 councillors and council staff, participating in 13 capacity-building programs covering topics including integrity, conflict of interest, registers of interest, and financial management
 - engaged the Institute of Public Works Engineers Australasia to conduct internal training for departmental staff in asset management principles to build future training options for the sector and support the implementation of the new local government sustainability framework

- released Planning for Queensland’s waste and resource recovery industry: Guidance for local government plan drafting, which provides local governments with practical information in preparing or reviewing their planning schemes to support future waste management and related land use and promote resource recovery and biofutures industries
- continued to rollout the Community Planning Education Project building the community’s understanding of land use planning. The project involved extensive stakeholder consultation with government representatives, industry, and the community, to identify communication challenges, test concepts and determine the most effective communication strategies for implementing the planning framework.
- » Vital assistance was provided to local governments through funding programs and during the year, the department:
 - rolled out the \$200 million 2021–24 Works for Queensland (W4Q) supporting 65 local governments outside South East Queensland in undertaking job-creating, maintenance and minor infrastructure projects. The 2021–24 W4Q round is expected to deliver 333 projects and support or create more than 3,500 jobs
 - commenced the 2021–24 South East Queensland Community Stimulus Program which provides \$100 million to support 12 South East Queensland councils in fast-tracking investment in new infrastructure and community investment. Under the program, 113 projects were approved with councils estimating that more than 1,450 jobs will be created or supported
 - continued the delivery of the State Government Financial Aid, Revenue Replacement, and Indigenous Economic Development Grant programs to provide more than \$42.14 million in 2021–22 to Indigenous councils across Queensland. These funding programs allow Queensland’s Indigenous local governments to provide much-needed services and support jobs in their communities
 - extended the Indigenous Councils Critical Infrastructure Program to 30 June 2022 to ensure the more than 280 approved projects across Queensland’s 16 Indigenous councils could be completed despite delays resulting from impacts of the COVID-19 pandemic. These projects will help ensure effective management of water, wastewater and solid waste assets, contribute to water security, and deliver long-term environmental and public health outcomes in Indigenous council areas
 - supported the independent Queensland Local Government Grants Commission in undertaking its review of the Financial Assistance Grant allocation methodology, the first review in 10 years, with the aim of designing a more equitable distribution of the Financial Assistance Grants in future years.

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. 87% 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 CEOs returned a satisfaction level of 86.5%.
<i>Cost of capacity building per local government</i>	The average cost of capacity building including publications, online training and workshops was \$51,300 per local government.
<i>Administration costs as a percentage of all funding distributed through the Local Government Service Area</i>	Administration costs were \$2.62 per \$1,000 of funding distributed.

Looking ahead


Building on the successes of 2021–22, the department is working towards a better future for every Queenslanders. Because of the department’s work, future generations will live in a state with a strong, diverse economy and thriving, connected communities. This expectation is captured in the department’s newly revised purpose statement: ‘To think ahead and act now, securing responsible economic development and liveable communities.’

These are the outcomes the department is seeking to achieve in the years ahead:

- » Economic prosperity – sharing in opportunity through diversity and investment in key industries.
- » Liveable communities – well-planned communities where people want to live, work and play.
- » High-performing department – be the employer of choice with empowered and engaged people.


It is more important than ever for the department to be future-focused and bold in its leadership. Looking ahead, the department will deliver on its purpose through a focus on these key enablers:

- » Private sector investment
- » Diverse industries
- » Coordinated and resilient infrastructure
- » Strategic land use
- » Housing supply, affordability, and diversity
- » Effective local government
- » Stakeholder responsiveness
- » United leaders and capable people



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 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 performance and position of the department for the 2021–22 financial year. The department's audited financial statements can be found in Part 7 of this report.

Understanding the financial statements

The following comparisons of the 2021–22 financial year results against the 2020–21 financial year results were considered and accepted by the department's Audit and Risk Management Committee at the 26 August 2022 meeting.

Table 1. Financial snapshot

	2022	2021
	\$'000	\$'000
Controlled income	960,040	536,574
Controlled expenses	(814,782)	(537,334)
Operating results for the year	145,258	(760)
Income tax equivalents	(26,611)	11,169
Increase in asset revaluation surplus	46,324	1,998
Operating result after income tax equivalents	118,647	10,409
Total assets	1,682,235	1,293,418
Total liabilities	(477,922)	(421,080)
Net assets	1,204,313	872,340

Income and expenses

Total income for the 2021–22 financial year is \$960 million, which was an increase of \$423.5 million compared to the 2020–21 financial year. The increase is mainly due to the Queensland Government appropriated revenue provided to the department for seven months during the 2020–21 financial year compared to 12 months during the 2021–22 financial year to support delivery against the department's objectives.

This was a result of the department being established effective 1 December 2020, following MoG changes. The department also received additional appropriated revenue during the 2021–22 financial year of \$91 million to deliver

against the Queensland Government's Quarantine and Isolation Program. Further information regarding financial arrangements of this program can be found in note 25 of the department's financial statements.

The increase in expenses is also mainly attributable to these same drivers.

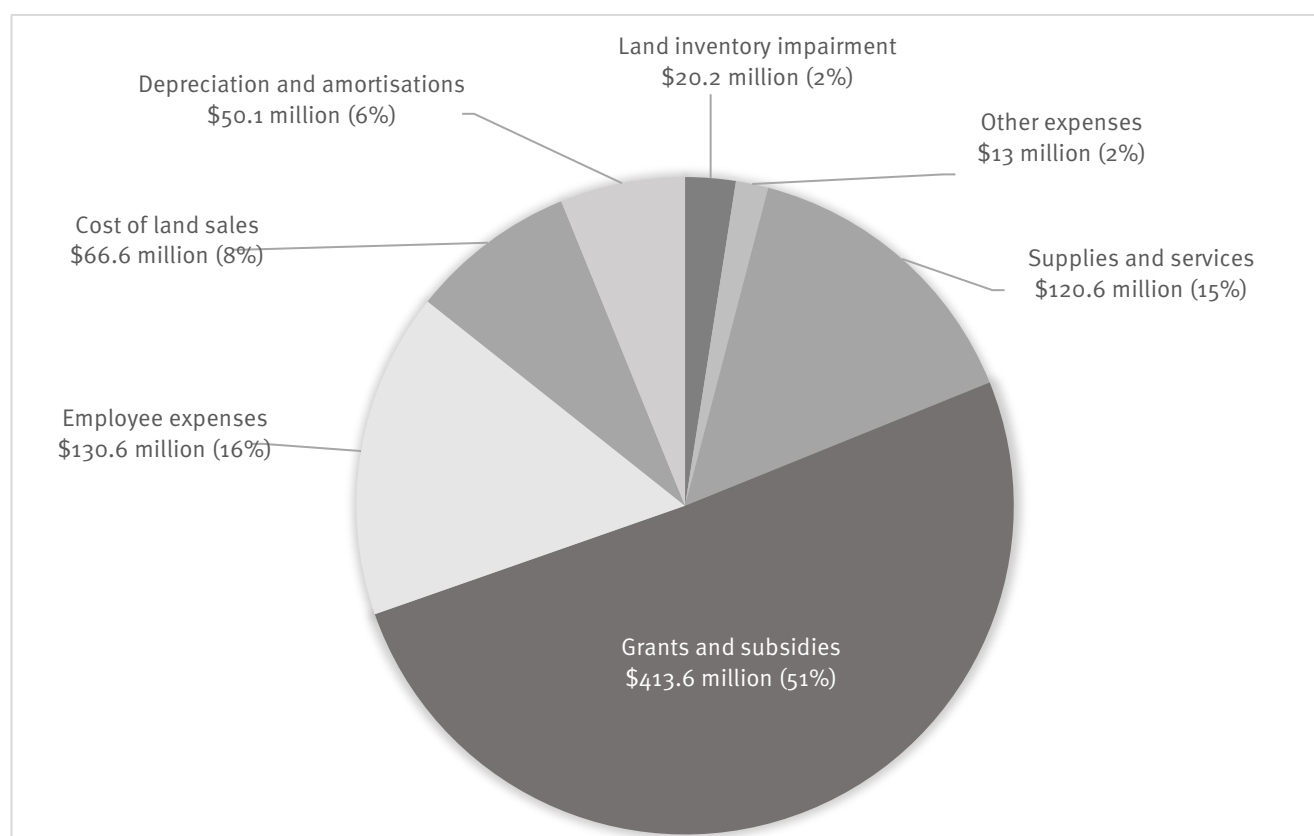
Asset revaluation surplus

The 2021–22 financial year surplus is attributable to an increase in the value of the department's land and building portfolio following independent valuation. This most significant increase in values was associated with industrial land at Gladstone and Townsville after considering market conditions and the highest and best use of the lands' future potential.

Operating result after income tax equivalents

The 2021–22 financial year operating result is mainly due to the operating surplus generated by Economic Development Queensland (EDQ) following gains in the value of investment property and changes in the delivery schedule across a range of departmental grant programs. This allows for revenue recognised during the 2021–22 financial year to support service delivery and related expenditure in future financial years.

Figure 3. Total Expenses



Assets and liabilities

Total assets and liabilities as at 30 June 2022 were \$1.682 billion and \$477.9 million respectively. The increase in total assets of \$388.8 million is mainly attributable to the carrying value of the Queensland Regional Accommodation Centre of \$128 million (refer also note 25 of the department's financial statements), the increase in the value of land held for investment at Northshore Hamilton following independent valuation of \$136 million and higher cash reserves held by the department to fund delivery of grant programs in future financial years.

Comparison of actual financial results with budget

Provision of budgetary reporting disclosures in note 26 of the department's financial statements allows comparison of the actual financial results of the operations of department with the adjusted budget published in the State Budget Papers 2022–23 Service Delivery Statements (SDS). This is consistent with the Government's commitment to more transparent financial reporting.

Open data reporting 2021–22

The following data sets have been published through the Open Data Portal at www.data.qld.gov.au:

- » Overseas travel.
- » Use of interpreters as part of the Queensland Language Services Policy.

As the department did not engage consultants during the 2021–22 reporting year, a report on expenditure on consultancies was not required.



Part 04

Governance



- Governance framework
- Risk management and accountability
- Committees
- Public sector ethics
- Human rights
- Complaints
- Internal Audit
- External scrutiny
- Information systems and recordkeeping

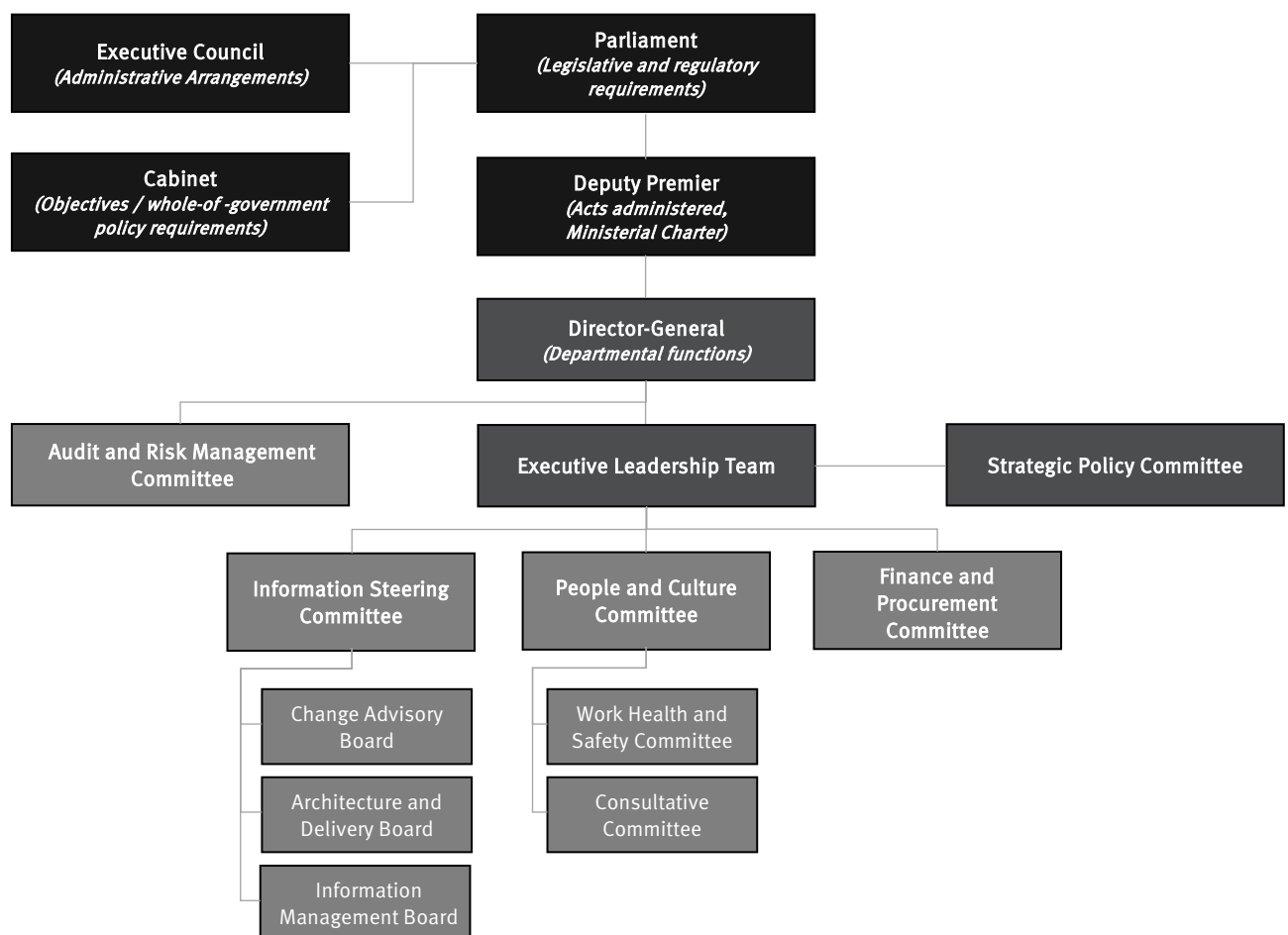
Governance framework

The department's corporate governance framework outlines its commitment to the fundamental principles of good governance, performance and accountability, which guide the department in achieving its strategic goals and operational objectives effectively, efficiently and ethically. The department's governance practices ensure it conforms to applicable legislative, compliance and best-practice management standards, providing confidence in the delivery and integrity of its services.

The department's approach to corporate governance is to provide a balance between performance and accountability. The department has clear organisational and governance committee structures to ensure it uses resources effectively and efficiently, acts ethically and with integrity in the best interests of Queensland, and makes evidence-based decisions that are supported by transparent and clear roles, responsibilities, policies and procedures.

The department's governance structure as at 30 June 2022 is described in Figure 4 below.

Figure 4. DSDILGP Governance Framework



Risk management and accountability

The department takes 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’s A Guide to Risk Management.

The department’s integrated risk management framework (IRM) provides the foundation and arrangements for risk management through defined systems, processes and practices and is underpinned by the following 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 IRM 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.

The department’s strong culture, incorporating risk-based decision-making, aligns with its risk appetite to support the achievement of strategic plan objectives.

Operational planning activities are undertaken each year across the department and 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 Executive Leadership Team and the Audit and Risk Management Committee.

Our risk registers include strategic, operational, fraud and corruption risks, 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.

Committees

The department’s governance committees are established in accordance with the Financial Accountability Handbook to support the leadership direction of the Director-General and executive leadership in effective decision-making and to ensure the department’s goals and objectives are met.

Executive Leadership Team (ELT)

The ELT is an advisory committee that assists the Director-General in managing the strategic direction and day-to-day operations of the department and modelling its values and culture. ELT meetings have a balanced strategic and operational focus, with subject matter experts invited to attend from time to time.

The ELT has established, and is supported by, additional governance committees (and their sub-committees) to assist the ELT in exercising its authority, including monitoring the performance of the department to ensure progress is made towards business objectives within the department's risk appetite.

The ELT meets weekly, or as otherwise determined by the chair.

At 30 June 2022, these were the ELT members:

- » Director-General (**Chair**)
- » Assistant Director-General, Policy, Portfolio and Government Services
- » Assistant Coordinator-General, Planning and Services, Office of the Coordinator-General
- » Assistant Coordinator-General, Project Evaluation and Facilitation, Office of the Coordinator-General
- » Commissioner, Quarantine Management Taskforce
- » Coordinator-General, Office of the Coordinator-General
- » Deputy Director-General, Corporate
- » Deputy Director-General, Infrastructure and Regional Strategy
- » Deputy Director-General, Local Government Division
- » Deputy Director-General, State Development
- » General Manager, Economic Development Queensland
- » State Planner, Planning Group

The ELT is supported by the following governance committees:

- » Finance and Procurement Committee.
- » Information Steering Committee, supported by the Architecture Review and Delivery Board, the Information Management Board and the Change Advisory Board.
- » People and Culture Committee, supported by the Consultative Committee and the Work Health and Safety Committee.

Finance and Procurement Committee (FPC)

The FPC supports the ELT by focusing on strategic resource decisions including budget development, financial management and controls, procurement planning, and emerging risks to funding, reporting, assets or resourcing.

The FPC 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 Chief Finance Officer.

At 30 June 2022, FPC comprised the following:

- » Deputy Director-General, Corporate (**Chair**)
- » Director-General
- » Deputy Director-General, Infrastructure and Regional Strategy
- » Executive Director, Local Government Division
- » Executive Director, Planning and Development Services, Planning Group
- » Executive Director, Portfolio Projects, Planning and Services, Office of the Coordinator-General
- » General Manager, Economic Development Queensland

Information Steering Committee (ISC)

The ISC supports the ELT by focusing on strategic investment in digital capability and supporting information and technology resources; alignment of Information Technology (IT) service delivery to business capabilities necessary to deliver the strategic objectives of the department; and management of Information and Communication Technology (ICT) operational and portfolio risk including cyber security.

The Information Security Policy (IS18:2018) requires that all agencies implement an Information Security Management System (ISMS) to help address legislative and regulatory security requirements such as those contained in the *Information Privacy Act 2009* and the Code of Conduct for the Queensland Public Service. The governance component of the ISMS requires an Agency Security Executive and an Information Security Committee function within each agency. The Information Security Committee function is fulfilled by the ISC.

In 2021–22, ISC met in August 2021, October 2021, February 2022 and May 2022. Attendees include invited guests/observers based on content expertise, including the department’s Chief Information Officer.

At 30 June 2022, ISC comprised the following:

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

People and Culture Committee (PCC)

The PCC supports the ELT by focusing on ensuring the department has a high performing, valued, agile and skilled workforce with a culture that supports mobility.

The PCC meets quarterly unless otherwise determined by the chair. Attendees include invited guests/observers based on content expertise, including the department’s Chief Human Resources Officer.

At 30 June 2022, PCC comprised the following:

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

Strategic Policy Committee (SPC)

The SPC is a new committee established in 2021–22 to support the Director-General and Coordinator-General in managing and influencing the strategic direction of policy relevant to the department’s portfolio. It is a senior level forum that critically assesses policy and legislative proposals, initiatives and projects, encouraging collaboration across the department.

At 30 June 2022, SPC comprised the following:

- » Assistant Director-General, Policy, Portfolio and Government Services (**Chair**)
- » Assistant Coordinator-General, Planning and Services, Office of the Coordinator-General
- » Assistant Coordinator-General, Project Evaluation and Facilitation, Office of the Coordinator-General

- » Deputy Director-General, Corporate
- » Deputy Director-General, Infrastructure and Regional Strategy
- » Deputy Director-General, Local Government Division
- » Deputy Director-General, State Development
- » General Manager, Economic Development Queensland
- » State Planner, Planning Group
- » Chief Executive Officer, Queensland Reconstruction Authority

Audit and Risk Management Committee (ARMC)

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 establishes the authority and responsibilities of the committee and was prepared with reference to:

- » relevant provisions of the *Financial Accountability Act 2009* and Financial and Performance Management Standard 2019
- » Queensland Treasury's 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 Edition*.

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.

The ARMC met on five occasions. Membership and remuneration details from 1 July 2021 to 30 June 2022 are as follows:

- » Mr Peter Dowling, External Chair, appointed 15 February 2021. Remuneration: \$9,600 (GST excluded). Attended five meetings.
- » Ms Karen Smith-Pomeroy, External Member, appointed 15 February 2021. Remuneration: \$5,723.66 (GST excluded). Attended four meetings.
- » Mr Ian Rodin, External Member, appointed 15 February 2021. Remuneration: \$10,330 (GST excluded). Attended five meetings.
- » Ms Maree Parker, Deputy Director-General, Infrastructure and Regional Strategy, DSDILGP, Internal Member, appointed 15 February 2021. Attended two meetings with leave of absence granted for the remaining meetings.
- » Ms Michele Bauer, Deputy Director-General, State Development, DSDILGP, Internal Member, appointed 15 February 2021. Attended three meetings.

Key achievements of the ARMC have 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 2022–25 including the Agile Audit Plan 2022–23
- » endorsing the ARMC Charter, June 2022 and the Internal Audit Charter, June 2022

- » 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 Forward Work Plan 2022–25 and linkages 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.

Public sector ethics

The department has a values-based culture in which it foster inclusiveness, harnesses diversity, acts with integrity and supports the health and wellbeing of its employees. The Code of Conduct for the Queensland Public Service 2011 guides the department's conduct and decision-making, and ensures it upholds the highest standards of integrity and accountability.

Education and training in public sector ethics and the code of conduct occurs at induction and on an annual basis for all employees through online learning modules. Additionally, specialised and tailored training and awareness initiatives, including face-to-face and virtual sessions, publications on the department's intranet, and targeted email delivery of material on ethics topics occur throughout the year in accordance with the ethics training and awareness plan. Additional mandatory online training on public interest disclosures, conflict of interest, and information management and security are included in the suite of learning modules.

Development and review of corporate policies and procedures ensures the principles and values of the *Public Sector Ethics Act 1994*, and the code of conduct are reflected in the policy framework.

Human rights

The department respects, protects and promotes human rights in its actions and decision-making in accordance with the *Human Rights Act 2019* (HR Act). Commitment to the HR Act is embedded in the Strategic Workforce Plan ensuring that organisational culture is compatible with human rights. The PCC receives regular updates on workforce plan initiatives.

During 2021–22, the department continued implementation of its human rights impact assessment framework whereby decisions taken by the department undergo an assessment to ensure actions and outcomes are compatible with and do not limit any human rights. Any decision that will impact human rights must be demonstrated to be necessary, justifiable and proportionate under the circumstances.

The department's human rights network, comprising nominated representatives from across business groups, promotes information sharing on human rights issues, contributes to building a culture of human rights awareness across the organisation, and encourages development of human rights expertise.

During 2021–22, 104 staff completed the Queensland Human Rights Commission's Public Entities and *Human Rights Act 2019* training module through the department's online learning system. The Department of Justice and Attorney-General's Human Rights Unit also provided customised face-to-face training to a group of the department's policy and legislation officers.

The department continues to incorporate consideration of human rights when developing new policy and legislation. Policy and legislation staff are offered training opportunities to ensure they are up-to-date and aware of their obligations when preparing statements of compatibility for new bills and human rights certificates for new subordinate legislation.

Complaints

The department is strongly committed to maintaining and enhancing public confidence in the department by creating an environment that encourages feedback and in which complaints are managed in a timely, responsive and fair manner. The department's complaints management system includes central oversight, recording and assessment of all complaints to ensure any matters involving suspected corrupt conduct and/or public interest disclosures are managed professionally and confidentially. All complaints are assessed to determine if they involve human rights and trigger the need to assess any alleged human rights limitation. Complaints management is a three-stage process including initial response by frontline areas, internal review by more senior or equivalent officers and external review by appropriate integrity agencies including the Queensland Ombudsman.

In 2021–22, 38 customer complaints were received. Of those matters, one matter was not substantiated, 32 resulted in no further action and five matters remained under investigation at the close of the financial year. This compares with the previous financial year 2020–21, in which 48 customer complaints were received. Of these two resulted in further action and 46 resulted in no further action.

Human rights complaints

One complaint received by the department during 2021–22 was assessed as a human rights complaint relating to section 17 (right to protection from torture and cruel inhuman or degrading treatment) and section 23 (right to take part in public life) of the HR Act. The complaint raised three separate matters, two of which are being dealt with under the *Crime and Corruption Act 2001*. The third matter is currently being investigated under the department's individual employee grievance process. Consideration of the matters relating to this complaint are continuing, with no outcome reached during the reporting period.

Internal Audit

Pursuant to section 24(1) of the Financial and Performance Management Standard 2019, the department has established an 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 their functions and duties under the relevant provisions of the *Financial Accountability Act 2009* (FAA) 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 FAA 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 2021–22 was set out in the approved Internal Audit Strategic Plan 2021–24 and Annual Audit Plan 2021–22. 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 2021–22, Internal Audit delivered 22 reviews and assurance advisory services across a broad range of risk areas including governance arrangements, financial internal controls, grant administration, ISMS implementation and selected program and project management controls.

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 2021–22 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 ISMS
- » governance advice for decisions on various grant programs and activities
- » providing the secretariat function for the ARMC and its meetings.

Internal Audit also provided proactive relationship and engagement support for the department's dealings with the Queensland Audit Office regarding financial and performance audit activities and reporting.

External scrutiny

Independent scrutiny of government performance is an important aspect of governance, helps to promote accountability and transparency in work undertaken by government, and builds public confidence. Reports can be undertaken by various agencies including the Auditor-General, the Ombudsman and the Coroner.

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's (QAO) Forward Work Plan.

These reports issued by the Auditor-General in 2021–22 contained findings of relevance to the department:

- » Report 4: 2021 Status of Auditor-General's recommendations
- » Report 6: Regulating animal welfare services
- » Report 14: State entities 2021
- » Report 15: Local government 2021
- » Report 16: Contract management for new infrastructure
- » Report 17: Appointing and renewing government boards
- » Report 18: Enhancing government procurement

These reports contain several findings and recommendations relevant to the department's processes and objectives. The findings raised align with the department's current practice of process improvement and ongoing review and did not necessitate significant departures from this continuous improvement approach.

All recommendations relevant to the department made in QAO performance reports are recorded in a register maintained by the Internal Audit function to enable tracking of management's mitigating actions. The status of management actions against recommendations is reported regularly to the ARMC. QAO officers attend ARMC meetings and receive relevant ARMC meeting papers.

The final report on the Review of Culture and Accountability in the Queensland Public Sector, which was undertaken by Professor Peter Coaldrake, was released on 28 June 2022.

The report made 14 recommendations and the department will work with and follow guidance provided by the Integrity Reform Taskforce to implement the recommendations set out in the report.

Information systems and recordkeeping

The department complies with the *Public Records Act 2002*, the *Public Service Act 2008* and the Queensland State Archives Records Governance Policy through promoting a positive, innovative and collaborative recordkeeping culture. It uses established records management practices to ensure complete and reliable records are created to support the departmental activities and provide transparency for business decisions and actions.

The department continues to increase its digital recordkeeping presence with records and approvals captured electronically within an agency-wide electronic document and records management system (eDRMS) as well as other business information systems and platforms.

The department's eDRMS and other critical business systems are periodically security assessed in accordance with the department's ISMS framework and risk appetite. Appropriate security access controls are assigned in accordance with information security classification policy and procedures to ensure the confidentiality, integrity and availability of information.

The department continues to reduce its paper-based footprint by embracing electronic business processes, electronic internal approvals, sending and receiving electronic records and utilising the electronic capabilities available within the eDRMS.

Legacy paper records are managed in a secure controlled environment and periodically reviewed for retention and disposal.

Recordkeeping responsibilities are assigned and shared across the department. Advice and guidance are provided by appropriately skilled staff, with annual mandatory awareness and training modules made available to all staff.

Archive management processes and disposal approvals are established to ensure the department's permanent, high-value and high-risk records and information is managed and kept as complete and reliable records. Records of low value are assessed and approved for disposal in accordance with authorised retention and disposal schedules.

ISMS attestation

During the mandatory annual information security reporting process, the Director-General attested to the appropriateness of the information security risk management within the department to the Queensland Government Chief Information Security Officer, noting that appropriate assurance activities have been undertaken to inform this opinion and the department's information security risk position.



Part 05

Workforce



Workforce profile

Strategic workforce planning

Employee health and wellbeing

Industrial and employee relations

Early retirement, redundancy and retrenchment

Our workforce

The department recognises that its people are what make the organisation successful. In offices across the state, they demonstrate a commitment to Queensland public service values, enable delivery of the department's vision and purpose and achievement of its strategic objectives.

Workforce profile

The department has a workforce of 944.33 full-time equivalent (FTE) employees*. The department is committed to equal opportunity and to having a diverse and inclusive workforce reflective of the Queensland community. Workforce representation by target groups is shown in table 2 below.

*Based on Minimum Obligatory Human Resource Information (MOHRI) FTE data for the fortnight ending 17 June 2022.

Table 2. Target Group data¹

Gender	Number (Headcount)	Percentage of total workforce (Calculated on headcount)
Woman	656	63.4%
Man	351	36.4%
Non-binary	< 5	0.05%
Diversity Groups	Number (Headcount)	Percentage of total workforce (Calculated on headcount)
Women	656	63.4%
Aboriginal Peoples and Torres Strait Islander Peoples	13	1.2%
People with disability	40	3.8%
Culturally and Linguistically Diverse – Born overseas	33	3.4%
Culturally and Linguistically Diverse – Speak a language at home other than English (including Aboriginal and Torres Strait Islander languages or Australian South Sea Islander languages)	43	4.5%
	Number (Headcount)	Percentage of total Leadership Cohort (Calculated on headcount)
Women in Leadership Roles ²	88	47.9%

1. To ensure privacy, in tables where there are less than five respondents in a category, specific numbers should be replaced by <5.
2. Women in Leadership Roles are considered those positions that are Senior Officer and equivalent and above.

Strategic workforce planning

Strategic workforce planning is informed by internal and external environmental factors driving workforce opportunities and by demands, risks and themes expressed by the workforce about current and future priorities.

The department's strategic workforce objectives are to:

- » attract and retain a diverse, capable, and engaged workforce, where individuals' contributions are recognised and rewarded
- » be a high-performing workplace that builds leaders' and employees' capabilities, leads, and responds to change and empowers our people
- » be agile, flexible and align resources with priorities through strong governance and use of data analysis to inform decision-making
- » demonstrate a values-based culture where we foster inclusiveness, harness diversity, act with integrity, and support the health and wellbeing of employees.

In designing contemporary strategies for the workforce, and monitoring and measuring the success of objectives, the department draws on a range of information. This includes data on resource management and agility, the representation of diversity groups, complaints, legislative compliance, and employee opinions expressed through internal pulse surveys, communities of practice, workshops and the annual Working for Queensland survey.

Attraction and retention activities

In 2021–22, with an aim of recruiting, attracting and retaining an inclusive, diverse and capable workforce, the department enhanced recruitment activities to reflect contemporary practices and deliver efficiencies. This included sourcing graduates via existing whole-of-government candidate pools, advertising for a broad range of key skills and capabilities in combined recruitment exercises and using existing candidate pools from previously advertised roles to support similar and order-of-merit appointments. The department is also investigating the use of continuous applicant pools to drive attraction and recruitment to key roles.

To remain a competitive employer, the department introduced a suite of initiatives aimed at attracting prospective candidates including:

- » a reward and recognition framework that has a strong focus on recognition and acknowledgement
- » a flexible and agile work environment, including working from home agreements and/or distributed work centres, with the technology to support flexible working
- » a learning and talent management system giving employees access to extensive online development opportunities
- » a leadership team genuinely interested in consulting and engaging with employees on organisational and workforce strategies
- » Director-General and Executive Leadership Team led virtual forums for all staff
- » a range of leadership development opportunities offered at all levels
- » positive performance management practices that support ongoing professional development.

Retention is addressed at a department level through analysis of feedback and examination of workplace issues described in the Working for Queensland survey results and from other employee consultation activities. Follow up actions to improve the workplace and increase retention are being implemented. The department also engages with its First Nations employees about targeted retention strategies for this cohort and the establishment of a network of First Nations employees has assisted in providing greater connection to the department and its people.

Employees, managers and panels are encouraged to build an inclusive culture and support diversity and flexible working arrangements through establishment of communities of practice, virtual Q&A sessions and on-line learning opportunities such as a program covering perspectives on unconscious bias and inclusion.

Cultural capability is built and promoted through external and internally-led virtual forums, online learning, and celebration of culturally significant dates and events including NAIDOC week, National Reconciliation Week and Harmony Week.

Planning for the future

The department continues to monitor the changing workplace and workforce environment and responds to change through the review of and updates to strategic and operational workforce planning. As the department continued to adapt to the impacts of the COVID-19 pandemic a concerted effort was made to support more future oriented and sustainable hybrid (home-office) working arrangements.

The department now operates with a portion of its workforce completing their work remotely every day – a hybrid working model – and has leveraged technology to support this flexibility. Employees and leaders alike have been offered information and learning opportunities to support new ways of working.

To engage its employees while operating in new modes of hybrid working, the department has hosted virtual forums and events, and facilitated interaction from live survey interactive tools.

In pursuit of efficiency and greater value for money, agile resource management practices continue to be a focus. Leaders are encouraged to make human resourcing decisions within a framework of resource availability to support the most appropriate matching of organisation establishment with demand.

After a period of high workload and resource constraints, the department identified a need to improve workforce sustainability as it looks to the future. The department has launched a Workforce Sustainability Program which covers aspects of employee wellbeing, investment in learning and leadership development, ensuring appropriate resourcing levels and continued support for employees.

Increased focus has been applied in developing insight and learnings from workforce data. Awareness, capability and use of internal data and analytics tools has grown over the year and a dedicated workforce insights and analytics function has been established. This enabled the department to improve the management of workforce data and increased ability to conduct analyses that support decision-making.

Employee performance strategies and policies

The Performance and Development Agreement Framework aligns with the department's strategic goals and business objectives. High standards of performance and clear behavioural expectations align with the Queensland public service values and are communicated to all employees through the department's policies, procedures and online mandatory training.

The department reviewed the framework according to positive performance management principles and practices that were introduced as part of the public sector reforms. These principles have reinforced a focus on capability development of employees.

Leadership capability and staff development

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

In 2021–22 the department made significant investments in leadership development activities including:

- » Lead4QLD assessment and development program for staff at all levels
- » participation in a range of ANZSOG (Australia and New Zealand School of Government) and other external seminars and classes for senior leaders
- » Performance Conversations workshops for people leaders

- » bystander intervention workshops related to domestic and family violence
- » women in leadership and innovation seminars
- » an extensive program of virtual workshops aimed at supporting employee wellbeing, mindfulness, and resilience.

The department also provides extensive opportunities for employees to engage in self-directed eLearning modules via ELMO: the department's learning management system. The level of participation in these types of programs has grown significantly from 2020–21 to 2021–22 due to the adoption of new ways of working and a renewed focus on mandatory training.

The induction program provides new employees and those transferring between teams with the information they require to transition into their roles in a new work environment as quickly as possible. Employees are supported through the induction process via a program of online learning covering topics such as ethics and integrity, information security and recordkeeping.

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 continued to be an important part of the department's COVID-19 workforce response and employees were 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 around mental health, resilience and wellbeing to create a safe workplace and sustainable workforce. Aligned with this, the implementation of an overarching WHS Action Plan 2021–25 has driven delivery of outcomes as follows:

- » Health and wellbeing:
 - partnering with the department's Employee Assistance Program provider Benestar to deliver information and awareness sessions relating to mental health, resilience, wellbeing, hybrid working, self-awareness and sexual harassment
 - planning and developing an online Mental Health Hub to create awareness, and provide information and resources to employees
 - developing resources to guide and assist employees and managers on matters relating to flexible work arrangements
 - offering employees and their immediate family members professional, confidential, and independent counselling support through an Employee Assistance Program. These support services are promoted regularly to build awareness about the assistance options employees can access to enhance their emotional, physical and financial wellbeing
 - mental health awareness campaigns and promotion of mental health and wellbeing on-line education modules including how to have "R U OK?" conversations
 - promotion of key health and wellbeing community events
 - flu vaccinations
 - prevention of domestic and family violence education and awareness events
 - having leadership programs that focus on respectful workplaces through heightened awareness and improved capability including programs covering topics such as dealing with inappropriate behaviours, self-awareness, understanding others and team relationship building.
- » WHS policy framework (including incident management and reporting):
 - consultation with the WHS Committee on key issues impacting the workplace such as the COVID-19 vaccination policy, and using data and reporting to identify and respond to issues and trends
 - improved risk assessment and management, with escalation of key issues through the governance framework to the PCC

- enabling hybrid flexible work arrangements which has led to a reduction in workplace incidents and injuries throughout 2021–22. This is attributed to the reduced journeys to and from the office by employees
- electing a health and safety representative for the workforce
- commencing an annual program of work site inspections for all department office-based locations

Industrial and employee relations

The department continued to support the principles of the Union Encouragement Policy and to meet its commitments and obligations in relation to the management of employment and industrial matters, including reporting to the Public Service Commission and Crime and Corruption Commission, in line with its obligations and statutory requirements.

The department's Consultative Committee (CC) is a key forum in engaging with the union on industrial issues that impact on its workforce. The CC has focused on organisational realignments and change, response to the COVID-19 pandemic impacting on staff, flexible working, consultation on policies and employment security.

The department has been actively involved in the public sector reform initiatives currently being implemented across the sector. This included participation in consultation sessions and forums, reviewing the Public Sector Bill and the provision of feedback on a range of directives and documents.

Early retirement, redundancy, and retrenchment

During 2021–22, no employees received redundancy packages.



Part 06

Appendices



Appendix 1: Service performance (SDS)

Appendix 2: Boards and committees (government bodies)

Appendix 3: Compliance checklist

Appendix 1: Service performance (SDS)

These are the Department of State Development, Infrastructure, Local Government and Planning service areas:

- » 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 2021–22 financial year. These may vary from the estimated actuals reported in the Service Delivery Statement 2022–23 which were calculated prior to the State budget handed down in June 2022.

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.

Develop the economy	2021–2022 Target/Est	2021–2022 Actual
<i>Effectiveness measure</i>		
Value of capital investment enabled through project facilitation ¹	\$863 million	\$1.4 billion
Estimated number of jobs enabled through project facilitation ²	2,695	2,363
<i>Efficiency measure</i>		
Project facilitation costs per \$1000 of capital investment enabled ³	<\$4.48	\$2.60

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 2021–22 Actual is higher than the 2021–22 Target/Estimate due to a high-value capital project reaching 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 2021–22 Actual is lower than the 2021–22 Target/Estimate as proponent information is used to inform the data whereas the Target/Estimate is based on the Queensland Treasury Guidelines for estimating the FTE jobs directly supported by capital works and proponent information where known.
3. 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. The variance between the 2021–22 Actual and the 2021–22 Target/Estimate is due to a high-value capital project reaching financial investment decision during the year.

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.

Infrastructure and economic resilience strategy, policy and planning	2021–2022 Target/Est	2021–2022 Actual
<i>Effectiveness measure</i> Level of satisfaction of key stakeholders with timeliness and effectiveness of consultation undertaken relating to infrastructure and economic resilience strategy, policy and planning ¹	80%	82%
<i>Efficiency measure</i> Administration costs per \$1,000 of infrastructure investment coordinated through the service area ²	<\$5.00	\$3.29

Notes:

1. This service standard measures the components of timeliness, effectiveness and overall satisfaction of key stakeholders' experience with actions and activities undertaken by Infrastructure and Regional Strategy group in the department. The stakeholders surveyed comprise a cross section of industry experts, state and local government representatives and academia.
2. Administration costs comprise the operating expenditure of the Infrastructure Innovation, Performance and Delivery function (i.e., FTEs, 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.

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.

Local government	2021–2022 Target/Est	2021–2022 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%	85%
<i>Efficiency measure</i> Cost of capacity building per local government ²	\$42,900	\$51,300
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%	88%
<i>Efficiency measure</i> Administration costs per \$1,000 of local government funding distributed ⁴	<\$6.50	\$2.62

Notes:

1. This service standard measures the level of satisfaction of the Mayors and CEOs 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.
2. 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 2021–22 Actual is higher than the 2021–22 Target/Estimate due to increased investment in improving governance and financial management across local governments.

3. This service standard measures the level of satisfaction of the Mayors and CEOs of the 77 local governments in Queensland with the effectiveness, timeliness, quality and overall satisfaction of the administration of local government funding programs.
4. 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. The variance between the 2021–22 Target/Estimate and the 2021–22 Actual is a result of higher than budgeted grant payments.

Independent Assessor

The objective of this service area is timely and proficient administration of the councillor complaints framework.

Independent Assessor	2021–2022 Target/Est	2021–2022 Actual
<i>Effectiveness measure</i> Complaint clearance rate ¹	80%	106%
<i>Efficiency measures</i> Average cost per assessment of complaint ²	\$360	\$511
Average cost per investigation ³	\$3,800	\$3,300

Notes:

1. This service standard measures the complaint clearance rate across the financial year and demonstrates the effectiveness of the complaint management process. The variance between the 2021–22 Target/Estimate and 2021–22 Actual is due to the inclusion of complaints that relate to a previous period but were cleared in the current period.
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. The variance between the 2021–22 Target/Estimate and 2021–22 Actual is a result of a reduction in the number of complaints being received leading to a higher cost per complaint assessed.
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 2021–22 Target/Estimate and 2021–22 Actual is a result of higher than anticipated finalisation of investigations.

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.

Better planning for Queensland	2021–2022 Target/Est	2021–2022 Actual
<i>Effectiveness measure</i> Level of stakeholder satisfaction with accessibility and transparency of the requirements of the planning system ¹	75%	74%
<i>Efficiency measure</i> Average administration costs per decision made by the State Assessment and Referral Agency ²	\$4,600	\$4,806

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 of 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 and is calculated by dividing the total cost of administering and delivering development assessment services and decisions within the State Assessment Referral Agency by the number of decisions made. The variance between the 2021–22 Target/Estimate and the 2021–22 Actual is as a result of the higher than anticipated cost of appeals.

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.

Business and economic growth	2021–2022 Target/Est	2021–2022 Actual
<i>Effectiveness measure</i> Value of private sector investment generated through the facilitation of economic and community development projects ¹	\$363.1 million	\$438.8 million
<i>Efficiency measure</i> Facilitation costs per \$1,000 of private sector investment generated for economic and community development projects ²	\$47.50	\$33.11

Notes:

1. This measure is the value of private sector capital investment generated through the facilitation of economic and community development projects in EDQ, including the value of land sales for which EDQ is responsible. The variance between the 2021–22 Target/Estimate and the 2021–22 Actual is due to increased 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. The variance between the 2021–22 Target/Estimate and the 2021–22 Actual is due to greater than forecast private sector investment.

Appendix 2: Boards and committees

Councillor Conduct Tribunal					
Act or instrument	<i>Local Government Act 2009</i>				
Functions	The purpose of the Tribunal is: » 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	In 2021–22, the Tribunal: » conducted 16 misconduct hearings (see section 150AL of the <i>Local Government Act 2009</i>) » delivered 16 decisions about misconduct applications (see section 150AS of the <i>Local Government Act 2009</i>) » finalised 9 inappropriate conduct investigations referred by local governments (see section 150DL of the <i>Local Government Act 2009</i>)				
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					
Position	Name	Meetings/sessions attendance <i>+Matters are allocated to casual members based on their availability</i>	Approved annual, sessional or daily fee Where a casual member acts as Chair they are remunerated at the President’s rate ¹	Approved sub-committee fees if applicable	Actual fees received
President	June Anstee	8 matters* ²	\$325 per 4-hour block or part thereof	N/A	\$105,923
Casual Member	Oliver Simon	5 matters	\$250 per 4-hour block or part thereof	N/A	\$20,250
Casual Member	Jane Bishop	1 matter		N/A	\$5,500
Casual Member	Jane Stuckey	2 matters		N/A	\$7,000
Casual Member	Brendan Walker-Munro	16 matters		N/A	\$49,300
Casual Member	Gabe Bednarek	8 matters		N/A	\$15,250
Casual Member	Troy Newman	14 matters		N/A	\$15,900
Casual Member	Carolyn Ashcroft	6 matters		N/A	\$4,500
Casual Member	Russell Faulkner	7 matters		N/A	\$6,759
Casual Member	Peter Black	6 matters		N/A	\$4,750
Casual Member	Clare O’Connor	2 matters		N/A	\$3,500
Casual Member	Sally Robb	0 matters		N/A	\$0.00
Casual Member	Bronwyn Springer (resigned September 2021)	5 matters		N/A	\$11,075

¹ The Tribunal is remunerated at Adjudication and Determination category, level 3 of the Queensland Government's Remuneration Procedures for Part-time Chairs and Members of Queensland Government Bodies, comprising sessional/meeting fees (four hours or less) of \$325 for the President and \$250 for casual members.

² See * for a further explanation of the President's remuneration as detailed in the below column headed 'No. scheduled meetings/sessions'

No. scheduled meetings/sessions	<p>16 misconduct hearings were conducted, and reports finalised.</p> <p>9 inappropriate conduct reports were finalised and provided to the local government.</p> <p>+ Matters include:</p> <ul style="list-style-type: none"> » conducting misconduct hearings of varying levels of complexity, which may involve the consideration of multiple allegations, complaints and complainants » undertaking inappropriate conduct investigations which also may include multiple allegations and complainants. <p>Actual fees received are fees paid in the 2021–22 financial year and may relate to attendances in the previous financial year. Matters are allocated to casual members based on their availability.</p> <p>* In addition to conducting misconduct hearings and conducting inappropriate conduct investigations, fees paid to:</p> <ul style="list-style-type: none"> » the President and Casual Tribunal members include time spent on preliminary hearings, preparation/reading, research, writing decisions, responding to court proceedings » the President includes time providing training and a learning framework to casual members, ensuring the practice and procedure of the Tribunal is implemented in accordance with the <i>Local Government Act 2009</i>, allocation of Tribunal panels, mentoring casual members re conduct of hearings, decision writing and the provision of template guides and documents and other attendances.
Total out of pocket expenses	\$839.52

Economic Development Board					
Act or instrument	<i>Economic Development Act 2012</i>				
Functions	The functions of the Economic Development Board are to: » 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> (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 exercise the powers of MEDQ delegated under the ED Act.				
Achievements	Achievements included: » regular review of the performance of EDQ’s industrial and urban development portfolios to ensure optimum financial and community outcomes » approval of the EDQ 2022–2026 Strategic Plan » providing strategic input into the delivery of development projects including Northshore Hamilton, Carseldine Village, Sunshine Coast Industrial Project, Yeerongpilly Green, Yeronga, Oxley and Social and Affordable Housing Precincts » guiding the development of infrastructure plans and projects for greenfield Priority Development Areas » monitoring the financial sustainability of infrastructure provision for Priority Development Areas » reviewing project proposals for development projects » quarterly review of the strategic risk register.				
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	6 as DG, DSDILGP	N/A	N/A	N/A
Chair	Mike Kaiser	1 as DG, DSDILGP	N/A	N/A	N/A
Member	Danielle McAllister	3 as proxy for DG, DPC	N/A	N/A	N/A
Member	Rebecca McGarrity	3 as proxy for DG, DPC	N/A	N/A	N/A
Member	Adrian Jeffreys	1 as proxy for DG, DPC	N/A	N/A	N/A
Member	Leon Allen	2 as UT, QT	N/A	N/A	N/A
Member	Andrew Beehag	2 as proxy for UT, QT	N/A	N/A	N/A
Member	Sarah Amos	3 as proxy for UT, QT	N/A	N/A	N/A
No. scheduled meetings/sessions	7 board meetings were scheduled				
Total out of pocket expenses	Nil				

DG – Director-General

DPC – Department of the Premier and Cabinet

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

UT – Under Treasurer

QT – Queensland Treasury

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 2021–22, the Commission: » attended the Local Government Association of Queensland (LGAQ) Conference, 25 to 27 October 2021, in Mackay and met with 2 councils » made determinations on submissions from 4 councils » decided the maximum amount of remuneration payable to councillors of Queensland local governments (excluding Brisbane City Council) before 1 December 2021 » gazetted the Remuneration Schedule and published the 2021 annual report on 10 December 2021.				
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	6	\$325 per session	Nil	\$5,899
Commissioner	Andrea Ranson	5	\$250 per session	Nil	\$4,027
Commissioner	Reimen Hii	5	\$250 per session	Nil	Nil
No. scheduled meetings/sessions	6 meetings				
Total out of pocket expenses	\$1,299				

Office of the Independent Assessor					
Act or instrument	Local Government Act 2009				
Functions	<p>The functions of the Office of the Independent Assessor (OIA) are:</p> <ul style="list-style-type: none">» to undertake the initial assessment of all complaints about councillor conduct in Queensland» to investigate misconduct complaints against mayors and councillors and, where appropriate, prosecute those complaints in the Councillor Conduct Tribunal (CCT)» to refer potential inappropriate conduct back to councils to deal with» to refer suspected corrupt conduct to the Crime and Corruption Commission (CCC)» to prosecute offences against the conduct provisions.				
Achievements	<p>In 2021–22:</p> <ul style="list-style-type: none">» 881 complaints with 968 separate allegations were received about the conduct of Queensland councillors» 91% of complaints were assessed within 21 working days of lodgement» 28 complaints relating to corrupt conduct were referred to the CCC» 46 inappropriate conduct complaints were referred to 21 councils to investigate and resolve» 290 misconduct investigations were completed and another 87 investigations into complaints were underway as at 30 June 2022» 56 complaints containing 61 allegations against 34 councillors were assigned to OIA legal for a natural justice process prior to a possible referral to the CCT» 40 complaint matters were referred to the CCT» 21 complaint matters were decided by the CCT involving 29 allegations of misconduct against 18 councillors; 90% of the allegations were wholly or partly sustained. <p>Additionally, the OIA has reduced timeframes to where no matters are on hold awaiting an investigator and no investigations are over 12 months as at 30 June 2022.</p> <p>The OIA assisted the Parliamentary State Development and Regional Industries Committee during its inquiry into the functions of the OIA, by offering solutions to improve the councillor conduct framework.</p>				
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	N/A	\$368,697.44	N/A	\$368,697.44

Queensland Deputy Premier'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	The Queensland Deputy Premier’s Advisory Council on Defence Industry and Jobs provided expert advice on key defence matters including: » endorsement of the updated Queensland Defence Industries and Aerospace Roadmaps » endorsement of the Queensland Defence, Maritime, Aerospace and Space Industry Skills Plan » increased small and medium-sized enterprises collaboration » regulatory reform activities for the aerospace sector » priority skills required for defence industry » Queensland’s strategic planning and positioning industry for potential opportunities within new defence enterprises.				
Financial reporting	The operating and administrative costs associated with the board are paid by the department, which reports its financial statements annually.				
Remuneration The chair and members of the board are remunerated in accordance with the Government’s <i>Remuneration Procedures for Parttime 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	Deputy Premier, Minister for State Development, Infrastructure, Local Government and Planning and Minister Assisting the Premier on Olympics Infrastructure	2	N/A	N/A	N/A
Ex-officio members	Departmental Representatives	2	N/A	N/A	N/A
Member	Scott Carpendale ¹	2	\$300 daily		Nil
Member	Sue Keay	2	\$300 daily		Nil
Member	Deanne Barnett	2	\$300 daily		\$600
Member	Ranee Crosby	2	\$0		Nil
Member	Karen Stanton	1	\$300 daily	\$10.13	\$310.13
Member	Sarah Earey	1	\$300 daily		\$300
Member	Olav Groot	1	\$300 daily		\$300
Member	Gary Stewart	2	\$300 daily		\$600
Member	Carl Quarterman	2	\$300 daily	\$155.24	\$600
Member	Emily Frizell	2	\$300 daily		\$600
Member	Mark Horn ²	1	\$300 daily		Nil
No. scheduled meetings/sessions	2 (27 September 2021 and 23 March 2022)				
Total out of pocket expenses	\$3,660.57				

Notes:

1. Scott Carpendale attended one meeting, and a proxy attended one meeting.
2. Mark Horn attended as a guest at the September 2021 meeting and became a member in February 2022.

Queensland 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 77 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 2021–22, the Commission: » made recommendations to the Minister for Local Government about the 2021–22 Financial Assistance Grant » continued and finalised a review into the allocation methodology for the Financial Assistance Grant in Queensland, the first such review in a decade. The allocations resulting from the review will be staged in over a three-year period, commencing with the 2022–23 Financial Assistance Grant » consulted with the Local Government sector, both as part of the above review process and under its statutory obligations to hold public hearing with councils.				
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	Approved sub-committee fees if applicable	Actual fees received
Chair	Paul Bell AM	7 formal meetings 6 dedicated meetings with councils LGAQ Conference 5 ROC meetings	\$10,000 per annum	Nil	\$8,427
Deputy Chair	Natalie Wilde	7 formal meetings LGAQ Conference	Nil	Nil	Nil
Member	Deirdre Comerford	7 formal meetings LGAQ Conference 2 ROC meetings	\$6,000	Nil	\$5,056
Member	Janelle Menzies	7 formal meetings LGAQ Conference 2 ROC meetings	Nil	Nil	Nil
Member	Jo Sheppard (resigned 4 February 2022)	4 formal meetings	\$6,000	Nil	\$4,185
Member	Cr Kurt Rehbein (commenced 24 March 2022)	2 formal meetings 1 dedicated meeting with council	\$6,000	Nil	Nil
No. scheduled meetings/sessions	22 meetings inclusive of the LGAQ Conference, 8 ROC meetings and 6 dedicated council meetings.				
Total out of pocket expenses	\$1,847				

LGAQ – Local Government Association of Queensland

ROC – Regional Organisations of Councils

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: » recommended 20 applications seeking funding of \$47.09 million be approved under Round 1. These recommendations were fully approved by the Deputy Premier, Minister for State Development, Infrastructure, Local Government and Planning and Minister Assisting the Premier on Olympics Infrastructure » reviewed, provided feedback and endorsed the Round 2 Applicant Guidelines for approval and public release » considered applications seeking funding under Round 2, with recommendations to be made in the 2022–23 financial year.				
Financial reporting	Not exempted from audit by the Auditor-General Transactions of the entity are accounted for in the department’s financial statements				
Remuneration					
Position	Name	Meetings/sessions attendance	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chair – RCR	Tony Mooney AM	7	N/A	N/A	N/A
Member – RCR	Fiona Jose	5	N/A	N/A	N/A
Member – RCR	Jane William	6	N/A	N/A	N/A
Member – PMRIR	Melissa Johnson	7	N/A	N/A	N/A
Member – PMRIR	Leah Morgan	6	N/A	N/A	N/A
Member – PMRIR	Anthony Pitt	6	N/A	N/A	N/A
Member – PMRIR	Jess Roberson	7	N/A	N/A	N/A
Member – SR	Michael McKee	7	N/A	N/A	N/A
Member – SR	Natalie Wilde	5	N/A	N/A	N/A
No. scheduled meetings/sessions	7				
Total out of pocket expenses	\$1,341.54				

PMRIR – Participating Mineral Resource Industry Representative

RCR – Resources Community Representative

SR – State Representative

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">» produce such plan or plans as may be necessary in relation to the corporation area in order to fulfil its objects» promote and undertake the development of land within the corporation area in accordance with the approved development plan» facilitate and control, with the council, the development of land within the corporation area in accordance with the approved development plan» efficiently manage, and dispose by lease, of land vested in or under the control of the corporation under the approved development plan so as to secure the maximum prudent financial benefit for the corporation» efficiently manage and dispose of other property vested in or under the control of the corporation so as to secure the maximum prudent financial benefit for the corporation» manage on an ongoing basis all land and other property vested in or under the control of the corporation so as to secure the maximum prudent financial benefit for the corporation» promote, organise and conduct tourist, educational, recreational, entertainment, cultural and commercial activities in the corporation area» construct, establish, maintain, develop and operate tourist, educational, recreational, entertainment, cultural and commercial facilities within the corporation area» achieve, by the adoption of best practice principles, excellence and innovation in the management of open space and park areas» carry out works for the purpose of landscaping the corporation area.				
Achievements	<p>Key achievements were:</p> <ul style="list-style-type: none">» support for the precinct after the challenging economic conditions of COVID-19 and the February 2022 flood event – provision of financial and strategic support to retail stakeholders and precinct clients» growth of cultural capability and capacity – the focus this year has been on elevating First Nations arts and culture in our precinct and workplace» review of systems and operational capacity with continual monitoring of existing infrastructure to ensure the Corporation remains fit for purpose and positioned for future opportunities» working with the manager of its major asset, the Brisbane Convention and Exhibition Centre to continue to navigate the impact and recovery from the COVID-19 pandemic, while contributing to visitation within the precinct.				
Financial reporting	Not exempted from audit by the Auditor-General Transactions of the entity are accounted for in the financial statements of South Bank Corporation				
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	7	Nil	N/A	Nil
Board Member	Director-General of administering agency (Damien Walker to 2/05/22, Mike Kaiser from 11/05/22)	6	Nil	N/A	Nil
Board Member	Margaret de Wit OAM (term ended 28/02/22, re-appointed 26/05/22, resigned 16/06/22)	7	\$15,000	N/A	\$11,000
Board Member	Richard Kirk	11	\$15,000	N/A	\$15,000
Board Member	Kyl Murphy	11	\$15,000	N/A	\$15,000
Board Member	Mick Power (term ended 28/02/22, re-appointed 26/05/22)	5	\$15,000	N/A	\$11,000
Board Member	Tim Quinn	11	\$15,000	N/A	\$15,000
Board Member	Marina Vit	11	\$15,000	N/A	\$15,000
Board Member	Stephanie Wyeth	10	\$15,000	N/A	\$15,000

Deputy Member (alternate for Director-General of administering agency)	Assistant Director- General, Policy, Portfolio and Government Services (Natalie Wilde from 1/03/22)	2 (guest)	Nil	N/A	Nil
	State Planner – administering agency (Kerry Doss to 28/02/22)	2	Nil	N/A	Nil
No. scheduled meetings/sessions	11 board meetings were scheduled during the year				
Total out of pocket expenses	Nil				

South East Queensland Housing Supply Expert Panel (HSEP)					
Act or instrument	Non-statutory – Appointed by the Minister for Planning in accordance with a Terms of Reference				
Functions	HSEP support the Growth Monitoring Program (GMP) by providing independent expert advice to the department and Minister for Planning on matters including, but not limited to: » 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 (LSDM) annual reporting » housing supply issues that arise from the South East Queensland’s Growth Monitoring Program, as well as providing recommendations to government on appropriate responses.				
Achievements	HSEP has continued to provide oversight of the GMP and the development of the annual LSDM reporting in 2021–22. HSEP provided advice and guidance to the following initiatives: » updated land supply and development activity data and information » updating the Market Factors Report for SEQ » updated reporting on social housing stock. HSEP also provided input into the 2022 LSDM Peer Review Report and 2022 Peer Review Implementation Strategy.				
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					
Position	Name	Meetings/ sessions attendance*	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received (including superannuation)
Panel Chair	Julie Saunders	6	\$390 daily fee or \$195 fee for meeting less than 4 hours	N/A	Did not claim meeting fees
Panel member	Elin Charles-Edwards	4	\$300 daily fee or \$150 fee for meeting less than 4 hours	N/A	\$660
Panel member	Nerida Conisbee	5		N/A	\$660
Panel member	Dr Michael Fotheringham	3		N/A	Did not claim meeting fees
Panel member	Dr Laurel Johnson	5		N/A	Did not claim meeting fees
Panel member	Sonya Keep	5		N/A	\$1,155
Panel member	Warren Rowe	5		N/A	\$660
Panel member	Ben Slack	5		N/A	Did not claim meeting fees
Panel member	Marcus Spiller	4		N/A	Did not claim meeting fees
No. scheduled meetings/sessions	Over the course of 2021–22, the panel has: » met 6 times (21 August 2021, 7 September 2021, 7 October 2021, 22 November 2021, 6 April 2022, 2 June 2022) » held one extraordinary meeting (22 November 2021) » released 2 publicly accessible meeting communiques via the department’s website.				
Total out of pocket expenses	» \$3,135 including superannuation » \$2,850 excluding superannuation *Note that payments made to HSEP members in the financial year reflect when remuneration forms were processed, so payments do not always align to the number of meetings/hours attended in a financial year.				

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 2021–22

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 2021–22

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 4
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1	Page 2 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 1
	<ul style="list-style-type: none"> Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	Page 1
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 9.4	Page 1
	<ul style="list-style-type: none"> Information Licensing 	<i>QGEA – Information Licensing</i> ARRs – section 9.5	Page 1
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10	Pages 8–13
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 15
	<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 32–34
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1	Page 8–9
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2	Page 9–10
	<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 41
	<ul style="list-style-type: none"> Human Rights 	<i>Human Rights Act 2019</i> ARRs – section 13.5	Page 41
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.6	Page 12
Governance – risk management and accountability	<ul style="list-style-type: none"> Risk management 	ARRs – section 14.1	Page 37
	<ul style="list-style-type: none"> Audit committee 	ARRs – section 14.2	Page 40–41
	<ul style="list-style-type: none"> Internal audit 	ARRs – section 14.3	Page 42–43
	<ul style="list-style-type: none"> External scrutiny 	ARRs – section 14.4	Page 43

Summary of requirement		Basis for requirement	Annual report reference
	• Information systems and recordkeeping	ARRs – section 14.5	Page 43–44
	• Information Security attestation	ARRs – section 14.6	Page 44
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 1
	• Consultancies	ARRs – section 31.1	Page 34
	• Overseas travel	ARRs – section 31.2	https://data.qld.gov.au/
	• Queensland Language Services Policy	ARRs – section 31.3	https://data.qld.gov.au/
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	Part 07 – Page 37
	• Independent Auditor's Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	Part 07 – Page 38–41

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 2022

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Department of State Development, Infrastructure, Local Government and Planning
Statement of Comprehensive Income for the year ended 30 June 2022

		2022 Actual \$'000	2022 Adjusted budget* \$'000	2022 Budget variance** \$'000	2021 Actual \$'000
OPERATING RESULT	Note				
Income					
Appropriation revenue		667,548	732,148	(64,600)	439,313
User charges and fees	4	21,765	25,537	(3,772)	12,307
Grants and other contributions	5	24,714	23,333	1,381	40,535
Land sales		93,735	81,521	12,214	38,469
Interest		9,415	9,769	(354)	5,086
Other revenue		5,759	304	5,455	690
Total revenue		822,936	872,612	(49,676)	536,400
Gains on disposal and remeasurement of assets	6	137,105	-	137,105	173
Total income		960,040	872,612	87,428	536,574
Expenses					
Supplies and services	7	120,615	93,432	27,183	35,087
Grants and subsidies	8	413,609	572,944	(159,335)	364,662
Employee expenses	9	130,657	128,089	2,568	80,269
Revaluation decrement		-	-	-	3,292
Finance/borrowing costs		3,205	3,967	(762)	2,278
Cost of land sales	12	66,567	64,504	2,063	23,268
Depreciation and amortisation		50,146	2,530	47,616	1,700
Land inventory impairment	12	20,159	-	20,159	21,307
Other expenses	10	9,824	7,823	2,001	5,471
Total expenses		814,782	873,289	(58,507)	537,334
Operating result before income tax equivalents		145,258	(677)	145,935	(760)
Income tax equivalents	16	(26,611)	2,678	(29,289)	11,169
Operating result after income tax equivalents		118,647	2,001	116,646	10,409
OTHER COMPREHENSIVE INCOME					
<i>Items that will not be reclassified to operating result</i>					
Increase in asset revaluation surplus	14	46,324	-	46,324	1,998
TOTAL OTHER COMPREHENSIVE INCOME		46,324	-	46,324	1,998
TOTAL COMPREHENSIVE INCOME		164,971	2,001	162,970	12,407

* On 1 March 2022, Investment Transactions was transferred to the department from Queensland Treasury (QT). Details of the transfer are outlined in Note 2. As required by QT policy under such arrangements, the budget figures used in this comparison represent the Adjusted Budget figures for the financial year, as published in the latest Service Delivery Statement tabled in Parliament.

** An explanation of major variances is included in Note 26.
The accompanying notes form part of these financial statements.

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 2022

	Develop the Economy*		Economic Development Queensland		Infrastructure and Economic Resilience Strategy, Policy and Planning		Better Planning for Queensland		Local Government		Independent Assessor	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Income												
Appropriation revenue	140,455	63,765	-	-	112,256	5,875	43,168	25,122	366,680	311,860	4,989	3,988
User charges and fees	3,740	2,711	13,731	7,851	398	239	5,676	2,883	541	259	128	55
Grants and other contributions	24,265	33,794	2,739	(10,721)	201	6,741	-	-	248	-	-	-
Land sales	-	-	93,735	38,469	-	-	-	-	-	-	-	-
Interest	264	132	8,817	4,771	57	41	181	91	78	41	18	9
Other revenue	533	9	4,585	705	115	3	375	6	745	(42)	37	1
Total revenue	169,257	100,411	123,606	41,075	113,028	12,899	49,400	28,103	368,291	312,117	5,173	4,053
Gains on disposal and remeasurement of assets	783	110	136,321	63	-	-	-	-	-	-	-	-
Total income	170,041	100,521	259,927	41,138	113,028	12,899	49,400	28,103	368,291	312,117	5,173	4,053
Expenses												
Supplies and services	27,970	16,280	26,656	4,215	46,684	2,890	14,956	8,057	6,213	4,296	1,218	923
Grants and subsidies	40,744	22,641	23,677	8,572	5,185	893	-	120	346,742	294,815	-	-
Employee expenses	49,272	27,100	14,845	8,665	14,864	8,924	33,319	18,542	14,447	12,350	3,909	3,021
Revaluation decrement	-	-	-	3,292	-	-	-	-	-	-	-	-
Finance/borrowing costs	-	-	3,205	2,278	-	-	-	-	-	-	-	-
Cost of land sales	-	-	66,567	23,268	-	-	-	-	-	-	-	-
Depreciation and amortisation	1,398	326	415	185	47,595	57	406	921	304	122	27	89
Land inventory impairment	-	-	20,159	21,307	-	-	-	-	-	-	-	-
Other expenses	1,242	369	7,898	4,558	261	136	246	238	157	121	19	19
Total expenses	120,626	66,716	163,422	76,341	114,591	12,900	48,927	27,878	367,864	311,705	5,173	4,053
Operating result before income tax equivalents	49,415	33,805	96,505	(35,202)	(1,563)	-	473	225	428	412	-	-
Income tax equivalents	-	-	(26,611)	11,169	-	-	-	-	-	-	-	-
Operating result after income tax equivalents	49,415	33,805	69,894	(24,033)	(1,563)	-	473	225	428	412	-	-
OTHER COMPREHENSIVE INCOME												
<i>Items that will not be reclassified to operating result</i>												
Increase/(decrease) in asset revaluation surplus	53,750	1,397	(7,426)	601	-	-	-	-	-	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME	53,750	1,397	(7,426)	601	-	-	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	103,164	35,202	62,469	(23,432)	(1,563)	-	473	225	428	412	-	-

* This includes Investment Transactions transferred in from QT effective 1 March 2022 (refer Note 2).
Refer to Note 1 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 2022 (continued)

	Racing*		Multicultural Affairs*		Inter-Service/Unit Eliminations		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Income								
Appropriation revenue	-	24,947	-	3,757	-	-	667,548	439,313
User charges and fees	-	-	-	-	(2,450)	(1,690)	21,765	12,307
Grants and other contributions	-	-	-	-	(2,739)	10,721	24,714	40,535
Land sales	-	-	-	-	-	-	93,735	38,469
Interest	-	-	-	-	-	-	9,415	5,086
Other revenue	-	-	-	8	(631)	-	5,759	690
Total revenue	-	24,947	-	3,765	(5,820)	9,031	822,936	536,400
Gains on disposal and remeasurement of assets	-	-	-	-	-	-	137,105	173
Total income	-	24,947	-	3,765	(5,820)	9,031	960,040	536,574
Expenses								
Supplies and services	-	-	-	115	(3,081)	(1,690)	120,615	35,087
Grants and subsidies	-	24,947	-	1,954	(2,739)	10,721	413,609	364,662
Employee expenses	-	-	-	1,666	-	-	130,657	80,269
Revaluation decrement	-	-	-	-	-	-	-	3,292
Finance/borrowing costs	-	-	-	-	-	-	3,205	2,278
Cost of land sales	-	-	-	-	-	-	66,567	23,268
Depreciation and amortisation	-	-	-	-	-	-	50,146	1,700
Land inventory impairment	-	-	-	-	-	-	20,159	21,307
Other expenses	-	-	-	30	-	-	9,824	5,471
Total expenses	-	24,947	-	3,765	(5,820)	9,031	814,782	537,334
Operating result before income tax equivalents	-	-	-	-	-	-	145,258	(760)
Income tax equivalents	-	-	-	-	-	-	(26,611)	11,169
Operating result after income tax equivalents	-	-	-	-	-	-	118,647	10,409
OTHER COMPREHENSIVE INCOME								
<i>Items that will not be reclassified to operating result</i>								
Increase/(decrease) in asset revaluation surplus	-	-	-	-	-	-	46,324	1,998
TOTAL OTHER COMPREHENSIVE INCOME	-	-	-	-	-	-	46,324	1,998
TOTAL COMPREHENSIVE INCOME	-	-	-	-	-	-	164,971	12,407

* Functions transferred out effective 1 December 2020.
Refer to Note 1 of the financial statements for a description of major departmental services.

Department of State Development, Infrastructure, Local Government and Planning
Statement of Financial Position as at 30 June 2022

		2022 Actual \$'000	2022 Adjusted budget* \$'000	2022 Budget variance** \$'000	2021 Actual \$'000
	Note				
Current assets					
Cash and cash equivalents	SOCF-1	319,888	149,325	170,563	235,358
Receivables	11	44,348	50,738	(6,390)	36,424
Right-of-use assets	20	83,108	-	83,108	-
Land inventories	12	80,493	81,142	(649)	76,521
Other assets		2,186	1,673	513	2,761
		<u>530,023</u>	<u>282,878</u>	<u>247,145</u>	<u>351,064</u>
Non-current assets classified as held for sale	13	29,805	22,000	7,805	-
Total current assets		<u>559,828</u>	<u>304,878</u>	<u>254,950</u>	<u>351,064</u>
Non-current assets					
Receivables	11	135,169	156,149	(20,980)	144,056
Land inventories	12	206,889	279,268	(72,379)	263,812
Property, plant and equipment	14	345,218	277,716	67,502	258,444
Right-of-use assets	20	1,685	1,685	-	1,685
Investment property	15	382,049	228,590	153,459	226,091
Intangible assets		12,022	12,327	(305)	14,648
Deferred tax equivalent asset	16	39,375	43,427	(4,052)	33,619
Total non-current assets		<u>1,122,407</u>	<u>999,162</u>	<u>123,245</u>	<u>942,355</u>
Total assets		<u>1,682,235</u>	<u>1,304,040</u>	<u>378,195</u>	<u>1,293,418</u>
Current liabilities					
Payables	17	40,643	67,436	(26,793)	73,300
Borrowings	SOCF-1	23,851	17,943	5,908	31,762
Leases	20	31,682	67	31,615	67
Accrued employee benefits		4,196	5,127	(931)	4,295
Provisions	18	60,146	24,174	35,972	22,531
Current tax liability	16	-	-	-	2,912
Other liabilities	19	24,277	24,330	(53)	25,493
Total current liabilities		<u>184,795</u>	<u>139,077</u>	<u>45,718</u>	<u>160,360</u>
Non-current liabilities					
Payables		-	10,708	(10,708)	-
Borrowings	SOCF-1	107,136	131,541	(24,405)	117,527
Leases	20	205	262	(57)	266
Provisions	18	64,427	49,992	14,435	56,373
Deferred tax equivalent liability	16	116,459	85,967	30,492	81,655
Other liabilities	19	4,900	-	4,900	4,900
Total non-current liabilities		<u>293,127</u>	<u>278,470</u>	<u>14,657</u>	<u>260,720</u>
Total liabilities		<u>477,922</u>	<u>417,547</u>	<u>60,375</u>	<u>421,080</u>
Net assets		<u>1,204,313</u>	<u>886,493</u>	<u>317,820</u>	<u>872,340</u>
Equity					
Contributed equity		1,094,588			926,005
Accumulated surplus/(deficit)		61,403			(55,663)
Asset revaluation surplus		48,322			1,998
Total equity		<u>1,204,313</u>	<u>886,493</u>	<u>317,820</u>	<u>872,340</u>

* On 1 March 2022, Investment Transactions was transferred to the department from Queensland Treasury (QT). Details of the transfer are outlined in Note 2. As required by QT policy under such arrangements, the budget figures used in this comparison represent the Adjusted Budget figures for the financial year, as published in the latest Service Delivery Statement tabled in Parliament.

** An explanation of major variances is included in Note 26.

The accompanying notes form part of these financial statements.

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 2022

	Develop the Economy*		Economic Development Queensland		Infrastructure and Economic Resilience Strategy, Policy and Planning		Better Planning for Queensland		Local Government		Independent Assessor	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets												
Cash and cash equivalents	58,497	41,588	187,466	136,340	12,642	12,872	40,027	28,715	17,185	12,872	4,071	2,971
Receivables	13,756	9,033	23,440	22,828	1,092	504	3,225	997	2,510	3,138	326	55
Right-of-use assets	-	-	-	-	83,108	-	-	-	-	-	-	-
Land inventories	-	-	80,493	76,521	-	-	-	-	-	-	-	-
Other assets	840	956	301	425	206	298	507	676	228	342	105	64
Non-current assets classified as held for sale	29,805	-	-	-	-	-	-	-	-	-	-	-
Total current assets	102,898	51,577	291,700	236,113	97,048	13,675	43,758	30,389	19,922	16,352	4,502	3,090
Non-current assets												
Receivables	-	41	132,815	141,029	-	13	19,524	19,552	2,353	2,942	-	3
Land inventories	-	-	206,889	263,812	-	-	-	-	-	-	-	-
Property, plant and equipment	145,048	94,408	155,152	163,745	44,753	65	173	145	74	65	18	15
Right-of-use assets	-	-	1,685	1,685	-	-	-	-	-	-	-	-
Investment property	-	-	382,049	226,091	-	-	-	-	-	-	-	-
Intangible assets	10,695	10,965	-	-	274	414	187	1,804	848	1,134	19	332
Deferred tax equivalent asset	-	-	39,375	33,619	-	-	-	-	-	-	-	-
Total non-current assets	155,743	105,414	917,965	829,981	45,027	492	19,884	21,502	3,276	4,141	37	350
Total assets	258,641	156,991	1,209,665	1,066,094	142,075	14,167	63,642	51,891	23,198	20,493	4,539	3,439
Current liabilities												
Payables	20,659	49,894	14,591	18,492	615	182	704	329	4,075	4,510	-	25
Borrowings	-	-	23,851	31,762	-	-	-	-	-	-	-	-
Leases	-	-	62	67	31,619	-	-	-	-	-	-	-
Accrued employee benefits	1,655	1,275	438	419	461	737	1,065	1,228	449	585	127	50
Provisions	6,482	10,650	47,434	11,881	6,230	-	-	-	-	-	-	-
Current tax liability	-	-	-	2,912	-	-	-	-	-	-	-	-
Other liabilities	16,121	16,104	5,244	6,675	-	-	1,149	704	1,764	2,009	-	-
Total current liabilities	44,917	77,923	91,620	72,209	38,925	919	2,918	2,261	6,288	7,104	127	75
Non-current liabilities												
Payables	-	-	19,524	19,524	-	-	-	-	-	-	-	-
Borrowings	-	-	107,136	117,527	-	-	-	-	-	-	-	-
Leases	-	-	205	266	-	-	-	-	-	-	-	-
Provisions	3,703	3,822	60,725	52,551	-	-	-	-	-	-	-	-
Deferred tax equivalent liability	-	-	116,459	81,655	-	-	-	-	-	-	-	-
Other liabilities	-	-	4,900	4,900	-	-	-	-	-	-	-	-
Total non-current liabilities	3,703	3,822	308,948	276,422	-	-	-	-	-	-	-	-
Total liabilities	48,621	81,744	400,568	348,631	38,925	919	2,918	2,261	6,288	7,104	127	75

* This includes Investment Transactions transferred in from QT effective 1 March 2022 (refer Note 2).
Refer to Note 1 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 2022 (continued)

	Inter-Service/Unit Eliminations		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current assets				
Cash and cash equivalents	-	-	319,888	235,358
Receivables	-	(132)	44,348	36,424
Right-of-use assets	-	-	83,108	-
Land inventories	-	-	80,493	76,521
Other assets	-	-	2,186	2,761
Non-current assets classified as held for sale	-	-	29,805	-
Total current assets	-	(132)	559,827	351,064
Non-current assets				
Receivables	(19,524)	(19,524)	135,169	144,056
Land inventories	-	-	206,889	263,812
Property, plant and equipment	-	-	345,218	258,444
Right-of-use assets	-	-	1,685	1,685
Investment property	-	-	382,049	226,091
Intangible assets	-	-	12,022	14,648
Deferred tax equivalent asset	-	-	39,375	33,619
Total non-current assets	(19,524)	(19,524)	1,122,407	942,355
Total assets	(19,524)	(19,656)	1,682,235	1,293,418
Current liabilities				
Payables	-	(132)	40,643	73,300
Borrowings	-	-	23,851	31,762
Leases	-	-	31,682	67
Accrued employee benefits	-	-	4,196	4,295
Provisions	-	-	60,146	22,531
Current tax liability	-	-	-	2,912
Other liabilities	-	-	24,277	25,493
Total current liabilities	-	(132)	184,795	160,360
Non-current liabilities				
Payables	(19,524)	(19,524)	-	-
Borrowings	-	-	107,136	117,527
Leases	-	-	205	266
Provisions	-	-	64,427	56,373
Deferred tax equivalent liability	-	-	116,459	81,655
Other liabilities	-	-	4,900	4,900
Total non-current liabilities	(19,524)	(19,524)	293,127	260,720
Total liabilities	(19,524)	(19,656)	477,922	421,080

Refer to Note 1 of the financial statements for a description of major departmental services.

Department of State Development, Infrastructure, Local Government and Planning
Statement of Changes in Equity for the year ended 30 June 2022

	Note	Contributed equity \$'000	Accumulated surplus/(deficit) \$'000	Revaluation surplus \$'000	Total \$'000
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	3	17,976	-	-	17,976
Appropriated equity withdrawals	3	(3,299)	-	-	(3,299)
Balance transferred in/(out) through MoG change		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>
Net effect of changes in accounting policies		-	(1,581)	-	(1,581)
Balance as at 1 July 2021		<u>926,005</u>	<u>(57,244)</u>	<u>1,998</u>	<u>870,759</u>
Operating Result					
Operating result from continuing operations		-	118,647	-	118,647
Other comprehensive income					
Increase/(decrease) in asset revaluation surplus		-	-	46,324	46,324
Total Comprehensive Income for the Year		<u>-</u>	<u>118,647</u>	<u>46,324</u>	<u>164,971</u>
Transactions with Owners as Owners:					
Appropriated equity injections	3	189,040	-	-	189,040
Appropriated equity withdrawals	3	(49,014)	-	-	(49,014)
Net transfers in/(out) from other Queensland Government entities		(5,896)	-	-	(5,896)
Balance transferred in through MoG changes	2	37,453	-	-	37,453
Non-appropriated equity withdrawals		(3,000)	-	-	(3,000)
Net Transactions with Owners as Owners		<u>168,583</u>	<u>-</u>	<u>-</u>	<u>168,584</u>
Balance as at 30 June 2022		<u>1,094,588</u>	<u>61,403</u>	<u>48,322</u>	<u>1,204,313</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 2022

		2022	2022	2022	2021
		Actual	Adjusted	Budget	Actual
	Note	\$'000	budget*	variance**	\$'000
			\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
<i>Inflows:</i>					
Appropriation receipts		646,685	727,648	(80,963)	462,241
User charges and fees		23,607	21,900	1,707	2,822
Grants and other contributions		24,284	23,333	951	49,687
Land sales		92,629	81,521	11,108	38,469
GST input tax credits from ATO		34,748	-	34,748	6,903
GST collected from customers		13,136	-	13,136	4,026
Interest receipts		2,861	5,741	(2,880)	2,781
Infrastructure charges		13,042	-	13,042	6,496
Other inflows		5,755	304	5,451	3,171
<i>Outflows:</i>					
Supplies and services		(133,313)	(83,149)	(50,164)	(44,649)
Grants and subsidies		(392,433)	(568,717)	176,284	(357,281)
Employee expenses		(131,295)	(128,089)	(3,206)	(81,358)
Payment for land inventories		(33,935)	(73,473)	39,538	(23,268)
GST paid to suppliers		(36,574)	-	(36,574)	(6,662)
GST remitted to ATO		(13,069)	-	(13,069)	(3,913)
Finance/borrowing costs		(3,893)	(3,967)	74	(817)
Income tax equivalents		(493)	(8,275)	7,782	1,587
Other outflows		(10,223)	(922)	(9,301)	(724)
Net cash provided by/(used in) operating activities	SOCF-1	101,519	(6,145)	107,664	59,511
CASH FLOWS FROM INVESTING ACTIVITIES					
<i>Inflows:</i>					
Sales of property, plant and equipment		23,022	8,800	14,222	1,400
Loans and advances redeemed		20,757	18,234	2,523	11,717
<i>Outflows:</i>					
Payments for property, plant and equipment		(73,814)	(12,341)	(61,473)	(5,915)
Payments for right-of-use assets		(56,561)	-	(56,561)	-
Payments for investments		(19,637)	-	(19,637)	(793)
Loans and advances made		(13,947)	(15,259)	1,312	(15,005)
Net cash used in investing activities		(120,180)	(566)	(119,614)	(8,596)
CASH FLOWS FROM FINANCING ACTIVITIES					
<i>Inflows:</i>					
Equity injections - appropriated		189,224	3,929	185,295	17,379
Proceeds from borrowings		6,531	11,352	(4,821)	15,432
<i>Outflows:</i>					
Equity withdrawals - appropriated		(50,107)	(8,295)	(41,812)	(3,299)
Equity withdrawals - non-appropriated		(3,000)	(3,000)	-	(3,000)
Borrowing redemptions		(25,855)	(15,177)	(10,678)	(13,729)
Lease payments		(17,898)	-	(17,898)	-
Net cash provided by/(used in) financing activities		98,895	(11,191)	110,086	12,783
Net increase/(decrease) in cash and cash equivalents		80,236	(17,902)	98,138	63,698
Increase/(decrease) in cash and cash equivalents from restructuring	2	4,294	294	4,000	135,085
Cash and cash equivalents – opening balance		235,358	166,933	68,425	36,575
Cash and Cash Equivalents – closing balance		319,888	149,325	170,563	235,358

* On 1 March 2022, Investment Transactions was transferred to the department from Queensland Treasury (QT). Details of the transfer are outlined in Note 2. As required by QT policy under such arrangements, the budget figures used in this comparison represent the Adjusted Budget figures for the financial year, as published in the latest Service Delivery Statement tabled in Parliament.

** An explanation of major variances is included in Note 26.

The accompanying notes form part of these financial statements.

SOCF-1 Notes to the Statement of Cash Flows for the year ended 30 June 2022

Reconciliation of operating result to net cash provided by operating activities

	2022 \$'000	2021 \$'000
Operating surplus/(deficit)	118,647	10,409
<i>Non-cash items included in operating result:</i>		
Depreciation and amortisation expense	50,146	1,700
Net gain on disposal of property, plant and equipment	391	(110)
Impairment loss reversals - receivables	-	(63)
Revaluation (increment)/decrement - investment property	(136,321)	3,292
Notional interest	(6,582)	(2,318)
Loss on discounted loans advanced at concessional rates	23,290	8,572
Other non-cash items	(305)	62
<i>Change in assets and liabilities</i>		
(Increase)/decrease in appropriation receipts receivable	-	6,502
(Increase)/decrease in receivables	(2,067)	19,905
(Increase)/decrease in land inventories	52,950	18,263
(Increase)/decrease in other assets	509	(1,094)
Increase/(decrease) in deferred appropriation payable to consolidated fund	(20,863)	16,426
Increase/(decrease) in payables	(11,837)	(13,120)
Increase/(decrease) in deferred tax	26,119	(7,109)
Increase/(decrease) in accrued employee benefits	(99)	543
Increase/(decrease) in other liabilities	(1,215)	4,043
Increase/(decrease) in provisions	8,756	(6,392)
Net cash provided by operating activities	101,519	59,511

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 2022 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 (2021: \$80.0 million). The operational cash at bank accounts, except for the Resources Community Infrastructure Fund (RCIF) account and EDQ 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) deposits at call of \$123.9 million (2021: \$103.3 million) is remitted to the proponents to which the balance relates, as the interest is earned, except for EDQ QTC account where interest is retained by EDQ.

Changes in liabilities arising from financing activities

2022	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
Lease liabilities	333	-	49,518	(66)	-	(17,898)	31,887
QTC borrowings	149,289	-	-	1,021	6,531	(25,854)	130,987
Total	149,622	-	49,518	955	6,531	(43,752)	162,874
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	-	146,987	-	599	15,432	(13,729)	149,289
Total	-	146,987	-	599	15,432	(13,729)	149,289

Non-cash investing and financing activities

Assets and liabilities received or donated/transferred by the department are recognised as revenues (refer Note 5) or expenses (refer Note 8) as applicable. Assets and liabilities received or transferred by the department as a result of machinery-of-government changes are set out in Note 2.

Borrowings

All borrowings by the department are from QTC. Final repayment dates vary from August 2024 to June 2038, with variable interest rates and 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 2022 is \$101.2 million (2021: \$98.8 million).

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.

1. Basis of financial statement preparation

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 1 William Street, Brisbane QLD 4000.

Departmental objectives

The objectives of the department are:

- a future-focused, innovative, well-planned and diverse economy;
- growth in investment and priority industry sectors;
- coordinated, integrated, interconnected opportunities for regions, industry sectors and private sector proponents;
- Jobs for Queenslanders through leveraged opportunities in developments, priority and highly skilled industries, associated supply chains, and circular, localised economies; and
- sustainable, capable and accountable local governments enabling thriving local communities.

The department is funded for the departmental services it delivers principally by parliamentary appropriations and revenue generated by its Commercialised Business Unit (CBU) Economic Development Queensland (EDQ).

The reporting entity

The financial statements include all income, expenses, assets, liabilities and equity of the economic entity. All transactions and balances internal to the economic entity have been eliminated in full.

Compliance with prescribed requirements

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 2021.

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.

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

Currency, rounding and comparatives

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.

Comparative information reflects the audited 2020-21 financial statements except where restated as necessary to be consistent with disclosures in the current reporting period.

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.

Basis of measurement

Except where stated, historical cost is used as the measurement basis in the financial report. 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 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.

The department classifies inputs to fair value into three levels prescribed under *AASB 13 Fair Value Measurement*:

- 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.

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

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

Following the issuance of International Financial Reporting Interpretation Committee (IFRIC)'s agenda decision on *Configuration or Customisation Costs in a Cloud Computing Arrangement* in April 2021, the department has changed its accounting policy for certain cloud computing and software-as-a-service (SaaS) costs.

The decision requires costs to be recognised as an intangible asset if the arrangements create an intangible asset that meets the recognition criteria and that the entity controls. Costs that do not result in intangible assets are expensed as incurred, unless they are paid to the supplier of the SaaS application to significantly customise the software for the department, in which case the costs are recorded as a prepayment for services and amortised over the expected renewable term of the SaaS arrangement.

This change has been applied retrospectively. The net effect is \$1.6 million reduction in opening accumulated surplus as at 1 July 2021.

1. Basis of financial statement preparation (continued)

Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2021-22.

2. Machinery-of-Government (MoG) changes

As a result of the *Public Service Departmental Arrangements Notice (No.2) 2022* dated on 25 February 2022, Investment Transactions and relevant corporate services functions were transferred from QT to the department effective 1 March 2022 for financial reporting purposes.

The assets and liabilities for controlled activities transferred in as a result of the MoG change are outlined below. No balances were transferred for administered activities.

	2022 \$'000
Current assets	
Cash and cash equivalents	4,294
Receivables	1
Non-current assets classified as held for sale	26,464
Total current assets	30,759
Non-current assets	
Property, plant and equipment	6,701
Total non-current assets	6,701
Total assets	37,460
Current liabilities	
Payables	7
Total current liabilities	7
Net assets	37,453

The net increase in assets of \$37.5 million has been accounted for as an increase in contributed equity as disclosed in the Statement of Changes in Equity.

Budgeted appropriation revenue of \$5.5 million from QT was reallocated to the department.

3. Appropriation receipts

	Note	2022 \$'000	2021 \$'000
Reconciliation of payments from Consolidated Fund to appropriated revenue recognised in operating result			
Adjusted budgeted appropriation receipts		727,035	601,383
Treasurer's transfers		(80,963)	(139,142)
Transfers from/(to) other departments		613	-
Total appropriation receipts (cash)		646,685	462,241
Plus: Opening balance of deferred appropriation payable to consolidated fund		33,496	17,070
Less: Closing balance of deferred appropriation payable to consolidated fund	17	(12,633)	(33,496)
Less: Balance of appropriation revenue receivable transferred as a result of MoG changes		-	(6,502)
Appropriation revenue recognised in statement of comprehensive income		667,548	439,313
Reconciliation of payments from Consolidated Fund to equity adjustment recognised in contributed equity			
Budgeted equity adjustment appropriation		(4,295)	21,301
Treasurer's transfers*		80,963	(7,221)
Transfers from/(to) other departments		(71)	-
Unforeseen expenditure*		62,520	-
Total equity adjustment receipts (payments)		139,117	14,080
Plus: Opening balance of equity adjustment payable/(receivable)		(597)	-
Plus: Closing balance of equity adjustment receivable/(payable)	11	1,506	597
Equity adjustment recognised in contributed equity		140,026	14,677

* Additional equity adjustments were primarily due to funding for the Queensland Regional Accommodation Centre, additional funding for the Building Acceleration Fund, investment in a vaccine manufacturing facility and the reclassification of the Currumbin Eco-Parkland from operating funding to equity.

Accounting policy

Appropriations provided under the *Appropriation 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 payable to Consolidated Fund), a liability is recognised with a corresponding reduction to appropriation revenue, reflecting the net appropriation revenue position with Consolidated Fund for the reporting period. Capital appropriations are recognised as adjustments to equity.

4. User charges and fees

	2022 \$'000	2021 \$'000
Revenue from contracts with customers		
Sale of services	575	59
Statutory fees and charges	10,491	6,622
Other user charges and fees		
Property rental	10,088	5,218
Other fees	611	408
Total user charges and fees	21,765	12,307

4. User charges and fees (continued)

Accounting policy

Revenue from contracts with customers

Revenue from contracts with customers is recognised as performance obligations are met and the department transfers control over a good or service to the customer.

Type of good or service	Nature and timing of satisfaction of performance obligations	Revenue recognition policies
Provision of services to other government entities through service level agreements	The department provides 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.
Statutory fees and charges	Statutory fees and charges primarily arise from fee for service from various legislation. The revenue is recognised when the legislated fees are 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

Revenue from other user charges and fees are mostly recognised upfront and not deferred. Property rental is mainly from EDQ's straight-line lease rent revenue from industrial land and investment properties. It is recognised as per contractual arrangement on a monthly basis.

5. Grants and other contributions

	2022 \$'000	2021 \$'000
Grants*	24,284	33,553
Contributions**	-	6,742
Goods and services received below fair value	430	240
Total grants and other contributions	24,714	40,535

* Mostly relates to Resources Community Infrastructure Fund (RCIF) revenue.

** Comparatives relate to net assets transferred from Building Queensland as disclosed in 2020-21.

Accounting Policy

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

Type of good or service	Nature of the agreement	Revenue recognition policies
Grant received under RCIF agreement	The RCIF is a three year voluntary partnership ending 30 June 2022 between the Queensland Government and a representative of participating resource industry parties. The Queensland Government and industry parties jointly contribute to the fund and determine initiatives to fund via an advisory committee.	Revenue is recognised upon receipting of funds as no specific performance obligations are placed on the department when contribution is received.

6. Gains on disposal and remeasurement of assets

	Note	2022 \$'000	2021 \$'000
Gain on sale of property, plant and equipment		784	110
Gain on revaluation of investment property	15	136,321	-
Reversal of impairment loss on receivables		-	63
Total gains on disposal and remeasurement of assets		137,105	173

Accounting policy

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

A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

7. Supplies and services

	2022 \$'000	2021 \$'000
Contractors and consultants	38,606	8,309
COVID-19 quarantine management costs*	41,680	-
Property and building expenses	20,781	13,071
Information technology and computer equipment	9,720	6,680
Shared service provider fee	3,204	2,222
Travel and hospitality	921	568
Transport	1,056	706
Marketing and public relations	2,310	1,585
Other	2,337	1,946
Total supplies and services	120,615	35,087

* In 2021-22, the department managed the quarantine management facility and hotel quarantine arrangements, refer also to Note 25. The hotel quarantine arrangements were transferred from Queensland Fire and Emergency Services effective 1 April 2022.

7. Supplies and services (continued)

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 case, 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 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

	2022 \$'000	2021 \$'000
Local government authorities	366,125	307,682
Statutory bodies	750	25,852
Industry attraction	14,800	5,270
Commonwealth agencies	300	12,700
Concessional loan discount	23,290	8,572
Other	8,345	4,586
Total grants and subsidies	413,609	364,662

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.

9. Employee expenses

	2022 \$'000	2021 \$'000
Employee benefits		
Salaries and wages	95,852	60,305
Employer superannuation contributions	13,422	8,376
Annual leave levy	11,038	6,249
Sick leave	3,417	1,938
Long service leave levy	2,462	1,526
Termination benefits	511	219
Other employee benefits	1,391	646
	128,093	79,259
Employee related expenses		
Payroll tax	677	411
Workers' compensation premium	112	160
Other employee related expenses	1,776	440
Total employee expenses	130,657	80,269
Full time equivalent employees	944	877

Accounting policy

Salaries and wages

Salaries and wages 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.

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 Australian Retirement Trust defined benefit plans, as determined by the employee's conditions of employment.

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

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

10. Other expenses

	2022 \$'000	2021 \$'000
Taxes - land, rates and stamp duty	7,063	4,200
Sponsorships	406	254
External audit fee*	311	341
Insurance premiums - Queensland Government Insurance Fund	225	229
Insurance premiums - other	255	179
Losses from disposal of property, plant and equipment	953	1
Other	610	267
Total other expenses	9,824	5,471

* Queensland Audit Office fee for the audit service in 2021-22 is \$348,500 (2020-21: \$341,000). There are no non-audit services included in these amounts.

11. Receivables	Note	2022 \$'000	2021 \$'000
Current			
Trade debtors		9,695	9,740
Loans and advances receivable*		15,204	12,665
Finance lease debtors		241	1,152
Operating lease debtors		419	1,215
Less: Loss allowance		(52)	(52)
		<u>25,507</u>	<u>24,719</u>
Reimbursements		7,460	7,279
Equity adjustment receivable	3	1,506	597
Annual leave reimbursements		2,593	2,559
GST receivable		6,388	847
Long service leave reimbursements		880	353
Other		14	71
Total current receivables		<u>44,348</u>	<u>36,424</u>
Non-current			
Trade debtors		-	1,504
Loans and advances receivable - amortised cost*		132,638	139,247
Finance lease debtors		2,531	3,305
Total non-current receivables		<u>135,169</u>	<u>144,056</u>

* \$11.0 million (2021: \$8.7 million) of the current loans and advances and \$97.3 million (2021: \$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.

Accounting policy

Receivables

Trade debtors, loans and advances receivable, finance lease debtors and most operating lease debtors 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 \$19.1 million (2021: \$8.6 million). The notional interest income is recognised over the term of the loan as interest income. The notional interest income in the Statement of Comprehensive Income is \$3.9 million (2020-21: \$2.1 million).

Impairment of receivables

The loss allowance for trade and other debtors reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information, including forecast economic changes expected to impact the department's debtors, along with relevant industry and statistical data where applicable.

No loss allowance is recorded for receivables from Queensland government agencies. The receivables from Queensland government agencies as at 30 June 2022 are \$2.1 million (2021: \$0.4 million).

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 2022.

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, 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.

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:

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. An impairment loss was recognised on trade debtors.	Review of historical debtor settlement period, debt collections and amount of bad debts.
Loans and advances receivables	12-month expected credit losses are assessed on an 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 2022 were between very low risk to moderate risk. The probability of failure in the next 12 months was assessed between 0.01% to 1.04%. No impairment was recognised based on this assessment as at 30 June 2022 (2021: Nil).	Review of external credit reports, historical loan draw down patterns and management assessment of the performance of the projects.

11. Receivables (continued)

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

	2022		2021	
	Gross receivables \$'000	Expected credit losses \$'000	Gross receivables \$'000	Expected credit losses \$'000
Trade receivables	8,408	17	6,201	18
Operating lease receivables	419	35	934	34
Finance lease receivables	2,773	-	4,456	-
Loans and advances receivables	147,841	-	151,913	-
	<u>159,441</u>	<u>52</u>	<u>163,504</u>	<u>52</u>

Disclosure - Movement in loss allowance

	2022 \$'000	2021 \$'000
Loss allowance as at 1 July	52	62
Transfer due to MoG	-	115
Increase/(decrease) in allowance recognised in operating result	-	(63)
Amounts written-off during the year	-	(59)
Amounts recovered during the year	-	(3)
Loss allowance as at 30 June	<u>52</u>	<u>52</u>

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.

12. Land inventories

	2022 \$'000	2021 \$'000
Current		
Land held for resale	80,493	76,521
Total current land inventories	<u>80,493</u>	<u>76,521</u>
Non-current		
Land held for resale	206,889	263,812
Total non-current land inventories	<u>206,889</u>	<u>263,812</u>
Land inventories reconciliation		
Carrying amount at 1 July	340,333	-
Transfer due to MoG	-	367,115
Acquisition and development costs	33,935	16,353
Cost of land sales	(66,567)	(23,268)
Transfer between asset classes	(160)	1,440
Land inventory impairment	(20,159)	(21,307)
Carrying amount at 30 June	<u>287,382</u>	<u>340,333</u>

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 NRV 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 which involve estimates of future sales and development costs discounted to the present value.

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.

Key estimate and judgement - Cost of land sales

Where practical 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 involves 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.

Where it is identified that the forecast value of a project is below the current carrying value of inventory 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.

13. Non-current assets classified as held for sale

	2022 \$'000	2021 \$'000
Land	28,983	-
Buildings	822	-
Total non-current assets classified as held for sale	29,805	-

\$22.0 million relates to a land parcel in Brisbane inner city with a commercial contract in place.

Accounting policy

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

Under AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, when an asset is classified as held for sale, its value is measured at the lower of the asset's carrying amount and fair value less costs to sell. Any restatement of the asset's value to fair value less costs to sell is a non-recurring valuation. Such assets are no longer depreciated upon being classified as held for sale.

14. Property, plant and equipment and depreciation expense

Closing balances and reconciliation of carrying amount

30 June 2022

	Land \$'000	Buildings \$'000	Plant and Equipment \$'000	Capital Work in Progress \$'000	Total \$'000
Gross	274,508	84,148	3,614	8,460	370,730
Less: Accumulated depreciation	-	(23,072)	(2,440)	-	(25,512)
Carrying amount at 30 June 2022	274,508	61,076	1,174	8,460	345,218

Represented by movements in carrying amount:

Carrying amount at 1 July 2021	235,327	13,623	1,102	8,391	258,444
Acquisitions	16,581	63,140	397	6,181	86,299
Transfers through MoG changes	1,850	4,852	-	-	6,702
Disposals	(20,865)	(1,181)	(62)	(377)	(22,485)
Assets reclassified as held for sale	(4,400)	(23)	-	-	(4,423)
Transfers in/(out) from other Queensland	(160)	(5,736)	-	-	(5,896)
Transfers between asset classes	-	5,736	-	(5,736)	-
Transfers to inventory	160	-	-	-	160
Revaluation increments recognised in revaluation surplus	46,017	307	-	-	46,324
Depreciation	-	(19,643)	(264)	-	(19,907)
Carrying amount at 30 June 2022	274,508	61,075	1,173	8,460	345,218
Asset revaluation surplus balance	47,317	1,005	-	-	48,322

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)	(2,645)	-	(5,781)
Carrying amount at 30 June 2021	235,327	13,623	1,102	8,391	258,444

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 recognised in revaluation surplus	1,460	538	-	-	1,998
Depreciation	-	(333)	(160)	-	(493)
Carrying amount at 30 June 2021	235,327	13,623	1,102	8,391	258,444
Asset revaluation surplus balance	1,300	698	-	-	1,998

Categorisation of assets measured at fair value

2022	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements			
Land	274,508	-	274,508
Buildings	113	60,963	61,076
Total recurring	274,621	60,963	335,584

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

14. Property, plant and equipment and depreciation expense (continued)

	2022 \$'000	2021 \$'000
Building level 3 fair value measurement – reconciliations		
Carrying amount at 1 July	12,754	-
Acquisitions	63,141	-
Acquisitions through MoG changes	4,852	703
Disposals	(15)	3,438
Transfers in/(out) from other Queensland Government entities	(5,736)	-
Transfers between asset classes	5,736	8,817
Revaluation increments/(decrements) recognised in operating result	-	(86)
Revaluation increments/(decrements) recognised in revaluation surplus	(136)	88
Depreciation	(19,633)	(206)
Carrying amount as at 30 June	60,963	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 (2021: Nil).

Accounting policy

Capitalisation and recognition threshold

Items of property, plant and equipment with a historical cost or other value equal to or exceeding the following thresholds and with a useful life of more than one year are recognised for financial reporting purposes in the year of acquisition.

- 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.

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 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	2022 Rate %	2021 Rate %
Buildings	-	1.25% - 80%	2.82% - 16.67%
Plant and equipment	Office equipment	2% - 33%	4.35% - 25%
Plant and equipment	Leasehold improvements	4% - 33%	4% - 33%

Measurement of property, plant and equipment

Land and buildings are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment* and QT's Non-Current Asset Policies for the Queensland Public Sector (NCAP). These assets are reported at their revalued amounts, being the fair value at the date of validation 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 are measured at historical cost in accordance with NCAPs. The carrying amounts for such plant and equipment assets are not materially different from their fair value.

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

Fair value measurement

Fair value is derived from observable inputs or estimated using another valuation technique. Observable inputs are publicly available data such as published sales data for buildings. Unobservable inputs are data, assumptions and judgements that are not available publicly.

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.

14. Property, plant and equipment and depreciation expense (continued)

Revaluation of property plant and equipment measured at fair value

Property, plant and equipment classes measured at fair value are revalued on an annual basis either by appraisals undertaken by an independent qualified valuer or by use of appropriate and relevant indices.

Revaluations using an independent qualified valuer have historically been 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 department elected to comprehensively revalue the majority of its asset portfolio using an independent qualified valuer in 2021-22.

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.

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 has engaged Acumentis to undertake a full comprehensive revaluation of the asset portfolio with an effective date of 30 June 2022.

Land held within a State Development Area (SDA) at reporting date is reviewed to identify the highest and best use in consultation with the SDA team who administer the *State Development and Public Works Organisation Act (1971)*. Values supplied by Acumentis are tested for reasonableness.

EDQ have engaged State Valuation Service (SVS) to undertake a full comprehensive revaluation of EDQ land assets as at 30 June 2022.

Fair value was determined through direct comparison with the sales history of similar properties based on location, area, access and topography. The valuers 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 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 2022.

Where appropriate all building assets revalued using the market approach have been comprehensively valued with an effective date of 30 June 2022. The department engaged Acumentis to perform the comprehensive valuations. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable (that is, similar) 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 QTC 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 in accordance with AASB 136 *Impairment of Assets*. 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.

	2022 \$'000	2021 \$'000
15. Investment property		
Land - at fair value	381,635	225,016
Buildings - at fair value	414	1,075
Total investment property	382,049	226,091
Reconciliation of movement in investment property		
Carrying amount at 1 July	226,091	-
Acquisitions	19,637	793
Transfer due to MoG changes	-	228,590
Net revaluation increments/(decrements) recognised in operating result	136,321	(3,292)
Carrying amount at 30 June	382,049	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 \$2.5 million (2021: \$1.5 million).

Direct operating expenses primarily for council rates, electricity and water charges that generated rental income for the period were \$2.2 million (2021: \$1.6 million). There were no direct operating expenses on property that did not generate rental income.

The department leases assets which represent \$1.6 million (2021: \$9.5 million) in the accounts. Proceeds on the disposal of these land 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 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 comprehensive 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.

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

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

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;
- the probability of any of the restrictions being changed in the future; and
- 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.

Categorisation of investment properties measured at fair value

	Level 2 \$'000	Level 3 \$'000	Total \$'000
2022			
Land	380,065	1,570	381,635
Buildings	-	414	414
Total	380,065	1,984	382,049
2021			
Land	215,485	9,532	225,016
Buildings	-	1,075	1,075
Total	215,485	10,607	226,091
Level 3 fair value measurement – reconciliations			
Carrying amount at 1 July		10,607	-
Acquisitions		1,462	55
Acquisitions through MoG changes		-	11,558
Revaluation decrements recognised in operating result		(10,085)	(1,006)
Carrying amount as at 30 June		1,984	10,607

None of the department's investment property is eligible for categorisation into Level 1 of the fair value hierarchy.

There were no transfers between levels within the same class during the reporting period (2021: Nil).

	2022 \$'000	2021 \$'000
16. Taxation		
(a) Income tax equivalents		
Current tax	(203)	(7,457)
Deferred tax	29,250	(3,125)
Under/(over) provision in previous years	(2,437)	(587)
Balance as at 30 June	26,611	(11,169)
(b) Numeric reconciliation of income tax equivalent expense to prima facie tax payable		
(Profit)/loss before tax - EDQ	(96,505)	35,202
Tax expense/(benefit) at the Australian tax rate of 30%	28,952	(10,561)
Tax effect of amounts which are not deductible (assessable) in calculating taxable income:		
Prior year adjustments	(2,437)	(587)
Deductible lease payments	(20)	(21)
Non-deductible donation	116	-
Income tax equivalent expense/(benefit)	26,611	(11,169)
(c) Non-current assets - deferred tax equivalent asset		
The balance comprises temporary differences attributable to:		
Annual leave	108	104
Long Service Leave	23	21
Allowance for doubtful debts	15	16
Written down value of other capitalised expenses	7	17
Building accumulated depreciation	1,055	931
Building accumulated impairment/devaluation	3,848	3,982
Capital asset impairment	1,587	1,587
Concessional loan discount	13,683	7,783
Deferred fee income	-	332
Losses transfer due to MoG change	-	14,041
Current tax losses carried forward	19,049	7,457
Prior year adjustments to tax losses	-	(2,652)
Balance as at 30 June	39,375	33,619
(d) Current liabilities - income tax payable/(receivable)		
Balance at the beginning of the year	2,912	-
Transfer due to MoG changes	-	5,385
Income tax equivalent paid	(475)	1,587
TFN Credit	-	(16)
Under/(over) provision in previous years	(2,437)	(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	32,600	36,998
Inventories	3,495	5,298
Investment properties	79,440	38,522
Revenue recognised in advance	924	837
Balance as at 30 June	116,459	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, 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' to calculate 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.

17. Payables	Note	2022 \$'000	2021 \$'000
Current			
Trade creditors		16,479	25,295
Taxes - land, rates and stamp duty payable		7,142	7,334
Grants and subsidies payable		2,381	4,495
Interest payable		1,957	2,645
Deferred appropriation payable to Consolidated Fund	3	12,633	33,496
Other		51	35
Total current payables		40,643	73,300

Accounting policy

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

EDQ is required under QT'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.

18. Provisions	2022 \$'000	2021 \$'000
Current		
Land acquisition claims	18,967	10,650
Infrastructure development	13,684	6,825
Loan discounts*	21,265	5,056
Other provision	6,230	-
Total current provisions	60,146	22,531
Non-current		
Land acquisition claims	3,703	3,822
Infrastructure development	58,733	52,551
Loan discounts*	1,991	-
Total non-current provisions	64,427	56,373
Movements in provisions		
Balance at 1 July	78,904	-
Transfer in due to MoG changes	-	85,296
Additional provision recognised	65,413	15,122
Reversal of provision	(959)	(15,975)
Reduction in provision as a result of payments	(18,785)	(5,540)
Balance as at 30 June	124,573	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 and an economic outflow is probable and can be reliably measured. 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 must be spent on infrastructure delivery.

19. Other liabilities	2022 \$'000	2021 \$'000
Current		
Deposits held	15,540	16,693
Security deposits	1,254	2,321
Contract liabilities	2,087	2,161
Unearned revenue	3,871	3,239
Other	1,525	1,079
Total current other liabilities	24,277	25,493
Non-current		
Security deposits	4,900	4,900
Total non-current other liabilities	4,900	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. Deposits are released when contractual obligations are satisfied.

Unearned revenue arises from transactions that are not contracts with customers. Contract liabilities arise from contracts with customers where funds have been received for performance obligations not yet satisfied.

20. Leases	2022 \$'000	2021 \$'000
Leases as lessee		
Right-of-use assets		
Land - non-current	1,685	1,685
Buildings - current	83,108	-
Total right-of-use assets	84,793	1,685
Reconciliation of movement in right-of-use asset		
Opening balance at 1 July 2021	1,685	1,685
Acquisitions	112,309	-
Depreciation charge	(29,201)	-
Carrying amount at 30 June 2022	84,793	1,685
Lease liabilities		
Lease liabilities - current	31,682	67
Lease liabilities - non-current	205	266
Total lease liabilities	31,887	333

Accounting policies - Leases as lessee

Right-of-use assets

The department measures right-of-use assets from concessionary leases at cost on initial recognition, and measures all right-of-use assets at cost subsequent to initial recognition. Lease payments are recognised as expenses on a straight-line basis over the lease term.

The department has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases and leases of low value assets. An asset is considered low value where it is expected to cost less than \$10,000 when new.

Where a contract contains both a lease and material non-lease components such as asset maintenance services, the department allocates the contractual payments to each component on the basis of their stand-alone prices.

Right-of-use assets are subsequently depreciated over the lease term and are subject to impairment testing on an annual basis.

The carrying amount of right-of-use assets are adjusted for any remeasurement of the lease liability in the financial year following a reduction in lease payments payable for change in lease term.

Lease liabilities

Lease liabilities are initially recognised at the present value of lease payments over the lease term that are not yet paid. The lease term includes any extension or renewal options that the department is reasonably certain to exercise.

When measuring the lease liability, the department uses its incremental borrowing rate as the discount rate where the interest rate implicit in the lease cannot be readily determined. To determine the incremental borrowing rate, the department uses loan rates provided by QTC that correspond to the commencement date and term of the lease.

Details of significant leasing arrangements as lessee

Categories/Class of lease	Description arrangement
Buildings	The department has entered into agreements to lease facilities providing accommodation services under the <i>Public Health Act 2005</i> . The initial term of this lease is 15 months with options to extend. The department is not reasonably certain that the options will be exercised so the lease is accounted for based on the initial term. Under this agreement the lessor also provides service and maintenance on the accommodation buildings. The amounts paid for these services are not included in the value of the lease. Total 2021-22 cash outflow is \$143.7 million. No interest expense has been incurred in relation to this arrangement due to the short lease term. As at 30 June 2022, this arrangement provides contingency accommodation and therefore not impaired, refer also to Note 25.

20. Leases (continued)

Office accommodation and motor vehicles

DEPW provides the department with access to office accommodation and motor vehicles under government-wide frameworks. These arrangements are categorised as procurement of services rather than as leases because DEPW has substantive substitution rights over the assets. The related service expenses are included as supplies and services in Note 7.

Leases as lessor

The leases currently recognised are predominantly held over industrial land and investment properties. The majority of the leases are administered by the Department of Resources (DoR) under the *Land Act of 1994* on behalf of EDQ. Refer to Note 15 for additional disclosures about investment properties.

Finance leases

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.

Operating leases

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.

EDQ has also 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.

	Operating leases		Finance leases	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Less than 1 year	5,207	6,618	433	1,459
1 to 2 years	5,544	5,902	434	1,302
2 to 3 years	5,495	5,767	433	587
3 to 4 years	5,507	5,619	374	301
4 to 5 years	5,427	5,316	374	318
More than 5 years	30,264	29,290	1,965	2,003
Total	57,444	58,512	4,013	5,970

Accounting policies - Leases as lessor

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 leases have a maximum expiry of 10 years from the reporting date.

21. 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 or 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	2022 \$'000	2021 \$'000
Financial assets			
Cash and cash equivalents	SOCF-1	319,888	235,358
Financial assets at amortised cost - comprising:			
Receivables	11	179,517	180,480
Total financial assets		499,405	415,838
Financial liabilities			
Payables	17	40,643	73,300
Borrowings	SOCF-1	130,987	149,289
Other liabilities*	19	21,694	23,914
Lease liabilities	20	31,887	333
Total financial liabilities		225,211	246,836

* 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.

21. Financial instruments (continued)

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.

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 11.
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 17 and borrowings from QTC.
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. Interest rate 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.

(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 policies 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.

Refer Note 11 for credit risk management practices and exposure.

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

2022

Payables
Borrowings
Other liabilities
Lease liabilities
Total

2022 payable in			
< 1 year \$'000	1–5 years \$'000	> 5 years \$'000	Total \$'000
40,643	-	-	40,643
5,032	26,927	122,856	154,816
16,794	4,900	-	21,694
31,700	311	-	32,011
94,169	32,138	122,856	249,164

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

21. Financial instruments (continued)

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.

	2022		2021	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Financial liabilities at amortised cost:				
QTC borrowings	130,987	129,799	149,289	151,563
Total	130,987	129,799	149,289	151,563

Market risk

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

22. Significant financial impacts from COVID-19

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

	2022 \$'000	2021 \$'000
Operating Statement		
<u>Significant expense transactions arising from COVID-19</u>		
Quarantine management expense*	43,544	-
Depreciation expense - quarantine management assets*	47,481	-
COVID Works for Queensland Program	52,650	138,652
Unite and Recover Community Stimulus Package	19,043	28,754
Fair value adjustments at initial recognition of concessional loans	23,290	8,572
	186,007	175,978
<u>Significant revenue transactions arising from COVID-19</u>		
Appropriation - quarantine management	91,025	-
Appropriation - capital grant funding	71,693	167,406
	162,717	167,406
Balance Sheet		
<u>Significant changes in assets arising from COVID-19</u>		
Quarantine management right-of-use asset	83,108	-
Quarantine management property, plant and equipment	44,698	-
	127,806	-
<u>Significant changes in liabilities arising from COVID-19</u>		
Quarantine management lease liability	31,619	-
Loan discounts provision	23,290	-
Other provision	6,230	-
	61,139	-
<u>Significant changes in equity arising from COVID-19</u>		
Equity injection - quarantine management	134,687	-
Equity withdrawal - quarantine management	(45,570)	-
	89,117	-

* Attributable to costs in support of the Queensland Government's quarantine and isolation network strategy, including costs to operate the Queensland Regional Accommodation Centre at Wellcamp.

23. Commitments

Capital expenditure commitments

Commitments for capital expenditure at reporting date (inclusive of non-recoverable GST input tax credits):

- Not later than 1 year	98,062	33,024
- Later than 1 year and not later than 5 years	24,149	8,457
- Later than 5 years	141	13,290
Total capital expenditure commitments	122,352	54,771

24. Contingencies

Guarantees and undertakings

At 30 June 2022, the department holds the following bank guarantees:

- \$79.0 million (2021: \$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.
- \$104.0 million (2021: \$82.3 million) in other bank guarantees and bonds held for financial support provided on projects across the department.
- \$109.8 million (2021: \$69.2 million) in bank guarantees held by EDQ in relation to development projects for financial security against non-conformance of contracts.

EDQ provided financial guarantees of \$0.1 million (2021: \$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 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 department received claims in relation to COVID-19 hotel quarantine arrangements. These claims are the subject of independent assessments and outcomes may result in potential liability. The department is not contractually bound and any settlement will be made in good faith of those arrangements. The financial impact was unable to be estimated at the reporting date.

The department signed a contract granting the counterparty an option to purchase a parcel of land with a surplus building. The option expires in 2023-24. If it was not exercised, the department would be liable for the demolition cost capped at \$4 million.

EDQ 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 EDQ and the third party. At reporting date, the financial impact was estimated at \$38.2 million.

Litigation in progress

At 30 June 2022, there is one application (2021: one) 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 2022, 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.

25. Events occurring after balance date

On 19 August 2021, the Queensland Government approved funding for the construction of a 1,000 bed dedicated regional quarantine facility at the Wellcamp Business Park at Toowoomba. The facility was constructed under an agreement for lease which was executed 24 September 2021. Stage 1 of the facility, known as the Queensland Regional Accommodation Centre (QRAC), achieved practical completion on 3 February 2022 and the lease commenced on 4 February 2022. QRAC accepted quarantine and isolation guests from 5 February 2022. Stage 2 of the facility achieved practical completion on 30 April 2022.

QRAC was operated as a public health response for the COVID-19 pandemic in support of the Queensland Government's Quarantine and Isolation Network Strategy. This strategy sought to ensure that the distribution of quarantine and isolation facilities was appropriate to meet health and community requirements and to be logistically feasible for those in need of quarantine or isolation. The strategy provided Queensland with contingency accommodation at QRAC in order to effectively manage future waves of existing COVID-19 variants or to assist in managing any new variant outbreak of concern. The facility continued to deliver to its intended purpose, of providing contingency accommodation in support of the Queensland Government's Quarantine and Isolation Network Strategy during the 2021-22 reporting period and as at 30 June 2022.

On 26 July 2022, the Queensland Government considered advice from Queensland Health and the Chief Health Officer that there is no longer a public health requirement for dedicated quarantine and isolation facilities, or for any contingency to be held including at QRAC. On this date, the Queensland Government approved that isolation guests are no longer accepted at QRAC and that QRAC from 1 August 2022, is placed into a minimum care and maintenance mode until the end of the lease arrangement.

The total payments to be made under the QRAC leasing arrangement to the end of the 15 month lease term is \$198.5 million and the lease expires 29 April 2023. These payments are structured under the lease to provide for both upfront payments and ongoing monthly payments over the lease term. There is no express right of early termination or surrender under the leasing arrangement.

Under the lease, the department has acquired right-of-use assets with an acquisition cost of \$112.3 million and a carrying value of \$83.1 million as at 30 June 2022. The department has also acquired property, plant and equipment assets with an acquisition cost of \$63.0 million and a carrying value of \$44.7 million as at 30 June 2022. The department has committed to payments totalling \$23.2 million over the lease term for the provision of infrastructure related services, of which \$6.2 million has been expensed during 2021-22 with a commitment remaining of \$17 million as at 30 June 2022.

The carrying value of right-of-use and property, plant and equipment assets held at 30 June 2022 of \$127.8 million will be depreciated over the remainder of the lease term or the remaining useful life of QRAC, whichever is shorter, refer also Notes 14 and 20. The commitments under the lease for provision for infrastructure services will also be settled over the remainder of the lease term.

The lease liability of \$31.6 million held at 30 June 2022 in relation to QRAC leasing arrangements will be settled over the remainder of the lease term, refer also Note 20.

Under the minimum care and maintenance model in place the Queensland Government continues to have control over the facility, if required for COVID emergencies or for potential alternative uses.

26. Budgetary reporting disclosures

This section discloses the department's adjusted budget figures for 2021-22 compared to actual results with explanations of major variances in respect of the department's Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows. On 1 March 2022, the Investment Transactions function transferred to the department from QT. Details of the transfer are outlined in Note 2. As required by QT policy, under such circumstances the budget figures used in this comparison represent the adjusted budget figures for the financial year, as published in the 2022-23 Service Delivery Statement tabled in Parliament. The original budget figures in the previous Service Delivery Statement no longer serve as a useful basis to compare to the department's actual results.

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

- Employee expenses (Statement of Comprehensive Income);
- Supplies and services (Statement of Comprehensive Income); and
- Payments for property, plant & equipment (Statement of Cash Flows).

For all other material line items, major variances have been assessed where the value is greater than 10% of the budgeted figure.

Explanations of major variances - Statement of Comprehensive Income

Appropriation revenue

The variance to budget of \$65 million is mainly attributable to changes in delivery schedules and timing of funding requirements across a range of local government and non-government capital programs offset by departmental programs delivered during the year but not anticipated within the original budget, all of which are funded through appropriation revenue. Significantly, net funding of \$169 million has been deferred to future financial years, which includes changes in the delivery schedule of Stage 2 of the Haughton Pipeline Project of \$85 million along with deferrals of funding of \$70 million associated with the realignment in the delivery schedules of other local government and non-government capital programs. This is offset by costs in delivering to the Government's Quarantine and Isolation Program including establishment and operations of the Queensland Regional Accommodation Centre and the hotel quarantine and isolation system of \$91 million.

Land sales

The variance to budget of \$12 million is mainly attributable to an increase in the sales of industrial land by EDQ across various industrial estates, compared to original budget estimates.

Gains on disposal and remeasurement of assets

The variance to budget of \$137 million is attributable to an increase in the value of land held for investment at Northshore Hamilton following release of amendments to planning schemes and reconsideration of potential development activities as assessed by the department's independent valuers.

Supplies and services

The variance to budget of \$27 million is mainly attributable to delivering to the Government's Quarantine and Isolation Program, the costs of which were not anticipated within the original budget estimates.

Grants and subsidies

The variance of \$159 million is mainly attributable to the net deferral of grant payments to future financial years for the funding of local government and non-government capital programs referred to in the Appropriation note above.

Depreciation and amortisation

The variance to budget of \$48 million is attributable to the Queensland Regional Accommodation Centre, the costs of which were not anticipated within the original budget estimates.

Operating result before income tax

The variance of \$146 million is mainly attributable to the operating surplus generated by EDQ of \$97 million primarily due to gains in the value of investment properties and \$50 million underspend mainly due to deferral of grant payments.

Income tax equivalents

The variance of \$29 million is attributable to higher income tax equivalents expenditure as a result of an improved operating surplus compared to original budget for EDQ.

Asset revaluation surplus

The variance of \$46 million is attributable to an increase in the value of the department's land and building portfolio following independent valuation. The most significant increase in values were associated with industrial land located at Gladstone of \$37 million and Townsville of \$9 million after considering market conditions and the highest and best use of the lands' future potential.

Explanations of major variances - Statement of Financial Position

Cash and cash equivalents

The variance of \$171 million is mainly attributable to higher cash reserves held in respect to the RCIF of \$76 million which will be acquitted against approved programs in future years and higher cash held by EDQ of \$109 million compared to budget due to better than anticipated trading conditions compared to original budget estimates.

Right-of-use asset and Property, plant and equipment

The variance associated with Current right-of-use assets of \$83 million and property, plant and equipment of \$68 million mainly reflects the carrying value of the Queensland Regional Accommodation Centre in total of \$128 million as at 30 June 2022, the value of which was not anticipated within the original budget.

Non-current receivables

The variance of \$21 million is mainly attributable to higher than budgeted repayments received for the department's concessional loan facilities compared to original budgeted estimates.

Land inventories

The variance of \$72 million is mainly attributed to higher than budgeted sales of industrial land during the year by EDQ.

Investment property

The variance of \$153 million is mainly attributed to increases in the value of land located at Hamilton Northshore following independent valuation referred to in the Gain on disposal and remeasurement of assets note above.

26. Budgetary reporting disclosures (continued)

Current and Non-current Payables

The variance of \$37 million is mainly attributed to lower than expected trade creditors including grants payable held at year end compared to original budgeted estimates.

Current and Non-current Borrowings

The variance of \$18.5 million is mainly attributed to lower borrowing requirements associated with EDQ's capital program compared to original budget estimates.

Current Leases

The variance of \$32 million is attributed to the lease arrangement associated with the Queensland Regional Accommodation Centre, the value of which was not anticipated in the original budget.

Current and Non-current Provisions

The variance of \$50 million is attributed to an increase in business activity in connection with EDQ's Infrastructure loans and charges resulting in higher provisions for future development related obligations, compared to original budgeted estimates.

Deferred tax equivalent liability

The variance of \$30 million is attributed to an increase in income tax equivalents expenses associated with EDQ.

Explanations of major variances - Statement of Cash Flows

Appropriation receipts, Land sales, Supplies and services and Grants and subsidies

Material variances associated with these line items are explained by their respective Statement of Comprehensive Income notes above.

Net cash used in investing activities

The variances are largely attributed to payments associated with the Queensland Regional Accommodation Centre, the values of which were not anticipated in the original budget.

Net cash used in financing activities - Borrowings

The variances are attributed to changes in funding arrangements in connection with EDQ's Infrastructure loan facilities compared to original budget estimates.

Net cash provided by/(used in) financing activities - Equity injections and Equity withdrawals

The net variance of \$143 million is largely attributed to funding arrangements for the Queensland Regional Accommodation Centre which were not anticipated in the original budget.

27. Key management personnel (KMP) disclosures

Details of KMP

The department's responsible Minister is identified as part of the department's KMP, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. The Minister is the Minister for State Development, Infrastructure, Local Government and Planning and Minister Assisting the Premier on Olympics Infrastructure.

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 are disclosed in the Queensland General Government and Whole-of-Government Consolidated Financial Statements, which are published as part of QT'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.

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 2021-22 and 2020-21. Further information about these positions can be found in the body of the Annual Report under the section relating to Governance.

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

Position	Position responsibility
Director-General	The accountable officer is responsible for directing the overall efficient, effective and economical administration of the department and is responsible for the performance of the department.
Coordinator-General	Operating within the statutory frameworks of the <i>State Development and 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 Director-General, Policy, Portfolio and Government Services	Responsible for coordinating all key matters across the Deputy Premier's portfolio responsibilities and supporting all touch points between the Deputy Premier's Office, the department and portfolio entities.
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.
Deputy Director-General, Local Government	Responsible for the development and implementation of strategies, policies and programs that support a sustainable local government system.
General Manager, EDQ	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.
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 Regional Strategy	Responsible for driving the infrastructure agenda for Queensland with a focus on achieving robust capital planning, quality investment decisions and regional economic development.
Commissioner, Quarantine Management Taskforce	Responsible for leading a Taskforce which has been established to coordinate the Queensland government's contribution to Australia's COVID-19 response.
Assistant Coordinator-General, Project Evaluation and Facilitation	Operating within the statutory frameworks of the <i>State Development and 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 Services	Operating within the statutory frameworks of the <i>State Development and Public Works Organisation 1971 Act</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 and responsible for all land acquisition undertaken by the Coordinator-General.

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

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.

2021-22

Position	Short-term employee expenses \$'000		Long-term employee expenses \$'000	Post-employment expenses \$'000	Total expenses \$'000
	Monetary expenses \$'000	Non-monetary expenses \$'000			
Director-General (to 2 May 2022)	367	5	9	34	414
Director-General (from 3 May 2022)	93	1	1	7	102
Coordinator General	364	6	9	46	424
Assistant Director-General, Policy, Portfolio and Government Services (to 24 January 2022)	145	-	3	15	163
Acting Assistant Director-General, Policy, Portfolio and Government Services (from 14 February 2022)	107	2	2	9	121
Deputy Director-General, State Development	233	3	6	26	268
Deputy Director-General, Corporate	258	3	6	29	296
Deputy Director-General, Local Government (to 13 February 2022)	141	4	4	17	165
General Manager, EDQ (from 23 August 2021)	238	6	5	24	273
State Planner, Planning Group (to 6 March 2022)	184	4	4	20	212
Acting State Planner, Planning Group (from 7 March 2022)	89	2	2	7	100
Deputy Director-General, Infrastructure and Regional Strategy (to 3 January 2022)	132	3	3	14	153
Acting Deputy Director-General, Infrastructure and Regional Strategy (from 4 January 2022)	133	3	3	11	149
Commissioner, Quarantine Management Taskforce (from 4 January 2022)	150	2	2	9	164
Assistant Coordinator-General, Project Evaluation and Facilitation	231	6	6	25	268
Assistant Coordinator-General, Planning and Services	230	6	6	26	267

Acting arrangements less than 3 months are not reported due to the short duration.

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

2020-21

Position	Short-term employee expenses \$'000		Long-term employee expenses \$'000	Post-employment expenses \$'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	272
Positions transferred from Department of Tourism, Innovation and Sport 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	151
Assistant Coordinator-General, Planning and Services (from 1 December 2020) ^{2(iv)}	136	3	3	15	158
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	144
Acting General Manager, EDQ (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.

(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 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.

28. 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 3.

The MoG transfer of assets and liabilities to the department is disclosed in Note 2.

The department has borrowings from and deposits with QTC. These are disclosed in the Statement of Cash Flows and associated note.

The department has leases with 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 under a service level agreement who provides corporate business services and technology solutions to support finance and human resource transactions.

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 19.

EDQ has an agreement with DTMR to facilitate development in priority development areas by providing funding for key infrastructure projects as per Note 18. DoR manages leases on behalf of EDQ and transfers the payments from the lessees to EDQ. EDQ had land sales with other government departments as referred to in the Statement of Comprehensive Income.

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.

29. Agency transactions and balances

At 30 June 2022 a total of \$80.3 million (2021: \$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 (2021: \$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 Local Government Levy Ready Grant Program Round 2 and the Flying Fox Roost Management Grant Program. A total of \$0.8 million (2021: \$0.6 million) funding from DES was held by the department as at 30 June 2022. As the department acts as an intermediary agent between DES and grant recipients with no discretion over the funds, the 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 the Department of Regional Development, Manufacturing and Water (DRDMW). These transactions do not form part of the department's accounts and are reported by DRDMW.

	2022 \$'000	2021 \$'000
Current assets		
Cash and cash equivalents	51,886	(159,996)
Receivables	2,893	52
Prepayments	626	101
Total current assets	55,406	(159,843)
Non-current assets		
Property, plant and equipment	69	-
Total assets	55,475	(159,843)
Current Liabilities		
Payables	(42,104)	(144,255)
Unearned revenue	(1,069)	-
Accrued employee benefits	(2,135)	(101)
Total current liabilities	(45,309)	(144,356)
Total Equity	(10,166)	(13,890)
Revenue		
Appropriation revenue	206,327	12,058
User charges and fees	13,985	-
Grants and other contributions	4,915	(102)
Other revenue	4,470	-
Total revenue	229,697	11,956
Expenses		
Employee expenses	70,571	4,025
Supplies and services	41,303	1,547
Grants and subsidies	109,096	7,871
Depreciation and amortisation	3,759	-
Other expenses	9,082	110
Total expenses	233,812	13,554

30. Schedule of administered items

	Note	Queensland Reconstruction Authority (QRA)		Roma Street and Southbank Parkland		Local Government		State Assessment and Referral Agency (SARA)	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Administered revenue									
Appropriation revenue	a)	854,008	336,163	33,126	14,273	689,624	505,272	-	-
Grants and other contributions	b)	-	-	-	-	689,435	504,830	-	-
User charges and fees	c)	-	-	-	-	189	112	5,056	3,114
Other revenue	d)	-	-	11,848	12,828	150	-	-	-
Total administered revenue		854,008	336,163	44,974	27,101	1,379,398	1,010,214	5,056	3,114
Administered expenses									
Grants and subsidies	e)	854,008	336,163	33,126	14,273	689,624	505,272	-	-
Transfers of administered income to government		-	-	11,848	12,828	689,774	504,942	5,056	3,114
Total administered expenses		854,008	336,163	44,974	27,101	1,379,398	1,010,214	5,056	3,114
Operating surplus/(deficit)		-	-	-	-	-	-	-	-
Administered assets									
Current									
Cash		-	-	3,754	155	141	253	-	-
Receivables		-	-	(21)	(155)	4	(5)	-	-
Total current assets		-	-	3,733	-	145	248	-	-
Administered liabilities									
Current									
Payables		-	-	3,733	-	145	248	-	-
Total current liabilities		-	-	3,733	-	145	248	-	-
Net administered assets		-	-	-	-	-	-	-	-

30. Schedule of administered items (continued)

	Note	Racing		Total		Original budget	Budget variance
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2022 \$'000
Administered revenue							
Appropriation revenue	a)	-	30,373	1,576,758	886,081	1,069,112	507,646
Grants and other contributions	b)	-	30,000	689,435	534,830	280,867	408,568
User charges and fees	c)	-	-	5,245	3,226	4,422	823
Other revenue	d)	-	-	11,998	12,828	13,673	(1,675)
Total administered revenue		<u>-</u>	<u>60,373</u>	<u>2,283,437</u>	<u>1,436,965</u>	<u>1,368,074</u>	<u>915,363</u>
Administered expenses							
Grants and subsidies	e)	-	30,373	1,576,758	886,081	1,069,112	507,646
Transfers of administered income to government		-	30,000	706,679	550,884	298,962	407,717
Total administered expenses		<u>-</u>	<u>60,373</u>	<u>2,283,437</u>	<u>1,436,965</u>	<u>1,368,074</u>	<u>915,363</u>
Operating surplus/(deficit)		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Administered assets							
Current							
Cash		-	-	3,895	408		
Receivables		-	-	(17)	(160)		
Total current assets		<u>-</u>	<u>-</u>	<u>3,878</u>	<u>248</u>		
Administered liabilities							
Current							
Payables		-	-	3,878	248		
Total current liabilities		<u>-</u>	<u>-</u>	<u>3,878</u>	<u>248</u>		
Net administered assets		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		

30. Schedule of administered items (continued)	2022 \$'000	2021 \$'000
a) Reconciliation of payments from Consolidated Fund to administered income		
Budgeted appropriation	1,069,112	725,416
Treasurer's transfers	-	146,363
Unforeseen expenditure	511,176	14,347
Total administered receipts	1,580,288	886,126
Plus: Opening balance of appropriation revenue payable to consolidated fund	176	131
Less: Closing balance of deferred appropriation payable	(3,706)	(176)
Administered revenue recognised (as above)	1,576,758	886,257
b) Grants and other contributions		
Commonwealth	689,435	504,830
Industry partners	-	30,000
Total grants and other contributions	689,435	534,830
c) User charges and fees		
Levy - Queensland government entities	189	112
SARA - Planning Development Fees	5,056	3,114
Total user charges and fees	5,245	3,226
d) Other Revenue		
Southbank and Roma Street Parklands	11,998	12,828
Total other revenue	11,998	12,828
e) Grants and subsidies		
Administered grants and subsidies were made to the following entities:		
Queensland Reconstruction Authority	854,008	336,163
Roma Street and Southbank Parkland	33,126	14,273
Local governments	689,624	505,272
Racing Queensland	-	30,373
Total grants and subsidies	1,576,758	886,081

Explanation of major budget to actual variances

The variance associated with appropriation revenue of \$507 million and grants and contributions of \$408 million is due to receipt of revenue from both the Queensland Government and Australian Government to fund Financial Assistance Grants for Local Governments received earlier than originally budgeted and subsidies in support of the activities of the Queensland Reconstruction Authority which were higher than anticipated due to natural disaster events. The variance associated with the acquittal of these funds is reflected in grants and subsidies and transfer of administered revenue to government.

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.

31. Climate risk disclosure

The department has not identified any material climate related risks relevant to the financial report at the reporting date. The department continues to monitor the emergence of such risks under the Queensland Government's Climate Transition Strategy, and Climate Action Plan 2030.

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 2022 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.



Scott Walker FCPA
Chief Finance Officer

Date: 26 August 2022



Mike Kaiser
Director-General

Date: 26 August 2022

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 the Department of State Development, Local Government, Infrastructure 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 2022, 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 2022, 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 12 in the financial report

Key Audit Matter	How my audit addressed the key audit matter
<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"> • 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 estimated future sales revenue and project costs used in the model to appropriate supporting documentation • 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 2022:

- 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 2022

Queensland Audit Office
Brisbane

