

2018–2019
ANNUAL
REPORT

Communication objective

This Annual Report provides information about the Department of Housing and Public Works' financial and non-financial performance for 2018–19. It has been prepared in accordance with the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019* and the *Annual report requirements for Queensland Government agencies*.

The report records the significant achievements against the strategies detailed in the department's *Strategic Plan 2018–22* and the *2018–19 Service Delivery Statements*.

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



www.qld.gov.au/languages

Online open data reporting

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

- consultancies
- overseas travel
- Queensland Languages Services Policy.

Department of Housing and Public Works Annual Report 2018–19

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Letter of compliance



Department of
Housing and Public Works

13 September 2019

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

Dear Minister

I am pleased to submit for presentation to the Parliament, the Annual Report 2018-19 and financial statements for the Department of Housing and Public Works.

This report is prepared on the basis of the current administrative arrangements for the department applying for the whole of the 2018-19 financial year. That is, it reflects the structure, operations and performance of the department as it now exists.

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* introduced on 1 September 2019, and
- the detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements can be found at page 147 of this annual report.

Yours sincerely

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

Liza Carroll
Director-General

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Contents

Letter of Compliance	3
Message from the Director-General	6
About us	10
Organisational structure	12
Our strategic objectives	16
Objective one	
Services for Queenslanders	17
Objective two	
Services for government	24
Objective three	
Strategy and policy	28
Objective four	
A unified organisation	31
Our service areas	36
Housing and Homelessness	36
Government Accommodation and Building Policy	36
Procurement	40
Sport and Recreation	40
Digital Capability and Information	44
Strategic Information and Communication Technology (including QGCIO)	44
Our Commercialised Business Units	46
Building and Asset Services	46
CITEC	46
QFleet	48
Queensland Shared Services	48
Our performance	50
Governance	62
Legislation administered by the Minister for Housing and Public Works, Minister for Digital Technology and Minister for Sport as at 30 June 2019	74
Statutory bodies	75
Government bodies, boards and committees	75
Our locations	76
Glossary of Terms	79
Financial statements	81
Compliance checklist	147

Message

from the Director-General



The 2018–19 year has been one of significant delivery for the Department of Housing and Public Works.

Our commitment to developing responsive services supported by technology is helping us meet the changing needs of the communities we serve and keep people at the centre of everything we do.

This Annual Report highlights the department's significant role in contributing to the Queensland Government's Advancing Queensland's Priorities (AQP), both as the lead agency for *Be a Responsive Government* and as a contributor to the other five priorities.

We've worked in housing, homelessness and sport to support many AQP outcomes linked to the priorities of *Keep Communities Safe*, *Keep Queenslanders Healthy* and *Give All Our Children a Great Start*. We've continued to deliver key actions and initiatives under the *Queensland Housing Strategy 2017–2027* such as growing the supply of social and affordable housing across the state through the Queensland Housing Construction Jobs Program. Our *Open Doors to Renting Reform* consultation with Queensland renters and ongoing Housing Service Centre transformations were also game-changing achievements that demonstrated our people-centred approach to service delivery.

The new *Aboriginal and Torres Strait Islander Housing Action Plan* which was released in June 2019 strengthens our resolve and underlines our commitment to empowering Aboriginal and Torres Strait Islander peoples to achieve better housing outcomes into the future. A new 50-bed accommodation facility in Townsville for young women from remote communities to access vital education and employment opportunities as well as support for 41 families to achieve home ownership in remote communities are just two highlights from the 2018–19 year.

The groundwork for the landmark *Activate! Queensland 2019–2029* strategy was also laid throughout 2018–19, with extensive public consultation ensuring the ideas, needs and experiences of Queenslanders were heard. This strategy signals a fundamental shift in our approach to delivering sport and active recreation services and opportunities to Queenslanders. Our important work in this space will play a key role in the AQP areas of *Keep Queenslanders Healthy* and *Give All Our Children a Great Start* by promoting active and connected communities.

Our unwavering support for the building and construction industry through reform, major projects and other initiatives, including our Building and Asset Services apprenticeship program, continue to underpin our commitment to the Queensland Government's priority of *Create Jobs in a Strong Economy*.

We continued to progress reforms from the *Queensland Building Plan 2017* throughout the year, with the implementation of Phase 1 of *Project Bank Accounts* and reforms to the *Building Industry Fairness (Security of Payment) Act 2017* delivering critical improvements to the payment claims process for construction work. Important initiatives were also progressed to safeguard the public, including new plumbing and drainage laws, a Special Joint Taskforce to investigate allegations of fraudulent behaviour relating to building subcontractor non-payment in the Queensland building industry, and a requirement for building owners to complete a combustible cladding checklist.

As the Queensland Government's lead agency for the *Be a Responsive Government* AQP, providing easy access to essential government services was a key focus in 2018–19.



The talent and commitment of our people positions us strongly to deliver for Queenslanders into the future.

Joined-up services that make it easier to engage and do business with government is a key objective of the *Be a Responsive Government* priority and the *Seniors Concessions Online Service* delivered during the year is an example of this. In collaboration with the Department of Communities, Disability Services and Seniors, this innovative new service helps customers access a broad range of services via a single, easy-to-use online form.

Our agency has also successfully applied this approach across the public sector, with Queensland Shared Services' pilot of a single sign-on capability for employees, the transition of over 5,000 Queensland Ambulance Services staff to a core payroll platform and single touch payroll legislative changes in the Department of Transport and Main Roads payroll system just three examples.

Our Digital Services teams are helping to better connect communities right across the state by harnessing the latest technology to improve telecommunications. The Mobile Black Spot Program and the Queensland Government Regional Network are two initiatives that are making a tremendous difference to regional communities and ensuring faster, more responsive government services are being delivered in some of our most remote locations.

Leading-edge technology also helped enhance experiences for Queensland State Archives visitors in 2018–19, with virtual reality bringing the past to life in the innovative *Go Fish* and *Birdcage of the Bay* exhibits. A better experience for customers was similarly at the heart of Smart Service Queensland's Telephony Replacement Program, which saw a successful transition to a new digital platform.

Our leadership and experience in government employee housing, fleet management and procurement plays a key role in supporting vital government service delivery state-wide. Sixty new government residences and a further 29 residences in rural, remote and Aboriginal and Torres Strait Islander communities are helping ensure local services can be delivered where they matter. QFleet's delivery of efficient and environmentally sustainable fleet services to government agencies is another part of this network of service delivery support and is enabling us to contribute to AQP *Protect the Great Barrier Reef* through lowered emissions.

The implementation of the Queensland Procurement Policy and *Buy Queensland* procurement strategy has helped boost the state's economy through an 82% state-wide spend on local suppliers in 2018–19. The establishment of a Queensland Government Food and Beverage Supplier Directory has further helped ensure government agencies can source local suppliers for events and corporate functions. Our work in this space is another way we are making a positive contribution to the Government's AQP focus of *Create Jobs in a Strong Economy*.

Internally, we have maintained a strong focus on equipping our people with the tools, support and training they need to deliver their work and, in turn, support a high-performance culture. The health, safety and wellbeing of employees is one of our highest priorities and initiatives such as the installation of defibrillators in our workplaces, over 2,200 skin cancer checks and over 3,100 flu vaccinations demonstrate this commitment.

Our promotion of an inclusive and diverse workforce was further enhanced during 2018–19, through new cultural capability training and opportunities to participate in many inclusive and cultural events such as NAIDOC Week, Disability Action Week, and the Darkness to Daylight Challenge.

The talent and commitment of our people positions us strongly to deliver for Queenslanders into the future. Our customer-centred approach to service design and delivery supports our aspirations as a responsive agency of delivery, innovation and positive change.

These aspirations are reflected by the department's leadership team, whose support for our strategic direction and our employees provide the foundations that ensure we are making a difference to Queenslanders through our work.

Liza Carroll

Director-General

Feature story

Rebuilding Townsville with commitment, compassion and strength

HPW staff responded with dedication of the highest order to help Townsville residents recover from devastating monsoonal floods in late January and early February 2019.

The region saw a staggering 1200mm of rainfall in just seven days, the equivalent of Townsville's average annual rainfall. The scale of the disaster required a swift and coordinated response between government agencies and support organisations, with HPW's focus on assessing the damage to assets and sourcing alternative accommodation for residents most in need.

Once residents were evacuated, Housing teams worked around the clock to support more than 1,800 displaced people. The team's dedication ensured that every impacted resident had a place to stay while damage was assessed, and repairs undertaken.

Housing staff were located in Community Recovery Hubs and conducted outreach work to support people into emergency accommodation and then on to medium and longer-term housing. This work was complemented by the establishment of the Rental Recovery Hub, a partnership between the department, Real Estate Institute Queensland, Tenants Queensland and Residential Tenancies Authority, which supported private tenants, landlords and real estate agents.

Public housing tenants were also well supported with people assisted into emergency accommodation while their properties were repaired and made safe for their return.

Building and Asset Services (BAS) staff coordinated repairs to 775 state government assets, including social housing properties, with getting schools back open one of the team's first priorities.

Many Townsville sporting clubs were also impacted, with floodwater causing extensive damage to pitches and sporting equipment. Sport and Recreation worked with clubs to repair facilities and reopen them to the public, helping restore a sense of normality for residents.

For many people impacted by the disaster, the Smart Service Queensland (SSQ) team was their first point of contact with the department. The SSQ team responded to more than 70,000 calls with information about government support services, while Queensland Shared Services worked quickly behind the scenes to ensure prompt payment of over \$30 million in community recovery funds to more than 67,000 people.

Throughout the recovery effort, communication was instrumental in keeping residents updated about where to go for help and support. A coordinated campaign saw print advertising, community events, signage, flyers, media, social media, web and video used to inform and connect people with support services. Social media was particularly powerful, with messages reaching over 375,000 people across Facebook and Twitter.

HPW staff played a vital role in leading the housing recovery response and restoring government infrastructure. Other staff contributed as part of the Community Recovery Ready Reserve. Housing recovery staff provided a frontline response, working with compassion, talking to vulnerable people, assessing their needs and helping them access the right support.

The department is proud of its role in the recovery effort in Townsville and the many messages of thanks from residents are testament to the agency's unwavering commitment. The Townsville flood response is a standout example of our strength in working together and collaborating across government and industry to deliver for Queenslanders.



1200mm of rainfall
in just **seven days**



Housing teams worked around
the clock to support more than
1,800 displaced people



BAS coordinated repairs to
775 state government assets



SSQ team responded to more
than **70,000 calls**



\$30 million in community
recovery funds paid to more than
67,000 people



Messages reached over **375,000
people** across Facebook and Twitter



“

The Townsville flood response is a standout example of our strength in working together.

About us

Our vision

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

Our purpose

The Department of Housing and Public Works portfolio unifies diverse services to benefit Queenslanders and support government service delivery including housing and homelessness, building policy, public works, sports and recreation, digital and information technology and government corporate services. Our focus for the future is on building better connected, healthier communities supported by a responsive government.

We contribute to the Queensland Government's objectives, including to:

Be a responsive government

- making it easier for citizens to access and use government services and to do business with government
- driving the delivery of responsive government including supporting the delivery of simple and easy to access services across government
- embedding interagency and jurisdictional partnerships and human-centred design to actively involve clients, customers, staff and/or key stakeholders in the design process.

Create jobs in a strong economy

- partnering with Queensland Government agencies to strategically manage and deliver their building, construction and maintenance activities and programs state-wide
- delivering safe and environmentally sustainable government services in fleet management and government office and employee housing accommodation
- providing expert advisory, enabling and support services to agencies, suppliers and the community in the achievement of procurement outcomes and to reduce the cost of doing business with the Queensland Government.

Keep Queenslanders healthy

- supporting and encouraging participation in physical activity through sport and active recreation and promoting healthier lifestyles.

Keep communities safe

- delivering safe, secure and affordable housing and improving housing and homelessness services and support for Queenslanders
- ensuring safe and fair industry building standards and environmental sustainability in the building and construction industry.



Our future priorities

The department will continue to identify opportunities to realign its business and work with agency partners to contribute to the Government's objectives for the community, *Our Future State: Advancing Queensland's Priorities*:

- Create jobs in a strong economy: by contributing to the creation of jobs across Queensland and contributing to regional development
- Give all our children a great start: by providing children with a safe place to grow and learn through social housing, while also investing in sport and active recreation to give children a bright future in healthy communities
- Keep Queenslanders healthy: by supporting a range of sport and recreation outcomes to ensure physical activity enriches the Queensland way of life
- Keep communities safe: by providing housing for vulnerable Queenslanders and building a safer construction industry
- Protect the Great Barrier Reef: by delivering programs to purchase renewable energy, lowering fleet emissions and fostering sustainable building initiatives
- Be a responsive government: through a continuous rollout of initiatives that give Queenslanders better access to information and government services online, over the phone or in person.

The department's key priorities into the future include:

- lead a whole-of-government approach to responsive government services and enabling platforms that are simple and easy to access
- drive improvement in the delivery of sport and recreation opportunities, increasing the health of Queenslanders through implementation of the *Activate! Queensland 2019–2029* strategy outcomes
- complete the new North Queensland Stadium by the start of the 2020 NRL Premiership Season
- support more Queenslanders into social and affordable housing through effective implementation of the *Queensland Housing Strategy* and associated reforms
- deliver the *Aboriginal and Torres Strait Islander Housing Action Plan*
- deliver against commitments to ensure the safety and security of Queensland Government employees in well maintained homes through ongoing maintenance and upgrades, particularly in regional and remote communities
- create a safer, fairer and more sustainable construction industry through the delivery of *Queensland Building Plan 2017* reforms, including a focus on financial practices and ensuring building products standards are maintained
- effectively and efficiently manage Queensland Government data and information infrastructure
- continue to deliver on the Government's commitments to *Buy Queensland* through procurement.

Our operating environment

The department operates within a complex environment that is influenced by:

- changing citizen demands and expectations in a digital age
- a changing and shifting demographic profile and its impact on community service design and delivery
- increasing vigilance and capability to respond to emerging cyber security issues
- natural disasters.

Our opportunities and challenges

To ensure that we are well placed to address our opportunities and challenges in a changing environment, we review and manage our risk management strategies on an ongoing basis.

Our key risks relate to:

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

While we are effectively managing our risks, we are also aware of opportunities to reimagine our approach to managing our complex portfolio. To ensure we are well placed for the future, we will:

- develop our leadership capabilities at all levels to drive organisational change and embrace new opportunities
- foster a culture of innovation and agility that enables us to meet the future needs and changing expectations of our clients, customers and stakeholders
- build our capacity to respond to a digitised future, use technology and analyse data to gain new insights and transform the way we do business.

Our values

We are committed to integrity and accountability, with our values underpinning everything we do. Our people are engaged in their work and are committed to the following core public service values, as well as an additional value focusing on a healthy and safe workforce.



Healthy and safe workforce



Customers first



Ideas into action



Unleash potential



Be courageous



Empower people

Organisational structure

In 2018, the department underwent a structural realignment to create an environment for collaboration and innovation that positions us well for the future. This structure reflects the Government's priorities and in particular, the role we will play in the Responsive Government priority.

As at 30 June 2019, the department consisted of six divisions:

- Digital Technology and Services
- Housing, Homelessness and Sport
- Building Policy and Asset Management
- Portfolio Strategy and Chief Advisor of Procurement
- Corporate Services
- Queensland Government Chief Information Office

Our services are delivered through a network of regional offices in Queensland. These offices are coordinated by district offices and a central office in Brisbane. The office locations and contact details are on pages 76 to 79.

Machinery-of-Government changes

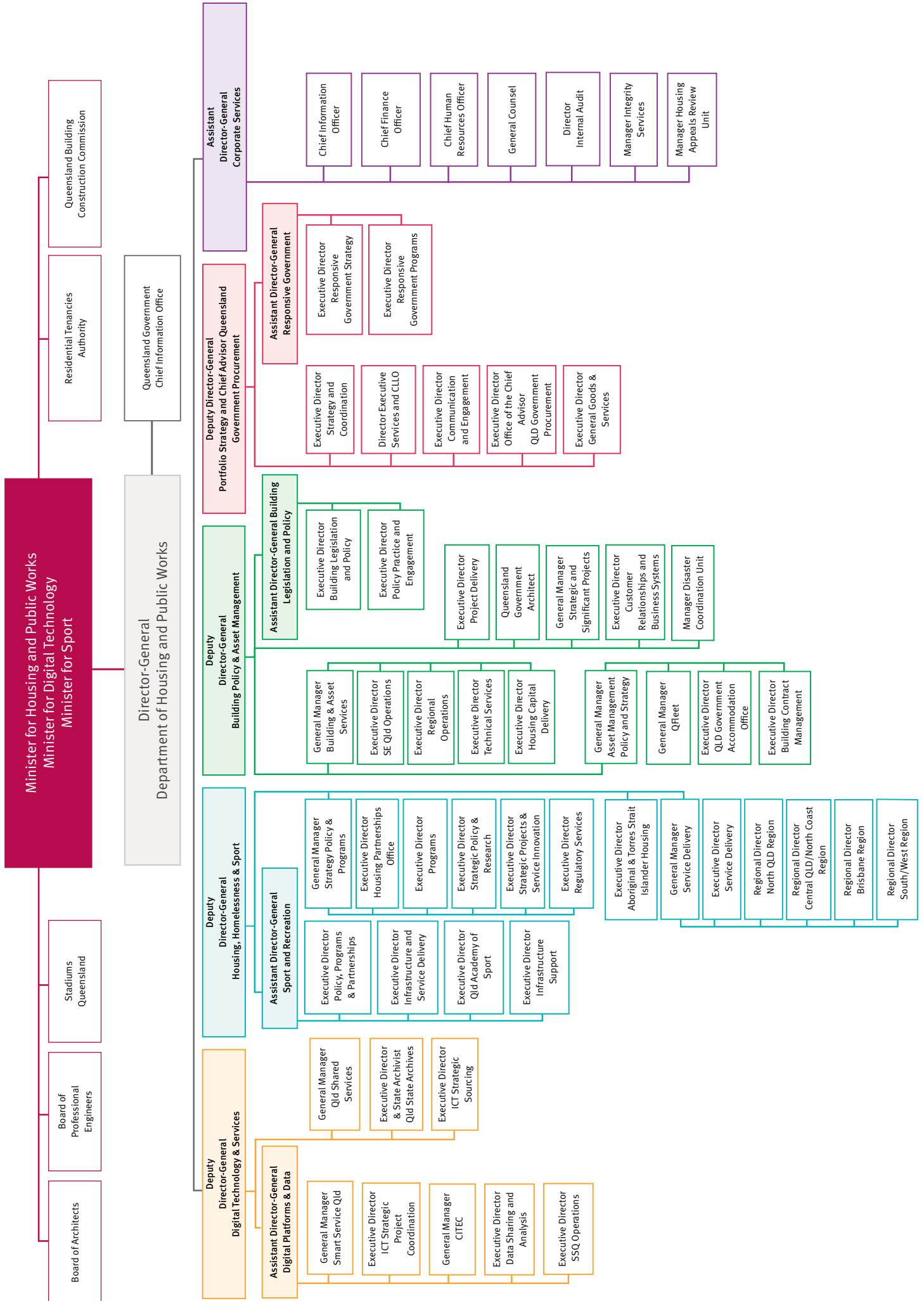
The Public Service Departmental Arrangements Notice (No. 3) 2018

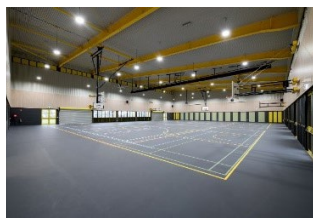
Details of transfer:

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

- Office of the Queensland Government Architect
- Construction Project Delivery

Date of Transfer: effective 20 August 2018.





Giving Queensland state school students a great start through better facilities

Thanks to the collaborative efforts of Building and Asset Services (BAS) and the Department of Education, thousands of school children in 73 schools across Queensland have access to new and improved facilities

Give all our children a great start is a key priority of the Queensland Government's Advancing Queensland's Priorities and the Advancing Queensland Schools initiative is one of HPW's important contributions to this goal.

Between March 2017 and April 2019, the program delivered over \$200 million in capital infrastructure upgrades including 25 new sports halls and performing arts facilities built or upgraded by BAS. A further 36 capital renewal upgrades to various learning environments were also undertaken during this period.

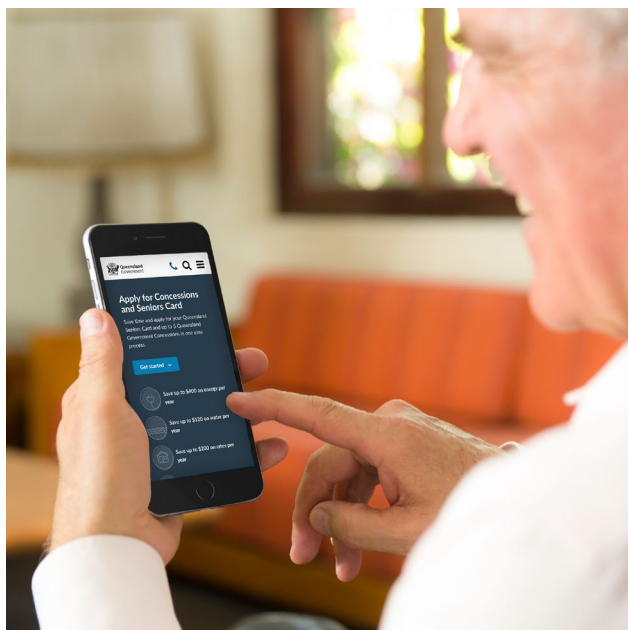
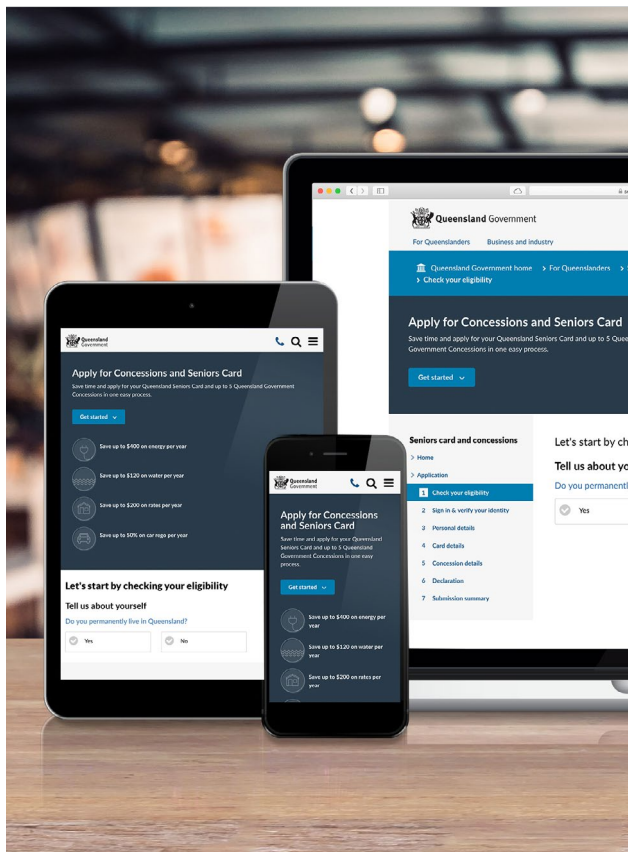
Coordinated by BAS' Capital Programs team, the works have been delivered through a collaborative, statewide effort by regional operational teams.

The client said collaboration was key to the program's accelerated delivery.

"The investment in construction of new school halls, upgrading of existing school halls and acceleration of capital renewal projects has provided the schools and their communities with the facilities to achieve desired curriculum outcomes."



The works have been delivered through a collaborative, statewide effort by regional operational teams.



Customer-centred approach helps seniors access services

Easier access to government services is at the heart of the Seniors Concessions Online Service which demonstrates the power of customer-centred design, collaboration and innovation.

For Queenslanders over 60, applying for a range of concessions like Seniors Cards is now as simple as answering a few questions, all in the one place. This service is a great example of how the department is contributing to the Advancing Queensland Priority of *Be a Responsive Government*.

The project was highly collaborative, delivered by teams from the Department of Housing and Public Works and the Department of Communities, Disability Services and Seniors. The service was built on the feedback of Queenslanders, who said they had low awareness of the concessions available to them and then tested further with customers via an online pilot.

Over 7,200 Queenslanders have used the Seniors Concessions Online Service application since it went live in January 2019 and of those eligible customers, 56% applied for both a Seniors Card and concession(s), showcasing how a single application process can translate into improved outcomes.

There are plans to extend this project to help low income earners, parents, students, people with a disability, carers and others to identify and apply for relevant concessions.

The Seniors Concessions Online Service is a seamless, one-stop customer experience that will provide the model for future initiatives aimed at reducing the cost of living for Queensland households.



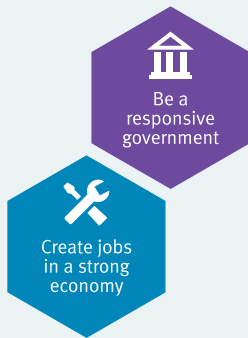



Over 7,200 Queenslanders have used the Seniors Concessions Online Service application since it went live in January.

Our strategic objectives

Following Machinery-of-Government changes and organisational realignment in 2018–19, the department undertook a review of its strategic plan to reflect and deliver on the Government’s priorities.

The strategic plan sets out four objectives for the agency:

Core objectives for our service delivery		Enabling objectives to support our service delivery	
Services for Queenslanders	Services for Government	Strategy and Policy	A Unified Organisation
<p>We advance Queensland through responsive services that are citizen-centric, integrated, accessible and easy to use to benefit Queenslanders and their communities.</p>  <ul style="list-style-type: none"> Be a responsive government Create jobs in a strong economy Keep Queenslanders healthy Keep communities safe 	<p>We advance Queensland through responsive services that make it easier to do business with the Queensland Government and support government agencies to effectively and efficiently deliver their services to Queensland.</p>  <ul style="list-style-type: none"> Be a responsive government Create jobs in a strong economy Keep Queenslanders healthy Keep communities safe 	<p>We advance Queensland through future facing policy that leads to evidence based reforms, encourages innovation to achieve change and delivers a more responsive government.</p>  <ul style="list-style-type: none"> Be a responsive government Create jobs in a strong economy 	<p>A citizen-centric organisation that is responsive, collaborative and a great place to work.</p>  <ul style="list-style-type: none"> Be a responsive government Create jobs in a strong economy

Objective one

Services for Queenslanders

We advance Queensland through responsive services that are citizen-centric, integrated, accessible and easy to use to benefit Queenslanders and their communities.

Our achievements

Delivering safe, secure and affordable housing and improving housing and homelessness services and support for Queenslanders

In 2018–19, we continued to deliver on actions in the *Queensland Housing Strategy 2017–2027* by:

- increasing the supply of social and affordable housing across the state through the Queensland Housing Construction Jobs Program, to better support vulnerable Queenslanders in need
- undertaking broad community consultation through the Open Doors to Renting Reform, which received over 135,000 responses from the Queensland community which shared their rental experiences and ideas to improve renting in Queensland
- continuing the implementation of legislative changes made in the *Housing Legislation (Building Better Futures) Amendment Act 2017* to protect consumers living in retirement villages, residential parks and residential services, such as boarding houses and aged rentals
- amending the *Retirement Villages Act 1999* to ensure former residents with freehold units receive their funds in a timely manner after they leave a retirement village
- launching the *Partnering for Growth* reform agenda on 21 November 2018 and partnering with the community housing sector to commence design of a new funding, investment and operational model to increase social and affordable housing and deliver human-centred services
- delivering a seniors' complex (35 units of accommodation) through the Brisbane Housing Company at Springwood, commencing construction of a seniors' complex (30 units of accommodation) through Churches of Christ in Queensland and commencing planning and delivery of 83 units of accommodation at Bongaree, Bribie Island
- supporting 41 families to achieve home ownership under the Remote Home Ownership Program
- developing a five-year development plan with the Brisbane Housing Company to deliver 682 units of accommodation, across a range of housing types under *Partnering for Growth*
- launching the tenant engagement program, *TenantConnect* in November 2018, which provides opportunities for tenants to engage with the department to better understand their needs and interests to work alongside the department and be involved in the wider community
- transforming frontline service delivery to be more human-centred with improved customer experiences and outcomes through an enhanced face to face service offer for customers, supported by new technologies, including the Front of House tool developed to support customer engagement and queue management. This includes the Toowoomba Housing Hub, which opened in August 2018 to provide an integrated, human-centred service

- launching new flexible products and services to assist people to access the private rental market including Bond Loan Plus, Rent Subsidies, No Interest Loans and Head-leasing
- adopting new technologies, including the enhancements added to the customer mobile applications that offer more self-service options, for the broader community in Housing Assist Queensland and one for public housing tenants in Tenant Assist Queensland, plus additional Assisted Self Service Kiosks.

In 2018–19, we continued to improve housing outcomes for Aboriginal and Torres Strait Islander peoples in urban, regional and remote areas of the State by releasing an *Aboriginal and Torres Strait Islander Housing Action Plan*, and by:

- appointing Mr Mick Gooda to the role of First Nations Advisor in October 2018 to guide the development of the *Aboriginal and Torres Strait Islander Housing Action Plan* and Aboriginal and Torres Strait Islander Housing Body
- undertaking consultation for the *Aboriginal and Torres Strait Islander Action Plan* which included eight yarning circles, consultation with Aboriginal and Torres Strait Islander Mayors through their Indigenous Leaders Forum, and the receipt of 46 survey responses and six written submissions
- holding an Indigenous Community Housing Organisation forum in March 2019 attended by over 45 representatives from the Indigenous housing and homelessness sector. The forum explored partnership opportunities and informed the development of the Aboriginal and Torres Strait Islander Housing Body
- delivering eight social housing dwellings under the Indigenous Community Housing Organisation Transitional Program
- opening a new 50-bed accommodation facility in Townsville to enable young Aboriginal and Torres Strait Islander women from remote communities to access education and employment opportunities
- delivering 97 dwellings, which completed the new dwelling construction component of the National Partnership for Remote Housing. Over the life of the 10-year program the new dwelling construction program delivered 1,141 new dwellings, with 1,074 in remote and very remote Aboriginal and Torres Strait Islander local government areas, 30 in remote towns and 37 in regional centres.

In 2018–19, we continued to address homelessness by:

- providing additional funding through the *Dignity First Fund* to support innovative responses that help Queenslanders experiencing homelessness to live with dignity, as well as preventing or reducing homelessness
- implementing the Government's response to the Domestic and Family Violence Taskforce *Not Now, Not Ever* Report and commencing work to deliver new shelters in Caboolture and Coomera, replacing a shelter in Cherbourg and commencing replacement of shelters in Pormpuraaw, Woorabinda and Southport
- completing the expansion of the Logan Youth Foyer from 22 units to 40 units. The Foyer will now almost double its capacity to assist young people with a housing need to stay engaged with education, training, and work.

Housing services includes Regulatory Services, which oversees the National Regulatory System for Community Housing in Queensland. The regulator also regulates the residential services, manufactured homes and retirement village industries.

In 2018–19, Regulatory Services:

- released the second edition of 'Toolkit for healthy eating in supported accommodation' best practice guide in conjunction with Metro South Health and the Supported Accommodation Provider's Association to aid Residential Services in providing optimum healthy meals for residents. Forty-seven site audits were conducted to ensure compliance with the toolkit and action has commenced to improve the quality of meals at 12 services
- introduced electronic payments via BPoint for clients to make payments for regulatory business transactions associated with Retirement Villages and Residential Services
- registered three non-funded domestic and family violence shelters and 18 new Residential Services under the *Residential Services (Accreditation) Act 2002*
- registered five community housing providers under the National Regulatory System for Community Housing and undertook compliance enforcement action against six registered providers
- undertook 'Operation Pyalla' to educate remote and rural based retirement villages to assist scheme operators with legislative compliance and raise their awareness of operator obligations.

Industry jobs supported through Housing Construction Jobs Program



Delivering more social and affordable homes for Queensland

New homes through
capital works

560

COMMENCED

549

COMPLETED

New homes through
capital grants

91

COMMENCED

64

COMPLETED

50 bed



student accommodation facility
constructed in Townsville for
young Aboriginal and Torres
Strait Islander women

Enhanced two Housing Service Centres to be more
contemporary, and using a person-centred customer
service approach to transform frontline service delivery

Over 195,500

new low income households assisted to access or
remain in the private market, including:

- **17,528** RentConnect services
- **37,495** Home Assist Secure services
- **1,994** National Rental Affordability Scheme (NRAS) households
- **19,498** new bond loans
- **121,398** Queensland Statewide Tenants' Advice and Referral Service (QSTARS) responses

6,876

new low income households
assisted with social rental housing

Renting in Queensland consultation

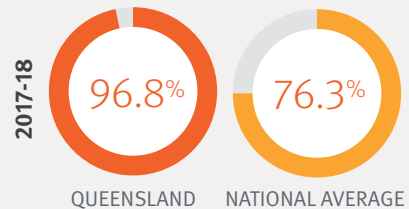
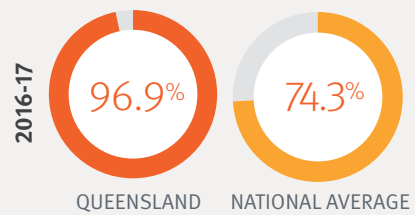


137,776

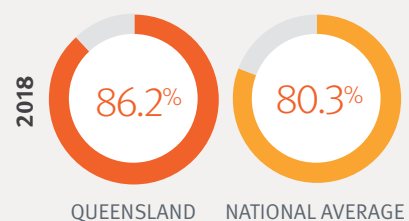
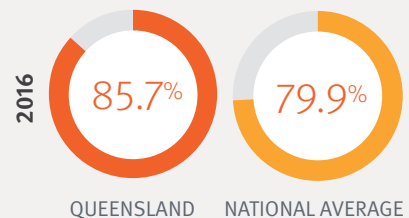
Responses
received

19,900 + online survey responses
14,100 + postcard survey responses
96,600 + responses to snap polls
4,800 + written submissions
41,100 + social media reactions,
comments and shares.

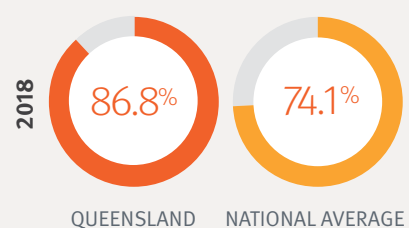
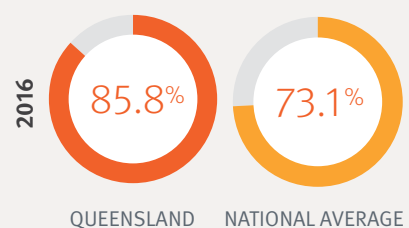
Greatest need allocations as a proportion of all new allocations – public housing



Dwelling condition, public housing



Customer satisfaction (satisfied or very satisfied) – public housing



Sourced from Report on Government Services
2019, Part G Housing and Homelessness

Aboriginal and Torres Strait Islander Housing Action Plan

Consultation snapshot

- **Eight** yarning circles with **200+** participants
- **80** organisations
- **46** survey responses
- **Six** written submissions
- **Eleven** customer interviews
- Local Government Association of Queensland's Indigenous Leaders Forums 2018 and 2019
- Torres and Cape Indigenous Councils Alliance

Queensland Recreation Centres



93,268
visits



116,606
bed nights



386,875
structured activity hours

Investing in places, spaces and services

547 local sport and recreation clubs were supported with

\$3.5 million

under Get Going Clubs to improve their capabilities to better deliver activities.

- **\$15.2 million** to support **45 infrastructure projects** dedicated to improving female facilities at sports clubs to encourage women to participate and have greater involvement in sport at the grassroot and elite levels.
- **94 nationally accredited training programs** in coaching, officiating and sports first aid were delivered to more than **1,418 participants**.
- **\$13.3 million** of funding approved for **111 local infrastructure projects** under Get Playing Places and Spaces to support new, upgraded and replacement infrastructure projects which increase or enhance participation in sport and recreation.
- **54 free Building Active Communities Workshops** were delivered to **831 participants** supporting community sport volunteers.

Sport and Recreation Disaster Recovery Program

\$1 million+

in funding to **217 sporting organisations** activated for **5 disaster** events:

- North Queensland Flooding
- Severe Tropical Cyclone Nora and associated flooding
- Wide Bay-Burnett Severe Storms
- Central Queensland bushfires
- North and Far North Queensland Monsoon Trough

Supporting our Athletes

\$1.2 million

to support young athletes traveling to competitions under the Young Athlete Travel Subsidy:

2,593 athletes to attend state events.

1,358 athletes to attend national events.

293 athletes to attend international events.

\$6.7 million

invested to support nearly **45,000 children and young people** to join a sport or recreation club, with **21.3%** indicating they hadn't played sport before.



Supported more than **600** of Queensland's **elite athletes** across **30** Olympic, Paralympic and Commonwealth Games sports.



The **Queensland Academy of Sport** pushed towards a milestone 300th **Olympics Unleashed** visit in June 2019.

Athletes aiming for **Tokyo 2020** have visited and inspired **over 45,000 Queensland students** since the program launched in September 2018.

Supporting and encouraging participation in physical activity through sport and active recreation and promoting healthier lifestyles

We supported and encouraged Queenslanders of all ages and abilities to participate in physical activity by:

- approving 111 capital projects, 556 non-capital projects and 44,961 vouchers to support grassroots sport and recreation participation and encourage physically active opportunities for all Queenslanders, particularly for those who can least afford it
- delivering a \$9.05 million redevelopment of the University of the Sunshine Coast Stadium to increase seating capacity, amenities, improve access for people with a disability, and for equipment storage, canteen and multipurpose spaces
- encouraging women to enter, participate and have greater involvement in sport at the grassroots and elite levels through approved funding of \$15.2 million for 45 infrastructure projects dedicated to improving female facilities at sporting clubs
- activating the Sport and Recreation Disaster Recovery Program for five disaster events, including North Queensland flooding, severe Tropical Cyclone Nora and associated flooding, Wide Bay-Burnett severe storms, Central Queensland bushfires and North and Far North Queensland monsoon and approved funding of more than \$1 million to 217 sporting organisations
- continuing to provide services and support to Queensland's elite athletes through the Queensland Academy of Sport supporting their goals to perform at the highest standard of competition nationally and internationally. On the international stage in 2018–19, 33% of the Australian Men's Hockey Team, which won bronze at the 2018 Hockey World Cup in Bhubaneswar, India, were Queenslanders.

Building and construction

\$46 billion

Queensland building and construction industry

230,000

Queenslanders earn a living in the building and construction industry

\$45.769 billion

Queensland Government capital works program over the next 4 years

Ensuring safe and fair industry building standards and environmental sustainability in the building and construction industry

We continued to progress reforms arising from the *Queensland Building Plan 2017* by:

- continuing to support the implementation of Phase 1 of Project Bank Accounts for government projects valued between \$1 million and \$10 million (including GST) to ensure subcontractors are paid for the work they do
- receiving the Building Industry Fairness Reforms Implementation and Evaluation Panel's report
- commencing Chapters 3 to 5 of the *Building Industry Fairness (Security of Payment) Act 2017* to deliver improvements to the payment claims process for construction work, streamlining the adjudication process for payment claims, simplifying and modernising subcontractors' charges provisions and implementing new requirements for paying retentions at the end of a project
- commencing the Queensland Building and Construction Commission (QBCC) (Minimum Financial Requirements) Regulation 2018 that includes changes to enable the QBCC to better regulate the industry and give the QBCC the information and tools to better detect and mitigate the impacts of insolvencies and corporate collapses in the industry
- establishing a Special Joint Taskforce, which investigated allegations of fraudulent behaviour relating to subcontractor non-payment in the Queensland building industry
- effecting the *Building and Other Legislation (Cladding) Amendment Regulation 2018* that requires building owners to complete a combustible cladding checklist to determine the type of material used on the building and whether any further assessment is required
- establishing a 'Safer Buildings' website to help identify buildings in Queensland that may have potentially combustible cladding
- rolling out new plumbing and drainage laws to promote efficiency and improve regulatory processes to save time and money while continuing to safeguard public health, safety and the environment. During May-June 2019, information sessions were delivered to this industry across the State to explain the changes, which will commence on 1 July 2019
- commencing a regulation to ensure that individuals who hold a QBCC plumbing or drainage contractor nominee supervisor or site supervisor licence are not required to pay a second fee to renew a corresponding occupational licence
- advocating for, and successfully gaining, the mandatory inclusion of Accessible Adult Change Facilities in new and significant refurbishments, of large Class 6 and 9b buildings in the 2019 National Construction Code
- developing and delivering QDesign, the Government's guiding urban design document to support the delivery of quality places across Queensland's cities and towns
- holding the 3rd annual Minister's Award for Urban Design that recognises contemporary urban design projects of the highest quality in Queensland and to strive for best practice in all projects.

Providing simple and easy access to integrated Queensland Government services and ensuring Queensland public records are preserved for the benefit of current and future generations

In 2018–19, we:

- continued to deliver responsive government services by providing service excellence to Queenslanders via 13QGOV (13 64 78) and in person at Queensland Government Agent Program locations and Queensland Government Service Centres
- launched the Recordkeeping Maturity Assessment Tool after consultation with agencies, a key component of the recordkeeping transformation program, which aims to improve the standards of recordkeeping across government
- launched the Memory Lounge, a Dementia Council accredited initiative that provides a comfortable and welcoming space for visitors to browse through photo albums and film from the Queensland State Archives' (QSA) collection
- partnered with the Museum of Brisbane to deliver the *Life in Irons* exhibition, which enabled 140,000 visitors to see originals of Queensland's oldest convict records
- integrated new technological approaches (including virtual reality and interactive software) into QSA initiatives including the *Go Fish* digital display, the *Birdcage of the Bay* exhibition and the Creative-In-Residence collaboration with Dr Jason Nelson
- completed the Digital Archiving Program Service Design and commenced building the archiving foundation capability to enable secure management of, and access to, the State's physical and digital permanent value records for years to come
- delivered the Smart Service Queensland Telephony Replacement Project, which involved the successful transition to a digital platform, enabling new functionality, reduced operating costs, increased capacity and an improved experience for customers contacting 13QGOV
- collaborated with the Department of Communities, Disability Services and Seniors to deliver the Seniors Concessions Online Service, providing customers with one simple online form for Seniors Business Discount Cards, Seniors Cards or Seniors +go Cards as well as concessions such as vehicle registration, electricity, gas, rates and South East Queensland water
- delivered open data policy and services and engaged with key stakeholders to encourage the release of high quality and high value datasets and increased the number of datasets available on the Open Data Portal by 10.87%
- supported the community through major weather events including the Far North Queensland monsoon and Tropical Cyclone Trevor and answered more than 75,000 calls for Disaster Recovery and SES customers.

Looking forward

In 2019–20, we will continue to support government commitments and priorities by:

- delivering improved housing outcomes for Queenslanders through continued implementation of the *Queensland Housing Strategy 2017–27* and *Queensland Housing Strategy 2017–20 Action Plan*:
 - delivering additional social and affordable housing in identified growth areas across the state through the Housing Construction Jobs Program
 - implementing innovative design in new construction projects with the aim of improving the environmental performance and sustainability of the social housing portfolio
 - continuing to install solar panels on government buildings in Lockhart River and public housing dwellings in Cairns and Rockhampton. The Logan phase will begin in July 2019 in partnership with the Department of Natural Resources, Mines and Energy
 - continuing to transform frontline housing services to better reflect the changing needs of our customers by implementing a reformed intake and assessment approach, new service offerings that respond to the needs of priority cohorts and new technologies that support staff to deliver these important services to Queenslanders
 - implementing phase two of the Future of Property and Tenancy Systems Program core property and tenancy systems to provide stable and supported technology solutions, enabling the delivery of housing and homelessness services
- improving housing outcomes for Aboriginal and Torres Strait Islander peoples across the State:
 - through the delivery of the *Aboriginal and Torres Strait Islander Housing Action Plan*
 - by establishing an Aboriginal and Torres Strait Islander Housing Body
 - by constructing new shelters in Pormpuraaw and Woorabinda in alignment with the *Domestic and Family Violence Prevention Strategy 2016–26*.
- providing housing and support to vulnerable people, including young people and persons experiencing domestic and family violence (DFV), through investing in homelessness support services and DFV services across Queensland:
 - delivering the *Partnering for Impact Initiative* to reduce homelessness in Queensland and the *Queensland Homelessness Compact* – establishing a shared vision and action plan through partnership with the homelessness sector to achieve better outcomes for vulnerable Queenslanders
 - supporting innovative responses to enable Queenslanders experiencing homelessness to live with dignity, as well as preventing or reducing homelessness, through the *Dignity First Fund*
 - delivering an enhanced suite of services for people experiencing domestic and family violence
- progressing reforms arising from the *Queensland Building Plan 2017*, including:
 - considering outcomes of the Building Industry Fairness Reforms Implementation and Evaluation Panel report, prior to progressing further security of payment reforms such as the next phase of Project Bank Accounts
 - continuing to support the roll out of the new plumbing and drainage laws and delivering the new mechanical services framework (including medical gas)
 - undertaking a review of the existing fire protection licensing framework with the aim of delivering a rationalised and modernised model
 - collaboratively working with the Australian Government, states and territories, regulators and industry to address issues raised by the Building Ministers' Forum, including non-conforming building products and professional indemnity insurance for building industry professionals
- supporting the state's elite athletes to continue to perform at the highest standard of competition nationally and internationally in the lead up to the Tokyo 2020 Olympic and Paralympic Games
- partnering and supporting organisations to provide responsive services making it simpler, faster and easier for customers to access government services, including through improved counter services and online application-based services
- enhancing digital service delivery to reduce duplication of effort and burden on citizens to provide information to multiple agencies through streamlining and personalising the way citizens can connect and engage with government
- supporting agencies to increase the number of open public records and enhancing the discoverability of these records to make them easier for Queenslanders to find
- implementing the *Activate! Queensland 2019–2029* strategy, targeting government investment to drive improvement in the delivery of sport and recreation opportunities for all Queenslanders and promote healthier and more active lifestyles
- ensuring more Queenslanders meet the targets for physical activity through investment reforms under the *Activate! Queensland 2019–2029* strategy, which aims to increase current levels of participation in adults and children.

Objective two

Services for government

We advance Queensland through responsive services that make it easier to do business with the Queensland Government and support government agencies to effectively and efficiently deliver their services to Queensland.

Our achievements

Delivering safe and environmentally sustainable government services in fleet management and government office and employee housing accommodation

In 2018–19, we:

- refurbished three heritage buildings within the Rockhampton Heritage Precinct as part of government's commitment to preserve Queensland's unique heritage, stimulate the local regional economy through job creation and help revitalise part of Rockhampton's central business district
- delivered 60 new government employee residences to support the retention of skilled staff in rural and remote areas of the state for the delivery of government services across Queensland
- commenced construction on a further 29 government employee residences across rural, remote, and Aboriginal and Torres Strait Islander communities, which are due for completion by 30 June 2020
- delivered \$46 million in maintenance, upgrade and improvement programs to enhance the quality and standard of government employee housing
- continued to improve government employee housing occupancy in areas with long-term vacancies by leasing properties to the private market through real estate agents
- released the *QFleet Emissions Reduction Guide* for the Queensland Government motor vehicle fleet, which outlines the approach to proactively developing an environmentally sustainable fleet, reducing emissions in the government's fleet of more than 10,000 passenger and light commercial vehicles
- fully implemented QFleet Car Share in the Brisbane CBD, providing agencies with access to three centralised vehicle pools for short-term use, using a fully automated online booking system. QFleet Car Share has been designed to improve fleet utilisation efficiency and deliver savings and is planned to be expanded to the greater Brisbane area and selected regional locations
- introduced *Driving a Vehicle for Work*, an online driver induction course that informs staff of their responsibilities when driving a vehicle for work. The course assists in the management of driver associated risks in the workplace and promotes a culture of road safety in government.
- added two newly released electric vehicle models with two electric vehicle recharging units to the Car Share fleet. Both models have also been included in the selection of vehicles available for lease by agencies. Negotiations continue with manufacturers to increase the electric vehicle range as suitable new models are released in Australia.

Partnering with Queensland Government agencies to strategically manage and deliver their building, construction and maintenance activities and programs state-wide

In 2018–19, we:

- successfully implemented the *Queensland Procurement Policy* and *Buy Queensland* procurement strategy requirements, with an 82% state-wide spend on local zone one suppliers, including an over 9% spend with suppliers identifying as Aboriginal and Torres Strait Islander businesses, which helped drive local employment and build prosperity in our regions
- developed the Forward Procurement Pipeline to capture the government's past, current and future building construction and maintenance projects and provided enhanced visibility of procurement opportunities for the industry
- established statewide pre-delivery meetings enabling collaborative cross-government leveraging of resources, which optimised planning and delivery of government's capital works projects and supported local supplier markets
- employed 40 trade-based apprentices and two school-based apprentices, mentored by our team of trade-based field staff, through the Building and Asset Services Apprenticeship Program, creating employment opportunities and supporting the pathways to training, skills and jobs
- deployed 24 drones for use in the regions and around the state to deliver safer, efficient and cost-effective services
- delivered the Sub-Category Plans for Property and Real Estate Services and Specialist Services to help drive improved procurement outcomes
- delivered two Building Construction and Maintenance Collaboration Forums and two regional planning meetings to better educate and inform government procurement professionals across the state.

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

In 2018–19, we:

- transitioned 5,200 Queensland Ambulance Service employees from an unsupported payroll solution to the core Queensland Government payroll solution in March 2019
- implemented Single Touch Payroll legislative changes in the Department of Transport and Main Roads (DTMR) SAP payroll system to enable compliance with the provision of tax and super information to the Australian Taxation Office each time DTMR employees are paid
- successfully piloted single sign-on capability for Queensland Government employees in order to reduce the number of system log-ons required

- implemented Robotic Process Automation technology for repeatable manual tasks, including transactional activities to support continued improvement in the quality and efficiency of business processes for shared services
- delivered a new HR data provision service for agencies, enabling them to self-serve HR business intelligence
- replaced more than 100 published phone numbers with 'one number' for customers to easily contact Queensland Shared Services
- finalised all client agencies system financial and HR records to their new entities in line with machinery-of-government changes.

Delivering information and communication technology (ICT) services and advice across government and the ICT industry and providing ICT infrastructure and information brokerage to support the delivery of frontline services

In 2018–19, we:

- provided cyber security intelligence and protection to the Queensland Government by collecting and analysing an average of 420 million events per day from over 235 sources and preventing 24 high severity Denial of Service cyber-attacks from impacting government services
- completed the inland and coastal routes for the Queensland Government Regional Network project, with more than 117 live client services. This enabled reduced telecommunications costs, improved connectivity and increased collaboration for partner agencies
- achieved a significant reduction in costs through the establishment of a flexible and future-oriented Data Centre as-a-Service panel arrangement and the renegotiation of a major data centre lease
- built and implemented a new system to facilitate improved electronic filing of court documents
- established the Ministerial ICT Advisory Council, bringing industry leaders together to discuss the critical challenges and opportunities facing the state's ICT industry
- facilitated two Partners in Technology events, briefing 400 attendees from the ICT industry with information and insights on the government's key ICT projects and procurement opportunities
- recruited 58 participants in the Queensland Government IT Graduate Program, supporting 13 agencies to build their IT talent. Thirty-six participants started on the 2019 intake
- consulted and developed a paper to inform the development of a policy statement on data use for Queensland
- conducted a whole-of-government audit of intellectual property management, to ensure that intellectual property assets are administered consistently and effectively and to encourage collaboration among staff with Crown intellectual property responsibilities.

Developing digital strategies and policies to guide government investment decisions and address cyber security

In 2018–19, we:

- delivered cyber security awareness and training including:
 - Information Security Management System (ISMS) Journey workshop with senior agency executives
 - ISMS training sessions to support executives, audit teams, ISMS implementors and security personnel
 - two sessions of Cyber Crime Awareness training to agency executives
 - the training of over 50 technical cyber security staff in advanced cyber incident detection and response. To further reinforce this training, Cyber Security Unit (CSU) has established an agreement for access to a Cyber Range facility for technical staff to be able to test their detection and response skills against various attack scenarios in a live fire virtual training environment
 - establishing a pilot program to train 19 existing public servants in Certificate IV in Cyber Security in conjunction with TAFE Queensland.
- delivered a whole-of-government cyber security exercise
- assisted agencies with the implementation of the new Queensland Government Information Security Classification Framework through the ISMS Community of Practice platform and individual /group coaching and workshop sessions
- co-authored the operational handbook for interjurisdictional cyber incident management
- successfully blocked on average, 5,500 malicious Domain Name System requests per minute through the Queensland Government Cyber Security Operations Centre.
- renewed our membership with Supply Nation, extending our access to Australia's leading database of certified Aboriginal and Torres Strait Islander businesses, which includes more than 300 Queensland businesses. This partnership will help the department embed diversity in our supply chains, delivering jobs and prosperity in communities across Queensland
- embedded the whole-of-government Procurement Performance Management Reporting Framework and published the Queensland Government Procurement Performance Report. This leading practice approach to managing procurement will improve data and reporting to better enable evidence-based decision making by agencies
- implemented a new 10-year wholesale energy arrangement for large market sites, which is expected to:
 - redirect approximately \$71 million over the next ten years for the delivery of frontline services across government
 - provide agencies with price certainty and deliver substantial savings, meaning money can be re-allocated towards the delivery of frontline services for Queensland
 - secure a low, fixed wholesale price
 - increase renewable energy to 50% from an initial 15% over a 10-year period, putting Queensland on an economically responsible and sustainable path to achieving a 50% renewable energy target by 2030
- renewed the whole-of-government Professional Services arrangement to create a more contemporary, diverse supplier panel that supports Queensland businesses. The outcome supports the Queensland Procurement Policy with:
 - 94% of the panel being Queensland based suppliers
 - 73% of the panel comprising small to medium enterprises
 - 19% of the panel comprising local and regional suppliers
 - 4% of the panel being Aboriginal and/or Torres Strait Islander businesses
- hosted four whole-of-government vendor manager and procurement forums to increase cross-government collaboration on central and agency initiatives, new ICT procurement approaches, challenging ICT procurement issues and wider technology insights
- established an IT Management-as-a-Service panel arrangement for smaller agencies
- delivered a new panel arrangement for networking hardware as well as refreshed arrangements for telecommunications products and services.

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

In 2018–19, we:

- strengthened the implementation of the *Queensland Procurement Policy* by providing advice and guidance to agencies and improving tools and materials for agency use
- established a Queensland Government Food and Beverage Supplier Directory to ensure government agencies can source Queensland food and beverages for government events and corporate functions
- conducted a 'Buy Queensland Roadshow' that attracted more than 900 suppliers and almost 270 government buyers to learn about the enchainment's to Buy Queensland, including help for business to be tender-ready and have an increased focus on doing business with ethically, environmentally and socially responsible suppliers

Looking forward

In 2019–20 we will support government, departmental commitments and priorities by:

- embedding the *Buy Queensland* approach to procurement, including providing advice, support, frameworks and tools to enable government agencies to pursue economic, environmental and social outcomes. This includes increasing opportunities for local suppliers, growing regional economies and embedding non-price considerations, including social procurement, into government procurement processes
- further maturing *Buy Queensland* compliance and enforcement activities, with a focus on supplier compliance with best practice principles, local benefits, the Queensland Government Food and Beverage Supplier Directory and the *Queensland Government Building and Construction Training Policy*
- implementing the 'Buy Queensland first' commitment for food and beverages via the public launch of the Queensland Government Food and Beverage Supplier Directory
- continuing to develop a culture of information security accountability and improve the government's ability to prevent, detect and respond to cyber security threats
- delivering 54 new government employee residences to enable the provision of essential government services and retention of skilled government staff
- expanding QFleet Car Share to the greater Brisbane area and regional locations
- working with Queensland Government agencies to effectively manage asset portfolios, creating value for money partnerships and enabling agencies to deliver more services to Queenslanders
- continuing to optimise transactional corporate services, delivering efficiencies to customers through more streamlined services and self-service opportunities
- continuing to drive the transformational change required to ensure government services are easy to access, efficient and effective for everyone
- providing better support to agencies in the delivery of frontline services through extending regional connectivity
- collaborating with agencies to deliver data insights and analytics projects
- continuing to mature processes and service offerings in cyber security operations.

Cyber Security

- Achieved 100% Denial of Service attacks stopped before causing system outages, meeting the target
- 100% of major incidents resolved within agreed timeframe, meeting the target
- 99.8% of licenses assigned to agencies are used to conduct phishing simulations and trainings.

Smart Service Queensland

72,568

SES and Community
Recovery calls were taken



92 million

interactions across phone,
counter and online channels



62,547

customers accessed information
provided at www.qld.gov.au/alerts



Leading the whole-of government ICT buying category

30 whole-of-government Standing Offer Arrangements

Five whole-of-government multi-year
ICT contracts worth over \$900 million including:

- **\$560 million** Government Wireless Network (GWN) over 15 years
- **\$65.68 million** One William Street ICT contract over five years.

Open Data Action Plan 2017–19

95.5% actions in the Plan
are **completed**

92.12% of data sets available on data.qld.gov.au
with Open Data Certificate

10.87% increase in datasets published on the
Queensland open data portal

20% increase in unique views

30.04% increase CSV
and Excel downloads



Objective three

Strategy and policy

We advance Queensland through future facing policy that leads to evidence-based reforms, encourages innovation to achieve change and delivers a more responsive government.

Our achievements

Drawing on leading edge research, harnessing data to provide new insights, and using scenario planning techniques that support evidence-based options, encourage innovation and enable well targeted approaches for the future

In 2018–19, we:

- delivered customer experience and human-centred design training across the government sector to deliver universal capability uplift and transform the way government services are designed
- designed a new platform to improve the quality and reliability of whole-of-Government procurement data
- identified emerging skill and capability development requirements for the Queensland Government Future ICT Workforce through the design and delivery of a blended learning program focussing on digital transformation and leadership
- hosted professional development events with a government focus through a series of engagement and awareness events improving the collaboration and information sharing between Queensland Government agencies and industry in ICT practices and emerging technologies.

Embedding interagency and jurisdictional partnerships and human-centred design to actively involve clients, customers, staff and/or key stakeholders in the design process

In 2018–19, we:

- worked with key government agencies and the Climate Change Inter-departmental Committee to inform the department's work to reduce emissions and increase the use of renewable energy under the Government's *Climate Change Response Strategy*
- partnered with government agencies to deliver human-centred design journey mapping to help make it easier for parents and carers in Queensland to access services and information on developmental milestones for children, applying online to enrol their children in a state school and accessing sports vouchers so vulnerable children can participate in sport
- worked with the Department of Communities, Disability Services and Seniors to further improve the Seniors Concessions Online Service, making it easier for about 750,000 Queensland seniors to apply for a Seniors Card and a range of concessions securely and seamlessly in one place
- undertook a proof of concept of digital identity brokering and information sharing infrastructure to simplify and expedite the way Queenslanders access government services online – supporting a 'Tell us Once' experience

- simplified the Queensland Government 'front door' website - qld.gov.au - making it easier for Queenslanders to access secure Queensland Government digital services and improve their experience of interacting with those services
- partnered with government agencies to improve the management, availability and use of data and information in areas such as disaster management, place-based initiatives (for example in social, justice and human services) and building information modelling
- engaged in ethnographic research and used human-centred design techniques to understand the problems facing parents and carers in Queensland to inform planning for service enhancements, for example digitising applications for school enrolment
- delivered an advanced analytical enterprise planning assessment model for Queensland Fire and Emergency Services (QFES) to help predict the likelihood of disaster events across Queensland and the demands these will place on QFES resources
- created analytical and reporting tools for housing and homelessness services that provide critical insights on housing demand management, emergency assistance response and the impact of rental policy changes.

Committing to assessing the effectiveness of our strategy and policy and using this knowledge to improve our work and create an evidence base that informs future policies and programs

In 2018–19, we:

- undertook extensive consultation to develop the *Activate! Queensland 2019–2029* strategy and associated action plans, which will drive improvement in the delivery of sport and recreation opportunities for all Queenslanders and promote healthier and more active lifestyles. To be released during the second half of 2019
- consultation for the strategy included 2,383 online survey responses, 2,021 postcard survey responses, 505 people participating in community sessions and 637 people in sector deep dives and department-led sessions, the receipt of 91 written submissions and social media which reached more than 585,000 Queenslanders
- undertook a consultation process with industry representatives and unions in March 2019 to seek feedback on a proposed new standing offer arrangement for the contingent workforce category. Responses to the consultation paper are being considered as part of a wider consultation process and will contribute towards the development of a procurement strategy
- implemented the Compliance Coordination and Referral and Building and Construction Training Compliance functions to monitor compliance with the *Queensland Procurement Policy* as well as the *Queensland Government Building and Construction Training Policy* and ensure that suppliers' commitments to Queenslanders are upheld
- delivered strategies, policies, standards and guidelines within the Queensland Government Enterprise Architecture (QGEA) governance framework to assist agencies to deliver

quality frontline services. An example is the release of the Information Sharing Authorising Framework, one of over 630 documents in the QGEA which are continually reviewed.

Ensuring strong governance that delivers stewardship, strategy and accountability

In 2018–19, we:

- managed the governance processes to provide assurance over ICT investment over digital and ICT initiatives in government. Provided in-depth analysis of the sector's existing and planned digital and ICT investments to support agencies and advise executives. Reviewed whole-of-government governance for digital and ICT programs, projects and initiatives
- established the departmental Climate Change and Sustainability Committee, to help drive and guide our work to respond to the risks and opportunities of climate change
- established governance processes in relation to the Responsive Government Ministerial Outcomes Oversight Group and the supporting Deputy Directors-General Cluster Group to ensure that initiatives on the approved roadmap can be delivered
- established governance processes in support of the Minister, in his role as a member of the Australian Digital Council and provided support to senior officials in the Digital Transformation Agency's life events journey work across jurisdictions
- delivered governance, planning, performance reporting and risk deliverables to support decision-making and the achievement of department objectives. Established new governance arrangements and implemented new performance reporting to the Executive Leadership Team. Revised, promoted and implemented the Risk Management Framework and Performance Management Framework
- developed the Departmental Governance Framework, which draws together the key principles that drive our department's performance whilst enabling oversight of accountabilities. The framework gives a foundation for a consistent, principles-based approach to the department's work and enhances trust in actions by being transparent, responsible and responsive to changes
- Please refer to the Governance section of this report on pages 62 to 73 for more information on the department's Governance structure and arrangements, including the Departmental Governance Framework.



\$229.84 million

for 71 projects directly supporting
27 full-time apprentices and trainees

Looking forward

In 2019–20, we will continue to support government commitments and priorities by:

- implementing foundational digital identity brokerage and information sharing infrastructure to support the ‘Tell Us Once’ experience
- continuing to improve customer experience by supporting agencies to deliver simple and accessible services that make it easier for Queenslanders to transact with government
- continuing to develop and improve new digital services
- enhancing and extending ICT investment review and assurance processes to improve government investment in digital and ICT-enabling
- providing sound guidance to improve government investment in digital and ICT-enabling initiatives through the investment and assurance review processes
- continually improving government cyber security preparedness and increasing trust in the delivery of government services and information management
- assisting agencies with the digital transformation of core agency systems to better support the delivery of services to Queenslanders
- continuing to provide data and information management advice and capabilities in support of *Our Future State – Advancing Queensland’s Priorities*, including the development of the Great Start data hub
- targeting achievement of economic, social and environmental objectives under the Buy Queensland approach to procurement, including a focus on embedding the Ethical Supplier Mandate and Ethical Supplier Threshold, prioritising Queensland food and beverage suppliers and continuing to support increasing opportunities for social enterprises.

The Digital Projects Dashboard

is a high-level public communication tool providing information on how projects are tracking against time and estimated cost. As at 12pm, 4 July 2019 (point in time only) 4 July 2019 there were;

- **150 projects reported** by agencies on the dashboard
- **132 green** ‘on track’
- **16 amber** ‘closely monitored’
- **2 red** ‘action required’

79,576

page views on the Digital Projects Dashboard

60%

increase compared to 2017–18



Eight

awareness events including ‘Talk IT Up’, roundtables, and forums

Procurement Services

84%*

Queensland Government contracts awarded through QTenders have been to Queensland businesses

Over 26,000**

Queensland businesses already supplying to the Queensland Government

* indicates the percentage for the period 1-Sep-17 to 30-Jun-19 from QTenders data

** indicates the number of private businesses registered with Queensland addresses based on the unique Supplier ABNs from ABR data using the procurement spend data for 2018–19 (does not include One School and Corporate Card data)

Objective four

A unified organisation

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

Our achievements

Continuing to develop a diverse, safe and engaged workforce, respecting one another as much as we respect those we provide services to

Workplace health, safety and wellbeing

In addition to the five Queensland public sector values, the department has a sixth value focusing on a 'Healthy and Safe Workforce'.

In 2018–19, we:

- continued to implement the *Healthy and Safe Workforce Action Plan 2018–20*, which focuses on improving workplace health and safety systems and culture to improve our overall workplace health and safety performance
- had a reduction in worker's compensation statutory costs
- coordinated the Workplace Health and Safety Sub-committee to support our workplace health and safety strategic objectives
- installed 67 automatic external defibrillators in our workplaces
- facilitated the completion of online workplace health and safety inductions for over 32,000 contractors engaged by Building and Asset Services
- delivered domestic and family violence training to over 1,500 employees
- conducted over 2,200 skin cancer checks and administered over 3,100 seasonal influenza vaccinations to our staff
- installed physical safety share boards in all workplaces to promote workplace safety messages
- commenced implementation of the recommendations of the Safer and Healthier Workplaces audit report
- implemented the Employee Support and Resilience Program to Housing Service Delivery.

Industrial and Employee Relations Framework

There are five certified agreements covering employees in the department:

- Building and Asset Services Field Staff Certified Agreement 9 (2016) – covering Building and Asset Services field staff
- Building and Asset Services Office Staff Certified Agreement 2016 – covering Building and Asset Services office staff
- QFleet Certified Agreement 2018 – covering QFleet staff
- CITEC Certified Agreement 2016 – covering CITEC staff
- State Government Entities' Certified Agreement 2015 (Core Agreement) – covering the remainder of the department's employees.

We continue to support the Government's policies on union encouragement and employment security. We also actively encourage unions in the workplace by:

- providing new employees with information about unions
- allowing employees full access to union delegates or officials during work hours
- recognising that the continued operation of consultative committees plays an important role in the department's consultative framework.

Our department values the principles of employment security, which is demonstrated by maximising permanent employment through the continued conversion of temporary employees to permanent, where possible. We also actively consult with unions about organisational change and restructuring.

Code of Conduct

The standard of behaviour that applies to all employees is set out in the *Code of Conduct for the Queensland Public Service*. The Code of Conduct also applies to volunteers, students and hired personnel who perform work in any capacity for the department.

During 2018–19, we continued to train all employees on the Code of Conduct during induction and then annually thereafter. Our department also provides workplace behaviour training to staff, which aligns with the standard of behaviour outlined in the Code of Conduct.

Workplace attendance

Addressing absenteeism through a range of strategies is a priority for our department, supporting staff engagement to reduce workplace absenteeism through workplace health and safety initiatives.

In 2018–19, we:

- continued to implement the *Healthy and Safe Workforce Action Plan 2018–20*
- maintained activities in accordance with White Ribbon Australia Workplace Accreditation, demonstrating our commitment to supporting employees affected by domestic and family violence

- offered access to the Employee Assistance Service and the Early Intervention Centre, as a means of reducing the rate and impact of employee injury and illness, both physical and psychological
- provided ongoing quarterly business area and employee unplanned absenteeism reports
- delivered the Managing for Results Workplace Health and Safety training program, including domestic and family violence and risk management.

Early retirement, redundancy and retrenchment

During 2018–19, one employee received a redundancy package at a cost of \$158,505.60.

Diversity and inclusion

The department continued to support the development of a diverse and inclusive workforce, with a focus on increasing the representation of key Equal Employment Opportunity target groups.

The department is committed to building the cultural capability of all staff and continued the implementation of cultural capability training across the state including:

- mandating that all staff complete the foundational training course, 'Starting the Journey'
- conducting community based cultural protocol training in Brisbane and on Stradbroke Island.

In 2018–19, the department continued to support the development of Aboriginal and Torres Strait Islander employees by providing career development opportunities, including:

- four Aboriginal and Torres Strait Islander employees participating in the Public Sector Management Program
- six Aboriginal and Torres Strait Islander employees participating in the inaugural whole-of-government Career Pathway Service program
- holding an Aboriginal and Torres Strait Islander staff forum, with the theme of *Connections and Conversations: doing things differently*, for all employees in May 2019
- as at 30 June 2019 the department employed seven Aboriginal and Torres Strait Islander apprentices.

Supporting employees with disability is a key focus of the department, with key initiatives including:

- the engagement of two university students under the Stepping Into Internship Program run by the Australian Network on Disability
- the department's All Abilities staff network continuing to provide opportunities for staff, who identify as, or are an ally of, a person with disability to contribute to driving disability initiatives.

The department also celebrated a range of diversity events and culturally significant occasions across the state including:

- National Aboriginal and Islanders Day Observance Committee (NAIDOC) Week celebrations, including the Musgrave Park Family Fun Day
- Sporting Wheelies Corporate Tri-Challenge and a range of activities for Disability Action Week
- sponsoring ten employees to attend International Women's Day events
- sponsoring ten women to attend the QUT Women on the Move event.

Demonstrating strong leadership that effectively manages resources while driving innovation in an agile environment

We aim to empower leadership at all levels in the department to contribute to a high-performing, innovative and future-focused public sector, while aiming to change lives positively for all Queenslanders. We establish leadership development initiatives, which align with the Queensland Public Sector Leadership Competencies for Queensland to ensure our employees are supported in development and leadership.

In 2018–19, we:

- supported 56 employees to complete the Managing for Results Program, which provides foundational management and leadership skills to optimise individual and organisational productivity, performance and service delivery
- supported 61 employees to complete the Taking the Lead Program, which provides emerging leaders with the skills to lead, influence and inspire a sense of purpose and direction
- supported 30 employees to complete the Enterprise Leadership Program, which provides developing and experienced leaders with knowledge and skills on topical business and leadership subjects to successfully lead in ever-changing, complex work environments
- supported 22 employees to complete the QUT EX short courses, which are intensive one-day workshops that provide discussion and insight on the latest research to help leaders navigate the difficult and complex challenges they face today
- supported 70 employees to complete the Leading in a Rapidly Changing World Program, which assists managers and leaders lead themselves and their teams in an environment that is in a constant state of uncertainty and change
- supported approximately 100 employees to complete LEAD4QLD, a tool that enables participants to receive an assessment of their leadership capabilities against the Leadership Competencies for Queensland Framework
- held monthly forums for our leadership cohort to strengthen leadership capabilities, foster expertise in public sector delivery and build connections across the agency to empower informed decision-making.

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

The department is committed to promoting and supporting a high-performance culture through the *Performance Excellence Framework*, which is designed to maximise the potential of employees through four key areas: Recruit and Induct; Engage; Perform and Review; and Recognise and Reward.

In 2018–19 we:

- rewarded and recognised the achievements of individuals, teams and projects formally through:
 - divisional awards ceremonies
 - a departmental Recognition of Excellence Awards ceremony (held on 11 December 2018)
 - an Australia Day Achievement Awards ceremony (held on 23 January 2019)
 - a National Aboriginal and Islanders Day Observance Committee (NAIDOC) Awards ceremony (held on 18 July 2018)
- received the prestigious 2018 Premiers Award for Excellence in the 'Customer Focus' category for the co-designed Fortitude Valley Housing Service Centre (held on 20 November 2018)
- continued to recognise the knowledge, skills and diversity that university graduates bring to the department by employing 14 new graduates across two different programs
- rolled out a suite of training initiatives to build employee capability in a number of critical areas including:
 - Leading Performance: Workplace Conversations (40 attendees)
 - Recruitment and Selection (131 attendees)
 - Practical Emotional Intelligence (95 attendees)
 - Write Well (44 attendees).

Special events

During 2018–19, we celebrated a number of special events and observances by:

- raising funds and awareness for charities that support people who have experienced domestic and family violence, and people who are experiencing, or are at risk of homelessness
- collecting over 160 boxes of non-perishable food and household supplies in support of Foodbank Queensland's 2018 Christmas food drive
- holding fundraising events across the state in support of the department's ongoing commitment to the prevention of violence against women and children
- encouraging staff to participate in the Darkness to Daylight Challenge Run in May 2019 to raise funds and help shine a light on the issue of domestic and family violence
- supporting our Director-General and other departmental leaders to join the Vinnies CEO Sleepout in June 2019, with our leaders raising over \$23,000 to help fight homelessness.

Embracing digitisation of services, emerging technologies and new ways of doing our work and ensuring we have the right tools and information to transform our capacity to provide service excellence

In 2018–19 we:

- continued to increase uptake and engagement, with our three departmental learning management systems across the department including the consolidation of all existing online learning modules
- provided all employees with electronic access to the Working for Queensland survey data through a new web-based system (Qualtrics)
- continued to consolidate the department's various timesheet systems, with the majority of staff progressively moving across to one system
- developed and delivered the live office queue management system, Front of House, for Housing Service Centres. The system records customer service requirements and allocates them to a related service queue, enabling effective coordination of client intake activities within area offices
- developed and delivered the Food and Beverage Supplier Directory, which supports a new departmental goal of promoting local providers and suppliers of Queensland produce
- actively supported the Queensland Government Regional Network (QGRN) initiative by implementing 16 new QGRN sites, providing an increase in bandwidth and performance to offices throughout Queensland, while achieving ongoing savings.

Supporting work-life blend

In 2018–19, we:

- continued to support flexible working arrangements through a range of flexible work possibilities, including all staff having the right to request a flexible arrangement, related to the hours and places they work and the types of arrangements they use, such as using a distributed work centre which allows employees to work from a designated office space that is closer to their home
- supported employees through our Employee Assistance Service to manage their work-life blend through professional coaching and support provided by face-to-face consultations, telephone and online counselling services
- used technology to enable employees to adopt flexible work practices, including working remotely and hot desking
- continued to promote a range of health, safety and wellbeing initiatives through the department's Pathways Program
- continued to drive the development of a constructive workplace culture that values diversity and inclusion through the development and implementation of programs and initiatives that influence and shape organisational culture to build a diverse workforce.

Looking forward

In 2019–20, the department will continue to deliver initiatives that will support an organisation that is responsive, collaborative and a great place to work by:

- fostering the values and principles of diversity, agility, health and wellbeing and respect for all persons through a wide range of training and awareness programs
- delivering a broad range of learning and development programs targeted at staff at all levels that support the growth of strong leadership that balances innovation in service delivery and fiscal responsibility in a constantly changing environment
- growing our people and their performance by providing tactical opportunities to continually build our capabilities and recognise potential, using strategic workforce planning principles and the *Housing and Public Works Performance Excellence Framework*
- developing the *2019–23 Housing and Public Works Digital Strategy* and implementation plan to embrace the benefits of digitisation and emerging technologies to transform the way we do our work. Investing in the right tools and self-service and automation technology to transform and optimise our capacity to provide service excellence
- enhancing our information management capability in recognition that our data is a highly valued strategic asset that we leverage through analytics to provide new insights and evidence-based decisions
- continuing the implementation of the *Healthy and Safe Workforce Action Plan 2018–20*, through formal programs developed and facilitated by the Human Resources team as well as the implementation of practical local business area led initiatives.

Working for Queensland Survey



3,894

surveys completed
by HPW staff

- 67% participation rate
- 89% understand how their work contributes to HPW's objectives
- 88% understand what's expected of them to do well in their job
- 88% believe people in their workgroup treat customers with respect
- 86% said they receive help and support from others in their workgroup

MyCareerHub Learning Management System



20,770

course enrolments registered
on the MyCareerHub Learning
Management System

- 56 employees completed the **Managing for Results Program**
- 61 employees completed the **Taking the Lead Program**
- 13 **new graduates** recruited across three different graduate programs in 2018–19
- 95 employees attended the **Practical Emotional Intelligence** workshop

Staffing numbers

(30 June 2019)

5,436 Total

- 1,730 Services for Queenslanders – Community
- 602 Services for Queenslanders – Digital and Information
- 390 Services for Government
- 1,250 Building and Asset Services
- 359 CITEC
- 45 QFleet
- 1,060 Queensland Shared Services



3.15%

**Aboriginal and Torres Strait
Islander** representation



4.40%

separation rate



3.45%

people with
a **disability**



41.38%

women in
leadership



10.13%

people from **non-English
speaking** backgrounds



3,111

Seasonal **influenza
vaccinations**



2,210

Skin cancer
checks

650

Staff attended **domestic
and family violence
awareness** training

Our service areas

We have ten service areas that assist us in delivering on our objectives and government priorities.

Housing and Homelessness

Our objective

To deliver safe, secure and affordable housing by providing funding and improving housing and homelessness services and support for Queenslanders.

What we do

Housing and Homelessness delivers the government's responsibility for the management of the social housing portfolio and its tenants. Housing and Homelessness Services prioritises the work in the *Queensland Housing Strategy 2017–27*, including the Housing Construction Jobs Program and key policy implementation activities. Housing and Homelessness Services provides housing assistance and homelessness support services to Queenslanders most in need, for the duration of their need, through a mix of direct delivery and arrangements with funded service providers. This includes remote Aboriginal and Torres Strait Islander housing, social and private housing assistance, homelessness support services and crisis accommodation.

Housing and Homelessness also partners with other governments, not-for-profit and private organisations to support the provision of affordable housing and increase the supply of housing.

Housing and Homelessness includes regulatory services which regulates residential services, residential parks and retirement villages industries and monitors and regulates Queensland's community housing providers.

Our services

- Housing Services
- Homelessness Services

Government Accommodation and Building Policy

Our objective

To ensure safe, fair industry building standards and environmental sustainability in the building construction industry; to support the delivery of government services to communities by providing safe, secure and appropriate government office and employee housing accommodation.

What we do

Government Accommodation delivers office accommodation and employee housing solutions for the Queensland Government, as well as managing significant strategic building and portfolio initiatives. Services include strategic asset management of the government-owned portfolio of approximately 3,200 properties, ranging from government employee residences to large office buildings, particularly in regional centres. The portfolio also includes a broad range of special use properties, such as heritage buildings, convention centres, cultural facilities, industrial properties and bridges.

Building Policy supports government and industry by developing building and plumbing related policy including for industry fairness, legislation and codes; administering building tribunals; managing a pre-qualification system for contractors and consultants to tender for government building work; and developing best practice tendering and contracts for government building contracts.



Logan Youth Foyer gives more young people the chance to achieve their life goals

A \$6.2 million extension to the Logan Youth Foyer is providing support for more young people to access the education and training they need to live independent lives.

Youth foyers provide a safe and secure home for young people in need of stable housing, with on-site services, access to education and career planning advice and equipment to help them become confident, strong and self-supporting adults.

The extension was delivered under the Housing Construction Jobs Program, which encourages partnerships with the private sector and community housing providers to deliver jobs, drive economic growth at a local level and ensure better community outcomes.

The 16 new one-bedroom units and two refurbished studio apartments at the Logan Youth Foyer increases capacity from 22 to 40 home units. The extension supported around 300 construction jobs over the course of the project, including nine apprentices.

Inspiring living and communal areas that harness natural light and breezes are a feature of the design and offer great connectivity between internal and external spaces. The new ground floor units contain accessible design elements like level thresholds, hob-free showers and wider doors and hallways for wheelchairs.

Wesley Mission Queensland provides 24/7 on-site support to the young tenants, with property and tenancy management services provided in partnership by the Horizon Housing Company.

The development of a youth foyer network across the state is a key aim of the *Queensland Housing Strategy 2017–2027* and reinforces our commitment to keeping Queenslanders safe and giving all of our young people a great start.



Inspiring living and communal areas that harness natural light and breezes are a feature of the design and offer great connectivity between internal and external spaces.



NRL Cowboys Girls House provides a springboard for success

The NRL Cowboys House Girls' Campus is supporting a great start for up to 50 young Aboriginal and Torres Strait Islander girls in Townsville. The Campus provides supported accommodation allowing students from remote communities to attend secondary school, underlining the government's commitment to Closing the Gap.

The Campus represents a chance for the girls to achieve their full potential and seize opportunities that might otherwise not be available to them in their remote communities.

Thirty-one young women were welcomed ahead of the 2019 school year with the full complement of 50 students from the communities of Coen, Normanton, Mornington Island, Wujal Wujal, Hope Vale, Mareeba, Yarrabah and Cooktown, scheduled to be in place for the start of Term One in 2020.

Among the Campus' benefits are access to specialised educational, health and emotional support and high-quality amenities. This life-changing springboard for success is backed by a strong network of partners and friends of the House, patrons, partner schools, ambassadors, volunteers, service providers and the local Townsville community.

The Queensland Government contributed \$12 million under the *Queensland Housing Strategy 2017–2027*, Housing Construction Jobs Program towards construction of the House, which was managed by Building and Asset Services and supported more than 80 local jobs.

A further \$2.5 million has been committed by the government over four years to support its continued operation.



The Campus represents a chance for the girls to achieve their full potential and seize opportunities that might otherwise not be available to them in their remote communities.



Tenant*Connect* is building safer, more caring and connected communities

The Tenant*Connect* Program reflects the department's commitment to person-centred service delivery by using innovative ways to bring people together and gain a deeper understanding of tenants' needs, goals and aspirations.

The program encompasses a range of opportunities and activities to improve tenant health and wellbeing, training and employment readiness and to reduce social isolation and is delivered in collaboration with other government agencies and community partners.

The annual My Home Awards recognise and celebrate the creativity and effort our tenants invest in their gardens to make their homes and communities beautiful places to live. Over 840 tenants entered the 2018 My Home Awards across Queensland.

Tenant Georgie Suttie has been entering the awards since 1995 and is proud of the sanctuary of tropical oasis she's created at her Wynnum home. "It gets me out of bed in the mornings. I just love it," she said.

The Micah Services Mobile Health Van is another initiative of the program, visiting tenants in Buranda each month to provide health advice and referrals. Tenants engage with department staff and connect with each other over a shared lunch during the visits.

Tenant*Connect* is also supporting young people living in public housing. The MY SPACE program, delivered in partnership with the Mareeba PCYC, helps young people aged 12-17 to build self-esteem and set goals for a positive future – covering topics like healthy eating and exercise, training and job readiness and communication skills.

In Townsville, Tenant*Connect* supported tenants from CommunityGro Upper Ross Women's Group to make scrapbooks honouring the important women in their lives and present the scrapbooks and a short film documenting their journey at NAIDOC week celebrations.

The Tenant*Connect* Program is an important foundation stone for building stronger relationships with our tenants and is a catalyst for safer, more caring and connected communities.



It gets me out of bed in the mornings. I just love it.

Georgie Suttie, Tenant



Procurement

Our objective

To provide expert advisory, enabling and support services to agencies, suppliers and the community in the achievement of procurement outcomes.

What we do

Procurement manages the Queensland Government's procurement policy and related frameworks. It provides expert advice to stakeholders and helps enable agencies to achieve their procurement outcomes by sharing procurement information, best practice and innovation and by developing whole-of-government frameworks in areas including capability, accreditation and performance.

In addition to policy and framework management, Procurement provides category management for General Goods and Services. Procurement applies a lifecycle approach to managing General Goods and Services spend and common use supply arrangements.



Sport and Recreation

Our objective

To support and encourage participation in physical activity through sport and active recreation.

What we do

Sport and Recreation is responsible for a wide range of initiatives including developing and delivering a suite of funding programs to support community sport and active recreation needs, providing education and training programs that contribute to building the capacity of the sport and recreation sector and providing resources for parents, carers and teachers aimed at encouraging all Queenslanders, particularly young people, to be more physically active. In addition, Sport and Recreation is responsible for managing purpose-built sport and active recreation facilities, including the Queensland Recreation Centres, and developing and supporting elite athletes at the Queensland Academy of Sport.

Our services

- Community support
- Facilities



Aboriginal and Torres Strait Islander Staff Forum

Connections and Conversations: Doing Things Differently! was the theme of the third annual Aboriginal and Torres Strait Islander Staff Forum, held on Yugumbeh country on the Gold Coast in May 2019.

The Director-General and Executive Leadership Team joined over 100 Aboriginal and Torres Strait Islander employees in the sharing of stories and discussion of issues at this vibrant event.

The forum was designed to encourage open and honest dialogue between staff and leaders, with an emphasis on addressing challenges, breaking down barriers and finding better ways of working.

The *HPW Aboriginal and Torres Strait Islander Advancement Framework* provided a platform for many topics of discussion at the event. The Framework identifies five key priorities for achieving better outcomes for Aboriginal and Torres Strait Islander peoples and communities across Queensland and commits the department to continuous improvement in the following areas:

- cultural capability (including cultural capability training and the cultural immersion program)
- communication and engagement
- workforce development
- business procurement
- stakeholder development.

Opportunity was a key theme of the feedback received from staff.

“Using my ability to connect with people and build networks and relationships has been critical to developing my career within government,” said event delegate Rachel Stone from Sport and Recreation.

Ryan Kruger works in Housing and Homelessness service delivery. “The cultural immersion program is one of the best opportunities I’ve had in my life so far. The places I’ve been and the people I’ve met have helped me develop into the person I am today,” he said.

First Nations Housing Advisor Mick Gooda was also in attendance, leading a discussion about the importance of designing systems that cope with difference, in particular responding to the needs of Aboriginal and Torres Strait Islander peoples. This topic resonated strongly with delegates and provided a catalyst for a lively discussion about place-based and person-centred approaches.

Forum participants advocated for the development of an Aboriginal and Torres Strait Islander Workforce Development Strategy to support the attract, retention and career pathways of Aboriginal and Torres Strait Islander staff.

Using my ability to connect with people and build networks and relationships has been critical to developing my career within government

Rachel Stone, Sport and Recreation



Consultation for the *Activate! Queensland* 2019-2029 strategy

2,383

online responses
to surveys

637

people participated in
sector deep dives and
department-led sessions

2,021

short postcard
survey responses

91

written submissions
were received

505

people participated in
community sessions

585,000+

Queenslanders reached
across social media

Activate! Queensland gets the state moving

The department's *Activate! Queensland 2019–2029* strategy is aimed at getting more Queenslanders moving, more often at every stage of their lives. It's also a key contributor to the Queensland Government's Advancing Queensland Priorities of Give all our children a great start, Keep Queenslanders healthy and Be a responsive government.

Over the next ten years, the strategy will assist individuals and communities to address the barriers that prevent or limit participation. In doing this, it will support improvements such as increasing the number of children who are active for one hour per day to 60%, increasing the number of adults who undertake sufficient physical activity to 75% and increasing the number of funded organisations that achieve gender equity to 100%.

An extensive state-wide consultation exercise ensured that the strategy, which launched in July 2019, was informed by the needs and experiences of Queenslanders.

Activate! Queensland aims to improve the physical literacy of young people and includes an initial three-year investment of \$25.5 million to help cover the costs for children from low-income families to participate in physical activity, including \$150 vouchers for more than 56,000 kids.

The Active Schools initiative will also boost physical activity for students by encouraging learning through movement, supported by a range of activities throughout the school day.

Activate! Queensland is also finding innovative ways to boost community participation by unlocking school sport facilities outside of school hours under the Community Use of Schools initiative. Four pilot projects are currently underway. These collaborations between schools and community sports organisations will, in turn, help drive investment in facilities.

Making places and spaces accessible for all Queenslanders to be active is another focus of the strategy, with a \$40 million investment over three years directed towards 150 community infrastructure projects. This investment will support a culture of movement, inclusion and accessibility and deliver valuable upgrades to amenities and facilities.

The strategy also provides a boost for Queensland's major stadiums and elite athletes. Continued investment in advanced sport science will help ensure our high-performance programs remain world-class and our Queensland Sport and Athletic Centre at Nathan will be developed into a collaboration space that will support innovation and success across the industry.



“

The department's *Activate! Queensland 2019-2029 strategy* is aimed at getting more Queenslanders moving, more often at every stage of their lives.



Digital Capability and Information

Our objective

To provide citizens and businesses with simple and easy access to integrated Queensland Government services and to ensure Queensland public records are preserved for the benefit of current and future generations.

What we do

Digital Capability and Information develops and delivers innovative digitally enabled and integrated government services that are simpler and faster for the community to access online or through phone and counter channels. The service area leads a major program of work to accelerate the delivery of proactive and personalised services, designed around the customer.

The service area also drives digital economy development and digital capability programs.

Digital Capability and Information leads Queensland public authorities in managing and preserving Queensland public records in a useable form and improves public access to the collection by embracing digital government practices.

The service area is also responsible for implementing the government's commitment to making government data open for anyone to access, use and share.

Our services

- Whole-of-government customer experience
- Government recordkeeping and archives
- Digital economy
- Open data



Strategic Information and Communication Technology (including QGCIO)

Our objective

To deliver specialist Information and Communication Technology (ICT) services and advice across government and the ICT industry to support the achievement of government priorities and assist Queensland Government agencies to deliver their services and legislative responsibilities.

What we do

Strategic ICT supports the delivery of multi-agency ICT programs and projects, data analytics, and manages ICT strategic procurement arrangements and major ICT contracts.

Strategic ICT also delivers ICT infrastructure services through CITEC. In accordance with administered arrangements, these are reported separately in this report.

Queensland Government Chief Information Office (QGCIO) provides advice to government on digital ICT and digital investment in the areas of governance, risk, architecture, technology and information patterns, workforce and cyber security.



Building a faster IT future through the Queensland Government Regional Network

Improving the experience of Queenslanders living and working in regional and remote parts of the state is at the heart of CITEC's Queensland Government Regional Network (QGRN) initiative.

A faster IT future is being made possible through the delivery of cutting edge technology at Hub sites which now number 18 across Queensland, in communities such as Emerald, Roma, Cairns, Townsville, Mackay and Blackwater, with a further seven sites under construction.

Better government telecommunications support staff productivity and performance and make it easier for Queenslanders to interact with government services. For example, staff in Currumbundi are enjoying faster file download speeds, a 50 times improvement in network performance and video conferencing, which is resulting in efficiencies for frontline staff in Maroochydore.

The Network is tackling the challenge of a vast state and delivering significant benefits in regional Queensland. With over 7,500 government data network connections, expenditure was significant and regional offices were constrained by low bandwidth, slow internet speeds and document download times – all of which impacted on customer service and on wait times.

The QGRN is not only transforming ordinary workplaces into modern collaboration spaces, it's improving digital equity between rural and urban areas, and responding to the digital needs of all Queenslanders.

In addition, local suppliers have supported the construction components, encouraging investment straight back into local communities and the increased telecommunication competition with other digital service providers is delivering further benefits to customers.



The QGRN is not only transforming ordinary workplaces into modern collaboration spaces, it's improving digital equity between rural and urban areas, and responding to the digital needs of all Queenslanders.

Our Commercialised Business Units

Building and Asset Services

Our objective

To partner with government agencies to strategically manage their building, construction and maintenance activities.

What we do

Building and Asset Services (BAS), in partnership with its Queensland Government agency customers, delivers strategic asset management by managing risks for diverse building asset portfolios and providing expertise in planning, procurement and delivery of new building infrastructure, building maintenance and asset and facilities management.

BAS provides agency customers with access to professional, technical and ancillary services and works closely with industry and suppliers to maximise value for money procurement and contract management outcomes.

CITEC

Our objective

To provide Queensland Government departments, statutory bodies and commercial clients with ICT infrastructure and information brokerage services that support the delivery of quality frontline services to Queensland communities and businesses.

What we do

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

Our services

- CITEC Information and Communications Technology (ICT)
- CITEC Information Brokerage (IB)



New apprentices join the next generation of Queensland tradespeople

Creating employment opportunities for Queenslanders is an important priority for the department as part of the Queensland Government's broader focus on Advancing Queensland's Priorities. The Building and Asset Services Apprenticeship Program is a key part of this commitment, with the department welcoming a further 42 enthusiastic apprentices in 2018–19.

Working at 12 locations around the state, from Thursday Island down to Robina, the apprentices are learning a diverse range of trade skills to help them become the next generation of electricians, carpenters, plumbers, painters, stonemasons and refrigeration mechanics.

Townsville apprentice carpenter Daniel Marsden described "the ability to work under very experienced tradesmen" as a key benefit of his apprenticeship.

Joining the three female apprentices recruited in July 2018, the March 2019 intake also included four young women, including Jessah from Mackay who has taken on carpentry. "I'm really looking forward to working with my hands, becoming qualified and seeing how far I will go," she said.

Alisaa from Toowoomba was also enthusiastic about what a trade career would bring her. "I want to learn my trade well and build good relations with my mentor and colleagues. I have already had a start in a design-based role in the building industry, and I wanted to be in a job that keeps me fit, active and healthy."

Jess from Longreach is following a family tradition by taking up the tools. "There aren't many females in the carpentry industry in Longreach – but I am looking forward to getting started. I'm also renovating my own home. My grandad was an inspiration for me when looking to take up the profession," she said.



I'm really looking forward to working with my hands, becoming qualified and seeing how far I will go.

Jessah, Building and Asset Services Apprenticeship Program



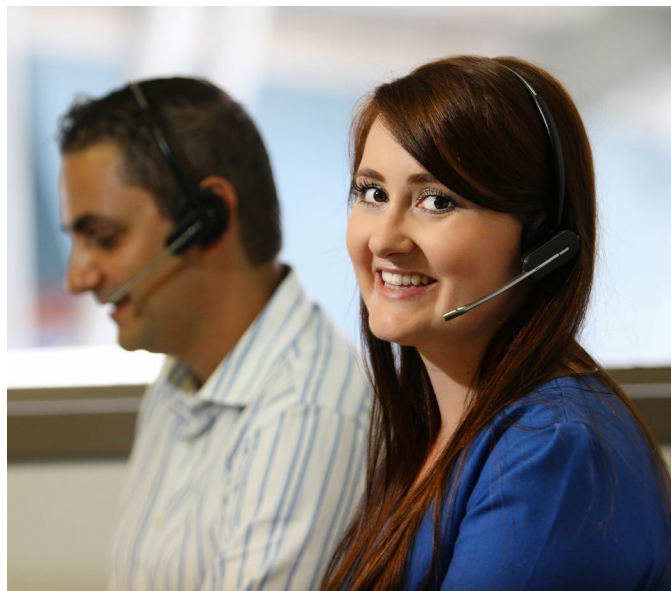
QFleet

Our objective

To provide a central pool of expertise in fleet management and fleet management services, to enable government and government-funded organisations to safely deliver frontline services to the community.

What we do

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



Queensland Shared Services

Our objective

To provide modern and trusted corporate services and advice to other government departments and statutory bodies to enable them to meet government policies and objectives.

What we do

Queensland Shared Services facilitates a range of corporate services, including finance and human resource management to government departments and statutory bodies, excluding Queensland Health and the Department of Education.

Our services

- Human Resources
- Finance



Supporting a low-emission future through QFleet Car Share

QFleet's Car Share initiative is a convenient solution for short-term travel that's also helping agencies across government reduce costs and lower vehicle emissions.

A whole-of-government centralised motor vehicle pool, the Car Share initiative offers a fully automated, real-time vehicle booking, tracking, reporting and billing system.

QFleet Car Share Project Coordinator, Sheena Grenier said the service is a great alternative to using a leased vehicle, taxi or car rental for short trips.

"Car Share is very easy to use. Users can book online using a real-time calendar and instantly collect their vehicle," Sheena said.

There are seven Car Share vehicle collection points in the Brisbane CBD, with plans to expand to greater Brisbane and regional locations as the service grows and more agencies come on board.

"The centralised car pool offers drivers a range of vehicle types and sizes – including plug-in electric and other low-emission vehicles – and allows users to share a ride with colleagues or other Queensland Government staff," Sheena said.

QFleet Car Share plays an important role in supporting the transition to a cleaner, greener government fleet, in turn contributing to the Queensland Government's Advancing Queensland Priority of protecting the Great Barrier Reef.

The introduction of low and zero-emissions vehicles is a focus of the *QFleet Environmental Strategy* and *Electric Vehicle Transition Strategy* for the Queensland Government motor vehicle fleet with a Hyundai IONIQ becoming the first fully electric vehicle to join the vehicle pool in February 2019.



QFleet Car Share plays an important role in supporting the transition to a cleaner, greener government fleet.

Our performance

Our service area performance against the 2018–19 Service Delivery Statements service standards are presented below with notes explaining significant variations.

Housing and Homelessness

Housing Services

Strategic Plan performance indicator	Effectiveness measures	2018–19 Target/Est.	2018–19 Actual
Client/customer satisfaction and engagement	Level of overall client satisfaction:		
	• Public housing	85%	86.8%
	• Community housing	80%	81.7%
Client/customer satisfaction and engagement	Percentage of new households assisted into government-owned and managed social rental housing who were in very high or high need	92%	96%
	Percentage of department owned social rental housing dwellings in acceptable condition	95%	98%
Client/customer satisfaction and engagement	Proportion of total new households assisted to access rental accommodation who moved into the private rental market	86%	86%
	Proportion of newly constructed social housing dwellings meeting the Livable Housing Design guidelines gold or platinum standards	50%	68%
	Average wait time to allocation for assistance (months) with government-owned and managed social rental	8	7.5
	Percentage of under occupied government-owned and managed social rental housing	15%	16%

Strategic Plan performance indicator	Effectiveness measures	2018–19 Target/Est.	2018–19 Actual
Client/customer satisfaction and engagement	Proportion of government-owned social rental housing stock matched to greatest demand <i>Note: Data provided is for 1 or 2 bedroom accommodation</i>	54%	54%
	Efficiency measure	2018–19 Target/Est.	2018–19 Actual
Client/customer satisfaction and engagement	Average tenancy and property management administration cost per households assisted with social rental housing	\$1,271	\$1,272

Housing and Homelessness

Homelessness Services

Strategic Plan performance indicator	Effectiveness measures	2018–19 Target/Est.	2018–19 Actual
Client/customer satisfaction and engagement	Percentage of clients who were homeless or at risk of homelessness who needed assistance to obtain or maintain independent housing and obtained or maintained independent housing after support <i>2017–18 latest RoGS data</i>	67%	64.7%
	Percentage of homelessness services clients who requested assistance relating to domestic and family violence and received this assistance <i>2017–18 latest RoGS data</i>	87%	87.3%
	Efficiency measure	2018–19 Target/Est.	2018–19 Actual
	Recurrent cost per client accessing homelessness services <i>2017–18 latest RoGS data</i>	\$3,100	\$3,584

Government Accommodation and Building Policy

Strategic Plan performance indicator	Effectiveness measures	2018–19 Target/Est.	2018–19 Actual
Smarter and more efficient use of resources	Return on investment:		
	<ul style="list-style-type: none"> commercial properties included in the office portfolio <i>Variance between 2018-19 Target/Est. and 2018-19 Actual is mainly due to an increase in the valuation of some major buildings in the portfolio which reduced the overall return on investment</i>	≥6.5%	5.9%
	<ul style="list-style-type: none"> government employee housing 	≥1.5%	1.5%
	Vacancy rate:		
	<ul style="list-style-type: none"> office portfolio 	≤3.5%	1.5%
	<ul style="list-style-type: none"> government employee housing 	≤6%	4.48%
Responsive and accessible government services	Percentage of government-owned employee housing with an acceptable facility condition index rating	≥90%	99.1%
Environmental sustainability in government asset portfolio	<p>Energy performance – percentage of occupied government office accommodation achieving a rating ≥ 4 star under the National Australian Built Environmental Rating System</p> <p><i>A new measure monitoring ongoing energy efficiency improvements, 'Energy performance – percentage of occupied government office accommodation achieving a rating ≥5 star under the National Australian Built Environmental Rating System' has been introduced for the 2019–20 SDS. This service standard is discontinued as the majority of the audited office accommodation space has now achieved the referenced target of 4 stars with the remaining audited space no longer considered a reliable measure of performance. This service standard was published in the Government Accommodation and Building Policy Service Area in the 2018–19 SDS.</i></p>	≥95%	97.6%
	Efficiency measures	2018–19 Target/Est.	2018–19 Actual
	Work point density:		
	<ul style="list-style-type: none"> average 	13.5m ² per person	13.5m ² per person
	<ul style="list-style-type: none"> new fitout 	12m ² per person	12m ² per person

Procurement

Strategic Plan performance indicator	Effectiveness measures	2018–19 Target/Est.	2018–19 Actual
Partner and stakeholder satisfaction and engagement	<p>Overall satisfaction with advice and support provided by the Office of the Chief Advisor – Procurement (internal to government)</p> <p><i>Variance between the 2018–19 Target/Estimate and the 2018–19 Actual has identified increased agency expectations for further support services to deliver procurement outcomes. The Office of the Chief Advisor – Procurement will continue to enhance strategic engagement through the Queensland Government Procurement Committee, along with providing improved support and information services for government agencies to deliver the Buy Queensland approach.</i></p>	90%	59%
	<p>Overall satisfaction with the way the Office of the Chief Advisor – Procurement engages with the Procurement Industry Advisory Group (external to government)</p> <p><i>Variance between the 2018–19 Target/Estimate and the 2018–19 Actual is due to improved engagement with, and the building awareness of government initiatives among, Procurement Industry Advisory Group (PIAG) members. The Office of the Chief Advisor – Procurement will continue a high-level of engagement with PIAG (as the Government's key strategic industry committee) through regular meetings and other priority engagements. The target for this measure will be reviewed in subsequent years in order to take into consideration longer term trends over several years.</i></p>	80%	88%

Sport and Recreation

Community Support

Strategic Plan performance indicator	Effectiveness measures	2018–19 Target/Est.	2018–19 Actual
Client/customer satisfaction and engagement	<p>Participants' overall satisfaction with the department's education and training programs</p> <p><i>Education and training programs will be incorporated into the development of products and services to deliver government priorities identified through the Activate! Queensland 2019–2029 strategy and accompanying Three Year Action Plan. As part of the development and implementation of the products and services, a measure will be considered to correspond to the education and training programs. Accordingly, this service standard is discontinued as the corresponding education and training programs effectively concluded in 2018–19. The discontinued service standard was published in the Sport and Recreation Service Area in the 2018–19 Service Delivery Statements (SDS).</i></p>	95%	96.4%
Active and sustainable communities	Percentage of young people redeeming a Get Started voucher who have not played club sport before	15%	17.45%
	Percentage of athletes selected for national teams supported by the Queensland Academy of Sport	25%	26%
	Co-contribution ratio of partnership investment to the Queensland Academy of Sport investment in grants research projects	1:1	1:1:87
	Efficiency measure	2018–19 Target/Est.	2018–19 Actual
	A new efficiency measure is being developed for this service and will be included in future Service Delivery Statements		

Facilities

Strategic Plan performance indicator	Effectiveness measures	2018–19 Target/Est.	2018–19 Actual
Responsive and accessible services	Use of Queensland Recreation Centres accommodation facilities	42%	42.5%
	Efficiency measures	2018–19 Target/Est.	2018–19 Actual
	Queensland Recreation Centres operational bed cost per night	<\$45	\$44.84

Digital Capability and Information

Whole-of-Government customer experience

Strategic Plan performance indicator	Effectiveness measures	2018–19 Target/Est.	2018–19 Actual
Client/customer satisfaction and engagement	Percentage of customers satisfied with the services provided by Smart Service Queensland on behalf of government agencies	≥85%	97%
	Efficiency measure	2018–19 Target/Est.	2018–19 Actual
Responsive and accessible services	Cost per customer service interaction (all interaction)	\$1.10	\$0.67

Government Recordkeeping and Archives

Strategic Plan performance indicator	Effectiveness measures	2018–19 Target/Est.	2018–19 Actual
Responsive and accessible services	Overall customer satisfaction with Queensland State Archives delivery of services to the public <i>Note: Queensland State Archives did not conduct a customer satisfaction survey during 2018–19 as it is currently investigating a new, more effective survey methodology, to ensure that it incorporates a wider proportion of records accessed and a much wider population base. The previous survey was only measuring the satisfaction of a small minority of customers accessing Queensland public records. This now accounts for less than 0.5% of records accessed by the Queensland public due to the significant increase in digital records accessed. Continuing the survey as is would provide an overstatement of QSA effectiveness in providing access to services. A new customer satisfaction survey will be undertaken during 2019–20.</i>	≥91%	N/A
	Percentage of clients satisfied with the services provided by Queensland State Archives	≥80%	86%
	Efficiency measure	2018–19 Target/Est.	2018–19 Actual
Responsive and accessible services	Average cost to Queensland State Archives per record accessed <i>Note: The variance between the 2018–19 Target/Estimate and 2018–19 Actual reflects the success of QSA's transformation initiatives to encourage more access through digital channels.</i>	\$6.00	\$2.30

Digital Capability and Information

Digital Economy

Strategic Plan performance indicator	Effectiveness measures	2018–19 Target/Est.	2018–19 Actual
	<p>Proportion of stakeholders who are satisfied with digital capability development services, consultative and engagement processes</p> <p><i>Following the machinery-of-government changes on 1 July 2018, the services were transferred across two divisions within the department and to the Department of Innovation, Tourism Industry Development and the Commonwealth Games. Accordingly, a service standard on digital capability and services is under development and is expected to be introduced in the 2020–21 SDS. The discontinued service standard was published in the Digital Capability and Information Service Area in the 2018–19 SDS. The 2018–19 Estimated Actual is not available due to a reduced sample size, insufficient data and cross-government functional realignment and, consequently, is not reported.</i></p>	≥85%	..

Open Data

Strategic Plan performance indicator	Effectiveness measures	2018–19 Target/Est.	2018–19 Actual
Responsive and accessible services	<p>Percentage of data sets available on qld.gov.au with an Open Data Certificate</p> <p><i>An Open Data Certificate is an internationally recognised certification that assesses and recognises the sustainable publication of quality open data, see https://certificates.theodi.org/en.</i></p>	65%	92.12%
	Efficiency measure	2018–19 Target/Est.	2018–19 Actual
	An efficiency measure is being developed for this service and will be included in future Service Delivery Statements.		

Strategic and Information Technology

Strategic Plan performance indicator	Effectiveness measure	2018–19 Target/Est.	2018–19 Actual
	Percentage of whole-of-Government spend awarded to small to medium sized enterprises (transactions over \$10,000)	≥18%	20.96%
	Efficiency measure	2018–19 Target/Est.	2018–19 Actual
	Operating cost per \$1,000 of managed spend on ICT goods and services	≤\$20	\$11

Building and Asset Services

Strategic Plan performance indicator	Effectiveness measures	2018–19 Target/Est.	2018–19 Actual
Partner and stakeholder satisfaction and engagement	Overall customer satisfaction <i>The 2018–19 Target Estimate and 2018–19 Actual is not published as this is a biennial survey with the next survey to be undertaken in 2019–20.</i>
	Percentage of maintenance spend on BAS' customer's facilities with Local Zone 1 suppliers (based on physical location of contractor's workplace)	80%	81.78%
	Efficiency measures	2018–19 Target/Est.	2018–19 Actual
	Gross profit as a percentage of revenue generated from work delivered on behalf of BAS customers <i>Variance between 2018-19 Target.Est. and 2018-19 Actual is mainly due to the products and services delivered and the related gross profits achieved.</i>	8.3%	9.0%
	Net profit before tax and dividends as a percentage of sales <i>Variance between 2018-19 Target/Est. to 2018-19 Actual is mainly due to the increase in contribution from a higher volume of sales</i>	0.1%	1.15%
	Current ratio <i>Variance between 2018-19 Target/Est. to 2018-19 Actual is mainly due to the general movements in business operational activity.</i>	1.8:1	1.7:1

CITEC

CITEC ICT

Strategic Plan Performance indicator	Effectiveness measures	2018–19 Target/Est.	2018–19 Actual
Partner and stakeholder satisfaction and engagement	CITEC ICT customer satisfaction	>70%	87%
Responsive and assessable government services	CITEC ICT service availability	>99.9%	99.99%
	Efficiency measures	2018–19 Target/Est.	2018–19 Actual
Smarter and more efficient use of resources	<p>CITEC ICT earnings before interest and tax less depreciation and amortisation (EBITDA)</p> <p><i>The variance between the 2018-19 target/Est. and 2018-19 Actual is mainly due to faster than anticipated uptake of the Queensland Government Regional Network (QGRN) and associated timing difference between costs outlaid to establish the QGRN and incoming revenue from customers to offset these costs.</i></p>	\$1.775M	(\$3.847M)

CITEC IB

Strategic Plan performance indicator	Effectiveness measures	2018–19 Target/Est.	2018–19 Actual
	<p>CITEC IB customer satisfaction</p> <p><i>The positive result is attributed to high levels of customer satisfaction with the CITEC Confirm Service Centre as well as the quality and timeliness.</i></p>	>80%	89%
	Efficiency measures	2018–19 Target/Est.	2018–19 Actual
Smarter and more efficient use of resources	<p>CITEC IB earnings before interest and tax less depreciation and amortisation (EBITDA)</p> <p><i>Positive variance between 2018–19 Target/Est and 2018–19 Actual is due to efficient management of costs and revenue streams.</i></p>	(\$3.347M)	(\$0.477M)

QFleet

Strategic Plan performance indicator	Effectiveness measures	2018–19 Target/Est.	2018–19 Actual
Partner and stakeholder satisfaction and engagement	Overall customer satisfaction <i>This is a biennial survey with the next survey to be undertaken in 2019–20</i>
	Percentage of total QFleet vehicles with a 5 star ANCAP safety rating	90%	94%
	Efficiency measures	2018–19 Target/Est.	2018–19 Actual
	Current ratio <i>Variance between the 2018–19 Target/Est. and 2018–19 Actual is due to higher provisions for income tax and dividends resulting from a higher operating surplus than budgeted.</i>	2.6:1	2.1:1
	Return on net assets <i>Variance between the 2018–19 Target/Estimate and 2018–19 Actual is mainly due to a higher operating surplus achieved than budgeted.</i>	2.8%	6.5%
	Gearing level <i>Variance between the 2018–19 Target/Est. and 2018–19 Actual is mainly due to a higher operating surplus after tax and dividend resulting in higher equity.</i>	69%	67%
Smarter and more efficient use of resources	Percentage of vehicle fleet use compared to agreed lease parameters	90%	87.7%

Queensland Shared Services

Human Resources

Strategic Plan performance indicator	Effectiveness measures	2018–19 Target/Est.	2018–19 Actual
	Percentage of payroll services delivered within Service Agreement standards	≥97%	99.8%
Partner and stakeholder satisfaction and engagement	Customer satisfaction with HR services	80%	82.5%
	Efficiency measures	2018–19 Target/Est.	2018–19 Actual
Smarter and more efficient use of resources	<p>Number of pays processed per full-time equivalent (FTE) per fortnight</p> <p><i>Payroll processing per FTE will continue to be impacted by the transition from Lattice to Aurion. Resource levels are required to be maintained to enable staff to undergo training of new systems and processes. In addition, a number of payroll processes still require manual intervention which continues to have an impact on resource requirements. QSS has an ongoing focus on reducing manual processes to move towards achieving the performance target and will continue to encourage customers to use self-service options. The future introduction of time and attendance systems which integrate with Aurion should also reduce manual timesheet data entry for several agencies who have staff who work 24/7.</i></p>	≥325	314

Finance

Strategic Plan performance indicator	Effectiveness measures	2018–19 Target/Est.	2018–19 Actual
	<p>Percentage of finance services delivered within Service Agreement standards</p> <p><i>This measure consistently tracks around 95% however an increase in volumes in recent months resulted in SLAs for master data and corporate card services not being met in quarter 4. This has impacted the overall year to date results not meeting the target. This target is a stretch target which is easily impacted by volume variations. QSS has an ongoing focus on meeting SLA targets.</i></p>	≥95%	94.2%
Partner and stakeholder satisfaction and engagement	Customer satisfaction with finance services	80%	87.4%
	Efficiency measures		
Smarter and more efficient use of resources	<p>Number of accounts payable transactions processed per FTE per annum</p> <p><i>This measure continues to improve as a result of increased use of electronic workflow and process automation.</i></p>	≥9,000	10,226



Connecting Queensland's regions through the Mobile Black Spot Program

The challenge of telecommunications in a state as large as Queensland is significant, and so the department is investing in the National Mobile Black Spot Program (MBSP) to help transform telecommunications connectivity for regional and remote communities. Addressing black spots will help improve the way government delivers services and engages the community.

Since Round 1 of the MBSP was announced in June 2015, the Queensland Government has invested \$20.81 million (ex GST) to deliver 170 new and improved base stations across the state. This includes pledging \$2.28 million (ex GST) in Round 4 in early 2019 for 26 new sites to be built in locations ranging from the state's far north to the Gold Coast.

Our investment in Round 4 of the program was striking a balance in addressing priority black spot areas across the state, from remote communities to schools in regional areas and supporting high-growth urban fringe areas where communications infrastructure hasn't been able to keep pace.

The regional Aboriginal and Torres Strait Islander community of Yarrabah will receive improved mobile coverage, as will communities using the Northern Peninsula Airport and Eliot Falls camping grounds. This accessibility can transform whole communities.

In the Wide Bay Burnett region, Builyan State School and Bungadoo will benefit from better reception, as will urban fringe areas such as Mapleton, Narangba West, Mount Glorious, South Ripley and Bonogin.

The new infrastructure is expected to come online by the second half of 2020.



Addressing black spots will help improve the way government delivers services and engages the community.

Governance

Our department is committed to good governance, which is demonstrated by our departmental Governance Framework and reinforced through our governance committees, structures, plans, frameworks, policies, procedures/processes, practices and systems.

Good governance is at the heart of our organisation, ensuring we are principle-based and well managed in delivering on our strategic objectives.

In 2018–19, we developed and implemented a new Governance Framework in response to changing business needs and our desire for continuous improvement. The framework draws together the key principles that drive our performance whilst enabling oversight of accountabilities. It helps us enhance trust in our actions by being transparent, responsible and responsive to change.

Our Governance Framework communicates how our department structurally sets direction, how our performance is managed and how we operate using agile values and principles. This ensures we meet our strategic objectives, allocate resources appropriately and maximise the efficient and effective delivery of services. The framework reflects our commitment to the highest standards of ethical behaviour and business practices in delivering responsive customer services.

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



*Back row L-R: Rowena Richardson, Richard Cassidy, Paige Ridgewell, Dallas Stower, Sharon Bailey and Andrew Mills.
Front row L-R: Trish Woolley, Andrew Spina, Liza Carroll, Graham Atkins and Robyn Turbit.*

Executive Leadership Team

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

The role of the Executive Leadership Team is to:

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

Chair: Director-General

Members:

- Deputy Director-General, Housing, Homelessness and Sport
- Deputy Director-General, Building Policy and Asset Management
- Deputy Director-General, Portfolio Strategy and Chief Advisor Queensland Government Procurement
- Deputy Director-General, Digital Technology and Services
- Assistant Director-General, Building Legislation and Policy
- Assistant Director-General, Corporate Services
- Assistant Director-General, Digital Platforms and Data
- Assistant Director-General, Sport and Recreation
- Assistant Director-General, Responsive Government
- Queensland Government Chief Information Officer

As at 30 June 2019, the Executive Leadership Team was supported by eight committees, which advised on matters within their terms of reference. The Chairs of these committees report to the Executive Leadership Team.

Our Executive Leadership Team as at 30 June 2019

Liza Carroll

Chair: Director-General

BEd, MEd (Hons)

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

Liza previously held the role of Associate Secretary, Head of Indigenous Affairs in the Department of Prime Minister and Cabinet, where she was responsible for bringing together over 1,500 staff from eight different departments to form the new Indigenous Affairs portfolio in 100 locations across Australia. Prior to this, Liza was the Deputy Secretary in the Department of Families, Housing, Community Services and Indigenous Affairs with responsibility for housing, homelessness, families, children, women's issues, gambling and community services.

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

Trish Woolley

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

LLB, BSocWk

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

Graham Atkins

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

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

Graham has vast experience in the building and construction industry, spanning a number of decades. Graham has contributed to the Executive Leadership Team in his role as Deputy Director-General since joining the department in July 2011. Graham has held senior executive positions within other government departments, including Deputy Director-General of the Department of Education and Training, where he was responsible for infrastructure planning and delivery. Graham holds a Queensland Open Builders Licence.

Sharon Bailey

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

BSocWk, BA, PgD-Arts

Sharon joined the Department of Housing and Public Works in April 2019 and brings extensive policy implementation experience across Federal and State jurisdictions of government. Most recently, she spent seven years with the Australian Government, undertaking both corporate and policy roles within the Department of Social Services. This followed numerous economic and social policy roles across the Queensland Government, including the Departments of the Premier and Cabinet, Public Works and Families and Communities.

Andrew Spina

Member: Deputy Director-General, Digital Technology and Services

BSc (Comp)

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

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

Andrew's previous appointments include Associate Director-General, Government ICT, Department of Public Works; Chief Information Officer, Department of Communities and Public Works and Housing; and roles in CITEC and Treasury.

Richard Cassidy

Member: Assistant Director-General, Building Legislation and Policy

BCom

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

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

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

Robyn Turbit

Member: Assistant Director-General, Corporate Services

BCom, BEcon

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

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

Dallas Stower

Member: Assistant Director-General, Digital Platforms and Data

BBus (Comp), GradCert (PSM) GAICD

Dallas has over 30 years' experience in the ICT industry across a range of senior leadership positions. In his role as Assistant Director-General, Digital Platforms and Data, Dallas leads the development and implementation of initiatives that strengthen Queensland's ICT service delivery. Dallas is responsible for CITEC, Strategic ICT Projects, Smart Service Queensland and Data Sharing and Analysis.

Dallas commenced his ICT career with the Department of Defence in Canberra and followed up with a number of roles in the Australian Public Service before returning to his home state of Queensland. His senior leadership roles in Queensland include Assistant Director-General, Strategic ICT; General Manager, CITEC; Executive Director, Telecommunications and Digital Economy Coordination Office; and Chief Information Officer, Queensland Rail.

Paige Ridgewell

Member: Assistant Director-General, Sport and Recreation

BLeisSt, MBA, MPP

Paige has more than 30 years' experience in the sport and recreation industry as an athlete, coach and administrator. Paige offers extensive experience in managing and directing teams to achieve high level outcomes in strategy, policy and program development.

Since joining the Queensland Government in 1993, Paige has held positions in program development and delivery, infrastructure development, industry development and capacity building, land use planning, research, governance, legislation and policy. During her public service career, Paige has worked across a number of portfolios including main roads, racing, infrastructure and planning, national parks, sport and recreation.

Prior to this role, Paige was the Executive Director in Strategic Policy and Racing Industry Governance, where she led and coordinated whole-of-department policy and positioning across diverse portfolio areas including Native Title, National Parks, Racing and Sport and Recreation.

Rowena Richardson

Member: Acting Assistant Director-General, Responsive Government

BHSc (Nursing), MHA

Rowena has over 25 years' experience in operational and strategic roles across government. In her current role in Responsive Government, Rowena is responsible for leading 'Be a Responsive Government' as part of *Our Future State: Advancing Queensland's Priorities*.

Since 2005, Rowena has facilitated significant reform agendas in the emergency management and health sectors. Prior to joining the department in 2018, Rowena contributed to the successful establishment of the Office of the Inspector-General Emergency Management and was the primary driving force behind the development and implementation of the *Emergency Management Assurance Framework*, the first of its kind in Australia. In operational and strategic roles, she facilitated effective disaster management outcomes for all state and local government agencies.

Rowena has held a range of clinical and strategic leadership roles in Queensland Health. Most notably, Rowena helped form Queensland Health's inaugural Patient Safety Centre where she led major state-wide reform programs to enhance patient safety and change clinician behaviour. She has a background in improvement systems and futures thinking, designing and implementing programs that have created organisational culture change and improvement.

Andrew Mills

Member: Queensland Government Chief Information Officer

BSc, MSc (Electronic Systems)

Andrew was appointed Queensland Government Chief Information Officer in January 2014. In this role he provides independent advice to Ministers, Directors-General and agencies. Advice focusses on management and investment issues for information and communication technology (ICT) enabled initiatives from a whole-of-government perspective to deliver improved services to Queenslanders.

Andrew's priorities include increasing transparency of ICT projects in government, improving governance processes for investment in ICT, strengthening the Queensland Government's cyber security preparedness and improving the usage and sharing of data and information to improve services to Queenslanders.

Governance Committees

Executive Finance Committee

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

Chair: Assistant Director-General, Digital Platforms and Data

Members:

- Assistant Director-General, Building Legislation and Policy, Building Policy and Asset Management
- General Manager, Smart Service Queensland, Digital Technology and Services
- Executive Director, Policy, Programs and Partnerships, Sport and Recreation, Housing, Homelessness and Sport
- Executive Director, Housing Partnerships Office, Housing, Homelessness and Sport
- General Manager, Building and Asset Services, Building Policy and Asset Management
- Executive Director, Office of the Chief Advisor, Queensland Government Procurement, Portfolio Strategy
- Assistant Director-General, Corporate Services
- Chief Finance Officer, Corporate Services

In 2018–19, the Executive Finance Committee:

- provided strategic planning oversight of the department's budget submissions for both the annual and mid-year budget cycles
- monitored the progress and performance of entities within the portfolio and examined matters with budgetary implications
- considered emergent issues and their impact on the financial viability of the department and its business areas
- provided oversight on the review of financial policies of the department.

Information Steering Committee

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

Chair: Deputy Director-General, Housing, Homelessness and Sport

Members:

- Chief Information Officer, Corporate Services
- Executive Director, Customer Relationships and Business Systems, Building and Asset Services, Building Policy and Asset Management
- General Manager, CITEC, Digital Technology and Services
- Regional member

Observers:

- Chief Finance Officer, Corporate Services
- Queensland Government Chief Information Office representative

In 2018–19, the Information Steering Committee:

- monitored progress, issues and risks for ICT projects for the department
- endorsed replacement of the Fleet Management System
- endorsed revised departmental policies
- commenced review of Key Risk 6: information management, business systems or ICT infrastructure fails to meet the core strategic needs of the department
- noted the HPW key systems roadmaps.

People and Culture Committee

The People and Culture Committee provides strategic support to the Director-General and Executive Leadership Team to build a culture that reflects the department's values through effective human resource strategies and programs. The focus of the committee is to:

- provide strategic leadership in building a culture that reflects our values
- guide the investment, development, implementation and review of our people management practices to build capability across the department
- monitor performance against and mitigation strategies for Key Risk 4: Our people are not skilled or engaged to deliver solutions
- seek opportunities to guide and implement best practice and innovative strategies to improve our people management practices.

Chair: Assistant Director-General, Sport and Recreation

Members:

- Assistant Director-General, Responsive Government, Portfolio Strategy
- Queensland Government Chief Information Officer
- Executive Director, Service Delivery, Queensland Shared Services, Digital Technology and Services
- General Manager, Service Delivery, Housing, Homelessness and Sport

- Chief Human Resources Officer, Corporate Services
- Executive Director, Communication and Engagement, Portfolio Strategy
- Executive Director, Regional Operations, Building and Asset Services, Building Policy and Asset Management

In 2018–19, the People and Culture Committee:

- promoted and participated in maintaining White Ribbon Accreditation
- worked with business areas to analyse Working for Queensland Employee Opinion Survey 2018 results and assisted in the development of strategies to address issues arising from the results
- continued to recognise the knowledge, skills and diversity that university graduates bring to the department by employing 14 new graduates across two different programs
- celebrated a range of diversity events and culturally significant occasions across the state
- continued to provide learning opportunities for employees by enhancing the range of online learning programs in the department's learning management systems.

Workplace Health and Safety (WHS) ELT

The WHS ELT provides direction and leadership to support an effective workplace health and safety management system to achieve improved safety performance and culture.

Chair: Director-General

Members:

- Assistant Director-General, Corporate Services
- Deputy Director-General, Digital Technology and Services
- Deputy Director-General, Housing, Homelessness and Sport
- Deputy Director-General, Building Policy and Asset Management
- Deputy Director-General, Portfolio Strategy and Chief Advisor Queensland Government Procurement
- Queensland Government Chief Information Officer
- Director, Office of the Director-General
- Chief Human Resources Officer, Corporate Services
- Manager, Work Health and Safety, Human Resources, Corporate Services

In 2018–19, the WHS ELT endorsed the:

- implementation of the *Healthy and Safe Workforce Action Plan 2018–20*
- ongoing commitment to the department's White Ribbon Accreditation, which is an integral component to providing support to staff affected by domestic and family violence
- ongoing delivery of our Pathways Health and Wellbeing Program that supports staff to improve their overall health
- procurement and installation of automated external defibrillators in all workplaces

- establishment of the Workplace Health and Safety Sub-committee
- implementation of key strategic recommendations of the Safer and Healthier Workplaces Audit Report
- provision of employee and manager support services to improve the department's case management outcomes.

Audit and Risk Committee

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

The Audit and Risk Committee charter sets out the authority, roles and responsibilities, membership and operations expected of the committee. The committee observed the terms of its charter in 2018–19 and had due regard to Queensland Treasury's Audit Committee Guidelines.

Period: 1 July 2018 – 26 February 2019

Chair: Eric Muir, FCPA (External Member)

Members:

- Deputy Director-General, Portfolio Strategy and Chief Advisor Queensland Government Procurement
- Deputy Director-General, Housing, Homelessness and Sport
- Assistant Director-General, Responsive Government, Portfolio Strategy
- Assistant Director-General, Building Legislation and Policy, Building Policy and Asset Management
- External member: Neil Jackson, FCPA

Period: 27 February 2019 – 30 June 2019

Chair: Peter Dowling, FCPA, FAICD (External Member)

Members:

- Deputy Director-General, Portfolio Strategy and Chief Advisor Queensland Government Procurement
- Deputy Director-General, Housing, Homelessness and Sport
- Assistant Director-General, Building Legislation and Policy, Building Policy and Asset Management
- Assistant Director-General, Digital Platforms and Data, Digital Technology and Services
- External member: Sue Ryan, AICD

In 2018–19, the Audit and Risk Committee:

- reviewed and recommended approval of the department's 2018–19 financial statements
- approved the audit plan and proposed fees of the external auditors
- considered the staffing and skills of the internal audit function
- approved the internal audit charter, internal audit plan and related budget
- considered external and internal audit report findings and recommendations, and monitored their implementation
- considered the appropriateness of the systems of performance measurement and reporting
- considered the ability of financial management and risk management to identify, monitor and manage significant risks including fraud and compliance risks
- endorsed the committee's charter and workplan
- assessed the performance of the internal audit function
- evaluated the Audit and Risk Committee's effectiveness and individual members' performance
- briefed the Director-General on relevant matters, opinions, decisions and recommendations made by the committee.

The Audit and Risk Committee met on five occasions during 2018–19.

The remuneration paid to four external members was as follows: Eric Muir (\$7,580), Neil Jackson (\$8,050), Peter Dowling (\$2,880) and Sue Ryan (\$1,650).

Aboriginal and Torres Strait Islander Advancement Framework Committee

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

Chair: Deputy Director-General, Housing, Homelessness and Sport

Members:

- Executive Director, Aboriginal and Torres Strait Islander Housing Unit, Housing, Homelessness and Sport
- Deputy Director-General, Building Policy and Asset Management
- Assistant Director-General, Corporate Services
- Assistant Director-General, Building Legislation and Policy, Building Policy and Asset Management
- Senior Analyst, Regulatory Services, Housing, Homelessness and Sport
- Senior Coordinator, Executive and Operational Support, Sport and Recreation, Housing, Homelessness and Sport
- Principal Advisor, HR Programs, Human Resources, Corporate Services

- Graduate Accountant, General Ledger and Reporting, QSS Service Delivery, Digital Technology and Services
- Principal Program Supervisor, Building and Asset Services, Building Policy and Asset Management
- Manager, Tenancy Services, Aboriginal and Torres Strait Islander Housing Unit, Housing, Homelessness and Sport
- Senior Contract Manager, Contract Management, Housing, Homelessness and Sport.

In 2018–19, the Aboriginal and Torres Strait Islander Advancement Framework Committee:

- organised the third annual Aboriginal and Torres Strait Islander Staff Forum on the Gold Coast from 22-23 May 2019, themed *Connections and Conversations: Doing Things Differently* was the theme of the staff forum. The Director-General and the Executive Leadership Team joined over 100 Aboriginal and Torres Strait Islander colleagues from across the department to discuss important issues, share stories and build lasting relationships
- rolled out targeted cultural capability training in selected locations across the state
- organised the department's NAIDOC activities including:
 - guest speakers Ms Torita Blake, Indigenous Australian athlete and Ms Kelly McKellar-Nathan, former Australian softball player
 - Aboriginal and Torres Strait Islander staff awards
 - video interviews with three prominent Indigenous women
 - participation in the 'One Government' precinct at the Musgrave Park Family Fun Day
- delivered round two of the Aboriginal and Torres Strait Islander traineeship program.

Property Asset Management Committee:

- ensures the effective use and management of department's built infrastructure
- oversees the linkage between service planning and service delivery and between built infrastructure policy formulation and delivery
- oversees the development of the departmental *Total Asset Management Plan*
- monitors the department's capital expenditure, project milestones, funding programs and reporting obligations
- monitors the department's asset valuation methodologies, results and impacts of revaluation exercises and review of impairment indicators.

Chair: Deputy Director-General, Building Policy and Asset Management

Members:

- Assistant Director-General, Building Legislation and Policy, Building Policy and Asset Management
- Chief Finance Officer, Corporate Services

- General Manager, Building and Asset Services, Building Policy and Asset Management
- General Manager, Strategy and Policy, Housing, Homelessness and Sport
- General Manager, Strategy, Policy and Programs, Housing, Homelessness and Sport
- Executive Director, Housing Partnerships Offices, Housing, Homelessness and Sport
- Executive Director, Accommodation Office and Government Employee Housing, Building Policy and Asset Management
- Executive Director, Building Legislation and Policy, Building Policy and Asset Management
- Executive Director, Building Construction and Maintenance, Building Policy and Asset Management
- Executive Director, Contract Services, Building Policy and Asset Management
- Executive Director, Infrastructure and Regional Delivery, Housing, Homelessness and Sport

In 2018–19, the Property Asset Management Committee:

- continued to drive *Total Asset Management Plan* outcomes, agreed to priority allocations and endorsed consequential budget and risk strategies
- monitored built infrastructure delivery risks across both planning and construction phases
- fostered an asset management culture within the department which considers resilience outcomes.

Strategic Procurement Committee

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

Chair: Queensland Government Chief Information Officer

Members:

- Assistant Director-General, Corporate Services
- General Manager, Smart Service Queensland, Digital Technology and Services
- General Manager, Asset Management Policy and Strategy, Building Policy and Asset Management
- Executive Director, Housing Partnership Office, Housing, Homelessness and Sport

In 2018–19, the Strategic Procurement Committee:

- provided strategic direction to the department to implement the *Queensland Government Procurement Strategy 2017* and the *Queensland Procurement Policy 2018*
- coordinated reporting on *Queensland Procurement Policy 2017* implementation to assess progress
- established a procurement capability baseline for the new department and developed the first four-year departmental strategic plan for procurement.

Strategic Planning, Performance Monitoring and Reporting

The department's *Performance Management Framework* integrates governance, planning, performance and risk to promote good practice corporate governance and ensure value is delivered to Queenslanders through services provided to the community. The framework demonstrates how the department contributes to the achievement of the government's strategic priorities through performance. Our performance reporting arrangements are established in line with the Department of the Premier and Cabinet's Queensland Government *Performance Management Framework*.

Risk Management

Our *Risk Management Framework* outlines the approach to adopting efficient, effective and consistent risk management practices. It aligns closely with the HPW *Governance Framework*.

The objective of the framework is to drive a strong risk culture through effective and consistently applied risk management practices. The framework aims to ensure that risk management is fully integrated with existing management processes and responsibilities.

An extensive review of the *Risk Management Framework* was undertaken during 2018–19. The primary drivers behind the review were to ensure alignment with the:

- organisational structure
- machinery-of-government changes
- latest *AS/NZS ISO 31000: 2018 Risk Management – Guidelines*.

Our risk appetite outlines the level of risk that the department is willing to accept in carrying out its operations. A review of the risk appetite was modified to include the potential to accept a high level of risk in certain circumstances where the benefits outweighed the risk. This will enable the department to embrace innovation. We continue to have no tolerance for poor workplace health and safety, and fraud and corruption.

Our three-year *Risk Management Strategy 2018–21*, provides a strategic roadmap to help guide the department in heading towards and achieving our risk maturity goals of moving towards 'advanced' maturity by 2021. It contains high level actions, built year-on-year and is aligned with the key components of the Risk Management Framework.

In accordance with the strategy, divisions progressed risk maturity action plans to target specific areas of focus within their division.

A *Risk Management Capability Plan* was also developed during the year. It contains a range of communication, awareness-raising and capability development activities to reinforce good risk management practices.

Integrity Services

The department's Integrity Services Unit provides expert, high-level advice, facilitation and training in relation to corrupt conduct matters (including fraud and corruption), conflicts of interest, public interest disclosures, complaints management and other integrity-related matters across the department.

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

During 2018–19, the Integrity Services Unit worked on revising the conflict of interest policy and procedures to develop manager awareness and capability. Integrity Services has also worked with the Information Services Directorate on the development of a case management system to assist with the recording and management of corrupt conduct investigations.

Internal Audit

Internal audit is a key component of the department's corporate governance. It provides independent assurance that the department's policies, operations, systems and procedures meet appropriate standards of effectiveness, efficiency, propriety, regulatory requirements and good business practice, while adequately recognising and managing risk and complying with internal policies.

The department's Internal Audit Unit operates in accordance with the Internal Audit Charter, which is reviewed and endorsed by the Audit and Risk Committee each year. The charter authorises appropriate access to all functions, records, property and personnel within the department as well as direct access to the chair and independent members of the Audit and Risk Committee.

Internal Audit provides a broad range of functions in line with international standards for the Professional Practice of Internal Auditing and best practice, including:

- operational reviews
- compliance reviews
- change management reviews
- information systems and security reviews
- data analysis
- a comprehensive program of continuous assurance.

Internal Audit applies a risk management approach to strategic planning, assignment planning, fieldwork and reporting and works closely with the corporate risk management function to ensure appropriate coverage across the department.

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

During 2018–19, Internal Audit completed 24 reviews, five management requests and provided ad-hoc advice to managers on a range of issues.

Internal Audit had due regard to the Audit Committee Guidelines.

Information Systems and Recordkeeping

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

In 2018–19, the department demonstrated its commitment to compliant recordkeeping practices by:

- progressing the design and configuration of an enterprise eDRMS system, which will create a repository for departmental records, reducing the administrative burden and improving collaboration through improved information sharing opportunities within the department
- providing ongoing recordkeeping support to departmental staff
- continuing the capture and use of digital records through the department's eDRMS within Housing Service Centres across Queensland
- upgrading multiple versions of the department's eDRMS application to ensure the system is reliable and the information and records held are managed and secure
- ongoing data cleansing and authorised disposal activities in accordance with authorised retention and disposal schedules annually
- ensuring the lifecycle management of all departmental public records was undertaken in accordance with legislative requirements.

Information Technology

The Information Services Directorate provides strategic advice on how to rectify business problems by investing effectively in the department and adopting optimisation principles and change initiatives by:

- developing, managing and supporting technology solutions and applications, enabling the department to provide a range of services to Queenslanders
- supporting the department's business functions by facilitating the delivery of digital business services, providing advice on information management and assistance with information security
- providing support, maintenance and delivery of modern technology and ICT infrastructure for departmental staff across Queensland. An average of 6,250 enquiries from departmental staff are managed each month.

SERVICE TYPE	2015–16	2016–17	2017–18	2018–19
SELF SERVICE	2,011	1,600	1,319	351
IN PERSON	1,547	1,312	479	72
BY FORM	6,534	6,838	1,045	11,439
BY EMAIL	21,419	19,910	15,394	7,309
BY PHONE	34,944	27,657	49,641	55,888
TOTAL	66,455	57,317	67,878	75,059

Note: Staff have adopted the more structured approach for requests offered by forms. This has seen significant decreases in requests in person and by email. Some of the self service functions are now captured by forms which are a structured approach to self service.

External Reviews

Queensland Academy of Sport

- A review was undertaken by BDO Australia to assess the current state and future direction of the Queensland Academy of Sport
- Key findings indicated the Queensland Academy of Sport is a highly successful and leading-edge organisation with exceptional staff and expertise and ought to:
 - review and prioritise which sports receive future support
 - create a cluster of high performance sports by co-locating organisations to promote collaboration and innovation
 - apply expertise and knowledge to support improved outcomes for the general community.
- The *Activate! Queensland 2019–2029* strategy will support implementation of accepted findings from the review.

In 2018–19, the department was involved in other external reviews including:

- Auditor-General of Queensland: Report to Parliament No. 14: 2018–19 – Queensland state government: 2017–18 results of financial audits: the department obtained an unmodified audit opinion on the 2017–18 financial statements
- Auditor-General of Queensland: Report to Parliament No. 3: 2018–19 – Delivering shared corporate services in Queensland
- Auditor-General of Queensland: Report to Parliament No. 1: 2018–19 – Monitoring and managing ICT projects
- ASAE 3402 Assurance audit of CITEC 2018–19. QAO assessed CITEC’s description of its internal controls over ICT infrastructure and related services as at 31 March 2019 and on the design of controls related to the control objectives stated in the description. QAO concluded that, in all material respects, CITEC’s description of its internal controls over ICT infrastructure and related services were suitably designed. Six audit recommendations were made and agreed to by CITEC to strengthen internal controls
- ASAE 3402 Assurance Audit of Queensland Shared Services (QSS) 2018–19. QAO assessed QSS’ description of its account payable, payroll and general IT control systems for processing customers’ transactions from 1 July 2018 to 30 June 2019 and on the design and operation of controls related to the control objectives stated in the description. QAO concluded that, in all material respects, the QSS control objectives in the system descriptions were suitably designed and operated from 1 July 2017 to 30 June 2018. A total of five audit recommendations were made and agreed to by QSS to strengthen internal controls

The department responds to recommendations made by Coroners in findings of inquests. In 2018–19, the department:

- as a supporting agency provided an updated joint response to three recommendations, from a 2016 inquest, relevant to building industry inspections and standards (relating to awnings), and as sole agency, continued to consult with relevant stakeholders to progress the response to the fourth recommendation from the same inquest.

Other reviews

Stadiums Queensland Taskforce

- A review was undertaken of Stadiums Queensland by the Stadiums Queensland Taskforce headed by Mr John Lee, an independent and experienced sports administrator
- Key findings and recommendations support improvement and enhancements to:
 - operations and performance
 - hirer and community expectations
 - capital and maintenance
 - asset commercialisation
 - long-term financial sustainability

- Stadiums Queensland will focus on enhancing the fan experience, through investing in existing Stadiums Queensland venues to ensure they meet industry and community standards and expectations and continue to attract world-class events that provide quality spectator and fan experiences.

Building Industry Fairness Reforms Implementation and Evaluation Panel

- On 29 March 2019, the Building Industry Fairness Reforms Implementation and Evaluation Panel provided its report to government on the suite of 2017 building reforms, including the *Building Industry Fairness (Security of Payment) Act*.
- The panel was chaired by Bronwyn Weir with Jennifer Robertson as Deputy Chair and Troy Lewis and Fionna Reid as members.
- The government is currently considering the report and will table it in Parliament.

Special Joint Taskforce

- Headed by former Supreme Court Justice, the Honourable John Byrne, the Special Joint Taskforce investigated allegations of fraudulent behaviour relating to subcontractor non-payment in the Queensland building industry. The Taskforce concluded its work on 28 June 2019 and provided a report to government. The report’s recommendations are currently being considered.

Whole-of-Government plans and specific initiatives

The department have a number of whole-of-government and specific purpose plans including:

- *Aboriginal and Torres Strait Islander Advancement Strategy and Action Plan 2017–20*
- *Aboriginal and Torres Strait Islander Housing Action Plan 2019–23*
- *People and Culture Strategy 2016–20*
- *HPW Inclusion and Diversity Plan 2015–20*, which includes:
 - Multicultural Action Plan
 - Disability Services Plan
 - Cultural Capability Action Plan
- *Healthy and Safe Workforce Action Plan 2018–20*
- *Fraud and Corruption Control Plan*
- *Strategic Internal Audit Plan 2018–19*
- *ICT Disaster Recovery Plan*
- *Queensland Government Enterprise Architecture (QGEA)*
- *Information Security Policy 2018*
- *Information Security Management System*
- *HPW Waste Reduction and Recycling Plan 2017–20*
- *Open Data Action Plan 2017–19*
- *Disaster Management Plan*

- *Queensland Housing Strategy 2017–27*
- *IT Graduate Program*
- *Queensland Building Plan 2017*
- *Queensland Domestic and Family Violence Prevention Strategy 2016–2026*
- *Queensland Government Procurement Plan.*

Specific initiatives

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

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

National Agreements and National Partnership Agreements

In 2018–19, the following activities occurred to progress Queensland's national commitments:

- implementation of the National Housing and Homelessness Agreement (NHHA) from 1 July 2018, which will provide around \$1.6 billion over the five years to 2022–23. The NPRH replaced the National Affordable Housing Agreement and the Transitional National Partnership Agreement on Homelessness and provides funding commensurate with the former agreements
- contributed to development of a new schedule to the NHHA of data improvements through participation in the Housing and Homelessness Data Working Group and Housing and Homelessness Senior Officials' Network
- negotiated with the Australian Government around future funding arrangements for remote Indigenous housing in Queensland following the expiry of the National Partnership Agreement on Remote Housing (NPRH) from 30 June 2018. NPRH works continued during 2018–19 beyond the expiry of the NPRH as agreed with the Australian Government, with all new house completions achieved by 31 December 2018
- contributed to the Review of the National Regulatory System for Community Housing, including development of a Queensland submission to the review
- ongoing negotiation with the Australian Government around future funding arrangements for remote Indigenous housing in Queensland
- partnering with Aboriginal and Torres Strait Islander local governments on the methodology for investment of \$40 million to achieve housing and employment outcomes within their communities
- Meeting of Sport and Recreation Ministers, which is the standing committee of Ministers from Australia and New Zealand established in 2011 to provide a forum for cooperation and coordination on matters relating to the development of sport and recreation in Australia, including community participation and elite sport
- Meeting of the Building Ministers' Forum, comprising the Australian Government and state and territory government ministers with responsibility for building and construction, which oversees policy and regulatory issues affecting Australia's building and construction industries
- Intergovernmental Agreement between the Australian Government, states and territories that establishes the Australian Building Codes Board
- Strata Title Inspection Scheme Project Agreement, which provides funding of up to \$12.5 million over a four-year period from 1 July 2018 to 30 June 2021 to the state, represented by the department to facilitate the provision of engineering assessments on strata titled properties. The agreement's proposed objective is to reduce the cost of home, contents and strata insurance premiums in the cyclone areas of North Queensland
- Australasian Procurement and Construction Council, which is a peak council, the members of which are responsible for procurement, construction, asset management and property policy delivery for the governments of Australian states and territories, the Commonwealth and New Zealand
- co-authoring of the operational handbook for interjurisdictional cyber incident management. The Council of Australian Governments agreed to establish Cyber Incident Management Arrangements for Australian Governments to improve coordination and preparedness for significant cyber incidents.

Legislation administered

by the Minister for Housing and Public Works,
Minister for Digital Technology and Minister
for Sport as at 30 June 2019

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

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

Statutory bodies

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

NAME OF BODY AS DESCRIBED IN THE CONSTITUTING ACT	CONSTITUTING ACT	ANNUAL REPORTING ARRANGEMENTS
Board of Architects of Queensland	<i>Architects Act 2002</i>	Annual report to Parliament
Board of Professional Engineers of Queensland	<i>Professional Engineers Act 2002</i>	Annual report to Parliament
Queensland Building and Construction Commission	<i>Queensland Building and Construction Commission Act 1991</i>	Annual report to Parliament
Residential Tenancies Authority	<i>Residential Tenancies and Rooming Accommodation Act 2008</i>	Annual report to Parliament
Mt Gravatt Showgrounds Trust	<i>Mt. Gravatt Showgrounds Act 1988</i>	Annual report to Parliament
Stadiums Queensland	<i>Major Sports Facilities Act 2001</i>	Annual report to Parliament

Government bodies, boards and committees

The following bodies, boards and committees were active during 2018–19 with reporting arrangements to the department. Additional information on government bodies is available on the department's website: www.hpw.qld.gov.au

Development tribunals

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

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

Brisbane Housing Company Ltd

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

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

Our locations

Department of Housing and Public Works

HEAD OFFICE

1 William Street
Brisbane Qld 4000
GPO Box 2457
Brisbane Qld 4001
Website: www.hpw.qld.gov.au

Corporate Services

AM60
60 Albert Street
Brisbane Qld 4000
GPO Box 2457
Brisbane Qld 4001
Phone: 07 3008 2901
Email: oadgcs@hpw.qld.gov.au

BUILDING AND ASSET SERVICES OFFICE LOCATIONS

The regional offices are supported by a network of district offices and depots across the state. For details on district offices and depots, visit <http://www.hpw.qld.gov.au/aboutus/BusinessAreas/BuildingPolicyAssetManagement/BuildingAssetServices/Pages/ContactBuildingandAssetServices.asp>

Building and Asset Services

Level 5, AM60
60 Albert Street
Brisbane Qld 4000
GPO Box 2937
Brisbane Qld 4001
Phone: 07 3008 3300
Email: bas@hpw.qld.gov.au

South East Queensland

South East Queensland regional offices

45 Barrack Road
PO Box 626
Cannon Hill Qld 4170
Phone: 07 3008 2116
Fax: 07 3906 1722

Level 1, 19 Corporate Drive
PO Box 626
Cannon Hill Qld 4170
Phone: 1300 650 917

Wide Bay Burnett

Wide Bay Burnett Regional Office

Maryborough
44 Ariadne Street
PO Box 299
Maryborough Qld 4650
Phone: 07 4123 9400
Fax: 07 4121 1948

South West Queensland

South West Queensland Regional Office

Toowoomba
120-124 Mort Street
PO Box 666
Toowoomba Qld 4350
Phone: 07 4614 2300
Fax: 07 4615 3529

Central Queensland

Central Queensland Regional Office

Rockhampton
149 Bolsover Street
PO Box 247
Rockhampton Qld 4700
Phone: 07 4838 9600
Fax: 07 4938 4831

North Queensland

North Queensland Regional Office

Townsville
9-15 Langton Street
Garbutt Qld 4814
PO Box 561
Townsville Qld 4810
Phone: 07 4412 2300
Fax: 07 4799 5401

Far North Queensland

Far North Queensland Regional Office

Cairns
31 Grove Street
PO Box 812
Cairns Qld 4870
Phone: 07 4232 4000
Fax: 07 4031 2560

HOUSING, HOMELESSNESS AND SPORT

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

Sport and Recreation

Sport and Recreation operates from a central head office in Brisbane and from a network offices throughout Queensland. Sport and Recreation also operate the Queensland Recreation Centres on the Gold and Sunshine Coasts. For more detailed contact information, visit <http://www.hpw.qld.gov.au/Sport/Pages/default.aspx>

Head Office

Level 6, 400 George Street Brisbane Qld 4000
GPO Box 15487
City East Qld 4002
Phone: 13 74 68 (13 QGOV)
Email: SR_Info@npsr.qld.gov.au

Housing Service Centres

For more detailed contact information, visit www.qld.gov.au/housing
Housing Service Centres are open 8.30am to 4.30pm Monday to Friday unless stated otherwise.
Email: ICCHousingEnquiries@smartservice.qld.gov.au

Aboriginal and Torres Strait Islander Housing Regional Office

Level 3, William McCormack Place
5B Sheridan Street
PO Box 471
Cairns Qld 4870
Phone: 07 4036 5555
Fax: 07 4036 5575

North Queensland Region

Office of the Regional Director, North Queensland Region

Level 2, Yellow Foyer
143 Walker Street
PO Box 953
Townsville Qld 4810
Phone: 07 4724 8571

Central Queensland/North Coast Region

Office of the Regional Director, Central Queensland/North Coast Region

Level 3, 209 Bolsover Street
PO Box 1503
Rockhampton Qld 4700
Phone: 07 4848 7054
Email: HHS-SD-CQNCR-ORD@hpw.qld.gov.au

Brisbane Region

Office of the Regional Director, Brisbane Region

Level 1, 831 Gympie Road Chermside
PO Box 2361
Chermside Centre
Chermside Qld 4032
Phone: 07 3007 4386

South West Region

Office of the Regional Director, South West Region

Level 4, Icon Tower
117 Brisbane Street
PO Box 255
Ipswich Qld 4305
Phone: 07 3437 6044

DIGITAL TECHNOLOGY AND SERVICES

140 Creek Street
Brisbane Qld 4000
GPO Box 2457
Brisbane Qld 4001
Phone: 07 3719 7730
Email: oddgdts@dsiti.qld.gov.au

QUEENSLAND STATE ARCHIVES

435 Compton Road
Runcorn Qld 4113
PO Box 1397
Sunnybank Hills Qld 4109
Phone: 07 3037 6777
Email: info@archives.qld.gov.au

SMART SERVICE QUEENSLAND

310 Ann Street
Brisbane Qld 4000
PO Box 10817
Brisbane Qld 4000
Phone: 13 QGOV (13 74 68)
Internet: www.qld.gov.au

SSQ Contact Centres

Garden Square Block B
643 Kessels Road
Upper Mt Gravatt Qld 4122
Phone: 13 QGOV (13 74 68)
79 Pineapple Street
Zillmere Qld 4034
Phone: 13 QGOV (13 74 68)

CITEC

Brisbane

317 Edward Street
Railway 1D
Brisbane Qld 4000
GPO Box 2457
Brisbane Qld 4001
Phone: 07 3222 2555
Email: service@citec.com.au

140 Creek Street
Brisbane Qld 4000
GPO Box 2457
Brisbane Qld 4001
Phone: 07 3222 2555
Email: service@citec.com.au

QUEENSLAND SHARED SERVICES

Brisbane

140 Creek Street
Brisbane Qld 4000
PO Box 474
Brisbane Qld 4000
Phone: 1300 146 370
Visit <https://www.forgov.qld.gov.au/qss>

310 Ann Street
Brisbane Qld 4102
PO Box 474
Brisbane Qld 4000
Phone: 1300 146 370
Visit <https://www.forgov.qld.gov.au/qss>

Regional

Cairns

Level 4, 5B Sheridan Street
William McCormack Place
PO Box 2758
Cairns Qld 4870
Phone: 1300 146 370
Visit <https://www.forgov.qld.gov.au/qss>

Gympie

Corner Louisa Street and Cartwright Road
Gympie Qld 4570
PO Box 395
Phone: 1300 146 370
Visit <https://www.forgov.qld.gov.au/qss>

Maroochydore

Level 8, 12 First Avenue
PO Box 5665
Maroochydore Qld 4558
Phone: 1300 146 370
Visit <https://www.forgov.qld.gov.au/qss>

Robina

Level 1, Easy T Centre 510 Christine Avenue
Robina Qld 4226
PO Box 4417
Robina Town Centre Qld 4230
Phone: 1300 146 370
Visit <https://www.forgov.qld.gov.au/qss>

Rockhampton

Level 2, 149 Bolsover
Rockhampton Qld 4700
PO Box 255
Rockhampton Qld 4700
Phone: 1300 146 370
Visit <https://www.forgov.qld.gov.au/qss>

Toowoomba

Level 2, 532 Ruthven Street
Toowoomba Qld 4350
PO Box 1848
PO Box 255
Rockhampton Qld 4700
Phone: 1300 146 370
Visit <https://www.forgov.qld.gov.au/qss>

Townsville

Level 4, 187 Stanley Street
Townsville Qld 4810
PO Box 1408
Phone: 1300 146 370
Visit <https://www.forgov.qld.gov.au/qss>

OTHER DEPARTMENTAL OFFICES

Building Legislation and Policy

Level 7, 63 George Street
GPO Box 2457
Brisbane Qld 4001
Phone: 07 3008 2502
Email: OADG.BLP@hpw.qld.gov.au

Development Tribunals

Level 16, 41 George Street
GPO Box 2457
Brisbane Qld 4001
Phone: 1800 804 833
Email: registrar@qld.gov.au

Prequalification (PQC) System

Level 16, 41 George Street
GPO Box 2457
Brisbane Qld 4001
Phone: 1800 072 621
Email: pqcregistrar@hpw.qld.gov.au

QFleet

Head Office

Mezzanine Level, 60 Albert Street
GPO Box 293
Brisbane Qld 4001
Phone: 07 3008 2633
Email: qfleet-mail@qfleet.qld.gov.au

Government Employee Housing

Head Office

Level 6, 60 Albert Street
GPO Box 2457
Brisbane Qld 4001
Phone: 07 3008 2722
Fax: 07 3224 5824
Email: governmentemployeehousing@hpw.qld.gov.au

Queensland Government Accommodation Office

Level 4, 60 Albert Street
GPO Box 2457
Brisbane Qld 4001
Phone: 07 3008 2761
Fax: 07 3224 6266
Email: QGAO.enquiries@hpw.qld.gov.au

Queensland Government Chief Information Office

Level 24, 111 George Street
Brisbane Qld 4001
Phone: 13 GOV (13 74 68)
Email: qgcio@qgcio.qld.gov.au

Queensland Government Procurement

Level 15, 41 George Street GPO Box 123
Brisbane Qld 4001
Phone: 13 QGOV (13 74 68)
Email: QGP-BetterProcurement@hpw.qld.gov.au

Regulatory Services (formerly Office of the Registrar)

Level 19, 41 George Street
GPO Box 690
Brisbane Qld 4001
Phone: 13 QGOV (13 74 68)
Email: QldHousingRegistrar@hpw.qld.gov.au
Email: residentialservices@hpw.qld.gov.au

Queensland Government Service Centres

Brisbane

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

Cairns

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

Maroochydore

Ground Floor
Mike Ahern Centre
Maroochydore Qld 4558
Phone: 07 5453 1816

Portfolio Strategy and Chief Advisor Queensland Government Procurement

Level 15, Mineral House,
41 George Street
Brisbane Qld 4000
GPO Box 123
Phone: 13 74 68

Glossary of terms

AQP	Advancing Queensland's Priorities
BAS	Building and Asset Services
CBU	Commercialised Business Unit
DFV	Domestic and family violence
DOGIT	Deed of Grant in Trust
DTMR	Department of Transport and Main Road
eDRMS	Electronic document and records management system
FTE	Full-time equivalent
GEH	Government employee housing
GPO	General Post Office
GWN	Government wireless network
HHS	Housing and Homelessness Services
IB	Information Brokerage
ICT	Information and Communication Technology
ISMS	Information Security Management System
KMP	Key management personnel
MBSP	Mobile Black Spot Program
NHHA	National Housing and Homelessness Agreement
NPRH	National Partnership Agreement on Remote Housing
NRL	National Rugby League
PIAG	Procurement Industry Advisory Group
QAO	Queensland Audit Office
QBCC	Queensland Building and Construction Commission
QFES	Queensland Fire and Emergency Services
QGAO	Queensland Government Accommodation Office
QGCIO	Queensland Government Chief Information Office
QGEA	Queensland Government Enterprise Architecture
QGIF	Queensland Government Insurance Fund
QGOV	Queensland Government
QGRN	Queensland Government Regional Network
QSA	Queensland State Archives
QSS	Queensland Shared Services
QUT	Queensland University of Technology
SDS	Service Delivery Statements
SSP	Shared Service Providers
SSQ	Smart Service Queensland
WHS	Workplace Health and Safety

Financial Statements

2018–2019

for the financial year ended 30 June 2019

Financial Summary	82
Statement of Comprehensive Income	84
Balance Sheet	85
Introduction to Financial Statements	86
Financial Statements 2018–19	87
Management Certificate	142
Independent Auditor's Report	143

Financial Summary

As at 30 June 2019 the reporting entity comprised the Department of Housing and Public Works, three commercialised business units (CBUs) (Building and Asset Services, CITEC and QFleet) and Queensland Shared Services

A Statement of Comprehensive Income and a Balance Sheet for the 2018-19 financial year for the department are provided on the following pages with explanations of significant variances from the previous year's results.

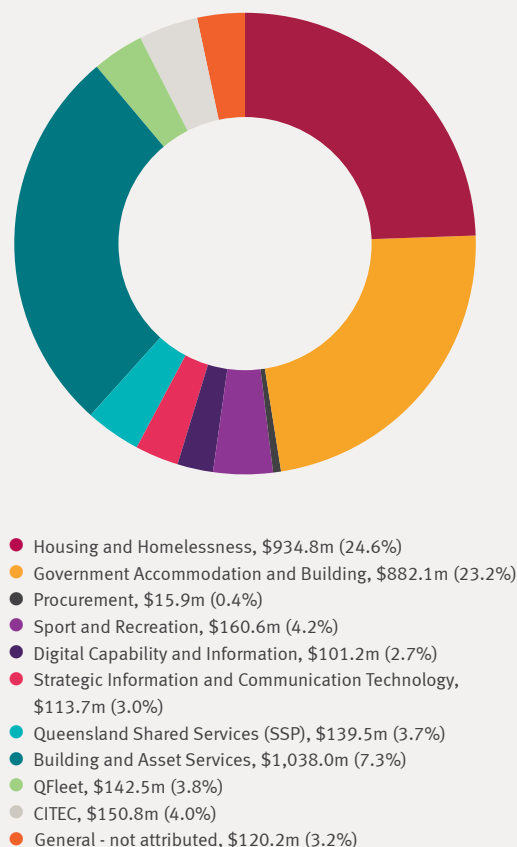
The department obtains the majority of its total income from user charges which comprise \$2,021 million or 65.9% of the department's total income of \$3,066 million. User charges include:

- rent of government office buildings and employee housing to other departments
- rent of social housing
- building construction and professional charges
- vehicle leasing
- services rendered by the shared service provider
- information, communication and technology services.

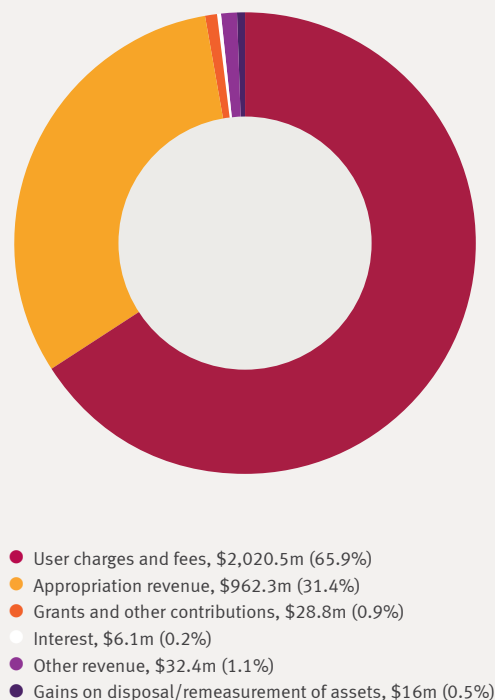
Effective 20 August 2018, as a result of Public Service Departmental Arrangements Notice (No. 3) 2018, responsibility for the following functions were transferred from the Department of State Development, Manufacturing, Infrastructure and Planning:

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

Total income by Major Departmental Services, Commercialised Business Units and Shared Service Providers (SSP) in 2018-19[#]



Total income by category in 2018-19



The major expense of the department is supplies and services which totals \$2,052 million or 63% of the department's expenses of \$3,255 million. The major supplies and services comprise government building expenses, expenses associated with providing social housing and information, communication and technology.

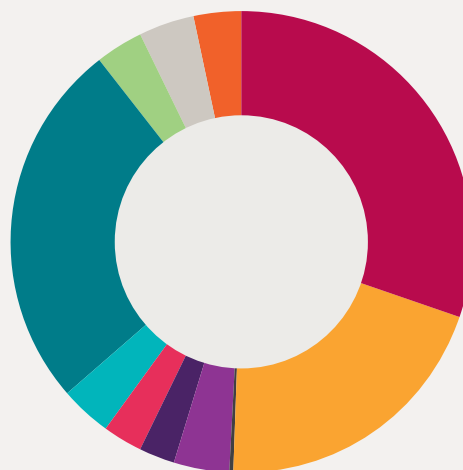
The major asset of the department is property, plant and equipment which totals \$19,748 million of the department's total assets of \$21,091 million (93.6%). The majority of this comprises social housing, commercial properties and the land on which these are situated.

Statement by the Chief Finance Officer

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

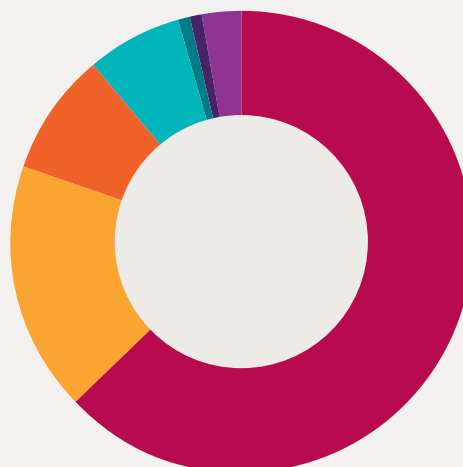
The Chief Finance Officer has fulfilled the minimum responsibilities as required by the *Financial Accountability Act 2009*.

Total expenses by Major Departmental Services, Commercialised Business Units and Shared Service Providers (SSP) in 2018-19[#]



- Housing and Homelessness, \$1,210.2m (30.3%)
- Government Accommodation and Building Policy, \$805.6m (20.2%)
- Procurement, \$16.7m (0.4%)
- Sport and Recreation, \$156.9m (3.9%)
- Digital Capability and Information, \$101.6m (2.6%)
- Strategic Information and Communication Technology, \$113.5m (2.9%)
- Queensland Shared Services (SSP), \$142.0m (3.6%)
- Building and Asset Services, \$1,026.1m (25.7%)
- QFleet, \$131.5m (3.3%)
- CITEC, \$159.3m (4.0%)
- General - not attributed, \$124.5m (3.1%)

Total expenses by category in 2018-19



- Supplies and services, \$2,051.7m (63%)
- Employee expenses, \$565.7m (17.4%)
- Depreciation and amortisation, \$277.6m (8.5%)
- Grants and subsidies, \$218.8m (6.7%)
- Finance/borrowing costs, \$28.6m (0.9%)
- Impairment losses, \$26.3m (0.8%)
- Other expenses, \$85.9m (2.7%)

[#] Revenue and expenses by Major Departmental Services and Commercialised Business Units do not include internal departmental transaction eliminations which are eliminated in the Statement of Financial Position.

Statement of Comprehensive Income for the year ended 30 June 2019

	NOTES	Actual 2018-19 \$'000	Actual 2017-18 \$'000
INCOME			
User charges and fees	1	2,020,521	1,823,559
Appropriation revenue	2	962,289	809,988
Grants and other contributions		28,789	9,143
Interest		6,048	5,193
Other revenue		32,422	73,148
Gains on disposal /remeasurement of assets	3	16,017	107,999
Total income		3,066,086	2,829,030
EXPENSES			
Supplies and services	4	2,051,664	1,891,593
Employee expenses	5	565,738	440,545
Depreciation and amortisation		277,641	256,257
Grants and subsidies	6	218,752	156,090
Finance/borrowing costs		28,607	27,364
Impairment losses		26,274	8,757
Other expenses		85,907	79,935
Total expenses		3,254,583	2,860,541
Operating result before income tax		(188,497)	(31,511)
Income tax benefit /(expense)		(6,674)	(7,028)
Operating result after income tax		(195,171)	(38,539)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to operating result			
Increase/(decrease) in asset revaluation surplus	7	254,247	476,231
Total other comprehensive income		254,247	476,231
TOTAL COMPREHENSIVE INCOME		59,076	437,692

Notes:

1. The increase in user charges and fees is mainly due to the full year effect of the 2017-18 and the 2018-19 machinery-of-government changes.
2. The increase in appropriation revenue is mainly due to the full year effect of the 2017-18 machinery-of-government changes.
3. The decrease in gain on disposal/remeasurement of assets is mainly due to a decline in value in the building component of social housing residential properties in the Queensland residential property market where social housing stock is held offset by improved building valuation results for commercial properties.
4. The increase in supplies and services is mainly due to the full year effect of the 2017-18 and the 2018-19 machinery-of-government changes.
5. The increase in employee expenses is mainly due to the full year effect of the 2017-18 machinery-of-government changes.
6. The increase in grants and subsidies is mainly due to the full year effect of the 2017-18 machinery-of-government changes and increased expenditure in 2018-19 for various housing programs.
7. The 2018-19 growth in the revaluation reserve was lower than for 2017-18 mainly due to lower growth in the value of social housing residential land in the Queensland residential property market where social housing residential properties are held and the prior year net movements for the Queens Wharf Precinct and the leased assets – buildings on Deed of Grant in Trust Land.

Balance Sheet as at 30 June 2019

	NOTES	Actual 2018–19 \$'000	Actual 2017–18 \$'000
CURRENT ASSETS			
Cash and cash equivalents	8	567,354	727,917
Loans and receivables		235,531	221,523
Prepayments		65,336	68,564
Inventories		42,474	46,665
Financial assets at fair value through profit or loss		6,000	6,000
Deferred operating lease rent		4,525	4,653
Tax assets		-	447
Non-current assets classified as held for sale	9	31,421	105,248
Total current assets		952,641	1,181,017
NON-CURRENT ASSETS			
Property, plant and equipment		19,748,354	19,216,496
Financial assets at fair value through profit or loss		180,949	182,226
Deferred operating lease rent		104,285	81,205
Loans and receivables		69,345	70,533
Intangible assets		30,292	37,127
Prepayments		2,815	2,252
Deferred tax assets		2,011	1,891
Total non-current assets		20,138,051	19,591,730
TOTAL ASSETS		21,090,692	20,772,747
CURRENT LIABILITIES			
Payables		376,515	373,691
Unearned revenue		102,694	107,606
Interest-bearing liabilities		29,240	29,051
Accrued employee benefits		25,665	24,646
Lease incentives		17,521	15,466
Deferred operating lease rent		5,335	5,246
Tax liabilities		2,341	2,521
Other current liabilities		6,265	12,680
Total current liabilities		565,576	570,907
NON-CURRENT LIABILITIES			
Interest-bearing liabilities		679,627	697,374
Lease incentives		178,431	175,556
Deferred operating lease rent		139,990	120,026
Queen's Wharf deferred consideration		91,891	114,154
Unearned revenue		28,984	29,330
Deferred tax liabilities		16,877	18,185
Other non-current liabilities	10	44,455	284
Total non-current liabilities		1,180,255	1,154,909
Total Liabilities		1,745,831	1,725,816
NET ASSETS		19,344,861	19,046,931
EQUITY			
Contributed equity		17,075,205	16,828,044
Asset revaluation surplus		2,619,033	2,364,786
Accumulated surplus/(deficit)		(349,377)	(145,899)
TOTAL EQUITY		19,344,861	19,046,931

Notes:

8. The decrease in cash is mainly due to the return to the Consolidated Fund of the land premiums received by the department as consideration for the Queen's Wharf Precinct.

9. The decrease in non-current assets classified as held for sale is mainly due to the finalisation of the sale of the former GoPrint and Landcentre sites at Woolloongabba, Brisbane.

10. The increase in other non-current liabilities is mainly due to provisions for estimated rectification costs for 15 departmental owned buildings requiring remediation for non-conforming building products and transfer duty relating to the Queens Wharf Integrated Resort Development agreement.

Introduction to financial statements

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

- Statement of Comprehensive Income
- Balance Sheet
- Statement of Changes in Equity
- Statement of Cash Flows
- Statement of Comprehensive Income by Major Departmental Services, Commercialised Business Units and Shared Service Providers
- Statement of Assets and Liabilities by Major Departmental Services, Commercialised Business Units and Shared Service Providers
- Notes to the Financial Statements 2018–19
- Management Certificate
- Independent Auditor's Report.

General Information

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

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

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

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

1 William Street
BRISBANE QLD 4000

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

For information in relation to the department's financial statements, please call 07 300 83138 or visit the departmental website <http://www.hpw.qld.gov.au>

Contents

Statement of Comprehensive Income

Balance Sheet

Statement of Changes in Equity

Statement of Cash Flows

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

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

Notes to the Financial Statements 2018-19

Management Certificate

Independent Auditor's Report

Department of Housing and Public Works
Statement of Comprehensive Income
for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
INCOME			
User charges and fees	2.1	2,020,521	1,823,559
Appropriation revenue	2.2	962,289	809,988
Grants and other contributions		28,789	9,143
Interest		6,048	5,193
Other revenue		32,422	73,148
Total revenue		3,050,069	2,721,031
Gains on disposal/remeasurement of assets	2.3	16,017	107,999
Total income		3,066,086	2,829,030
EXPENSES			
Supplies and services	3.1	2,051,664	1,891,593
Employee expenses	3.2	565,738	440,545
Depreciation and amortisation	4.1	277,641	256,257
Grants and subsidies	3.3	218,752	156,090
Finance/borrowing costs		28,607	27,364
Impairment losses		26,274	8,757
Other expenses	3.4	85,907	79,935
Total expenses		3,254,583	2,860,541
Operating result before income tax		(188,497)	(31,511)
Income tax benefit/(expense)		(6,674)	(7,028)
Operating result after income tax		(195,171)	(38,539)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to operating result			
Increase/(decrease) in asset revaluation surplus	4.1 (d)	254,247	476,231
Total other comprehensive income		254,247	476,231
Total comprehensive income		59,076	437,692

The accompanying notes form part of these financial statements.

Department of Housing and Public Works
Balance Sheet
as at 30 June 2019

	Note	2019 \$'000	2018 \$'000
CURRENT ASSETS			
Cash and cash equivalents		567,354	727,917
Loans and receivables	4.2	235,531	221,523
Prepayments		65,336	68,564
Inventories	4.4	42,474	46,665
Financial assets at fair value through profit or loss	4.5	6,000	6,000
Deferred operating lease rent		4,525	4,653
Tax assets		-	447
		<u>921,220</u>	<u>1,075,769</u>
Non-current assets classified as held for sale	4.6	31,421	105,248
Total current assets		<u>952,641</u>	<u>1,181,017</u>
NON-CURRENT ASSETS			
Property, plant and equipment	4.1	19,748,354	19,216,496
Financial assets at fair value through profit or loss	4.5	180,949	182,226
Deferred operating lease rent		104,285	81,205
Loans and receivables	4.2	69,345	70,533
Intangible assets		30,292	37,127
Prepayments		2,815	2,252
Deferred tax assets		2,011	1,891
Total non-current assets		<u>20,138,051</u>	<u>19,591,730</u>
TOTAL ASSETS		<u>21,090,692</u>	<u>20,772,747</u>
CURRENT LIABILITIES			
Payables	5.2	376,515	373,691
Unearned revenue	5.5	102,694	107,606
Interest-bearing liabilities	5.1	29,240	29,051
Accrued employee benefits		25,665	24,646
Lease incentives	5.3	17,521	15,466
Deferred operating lease rent		5,335	5,246
Tax liabilities		2,341	2,521
Other current liabilities	5.6	6,265	12,680
Total current liabilities		<u>565,576</u>	<u>570,907</u>
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	5.1	679,627	697,374
Lease incentives	5.3	178,431	175,556
Deferred operating lease rent		139,990	120,026
Queen's Wharf deferred consideration	5.4	91,891	114,154
Unearned revenue	5.5	28,984	29,330
Deferred tax liabilities		16,877	18,185
Other non-current liabilities	5.6	44,455	284
Total non-current liabilities		<u>1,180,255</u>	<u>1,154,909</u>
TOTAL LIABILITIES		<u>1,745,831</u>	<u>1,725,816</u>
NET ASSETS		<u>19,344,861</u>	<u>19,046,931</u>
EQUITY			
Contributed equity		17,075,205	16,828,044
Asset revaluation surplus	4.1(d)	2,619,033	2,364,786
Accumulated surplus/(deficit)		(349,377)	(145,899)
TOTAL EQUITY		<u>19,344,861</u>	<u>19,046,931</u>

The accompanying notes form part of these financial statements.

Department of Housing and Public Works
Statement of Changes in Equity
for the year ended 30 June 2019

	Contributed equity \$'000	Asset revaluation surplus (Note 4.1(d)) \$'000	Accumulated surplus \$'000	Total \$'000
Balance as at 1 July 2017	16,266,979	1,888,555	(98,922)	18,056,612
Operating result	-	-	(38,539)	(38,539)
Other comprehensive income				
- Increase/(decrease) in asset revaluation surplus	-	476,231	-	476,231
Total comprehensive income for the year	-	476,231	(38,539)	437,692
Transactions with owners as owners				
- Appropriated equity injections (Note 6.2)	350,493	-	-	350,493
- Appropriated equity withdrawals (Note 6.2)	(58,944)	-	-	(58,944)
- Non-appropriated equity adjustments	(9,632)	-	-	(9,632)
- Net transfers in/(out) from other Queensland Government entities	279,148	-	-	279,148
- Dividends paid or declared	-	-	(8,438)	(8,438)
Net transactions with owners as owners	561,065	-	(8,438)	552,627
Balance as at 30 June 2018	16,828,044	2,364,786	(145,899)	19,046,931
Balance as at 1 July 2018	16,828,044	2,364,786	(145,899)	19,046,931
Operating result	-	-	(195,171)	(195,171)
Net effect of change in accounting standard AASB 9	-	-	(416)	(416)
Other comprehensive income				
- Increase/(decrease) in asset revaluation surplus	-	254,247	-	254,247
Total comprehensive income for the year	-	254,247	(195,587)	58,660
Transactions with owners as owners				
- Appropriated equity injections (Note 6.2)	405,486	-	-	405,486
- Appropriated equity withdrawals (Note 6.2)	(132,863)	-	-	(132,863)
- Non-appropriated equity adjustments	(91,163)	-	-	(91,163)
- Net transfers in/(out) from other Queensland Government entities	65,701	-	-	65,701
- Dividends paid or declared	-	-	(7,891)	(7,891)
Net transactions with owners as owners	247,161	-	(7,891)	239,270
Balance as at 30 June 2019	17,075,205	2,619,033	(349,377)	19,344,861

The accompanying notes form part of these financial statements.

Department of Housing and Public Works
Statement of Cash Flows
for the year ended 30 June 2019

	2019	2018
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Inflows:</i>		
User charges and fees	1,949,117	1,873,924
Appropriation receipts	909,555	775,040
GST input tax credits received from the Australian Taxation Office	200,787	198,203
GST collected from customers	155,031	149,549
Grants and other contributions	20,308	8,772
Interest receipts	4,028	2,864
Other	58,601	54,278
<i>Outflows:</i>		
Supplies and services	(2,060,404)	(1,943,464)
Employee expenses	(566,783)	(431,312)
GST remitted to the Australian Taxation Office	(200,318)	(178,285)
GST paid to suppliers	(192,497)	(193,510)
Grants and subsidies	(205,977)	(160,174)
Finance/borrowing costs	(24,419)	(27,200)
Taxation equivalents	(7,836)	(4,354)
Other	(11,048)	(26,681)
Net cash provided by (used in) operating activities	28,145	97,650
CASH FLOWS FROM INVESTING ACTIVITIES		
<i>Inflows:</i>		
Sales of property, plant and equipment	169,875	114,698
Loans and advances redeemed	23,757	26,961
Redemption of other financial assets	6,030	7,900
<i>Outflows:</i>		
Payments for property, plant and equipment	(529,785)	(365,875)
Loans and advances made	(33,903)	(31,950)
Payments for intangible assets	(2,635)	(1,719)
Net cash provided by (used in) investing activities	(366,661)	(249,985)
CASH FLOWS FROM FINANCING ACTIVITIES		
<i>Inflows:</i>		
Equity injections	428,644	349,357
Borrowings	10,000	10,000
<i>Outflows:</i>		
Equity withdrawals	(228,332)	(63,301)
Borrowing redemptions	(15,460)	(16,179)
Dividends paid	(8,438)	(9,569)
Finance lease payments	(13,247)	(7,059)
Net cash provided by (used in) financing activities	173,167	263,249
Net increase (decrease) in cash and cash equivalents	(165,349)	110,914
Increase (decrease) in cash and cash equivalents from restructuring (Note 1.5)	4,787	36,973
Cash and cash equivalents – opening balance	727,916	580,030
Cash and cash equivalents – closing balance	567,354	727,917

The accompanying notes form part of these financial statements.

Department of Housing and Public Works
Statement of Cash Flows
for the year ended 30 June 2019

	2019 \$'000	2018 \$'000
NOTES TO THE STATEMENT OF CASH FLOWS		
Reconciliation of operating result to net cash from operating activities		
Operating surplus/(deficit) before income tax	(188,497)	(31,511)
Less: income tax benefit/(expense)	(6,674)	(7,028)
	(195,171)	(38,539)
Non-cash items:		
Depreciation and amortisation expense	277,641	256,257
Motor vehicles sold	43,764	22,551
Donated assets and services expensed	157	5
Contributed assets and services received	(7,653)	(1,250)
Impairment losses	26,274	8,757
Loss/(gain) on disposal of non-current assets	(6,996)	(4,110)
Revaluation decrement/(increment)	(4,897)	(95,604)
Write-off of assets	1,947	1,070
Net loss/(gain) on revaluation of financial assets	(6,264)	(10,411)
Change in assets and liabilities:		
(Increase) decrease in GST input tax credits receivable	(6,649)	6,017
(Increase) decrease in loans and receivables	(45,121)	26,728
(Increase) decrease in inventories	(1,479)	4,596
(Increase) decrease in prepayments	2,665	(11,684)
(Increase) decrease in deferred operating lease rent receivable	(22,952)	(20,214)
(Increase) decrease in current tax assets	447	1,831
(Increase) decrease in deferred tax assets	(120)	(479)
Acquisition of motor vehicles held for rental	(91,684)	(66,099)
Increase (decrease) in GST payable	(341)	(5,451)
Increase (decrease) in payables	34,615	3,698
Increase (decrease) in lease incentive liabilities	4,930	1,784
Increase (decrease) in unearned revenue	(10,045)	(26,615)
Increase (decrease) in accrued employee benefits	1,019	5,236
Increase (decrease) in deferred operating lease rent payable	20,053	35,040
Increase (decrease) in current tax liability	(180)	(305)
Increase (decrease) in deferred tax liability	(1,308)	1,627
Increase (decrease) in other liabilities	15,493	3,214
Net cash from operating activities	28,145	97,650

Department of Housing and Public Works
Statement of Cash Flows
for the year ended 30 June 2019

NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

Changes in liabilities arising from financing activities

	Borrowings	Finance lease liability	Dividends payable	Total
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2017	484,612	120,528	9,569	614,709
Cash flows:				
Cash received	10,000	-	-	10,000
Cash paid	(16,179)	(7,059)	(9,569)	(32,807)
Non-cash changes:				
Transfers from machinery-of-government changes	-	123,153	-	123,153
Leases acquired/surrendered	-	11,918	-	11,918
Other	-	(548)	-	(548)
Dividends declared	-	-	8,438	8,438
Balance as at 30 June 2018	478,433	247,992	8,438	734,863
Balance as at 1 July 2018	478,433	247,992	8,438	734,863
Cash flows:				
Cash received	10,000	-	-	10,000
Cash paid	(15,460)	(13,247)	(8,438)	(37,145)
Non-cash changes:				
Leases acquired/surrendered	-	9,094	-	9,094
Other	(7,945)	-	-	(7,945)
Dividends declared	-	-	7,891	7,891
Balance as at 30 June 2019	465,028	243,839	7,891	716,758

For changes in liabilities relating to equity appropriations refer to Note 6.2 which details equity appropriations payable/receivable.

Department of Housing and Public Works
Statement of Comprehensive Income by Major Departmental Services, Commercialised Business Units and Shared Service Providers (SSP)
for the year ended 30 June 2019

	Government				Strategic			
	Housing and Homelessness		Accommodation and Building Policy		Sport and Recreation		Digital Capability and Information Technology	
	2019	2018	2019	2018	2019	2018*	2019	2018*
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME								
User charges and fees	413,702	415,685	716,910	655,814	-	8,952	5,030	27,419
Appropriation revenue	549,208	516,185	79,714	93,044	14,540	15,470	73,605	73,562
Grants and other contributions	13,202	1,541	6,150	6,309	-	-	-	-
Interest	1,681	1,491	2,905	2,672	93	91	-	-
Other revenue	19,595	14,115	(1,862)	47,434	1,282	1,672	157	171
Total revenue	997,388	949,017	803,817	805,273	15,915	17,233	160,301	101,152
Gains on disposal/remeasurement of assets	(62,608)	102,429	78,280	5,362	-	-	167	(10)
Total income	934,780	1,051,446	882,097	810,635	15,915	17,233	160,468	91,042
EXPENSES								
Supplies and services	739,770	703,213	694,059	685,669	6,388	7,989	33,383	19,265
Employee expenses	122,410	113,207	30,798	27,482	9,207	8,393	27,168	15,452
Depreciation and amortisation	142,747	139,280	65,390	58,465	-	-	3,651	1,960
Grants and subsidies	118,072	102,605	1,509	4,485	8	-	92,540	43,132
Finance/borrowing costs	18,259	18,843	121	411	-	-	-	2
Impairment losses	26,248	9,027	66	(455)	-	-	(55)	157
Other expenses	42,703	23,798	13,671	22,813	1,028	851	156	(829)
Total expenses	1,210,209	1,109,973	805,614	798,870	16,631	17,233	156,843	79,137
Operating result before income tax	(275,429)	(58,527)	76,483	11,765	(716)	-	3,775	(178)
Income tax benefit/(expense)	-	-	-	-	-	-	-	-
Operating result after income tax	(275,429)	(58,527)	76,483	11,765	(716)	-	3,775	(178)
OTHER COMPREHENSIVE INCOME items that will not be reclassified to operating result								
Increase/(decrease) in asset revaluation surplus	270,566	251,318	(17,445)	218,693	-	-	1,126	6,220
Total other comprehensive income	270,566	251,318	(17,445)	218,693	-	-	1,126	6,220
Total comprehensive income	(4,863)	192,791	59,038	230,458	(716)	-	4,901	6,042

* Refer to Note 1.5.

Department of Housing and Public Works
Statement of Comprehensive Income by Major Departmental Services, Commercialised Business Units and Shared Service Providers (SSP)
for the year ended 30 June 2019

	Commercialised Business Units										Inter-service/unit eliminations				Total department	
	Building and Asset Services					QFleet					CITEC					2018 \$'000
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	
INCOME																
User charges and fees	1,028,247	1,026,585	141,818	115,997	150,629	83,226	119,050	83,077	(726,694)	(651,370)	2,020,521	1,823,559				
Appropriation revenue	-	-	-	-	-	-	-	3,103	-	-	962,289	809,988				
Grants and other contributions	2,535	609	-	-	-	-	-	-	(1,234)	-	28,789	9,143				
Interest	1,015	672	233	195	121	72	-	-	-	-	6,048	5,193				
Other revenue	6,140	6,695	492	424	14	5	229	12,284	(5,249)	(12,729)	32,422	73,148				
Total revenue	1,037,937	1,034,561	142,543	116,616	150,764	83,303	120,244	98,464	(733,177)	(664,099)	3,050,069	2,721,031				
Gains on disposal/remeasurement of assets	18	66	-	-	11	(16)	-	-	-	-	16,017	107,999				
Total income	1,037,955	1,034,627	142,543	116,616	150,775	83,287	120,244	98,464	(733,177)	(664,099)	3,066,086	2,829,030				
EXPENSES																
Supplies and services	903,595	904,062	75,190	51,030	112,931	58,656	55,302	41,553	(730,204)	(663,775)	2,051,664	1,891,593				
Employee expenses	117,863	114,241	4,576	4,088	41,539	22,384	59,472	52,765	(2,973)	(324)	565,738	440,545				
Depreciation and amortisation	1,880	3,186	39,875	39,023	4,209	2,190	605	487	-	-	277,641	256,257				
Grants and subsidies	1,586	225	8	19	-	-	-	-	-	-	218,752	156,090				
Finance/borrowing costs	-	-	6,082	5,719	85	52	-	5	-	-	28,607	27,364				
Impairment losses	6	15	4	-	5	13	-	-	-	-	26,274	8,757				
Other expenses	1,199	886	5,781	4,648	503	264	9,083	10,120	-	-	85,907	79,935				
Total expenses	1,026,129	1,022,615	131,516	104,527	159,272	83,559	124,462	104,930	(733,177)	(664,099)	3,254,583	2,860,541				
Operating result before income tax	11,826	12,012	11,027	12,089	(8,497)	(272)	(4,218)	(6,466)	-	-	(188,497)	(31,511)				
Income tax benefit/(expense)	(3,548)	(3,604)	(3,523)	(3,620)	397	196	-	-	-	-	(6,674)	(7,028)				
Operating result after income tax	8,278	8,408	7,504	8,469	(8,100)	(76)	(4,218)	(6,466)	-	-	(195,171)	(38,539)				
OTHER COMPREHENSIVE INCOME																
Items that will not be reclassified to operating result																
Increase/(decrease) in asset revaluation surplus	-	-	-	-	-	-	-	-	-	-	254,247	476,231				
Total other comprehensive income	-	-	-	-	-	-	-	-	-	-	254,247	476,231				
Total comprehensive income	8,278	8,408	7,504	8,469	(8,100)	(76)	(4,218)	(6,466)	-	-	59,076	437,692				

* Refer to Note 1.5.

Department of Housing and Public Works
Statement of Assets and Liabilities by Major Departmental Services, Commercialised Business Units and Shared Service Providers (SSP)
as at 30 June 2019

	Housing and Homelessness				Government Accommodation and Building Policy				Sport and Recreation				Digital Capability and Information				Strategic Information and Communication Technology				Queensland Shared Services (SSP)			
	2019		2018		2019		2018		2019		2018		2019		2018		2019		2018		2019		2018	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS																								
Cash and cash equivalents	199,061	231,734		34,547		35,002				16,293		9,893		60		2,032						27,266		20,918
Loans and receivables	48,425	59,976		50,764		36,581		(336)		1,068		1,296		7,035		7,244		15,279		1,182		11,845		14,491
Prepayments	640	1,074		35,755		40,908		16		280		250		1,807		2,203		11,261		9,684		1,029		1,950
Inventories	-	-		348		332		-		-		-		-		-		-		-		-		-
Financial assets at fair value through profit or loss	6,000	6,000		-		-		-		-		-		-		-		-		-		-		-
Deferred operating lease rent	-	-		4,525		4,653		-		-		-		-		-		-		-		-		-
Tax assets	-	-		-		-		-		-		-		-		-		-		-		-		-
Non-current assets classified as held for sale	254,126	298,784		125,939		117,476		(320)		17,641		11,439		8,902		11,479		26,540		10,866		40,140		37,359
Total current assets	26,412	35,180		5,009		70,068		-		-		-		-		-		-		-		-		-
	280,538	333,964		130,948		187,544		(320)		17,641		11,439		8,902		11,479		26,540		10,866		40,140		37,359
NON-CURRENT ASSETS																								
Property, plant and equipment	15,936,055	15,658,930		3,270,995		3,014,810		-		168,955		167,485		2,732		3,228		107,731		113,083		665		734
Financial assets at fair value through profit or loss	180,949	182,226		-		-		-		-		-		-		-		-		-		-		-
Deferred operating lease rent	-	-		104,285		81,205		-		-		-		-		-		-		-		-		-
Loans and receivables	41,571	34,597		27,774		35,936		-		-		-		-		-		-		-		-		-
Intangible assets	1,524	914		-		-		-		29		36		6,207		7,113		-		-		17,604		22,071
Prepayments	-	-		-		-		-		-		-		137		-		1,408		1,553		77		-
Deferred tax assets	-	-		-		-		-		-		-		-		-		-		-		-		-
Total non-current assets	16,160,099	15,876,667		3,403,054		3,131,951		-		168,984		167,521		9,076		10,341		109,139		114,636		18,346		22,805
TOTAL ASSETS	16,440,637	16,210,631		3,534,002		3,319,495		(320)		186,625		178,960		17,978		21,820		135,679		125,502		58,486		60,164
CURRENT LIABILITIES																								
Payables	149,094	133,893		90,760		64,999		1,202		1,184		4,621		6,458		7,008		28,010		30,778		3,706		4,291
Unearned revenue	20,416	20,693		24,540		9,322		97		43		1,175		-		136		236		181		83		109
Interest-bearing liabilities	17,097	16,560		-		1,269		-		-		-		19		-		10,770		9,829		158		111
Accrued employee benefits	5,365	4,969		1,114		1,028		520		306		1,236		2,302		2,363		612		556		3,817		3,631
Lease incentives	-	-		17,521		15,466		-		-		-		-		-		-		-		-		-
Deferred operating lease rent	-	-		5,335		5,246		-		-		-		-		-		-		-		-		-
Tax liabilities	-	-		-		-		-		-		-		-		-		-		-		-		-
Other current liabilities	12	2		5,124		10,268		-		-		-		-		-		-		-		-		-
Total current liabilities	191,984	176,117		144,394		107,598		1,819		1,533		7,032		8,779		9,507		39,628		41,344		7,764		8,142
NON-CURRENT LIABILITIES																								
Interest-bearing liabilities	387,513	401,399		-		6,988		-		-		-		61		-		103,378		108,862		318		290
Lease incentives	-	-		178,431		175,556		-		-		-		-		-		-		-		-		-
Deferred operating lease rent	-	-		139,990		120,026		-		-		-		-		-		-		-		-		-
Queen's Wharf deferred consideration	-	-		91,891		114,154		-		-		-		-		-		-		-		-		-
Unearned revenue	-	-		28,067		29,330		-		-		-		-		-		-		-		-		-
Deferred tax liabilities	-	-		-		-		-		-		-		-		-		-		-		-		-
Other non-current liabilities	-	-		44,455		284		-		-		-		-		-		-		-		-		-
Total non-current liabilities	387,513	401,399		482,834		446,338		-		-		-		61		-		103,378		108,862		318		290
TOTAL LIABILITIES	579,497	577,516		627,228		553,936		1,819		1,533		7,032		8,840		9,507		143,006		150,206		8,082		8,432

Department of Housing and Public Works
Statement of Assets and Liabilities by Major Departmental Services, Commercialised Business Units and Shared Service Providers (SSP)
as at 30 June 2019

as at 30 June 2019

Commercialised Business Units													
Building and Asset Services		QFleet				CITEC		General - not attributed		Inter-service/unit eliminations		Total department	
2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS													
Cash and cash equivalents	134,808	178,162	30,705	27,755	9,449	19,961	115,165	202,460	-	-	-	567,354	727,917
Loans and receivables	118,564	106,676	9,957	8,463	16,751	17,521	16,139	11,845	(59,960)	(43,942)	-	235,531	221,523
Prepayments	124	131	6,413	6,192	5,184	3,252	2,827	2,833	-	-	-	65,336	68,564
Inventories	43,743	38,532	10,265	7,801	-	-	-	-	(11,882)	-	-	42,474	46,665
Financial assets at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-	6,000	6,000
Deferred operating lease rent	-	-	-	-	-	-	-	-	-	-	-	4,525	4,653
Tax assets	-	-	-	447	-	-	-	-	-	-	-	-	447
	297,239	323,501	57,340	50,658	31,384	40,734	134,131	217,138	(71,842)	(43,942)	-	921,220	1,075,769
Non-current assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	31,421	105,248
Total current assets	297,239	323,501	57,340	50,658	31,384	40,734	134,131	217,138	(71,842)	(43,942)	-	952,641	1,181,017
NON-CURRENT ASSETS													
Property, plant and equipment	488	577	249,848	244,268	9,482	11,141	1,403	2,240	-	-	-	19,748,354	19,216,496
Financial assets at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-	180,949	182,226
Deferred operating lease rent	-	-	-	-	-	-	-	-	-	-	-	104,285	81,205
Loans and receivables	-	-	-	-	-	-	-	-	-	-	-	69,345	70,533
Intangible assets	3,427	4,990	-	-	1,501	2,003	-	-	-	-	-	30,292	37,127
Prepayments	-	-	-	-	1,171	628	22	71	-	-	-	2,815	2,252
Deferred tax assets	2,005	1,885	6	6	-	-	-	-	-	-	-	2,011	1,891
Total non-current assets	5,920	7,452	249,854	244,274	12,154	13,772	1,425	2,311	-	-	-	20,138,051	19,591,730
TOTAL ASSETS	303,159	330,953	307,194	294,932	43,538	54,506	135,556	219,449	(71,842)	(43,942)	-	21,090,692	20,772,747
CURRENT LIABILITIES													
Payables	123,165	126,532	18,041	17,733	8,229	10,881	15,440	15,713	(71,842)	(43,942)	-	376,515	373,691
Unearned revenue	46,784	67,244	6,570	6,530	904	683	1,678	1,490	-	-	-	102,694	107,606
Interest-bearing liabilities	-	-	-	-	1,196	1,169	-	113	-	-	-	29,240	29,051
Accrued employee benefits	5,820	5,620	199	183	1,993	1,757	2,745	2,997	-	-	-	25,665	24,646
Lease incentives	-	-	-	-	-	-	-	-	-	-	-	17,521	15,466
Deferred operating lease rent	-	-	-	-	-	-	-	-	-	-	-	5,335	5,246
Tax liabilities	18	2,521	2,323	-	-	-	-	-	-	-	-	2,341	2,521
Other current liabilities	518	1,773	-	-	611	637	-	-	-	-	-	6,265	12,680
Total current liabilities	176,305	203,690	27,133	24,446	12,933	15,127	19,863	20,313	(71,842)	(43,942)	-	565,576	570,907
NON-CURRENT LIABILITIES													
Interest-bearing liabilities	-	-	186,512	176,512	1,845	3,041	-	282	-	-	-	679,627	697,374
Lease incentives	-	-	-	-	-	-	-	-	-	-	-	178,431	175,556
Deferred operating lease rent	-	-	-	-	-	-	-	-	-	-	-	139,990	120,026
Queen's Wharf deferred consideration	-	-	-	-	-	-	-	-	-	-	-	91,891	114,154
Unearned revenue	-	-	-	-	917	-	-	-	-	-	-	28,984	29,330
Deferred tax liabilities	993	1,408	15,878	16,374	6	403	-	-	-	-	-	16,877	18,185
Other non-current liabilities	-	-	-	-	-	-	-	-	-	-	-	44,455	284
Total non-current liabilities	993	1,408	202,390	192,886	2,768	3,444	-	282	-	-	-	1,180,255	1,154,909
TOTAL LIABILITIES	177,298	205,098	229,523	217,332	15,701	18,571	19,863	20,595	(71,842)	(43,942)	-	1,745,831	1,725,816

1. Basis of preparation
 - 1.1 Authorisation of financial statements
 - 1.2 General information
 - 1.3 Statement of compliance
 - 1.4 Department objectives and principal activities
 - 1.5 Machinery-of-government changes
 - 1.6 Measurement
 - 1.7 Presentation
 - 1.8 New and revised accounting standards
2. Revenue
 - 2.1 User charges and fees
 - 2.2 Appropriation revenue
 - 2.3 Gains on disposal/remeasurement of assets
3. Expenses
 - 3.1 Supplies and services
 - 3.2 Employee expenses
 - 3.3 Grants and subsidies
 - 3.4 Other expenses
4. Assets
 - 4.1 Property, plant and equipment
 - 4.2 Loans and receivables
 - 4.3 Credit risk
 - 4.4 Inventories
 - 4.5 Financial assets at fair value through profit or loss
 - 4.6 Non-current assets classified as held for sale
5. Liabilities
 - 5.1 Interest-bearing liabilities
 - 5.2 Payables
 - 5.3 Lease incentives
 - 5.4 Queen's Wharf deferred consideration
 - 5.5 Unearned revenue
 - 5.6 Other liabilities
 - 5.7 Liquidity risk
6. Equity
 - 6.1 Contributed equity
 - 6.2 Appropriations recognised in equity
7. Budget to actual comparison
8. Other information
 - 8.1 Key management personnel disclosures
 - 8.2 Unrecognised items
 - 8.3 Future impact of accounting standards not yet effective
 - 8.4 Taxation
 - 8.5 Administered activities
 - 8.6 Agency transactions and balances
 - 8.7 Events occurring after balance date

1 BASIS OF PREPARATION

1.1 Authorisation of financial statements

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

1.2 General information

The Department of Housing and Public Works is a not-for-profit Queensland Government department established under the *Public Service Act 2008* and controlled by the State of Queensland which is the ultimate parent and therefore a related party. Other Queensland public sector entities, over which the State has control, joint control or significant influence are also related parties of the Department of Housing and Public Works. The department's principal activities are described in Note 1.4 below and include major activities involving other Queensland Government entities such as construction and maintenance programs, motor vehicle fleet management, office accommodation, government employee housing, information and communication technology and corporate services. Transactions with related party entities that are individually or collectively significant are reported throughout these financial statements. Transactions with key management personnel (who are all related parties) are reported in Note 8.1.

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

For information in relation to the department's financial statements, please call 07 3008 3138 or visit the department's website at www.hpw.qld.gov.au.

1.3 Statement of compliance

The department has prepared these general purpose financial statements in compliance with section 42 of the *Financial and Performance Management Standard 2009*, the Australian Accounting Standards and Interpretations applicable to not-for-profit entities, and Queensland Treasury's Minimum Reporting Requirements.

1.4 Department objectives and principal activities

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

The department's purpose is to unify diverse services to benefit Queenslanders and support government service delivery including housing and homelessness, building policy, public works, sports and recreation, digital and information technology and government corporate services. Our focus for the future is to drive toward building better connected, healthier communities supported by a responsive government.

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

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

Housing and Homelessness

Housing and Homelessness provides housing assistance and homelessness support services to Queenslanders most in need, through a mix of direct delivery and arrangements with funded service providers. This includes remote Aboriginal and Torres Strait Islander housing, social and private housing assistance, homelessness support services and crisis accommodation.

Housing and Homelessness also partners with other governments, not for profit and private organisations to support the provision of affordable housing and increase the supply of housing.

Housing and Homelessness also includes regulatory services which regulate residential services, residential parks and retirement villages industries and monitors and regulates Queensland's community housing providers.

1.4 Department objectives and principal activities (continued)

Government Accommodation and Building Policy

Building Policy supports government and industry by developing building and plumbing related policy including for industry fairness, legislation and codes; administering building tribunals; managing a pre-qualification system for contractors and consultants to tender for government building work; and developing best practice tendering and contracts for government building contracts.

Government Accommodation delivers office accommodation and employee housing solutions for the Queensland Government, as well as managing significant strategic building and portfolio initiatives.

Procurement

Procurement manages the Queensland Government's procurement policy and related frameworks. It provides expert advice to stakeholders and helps enable agencies to achieve their procurement outcomes by sharing procurement information, best practice and innovation; developing whole-of-government frameworks in areas including capability, accreditation and performance. In addition to policy and framework management, Procurement provides category management for General Goods and Services.

Sport and Recreation

Sport and Recreation develops and delivers a suite of funding programs to support community sport and active recreation needs and provides education and training programs that contribute to building the capacity of the sport and recreation sector.

Sport and Recreation also provides resources for parents, carers and teachers aimed at encouraging all Queenslanders, particularly young people, to be more physically active and by managing purpose-built sport and active recreation facilities, including the Queensland Recreation Centres.

Sport and Recreation works to develop and support elite athletes at the Queensland Academy of Sport.

Digital Capability and Information

Digital Capability and Information develops and delivers innovative digitally enabled and integrated government services that are simpler and faster for the community to access online or through phone and counter channels. It leads a major program of work to accelerate the delivery of proactive and personalised services, designed around the customer. It drives digital economy development and digital capability programs.

Digital Capability and Information leads Queensland public authorities in managing and preserving Queensland public records in a useable form and improves public access to the collection by embracing digital government practices. It is also responsible for implementing the Government's commitment to making government data open for anyone to access, use and share.

Strategic Information and Communication Technology

Strategic Information and Communication Technology supports the delivery of multi-agency ICT programs and projects, data analytics, and manages ICT strategic procurement arrangements and major ICT contracts.

The Queensland Government Chief Information Office provides advice to government on digital ICT and investment.

Queensland Shared Services

Queensland Shared Services facilitates a range of corporate services including finance and human resource management to government departments and statutory bodies, excluding Queensland Health and the Department of Education.

Building and Asset Services

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

1.4 Department objectives and principal activities (continued)

QFleet

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

CITEC

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

1.5 Machinery-of-government changes

Public Service Departmental Arrangements Notice (No.3 and No.4) 2017

Details of transfer: Responsibility for the following functions were transferred from the former Department of Science, Information Technology and Innovation:

- Smart Service Queensland
- Queensland State Archives
- Strategic ICT including CITEC
- Queensland Shared Services

Responsibility for Sport and Recreation was transferred from the former Department of National Parks, Sport and Racing.

Date of transfer: Effective from 13 December 2017

Public Service Departmental Arrangements Notice (No.1) 2018

Details of transfer: Responsibility for the following functions were transferred from the Department of the Premier and Cabinet:

- One-Stop Shop Strategy and Implementation Office
- Digital Economy and Productivity
- Queensland Government Chief Information Office

Date of transfer: Effective from 1 March 2018

Public Service Departmental Arrangements Notice (No.3) 2018

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

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

Date of transfer: Effective from 1 September 2018.

1.5 Machinery-of-government changes (continued)

Assets and liabilities transferred

	2019	2018			
	Department of State Development, Manufacturing, Infrastructure and Planning \$'000	Department of Science, Information Technology and Innovation \$'000	Department of National Parks, Sport and Racing \$'000	Department of the Premier and Cabinet \$'000	Total \$'000
Controlled					
Cash and cash equivalents	4,787	22,897	11,869	2,207	36,973
Loans and receivables	-	72,108	2,665	140	74,913
Prepayments	-	15,447	345	194	15,986
Property, plant and equipment	63,350	130,386	159,920	806	291,112
Intangible assets	-	30,170	46	4,552	34,768
Total assets	68,137	271,008	174,845	7,899	453,752
Payables	536	48,660	6,514	1,998	57,172
Unearned revenue	-	4,420	1,341	130	5,891
Interest-bearing liabilities	-	123,153	-	-	123,153
Accrued employee benefits	-	4,379	602	747	5,728
Deferred tax liabilities	-	599	-	-	599
Other liabilities	4,251	228	-	-	228
Total liabilities	4,787	181,439	8,457	2,875	192,771
Net assets	63,350	89,569	166,388	5,024	260,981
Administered					
Cash and cash equivalents		5,000	131	-	5,131
Loans and receivables		2,508	-	-	2,508
Prepayments		15,721	-	-	15,721
Total assets		23,229	131	-	23,360
Payables		2,765	131	-	2,896
Total liabilities		2,765	131	-	2,896
Net assets		20,464	-	-	20,464

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

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

	2019 \$'000	2018 \$'000
Controlled - appropriation	2,190	216,819
Controlled - equity adjustments	108,000	(1,848)
Administered - appropriation	-	8,879

1.6 Measurement

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

1.7 Presentation

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

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

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

1.8 New and revised accounting standards

AASB 9 Financial Instruments

AASB 9 became applicable for the current reporting period. While there was no change to the classification and measurement of the department's financial assets as a result of adopting AASB 9, the new impairment requirements have resulted in changes to the calculation of impairment allowances.

The department has two types of financial assets that are affected by AASB 9's new expected credit loss impairment model, social housing debtors and rental bond loans.

For impairment of social housing debtors, the department's existing policy has been to measure lifetime expected credit losses using a provision matrix. There is no change to this policy as it complies with the simplified approach under AASB 9.

For rental bond loans the department has adopted the general approach under AASB 9, measuring the twelve month expected credit losses followed by, where there has been a significant increase in credit risk, a lifetime expected credit loss. This has resulted in an allowance for impairment being assessed for all rental bond loans rather than only those that are credit impaired. The transitional provisions of AASB 9 do not require that prior periods are re-stated. Therefore these adjustments are not reflected in the balance sheet as at 30 June 2018, but are recognised in the opening balance sheet at 1 July 2018. Accordingly, decreases of \$0.416 million are made to the opening balance of both loans and receivables and accumulated surplus.

The department's other financial assets are also subject to the impairment requirements of AASB 9 however no material impairment losses have been identified.

Refer to Note 8.3 for details of the future impact of accounting standards not yet effective.

Department of Housing and Public Works
Notes to the financial statements 2018-19

	2019 \$'000	2018 \$'000
2 REVENUE		
2.1 User charges and fees		
Property rental - offices*	459,054	453,998
Property rental - social housing	406,512	406,781
Property rental - government employee housing*	41,963	44,777
Building services*	607,690	567,899
Information, communication and technology services**	145,441	85,096
Services rendered by shared service provider*	124,663	67,167
Vehicle leasing*	88,021	86,176
Vehicle sales	49,871	26,089
Other**	97,306	85,576
Total	2,020,521	1,823,559

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

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

User charges and fees controlled by the department are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty.

Property rental income in respect of commercial operating leases (offices) is recognised on a straight-line basis over the lease term.

Revenue for building services is recognised on fixed price construction contracts and for services rendered in accordance with the percentage of completion method. Stage of completion is measured by reference to the proportion of physical work completed. Revenue is recognised on fixed price construction contracts when the outcome of the contract is reliably known. Where the outcome is not reliably known, revenue is recognised to the value of costs incurred where it is probable that the costs are recoverable. Expected losses are recognised as an expense where it is probable that the total contract costs will exceed total contract revenue.

2.2 Appropriation revenue

Reconciliation of payments from consolidated fund to appropriation revenue recognised in operating result

Budgeted appropriation revenue	1,091,871	709,455
Transfers from/to other headings - variation in headings	(2,428)	-
Transfers from/to other departments - redistribution of public business	2,190	217,893
Lapsed appropriation revenue	(182,078)	(152,308)
Total appropriation receipts (cash)	909,555	775,040
Plus: Opening balance of deferred appropriation payable to Consolidated Fund	53,975	33,574
Plus: Transfer of deferred appropriation payable from other Queensland Government entities	519	2,530
Less: Closing balance of deferred appropriation payable to Consolidated Fund	(56,020)	(53,975)
Net appropriation revenue	908,029	757,169
Plus: Deferred appropriation payable to Consolidated Fund (expense)	54,260	52,819
Appropriation revenue recognised in Statement of Comprehensive Income	962,289	809,988

Appropriations provided under the *Appropriation Act 2018* are recognised as revenue when received or when a receivable is recognised after approval by Queensland Treasury. Where it is agreed with Queensland Treasury that a payable is recognised at year end, an expense is also recognised.

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

Department of Housing and Public Works
Notes to the financial statements 2018-19

	2019	2018
	\$'000	\$'000
2.3 Gains on disposal/remeasurement of assets		
Revaluation increment - buildings	4,897	95,604
Net gain on financial assets at fair value through profit or loss	4,399	8,469
Impairment loss reversal (receivables)	19	68
Net gain on disposal of property, plant and equipment	6,702	3,858
Total	16,017	107,999

3 EXPENSES

3.1 Supplies and services

Property rental	434,754	426,586
Cost of sales		
Building, construction and maintenance services	385,572	371,456
Motor vehicles and land sold through inventory	44,268	22,685
Property repairs and maintenance	343,292	328,450
Outsourced service delivery - Housing and Homelessness Services	175,188	168,851
Rates to local governments*	171,646	168,943
Information, communication and technology expenses	186,795	110,069
Other property expenses	65,877	86,491
Consultants and contractors	98,023	69,942
Motor vehicle costs**	25,326	23,094
Electricity and gas	22,844	26,860
Other	98,079	88,166
Total	2,051,664	1,891,593

Property rental expenses in respect of operating leases are recognised on a straight line basis over the period of the lease term.

* The department is not required to pay general rates to local governments for properties covered by Section 95 of the *Housing Act 2003* so these payments are considered special payments. Consequently, rates to local governments include special payments totalling \$52.197 million (2018 \$52.539 million) in respect of general rates.

** Motor vehicle costs include registration for QFleet motor vehicles paid to a related party.

3.2 Employee expenses

Employee benefits

Wages and salaries	434,800	337,634
Annual leave levy	46,796	35,362
Employer superannuation contributions	57,610	44,946
Long service leave levy	9,174	7,215
Termination benefits	663	229
Other employee benefits	648	673
	549,691	426,059

Employee-related expenses	16,047	14,486
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Total	565,738	440,545
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Wages and salaries

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

3.2 Employee expenses (continued)

Annual leave and long service leave

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

Superannuation

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

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

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

Employee-related expenses

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

Number of employees

The number of employees (measured on a full-time equivalent basis) as at 30 June 2019 is 5,436 (2018 5,286).

Key management personnel and remuneration disclosures are detailed in Note 8.1.

3.3 Grants and subsidies

Housing grants		
Private housing programs	43,531	30,535
Aboriginal and Torres Strait Islander housing*	62,115	63,232
Social rental housing**	11,118	6,064
Other	1,308	2,774
Sport and recreation grants [†]	92,540	43,132
Other grants and subsidies [‡]	8,140	10,353
Total	218,752	156,090

The above amounts include the following related party transactions.

* Includes \$1.401 million (2018 \$4.220 million) paid to Department of Aboriginal and Torres Strait Islander Partnerships for housing.

** Includes \$1.052 million (2018 \$1.059 million) paid to Brisbane Housing Company for housing.

† Includes \$5.553 million (2018 nil) paid to Stadiums Queensland for the Carrara Stadium loan.

‡ Includes nil (2018 \$3.497 million) paid to the former Department of Science, Information Technology and Innovation for information technology fitouts prior to the machinery-of-government change.

Department of Housing and Public Works
Notes to the financial statements 2018-19

	2019	2018
	\$'000	\$'000
3.4 Other expenses		
Deferred appropriation payable to Consolidated Fund	54,260	52,819
Insurance premiums - Queensland Government Insurance Fund	15,377	15,474
Insurance premiums - other	7,718	6,012
External audit fees*	1,837	1,328
Losses:**		
Buildings subject to insurance	1,586	1,070
Public money	1	12
Special payments:***		
Court awarded damages	-	293
Ex-gratia payments - other	101	652
Other	5,027	2,275
Total	85,907	79,935

* Total audit fees quoted by the Queensland Audit Office (related party) relating to the 2018-19 financial statements are \$0.929 million (GST exclusive) (2018 \$0.930 million). Other audit services relate to the audit of the report on service provider controls.

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

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

The total of all special payments includes rates payments that are required to be disclosed within Supplies and services (Note 3.1).

4 ASSETS

4.1 Property, plant and equipment

Land: at fair value	10,536,454	10,302,949
Buildings: at fair value	7,100,280	7,020,454
Leased assets: at fair value		
Gross	1,548,243	1,455,592
Less accumulated depreciation	(455,364)	(450,299)
	1,092,879	1,005,293
Plant and equipment: at cost		
Gross	639,453	608,624
Less accumulated depreciation	(212,520)	(206,303)
	426,933	402,321
Infrastructure: at fair value		
Gross	318,832	335,468
Less accumulated depreciation	(97,939)	(95,401)
	220,893	240,067
Heritage and cultural assets: at fair value		
Gross	180,299	175,590
Less accumulated depreciation	(129,056)	(124,158)
	51,243	51,432
Work in progress: at cost	319,672	193,980
Total	19,748,354	19,216,496

4.1 Property, plant and equipment (continued)

Property, plant and equipment reconciliation

	Land \$'000	Buildings \$'000	Leased assets \$'000	Plant and equipment \$'000	Infrastructure \$'000	Heritage and cultural assets \$'000	Work in progress \$'000	Total \$'000
Carrying amount at 1 July 2017	9,726,138	6,820,155	944,006	398,408	220,138	40,053	141,107	18,290,005
Transfers from other Queensland Government entities	80,484	74,808	118,294	14,578	18,948	-	4,708	311,820
Transfers to other Queensland Government entities	(95)	(345)	-	-	-	-	(614)	(1,054)
Acquisitions	33,724	22,140	13,368	70,220	-	-	349,198	488,650
Transfers between classes	1,797	210,798	89,860	1,311	259	(3,606)	(300,419)	-
Transfers to inventories	-	-	-	(25,640)	-	-	-	(25,640)
Disposals	(6)	(2,361)	(2,024)	(698)	-	-	-	(5,089)
Assets reclassified as held for sale	(120,199)	(46,307)	-	-	-	-	-	(166,506)
Net revaluation increments/(decrements) recognised in asset revaluation surplus	581,106	-	(124,294)	-	3,927	15,492	-	476,231
Net revaluation increments/(decrements) recognised in operating result	-	95,604	-	-	-	-	-	95,604
Depreciation	-	(154,038)	(33,917)	(55,858)	(3,205)	(507)	-	(247,525)
Carrying amount at 30 June 2018	10,302,949	7,020,454	1,005,293	402,321	240,067	51,432	193,980	19,216,496
Carrying amount at 1 July 2018	10,302,949	7,020,454	1,005,293	402,321	240,067	51,432	193,980	19,216,496
Transfers from other Queensland Government entities	-	94	1,308	-	-	-	63,350	64,752
Transfers to other Queensland Government entities	(8)	(1,854)	-	(61)	(125)	-	-	(2,048)
Acquisitions	36,835	27,176	9,364	95,460	650	-	451,244	620,729
Transfers between classes	4,024	238,702	109,276	36,027	205	-	(388,234)	-
Transfers to inventories	-	-	-	(46,229)	-	-	-	(46,229)
Disposals	(1,617)	(2,243)	(1,184)	(38)	-	-	(668)	(5,750)
Assets reclassified as held for sale	(65,344)	(25,210)	-	-	-	-	-	(90,554)
Net revaluation increments/(decrements) recognised in asset revaluation surplus	259,615	-	9,491	-	(15,217)	358	-	254,247
Net revaluation increments/(decrements) recognised in operating result	-	4,897	-	-	-	-	-	4,897
Depreciation	-	(161,736)	(40,669)	(60,547)	(4,687)	(547)	-	(268,186)
Carrying amount at 30 June 2019	10,536,454	7,100,280	1,092,879	426,933	220,893	51,243	319,672	19,748,354

4.1 Property, plant and equipment (continued)

(a) Acquisitions

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

Where a non-current physical asset is acquired by means of a finance lease, the asset is recognised at the lower of the fair value of the leased asset, and the present value of the minimum lease payments. The lease liability is recognised at the same amount. Lease payments are allocated between the principal component of the lease liability and the interest expense.

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

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

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

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

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

Land improvements undertaken by the department are included with buildings.

(b) Measurement

Land, buildings, leased assets (excluding the Government Wireless Network, see Note 4.1(h)), infrastructure and heritage and cultural assets are measured at fair value. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation. All assets are valued at highest and best use unless otherwise stated.

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

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

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

4.1 Property, plant and equipment (continued)

(c) Revaluation of property, plant and equipment

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

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

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

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

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

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

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

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

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

(i) Social housing – land and buildings

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

As at 30 June 2019, the department revalued its social housing properties by dividing the state into geographical regions and homogenous groups within each region according to certain criteria (including number of bedrooms, condition, previous value, age of property, building type). Properties were sampled for specific appraisal from groups where the department owns its highest proportion of properties and where there is adequate market depth to determine fair value. In 2018-19 31% (2017-18 30%) of properties were specifically appraised. A sample of valuations that resulted in significant movements (+ or - 20% or greater than \$1 million) was reviewed by the department for reasonableness against external market information.

4.1 Property, plant and equipment (continued)

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

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

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

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

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

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

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

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

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

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

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

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

Leased buildings are specifically appraised at least once every five years on a rolling basis. Any new leases, and new constructions, are revalued when the community receives its next specific appraisal or at most within five years. Indices provided by independent valuers are applied for the intervening years. As at 30 June 2019, an independent valuer performed specific appraisals or supplied indices. As there is no active market for buildings on DOGIT land the current replacement cost method is used. Current replacement cost reflects the current cost that would be required to replace the service capacity of the asset as it currently exists. The cost is estimated to be the amount that would be incurred by a market participant to acquire or construct a substitute asset, adjusted for comparable utility and obsolescence.

4.1 Property, plant and equipment (continued)

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

(iii) Government employee houses – land and buildings

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

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

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

(iv) Commercial properties – land and buildings

As at 30 June 2019, commercial properties were either:

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

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

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

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

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

(v) Sport and recreation properties - land and buildings

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

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

Specific appraisals are performed on these properties once every five years. Buildings were last specifically appraised by an independent valuer in 2014-15. Properties that aren't specifically appraised in any given year are indexed.

4.1 Property, plant and equipment (continued)

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

(vi) Infrastructure

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

Infrastructure assets are specifically appraised at least every four years, using independent experts. They were subject to specific appraisal at 30 June 2019 by an independent valuer taking into account useful life, age, condition and functionality. Quantity surveyors assessed the replacement cost for the valuer. The valuer's assumptions for the infrastructure assets include:

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

(vii) Heritage and cultural assets

Heritage and cultural buildings at Queen's Wharf Precinct are valued in accordance with Note 4.1(i).

Fair value for the department's other heritage and cultural buildings is assessed based on relevant market evidence for similar assets. In localities where there is insufficient sales activity to derive market-based valuations, the buildings are valued using the current replacement cost and reproduction cost methods. This is also the case for unique or highly specialised buildings for which there is no comparable property market evidence. Properties are specifically appraised every four years unless there is an indication that more frequent revaluation is required. Specific appraisals were last performed by an independent valuer in 2017-18. At 30 June 2019 these properties were all indexed except for one property which was specifically appraised.

(d) Asset revaluation surplus by class

	Land \$'000	Leased assets \$'000	Infrastructure \$'000	Heritage and cultural assets \$'000	Total \$'000
Balance at 1 July 2017	1,578,564	190,867	115,333	3,791	1,888,555
Net revaluation increments/(decrements)	581,106	(124,294)	3,927	15,492	476,231
Balance at 30 June 2018	2,159,670	66,573	119,260	19,283	2,364,786
Balance at 1 July 2018	2,159,670	66,573	119,260	19,283	2,364,786
Net revaluation increments/(decrements)	259,615	9,491	(15,217)	358	254,247
Balance at 30 June 2019	2,419,285	76,064	104,043	19,641	2,619,033

4.1 Property, plant and equipment (continued)

(e) Fair value measurement

Categorisation of fair values recognised as at 30 June 2019

	Level 2 \$'000		Level 3 \$'000		Total \$'000	
	2019	2018	2019	2018	2019	2018
Land						
- social housing	9,234,011	8,992,987	-	-	9,234,011	8,992,987
- government employee housing	155,326	160,647	-	-	155,326	160,647
- commercial	597,429	591,407	461,991	471,338	1,059,420	1,062,745
- sport and recreation	20,271	20,126	67,426	66,444	87,697	86,570
Total land	10,007,037	9,765,167	529,417	537,782	10,536,454	10,302,949
Buildings						
- social housing	2,703,931	2,687,665	2,917,856	2,947,235	5,621,787	5,634,900
- government employee housing	467,733	445,657	30,759	29,412	498,492	475,069
- commercial	605,226	528,573	299,220	305,974	904,446	834,547
- sport and recreation	-	-	75,555	75,938	75,555	75,938
Total buildings	3,776,890	3,661,895	3,323,390	3,358,559	7,100,280	7,020,454
Infrastructure	-	-	220,893	240,067	220,893	240,067
Heritage and cultural assets	6,834	6,714	44,409	44,718	51,243	51,432
Total	13,790,761	13,433,776	4,118,109	4,181,126	17,908,870	17,614,902

Level 3 significant valuation inputs

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

(f) Impairment

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

(g) Depreciation

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

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

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

4.1 Property, plant and equipment (continued)

(g) Depreciation (continued)

Assets subject to finance leases are depreciated on a straight-line basis over the term of the lease, or where it is likely that the department will obtain ownership of the asset, the expected useful life of the asset to the department.

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

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

Buildings	1% to 14%
Leased assets	3% to 25%
Plant and equipment	3% to 50%
Infrastructure	1% to 33% in accordance with useful life of components
Heritage and cultural assets	1% to 3%

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

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

(h) Leased assets

The department is lessee under various finance leases. Net carrying amounts are shown below:

Buildings on Deed of Grant in Trust land	981,996	887,194
Government Wireless Network equipment	107,441	113,030
Other	3,442	5,069
	<u>1,092,879</u>	<u>1,005,293</u>

Buildings on Deed of Grant in Trust land are acquired under 40 year finance leases with a number of Aboriginal and Torres Strait Islander councils. The leases facilitate the construction and/or refurbishment of properties on communal land in accordance with the National Partnership Agreement on Remote Indigenous Housing and the later National Partnership on Remote Housing, entered into between the Australian Government and the Queensland Government. The properties are initially recognised at the present value of the minimum lease payments, which is lower than the fair value of the leased property.

The Government Wireless Network (GWN) is a digital radio network provisioned, operated and maintained by a telecommunication service provider under a service agreement dated September 2013. During various roll-out stages of the GWN, the department gained progressive control over the GWN equipment through the department's exclusive 'right to use' the equipment under the GWN agreement. Also included in the GWN is the right to receive replacement of exclusive assets over the life of the agreement. The gross carrying value of the GWN represents the present value of future payments under the service agreement attributable to the assets.

(i) Queen's Wharf Precinct

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

2019
\$'000

2018
\$'000

4.1 Property, plant and equipment (continued)

(i) Queen's Wharf Precinct (continued)

The Department of Housing and Public Works is the owner of the majority of land and buildings within the IRD Precinct. A leasehold development lease and a freehold development lease for the project commenced on 22 February 2018 transferring responsibility of the whole of the site to the Consortium. As at 30 June 2019 the land and buildings in the precinct have been valued on the basis that the contractual arrangements are considered to be non-cancellable and the highest and best use of the land and buildings in the precinct is that of an IRD. The fair value is based on the income approach with the cash and future estimates for the non-cash consideration to be received under the contractual arrangements discounted to a single present value. Under the fair value hierarchy the future estimates of the non-cash consideration and the discount rate are categorised as unobservable inputs. As at 30 June 2019, the carrying value of the land and buildings within the IRD Precinct was \$478.784 million (2018 \$488.783 million).

(j) Long-term Community Housing Program

The department's Long-term Community Housing Program aims to deliver long-term rental housing that is secure, appropriate and affordable, for persons whose needs are not adequately met by other housing options. Under this program the department may provide grants of property or monetary assistance to community housing providers. Grant funding is provided for the construction, purchase or upgrade of dwellings and community housing providers may also contribute land and funding for the dwellings. The terms and conditions of the grant funding are contained in agreements entered into between the State and the provider. Legal title to dwellings funded under this program may be held by the provider or the department. As at 30 June 2019, the department had provided funding in relation to 3,169 (2018 3,388) properties under this program where title is held by the provider. Due to the fact that the department does not have sole control of these assets, and they are not material, these assets are not disclosed as department assets.

4.2 Loans and receivables

Current

Trade debtors	193,735	171,290
Rental bond loans	24,630	26,150
Less: allowance for impairment loss	(9,655)	(10,301)
	14,975	15,849
Social housing debtors - rent and maintenance	34,211	30,187
Less: allowance for impairment loss	(25,762)	(13,068)
	8,449	17,119
Annual leave reimbursements*	9,062	8,446
Long service leave reimbursements*	2,777	2,385
Housing loans	5,210	5,111
Finance lease receivables	1,323	1,323
Total current loans and receivables	235,531	221,523

Non-current

Rental bond loans	6,154	6,533
Less: allowance for impairment loss	(2,414)	(2,588)
	3,740	3,945
Housing loans	37,831	30,652
Finance lease receivables	27,774	35,936
Total non-current loans and receivables	69,345	70,533

*Refer to note 3.2 for further information.

4.2 Loans and receivables (continued)

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

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

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

Movements in allowance for impairment loss

	Current			Non-current
	Rental bond loans	Social housing debtors	Total	Rental bond loans
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2017 as per AASB 139	9,774	12,866	22,640	2,444
Increase in allowance recognised in operating result	1,545	(182)	1,363	399
Amounts written-off during the year	(1,018)	384	(634)	(255)
Balance at 30 June 2018 as per AASB 139	10,301	13,068	23,369	2,588
Amounts restated through accumulated surplus	416	-	416	-
Balance at 1 July 2018 as per AASB 9	10,717	13,068	23,785	2,588
Increase in allowance recognised in operating result	2,725	14,100	16,825	773
Amounts written-off during the year	(3,787)	(1,406)	(5,193)	(947)
Balance at 30 June 2019 as per AASB 9	9,655	25,762	35,417	2,414

The department's impairment accounting policies for loans and receivables are outlined in note 4.3.

4.3 Credit risk

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

Rental bond loans and social housing debtors

Risk management

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

Loss allowance

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

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

4.3 Credit risk (continued)

Rental bond loans and social housing debtors (continued)

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

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

Write-offs

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

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

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

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

Housing loans

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

Other receivables

Trade debtors and finance lease receivables have low credit risk as they are predominately with other state and commonwealth government agencies. The level of write-offs has been immaterial and therefore no impairment allowance is recognised for these receivables.

Ageing of past due but not impaired loans and receivables

This disclosure relates only to comparative balances at 30 June 2018. Under AASB 9, effective from 1 July 2018 a loss allowance is assessed for all receivables.

	Overdue				Total \$'000
	Less than 30 days \$'000	30-60 days \$'000	61-90 days \$'000	More than 90 days \$'000	
2018 Loans and receivables	25,624	3,240	4,020	5,295	38,179

Department of Housing and Public Works
Notes to the financial statements 2018-19

	2019 \$'000	2018 \$'000
4.4 Inventories		
Inventory held for resale		
Construction work in progress*	31,811	38,478
Motor vehicles	10,265	7,801
Finished goods	348	332
	<u>42,424</u>	<u>46,611</u>
Raw materials	50	54
Total	<u><u>42,474</u></u>	<u><u>46,665</u></u>
 *Construction work in progress comprises:		
Contract costs incurred to date	120,355	83,390
Profit recognised to date	15,716	11,217
Less: Allowance for foreseeable losses	(260)	(287)
Less: Progress billings	<u>(104,000)</u>	<u>(55,842)</u>
	<u><u>31,811</u></u>	<u><u>38,478</u></u>

Inventories are valued at the lower of cost and net realisable value.

Construction work in progress related to projects managed by Building and Asset Services is carried at cost plus profit recognised to date, based on an estimation of the value of work completed, less progress billings and less any allowance for foreseeable losses. An allowance for the total loss on a contract is made as soon as the loss is identified.

Costs include both variable and fixed costs directly related to specific contracts, and those which can be attributed to contract activity in general and allocated to specific contracts on a reasonable basis. Also included are costs expected to be incurred under penalty clauses and rectification provisions.

Project bank accounts

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

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

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

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

4.5 Financial assets at fair value through profit or loss

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

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

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

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

The department is exposed to market risk through its interest in Rental Purchase Plan and Pathways Shared Equity properties as the value of the department's interest in the properties is directly related to movements in the residential property market in the respective areas where they are located. Historically between 80% to 90% of the value of the department's interest in these properties is concentrated in the south-east corner of Queensland.

4.6 Non-current assets classified as held for sale

Land	24,553	82,984
Buildings	6,868	22,264
Total	31,421	105,248

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

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

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

The technique to determine fair value less costs to sell for land and buildings is consistent with the technique used for the department's social housing, government employee housing and commercial properties (i.e. market and income approaches) and so the valuation represents a level two measurement. Refer to Note 4.1 for further details about the valuation of land and buildings.

Department of Housing and Public Works
Notes to the financial statements 2018-19

	2019 \$'000	2018 \$'000
5 LIABILITIES		
5.1 Interest-bearing liabilities		
<i>Current</i>		
Australian Government borrowings	15,450	15,149
Queensland Treasury Corporation borrowings	-	1,269
Finance lease liability	13,790	12,633
Total current interest-bearing liabilities	29,240	29,051
<i>Non-current</i>		
Australian Government borrowings	263,066	278,516
Queensland Treasury Corporation borrowings	186,512	183,499
Finance lease liability	230,049	235,359
Total non-current interest-bearing liabilities	679,627	697,374

Borrowings

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

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

	2019		2018	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Australian Government borrowings	278,516	351,849	293,665	336,500
Queensland Treasury Corporation borrowings	186,512	189,737	184,768	186,142

Finance lease liabilities

Future minimum lease payments under finance leases are as follows:

	Present value of minimum lease payments			
	Minimum lease payments			
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Not later than one year	22,860	22,041	19,030	17,974
Later than one year and not later than five years	102,068	99,699	86,189	82,354
Later than five years	247,565	261,179	138,620	147,664
	372,493	382,919	243,839	247,992
Less future finance charges	(128,654)	(134,927)	-	-
Present value of minimum lease payments	243,839	247,992	243,839	247,992

The department has entered into a number of land and building finance leases with councils in remote Aboriginal and Torres Strait Islander communities to facilitate new social housing and housing upgrades. Each lease has a life of 40 years with an option exercisable by the department to renew for another 40 years included in the lease contract. The leases have no purchase options. In respect of these leases, contingent rent of \$4.202 million (2018 \$3.886 million) was recognised as an expense. This consisted of annual CPI adjustments to lease payments and property rates payable under the lease agreements.

Effective from 13 December 2017, a finance lease for the Government Wireless Network was transferred from the Department of Science, Information Technology and Innovation. The lease is a means of funding the acquisition and replacement of information and communication equipment. Lease payments are fixed and the lease does not have escalation clauses other than in the event of payment default. The department has options to purchase this equipment at the expiry of the lease period, at an agreed cost determined in reference to a reasonable written down value of the equipment at termination date.

Refer to Note 4.1(a) and 4.1(h) for further information on these leases.

Department of Housing and Public Works
Notes to the financial statements 2018-19

	2019 \$'000	2018 \$'000
5.2 Payables		
Current		
Trade creditors	247,120	268,148
Grants and subsidies payable	42,569	32,078
Deferred appropriation payable to Consolidated Fund	56,020	53,975
Equity adjustment payable	20,972	2,119
Dividends	7,891	8,438
 GST payable	 20,527	 20,868
GST input tax credits receivable	(18,584)	(11,935)
Net GST payable	1,943	8,933
 Total	 376,515	 373,691

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

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

5.3 Lease incentives

Current		
1 William St, Brisbane	13,841	13,841
Other	3,680	1,625
Total	17,521	15,466
 Non-current		
1 William St, Brisbane	153,332	172,481
Other	25,099	3,075
Total	178,431	175,556

Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of the liability.

5.4 Queen's Wharf deferred consideration

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

5.5 Unearned revenue

Current		
Construction contracts	61,057	65,868
Rent	20,485	20,693
Finance lease revenue	1,323	1,322
Other	19,829	19,723
Total	102,694	107,606
 Non-current		
Finance lease revenue	27,774	29,330
Other	1,210	-
Total	28,984	29,330

Department of Housing and Public Works
Notes to the financial statements 2018-19

	2019 \$'000	2018 \$'000
5.6 Other liabilities		
Current		
Provisions	3,034	9,460
Other	3,231	3,220
Total	6,265	12,680
Non-current		
Provisions	44,106	-
Other	349	284
Total	44,455	284

The following additional provisions were recognised in 2018-19:

- \$27.622 million for rectification costs for 15 department owned buildings requiring remediation to address the presence of combustible cladding. All 15 buildings have had interim risk mitigation strategies implemented and are safe for occupation pending final remediation. On the basis of specialist fire engineering assessment and advice, these buildings will require cladding alterations to be progressively implemented for non-conforming building products. The program of rectification works will commence in 2019-20 and continue over a number of years.
- \$19 million for transfer duty relating to the Queens Wharf Precinct Integrated Resort Development (IRD) agreement payable to Queensland Treasury (related party) when the IRD long term lease is issued.

5.7 Liquidity risk

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

The department has overdraft facilities of \$45.450 million (2018 \$61.650 million) with the Commonwealth Bank and working capital facilities of \$60 million (2018 \$60 million) with Queensland Treasury Corporation. These facilities were undrawn as at 30 June and are available for future use.

The following table sets out the liquidity risk of financial liabilities held by the department. It represents the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date. The undiscounted cash flows will differ from the amortised cost (carrying amount) where this is based on principal loan amount outstanding or discounted cash flows.

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

2019	Amortised Cost \$'000	Undiscounted cash flows			
		Contractual maturity payable in			Total \$'000
		<1 year \$'000	1-5 years \$'000	>5 years \$'000	
Financial liabilities					
Payables	376,515	376,515	-	-	376,515
Interest-bearing liabilities					
Australian Government borrowings	278,516	27,831	106,375	263,077	397,283
Queensland Treasury Corporation borrowings	186,512	6,089	24,284	186,512	216,885
Finance lease liability	243,839	22,860	102,068	247,565	372,493
Total	1,085,382	433,295	232,727	697,154	1,363,176

5.7 Liquidity risk (continued)

2018	Amortised Cost \$'000	Undiscounted cash flows			
		Contractual maturity payable in			Total \$'000
		<1 year \$'000	1-5 years \$'000	>5 years \$'000	
Financial liabilities					
Payables	373,691	373,691	-	-	373,691
Interest-bearing liabilities					
Australian Government borrowings	293,665	28,202	108,445	288,839	425,486
Queensland Treasury Corporation borrowings	184,768	7,667	27,997	180,867	216,531
Finance lease liability	247,992	22,041	99,699	261,179	382,919
Total	1,100,116	431,601	236,141	730,885	1,398,627

6 EQUITY

6.1 Contributed equity

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

- appropriations for equity adjustments (refer to Note 6.2)
- non-appropriated equity adjustments
- non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities as a result of machinery-of-government changes.

6.2 Appropriations recognised in equity

	2019 \$'000	2018 \$'000
Reconciliation of payments from consolidated fund to equity adjustment		
Budgeted equity adjustment appropriation	225,903	180,146
Transfers from/to other departments - redistribution of public business	108,000	(799)
Unforeseen expenditure	-	121,730
Lapsed equity adjustment	(42,427)	-
Equity adjustment receipts (payments)	291,476	301,077
Less: Opening balance of equity adjustment receivable	-	(4,416)
Less: Transfer of equity adjustment receivable from other Queensland Government entities	-	(2,993)
Plus: Opening balance of equity adjustment payable	2,119	-
Less: Closing balance of equity adjustment payable	(20,972)	(2,119)
Equity adjustment recognised in contributed equity	272,623	291,549

Department of Housing and Public Works
Notes to the financial statements 2018-19

	Variance notes	Adjusted budget 2019 \$'000	Actual 2019 \$'000	Variance \$'000
7 BUDGET TO ACTUAL COMPARISON				
Following machinery-of-government changes outlined in Note 1.5 and as required by Queensland Treasury policy under such circumstances, the budget figures used in this comparison represent the Adjusted Budget figures for the financial year, as published in the latest Service Delivery Statement tabled in Parliament.				
STATEMENT OF COMPREHENSIVE INCOME				
INCOME				
User charges and fees		1,967,169	2,020,521	53,352
Appropriation revenue	1	1,095,829	962,289	(133,540)
Grants and other contributions		7,485	28,789	21,304
Interest		6,058	6,048	(10)
Other revenue		39,323	32,422	(6,901)
Total revenue		3,115,864	3,050,069	(65,795)
Gains on disposal/remeasurement of assets		3,773	16,017	12,244
Total income		3,119,637	3,066,086	(53,551)
EXPENSES				
Supplies and services		2,083,893	2,051,664	(32,229)
Employee expenses		588,164	565,738	(22,426)
Depreciation and amortisation		272,482	277,641	5,159
Grants and subsidies	2	325,224	218,752	(106,472)
Finance/borrowing costs		28,880	28,607	(273)
Impairment losses		8,431	26,274	17,843
Other expenses		29,934	85,907	55,973
Total expenses		3,337,008	3,254,583	(82,425)
Operating result before income tax		(217,371)	(188,497)	28,874
Income tax benefit/(expense)		(706)	(6,674)	(5,968)
Operating result after income tax		(218,077)	(195,171)	22,906
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to operating result				
Increase/(decrease) in asset revaluation surplus	3	-	254,247	254,247
Total other comprehensive income		-	254,247	254,247
Total comprehensive income		(218,077)	59,076	277,153

Department of Housing and Public Works
Notes to the financial statements 2018-19

		Adjusted budget 2019 \$'000	Actual 2019 \$'000	Variance \$'000
7 BUDGET TO ACTUAL COMPARISON (CONTINUED)				
BALANCE SHEET				
CURRENT ASSETS				
Cash and cash equivalents	4	283,521	567,354	283,833
Loans and receivables	5	183,398	235,531	52,133
Prepayments		67,336	65,336	(2,000)
Inventories		56,999	42,474	(14,525)
Financial assets at fair value through profit or loss		5,000	6,000	1,000
Deferred operating lease rent		5,560	4,525	(1,035)
Tax assets		3,139	-	(3,139)
		604,953	921,220	316,267
Non-current assets classified as held for sale		23,004	31,421	8,417
Total current assets		627,957	952,641	324,684
NON-CURRENT ASSETS				
Property, plant and equipment		19,208,450	19,748,354	539,904
Financial assets at fair value through profit or loss		182,613	180,949	(1,664)
Deferred operating lease rent		103,699	104,285	586
Loans and receivables		72,768	69,345	(3,423)
Intangible assets		33,302	30,292	(3,010)
Prepayments		161	2,815	2,654
Deferred tax assets		312	2,011	1,699
Total non-current assets		19,601,305	20,138,051	536,746
TOTAL ASSETS		20,229,262	21,090,692	861,430
CURRENT LIABILITIES				
Payables	6	196,288	376,515	180,227
Unearned revenue		94,315	102,694	8,379
Interest-bearing liabilities		29,870	29,240	(630)
Accrued employee benefits		22,833	25,665	2,832
Lease incentives	7	14,768	17,521	2,753
Deferred operating lease rent		6,313	5,335	(978)
Tax liabilities		326	2,341	2,015
Other current liabilities	9	3,434	6,265	2,831
Total current liabilities		368,147	565,576	197,429
NON-CURRENT LIABILITIES				
Interest-bearing liabilities		673,217	679,627	6,410
Lease incentives	7	152,773	178,431	25,658
Deferred operating lease rent		135,316	139,990	4,674
Queen's Wharf deferred consideration	8	121,840	91,891	(29,949)
Unearned revenue		27,872	28,984	1,112
Deferred tax liabilities		17,256	16,877	(379)
Other non-current liabilities	9	837	44,455	43,618
Total non-current liabilities		1,129,111	1,180,255	51,144
TOTAL LIABILITIES		1,497,258	1,745,831	248,573
NET ASSETS / TOTAL EQUITY		18,732,004	19,344,861	612,857

Department of Housing and Public Works
Notes to the financial statements 2018-19

	Variance notes	Adjusted budget 2019 \$'000	Actual 2019 \$'000	Variance \$'000
7 BUDGET TO ACTUAL COMPARISON (CONTINUED)				
STATEMENT OF CASH FLOWS				
CASH FLOWS FROM OPERATING ACTIVITIES				
<i>Inflows:</i>				
User charges and fees		1,958,813	1,949,117	(9,696)
Appropriation receipts	10	1,094,061	909,555	(184,506)
GST input tax credits received from Australian Taxation Office		220,578	200,787	(19,791)
GST collected from customers		165,791	155,031	(10,760)
Grants and other contributions		7,485	20,308	12,823
Interest receipts		3,909	4,028	119
Other		37,511	58,601	21,090
<i>Outflows:</i>				
Supplies and services		(2,124,060)	(2,060,404)	63,656
Employee expenses		(588,375)	(566,783)	21,592
GST remitted to Australian Taxation Office		(187,862)	(200,318)	(12,456)
GST paid to suppliers		(199,019)	(192,497)	6,522
Grants and subsidies	11	(325,224)	(205,977)	119,247
Finance/borrowing costs		(28,853)	(24,419)	4,434
Taxation equivalents		(4,851)	(7,836)	(2,985)
Other		(43,421)	(11,048)	32,373
Net cash provided by (used in) operating activities		(13,517)	28,145	41,662
CASH FLOWS FROM INVESTING ACTIVITIES				
<i>Inflows:</i>				
Sales of property, plant and equipment	12	97,425	169,875	72,450
Loans and advances redeemed	13	33,802	23,757	(10,045)
Redemption of other financial assets		5,000	6,030	1,030
<i>Outflows:</i>				
Payments for property, plant and equipment		(520,649)	(529,785)	(9,136)
Loans and advances made		(37,180)	(33,903)	3,277
Payments for intangible assets		(5,884)	(2,635)	3,249
Net cash provided by (used in) investing activities		(427,486)	(366,661)	60,825
CASH FLOWS FROM FINANCING ACTIVITIES				
<i>Inflows:</i>				
Equity injections		398,588	428,644	30,056
Borrowings		12,500	10,000	(2,500)
<i>Outflows:</i>				
Equity withdrawals	14	(184,686)	(228,332)	(43,646)
Borrowing redemptions		(16,729)	(15,460)	1,269
Dividends paid		(5,718)	(8,438)	(2,720)
Finance lease payments		(13,790)	(13,247)	543
Net cash provided by (used in) financing activities		190,165	173,167	(16,998)
Net increase (decrease) in cash and cash equivalents		(250,838)	(165,349)	85,489
Increase (decrease) in cash and cash equivalents from restructuring		4,383	4,787	404
Cash and cash equivalents – opening balance		529,976	727,916	197,940
Cash and cash equivalents – closing balance		283,521	567,354	283,833

7 BUDGET TO ACTUAL COMPARISON (CONTINUED)

Explanations of major variances

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

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

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

Statement of Comprehensive Income

1 Appropriation revenue

The variance of (\$133.540 million) is mainly due to:

- a decrease of \$88.695 million in Housing and Homelessness Services including:
 - net deferrals (\$27.072 million) mainly from 2018-19 to 2019-20 and outer years for various housing programs due to changes in timing as a result of the complexity of the delivery of work, including initiatives under the Queensland Housing Strategy Program (\$12.796 million), Future of Property and Tenancy System project (\$5.536 million) and works in the remote Aboriginal and Torres Islander communities (\$7.560 million)
 - transfers from appropriation revenue to equity funding (\$32.321 million) for Housing Construction and Jobs Program (\$17.394 million), Remote Indigenous Capital Delivery (\$8.900 million) and student accommodation on Thursday Island (\$6.027 million)
 - the National Rental Affordability Scheme (\$29.302 million) to align with the expected timing of payments under the Scheme
- a decrease of \$31.125 million in Sport and Recreation mainly due to net deferrals from 2018-19 to 2019-20 due to changes in the timing of delivery for a significant capital project (\$8.055 million), Female Facilities Program (\$6.582 million), Get in the Game Programs (\$6.706 million) and other committed grant programs (\$4.033 million) as the timing of payments is reliant on third party claims.

2 Grants and subsidies

The variance of (\$106.472 million) is mainly due to:

- a decrease of \$68.301 million in Housing and Homelessness Services mainly due to the net transfer from capital grants to capital works in 2018-19 (\$33.318 million) due to changes in program delivery for Housing Construction and Jobs Program and Remote Indigenous Capital Delivery, underspend for upgrades (\$14.074 million) and maintenance (\$4.091 million) in the remote Aboriginal and Torres Strait Islander communities mainly due to extreme weather events in a number of communities and the timing of program delivery for various social and private housing programs (\$16.818 million)
- a decrease of \$31.550 million in Sport and Recreation grant programs mainly due to net deferrals from 2018-19 to 2019-20 due to changes in the timing of delivery for a significant capital project (\$8.055 million), Female Facilities Program (\$6.582 million), Get in the Game Programs (\$6.706 million) and other committed grant programs (\$4.458 million) as the timing of payments is reliant on third party claims.

3 Asset revaluation surplus

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

The variance of \$254.247 million principally represents increases in the value of social housing residential land (\$261.075 million). The movement in social housing land values principally reflects increased values across the South East Queensland residential property market. These increases were offset by a moderate reduction in North West Queensland and Central Queensland as properties in this area continue to be impacted by the decline in housing demand resulting from the post mining capital investment phase and falling commodity prices.

7 BUDGET TO ACTUAL COMPARISON (CONTINUED)

Balance Sheet

4 *Cash and cash equivalents*

The variance of \$283.833 million is mainly due to:

- increased cash balance for Housing and Homelessness Services (\$149.510 million) mainly due to a higher cash opening balance (\$77.946 million) for timing differences in capital works, grants and supplies and services expenditure in 2017-18 for various Housing and Homelessness Services programs, as well as the timing in 2018-19 of expenditure for property, plant and equipment (\$27.839 million), grants and subsidies (\$25.414 million), outsourced service delivery (\$9.101 million) and lower supplies and services (\$10.562 million)
- increased cash balance for Public Works (\$103.003 million) mainly due to timing of contractor invoices for work delivered but paid after 30 June (\$38.839 million), deferrals from 2018-19 to 2019-20 mainly for capital, maintenance and information technology projects committed but not finalised (\$51.061 million) and higher residential property sales than anticipated (\$6.104 million).

5 *Loans and receivables - current*

The variance of \$52.133 million is mainly due to:

- increased volume of invoices raised in June for Project Delivery client capital projects (\$26.700 million)
- timing of client invoices for recovery of commercial office building outgoings, shared services and information technology charges (\$9.000 million)
- a net increase in Building and Asset Services receivables (\$6.878 million) due to higher sales associated with increased client programs delivered and billed in June
- an increase in Housing and Homelessness bond loans receivables (\$3.711 million) mainly due to lower bond loan redemptions than budgeted, partly offset by lower bond loan advances than budgeted as demand is client driven and difficult to predict.

6 *Payables*

The variance of \$180.227 million is mainly due to:

- an increase in approved net deferrals relating to revenue and equity appropriation funding (\$106.294 million) mainly for capital projects, grants, maintenance and information technology projects committed but not finalised
- an increase in Building and Asset Services trade creditors (\$27.618 million) mainly due to a higher value of supplier invoices received in June compared to budget due to the increased volume of work
- an increase in Project Delivery trade creditors (\$24.400 million) due to a higher value of suppliers invoices received in June for client capital projects delivered but not due for payment at 30 June
- an increase in Social Rental Housing and Remote Indigenous Housing capital works creditors (\$18.250 million) for work delivered but not due for payment at 30 June.

7 *Lease incentives*

The variance of \$28.411 million is mainly due to a change in lease incentive accounting treatment for the leased commercial office portfolio; incentives are now recognised by the department rather than the occupying agency.

8 *Queen's Wharf deferred consideration*

The variance of (\$29.949 million) is due to the transfer duty to be paid from the cash consideration received under the contractual arrangements. During 2018-19 Queensland Treasury finalised the transfer duty assessment on the Residential Development Agreement and provided guidance on the calculation of the future transfer duty on the Integrated Resort Development Agreement. The duty paid in 2018-19 and estimated future duty is greater than the departments initial estimate.

9 *Other liabilities*

The variance of \$46.449 million is mainly due to:

- the estimated rectification costs (\$27.622 million) for 15 department owned buildings requiring remediation for non-conforming building products
- the estimated transfer duty (\$19 million) for the Queen's Wharf Precinct Integrated Resort Development agreement as outlined in variance note 8 above.

7 BUDGET TO ACTUAL COMPARISON (CONTINUED)

Statement of Cash Flows

10 *Appropriation receipts*

The variance of (\$184.506 million) mainly relates to appropriation revenue net deferrals (\$133.540 million) as outlined in variance note 1 above plus net deferrals (\$56.020 million) relating to revenue appropriation funding as outlined in variance note 6 above.

11 *Grants and subsidies*

The variance of (\$119.247 million) mainly relates to the grants and subsidies net deferrals and net transfer from capital grants to capital works as outlined in variance note 2 plus an increase in Housing and Homelessness Services capital grants accruals for work delivered but not due for payment at 30 June.

12 *Sales of property, plant and equipment*

The variance of \$72.450 million is mainly due to the sale proceeds for the former GoPrint and Landcentre sites at Woolloongabba, Brisbane.

13 *Loans and advances redeemed*

The variance of (\$10.045 million) for lower redemptions on loans is mainly due to lower bond loan advances in 2017-18 and 2018-19 as demand is client driven and difficult to predict.

14 *Equity withdrawals*

The variance of (\$43.646 million) is mainly due to the return to the Consolidated Fund of sale proceeds for the former GoPrint and Landcentre sites at Woolloongabba, Brisbane, partially offset by a reduction in the value of the Queen's Wharf Precinct cash consideration returned due to the transfer duty payable as outlined in variance note 8 above.

8 OTHER INFORMATION

8.1 Key management personnel disclosures

(a) Details of key management personnel

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

The following details for non-ministerial KMP reflect those positions that had authority and responsibility for planning, directing and controlling the activities of the department. Further information about these positions can be found in the body of the Annual Report under the section relating to Executive Management. (There were no material related party transactions with KMP during 2018-19 other than what is reported in this KMP note.)

Position	Position responsibility
Director-General	Responsible for executive leadership, overall strategic direction and the financial administration of the department.
Deputy Director-General, Building Policy and Asset Management ¹	Responsible for providing strategic leadership to deliver high quality outcomes under the department's capital works and building asset management programs, accommodation and employee housing programs and disaster management coordination efforts. The role is critical in developing and maintaining effective partnerships and relationships with key stakeholders and clients including interface with the building industry.
Deputy Director-General, Housing, Homelessness and Sport ¹	Responsible for providing strategic leadership to design and deliver housing and homelessness services in Queensland through remote Aboriginal and Torres Strait Islander housing, social and private housing assistance, homelessness support services, crisis accommodation and regulatory services which regulate residential services, residential parks and retirement villages industries in Queensland. The role also provides strategic leadership for sport and recreation strategies and programs as well as initiatives to build the capacity of the sport and recreation industry.
Deputy Director-General, Digital Technology and Services ¹	Responsible for providing strategic leadership on whole-of-government ICT initiatives that enable modern, responsive and integrated frontline services for Queenslanders and preserves and improves access to Queensland's record-related information. The role also provides strategic leadership to deliver a range of corporate transactional and advisory services and associated technology solutions across Queensland Government departments and agencies.
Deputy Director-General, Portfolio Strategy and Chief Advisor, Queensland Government Procurement ¹	Responsible for providing strategic coordination across the department and leading effective whole-of-government change across procurement, service transformation and digitisation, delivering a more responsive government for all Queenslanders. The Chief Advisor Queensland Government Procurement oversees the entire Queensland Government procurement system, establishing policy, strategy and governance of Queensland's agency led, centrally enabled procurement function.
Assistant Director-General, Digital Platforms and Data ²	Responsible for providing strategic leadership on whole-of-government ICT initiatives that enable modern, responsive and integrated frontline services for Queenslanders.
Assistant Director-General, Sport and Recreation ²	Responsible for strategic leadership of the division implementing strategies and programs to encourage active lifestyles and initiatives to build the capacity of the sport and recreation industry.
Assistant Director-General, Building Legislation and Policy ²	Responsible for leading, managing and coordinating all building-related policy areas for government, by ensuring close working relationships between individual policy groups resulting in efficient and effective policies for all building related functions. The position is also accountable for the provision of expert policy advice and implementation of building legislation and policy.
Assistant Director-General, Responsive Government ³	Responsible for oversight and successful delivery of the Responsive Government Program. The program includes direct delivery by staff in the Responsive Government Group, activation and oversight of service delivery within the Digital Technology and Services Division, and activation of effective partnerships and delivery by partner agencies.
Assistant Director-General, Corporate Services	Responsible for providing strategic leadership to deliver the department's corporate support services.

8.1 Key management personnel disclosures (continued)

(a) Details of key management personnel (continued)

Position	Position responsibility
Queensland Government Chief Information Officer ⁶	Responsible for providing independent quality advice to the Director-General and Minister on information communication technology issues from a whole-of-government perspective.
Deputy Director-General, Public Works and Asset Management ¹	Responsible for providing strategic leadership to deliver high quality outcomes under the government's building asset management programs and responsibility for the department's government accommodation and property portfolio.
Deputy Director-General, Housing and Homelessness Services ¹	Responsible for providing strategic leadership to design and deliver housing and homelessness services in Queensland through remote Aboriginal and Torres Strait Islander housing, social and private housing assistance, homelessness support services, crisis accommodation and regulatory services which regulate residential services, residential parks and retirement villages industries in Queensland.
Deputy Director-General, Sport and Recreation Services ^{2,5}	Responsible for providing strategic leadership for sport and recreation activities including strategies and programs for encouraging active lifestyles and initiatives to build the capacity of the sport and recreation industry.
Assistant Director-General, Building Industry and Policy ²	Responsible for providing strategic leadership to deliver effective and efficient Queensland building and plumbing policy and legislation through engagement with the building construction industry.
Assistant Director-General, Queensland Government Procurement ¹	Responsible for providing strategic leadership to support the delivery of the Queensland Government's procurement and services strategies, policies and direction across government and responsibility for fleet management services and the procurement of general goods and services.
Assistant Director-General, Digital Capability, Information and Transaction Based Services ^{1,5}	Responsible for providing strategic leadership to revitalise Queensland Government services; the increase of Queensland's digital capability; preserves and improves access to Queensland's record-related information; and enhances the customer experience with the Queensland Government.
Assistant Director-General, Qld Shared Services ^{4,5}	Responsible for providing strategic leadership to deliver high quality, integrated services for a range of corporate transactional and advisory services and associated technology solutions across Queensland Government departments and agencies.
Assistant Director-General, Strategic ICT ^{2,5}	Responsible for providing strategic leadership on whole-of-government ICT initiatives that enable modern, responsive and integrated frontline services for Queenslanders.

¹ These positions were retitled and responsibilities broadened as part of the departmental realignment effective from 1 July 2018.

² These positions were retitled as part of the departmental realignment effective from 1 July 2018 and were considered KMP from 24 May 2019.

³ This position was created as part of the departmental realignment effective from 1 July 2018 and was considered a KMP position from 24 May 2019.

⁴ This position ceased as part of the departmental realignment effective from 1 July 2018.

⁵ These positions transferred to the department effective from 13 December 2017 as part of the machinery-of-government changes. Refer to Note 1.5.

⁶ This position transferred to the department effective from 1 March 2018 as part of the machinery-of-government changes. Refer to Note 1.5.

(b) Remuneration policies

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

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

8.1 Key management personnel disclosures (continued)

(b) Remuneration policies (continued)

Remuneration expenses for those KMP comprise the following components:

Short-term employee expenses include:

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

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

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

Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

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

(c) Remuneration expenses

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

1 July 2018 – 30 June 2019

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

8.1 Key management personnel disclosures (continued)

(c) Remuneration expenses (continued)

Position	Short-term employee expenses		Long-term employee expenses \$'000	Post-employment expenses \$'000	Total expenses \$'000
	Monetary expenses \$'000	Non-monetary benefits \$'000			
Assistant Director-General, Corporate Services	247	13	5	22	287
Queensland Government Chief Information Officer	337	10	7	38	392

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

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

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

1 July 2017 – 30 June 2018

Position	Short-term employee expenses		Long-term employee expenses \$'000	Post-employment expenses \$'000	Total expenses \$'000
	Monetary expenses \$'000	Non-monetary benefits \$'000			
Director-General	439	11	9	54	513
Deputy Director-General, Public Works and Asset Management	247	14	5	28	294
Deputy Director-General, Housing and Homelessness Services	262	11	5	28	306
Deputy Director-General, Sport and Recreation ¹	106	7	2	11	126
Assistant Director-General, Building Industry and Policy	233	14	5	25	277
Assistant Director-General, Queensland Government Procurement	250	-	5	28	283
Assistant Director-General, Corporate Services	231	14	5	22	272
Assistant Director-General, Digital Capability, Information and Transaction Based Services ²	127	6	2	15	150
Assistant Director-General, Queensland Shared Services ³	130	6	3	14	153
Assistant Director-General, Strategic ICT ⁴	130	6	3	14	153
Queensland Government Chief Information Officer ⁵	137	4	3	15	159

¹ The total cost of this position for 2017/18 was \$260,538.

² The total cost of this position for 2017/18 was \$283,449.

³ The total cost of this position for 2017/18 was \$279,607.

⁴ The total cost of this position for 2017/18 was \$281,096.

⁵ The total cost of this position for 2017/18 was \$398,088.

8.2 Unrecognised items

(a) Commitments for expenditure

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

	Not later than one year \$'000	Later than one year and not later than five years \$'000	Later than five years \$'000	Total \$'000
2019				
Non-cancellable operating leases	453,913	1,277,125	967,372	2,698,410
Property, plant and equipment	318,970	11,228	-	330,198
Total	772,883	1,288,353	967,372	3,028,608
2018				
Non-cancellable operating leases	406,704	1,078,671	997,792	2,483,167
Property, plant and equipment	269,693	6,624	-	276,317
Total	676,397	1,085,295	997,792	2,759,484

Operating leases are entered into as a means of acquiring access to office accommodation. Rental payments are usually subject to fixed rate escalation clauses detailed in the lease. Most leases contain renewal clauses but no purchase options exist in relation to operating leases, and no operating leases contain restrictions on financing or other leasing activities.

The department has entered into a significant operating lease for office accommodation at 1 William St, Brisbane. The lease term is 15 years with renewal options of 2 x 5 years. Rent escalation is fixed at 3.5% per annum. Commitments for lease payments under this lease are included in the figures above.

(b) Future operating lease receivables

The department has non-cancellable operating subleases with other Queensland Government entities in respect of the office accommodation referred to in Note 8.2(a). Future minimum lease payments receivable under these subleases are as follows.

	Not later than one year \$'000	Later than one year and not later than five years \$'000	Later than five years \$'000	Total \$'000
2019				
Non-cancellable operating subleases	402,992	1,175,202	937,601	2,515,795
2018				
Non-cancellable operating subleases	370,038	988,554	947,958	2,306,550

8.3 Future impact of accounting standards not yet effective

The department has established an Implementation Project to manage the transition to AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income for Not-for-Profit Entities* and AASB 16 *Leases*. At the date of authorisation of the financial report, the expected material impacts of applicable new or amended Australian Accounting Standards with future commencement dates are as set out below.

AASB 16 Leases

This standard is effective for the department from 1 July 2019. When applied, the standard supersedes AASB 117 *Leases*, AASB Interpretation 4 *Determining Whether an Arrangement contains a Lease*, AASB Interpretation 115 *Operating Leases-Incentives*, and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

Outcome of review as lessee

AASB 16 will result in the majority of leases being recognised on the Balance Sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term (up to one year) and low-value leases.

Based on the results of the department's Implementation Project, AASB 16 is expected to have a material impact on the department as lessee for Queensland Government Accommodation Office (QGAO) leases and Housing and Homelessness Services (HHS) Deed of Grant in Trust (DOGIT) leases.

In accordance with Queensland Treasury's policy, the department will not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019.

QGAO Transition Balances as at 30 June 2019

The department has recognised deferred operating lease rent liabilities of \$145 million and lease incentive liabilities of \$9 million relating to rent-free periods under AASB 117 as at 30 June 2019. These balances will be de-recognised through accumulated surplus on 1 July 2019.

As at 30 June 2019 fit-out assets of \$141 million relating to fit-outs funded through lease incentives have been capitalised as property, plant and equipment. These assets will be excluded from the right-of-use asset transition value as at 1 July 2019.

The corresponding lease incentive liabilities of \$187 million relating to fit-outs and cash incentives retained by QGAO as at 30 June 2019 will be eliminated on transition against their respective right-of-use assets on 1 July 2019.

QGAO Opening Balances as at 1 July 2019

As at the reporting date, QGAO has non-cancellable operating lease commitments of \$2,675 million relating to Queensland Government office accommodation (refer to Note 8.2 (a)). Of these commitments, approximately \$23 million relate to short-term leases and other adjustments which will be recognised as expenses in the Statement of Comprehensive Income.

For the remaining \$2,652 million lease commitments, the department expects to recognise right-of-use assets of \$2,224 million on 1 July 2019, fit-out assets of \$141 million, and lease liabilities of \$2,412 million.

The right-of-use asset will be initially recognised at cost, consisting of the initial amount of the associated lease liability and the initial estimate of restoration costs, less any lease incentives received. The right-of-use asset will give rise to a depreciation expense in future years.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments (including relevant lease incentives) during the initial lease term that are not yet paid, using Queensland Treasury Corporation's fixed rate loan rate that corresponds with the lease commencement month and term. Current operating lease rental payments will no longer be expensed in the Statement of Comprehensive Income. They will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will be recognised as an expense.

8.3 Future impact of accounting standards not yet effective (continued)

HHS Deed of Grant in Trust (DOGIT) Transition Balances as at 30 June 2019

As at the reporting date, the department has recognised finance lease assets of \$982 million and finance lease liabilities of \$126 million relating to HHS DOGIT leases (refer to Notes 4.1 and 5.1). Finance lease assets are currently held at fair value (current replacement cost) and will therefore be de-recognised through accumulated surplus on 1 July 2019. The \$76 million leased asset revaluation surplus (relating to HHS DOGIT leases) will also be closed as an adjustment to the opening balance of accumulated surplus at 1 July 2019.

HHS Deed of Grant in Trust (DOGIT) Opening Balances as at 1 July 2019

The department expects to recognise right-of-use assets of approximately \$805 million on 1 July 2019 and lease liabilities of \$158 million.

In accordance with Queensland Treasury policy, the right-of-use asset will be initially recognised at cost less accumulated depreciation, consisting of the initial amount of the associated lease liability, plus any capital works completed on the underlying property up to 30 June 2019. The right-of-use asset will give rise to a depreciation expense in future years. The department will also no longer recognise revaluation adjustments to the asset revaluation surplus for these right-of-use assets.

The lease liability will be initially recognised at an amount equal to the finance lease liability as at 30 June 2019. On 1 July each year, the lease liability will be impacted by CPI increases to lease payments, which were excluded from the financial lease liability calculated under AASB 117.

Overall, assets will be approximately \$177 million lower due to the right-of-use asset being measured at cost rather than fair value, offset by the increase in the lease liability. The lease liability will be \$31 million higher on 1 July 2019 due to the cumulative impact of CPI increases effective on 1 July each year.

Outcome of review as lessor

The department has completed its review of the impact of adoption of AASB 16 and has identified the following impacts on lessor accounting.

During the 2018-19 financial year, the department accounted for operating leases under AASB 117 for non-specialised, commercial office accommodation through the Queensland Government Accommodation Office (QGAO) and residential accommodation through Government Employee Housing (GEH). Operating lease revenue under QGAO and GEH arrangements totalled \$539 million for the current financial year. These arrangements are exempt from lease accounting under AASB 16 due to the department having substantive substitution rights over the non-specialised, commercial office accommodation and residential premises assets used within these arrangements.

Motor vehicles provided by QFleet are also exempt from lease accounting under AASB 16 due to the department holding substantive substitution rights for vehicles provided.

Transition Balances as at 30 June 2019

Existing QFleet and GEH leases under AASB 117 *Leases* did not include fixed increases, and as a result the straight-lining of this lease income did not result in deferred operating lease rent receivables in the Balance Sheet. Therefore, no adjustments will be required on transition to AASB 16 for these leases.

As at the reporting date, QGAO has future operating lease commitment receivables of \$2,516 million (refer to Note 8.2 (a)) and deferred operating lease rent receivables of \$109 million (refer to Note 4.2) relating to Queensland Government office accommodation under AASB 117 *Leases* as at 30 June 2019. As QGAO arrangements are exempt from lease accounting under AASB 16, the deferred operating lease rent receivable will be de-recognised through accumulated surplus on 1 July 2019.

8.3 Future impact of accounting standards not yet effective (continued)

Opening Balances as at 1 July 2019

From 2019-20 onwards, user charges and fees revenue for QGAO, GEH and QFleet services will be recognised in accordance with AASB 15 as the various performance obligations associated with these services are rendered.

Overall Transitional Impact of AASB 16

Overall, the transitional impact on the Balance Sheet and the Statement of Comprehensive Income of AASB 16 on the department is as follows:

Balance Sheet impact on 1 July 2019:

- \$2,103 million increase in liabilities
- \$1,938 million increase in assets
- \$76 million decrease in asset revaluation surplus
- \$89 million increase in opening accumulated deficit

Statement of Comprehensive Income impact budgeted for the 2019-20 financial year, as compared to 2018-19:

- \$68 million increase in appropriation revenue
- \$381 million decrease in supplies and services expense
- \$390 million increase in depreciation expense
- \$59 million increase in finance and borrowing costs

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

These standards are effective for the department from 1 July 2019. Based on the results of the department's Implementation Project the department does not expect AASB 1058 or AASB 15 to have a material impact to its revenue recognition.

8.4 Taxation

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

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

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

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

8.5 Administered activities

The department administers, but does not control, certain resources on behalf of the Queensland Government. In doing so, it has responsibility and is accountable for administering related transactions and balances, but does not have the discretion to deploy the resources for the achievement of the department's objectives.

Amounts appropriated to the department for transfer to other entities in accordance with legislative or other requirements are reported as administered appropriation revenue.

Administered transactions and balances are not significant in comparison to the department's overall financial performance/financial position.

Accounting policies applicable to administered items are consistent with the equivalent policies for controlled items.

Department of Housing and Public Works
Notes to the financial statements 2018-19

	Variance notes	Original Budget 2019 \$'000	Actual 2019 \$'000	Budget Variance 2019 \$'000	Actual 2018 \$'000
8.5 Administered activities (continued)					
Administered revenues					
Appropriation revenue	1	47,978	52,386	4,408	21,712
User charges and fees		114	104	(10)	85
Other revenue		-	34	34	32
Total administered revenues		48,092	52,524	4,432	21,829
Administered expenses					
Supplies and services	2	11,809	18,179	6,370	14,406
Grants and subsidies		40,270	39,527	(743)	7,397
Transfer of administered revenue to government		114	140	26	116
Other expenses		-	-	-	1,980
Total administered expenses		52,193	57,846	5,653	23,899
Operating result		(4,101)	(5,322)	(1,221)	(2,070)
Administered current assets					
Cash	3	4,412	2,541	(1,871)	6,834
Receivables		332	26	(306)	-
Prepayments		4,101	4,101	-	4,101
Total administered current assets		8,845	6,668	(2,177)	10,935
Administered non-current assets					
Prepayments		5,468	5,468	-	9,569
Total administered non-current assets		5,468	5,468	-	9,569
Administered current liabilities					
Payables		-	179	179	1,980
Total administered current liabilities		-	179	179	1,980
Net administered assets		14,313	11,957	(2,356)	18,524

Budget to actual comparison - explanations of major variances

- Appropriation revenue**
The variance of \$4.408 million is mainly due to additional funding provided for Queensland Building and Construction Commission (\$5.300 million) to address reform initiatives including Queensland Building Plan reforms.
- Supplies and Services**
The variance of \$6.370 million is mainly due to additional funding for Queensland Building and Construction Commission (\$5.300 million) to address reform initiatives including Queensland Building Plan reforms and additional expenditure (\$1.100 million) relating to the 1 William Street Brisbane ICT contract management arrangements with funding received in 2017-18.
- Cash**
The variance of (\$1.871 million) is mainly due to additional expenditure for the 1 William Street Brisbane ICT contract management arrangements as outlined in variance note 2.

Department of Housing and Public Works
Notes to the financial statements 2018-19

	2019 \$'000	2018 \$'000
8.5 Administered activities (continued)		
<i>Reconciliation of payments from consolidated fund to administered income</i>		
Budgeted appropriation	47,978	3,510
Transfers from/to other headings	2,428	11,825
Unforeseen expenditure	-	8,735
Total administered appropriation receipts (cash)	50,406	24,070
Plus: Opening balance of deferred administered appropriation payable to Consolidated Fund	1,980	19
Less: Net transfer of administered appropriation receivable from other Queensland Government entities	-	(2,377)
Less: Closing balance of deferred administered appropriation payable to Consolidated Fund	-	(1,980)
Net administered appropriation revenue	52,386	19,732
Plus: Deferred administered appropriation payable to Consolidated Fund (expense)	-	1,980
Administered appropriation revenue	52,386	21,712

8.6 Agency transactions and balances

As the department performs only a custodial role in respect of agency transactions and balances, they are not recognised in the financial statements but are disclosed in these notes for the information of users.

(a) Building and Asset Services

Building and Asset Services acts as an agent on behalf of other Queensland Government agencies in relation to the procurement and project management for large capital works projects.

Agency revenues

Receipts for goods and services	480,536	425,959
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Agency expenses

Payments for supplies and services	480,536	425,959
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Agency current assets

Receivables	77,881	79,695
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Agency current liabilities

Bank overdraft	50,948	48,384
Payables	24,344	28,688
Other	2,589	2,623
Total	77,881	79,695

Fees received for the provision of these services are included in user charges.

(b) Resource management services

The department acts as an agent on behalf of other Queensland Government agencies and Allegis Global Solutions in relation to the provision of resource management services for information and communication technology contractors. The department does not receive any fees for providing agent services but is entitled to the interest earned from a bank account associated with this agency arrangement. The department engages information and communication technology contractors through the resource management service – the receipts and payments relating to these engagements are included in these figures.

Agency revenues

Receipts for goods and services	138,691	134,543
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Agency expenses

Payments for supplies and services	136,729	134,959
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Agency current assets

Cash	8,869	7,459
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Department of Housing and Public Works
Notes to the financial statements 2018-19

	2019	2018
	\$'000	\$'000

8.6 Agency transactions and balances (continued)

(c) Smart Service Queensland

Effective from 13 December 2017, Smart Service Queensland was transferred from the Department of Science, Information Technology and Innovation. Smart Service Queensland acts as an agent for collection and payment processing services, and undertakes certain transactions on behalf of Queensland Government agencies and its clients.

Agency cash assets

Balance at 1 July	344	-
Transfers from machinery-of-government changes	-	242
Collections during the period	54,900	33,400
Distributions according to clients' instructions during the period	(54,848)	(33,298)
Balance at 30 June	<u>396</u>	<u>344</u>

Fees received for the provision of these services are included in user charges.

(d) Construction Project Delivery

Effective from 1 September 2018, Construction Project Delivery was transferred from the Department of State Development, Manufacturing, Infrastructure and Planning (refer to Note 1.5). Construction Project Delivery acts as an agent on behalf of other Queensland Government agencies and non-government entities to project manage major capital works projects. Fees received for the provision of these services are included in user charges.

Agency revenues

Receipts for goods and services	40,574	-
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Agency expenses

Payments for supplies and services	40,574	-
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Agency current assets

Receivables	36,413	-
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Agency current liabilities

Payables*	36,413	-
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*This amount includes \$25.552 million payable to the Public Works controlled bank account.

(e) Agent transactions - machinery-of-government

The department acted as an agent, processing transactions on behalf of the Department of Environment and Science, the Department of Innovation, Tourism Industry Development and the Commonwealth Games and the Department of the Premier and Cabinet following machinery-of-government changes. This arrangement ceased on 27 July 2018.

Revenues	488	12,533
Expenses	(8,409)	(78,134)
Assets	3,267	(1,545)
Liabilities	(7,090)	(7,309)

8.7 Events occurring after balance date

Executive government approved on 21 August 2019 that Building and Asset Services, one of the department's Commercialised Business Units, will be renamed QBuild and 300 additional tradespeople including apprentices will be employed over the next three years.

Department of Housing and Public Works

Management Certificate of the Department of Housing and Public Works

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 42 of the *Financial and Performance Management Standard 2009*, and other prescribed requirements. In accordance with section 62(1)(b) of the Act, we certify that in our opinion:

- (i) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (ii) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Department of Housing and Public Works for the financial year ended 30 June 2019, 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 8 and section 15 of the *Financial and Performance Management Standard 2009* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



Deborah McLeod
BCom, FCPA
Chief Finance Officer
Department of Housing and Public Works



Liza Carroll
B.Ed, M.Ed (Hons)
Director-General
Department of Housing and Public Works

29 August 2019

29 August 2019

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Department of Housing and Public Works

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Department of Housing and Public Works.

In my opinion, the financial report:

- a) gives a true and fair view of the department's financial position as at 30 June 2019, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards.

The financial report comprises the balance sheet and statement of assets and liabilities by major departmental services, commercialised business units and shared service providers as at 30 June 2019, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental services, commercialised business units and shared service providers for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. I addressed these matters in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of social housing land (\$9.234 billion) and buildings (\$5.622 billion)

Refer to Note 4.1 in the financial report

Key audit matter	How my audit addressed the key audit matter
<p>The department engaged independent valuers to perform specific appraisal valuations representing 31% of social housing properties in the current year using significant inputs such as location, bedroom count, price per square metre, land size, condition and a discount factor applied to accommodation in recognition of the cost of obtaining strata title to sell.</p> <p>Specific judgement was required in relation to:</p> <ul style="list-style-type: none"> the condition of the property. The condition rating of the properties was supplied to the valuer by management based on property condition assessments performed at least once every three years by internal inspection. Management assessed the overall condition of properties by using a rating scale of one (property ready for demolition) to ten (property is as new), and assessed that over 95% of properties had a condition rating of greater than eight at balance date. Judgement is required for interpreting and applying this condition rating scale. the discount applied to some multi-unit properties without strata title on individual units. Where there is no comparable sales data available, strata comparison is applied with discount to non-strata units determined by the independent valuer. 	<p>My procedures included, but were not limited to</p> <ul style="list-style-type: none"> Verifying the adequacy of management's review of the valuation process by inspecting final valuation approvals and evidence of oversight by property committees. For specific appraisal valuations in the current year: <ul style="list-style-type: none"> reviewing evidence to confirm the competence, capability and objectivity of the independent valuers obtaining an understanding of the appraiser's methodology (including by reviewing the terms of engagement and valuers' methodology statements) and comparing for appropriateness to common industry practice for a sample of valuations, evaluating the relevance, completeness and accuracy of market evidence (comparable sales for similar properties) provided to support the fair value, including by benchmarking against other published market data comparing the reasonableness of discount rates applied to properties without strata title to industry benchmarks. Auditing the condition rating system for reasonableness and appropriate application. This included: <ul style="list-style-type: none"> observing the property condition assessments being performed by management for a sample of social housing buildings and vouching the accuracy of management's recorded condition ratings for a sample of social housing buildings, re-performing the calculation of the overall property condition rating determined by management, including verification of benchmark data (inputs such as size and bedroom count) and locality indices applied by management to supporting documentation inspecting maintenance/upgrade costs incurred during the year and assessing management's total asset management plans to support management's judgement that properties rated greater than eight are in sound condition.

Key audit matter	How my audit addressed the key audit matter
<p>The department updated the fair values of the remaining properties using indices it derived from the results of the specific appraisal valuations. The development of these indices required significant judgement for determining the criteria for classifying properties into homogenous groups with materially similar characteristics.</p>	<ul style="list-style-type: none"> For indexations in the current year: <ul style="list-style-type: none"> evaluating the methodology for appropriateness relative to common industry practice verifying the appropriateness of the criteria for classifying properties by considering the common characteristics of each homogenous group, and investigating whether homogenous groups required further disaggregation where they experienced a broad range of fair value movements for specific appraisal valuations in the current year re-performing the calculation of a sample of valuation indices applied by management for properties with common characteristics in a sample of regions. benchmarking the indices against property market movements published by various relevant industry participants such as the Valuer-General of Queensland to evaluate their reasonableness.

Responsibilities of the department for the financial report

The Accountable Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Accountable Officer is also responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the department or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the department's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the department.
- Conclude on the appropriateness of the department's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the department's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the department to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Officer, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2019:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.



Michelle Reardon
as delegate of the Auditor-General

30 August 2019

Queensland Audit Office
Brisbane

Compliance checklist

SUMMARY OF REQUIREMENT		BASIS FOR REQUIREMENT	ANNUAL REPORT REFERENCE
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	3
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1	5 79
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2	2
	<ul style="list-style-type: none"> Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	2
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 9.4	2
	<ul style="list-style-type: none"> Information Licensing 	<i>QGEA – Information Licensing</i> ARRs – section 9.5	2
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10.1	6-9
	<ul style="list-style-type: none"> Machinery-of-Government changes 	ARRs – section 10.2, 31 and 32	12, 56, 101-102
	<ul style="list-style-type: none"> Agency role and main functions 	ARRs – section 10.2	10, 74-77
	<ul style="list-style-type: none"> Operating environment 	ARRs – section 10.3	11
Non-financial performance	<ul style="list-style-type: none"> Government's objectives for the community 	ARRs – section 11.1	10
	<ul style="list-style-type: none"> Other whole-of-Government plans / specific initiatives 	ARRs – section 11.2	72-73
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.3	16-35
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.4	36-61
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	81-141

SUMMARY OF REQUIREMENT		BASIS FOR REQUIREMENT	ANNUAL REPORT REFERENCE
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1	12-13
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2	63-65
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3	75
	<ul style="list-style-type: none"> <i>Public Sector Ethics Act 1994</i> 	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	62
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.5	12
Governance – risk management and accountability	<ul style="list-style-type: none"> Risk management 	ARRs – section 14.1	69
	<ul style="list-style-type: none"> Audit committee 	ARRs - section 14.2	67-68
	<ul style="list-style-type: none"> Internal audit 	ARRs – section 14.3	70
	<ul style="list-style-type: none"> External scrutiny 	ARRs – section 14.4	71-72
	<ul style="list-style-type: none"> Information systems and recordkeeping 	ARRs – section 14.5	70
Governance – human resources	<ul style="list-style-type: none"> Strategic workforce planning and performance 	ARRs – section 15.1	31-35
	<ul style="list-style-type: none"> Early retirement, redundancy and retrenchment 	Directive No. 04/18 Early Retirement, Redundancy and Retrenchment ARRs - section 15.2	32
Open Data	<ul style="list-style-type: none"> Statement advising publication of information 	ARRs – section 16	2
	<ul style="list-style-type: none"> Consultancies 	ARRs – section 33.1	https://data.qld.gov.au
	<ul style="list-style-type: none"> Overseas travel 	ARRs – section 33.2	https://data.qld.gov.au
	<ul style="list-style-type: none"> Queensland Language Services Policy 	ARRs – section 33.3	https://data.qld.gov.au
Financial statements	<ul style="list-style-type: none"> Certification of financial statements 	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 17.1	142
	<ul style="list-style-type: none"> Independent Auditor's Report 	FAA – section 62 FPMS – section 50 ARRs – section 17.2	143-146

FAA Financial Accountability Act 2009

FPMS Financial and Performance Management Standard 2019

ARRs Annual report requirements for Queensland Government agencies

