

Department of Communities,
Housing and Digital Economy

ANNUAL REPORT 2020–2021

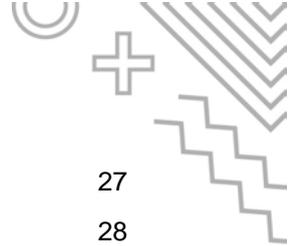


Queensland
Government



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Letter of compliance



Department of
**Communities, Housing
and Digital Economy**

21 September 2021

The Honourable Leeanne Enoch MP
Minister for Communities and Housing
Minister for Digital Economy and
Minister for the Arts
Level 33, 1 William Street
Brisbane, QLD 4000

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2020–21 and financial statements for the Department of Communities, Housing and Digital Economy.

This report is prepared on the basis of the current administrative arrangements for this department applying for the whole of the 2020–21 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*
- 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 63 of this annual report.

Yours sincerely

Clare O'Connor
Director-General
Department of Communities, Housing and Digital Economy

Communication objective

This annual report provides information about the Department of Communities, Housing and Digital Economy financial and non-financial performance for 2020–21. 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 2020–24* and the *2020–21 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

Department of Communities, Housing and Digital Economy Annual Report 2020–21

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Online open data reporting

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

- consultancies
- overseas travel – noting there was no overseas travel in 2020-21
- Queensland Languages Services Policy.

Our department

Message from the Director-General

In 2020–21, the Department of Communities, Housing and Digital Economy has supported Queensland communities to rise to the challenges of the COVID-19 pandemic and build resilience for the year ahead.

A significant achievement for our department during this financial year was the launch of the *Queensland Housing and Homelessness Action Plan 2021–25*. The plan seeks to have long-term, intergenerational impact through growing our social housing supply, improving services for vulnerable Queenslanders, reducing homelessness, and promoting fairness and accessibility in the housing sector.

The Aboriginal and Torres Strait Islander peak housing body was also launched in 2020–21.

We saw new neighbourhood and community centres built in Kallangur and Thursday Island, with 127 Queensland Government-funded neighbourhood and community centres now located across the state. Construction was also completed on The Oasis Townsville, a new community hub for the Defence Service, which is now open and providing much-needed support to North Queensland veterans and their families.

We continued to lead the human and social response, as well as the digital and online response, to the COVID-19 pandemic. This includes delivering vital information to Queenslanders through the 134COVID, 13HEALTH and Community Recovery hotline and the dedicated COVID-19 website (covid19.qld.gov.au).

Our department led the development of the digital products and services to support the Queensland Government's COVID-19 response, such as the Check In Qld app and Border Pass.

As we experienced lockdowns and restrictions due to COVID-19, the department provided a range of frontline services for people at risk of, or experiencing, homelessness and a range of community supports including emergency relief. Our officers worked with the state's network of neighbourhood and community centres to support their efforts to provide new and innovative services in COVID-safe ways.

Throughout the pandemic, we have mobilised the Care Army and valued the generosity and dedication of the thousands of Queenslanders who signed up.

It is also important to note our department's continuing efforts to support the state's arts and cultural sectors, which have been particularly hard hit throughout this pandemic.

In the past year, we released the government's vision for the future of the arts in Queensland. *Creative Together 2020–2030: A 10 Year Roadmap for arts, culture and creativity in Queensland* will contribute to a renewal of arts across Queensland while also contributing to the state's social, cultural and economic future through arts, culture and creativity.

A critical element in the first phase of this economic stimulus package is the implementation of the \$22.5 million two-year Arts and Cultural Recovery Package, which is focused on stabilising Queensland's arts sector, creating employment and delivering COVID-safe cultural experiences.

This annual report outlines the department's progress and achievements and recognises the significant projects and programs of work delivered during the year.

We are in a very strong position to continue to achieve the delivery of our strategic objectives in the new financial year as reported in our Service Delivery Statements and *Strategic Plan 2021–25*.

I am incredibly proud of our department and our staff and their achievements, and look forward to building upon this work in the coming years.

Clare O'Connor

Director-General

About us

Our vision

Thriving communities where all Queenslanders can have a safe and stable place to live and enjoy high levels of social and economic wellbeing supported by a strong digital economy and a vibrant arts sector.

Our purpose

To improve the lives of Queenslanders by increasing social, economic, and digital inclusion.

Contribution to the Queensland Government's objectives for the community

The priorities and objectives of the Queensland Government guide and frame the department's strategic direction. The department contributes to the government's objectives for the community—*Unite and Recover*—by:

Queensland Government's objectives for the community	Department's objectives	Department's service areas
<ul style="list-style-type: none">• Safeguarding our health• Supporting jobs• Backing small business• Growing our regions• Investing in skills• Backing our frontline services	<p>Improve social and economic outcomes for Queenslanders across the state</p> <p>Ensure Aboriginal and Torres Strait Islander peoples and culture are central to all engagement, design and delivery</p> <p>Integrate proactive frontline services, assistance and programs for communities, housing, digital and the arts</p> <p>Support a thriving digital economy where Queenslanders, their businesses and communities can transact successfully with government and each other</p>	<p>Arts Queensland</p> <p>Invest in opportunities that create greater access for Queenslanders to experience arts and culture, support the growth of the arts sector and showcase the state's stories and artistic talent.</p> <p>Community Services</p> <p>Support communities to thrive through investing in quality community services that are connected and support the social and economic inclusion and wellbeing of people of all ages, abilities and backgrounds.</p> <p>Customer and Digital Services</p> <p>Put Queenslanders and their businesses at the heart of government service delivery and oversee investments to enable successful delivery of a digitally enabled government.</p> <p>Housing and Homelessness Services</p> <p>Benefit Queenslanders and their communities by providing housing and homelessness services that are responsive, integrated and accessible and enrich the lives of Queenslanders.</p>

Our operating environment

Our strong partnerships across sectors, community and non-government organisations, other government agencies and communities means we can deliver on the Queensland Government's priorities and services that support our clients.

Understanding the community and putting people at the centre of our work drives our service design for individuals, families and communities.

Our key challenges are:

- **Rapidly changing environment** – as communities recover from the impacts of COVID-19, together with responding to housing demand and positively contributing to social inclusion, services will need to be increasingly flexible and responsive to need
- **Ensuring connectivity** – the ability to digitally access responsive services and build economic sustainability and jobs through digital infrastructure
- **Securing workforce knowledge and capability** – the development of an agile, responsive, and culturally capable workforce is an essential aspect of effective frontline services.

We will continue to be responsive to the changing environment and will continue to take a lead role in ensuring Queenslanders have better access to information and government services.

Our key opportunities are:

- building on lessons drawn from our response to the pandemic, including jobs creation through accelerating innovation and superior frontline service delivery through collaboration
- deepening the integration of all our frontline services, including housing, homelessness, digital and community services, to better meet the needs of the individuals, families, and communities for which we work
- increasing the capability of organisations to drive arts-led improvements in social and economic outcomes, specifically jobs creation
- partnering with Aboriginal and Torres Strait Islander communities across the state to reshape and improve our frontline services
- providing connected digital gateways and pathways to support increased economic participation and job creation
- collaborating with the community sector regarding community housing.

Our values

Through our values and principles, we aim to develop a diverse, flexible, compassionate, and culturally safe workforce that respects one another and all those to whom we provide frontline services.

These values guide the services we deliver for Queensland:

- customers first
- ideas into action
- unleash potential
- be courageous
- empower people.



Organisational structure

As at 30 June 2021, the department consisted of eight key areas:

Housing and Homelessness:

- Service Delivery
- Strategy Policy and Programs

Arts Queensland:

- Arts Policy and Programs
- Business Performance and Infrastructure

Communities:

- Community Services and Statewide Operations
- Community Recovery

Transformation and Enabling Technologies:

- ICT Strategic Sourcing
- Transformation Projects
- Data and Information Services
- CITEC Enabling Services
- CITEC Integrations and Enabling Technologies

Services Delivery and Operations:

- Queensland Shared Services
- Smart Service Queensland
- Queensland State Archives

Customer and Digital Strategy:

- Strategic Policy and Architecture
- Office of Investment and Assurance
- Design and Capability

Strategy, Governance and Engagement:

- Communication and Engagement
- Strategy, Policy and Governance
- Department Liaison and Executive Services
- Cabinet Legislation and Liaison Officer

Corporate Services:

- Finance
- Human Resources
- Digital
- Internal Audit
- Procurement
- Property and Facilities
- Disaster Coordination
- Corporate Administration Agency.



Machinery-of-Government changes

Public Service Departmental Arrangements Notice (No.4) 2020

As a result of the Machinery-of-Government changes that came into effect on 12 November 2020, the former Department of Housing and Public works was renamed to the Department of Communities, Housing and Digital Economy and includes:

- Housing and Homelessness
- Digital Economy
- Digital Transformation
- Open Data
- Shared Services
- Strategic Digital Projects
- Archives
- Community Care
- Community Recovery
- Community Services
- Social Inclusion
- Arts
- Corporate Administration Agency.

The department is responsible for the following additional functions:

- Arts Queensland (Previously part of the Department of Environment and Science)
- Corporate Administration Agency (Previously part of the Department of Environment and Science)
- Support to the State Library of Queensland (Previously part of the Department of Environment and Science)
- Community Services (Previously part of the Department of Communities, Disability Services and Seniors).

The department is no longer responsible for the following functions:

- Building Policy and Asset Management and Queensland Government Procurement: Financial statements for the period 1 December 2020 to 30 June 2021 and non-financial performance information for the 2020–21 period can be found in the Department of Energy and Public Works annual report. Transactions from the 12 November 2020 to 30 November 2020 are reported in the financial statements of the transferring departments.
- Sport and Recreation: Financial statements for the period 1 December 2020 to 30 June 2021 and non-financial performance information for the 2020–21 period can be found in the Department of Tourism, Innovation and Sport annual report. Transactions from the 12 November 2020 to 30 November 2020 are reported in the financial statements of the transferring departments.



Our value proposition

Most Queenslanders encounter the services delivered by the Department of Communities, Housing and Digital Economy at some point in their lives – whether it is for one-off information or an ongoing, intensive, and potentially life-changing relationship with the department’s services.

The department is uniquely positioned to enhance and reshape how human services are designed and delivered in Queensland. We are committed to collectively meet the needs of some of the state’s most vulnerable individuals and families, together with citizens and communities across all of Queensland.

We will deepen frontline service integration, with a particular focus on ensuring housing and homelessness services and neighbourhood and community centres provide support that is sensitive and specific to the needs of individuals and communities.

We will also facilitate social inclusion and foster economic growth, across the full expanse of Queensland, through creating places and spaces to connect both digitally and creatively.

At the very centre of the impact of this department, and driving each of these endeavours, will be our commitment to place First Nations peoples at the heart of everything we do.

To realise these aspirations, we must engage and behave differently – we must design and deliver services that put people and place at the centre. The department will lead the design of place-based services that respond to local challenges, strengths, and objectives. This leadership role in place-based services will incorporate:

- positioning neighbourhood and community centres as a foundational base for early intervention and prevention
- mobilising the Care Army to assist people in the community, not just those in crisis
- delivering integrated housing and homelessness sector reforms that respond to need
- drawing on the arts as a cornerstone of Queensland’s economic recovery
- facilitating digital solutions in a post-pandemic economy.

Year in review

In 2020–21 the department remained focused on delivering strategies, programs and initiatives that increased social, economic, and digital inclusion for Queenslanders. Significant achievements were realised across all divisions in delivering on this work.

Community Services

Through the Community Recovery Hotline and the Care Army initiatives, thousands of vulnerable Queenslanders were supported during the state's lockdowns, with telephone support services, psychosocial supports, and the delivery of essential food, face masks, household items, and medications.

Volunteers are the backbone of initiatives such as the Care Army, and our teams worked with Volunteering Queensland to ensure a strong and rewarding role for volunteers across the state. We also established the Queensland Volunteering Action Partnership – made from the volunteering, community, public, and private sectors – to guide the government's support for volunteering across the state.

COVID-19 lockdowns highlight the importance of community connections and the need to help those experiencing social isolation and loneliness. This is why we have been supporting and informing the parliamentary inquiry into social isolation and loneliness in Queensland.

Neighbourhood and community centres are crucial hubs for thriving community connections. In 2020–21, the department invested \$20.1 million in 127 neighbourhood and community centres, including 12 Community Connect workers in high-demand locations to help support vulnerable individuals and families with complex needs to access services and supports. We also invested \$7.9 million in new centres, as well as the replacement or refurbishment of some existing centres.

We saw the construction of a new centre on Thursday Island and the opening of the new Kallangur Neighbourhood Centre along with the opening of The Oasis Townsville to support the local veteran community.

We led the delivery of the human and social recovery functions following natural disasters across the state, including access to emotional, social, psychological and practical support. We continue to learn from each of these experiences. The co-designed Disability Inclusive Disaster Risk Reduction Framework was a collaborative effort that has increased disaster resilience for Queenslanders with disabilities. We worked with customers and industry to develop a suite of resources and tools that will help pave the way for Queenslanders with disability and the organisations that support them, to be better prepared for future disasters.

Our Queensland Government Community Recovery Ready Reserves are working alongside Care Army volunteers assisting Queensland Health with the roll out of COVID-19 vaccination services.

Housing and Homelessness Services

In 2020–21, we continued to deliver services and outcomes for tenants and customers that helped them sustain a home during the pandemic. This included delivery of emergency accommodation and outreach services. 70,871 low-income households were assisted with social rental housing as at 30 June 2021, while 199,893 households were assisted by programs to help them access or sustain private tenancies as at 30 June 2021.

During the year we also prioritised responding to the health and economic impacts of the COVID-19 pandemic on the residential rental sector by implementing, adjusting, and extending temporary regulatory measures. Lessons from implementing these responses and consulting with key stakeholders informed development of further reforms to improve Queensland's rental laws.

Our Housing and Homelessness Services team prepared the legislative reform package for the *Housing Legislation Amendment Bill 2021*, which was introduced in Parliament on 18 June 2021.

Also, in June 2021, the launch of the *Queensland Housing and Homelessness Action Plan 2021–2025* was a major undertaking as the largest concentrated investment in social housing in Queensland's history.



The plan will increase social housing supply across the state; support ongoing delivery of products and services launched under the *Queensland Housing Strategy Action Plan 2017–2020*; support responses for women and families experiencing domestic and family violence; and provide ongoing homelessness supports.

This builds on the great work achieved through our Housing Construction Jobs Program, started in June 2017, under which we have commenced 2,480 new social housing homes including 531 in 2020–21. We have also commenced 126 new homes under our Works for Tradies initiative since it launched in June 2020.

In May 2021, we took the historic step of launching the Aboriginal and Torres Strait Islander peak housing body – Aboriginal and Torres Strait Islander Housing Queensland – which will ensure First Nations peoples are at the forefront of decision-making for First Nations peoples’ housing.

We also celebrated the completion of the first homes under the \$40 million Remote Interim Capital Program, with four two-bedroom homes in Pormpuraaw now home to local families, and work underway on projects across the remaining 16 Aboriginal and Torres Strait Islander local government areas.

Our department is committed to a Path to Treaty and is working for greater reconciliation and self-determination for First Nations peoples.

During the year our housing teams established and launched a ‘Yes, I Can!’ Aboriginal Adult Literacy Program and expanded the Aboriginal and Torres Strait Islander Traineeship Program to support 64 trainees.

Customer and Digital Services

In 2020–21 our Queensland Government Customer and Digital Group played a vital role in supporting the COVID-19 response through the development and delivery of the Check In Qld app and other critical digital and online services. The app was launched in February 2021 and Queensland Government Community Recovery Ready Reserves supported hundreds of hospitality businesses across the state to register their venues as the first mandatory users of the app.

By the end of the financial year, more than 97,000 businesses and venues had registered to use the app and customers had used it more than 79.5 million times to check in at venues.

Our contact centre staff continued to manage the 134COVID phone service and the covid19.qld.gov.au website, connecting communities and providing vital information to Queenslanders. During the 2020–21 financial year, our contact centre teams assisted more than 1.37 million COVID-related calls, answering queries about vaccinations, COVID restrictions, and travel declarations. More than 21.87 million visits to the Queensland Government COVID websites were recorded.

During the year, our department continued to work towards ensuring that Queenslanders will have the digital skills needed now and for the future. Digital capability is essential for a digital economy, and industry forecasts show Queensland will need tens of thousands more digital workers by 2024. The four-year *Digital Professional Workforce Action Plan 2020–2024* was launched in June 2021 to meet this challenge, and support Queenslanders to access training for digital skilling, up-skilling and re-skilling.

We also continued to focus on improving the Queensland Government’s digital and information and communication technology (ICT) investments, and support customer-focused reforms for how Queenslanders engage and transact with government.

Building and maintaining trust in digital government services remained a key priority and we continued to upgrade government systems, enabling three times the size of cyber-attacks able to be blocked. We will continue to focus on upgrading government-wide cyber security protection services.



Arts Queensland

In 2020–21, we focused on stabilising the arts and cultural sector, securing jobs for artists and arts workers, and enabling access to creative experiences for all Queenslanders through a range of funding programs, initiatives and partnerships.

Delivery of the first year of the Arts and Cultural Recovery Package and other relief measures supported the sector to continue to navigate the impacts of COVID-19 by re-opening our cultural venues, developing new work, and delivering COVID-safe arts experiences.

We launched the whole-of-government *Creative Together 2020–2030: A 10-Year Roadmap for arts, culture and creativity in Queensland* (Creative Together 2020–2030), that will see the renewal and transformation of Queensland through arts, culture and creativity. A key action of the roadmap has been the establishment of the First Nations Arts and Cultures Panel to amplify the voices of Aboriginal and Torres Strait Islander peoples in the future of arts, culture and creativity in Queensland, with a focus on meaningful representation and engagement.

Infrastructure works and upgrades to digital technology at state-owned cultural infrastructure, including across the Queensland Cultural Centre and Judith Wright Arts Centre, continues to activate Queensland spaces and places – both online and in venue.

Our strategic objectives

Our strategic plan maps our future direction and the steps we intend to take over the next four years to deliver our strategic outcomes and the Queensland Government's objectives for the community, *Unite and Recover*. The plan also guides us on how we will work together with our customers and key stakeholders.

The objectives identified in our *Strategic Plan 2020–24* are to:

1. Improve social and economic outcomes for Queenslanders across the state
2. Ensure Aboriginal and Torres Strait Islander peoples and culture are central to all engagement, design and delivery
3. Integrate proactive frontline services, assistance and programs for Communities, Housing, Digital and the Arts
4. Support a thriving digital economy where Queenslanders, their businesses and communities can transact successfully with government and each other.

The plan also includes a fifth enabling objective: Adhere to the highest standards of professional conduct and ethical business practices in everything we advocate and undertake.

To achieve the delivery of the strategic objectives, the department provides services through the service areas as reported in our Service Delivery Statements (SDS).

The service areas for 2020–21 are:

- **Arts Queensland:** Invest in opportunities that create greater access for Queenslanders to experience arts and culture, support the growth of the arts sector and showcase the state's stories and artistic talent
- **Community Services:** Support communities to thrive through investing in quality community services that are connected and support the social and economic inclusions and wellbeing of people of all ages, abilities and backgrounds
- **Customer and Digital Services:** Put Queenslanders and their businesses at the heart of government service delivery and oversee investments to enable successful delivery of a digitally enabled government
- **Housing and Homelessness Services:** Benefit Queenslanders and their communities by providing housing and homelessness services that are responsive, integrated and accessible, and enrich the lives of Queenslanders.



Refer **DCHDE 2020–21 Service Delivery Statements** for more information:

https://budget.qld.gov.au/files/SDS_1.pdf

Strategic objective one

Improve social and economic outcomes for Queenslanders across the state

Our achievements

This objective is achieved through the following strategies:

Community Services

Place communities and neighbourhood and community centres at the centre of the design and delivery of frontline services.

Provide support to vulnerable Queenslanders through the Care Army, the development of a social isolation and loneliness strategy, community support and transport, emergency relief services, and community recovery services following disasters or community trauma.

Champion place-based and community-led solutions to social disadvantage.

In 2020–21, we:

- addressed the immediate needs of community members experiencing vulnerability through partnering with community organisations to fund food rescue, school breakfast programs, goods donation services, emergency relief for food and essential household costs, and supporting communities in drought
- provided funding of \$20.1 million to a network of 127 neighbourhood and community centres to assist individuals and families and respond to the needs and priorities of their local communities
- funded programs and services that supported Queenslanders with practical and emotional support to deal with issues such as financial hardship, harmful alcohol consumption, and other wellbeing concerns where counselling and linkages to specialist services are essential
- established contracts for the delivery of \$4.1 million in Community Drought Support funding for the provision of Flexible Financial Hardship payments and to support community events and activities in drought declared local government areas
- supported over 8,000 eligible individuals to remain living independently and participating in their local community with in-home services and community connection supports through \$37.1 million in funding to the Queensland Community Support Scheme (QCSS)
- developed 10 local action plans, informed by the community, for the North West Minerals Province and shared these with Mayors for consideration in the context of a requested deferral of remaining funding to 2021–22
- provided departmental advice, and supported the parliamentary inquiry into social isolation and loneliness in Queensland
- continued funding, support and establishing foundational activities in the ongoing implementation of Queensland's Stronger Places, Stronger People sites of Logan, Rockhampton and Gladstone
- implemented the second social cohesion action plan – *Thriving Cohesive Communities: Action Plan for Queensland 2019–2021* (Stage 2) – \$3.35 million allocated to 33 projects statewide
- provided \$250,000 in funding to Volunteering Queensland to mobilise the Care Army to support other vulnerable people or community needs, such as supporting the community vaccination centres
- continued to deliver funding to community organisations to provide practical support and hardship relief, capability and resilience building, and community strengthening



- led the delivery of the human and social recovery function, following disasters or community trauma, including access to emotional, social, psychological and practical support including the Queensland Government Ready Reserve workforce
- development and delivery of resilience activities such as working in partnership with the University of Sydney, Queenslanders with Disability Network and Community Services Industry Alliance to deliver new resources and tools under Stage 2 of the Disability Inclusive Disaster Risk Reduction (DIDRR) project
- continued to support the Queensland Government's COVID-19 response through provision of emotional and practical support and assistance to people in quarantine, and the mobilisation of the Queensland Government Community Recovery Ready Reserves to provide support at fever clinics and vaccination hubs or as COVID-19 Ambassadors.

Housing and Homelessness Services

Partner with the housing and homelessness sector to strengthen the housing system to provide safe and secure housing for vulnerable people to enable them to access pathways to prosperity.

Create jobs and grow the supply of diverse housing options, through construction developments, which aim to increase the availability of social and affordable homes.

In 2020–21, we:

- delivered additional social and affordable housing in identified growth areas through the Housing Construction Jobs Program and awarded contracts for the commencement of 531 new social and affordable housing builds. Since the inception of the *Queensland Housing Strategy 2017–2027* in June 2017, 2,480 new social housing dwellings have commenced construction, exceeding the four-year target of 2,385 dwellings
- ensured the safety and security of social housing tenants, in well maintained homes, through a \$391.2 million maintenance and upgrade program. Commenced 197 and completed 259 portfolio revitalisation and renewal upgrade activities that focused on existing multi-unit complexes
- continued reviewing and adjusting the COVID-19 response for residential tenancies to ensure temporary regulatory measures remain well targeted to COVID-19 risks and the sector's needs
- continued to partner with the community and affordable housing sectors to leverage growth of housing supply, support a pipeline of employment, and improve community housing supply through Partnering for Growth.
- continued to deliver integrated, place-based, person-centred, multi-agency service responses in nine Queensland locations through the Coordinated Housing and Homelessness Responses initiative, which identifies people experiencing homelessness matching appropriate services for people with complex needs
- established the Cross Agency Coordinated Human Services Response to Homelessness Committee and Community Sector Homelessness Response Group, for improved coordination and integration of services to develop a contemporary system that better responds to people in housing need
- continued to support people experiencing homelessness with safe, secure accommodation and pathways to longer-term housing through the COVID-19 pandemic and lockdowns, through responses at Glen Road, Toowong, and short-term commercial accommodation (hotels and motels) across Queensland
- boosted housing supply, drove economic activity and supported construction across Queensland through the Work for Tradies Program, awarding contracts for the commencement of 126 new social and affordable housing projects
- progressed Stage 1 rental law reforms to prevent owner-initiated, no grounds tenancy terminations, prescribe minimum housing standards for rental properties, allow renters experiencing domestic and family violence to end their tenancy quickly with limited liability for end of lease costs, and encourage more pet-friendly rental properties by requiring owners to only refuse pet requests on prescribed reasonable grounds and allowing approval to be subject to conditions.

Customer and Digital Services

Partner with communities across Queensland, to strengthen the digital economy, enable economic participation, and support jobs creation.

Provide simpler and faster pathways for business, particularly small business, to deliver ICT and digital services.

In 2020–21, we:

- collaborated on national projects to support the Data and Digital Ministers' Meeting priorities which, when complete, will deliver improved services to citizens during the life events they need government support the most – looking for work, having children, or experiencing a natural disaster
- provided accessible, responsive, simple and trusted services to Queenslanders via telephone on 13QGOV (13 74 68) and 134COVID (13 42 68), online at qld.gov.au, and in person at Queensland Government service centres and agent program locations
- supported the Queensland Border Declaration Pass process in response to COVID-19, enabling more than 6.2 million border forms to be issued between 1 July 2020 and 30 June 2021
- delivered the Check In Qld app to support COVID-19 contact tracing, enabling Queenslanders to simply and securely check in at more than 97,000 registered venues across the state
- supported the creation of 22 graduate jobs under the Digital and ICT Graduate Program, building Queensland's digital workforce
- facilitated access to Queensland's archival public records more than 17 million times through social media, the public catalogue and regional programs
- digitised over 500,000 pages of at-risk paper records and 1,035 audio-visual records held in Queensland State Archives collection to prevent their loss through degradation and deterioration.

Arts Queensland

Build a strong and sustainable sector, stabilise Queensland's arts companies, secure jobs for artists and arts workers, and deliver COVID-safe cultural experiences.

Invest in delivering social outcomes, that benefit Queenslanders, through partnerships, sector skills development and growing the evidence base.

Invest in strategic cultural infrastructure across to support local industry, enliven communities, create employment, and deliver improved economic and social outcomes.

In 2020–21, we:

- invested \$13.3 million through the first year of the Arts and Cultural Recovery Package, including:
 - \$5.61 million to support organisations including live music venues, Indigenous Arts Centres, small to medium organisations, festivals and independent arts companies to offset revenue losses and stabilise business operations
 - \$3.37 million to support artists and organisations to develop new work and to support live music and performing arts venues to program Queensland artists and organisations
 - \$2.10 million to support organisations to rethink audience engagement including hosting cultural events in outdoor and non-traditional settings, building online engagement and attracting young people to the arts



- \$2.19 million to support partnerships with local councils, venues, artists, festivals and organisations to provide unique experiences, attract new visitors and generate opportunities for Queensland communities, and realise arts-led social impact projects through the launch of the Arts Advantage stream in the Queensland Arts Showcase Program
- provided \$35.5 million in relief measures towards the impact of COVID-19 including:
 - supported the state's arts statutory bodies and major performing arts companies, noting some were not eligible for the Australian Government's JobKeeper program
 - extended funding, to the end of 2021, to ensure the stability of those organisations supported through the Organisations Fund 2017–2020, which provides critical, multi-year core operational funding for small to medium arts companies
 - rental relief for tenants at the Queensland Cultural Centre and in Arts Queensland-owned buildings, Festival House and Judith Wright Arts Centre (July–December 2020)
- expanded the scope of the Organisations Fund 2022–2025 to include a dedicated pathway for small or emerging organisations, outside the established not-for-profit model, to transition into the multi-year fund while also supporting established Queensland arts and cultural organisations that deliver a substantial program of activity
- continued to invest in the state's five major performing arts organisations through the Major Performing Arts Framework and supported the entry of Dancenorth to the new National Performing Arts Partnership Framework
- invested \$26.4 million (including a \$6.3 million equity contribution from Queensland Performing Arts Trust (QPAT)) towards the construction of the \$175 million new performing arts venue at the Queensland Performing Arts Centre.

Looking forward

In 2021–22, we will continue to support government and departmental commitments and priorities by:

- continued collaboration on national projects to support the Data and Digital Ministers' Meeting and service transformation priorities to achieve an improved customer experience across jurisdictional boundaries
- engaging with industry, business, government and community groups to understand their digital needs, and the challenges and opportunities they face as participants in the digital economy
- engaging with key community stakeholder groups to consider how connectivity, affordability and design of government services can be improved for digitally disadvantaged or excluded Queenslanders
- working in partnership with industry, the education sector and regional and community groups to deliver the *Digital Professional Workforce Action Plan 2020-2024*
- continuing to preserve Queensland's history through a digitisation program that prioritises at-risk audio-visual and magnetic media records held by the Queensland State Archives
- delivering a second year of the Arts and Cultural Recovery Package of \$9.2 million, and the additional \$7 million announced in the State Budget 2021–22, to extend the live music venue support program to support the sustainability of Queensland's live music industry
- ongoing engagement across government and the sector to advocate the role of arts and culture in improving the lives of all communities and identify opportunities for cross-sector projects
- continuing investment in arts and cultural infrastructure, with \$100.7 million to be invested to maintain and revitalise critical arts and cultural infrastructure, delivering significant community benefits, grow the arts and cultural sector and generate new jobs
- continuing to work with key stakeholders in extending place-based activities so that the community plays an important role in local solutions to local issues
- continuing to support the immediate needs of community members experiencing vulnerability, particularly in continued response to COVID-19, through partnering with community organisations to



fund food rescue, school breakfast programs, goods donation services, emergency relief for food and essential household costs and supporting communities in drought

- working with and funding the network of 127 neighbourhood and community centres to assist individuals and families, and respond to the needs and priorities of their local communities
- delivering programs and services that support Queenslanders with practical and emotional support to deal with issues such as financial hardship, harmful alcohol consumption and other wellbeing concerns where counselling and linkages to specialist services are essential
- continuing to support eligible individuals, with in-home and community connection support through the Queensland Community Support Scheme, to remain living independently and participate in their local community
- delivering improved housing outcomes through the *Queensland Housing and Homelessness Action Plan 2021–2025* including:
 - introducing the Queensland Housing Investment Growth initiative to commence 6,365 new social homes over the next four years and to support a quick response to emergent housing need. This initiative is a \$1.813 billion investment to deliver a pipeline of construction and renewals that will create jobs and benefit trades.
 - working with our service partners and peak bodies to support sustainability of the community housing sector, and better respond to the needs of Aboriginal and Torres Strait Islander peoples and communities in remote, regional and urban areas
 - implementing actions for engaging with regional and rural local councils, on housing and accommodation needs, and delivering flexible approaches for local communities
 - preventing homelessness and supporting vulnerable people to stay in their homes as we move towards ending homelessness, which includes better coordination and integration of services across government and the sector and develop a new framework to ensure no person exits from another government service to homelessness
 - improving cross-agency responses to housing need and delivering integrated health, housing and human services through strong referral processes and integrated service responses
 - enhancing the suite of products and services to support private rental and home ownership, including improving Aboriginal and Torres Strait Islander peoples' access to home ownership opportunities in remote, rural and regional locations
 - continuing to deliver rental law reform to better protect renters and owners and improve stability in the rental market.



Strategic objective two

Ensure Aboriginal and Torres Strait Islander peoples and culture are central to all engagement, design and delivery

Our achievements

This objective is achieved through the following strategies:

Community Services

Partner, collaborate, and engage with First Nations peoples in the design and operations of place-based frontline services that meet community needs and expectations.

In 2020–21, we:

- confirmed our partnership commitment under the Logan Together Collaboration Agreement and participated in the development of the supporting implementation plan
- supported the work of the BIG Group, an Indigenous community-led collective impact in Rockhampton, as part of the foundational support provided to community under the Stronger Places, Stronger People initiative
- engaged with First Nations representatives on the neighbourhood and community centres Strategic Repositioning Committee to design and implement the strategic reform of centres
- commenced an engagement process in discrete Aboriginal and Torres Strait Islander communities to ensure the Queensland Community Support Scheme (QCSS) service delivery mechanisms are fit for purpose.

Housing and Homelessness Services

Engage, collaborate and partner with First Nations peoples to identify and respond to local housing challenges and priorities, with the Aboriginal and Torres Strait Islander Housing Action Plan 2019–2023 guiding frontline service delivery.

In 2020–21, we:

- funded and launched an independent peak housing body, Aboriginal and Torres Strait Islander Housing Queensland, to advocate for and support Indigenous Community Controlled Housing Organisations, including Aboriginal and Torres Strait Islander councils, to improve housing outcomes for First Nations Queenslanders
- progressed place-based local housing plans, through the development of community engagement plans for 19 Remote Aboriginal and Torres Strait Islander communities, and partnered with First Nations peoples of Logan and Ipswich to commence the development of local housing plans in their communities
- supported Aboriginal and Torres Strait Islander councils to identify and respond to local housing challenges through the administration of the \$40 million Interim Remote Housing Program and the \$105 million Remote Housing Program
- supported self-determination and economic participation by resolving the ownership of 170 social housing dwellings, impacted by leases and lease entitlements that arose under the *Aborigines and Torres Strait Islanders (Land Holding) Act 1985*. This resulted in 141 families taking up home ownership opportunities in Aboriginal and Torres Strait Islander remote and discrete communities (towards the overall target of 345 by 30 June 2022)



- launched the three-year pilot of the 'Yes I Can!' Aboriginal Adult Literacy program in Yarrabah, partnering with Literacy for Life Foundation to increase participants' literacy skills
- inducted 28 new trainees into the Aboriginal and Torres Strait Islander Traineeship program. The program gives participants the opportunity to develop skills in government policy, programs and service delivery.

Customer and Digital Services

Work with frontline delivery teams, business and industry partners to improve digital infrastructure and connectivity for Aboriginal and Torres Strait Islander communities in order to facilitate economic participation, innovation, and employment opportunities.

In 2020–21, we:

- co-funded the delivery of two new connectivity projects to improve access to telecommunications and digital services in Queensland
- developed and commenced the First Nations First program at Queensland State Archives (QSA) to support truth telling and healing and the Queensland Government's Path to Treaty commitments, and raise awareness about our shared history
- released QSA's Statement of Intent, demonstrating commitment to including the experiences and perspectives of First Nations peoples in the archival collection
- digitised 2,500 archival items, relating to frontier violence, as part of QSA's First Wars Project.

Arts Queensland

Promote and strengthen Queensland's First Nations arts through First Nations-led protocols, processes, investment and initiatives.

In 2020–21, we:

- established the First Nations Arts and Cultures Panel, a key deliverable of Creative Together 2020–2030 and the priority Elevate First Nations arts. The Panel will strengthen the voices of First Nations peoples in the future of arts, with a focus on meaningful representation and engagement, cultural strategy, policy, and investment. Key focus areas in 2020–21 included:
 - shaping the development of the First Nations Pathway Fund 2022–2025, supporting First Nations emerging performing arts organisations that create and present new work
 - foundational work to develop a Cultural Engagement Framework for the Queensland arts and cultural sector, which will inform and guide respectful engagement with First Nations peoples, arts workers, organisations and communities with regards to developing, creating, and presenting arts, culture and heritage
 - supporting career pathways for First Nations artists and arts workers
- continued to support the building of sustainable and ethical Aboriginal and Torres Strait Islander arts industries through the Backing Indigenous Arts initiative, through the ongoing delivery of the \$12.6 million investment over four years (2019–2020 – 2022–2023)
- supported the sustainability of First Nations arts through the Arts and Cultural Recovery Package including:
 - investing in Queensland's Indigenous Arts Centre (IAC) network, including expanding the network from 14 to 17 IACs across the state, with new IACs: Djabugay Art Centre (Kuranda), Saltwater Murris Quandamooka Art Gallery (Minjerribah) and Aboriginal Art Co (Brisbane)
 - delivered investment of \$836,781 to support 19 projects deliver uniquely Queensland stories, arts and cultural experiences, products and celebrations through the First Nations Commissioning Fund

- supported eight projects, with funding of \$262,422, for independent artists and organisations to develop and present new works at Bulmba-ja Arts Centre in Cairns
- provided \$207,493 to support arts and cultural projects through the Indigenous Regional Arts Development Fund, helping to keep culture strong and share stories through visual arts, music and dance.

Looking forward

In 2021–22, we will continue to ensure that Aboriginal and Torres Strait Islander peoples are at the centre of everything we do by:

- working towards Closing the Gap, through digital inclusion and policy development, ensuring new digital strategies promote equal access to information and services and enable Aboriginal and Torres Strait Islander people to participate in informed decision-making regarding their own lives
- continuing to fund the Mobile Black Spot Program, and other connectivity projects, to improve telecommunications in remote areas
- continuing to improve outcomes for Aboriginal and Torres Strait Islander peoples by using the collection at QSA to foster truth telling and healing and supporting the Queensland Government's Path to Treaty commitments
- appointing the inaugural First Nations Archives Advisor to support the QSA's journey to acknowledge and include the voices and perspectives of First Nations peoples
- building staff capability, and cultural safety within the QSA, through mandatory cultural agility training and attendance at the Building on the Strengths of our Stories workshop
- joining up research, programs and exhibitions across the QSA's collections, State Library of Queensland, Queensland Museum, Queensland Art Gallery and Gallery of Modern Art to support the department's First Nations First program
- working with neighbourhood and community centres to deliver activities relating to the First Nations First program
- launching and implementing the First Nations Pathways – Performing Arts Emerging Organisations Fund 2022–2025, which will support First Nations emerging performing arts organisations' artistic achievement and ambition
- releasing and embedding the co-designed Cultural Engagement Framework to inform and guide respectful engagement with First Nations peoples, arts workers, organisations and communities with regards to developing, creating and presenting arts, culture and heritage
- strengthening distribution of ethically produced visual arts created by Aboriginal and Torres Strait Islander artists
- delivering the Logan Together Collaboration Agreement, formalising the partnership between the Logan Together Board, Leadership Table, Warril Yari-Go Karulbo, Department of Social Services, and the Department of Communities, Housing and Digital Economy, and progressing an agreed approach to how the partners will work together in support of a shared local agenda for the Logan community
- engaging with Queensland Community Support Scheme service providers, across 21 discrete and remote communities, to inform a culturally appropriate service delivery model for First Nations peoples
- engaging, collaborating, and partnering with First Nations communities, and peoples, to identify and respond to local housing challenges and partnering with Aboriginal and Torres Strait Islander Housing Queensland, Indigenous Councils, non-government organisations and other government agencies to enable First Nations peoples to access appropriate sustainable housing and strengthen the housing sector.

Strategic objective three

Integrate proactive frontline services, assistance and programs for communities, housing, digital and the arts

Our achievements

This objective is achieved through the following strategies:

Community Services

Engage frontline staff to design and embed community-focused programs and responses that integrate government services and enhance synergies across communities.

Create places for Queenslanders to share stories and histories and create a sense of connection, particularly through neighbourhood community centres.

In 2020–21, we:

- worked with Volunteering Queensland to mobilise the Care Army for the COVID-19 vaccination roll out and other identified opportunities to support vulnerable Queenslanders
- engaged with stakeholders and sector representatives on the Neighbourhood and Community Centre Strategic Repositioning Committee to design and implement strategic reform of centres
- continued to work with key stakeholders, such as the Queensland Council of Social Services, Community Services Industry Alliance, Volunteering Queensland, and the Queensland Families and Communities Association, to help build the capacity, capability and sustainability of the community services sector
- supported delivery of the Thriving Cohesive Communities projects, which promote and preserve Queenslanders' inclusion, accessibility, and social and economic participation in the community
- coordinated and provided secretariat support for the Queensland Lesbian, Gay, Bi-sexual, Transgender, Intersex (LGBTI) Roundtable and the Queensland Volunteering Action Partnership.

Housing and Homelessness Services

Work with regulated accommodation providers, and other partners, to improve the supply of regulated accommodation, the quality of services provided to residents and to protect the rights of residents.

Work in collaboration with the sector, and partner agencies, to deepen the integration of service responses and improve housing outcomes for people with complex needs through integrated, place-based services.

In 2020–21, we:

- piloted the Supportive Housing for Families project which includes 20 headleased properties from the private market, and intensive family support, to reduce their contact with the child protection system
- commenced the Affordable Housing for Women Experiencing DFV initiative in partnership with the former Department of Child Safety, Youth and Women, to provide headleased accommodation for the private market to women and children who have no exit pathway from DFV shelters in South East Queensland.

- continued to deliver the Next Step Home (Women on Parole) initiative jointly with Queensland Corrective Services in Townsville and South East Queensland. This initiative provides women released to parole from Queensland correctional centres, who are at risk of homelessness, with coordinated housing and support in head-leased accommodation from the private market
- continued to deliver funding to Queensland community housing providers for headlease over 160 private market properties, to support those experiencing the impacts of COVID-19
- extended funding to 18 Community Rent Scheme providers, for a further two years to 30 June 2023, enabling over 1,700 properties to be available to assist eligible social housing households.

Coordinate and co-design housing and homelessness responses across government, and the community sector, as outlined in the Queensland Housing Strategy 2017–2027.

In 2020–21, we:

- continued delivery of place-based response teams and provided funding to support care coordination in nine priority locations (Brisbane, Cairns, Gold Coast, Logan, Mackay, Moreton Bay, Redlands, Sunshine Coast and Townsville) under the Coordinated Housing and Homelessness Response (integrated service delivery) initiative
- continued to implement the critical response plan to house vulnerable people who are homeless or at risk of homelessness due to unstable or inappropriate housing in response to COVID-19
- met with the Housing Older Women Movement to discuss the supply of affordable, accessible, secure and amenable housing for women 45 years and older
- met with the Services Union to discuss the continued application of the equal remuneration order
- implemented statewide improvements to frontline service delivery, including an enhanced DFV service offering across 22 housing service centres
- improved service response—enabling long-stay hospital patients to exit into long-term housing solutions—to approximately 250 National Disability Insurance Scheme participants and 50 National Injuries Insurance Scheme participants
- implemented the *Housing Legislation (Building Better Futures) Amendment Act 2017 – Retirement Villages Act 1999*:
 - completed consultation on a draft Amendment Regulation, outlining new requirements for financial reporting, and released a discussion paper outlining options for more standardised residence contracts
 - consulted with stakeholders to swiftly implement amendments to the *Retirement Villages Act 1999* to exempt resident-operated freehold retirement villages from mandatory buyback provisions and to address the findings of the independent review of the timeframe for exit payments in retirement villages. Following this consultation, the *Housing Legislation (Building Better Futures) Amendment Bill 2017*, containing a power for a Regulation to exempt resident-operated retirement villages from mandatory buyback requirements, was introduced into Parliament on 18 June 2021
- committed to Partnering for Impact to reduce homelessness in Queensland:
 - delivered the Housing and Homelessness COVID-19 Immediate Response Fund and other local responses to COVID-19 across the state, including the Coordinated Housing and Homelessness Response Service Integration initiative in nine locations
 - made further improvements to service agreements, information sharing and streamlining the Brisbane LGA project. The establishment of the COVID-19 Community Sector Homelessness Response Group and Homeless Hotline also strengthened the project structure
 - delivered new housing and support models to transition people to medium/long-term housing solutions, connecting them with supports (aligned with Partnering for Growth), delivered through COVID-19 homelessness responses, including the transition of people at Glen Road, Toowong, and other hotels/motels used through COVID-19 lockdown responses

- implemented the *Manufactured Homes (Residential Parks) (COVID-19 Emergency Response) Regulation 2020* to respond to issues caused by COVID-19 impacting on market review site rent increases and related dispute resolution issues in Queensland residential parks, as well as provision for meetings required under the *Manufactured Homes (Residential Parks) Act 2003* to be held remotely
- delivered upgrades to two domestic and family violence shelters in Woorabinda and Southport
- delivered the Gold Coast Youth Foyer, which reached practical completion on 29 June 2021, providing 40 units of accommodation for young people aged 16–25, office space, meeting and training rooms and communal areas.

Customer and Digital Services

Deliver integrated and proactive customer and digital government services by providing timely, trusted, and accessible information services.

Support Queenslanders to access ICT and digital skilling, and re-skilling, to strengthen Queensland's digital economy and COVID-19 recovery.

In 2020–21, we:

- engaged with peak industry bodies and academia, including the Australian Information Industry Association, to inform the finalisation of the *Digital Professional Workforce Action Plan 2020–2024*, which will reskill and skill up to 10,000 new digital professionals in Queensland
- launched ArchivesSearch, a new online system providing Queenslanders with modern, Google-like search and discovery access to the state's archival public records
- provided opportunities for 67,000 Queenslanders to connect with Queensland State Archives' (QSA's) heritage collection through the regional program which visited Cairns, Mourilyan, Charters Towers, Mossman, Bundaberg, Winton and Townsville
- delivered the first regional Memory Lounge event in Kilkivan, connecting people living with dementia to the past using photos from the QSA collection published 23 stories from the QSA's collection on the Google Arts and Culture platform.

Arts Queensland

Continue to engage the sector to ensure policy and investment programs are responsive to sector needs and work to support Queensland Government priorities.

Implement Sustain 2020–2022 actions to support the delivery of Creative Together 2020–2030.

In 2020–21, we:

- released and commenced implementation of *Creative Together 2020–2030: A 10-Year Roadmap for arts, culture and creativity in Queensland* (Creative Together 2020–2030), and its first action plan, *Sustain 2020–2022*, with a focus on recovering, reactivating and rebuilding Queensland's arts, cultural and creative sectors
- committed \$52 million in grant funding for base and limited life COVID-19 recovery programs in 2020–2021, through a range of programs, to support the arts, cultural and creative sector to deliver creative opportunities for Queenslanders
- redesigned Arts Queensland programs, including Queensland Arts Showcase Program and the Playing Queensland Fund (now Touring Queensland Fund), in response to the sector's feedback on the need for flexible support to recover from COVID-19. This funding relieves immediate cost pressures and allows for a quick response to undertake emerging opportunities

- completed the \$3.1 million refurbishment of the Judith Wright Arts Centre, providing a dynamic hub for arts organisations and opportunities for Queensland artists to create and showcase work. These refurbishments include new space for three additional tenancies, gallery spaces, and digital arts projections onto the building's façade
- partnered with local government councils and community groups through the Indigenous Regional Arts Development Fund, and the Regional Arts Development Fund, to support local arts and cultural priorities across Queensland
- supported regional arts delivery, through the Regional Arts Service Network, comprising eight regional arts service providers. The network has been important in supporting local arts priorities and using arts-led initiatives to enhance regional development and local social priorities.

Looking forward

In 2021–22, we will continue to support the government's commitments and priorities by:

- progressing the review of dispute resolution in residential (manufactured home) parks and retirement villages by developing a discussion paper, consulting with the community on reform options, and reporting outcomes to the Minister
- progressing initiatives for the residential sector in the *Queensland Housing and Homelessness Action Plan 2021–2025*, to provide a regulatory framework that delivers the best possible outcomes for consumers
- enhancing the consumer experience and industry engagement across residential (manufactured home) parks, residential services, and retirement villages
- establishing a Community and Industry Advisory Council, including representatives from disability groups and regional and remote Queensland, to help guide accessibility and usability of digital government reforms
- working with neighbourhood and community centres to display Queensland State Archives' regional exhibitions and programs
- strengthening the state's response to cyber security incidents through implementation of the Queensland Government Cyber Security Arrangements and launch of the 2021 Queensland Government Cyber Security Strategy
- continuing implementation of the second year of the Creative Together 2020–2030 action plan *Sustain 2020–2022*
- engaging and consulting with the arts and cultural sector, and other sectors and industry to support the development of *Grow 2022–2026*, the second action plan for Creative Together 2020–2030
- continuing to revitalise critical infrastructure, to meet the needs of the arts sector and community, including the Queensland Cultural Centre, through investment of \$7.7 million, and a further \$3.3 million for essential upgrades
- delivering \$4.4 million in upgrading arts infrastructure as part of the \$13.3 million Arts Infrastructure Investment Fund, including Stage 2 of the Judith Wright Arts Centre redevelopment
- commencing the next stage of the \$6 million, four-year Regional Arts Service Network initiative, including procuring regionally based service providers to broker, lead and support projects that enhance cultural vitality, create thriving communities and advance regional development and social priorities
- engaging with peak bodies and representative organisations to support the community services sector
- continuing to engage with non-government organisations in the Queensland community services sector and assist the recovery from COVID-19 through growing workforce and industry capacity and capability
- developing a new standing offering arrangement for disaster relief and recovery services
- delivering the Homeless Inclusive Disaster Risk Reduction initiative
- delivering Phase 3 of the Disability Inclusive Disaster Risk Reduction (DIDRR) project, including emergency service practitioner training modules and resources.

Strategic objective four

Support a thriving digital economy where Queenslanders, their businesses and communities can transact successfully with government and each other

Our achievements

This objective is achieved through the following strategies:

Community Services

Utilise improved digital infrastructure and existing community infrastructure to support integrated government services and connect geographically dispersed communities.

In 2020–21, we:

- worked with funded partners to better utilise available technology.

Housing and Homelessness Services

Continue to transform services by utilising emerging technologies to drive frontline service excellence.

In 2020–21, we:

- enhanced the Customer Management System by transitioning delivery of Emergency Housing Assistance Requests and key private rental products onto the platform. The Customer Management System has over 700 active users, supporting over 140,000 customers
- worked with peak bodies, the private sector and other partners to develop an online Housing Hub to assist people to find affordable, sustainable and secure housing for sale or rent.

Customer and Digital Services

Support the growing digital economy and invest in new digital products which meet our customers' needs, as well as digital infrastructure and open data, to assist Queensland businesses to innovate and better service customers and communities.

Support our agency partners, and other departments, to deliver simpler, more streamlined government services to citizens.

In 2020–21, we:

- delivered digital products and platforms under the Tell Us Once program that will enable secure login, pre-filled forms and an improved customer experience
- delivered customer journeys and service designs for COVID-19 products and services and data analysis to support compliance activities including the Border Declaration Pass and Travel Declaration and the Check in Qld app
- continued to enhance the open data portal data.qld.gov.au, making it easier to discover and access open data

- completed a distributed denial of service refresh project to evaluate and implement an alternate technology solution for the whole-of-government with the aim of meeting future demand and reducing the cost of ownership
- extended the Queensland Government Regional Network service, delivering improved ICT network connectivity, by consolidating connections for government departments and agencies. A total of 423 sites have been delivered, increasing connectivity capacity by an average of 50 per cent, while decreasing government cost by an average of 40 per cent
- received recognition for CITEC Information Brokerage at the Australian Government Digital Awards 2020 – the team were finalists in the outstanding digital methodology or approach category.

Arts Queensland

Invest in partnerships and digital infrastructure to create new and/or enhanced marketplaces for arts products, outcomes and services that reach global audiences.

In 2020–21, we:

- committed \$673,402 in projects across Queensland, through the Digital Adaptation Fund, as part of the Arts and Cultural Recovery Package. The projects supported the creation and delivery of digital programming across the arts and cultural sectors and helped build the sector's skills to support online Queensland content
- supported artists and arts organisations to record, live stream and produce cultural works, with upgrades to digital theatre infrastructure at the Judith Wright Arts Centre (Brisbane) and Bulmba-ja Arts Centre (Cairns)
- invested in audio visual equipment in the Cremorne Theatre, Queensland Performing Arts Centre, enabling small to medium arts companies to broadcast to audiences across the state
- supported the Regional Arts Service Network's Creative Business Champions, an online arts business advice and mentoring program, building the competency and capability of artists and arts workers across Queensland. Over 300 artists and arts workers accessed the expertise of the 12 Creative Business Champions, across a range of areas, including business and leadership, cultural competency, cultural tourism and social outcomes.

Looking forward

In 2021–22, we will continue to support the government's commitments and priorities by:

- extending network connectivity across the state, to support agencies to improve the delivery of their frontline services
- expanding cyber security services to ensure the Queensland Government continues to be protected against cyber security threats
- continuing to extend the use of process automation tools to increase transactional processing efficiency, and enable faster corporate services for partner agencies
- expanding the number of corporate service online forms and payroll self-service options to improve the employee/end-user experience
- delivering a proposal outlining how government agencies with large telecommunications services can best use their service demand to bring better connectivity to small businesses in the regions
- progressing the implementation of the Digital Archiving Program to enable preservation and management of the state's permanent value digital records
- continuing to facilitate the digitisation of arts content to broaden and grow audience reach and provide additional income streams for Queensland artists, creatives and arts workers
- using a human-centred approach to update the community support information on the Disasters and Emergencies section of qld.gov.au.

Enabling objective five

Adhere to the highest standards of professional conduct and ethical business practices in everything we advocate and undertake

This objective is achieved through the following strategies:

Performance Excellence Framework

The Performance Excellence Framework and policy outlines the department's commitment to promoting and supporting a high-performance culture through four key areas:

- recruit and induct
- engage
- perform and review
- reward and recognise.

The department's human resources programs and practices align with and contribute to the framework areas, with the aim of maximising employee potential by having the right people with the right skills in the right place.

Regular and ongoing conversations about work expectations, career aspirations, professional development requirements and performance feedback are the foundation of the framework. Formal performance conversations also occur between managers and employees as part of the department's achievement and development planning process.

Building an inclusive and diverse workforce and supporting the Path to Treaty

Strategy – Develop a diverse, flexible, compassionate and culturally-safe workforce that respects one another and all those to whom we provide frontline services.

Strategy – Support the Path to Treaty by enabling self-determination, building cultural safety and ensuring that Aboriginal and Torres Strait Islander peoples are at the centre of everything we do.

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

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

In May 2021, the department launched its *Cultural Capability Action Plan 2021–2022* (CCAP) – an action-orientated commitment to culturally-safe service delivery, system responses and relationships. The CCAP includes 23 actions, with three key objectives:

1. building culturally-safe workplaces and service delivery with Aboriginal and Torres Strait Islander peoples – through inclusive, accountable leadership and clear processes that aim to build the cultural capabilities of all staff
2. implementing culturally-safe recruitment, induction and retention processes – through more inclusive and improved policy, practices and procedures

- 
- strengthening our response to racism and discrimination – through a zero tolerance to racism approach, understanding conscious and unconscious bias and developing policies, procedures and practices to educate and support people.

Our revised *Diversity and Inclusion Strategy 2019–2022*, affirms our commitment to building an inclusive culture that promotes the skills and insights of all people irrespective of difference. The priorities of the strategy are to:

- provide access to training and resources to build capability, knowledge and understanding of diversity
- implement cultural capability training and development, including the Building on the Strengths of our Stories – Cultural Agility Program, for all staff
- engage in employment programs and pathways for target groups
- provide targeted career development programs for Aboriginal and Torres Strait Islander staff
- provide targeted career development programs for people with disability
- review our recruitment and selection processes
- celebrate events and share stories
- implement initiatives to foster inclusive language and culture, for example gender and LGBTIQ+.

In 2020–21, a number of key initiatives were successfully implemented, including:

- established an employee network group, which helps to implement activities to support LGBTIQ+ employees and community
- finalised the ‘Stepping Into’ internship program with the department taking seven interns (an increase of five from last year) – a national internship program that is available through the Australian Network on Disability
- participated in AccessAbility Day, with 27 placements across the department – an Australian Government initiative developed to connect jobseekers with disability with employers
- celebrated a range of diversity events including Disability Action Week, Pride Month, National Reconciliation Week, NAIDOC Week and Multicultural Queensland month
- supported the Aboriginal and Torres Strait Islander Traineeship Program
- published the Aboriginal and Torres Strait Islander Respectful Language Guide – designed to support and guide effective communication, through respectful use of words, terms and language
- supported and participated in whole-of-government initiatives targeted at First Nations people, including Career Pathways and the Public Sector Management Program
- commenced a review of the department’s Aboriginal and Torres Strait Islander Advancement Framework to ensure continued alignment to our strategic commitments, as outlined in the Cultural Capability Framework, Moving Ahead Strategy and Reconciliation Action Plan and the priorities identified through the First Nations working groups, sub-committees and staff forum
- continued to strengthen the Aboriginal and Torres Strait Islander Staff Network by formalising their importance in providing unique knowledge and expertise across the department and delivering the First Nations staff forum.

The department is also committed to achieving the whole-of-government Equal Employment Opportunity (EEO) targets. The current status toward the targets is:



EEO target group	Current status	Target
Aboriginal and Torres Strait Islander peoples	3.40% (increase of 0.13% compared to 2019-20)	3%
People from a non-English speaking background	12.31% (increase of 2.40% compared to 2019-20)	10%
People with disability	2.98% (decrease of 0.43% compared to 2019-20)	8%
Women in leadership	49.49% (increase of 6.18% compared to 2019-20)	50%

Work-life balance

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

Employees have access to a range of flexible working options that can be discussed with their managers, including part-time, job sharing, telecommuting, compressed hours, reduced hours, staggered start and finish times, purchased leave, aggregated/averaging ordinary hours, non-consecutive long service leave and leave for parental and/or caring purposes.

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

In 2020–21, we:

- provided additional flexibility to assist staff manage their family and/or caring responsibilities, while working remotely during the COVID-19 pandemic, by offering flexible hours of work arrangements. This allowed the department to continue delivering critical services during the pandemic by developing and implementing flexible and collaborative working arrangements to embrace an agile working environment
- commenced the development of resources to support flexible work arrangement conversations between managers and employees.

Developing leaders at all levels

Strategy – Demonstrate strong leadership that effectively manages resources while delivering superior frontline services in a complex and changing environment.

The department recognises that everyone is a leader, regardless of classification level or position title, or whether they have formal people-management responsibilities. As leaders, we are all required to adapt and respond to a rapidly changing environment. The department continues to prioritise building its leadership capability, at all levels, by providing employees with access to a range of leadership development opportunities and resources that align with the Queensland public sector *Leadership Competencies for Queensland*.

In 2020–21, the department prioritised the development of tools and resources to support managers to respond to the COVID-19 pandemic, including:



- supported 20 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 and complex work environments
- supported 24 employees to complete the QUTeX short courses, which are intensive one-day workshops that provide discussion and insight on the latest research to help leaders navigate the difficult and complex challenges they face today
- supported 22 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 seven employees to complete the Learning to Lead program, which provides knowledge and skills to build the confidence of supervisors and managers to effectively manage people and service delivery requirements
- supported 30 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 14 employees to complete the Leader Support Series program, which provides developing leaders with a supportive and collaborative space to work with a cohort of peers on leadership challenges of the moment.

Developing our workforce

Strategy – Strive to develop an agile and engaged workforce that is focused on continually building capability and potential, while achieving excellence in frontline service delivery.

The department is committed to building the capabilities of its workforce and providing all employees with access to a range of learning and development opportunities. We recognise that development is an ongoing process and occurs in a variety of different ways through on-the-job experience, learning from others, and structured learning programs including face-to-face and online programs. The department also recognises the role workforce mobility plays in developing knowledge, skills and professional networks by supporting transfers at level, higher duties, promotions and secondments for employee and organisational benefit.

The department supports a number of learning management systems that enable all staff to access a suite of mandatory and optional online learning programs.

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

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

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

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

Our policies and procedures are in line with the *Code of Conduct* and our ethics, principles and values. These support our people to undertake their roles in an impartial and apolitical manner.

Recognising our employees

The department recognises the strong link between employee recognition, employee engagement and job satisfaction. We provide a framework that demonstrates our commitment to recognising and rewarding employees both formally and informally.

Our formal recognition programs include:

- **Recognition of Excellence Awards** – the department's premier event for recognising and acknowledging the outstanding achievements of individuals, teams and projects. In 2020, the awards were aligned to the department's core values, and additional awards included the Director-General's awards for an Emerging Leader and Leadership Excellence, and the Apprentice of the Year
- **NAIDOC Awards** – to celebrate the outstanding contributions of our Aboriginal and Torres Strait Islander staff. In 2020, our NAIDOC Awards were held in Cairns and the categories were inspired by the NAIDOC Week theme of Always Was, Always Will Be
- **Long Service Awards** – presented to employees who have served either 25, 40 or 50 years with either the department or continuous service with the Queensland Government
- **Business area awards program** – divisional award ceremonies held to recognise our employees' outstanding achievements throughout the year.

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

Industrial and Employee Relations Framework

As at 30 June 2021, there were two certified agreements covering employees in the department:

- *CITEC Certified Agreement 2019* – covering CITEC staff
- *State Government Entities' Certified Agreement 2019 (Core Agreement)* – covering the remainder of the department's certified agreement covered employees.

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

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

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

Our consultative committees are the principal consultative bodies with the relevant union in the department. The department coordinates a network of consultative committees, including an Agency Consultative Committee supported by various business area and local consultative committees.

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



Early retirement, redundancy and retrenchment

During 2020–21¹, 13 employees received redundancy packages at a cost of \$1,183,779.

Embracing digitisation of services, emerging technologies and innovative ways of delivering frontline services while also supporting jobs creation

In 2020–21, we:

- progressed implementation of an enterprise electronic document and records management system (eDRMS), to improve recordkeeping capabilities across the department and transition from a paper-based records culture to digital management of information
- explored maximising the functions of the eDRMS tool, in response to COVID-19 impacts, to enable greater mobilisation of the workforce
- commenced the HR Business Intelligence project to improve data analytics and support and inform evidence-based decision-making
- consolidated the department's timesheet systems where appropriate
- implemented a foundational data governance practice, maturing our appreciation for the importance of our data and its role in decision-making
- continued to mature the department's Information Security Management System, understanding our role as information owners and the importance of securing our data
- established the capability to support business transformation through the application of service design best practice and methodologies looking forward
- undertook a proof of concept for integration of an online collaboration tool to enhance project management practices with information brokerage staff working remotely
- supported staff to improve our ways of working through training in human-centred design and agile principles.

¹ Based on the employees separation date from the department and redundancy packages paid under *Directive 04/18 – Early Retirement, Redundancy and Retrenchment*.

Workforce profile

Staffing numbers – 30 June 2021²

	FTE
Arts Queensland	113.77
Community Services	101.73
Customer and Digital Services	683.39
Housing and Homelessness Services	1107.94
CITEC	297.37
Queensland Shared Services	751.66
Corporate Administration Agency	71.20
Corporate Services	523.17
Strategy, Governance and Engagement	73.8
Total	3724.03

Permanent separation rate result

2020–21	5.76%
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Equity statistics as at 30 June 2021

Employment and equal opportunity group	Targets	Actual
Women in leadership	50.00%	49.49%
Aboriginal and Torres Strait Islander peoples	3.00%	3.40%
People from a non-English speaking background	10.00%	12.31%
People with disability	8.00%	2.98%

² MOHRI FTE data for fortnight ending 18 June 2021



Embedding a culture of human rights

The department's strategic plan features an important commitment to respecting, protecting and promoting human rights as the cornerstone of a fair and inclusive society. As a department, we are building a culture of human rights, where we properly consider human rights in decision-making and where our actions are compatible with the human rights of all people in Queensland.

Various departmental activities were undertaken in 2020–21 to build a human rights culture and further the objectives of Queensland's *Human Rights Act 2019*.

Supporting a leading human rights practice

In addition to general human rights training completed by staff online, a range of tailored human rights training was developed and delivered to specific areas of the business, supporting staff to meet their human rights obligations, including:

- Housing and Homelessness Services (HHS) delivered virtual training on human rights obligations to local leadership teams across the state to support consistent best practice and protect staff in the decisions they make. The HHS Service Delivery Help Desk also provided on-the-job human rights information, support and coaching to frontline service delivery staff
- HHS co-designed and hosted a workshop with the Queenslanders with Disability Network, with people with lived experience of disability and staff. The Queensland Human Rights Commissioner, opened the workshop and real-life scenarios were used to explore practice, with a view to human rights, inclusion and person-centred approaches
- leaders and staff from Community Services participated in training sessions with the Department of Justice and Attorney-General's Human Rights Unit, with learnings specifically designed around community services-based scenarios
- a mandatory human rights module, tailored with relevant scenarios, was added to Community Recovery Ready Reserve training to provide Ready Reserves with practical understanding of how human rights apply to disaster response work
- Smart Service Queensland implemented annual "Human Rights for Leaders" online training for managers, directors and contact centre team leaders, and approximately 50 per cent of the target cohort completed the training
- 10 virtual human rights workshop sessions were delivered to business areas in HHS and Smart Service Queensland. Participants were sent resources and an activity pack, ahead of scenario-based training, on how to properly consider human rights
- a Human Rights Compatibility Consideration Guide was developed to assist staff in the proper consideration of human rights in decision-making and to support good-practice recordkeeping.

Promoting a dialogue about human rights

The department promoted a rich dialogue about human rights throughout 2020–21, to staff, clients, related entities, and other stakeholders. Highlights included:

- Human Rights Month and International Human Rights Day were promoted on the department's intranet, raising awareness of human rights and encouraging staff to complete their human rights training and discuss human rights with colleagues
- a video was produced for staff which features the department's First Nations Advisor, and two staff members talking about what human rights mean to them and their work
- Community Services partnered with the Queensland Human Rights Commission to deliver awareness-raising training at nine regional locations, for more than 500 non-government organisation



representatives, who were advised on human rights responsibilities as a public entity and implementing human rights-focused service delivery

- HHS commenced a collaboration project with the Queensland Council of Social Service aiming to improve human rights literacy across the housing and homelessness sector and documenting and promoting HHS's journey towards a culture of human rights.

Protecting human rights through our legislation, policies and systems

The department's legislation, policies, processes and procedures continue to be reviewed for compatibility with human rights, supporting a high-performing human rights practice across our operations. The following work was undertaken:

- a review of the department's 16 acts was completed, with only three provisions of the *Community Services Act 2007* being identified as potentially incompatible with human rights. Looking forward, Crown Law advice and comprehensive stakeholder consultation will help determine the department's resolution of this matter
- coordinated the preparation of Human Rights Certificates and Statements of Compatibility for relevant legislation, including for the *Residential Tenancies and Rooming Accommodation (COVID-19 Emergency Response) Amendment Regulation 2021* and the *Housing Legislation Amendment Bill 2021* respectively
- updated briefing note templates to ensure information on human rights compatibility is provided to decision-makers
- Arts Queensland incorporated human rights into grants assessment processes to ensure a human rights lens is applied when funding is allocated
- Smart Service Queensland established scripting to assist staff to refer human rights complaints directly to the relevant agency, providing clients a 'no wrong door' approach.

As the department moves from implementation to embedding human rights, a broad program of work is being developed to align, support and continuously improve our human rights practice.

Responding to human rights complaints and refining our human rights practice

The department received 30 human rights complaints during 2020–21, with 29 originating from clients and one internal complaint. Assessments of the 29 complaints found the department's relevant actions and decisions were 'compatible with human rights' in 25 matters, incompatible in three, and a finding is pending in one complaint. One complaint was referred to the Queensland Human Rights Commission. The rights most commonly exercised by complainants included: the right to equality; freedoms of expression and movement; privacy and reputation; and the right to property.

Insights from human rights complaints are used to inform continuous business improvement; for example, the HHS Service Delivery Help Desk's human rights advice service, and new content in the HOME business system that assists staff with scenario-based examples and guidance on properly considering human rights. These improvements have been driven by opportunities to enhance support for frontline staff in their human rights practice.



Looking forward

In 2021-22, we will continue to harness our shared strengths and expertise to build a resilient, unified organisation by:

- embedding a culture where human rights are considered in all practices and decision-making, and prioritising the safety, health and wellbeing of all employees at all times
- supporting individuals and teams to work flexibly while continuing to ensure that business and customer expectations are met
- developing and implementing strategies that enable us to reimagine our future workforce and workplaces
- continuing the transition of managing records digitally, by delivering dedicated systems for records management, which will facilitate a mobilised, collaborative and connected workforce
- embedding the information and insights strategy and enhancing the department's analytics capability.



Services overview (including performance information)



Refer DCHDE 2020–21 Service Delivery Statements for more information:

https://budget.qld.gov.au/files/SDS_1.pdf

The service areas within the Department of Communities, Housing and Digital Economy include:

- **Arts Queensland:** Invest in opportunities that create greater access for Queenslanders to experience arts and culture, support the growth of the arts sector and showcase the state's stories and artistic talent
- **Community Services:** Support communities to thrive through investing in quality community services that are connected and support the social and economic inclusion and wellbeing of people of all ages, abilities and backgrounds
- **Customer and Digital Services:** Put Queenslanders and their businesses at the heart of Government service delivery and oversee investments to enable successful delivery of a digitally enabled government
- **Housing and Homelessness Services:** Benefit Queenslanders and their communities by providing housing and homelessness services that are responsive, integrated and accessible, and enrich the lives of Queenslanders.

The service areas contribute to the Queensland Government's objectives for the community—*Unite and Recover*—by building resilience and supporting the wellbeing of our diverse communities, promoting arts, culture and creativity in Queensland, and digitally connecting Queensland's regions.

The achievements of each service area are identified in the strategic objective sections.

We track our performance through a range of service standards, as published in the 2020–21 Service Delivery Statements (SDS) budget paper.

Arts Queensland

Service standards are provided for two service types:

- Investment programs
- Facilities management

Arts Queensland	Notes 1	2020–21 Target/Est	2020–21 Actual
Service: Investment programs			
Service standards			
<i>Effectiveness measure</i>	2	83%	...
Customer satisfaction with Arts Queensland's service delivery			
<i>Efficiency measure</i>	3	85%	91%
Government funding provided direct to arts and cultural sector as a proportion of total investment program budget			
Service: Facilities management			
Service standards			
<i>Effectiveness measure</i>	4	6,165,000 visitors	3,018,443
Utilisation of state-owned arts and cultural facilities			
<i>Efficiency measure</i>	5	<10%	9.5%
Percentage cost of delivering facilities management			

Notes:

1. The Service Area of Arts Queensland was transferred to Department of Communities, Housing and Digital Economy from the Department of Environment and Science as part of Machinery of Government changes effective from 12 November 2020.
2. This service standard measures overall customer satisfaction with Arts Queensland's service delivery. The 2020–21 Actual is not available as the survey was not undertaken in 2020–21 due to the ongoing impacts of COVID-19 on the sector. The next survey is anticipated to commence in 2022.
3. This service standard measures efficiency in the use of government funding provided to Arts Queensland as it demonstrates the relationship between the results achieved (government funding provided direct to the arts and cultural sector) for the resources used (costs of delivering the investment programs). The calculation uses Arts Queensland's total grant funding provided direct to the arts and cultural sector divided by Arts Queensland's total investment program budget excluding administered funding.
4. This service standard is based on the total estimated attendance figures at the Queensland Cultural Centre (QCC) and the Judith Wright Arts Centre (JWAC). The 2020–21 Target/Estimate and the 2020–21 Actual variance is due to impacts of COVID-19, including temporary closure of the QCC and JWAC as a result of lockdowns for the Greater Brisbane area, and the significant impacts of international and interstate travel restrictions.
5. This service standard measures the percentage cost of delivering facilities management services to Arts Queensland owned arts and cultural buildings. This measure demonstrates the relationship between the results achieved (facilities management services across arts and cultural buildings) for the resources used (employee costs to deliver these services, including salaries, on-costs, training, uniforms and recruitment).

Community Services

Community Services	Notes 1	2020–21 Target/Est	2020–21 Actual
Service standards			
<i>Effectiveness measure</i>			
Percentage of Community Recovery Emergency Hardship Assistance applications processed for payment within 24 hours	2	80%	93%
<i>Efficiency measure</i>			
Percentage of contracted service capacity for in-home and community connection support used	3	65%	61%

Notes:

1. The Service Area of Community Services was transferred to Department of Communities, Housing and Digital Economy from the Department of Communities, Disability Services and Seniors as part of Machinery of Government changes effective from 12 November 2020.
2. This service standard measures how quickly the department responds to applications for Emergency Hardship Assistance under the Personal Hardship Assistance Scheme to approved applicants impacted by a declared disaster event. The method for distributing the financial assistance will be determined by the nature of the disaster event in consultation with local disaster management leaders. Timely financial relief is important to reduce the levels of financial hardship and psychological distress that can occur as a result of a disaster event. Timeframes for payments may be impacted by the size of the disaster event. This measure will not be reported in years where the department does not administer the Emergency Hardship Assistance grant.
3. This is a utilisation measure that records the number of services accessed as a proportion of the number of services contracted or purchased for use under the Queensland Community Support Scheme. Service usage is an indicator of the return on the investment in service types and locations that best respond to demand for assistance (that is, allocative efficiency). The utilisation rate has been steadily increasing throughout 2020-21, reaching the target of 65 per cent in Quarter 4. This brings the average across the year to 61 per cent. The program is still relatively new and the department continues to work with stakeholders to increase the service utilisation rate.

Customer and Digital Services

Customer and Digital Services	Notes	2020–21 Target/Est	2020–21 Actual
Service standards			
<i>Effectiveness measure</i>			
Percentage of customers satisfied with the services provided by Smart Service Queensland on behalf of government agencies		≥90%	94%
Percentage increase in number of Queensland State Archives records accessed	1	20%	24%
Percentage of data sets available on qld.gov.au with an Open Data Certificate	2	70%	...
Overall satisfaction with customer experience, service design and digital product partnerships, advice and support (internal to government)	3	90%	100%
Percentage of whole-of-government ICT spend awarded to small to medium sized enterprises (transactions over \$10,000)	4	20%	19.56%
<i>Efficiency measures</i>			
Cost per customer interaction (phone, counter, online) provided by Smart Service Queensland	5	\$1.00	\$0.49
Cost to Queensland State Archives per record accessed	6	\$1.20	\$0.84
Operating cost per \$1,000 of managed spend on ICT products and services	7	≤\$15	\$5.31

Notes:

1. This service standard will be discontinued in 2021–22 as the dedicated program of work to grow the percentage increase in records accessed has now concluded. This work has now been incorporated into business-as-usual processes and a growth rate is no longer reflective of Queensland State Archives' priorities and performance.
2. Open Data Certificates are no longer used to evaluate the quality of the data on qld.gov.au, therefore data is no longer available for this service standard and it has been discontinued for 2021–22. The new service standard of 'Percentage of datasets available on data.qld.gov.au achieving a data usability rating of 3 out of 5 or higher' will be introduced to replace this measure and will be a more comprehensive measure of data quality and usability.
3. The 2020–21 Target/Estimate and the 2020–21 Actual variance is due to the business area exceeding customer expectations for the suite of projects delivered in 2020–21.
4. Data for this measure is sourced from another government agency and is not yet available for calculation, the figure provided is therefore based on 2020-21 Quarter 3 data. This service standard will be discontinued in 2021–22 as the data analysis process has now been expanded to include transactions over \$5,000. The service standard will be replaced with the new service standard of 'Percentage of whole-of-government ICT spend awarded to small to medium sized enterprises (transactions over \$5,000)'.
5. The 2020–21 Target/Estimate and the 2020–21 Actual variance is due to a significant increase in customer interactions attributable to COVID-19. This includes visits to the website www.COVID19.qld.gov.au; inbound and outbound phone calls to 134COVID and 13HEALTH; and COVID-19 Concession Utility Relief payments. Smart Service Queensland has been able to achieve economies of scale to deliver increased activity levels predominantly through existing platforms.
6. The 2020–21 Target/Estimate and the 2020–21 Actual variance is due to higher than anticipated numbers of records accessed through targeted campaigns and the use of new functionality in digitising technology.
7. The figure reported has been calculated using data up to and including Quarter 3 as full year data is not available. The 2020–21 Target/Estimate and the 2020–21 Actual variance is mainly due to a change in the calculation methodology to align with other procurement spend categories.

Housing and Homelessness Services

Service standards are provided for two service types:

- Housing
- Homelessness

Housing and Homelessness Services	Notes	2020– 21 Target/Est	2020 –21 Actual
Service: Housing			
Service standards			
<i>Effectiveness measures</i>			
Level of overall client satisfaction			
Public Housing	1	86%	...
Community Housing	1	81%	...
Percentage of new households assisted into government-owned and managed social rental housing who were in very high or high need	2	95%	99%
Average wait time to allocation for assistance (months) with government-owned and managed social rental housing for clients in very high or high need	3	8	10
Percentage of department owned social rental housing dwellings in acceptable condition		95%	98%
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	4	50%	78%
Percentage of under occupied government-owned and managed social rental housing		15%	16%
Proportion of government-owned social rental housing stock matched to greatest demand		55%	54%
<i>Efficiency measure</i>			
Average tenancy and property management administration cost per households assisted with social rental housing		\$1,339	\$1,331



Housing and Homelessness Services	Notes	2020– 21 Target/Est	2020 –21 Actual
Service: Homelessness			
Service standards			
<i>Effectiveness measures</i>			
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	5	65%	64%
Percentage of homelessness services clients who requested assistance relating to domestic and family violence and received this assistance	5	87%	89%
<i>Efficiency measure</i>			
Recurrent cost per client accessing homelessness services	5	\$3,974	\$3,695

Notes:

1. The 2020-21 Actual is unavailable due to the 2020 National Social Housing Survey (survey of tenants) being put on hold due to the COVID-19 pandemic. The survey is being undertaken in 2021, with the results to be published in the Report on Government Services 2022.
2. The 2020–21 Target/Estimate and the 2020–21 Actual variance is due to increased social housing support being provided to targeted vulnerable cohorts, for example people who are homeless or at risk of homelessness or experiencing domestic and family violence, through the COVID-19 emergency response measures. The department’s priority is the safety and wellbeing of Queenslanders, and a focus on those most vulnerable in the community.
3. The 2020–21 Target/Estimate and the 2020–21 Actual variance is due to impacts associated with the current tightening of private market conditions, and a reduction in the turnover of social housing properties.
4. The 2020–21 Target/Estimate and the 2020–21 Actual variance is mainly due to more projects being delivered that incorporate lifts, resulting in all dwellings in those developments meeting the gold or platinum standard.
5. This is an annual measure and the result is from Report on Government Services data published in 2020-21 for 2019-20 (the last available data).



Commercialised business units and shared service providers

The department also includes one commercialised business unit (CBU) and two shared service providers (SSP), as follows:

- **CITEC** – is the whole-of-government ICT services provider to the Queensland Government. CITEC enables digital government through innovative, reliable and connected people and technology. With a focus on transformation and continuous improvement, CITEC is committed to developing its highly skilled workforce and putting customers at the centre of its service design and delivery
- **Queensland Shared Services** – provides corporate transactional and advisory services and advice to other government departments and statutory bodies to enable them to meet government policies and objectives
- **Corporate Administration Agency** – provides a range of corporate services and access to expertise to Queensland public sector entities, principally statutory bodies. Services cover human resources, financial and information management services.

The CBU and SSPs contribute to the Queensland Government's objectives for the community —*Unite and Recover*—by working to protect Queenslanders and save lives.

The achievements of each CBU and SSP are identified in the strategic objective sections.

We track our performance through a range of service standards, as published in the 2020–21 Service Delivery Statements (SDS) budget paper.



Refer DCHDE 2020–21 Service Delivery Statements for more information:

https://budget.qld.gov.au/files/SDS_1.pdf

CITEC

Service standards are provided for two service types:

- CITEC ICT
- CITEC IB

CITEC	Notes	2020–21 Target/Est	2020–21 Actual
Service: CITEC ICT			
Service standards			
<i>Effectiveness measures</i>		≥75%	77%
CITEC ICT customer satisfaction			
CITEC ICT service availability		99.9%	99.99%
<i>Efficiency measure</i>			
CITEC ICT Earnings before interest and tax less Depreciation and Amortisation (EBITDA)		\$13.840m	\$14.198m
Service: CITEC IB			
Service standards			
<i>Effectiveness measure</i>		≥80%	81%
CITEC IB customer satisfaction			
<i>Efficiency measure</i>			
CITEC IB Earnings before interest and tax less Depreciation and Amortisation (EBITDA)		1	(\$0.544m)
			\$0.336m

Notes:

1. The 2020–21 Actual result is mainly due to the better than anticipated operating result for the 2020-21 financial year.

Queensland Shared Services

Service standards are provided for two service types:

- Human Resources
- Finance

Queensland Shared Services	Notes	2020–21 Target/Est	2020–21 Actual
Service: Human Resources			
Service standards			
<i>Effectiveness measures</i>			
Percentage of Payroll Services delivered within service agreement standards		≥97%	99%
Customer satisfaction with Human Resources Services	1	80%	86%
<i>Efficiency measure</i>			
Number of pays processed per full-time equivalent (FTE) per fortnight		≥325	338
Service: Finance			
Service standards			
<i>Effectiveness measure</i>			
Percentage of Finance Services delivered within service agreement standards		≥95%	95%
Customer satisfaction with Finance Services	1	80%	86%
<i>Efficiency measure</i>			
Number of accounts payable transactions processed per FTE per annum	2	≥10,000	13,545
Notes:			
1. The 2020–21 Target/Estimate and the 2020–21 Actual variance is due to successful implementation of Queensland Shared Services' customer service model, including a customer-centric culture focused on delivering quality and timely services.			
2. The 2020–21 Target/Estimate and the 2020–21 Actual variance is due to process efficiencies.			

Corporate Administration Agency	Notes 1	2020–21 Target/Est	2020–21 Actual
Service standards			
<i>Effectiveness measures</i>	2	85%	96%
Customer satisfaction with CAA Services			
Customers consider CAA services are value for money	3	95%	100%
<i>Efficiency measures</i>	4	±2%	.84%
CAA operating surplus/(deficit)			
Unit rate per employee per pay for salary-based employees	5	\$15.85	\$15.25

Notes:

1. The Shared Service Provider, Corporate Administration Agency (CAA) was transferred to Department of Communities, Housing and Digital Economy from the Department of Environment and Science as part of Machinery of Government changes effective from 12 November 2020.
2. Customer satisfaction is measured through the CAA annual customer experience survey. The survey includes questions relating to accessibility, quality and timeliness of service delivery as well as overall satisfaction with CAA's services. Measurement of customer satisfaction aligns with the Queensland Government *Performance Management Framework Measuring Customer Experience Reference Guide* published by the Department of the Premier and Cabinet. The 2020–21 survey demonstrates CAA is able to maintain quality services during a pandemic with staff and customers working from home.
3. This service standard provides an indication of overall customer satisfaction with the value for money of CAA services. The result is derived from the annual customer experience survey undertaken by key stakeholders. Measurement of customer satisfaction aligns with the Queensland Government *Performance Management Framework Measuring Customer Experience Reference Guide* published by the Department of the Premier and Cabinet.
4. Results for this service standard indicate that CAA is managing its resources to provide economical pricing to customers.
5. This service standard provides an indication of the efficiency of the Human Resources payroll service. The measure aims to demonstrate that payroll processing costs are maintained within the greater of consumer price index or enterprise bargaining salary increases. Salaries and on-costs associated with the delivery of this measure are included in the calculation methodology. The unit rate is determined annually and applies for the financial year. The actual result may vary due to extraordinary costs, which were not anticipated at the time that the annual unit rate was set, for example, if an enterprise bargaining adjustment is higher or lower than expected.

Our governance

Our governance framework sets out the principles of accountability and transparency that support our strategic objectives. It demonstrates the alignment of our structure, management, planning, performance, service delivery, risk management, reporting and decision-making with our corporate, legislative and regulatory requirements.

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

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

Board of Management

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

The role of the Board of Management 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 and Homelessness Services
- Deputy Director-General, Arts Queensland
- Deputy Director-General, Services Delivery and Operations
- Deputy Director-General, Transformation and Enabling Technologies
- Deputy Director-General, Strategy, Governance and Engagement
- Assistant Director-General, Community Services
- Chief Customer and Digital Officer
- Assistant Director-General, Corporate Services.

Our Board of Management as at 30 June 2021

Clare O'Connor

Chair: Director-General

Bachelor of Arts and Master of Arts Public Sector Leadership

Clare has been the Director-General, Department of Communities, Housing and Digital Economy since late 2020, after previously serving as Director-General to other social services agencies.

Clare has extensive experience in community and disability services, delivering the National Disability Insurance Scheme to Queensland, as well as progressing other transformational social service reforms. She has led community recovery in natural disasters and now in a pandemic, including leading the government and community and disability sector in human and social recovery work during COVID-19.

Clare is the very proud Government Champion for Cherbourg Aboriginal Community.

Chris Fechner

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

Exec MBusAdmin, BAppSc Computing, GradDipProjMgmt

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

Chris brings to the department a wealth of digital and IT experience as a senior executive in both the Queensland and New South Wales (NSW) Public Service.

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

Irene Violet

Member: Acting Deputy Director-General, Strategy, Governance and Engagement

BA (Psych), BHealthSc, MBA, GAICD

Irene has been in the role of Deputy Director-General since late 2020. Irene previously held the role of Assistant Director-General, Responsive Government and prior to that, Assistant Director-General, Queensland Shared Services to which she was appointed in May 2015.

In these roles, Irene brings a wealth of experience in customer service, digital transformation and management of high-volume service delivery, primarily in a commercially oriented public sector environment. Irene has also held a number of senior executive roles at WorkCover Queensland.

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

Dallas Stower

Member: Acting Deputy Director-General, Transformation and Enabling Technologies

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

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

Dallas commenced his ICT career with the Department of Defence in Canberra and followed up with a number of roles in the Federal 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.

Andrew Spina

Member: Deputy Director-General, Services Delivery and Operations

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.

Trish Woolley

Member: Deputy Director-General, Housing and Homelessness

LLB, BSocWk

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

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

Kirsten Herring PSM

Member: Deputy Director-General, Arts Queensland

MBA, GradDipBus, BA (Economics)

Kirsten oversees the department's investment and policy activities in the arts. This includes the Queensland Government's investment in the Queensland Cultural Centre and funding of major arts companies. Kirsten provides corporate governance support to the state's arts statutory bodies and government-owned companies. She also manages arts investment and infrastructure funding programs.

Katie Holm

Member: Assistant Director-General, Community Services

B.Laws, Grad Cert Public Sector Management, GACID

Katie joined the department in July 2018 as the Assistant Director-General, Community Services statewide.

Katie has 30 years' experience working in the government and private sectors including roles with Disability Services Queensland, Queensland Public Service Commission and the Department of Aboriginal and Torres Strait Islander Partnerships, as well as roles as a Presiding Member with the then New South Wales Guardianship Tribunal, and the Consumer, Trader and Tenancy Tribunal.

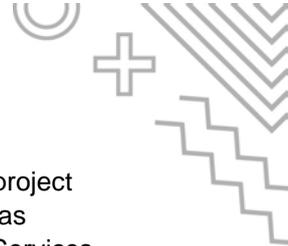
Matthew Nye

Member: Assistant Director-General, Corporate Services

Master of Business (Professional Accounting), Bachelor of Business (Public Relations)

Matthew commenced with the former Department of Communities, Disability Services and Seniors in September 2019 in the role of Assistant Director-General, Corporate Services.

Matthew has more than 25 years' experience in the Queensland Public Service, including the past 11 years in senior executive positions.



Matthew has extensive experience and skills in business strategy, service delivery, planning, and project delivery to lead organisations through transformational change. Most recently, Matthew held roles as General Manager at Smart Service Queensland and, prior to that, as Executive Director, Finance Services at Queensland Shared Services.

Governance committees

Audit and Risk Committee

The Audit and Risk Committee (ARC) 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 ARC charter sets out the authority, roles and responsibilities, membership and operations expected of the committee. The committee observed the terms of its charter in 2020–21 and had due regard to Queensland Treasury's Audit Committee Guidelines.

Period: 1 March 2021 – 30 June 2021

Chair: Chris Johnson (external member)

Members:

- Sue Ryan (external member)
- Deputy Director-General, Housing and Homelessness Services
- Deputy Director-General, Arts Queensland
- Assistant Director-General, Transformation and Enabling Technologies, Queensland Government Customer and Digital Group
- Assistant Director-General, Communities

Period: 1 July 2020 – 28 February 2021

Chair: Peter Dowling (external member)

Members:

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

In 2020–21, the ARC:

- reviewed and recommended approval of the department's 2020–21 financial statements
- approved the audit plan and proposed fees of the external auditors
- considered the staffing and skills of the internal audit function, and approved the internal audit charter, internal audit plan and related budget
- assessed the performance of the internal audit function, and considered and endorsed the Audit and Risk Charter and workplan
- considered external audit and internal audit findings and recommendations, and monitored their sustainable 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 discussed and monitored the department's response to the COVID-19 pandemic
- considered the effectiveness of department's information security management system and the department's compliance to the IS18 information security policy
- evaluated the ARC's effectiveness and individual members' performance, and briefed the Director-General on relevant matters, opinions, decisions and recommendations made by the committee.

The ARC met on five occasions during 2020–21.

The remuneration paid to external members as follows: Chris Johnson (\$3,120), Sue Ryan (\$5,470) and Peter Dowling (\$4,320).

Additionally, the Board of Management is supported by five sub-committees, which advise on matters within their terms of reference. The Chairs of these committees report to the Director-General and provide regular updates to the Board of Management.

Finance Committee

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

Information Steering Committee

The Information Steering Committee provides support to the Director-General in leading the strategy and investment in digital and ICT, and reports to the Board of Management. The role of the committee is strategic leadership, value creation and prioritisation on digital and ICT capability and enhancement.

People and Culture Committee

The People and Culture Committee provides strategic support to the Director-General and Board of Management 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 departmental risks
- seek opportunities to guide and implement best practice and innovative strategies to improve our people management practices.

Workplace Health and Safety Committee

The Workplace Health and Safety (WHS) Board of Management Committee provides direction and leadership to support an effective workplace health and safety management system to achieve improved performance and culture. The focus of the committee is to:

- provide strategic direction to assist with the development of WHS plans to effectively manage WHS risks
- review the department's WHS performance and lead initiatives to achieve improved performance, supporting the departments strategic objectives
- monitor WHS plans to ensure compliance with relevant legislation, directives and policies. Ensure appropriate resources are available to implement WHS plans.

Strategic planning, performance monitoring and reporting

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

Annually, we develop and publish a set of strategic measures to demonstrate our success against the strategic objectives, and service standards for each service area through our *Service Delivery Statements*. We measure our progress quarterly through reporting to our Board of Management and in the annual report. Our performance is also monitored externally through the Parliamentary Estimates committee process held after each year's State Budget.

The department's Performance Management Framework sets the department's direction and performance oversight arrangements. Our performance reporting arrangements are established in line with the Department of the Premier and Cabinet's Queensland Government Performance Management Framework. The framework articulates the relationship between whole-of-government priorities and our department's governance, planning, risk, performance reporting and monitoring and evaluation elements.

Risk management

Our Risk Management Framework is an integral part of the department's governance framework and is a critical element of strategic and operational planning, service delivery, management, and decision-making processes as well as protecting the department against fraud and corruption and contributing to the safety and wellbeing of employees.

The framework is based on international standard AS/NZS ISO 31000:2018 and aims to ensure that risk management is fully integrated with existing management processes and responsibilities.

Risks, risk profile, risk management capability and systems, and the risk environment are constantly evolving. Annually and as part of the 2020–21 Machinery-of-Government process, the department undertook a review of the Risk Management Framework and approach to:

- provide assurances that the agency's risk profile had been properly identified, documented and assessed
- ensure the agency's procedures and governance systems are working effectively
- ensure that risks are being effectively monitored and treated to an agreed level.

The framework was also revised to ensure compatibility with the *Human Rights Act 2019*, and improvements made to mature the risk matrix, risk impact categories and risk appetite relating to information security.

An approach to risk maturity is being developed in line with the new departmental structure for implementation in late 2021. This will assist in understanding divisional knowledge and skills regard risk management, and where assistance can be offered to improve the risk content and effectiveness.

The department's key risks and key departmental risk governance model to support the Director-General in meeting their accountabilities were considered and subsequently endorsed by the Board of Management.

Risks are identified and managed at strategic and divisional levels by risk owners, and assessed quarterly to ensure appropriate controls and treatments are in place.

Risk reporting, including reporting to the Audit & Risk Committee (ARC), is undertaken on a quarterly basis.



Integrity Services

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

ISU is integral to the department's prevention, detection and response in relation to corrupt conduct and other integrity-related matters.

During 2020–21, the department (through ISU) demonstrated its commitment to integrity through setting, implementing and monitoring integrity standards and through managing non-conformance. This included:

- implementing the department's integrity framework, which sets out the elements necessary to prevent, detect and respond to alleged corrupt conduct and other integrity-related matters
- implementing effective departmental-wide, anti-fraud and anti-corruption plans, policies and procedures such as: the fraud and corruption prevention policy, fraud and corruption control plan, prevention and management of corrupt conduct and public interest disclosure policy and procedure
- encouraging the internal and external reporting of suspected wrongdoing
- effectively assessing and dealing with suspected wrongdoing
- appropriately reporting to regulatory entities, such as the Crime and Corruption Commission, the Queensland Police Service and the Queensland Audit Office pursuant to legislative requirements.

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. All members of Internal Audit are obliged to apply and uphold the principles of integrity, objectivity, confidentiality and competency under the Institute of Internal Auditors' formal Code of Ethics.

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
- real-time assurance
- 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 operates independently from the core activities of the department, has a quality improvement program and is accountable to the Director-General for its efficient, effective and economical operation.

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

During 2020–21, the Internal Audit Unit completed 11 internal audit reviews, six management requests and provided ad-hoc advice to managers on a range of issues. The Internal Audit Unit had due regard to the Audit Committee Guidelines.



Information systems and recordkeeping

Records are managed within each business area throughout the department. The department manages records, using both business information systems and dedicated systems, for records management, through a suite of policies to direct staff on the roles and responsibilities of record management.

In 2020–21, the department demonstrated a commitment to achieving compliance with respect to recordkeeping practices by:

- continuing to implement an eDRMS by completing the design and configuration of an enterprise environment and completing a successful pilot implementation
- commencing a program of consolidating datasets, in order to merge a number of disparate datasets into one enterprise dataset, which has resulted in a simplified and integrated information management environment
- providing ongoing recordkeeping support to departmental staff
- continuing to undertake data cleansing activities and authorised disposal activities in accordance with the authorised retention and disposal schedules
- ensuring that the lifecycle management of all departmental public records was undertaken in accordance with legislative requirements.

External reviews

In 2020–21, the department participated in the following review:

The Retirement Villages Act 1999 required an independent review of the timeframes for village operators to make exit payments to former residents be undertaken within two years of commencement of the provisions. An independent panel, with expertise in gerontology, law and finance, was appointed and provided with terms of reference to guide the review. The review was completed in November 2020. An exemption for resident-operated freehold retirement villages was recommended in the panel's Interim Report, which was delivered on 16 September 2021. The independent review panel submitted its Final Report to the Minister for Communities and Housing, Minister for Digital Economy and Minister for the Arts on 26 November 2020. The Final Report provides findings and recommendations in relation to the terms of reference and is being considered by government.

Information security attestation

The department is heavily reliant on digital technologies, devices, applications and business systems to deliver a range of services to our customers. The department has a responsibility to comply with the *Queensland Government Information Security Policy (IS18:2018)* by ensuring security by design, appropriate controls and having an Information Security Management System (ISMS) in place to manage and protect information, technology and critical infrastructure assets. The department is continuing to mature its ISMS that confirms with the International Information Security Standard ISO/IEC 27001:2013. The ISMS forms the basis of the governance, processes and controls necessary to ensure risks to systems and information are understood and effectively managed.

In 2020–21, significant progress and improvements included:

- effective governance, including an Information Security Management Committee (a sub-committee of the Information Steering Committee), responsible for the implementation of strategy, policy, standards and processes
- actively reporting, monitoring, mitigating and ongoing management of information security and cyber risks
- annual review of the existing attestation process.



Whole-of-government plans and specific initiatives

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

- *Aboriginal and Torres Strait Islander Housing Action Plan 2019–23*
- *Queensland Housing Strategy 2017–27*
- *Queensland Housing Strategy Housing Action Plan 2017–2020*
- *Queensland Housing Strategy Housing and Homelessness Action Plan 2021–25*
- *DCHDE Diversity and Inclusion Strategy 2019–22*, which includes:
 - *Multicultural Action Plan 2019–20 to 2021–22*
 - *Disability Services Plan 2020–21*
 - *Cultural Capability Action Plan*
- *Creative Together 2020–2030: A 10-Year Roadmap for arts, culture and creativity in Queensland*
- *Sustain 2020–2022*, the first action plan for Creative Together 2020–2030
- *Strategic Internal Audit Plan 2020–21*
- *Procurement Plan 2020–24*
- *People and Culture Strategy 2019–2023*
- *Healthy and Safe Workforce Action Plan 2018–2021*
- *Fraud and Corruption Control Plan*
- *Open Data Action Plan 2019–21*
- *Queensland Domestic and Family Violence Prevention Strategy 2016–2026*
- *Digital Professional Workforce Action Plan 2021–2024*
- *Thriving Cohesive Communities Action Plan for Queensland 2019–2021*.

This year, the department also collaborated on the following intergovernmental initiatives:

- Brisbane City Council Metro Project
- New performing arts venue at Queensland Performing Arts Centre
- Thomas Dixon Centre – Queensland Ballet
- Rockhampton Museum of Art
- Stronger Places, Stronger People.

Specific initiatives

Housing and Homelessness Services

- The Queensland Government launched the *Housing and Homelessness Action Plan 2021–2025* on 15 June 2021.
- Through the *Action Plan 2021–2025*, government will increase social and affordable homes and transform the way housing services are delivered, delivering a better housing future for all Queenslanders.
- The *Action Plan 2021–2025* is a whole-of-government plan to improve housing outcomes for Queenslanders and support the vision of the *Queensland Housing Strategy 2017–2027* — that every Queenslanders has access to a safe, secure and affordable home that meets their needs and enables participation in the social and economic life of our prosperous state.
- The *Action Plan 2021–2025* supports, complements and builds on the strong foundations formed with key partners through the *Queensland Housing Strategy Action Plan 2017–2020* and the *Aboriginal and Torres Strait Islander Housing Action Plan 2019–2023*.

Queensland National Regulatory Scheme for Community Housing (NRSCH) team developed and piloted a new risk-based approach to compliance with the National Code. This initiative was based on the outcomes of the NRSCH Data Needs paper that aimed to:

- reduce the regulatory reporting burden on registered community housing providers
- improve reporting to the sector and other stakeholders with the collection of annual data from a greater representation of registered community housing providers
- improve efficiencies by streamlining processes to achieve outcomes quicker
- enable more regular engagement with providers.

The Queensland pilot was based on three main elements:

- data sharing across other areas of the department
- minimum data collection
- an assessment of risk based on a minimum set of key indicators.

Where there was no significant change to a provider's circumstances or performance, the risk-based assessment became a minor approach to compliance.

A total of 59 national and state registered community housing providers participated in the pilot with only two providers required to submit further information. The increase in data collected from a greater number of providers improved our reporting and trend analysis of the community housing sector. It is proposed that the pilot will continue for next financial year and will take into account the learnings and stakeholder feedback to improve our risk-based approach to compliance and reduce the regulatory burden on providers in the long term.

Customer and Digital Services

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 building Queensland's digital workforce through our participation in the Digital and ICT Graduate Program. The program is designed to complement the department's existing workforce strategy by meeting the specific skill shortages in ICT roles and developing skills in the areas needed most. In 2020–21, six government agencies benefited by employing a total of 22 new graduates. The most in-demand skills included software development, cyber security and network support.

National agreements and national partnership agreements

In 2020–21, the following activities occurred to progress Queensland's national commitments:

- the National Housing and Homelessness Agreement (NHHA) and Queensland's associated bilateral schedule remained in place throughout 2020–21. Queensland contributed to the development of a data improvement plan endorsed by the Council on Federal Financial Relations on 16 April 2021 that now forms a schedule to the agreement. Queensland continued to advocate for continuation of Social and Community Services Supplementation equivalent funding that remained subject to a decision by the Australian Government. Queensland provided comment on draft terms of reference for the review of the NHHA that is to be completed by 30 June 2022 by the Productivity Commission
- the remaining \$100 million of \$105 million for remote housing was received on 22 October 2020 and work continues with the 17 Aboriginal and Torres Strait Islander local government areas to progress implementation
- the Household Resilience Program Phase 2 Project Agreement to deliver the \$10 million Australian Government contribution which supports people in cyclone affected areas to improve the resilience of their homes, while also stimulating the local jobs economy
- Queensland contributed to the development of an Intergovernmental Agreement on Data Sharing, through the Data and Digital Ministers' Meeting, for consideration by National Cabinet on 9 July 2021. The Agreement gives effect to National Cabinet's commitment to share data across jurisdictions where it can be done safely, securely and lawfully, to improve service delivery outcomes for citizens.
- the tripartite Major Performing Arts Framework continued in 2020–21, providing significant investment in the Australian performing arts sector for the benefit of Australian audiences. The Major Performing Arts Framework will be replaced by the National Performing Arts Partnership Framework in July 2021. In June 2021, Townsville-based company Dancenorth was announced as the sixth Queensland performing arts company to secure a place in the new framework
- Arts Queensland (AQ) partnered with Australian Government and other states in the delivery of the first year of the Visual Arts and Crafts Strategy Policy Framework (VACS) 2020–21 – 2023–24. The formal agreement between the federal, state and territory governments supports the Australian contemporary visual arts sector to deepen audience engagement, expand markets and enhance international connections, ensure opportunities for Australian contemporary visual artists, provide support for Aboriginal and Torres Strait Islander artists and build stronger, more resilient visual arts organisations. In 2020–21, VACS funding was embedded in AQ funding programs including Queensland Arts Showcase Program, Individuals Fund, Organisation Fund and Backing Indigenous Arts initiative.

Appendices

Appendix 1 – Statutory bodies

The following statutory bodies and authorities prepare separate annual reports that are provided to the Minister for Communities and Housing, Minister for Digital Economy and Minister for the Arts.

Name of body as described in the constituting Act	Constituting Act	Annual reporting arrangements
Residential Tenancies Authority	<i>Residential Tenancies and Rooming Accommodation Act 2008</i>	Annual report to Parliament
Queensland Art Gallery Board of Trustees	<i>Queensland Art Gallery Act 1987</i>	Annual report to Parliament
Board of the Queensland Museum	<i>Queensland Museum Act 1970</i>	Annual report to Parliament
Queensland Performing Arts Trust	<i>Queensland Performing Arts Trust Act 1977</i>	Annual report to Parliament
Queensland Theatre Company	<i>Queensland Theatre Company Act 1970</i>	Annual report to Parliament
Library Board of Queensland	<i>Libraries Act 1988</i>	Annual report to Parliament

Appendix 2 – Government bodies, boards and committees

The following bodies, boards and committees were active during 2020–21 with reporting arrangements to the department. Additional information on government bodies is available on the department's website:

<https://www.chde.qld.gov.au/news-publications/annual-report>

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.

Public Records Review Committee

The Public Records Review Committee is established to advise the Minister for Digital Economy and State Archivist on the administration and enforcement of the *Public Records Act 2002*. The committee has a number of dispute resolution functions.

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

Queensland Social Cohesion Implementation Committee (QSCIC)

The Queensland Social Cohesion Implementation Committee provides expert advice to the Queensland Government to in relation to:

- recommended whole-of-government and community responses to anti-social behaviour that may lead to violence or physical harm to others, that provide for timely intervention and address the underlying causes of the behaviour;
- design and implementation of an action plan for Queensland including priorities for action and related strategies, with particular consideration to promoting the benefits of diversity in Queensland, strengthening community cohesion and resilience, reducing marginalisation, and addressing anti-social behaviour and behaviour that may lead to violence or physical harm to others; and
- communications approaches for promoting diversity and social cohesion across Queensland communities.

Aboriginal Centre for the Performing Arts Pty Ltd

The Aboriginal Centre for the Performing Arts Pty Ltd (ACPA) is a registered training organisation that delivers accredited vocational education and training in the performing arts to Indigenous and non-Indigenous students.

Major Brisbane Festivals Pty Ltd

Major Brisbane Festivals Pty Ltd (MBF) was established by the State Government and Brisbane City Council. The objects of the MBF are to create, produce and promote cultural festivals that showcase diverse artistic work and demonstrate artistic integrity, and to produce and deliver inspiring and inclusive arts festivals in Brisbane and southeast Queensland.

The Queensland Music Festival Pty Ltd

The Queensland Music Festival (QMF) is a government owned company which delivers a series of music initiatives in regional Queensland communities with a focus on supporting social, cultural and economic outcomes for Queenslanders.

Appendix 3 – Glossary

ACPA	Aboriginal Social Cohesion Implementation Committee	ISU	Integrity Services Unit
ARCP	Arts and Cultural Recovery Package	JWAC	Judith Wright Arts Centre
AQ	Arts Queensland	LGBTI+	Lesbian, Gay, Bi-sexual, Transgender, Intersex
ARC	Audit and Risk Committee	LGA	Local Government Area
AIIA	Australian Information Industry Association	MBF	Major Brisbane Festivals Pty Ltd
BOM	Board of Management	MBSF	Mobile Black Spot Program
CBU	Commercialised Business Unit	NHHA	National Housing and Homelessness Agreement
CAA	Corporate Administration Agency	NRSCH	National Regulatory Scheme for Community Housing
CCAP	Cultural Capability Action Plan	QAO	Queensland Audit Office
DCHDE	Department of Communities, Housing and Digital Economy	QCSS	Queensland Community Support Scheme
DIDRR	Disability Inclusive Disaster Risk Reduction	QCC	Queensland Cultural Centre
DFV	Domestic and Family Violence	QGOV	Queensland Government
EEO	Equal Employment Opportunity	QGRN	Queensland Government Regional Network
EBITDA	Earnings before interest and tax less depreciation and amortisation	QMF	Queensland Music Festival
eDRMS	Electronic document and records management system	QPAT	Queensland Performing Arts Trust
FTE	Full-time equivalent	QSCIC	Queensland Social Cohesion Implementation Committee
ECQ	Electoral Commission Queensland	QSA	Queensland State Archives
HHS	Housing and Homelessness Services	QSS	Queensland Shared Services
HCJP	Housing Construction Jobs Program	QUT	Queensland University of Technology
IAC	Indigenous Art Centre	RASN	Regional Arts Service Network
IB	Information Brokerage	SDS	Service Delivery Statements
ICT	Information and Communication Technology	SSP	Shared Service Provider
ISMS	Information Security Management System	VACS	Visual Arts and Crafts Strategy
		WfT	Work for Tradies
		WHS	Workplace Health and Safety

Appendix 4 – Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7	3
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1	1-2 62
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2	4
	<ul style="list-style-type: none"> Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	4
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 9.4	4
	<ul style="list-style-type: none"> Information Licensing 	<i>QGEA – Information Licensing</i> ARRs – section 9.5	4
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10	5-13
Non-financial performance	<ul style="list-style-type: none"> Government's objectives for the community and whole-of-government plans/specific initiatives 	ARRs – section 11.1	6, 57-59
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.2	14-38, 39-48
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.3	39-48
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	65 – 70
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1	8-9
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2	49-52
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3	60-61
	<ul style="list-style-type: none"> Public Sector Ethics 	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	32
	<ul style="list-style-type: none"> Human Rights 	<i>Human Rights Act 2019</i> ARRs – section 13.5	36-38
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.6	7
Governance – risk management and accountability	<ul style="list-style-type: none"> Risk management 	ARRs – section 14.1	54
	<ul style="list-style-type: none"> Audit committee 	ARRs – section 14.2	52-53
	<ul style="list-style-type: none"> Internal audit 	ARRs – section 14.3	55
	<ul style="list-style-type: none"> External scrutiny 	ARRs – section 14.4	56
	<ul style="list-style-type: none"> Information systems and recordkeeping 	ARRs – section 14.5	56
	<ul style="list-style-type: none"> Information Security attestation 	ARRs – section 14.6	56
	<ul style="list-style-type: none"> Strategic workforce planning and performance 	ARRs – section 15.1	29-35

Summary of requirement		Basis for requirement	Annual report reference
Governance – human resources	<ul style="list-style-type: none"> • Early retirement, redundancy and retrenchment 	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	34
Open Data	<ul style="list-style-type: none"> • Statement advising publication of information 	ARRs – section 16	4
	<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 38, 39 and 46 ARRs – section 17.1	123
	<ul style="list-style-type: none"> • Independent Auditor’s Report 	FAA – section 62 FPMS – section 46 ARRs – section 17.2	124-128

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*



Financial statements 2020-2021

for the financial year ended 30 June 2021

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Financial summary

As at 30 June 2021 the reporting entity comprised the Department of Communities, Housing and Digital Economy, services provided by shared service providers and one commercialised business unit (CITEC).

As a result of the Public Service Departmental Arrangements Notice (No. 4) 2020, the former Department of Housing and Public Works was renamed to Department of Communities, Housing and Digital Economy on 12 November 2020.

Pursuant to section 80 of the *Financial Accountability Act 2009*, for financial reporting purposes the effective date of the transfers is 1 December 2020. Transactions from the 12 November 2020 to 30 November 2020 are reported in the financial statements of the transferring departments.

As part of the machinery-of-government changes the following functions were transferred to and from the department:

- Community Services transferred in from the former Department of Communities, Disability Services and Seniors
- Arts Queensland and Corporate Administration Agency transferred in from the Department of Environment and Science
- Building Policy and Asset Management and Queensland Government Procurement (including QBuild and QFleet) transferred out to the Department of Energy and Public Works
- Sport and Recreation transferred out to the Department of Tourism, Innovation and Sport.

A Statement of Comprehensive Income and a Balance Sheet for the 2020-21 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 \$1,292 million or 52 per cent of the department's total income of \$2,463 million. User charges include:

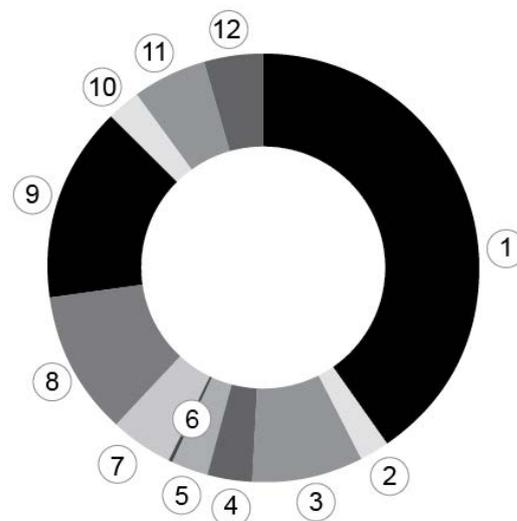
- property rental – social housing
- information, communication and technology services
- services provided by shared service providers.

Services transferred to Department of Energy and Public Works include:

- building services
- commercial accommodation services and government employee housing to other Queensland state government entities
- fleet management services.

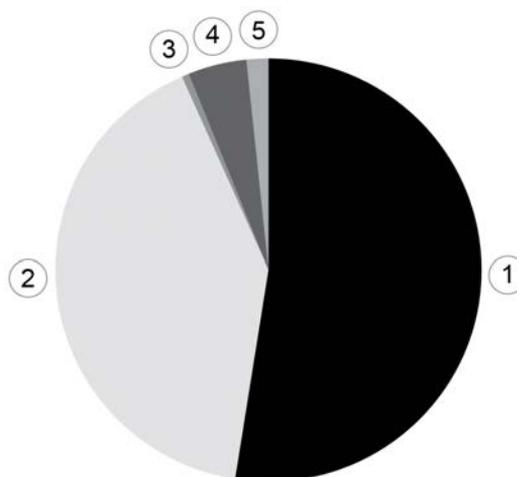
Total income by Major Departmental Services, Commercialised Business Units and Shared Service Providers (SSP) in 2020-21#

1. Housing and Homelessness Services \$1,142.2M (40.51%)
2. Sport and Recreation \$60.6M (2.15%)
3. Customer and Digital Services, \$234.8M (8.33%)
4. Arts Queensland, \$95.3M (3.38%)
5. Community Services, \$79.2M (2.81%)
6. Corporate Administration Agency (SSP), \$6.4M (0.23%)
7. Queensland Shared Services (SSP), \$134.0M (4.75%)
8. Building and Procurement Services, \$309.1M (10.96%)
9. QBuild, \$414.7M (14.71%)
10. QFleet, \$71.3M (2.53%)
11. CITEC, \$153.4M (5.44%)
12. General - not attributed \$118.4m (4.20%)



Total income by category in 2020-21

1. User charges and fees, \$1,291.9M (52.45%)
2. Appropriation revenue, \$999.4M (40.58%)
3. Grants and other contributions, \$15.5M (0.63%)
4. Other revenue, \$108.2M (4.39%)
5. Gains on disposal/remeasurement of assets, \$48.1M (1.95%)



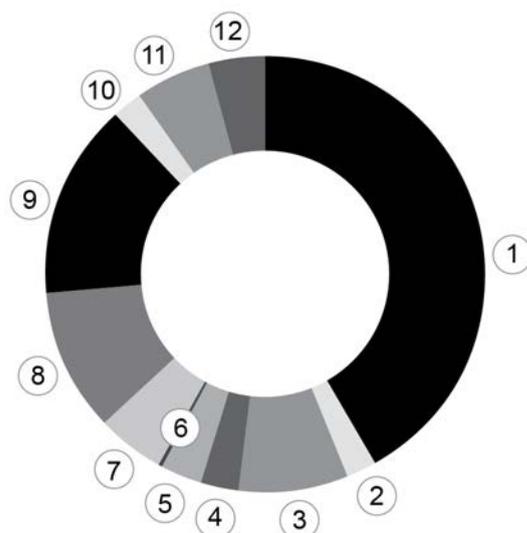
Revenue and expenses by Major Departmental Services, Shared Service Providers and Commercialised Business Units do not include internal departmental transaction eliminations which are eliminated in the Statement of Comprehensive Income and Balance Sheet

The major expense of the department is supplies and services which totals \$1,280 million or 51 per cent of the department's expenses of \$2,516 million. The major supplies and services comprise expenses associated with providing social housing, outsource service delivery for Housing and Homelessness Services and Community Services and information, communication and technology.

The major asset of the department is property, plant and equipment which totals \$16,216 million of the department's total assets of \$17,872 million (90 per cent). The majority of this comprises social housing and the land on which these are situated.

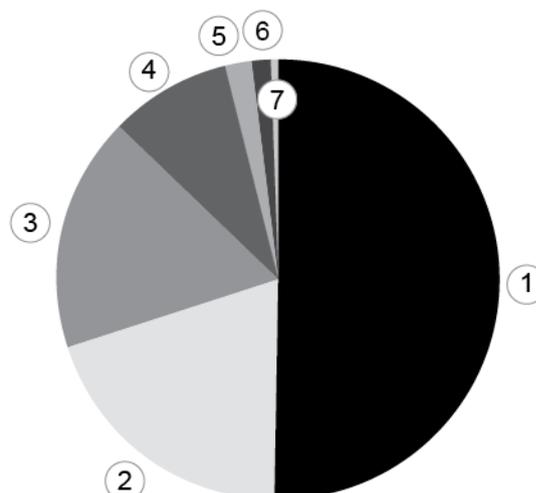
Total expenses by Major Departmental Services, Shared Service Providers (SSP) and Commercialised Business Units in 2020-21[#]

1. Housing and Homelessness Services, \$1,200.0M (41.78%)
2. Sport and Recreation, \$63.4M (2.21%)
3. Customer and Digital Services, \$233.6M (8.13%)
4. Community Services, \$79.6M (2.77%)
5. Arts Queensland, \$89.9M (3.13%)
6. Corporate Administration Agency (SSP), \$6.6M (0.23%)
7. Queensland Shared Services (SSP), \$138.5M (4.82%)
8. Building and Procurement Services, \$308.2M (10.72%)
9. QBuild, \$415.6M (14.47%)
10. QFleet, \$61.1M (2.13%)
11. CITEC, \$157.1M (5.47%)
12. General - not attributed, \$118.6M, (4.14%)



Total expenses by category in 2020-21

1. Supplies and services, \$1,280M (50.88%)
2. Employee expenses, \$502.2M (19.96%)
3. Depreciation and amortisation, \$436.1M (17.33%)
4. Grants and subsidies, \$219.8M (8.74%)
5. Finance/borrowing costs, \$38.388M (1.53%)
6. Other expenses, \$29.4M (1.17%)
7. Impairment losses on loans and receivables, \$9.9M (0.39%)



[#] Revenue and expenses by Major Departmental Services, Shared Service Providers and Commercialised Business Units do not include internal departmental transaction eliminations which are eliminated in the Statement of Comprehensive Income and Balance Sheet.

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 2021.

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

Statement of Comprehensive Income

for the year ended 30 June 2021

	Actual 2020–21	Actual 2019–20
	\$'000	\$'000
INCOME		
User charges and fees	1,291,934	2,067,749
Appropriation revenue	999,379	1,083,163
Grants and other contributions	15,482	12,696
Other revenue	108,151	54,324
Gains on disposal /remeasurement of assets	48,078	6,578
Total income	2,463,024	3,224,510
EXPENSES		
Supplies and services	1,280,033	1,681,473
Employee expenses	502,174	605,311
Depreciation and amortisation	436,070	711,662
Grants and subsidies	219,756	266,065
Revaluation decrement	-	245,367
Finance/borrowing costs	38,388	66,315
Impairment losses on loans and receivables	9,895	11,955
Other expenses	29,415	39,354
Total expenses	2,515,731	3,627,502
Operating result before income tax	(52,707)	(402,992)
Income tax benefit /(expense)	(2,785)	(5,879)
Operating result after income tax	(55,492)	(408,871)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to operating result		
Increase/(decrease) in asset revaluation surplus	42,220	415,391
Total other comprehensive income	42,220	415,391
Total comprehensive income	(13,272)	6,520

The 2019-20 comparative figures relate to the published annual financial statements of the former Department of Housing and Public Works. Comparative information has not been re-cast to reflect the transfer of activities as a result of machinery-of-government changes. Due to these changes, explanation of variances between 2019-20 and 2020-21 have not been presented.

Balance Sheet

as at 30 June 2021

	Actual 2020–21	Actual 2019–20
	\$'000	\$'000
CURRENT ASSETS		
Cash and cash equivalents	299,108	426,406
Loans and receivables	119,911	201,303
Prepayments	25,549	46,615
Other financial assets	6,000	6,000
Other current assets	-	38,302
Non-current assets classified as held for sale	17,107	54,619
Total current assets	467,675	773,245
NON-CURRENT ASSETS		
Property, plant and equipment	16,215,771	18,727,253
Right-of-use assets	946,187	3,160,811
Other financial assets	178,464	179,717
Loans and receivables	39,888	112,723
Intangible assets	22,270	26,286
Prepayments	2,141	2,204
Other non-current assets	-	4,239
Total non-current assets	17,404,721	22,213,233
TOTAL ASSETS	17,872,396	22,986,478
CURRENT LIABILITIES		
Payables	284,839	275,839
Lease liabilities	27,671	405,877
Unearned revenue	29,391	30,018
Accrued employee benefits	12,929	27,495
Provisions	-	22,094
Borrowings	15,873	15,640
Other current liabilities	14,304	38,957
Total current liabilities	385,007	815,920
NON-CURRENT LIABILITIES		
Lease liabilities	261,584	2,289,179
Borrowings	231,553	443,938
Queen's Wharf deferred consideration	-	102,725
Provisions	-	57,152
Unearned revenue	-	26,452
Other non-current liabilities	558	18,834
Total non-current liabilities	493,695	2,938,280
TOTAL LIABILITIES	878,702	3,754,200
NET ASSETS	16,993,694	19,232,278
EQUITY		
Contributed equity	14,904,285	17,126,020
Asset revaluation surplus	2,896,148	2,958,358
Accumulated surplus/(deficit)	(806,739)	(852,100)
TOTAL EQUITY	16,993,694	19,232,278

The 2019-20 comparative figures relate to the published annual financial statements of the former Department of Housing and Public Works. Comparative information has not been re-cast to reflect the transfer of activities as a result of machinery-of-government changes. Due to these changes, explanation of variances between 2019-20 and 2020-21 have not been presented.



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 2020-21
- Management Certificate
- Independent Auditor's Report.

General information

These financial statements cover the Department of Communities, Housing and Digital Economy.

The Department of Communities, Housing and Digital Economy is a Queensland Government department established under the *Public Service Act 2008*.

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

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

1 William Street
BRISBANE QLD 4000

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

For information in relation to the department's financial statements, please call (07) 300 83138 or visit the departmental website www.chde.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 2020-21

Management Certificate

Independent Auditor's Report

Department of Communities, Housing and Digital Economy
Statement of Comprehensive Income
for the year ended 30 June 2021

	Note	2021 \$'000	2020* \$'000
Income			
User charges and fees	2.1	1,291,934	2,067,749
Appropriation revenue	2.2	999,379	1,083,163
Grants and other contributions		15,482	12,696
Other revenue	2.3	108,151	54,324
Total revenue		<u>2,414,946</u>	<u>3,217,932</u>
Gains on disposal/remeasurement of assets	2.4	48,078	6,578
Total income		<u>2,463,024</u>	<u>3,224,510</u>
Expenses			
Supplies and services	2.5	1,280,033	1,681,473
Depreciation and amortisation	3.1, 3.2	436,070	711,662
Employee expenses	2.6	502,174	605,311
Grants and subsidies	2.7	219,756	266,065
Revaluation decrement	3.1	-	245,367
Finance/borrowing costs		38,388	66,315
Impairment losses on loans and receivables	3.3	9,895	11,955
Other expenses	2.8	29,415	39,354
Total expenses		<u>2,515,731</u>	<u>3,627,502</u>
Operating result before income tax		<u>(52,707)</u>	<u>(402,992)</u>
Income tax benefit/(expense)		(2,785)	(5,879)
Operating result after income tax		(55,492)	(408,871)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to operating result			
Increase/(decrease) in asset revaluation surplus	3.1	42,220	415,391
Total other comprehensive income		<u>42,220</u>	<u>415,391</u>
Total comprehensive income		<u>(13,272)</u>	<u>6,520</u>

*The 2020 comparative figures relate to the published annual financial statements of the former Department of Housing and Public Works. Comparative information has not been re-cast to reflect the transfer of activities as a result of machinery-of-government changes (refer to Note 1.5).

The accompanying notes form part of these financial statements.

Department of Communities, Housing and Digital Economy
Balance Sheet
as at 30 June 2021

	Note	2021 \$'000	2020* \$'000
Current Assets			
Cash and cash equivalents		299,108	426,406
Loans and receivables	3.3	119,911	201,303
Prepayments		25,549	46,615
Other financial assets	3.5	6,000	6,000
Other current assets	3.6	-	38,302
		<u>450,568</u>	<u>718,626</u>
Non-current assets classified as held for sale	3.7	17,107	54,619
Total current assets		<u>467,675</u>	<u>773,245</u>
Non-current Assets			
Property, plant and equipment	3.1	16,215,771	18,727,253
Right-of-use assets	3.2	946,187	3,160,811
Other financial assets	3.5	178,464	179,717
Loans and receivables	3.3	39,888	112,723
Intangible assets		22,270	26,286
Prepayments		2,141	2,204
Other non-current assets	3.6	-	4,239
Total non-current assets		<u>17,404,721</u>	<u>22,213,233</u>
Total Assets		<u>17,872,396</u>	<u>22,986,478</u>
Current Liabilities			
Lease liabilities	3.2	27,671	405,877
Payables	3.9	284,839	275,839
Unearned revenue	3.11	29,391	30,018
Accrued employee benefits		12,929	27,495
Provisions	3.10	-	22,094
Borrowings	3.8	15,873	15,640
Other current liabilities	3.12	14,304	38,957
Total current liabilities		<u>385,007</u>	<u>815,920</u>
Non-current Liabilities			
Lease liabilities	3.2	261,584	2,289,179
Borrowings	3.8	231,553	443,938
Queen's Wharf deferred consideration		-	102,725
Provisions	3.10	-	57,152
Unearned revenue	3.11	-	26,452
Other non-current liabilities	3.12	558	18,834
Total non-current liabilities		<u>493,695</u>	<u>2,938,280</u>
Total Liabilities		<u>878,702</u>	<u>3,754,200</u>
NET ASSETS		<u>16,993,694</u>	<u>19,232,278</u>
EQUITY			
Contributed equity		14,904,285	17,126,020
Asset revaluation surplus	3.1	2,896,148	2,958,358
Accumulated surplus/(deficit)		(806,739)	(852,100)
Total Equity		<u>16,993,694</u>	<u>19,232,278</u>

*The 2020 comparative figures relate to the published annual financial statements of the former Department of Housing and Public Works. Comparative information has not been re-cast to reflect the transfer of activities as a result of machinery-of-government changes (refer to Note 1.5).

The accompanying notes form part of these financial statements.

Department of Communities, Housing and Digital Economy
Statement of Changes in Equity
for the year ended 30 June 2021

	Contributed equity \$'000	Asset revaluation surplus (Note 3.1(d)) \$'000	Accumulated surplus/(deficit) \$'000	Total \$'000
Balance as at 1 July 2019	17,075,205	2,619,031	(349,377)	19,344,859
Adjustment on initial application of AASB 16	-	(76,064)	(87,185)	(163,249)
Restated balance as at 1 July 2019	17,075,205	2,542,967	(436,562)	19,181,610
Operating result	-	-	(408,871)	(408,871)
Other comprehensive income	-	415,391	-	415,391
- Increase/(decrease) in asset revaluation surplus	-	415,391	-	415,391
Total comprehensive income for the year	-	415,391	(408,871)	6,520
Transactions with owners as owners	803,069	-	-	803,069
- Appropriated equity injections (Note 3.15)	(506,111)	-	-	(506,111)
- Appropriated equity withdrawals (Note 3.15)	(246,143)	-	-	(246,143)
- Net transfers in/(out) from/(to) other Queensland Government entities	-	-	(6,667)	(6,667)
- Dividends paid or declared	50,815	-	(6,667)	44,148
Net transactions with owners as owners	17,126,020	2,958,358	(852,100)	19,232,278
Balance as at 30 June 2020	17,126,020	2,958,358	(852,100)	19,232,278
Operating result	-	-	(55,492)	(55,492)
Other comprehensive income	-	42,220	-	42,220
- Increase/(decrease) in asset revaluation surplus	-	42,220	-	42,220
Total comprehensive income for the year	-	42,220	(55,492)	(13,272)
Transactions with owners as owners	354,703	-	-	354,703
- Appropriated equity injections (Note 3.15)	(179,659)	-	-	(179,659)
- Non-appropriated equity adjustments	6,296	-	-	6,296
- Net transfers in/(out) from/(to) other Queensland Government entities	(2,403,075)	-	-	(2,403,075)
- Transfer to accumulated surplus/(deficit) for asset class disposed	-	(104,430)	104,430	-
- Dividends paid or declared	-	-	(3,577)	(3,577)
Net transactions with owners as owners	(2,221,735)	(104,430)	100,853	(2,225,312)
Balance as at 30 June 2021	14,904,285	2,896,148	(806,739)	16,993,694

The accompanying notes form part of these financial statements.

Department of Communities, Housing and Digital Economy
Statement of Cash Flows
for the year ended 30 June 2021

	2021 \$'000	2020* \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Inflows:</i>		
User charges and fees	1,262,888	2,074,747
Appropriation receipts	1,075,845	1,082,008
GST input tax credits received from the Australian Taxation Office	267,764	273,939
GST collected from customers	82,933	173,910
Grants and other contributions	13,837	18,357
Other	70,330	43,985
<i>Outflows:</i>		
Supplies and services	(1,293,449)	(1,785,867)
Employee expenses	(514,764)	(602,139)
GST remitted to the Australian Taxation Office	(175,297)	(223,769)
GST paid to suppliers	(134,564)	(253,398)
Grants and subsidies	(213,621)	(266,908)
Finance/borrowing costs	(38,532)	(66,337)
Taxation equivalents	(3,868)	(8,918)
Other	(23,088)	(21,020)
Net cash provided by (used in) operating activities	376,414	438,590
CASH FLOWS FROM INVESTING ACTIVITIES		
<i>Inflows:</i>		
Sales of property, plant and equipment	71,471	101,429
Loans and advances redeemed	27,436	25,346
Redemption of other financial assets	8,843	6,994
<i>Outflows:</i>		
Payments for property, plant and equipment	(362,659)	(536,031)
Loans and advances made	(24,839)	(33,092)
Payments for intangible assets	(3,890)	(4,753)
Net cash provided by (used in) investing activities	(283,638)	(440,107)
CASH FLOWS FROM FINANCING ACTIVITIES		
<i>Inflows:</i>		
Equity injections	354,828	759,547
Borrowings	2,000	10,000
Transfers from other government entities	7,947	-
<i>Outflows:</i>		
Payment of lease liabilities	(191,739)	(392,347)
Equity withdrawals	(180,512)	(493,290)
Borrowing redemptions	(17,640)	(15,450)
Dividends paid	-	(7,891)
Net cash provided by (used in) financing activities	(25,116)	(139,431)
Net increase (decrease) in cash and cash equivalents	67,660	(140,948)
Increase (decrease) in cash and cash equivalents from machinery-of-government changes (Note 1.5)	(194,958)	-
Cash and cash equivalents – opening balance	426,406	567,354
Cash and cash equivalents – closing balance	299,108	426,406

*The 2020 comparative figures relate to the published annual financial statements of the former Department of Housing and Public Works. Comparative information has not been re-cast to reflect the transfer of activities as a result of machinery-of-government changes (refer to Note 1.5).

The accompanying notes form part of these financial statements.

Department of Communities, Housing and Digital Economy
Notes to the Statement of Cash Flows
for the year ended 30 June 2021

2021
\$'000

2020
\$'000

Reconciliation of operating result to net cash from operating activities

Operating surplus/(deficit) before income tax	(52,707)	(402,992)
Less: income tax benefit/(expense)	(2,785)	(5,879)
	(55,492)	(408,871)
<i>Non-cash items:</i>		
Depreciation and amortisation expense	436,070	711,662
Motor vehicles sold	22,409	49,558
Donated assets and services expensed	1,055	1,130
Contributed assets and services received	(640)	(630)
Impairment losses	12,299	15,977
Loss/(gain) on disposal of non-current assets	(5,317)	(2,011)
Revaluation decrement/(increment)	(36,298)	245,367
Write-off of assets	2,121	1,950
Write-on of assets	29	-
Net loss/(gain) on revaluation of financial assets	(6,462)	(6,659)
<i>Change in assets and liabilities:</i>		
(Increase) decrease in GST input tax credits receivable	898	(4,940)
(Increase) decrease in loans and receivables	27,356	43,412
(Increase) decrease in prepayments	(8,145)	(4,753)
(Increase) decrease in other assets	(33,336)	665
Acquisition of motor vehicles held for rental	(31,198)	(105,493)
Increase (decrease) in GST payable	816	2,547
Increase (decrease) in payables	44,702	(101,012)
Increase (decrease) in provisions	(2,110)	(6,195)
Increase (decrease) in unearned revenue	20,173	(20,160)
Increase (decrease) in accrued employee benefits	(7,007)	1,830
Increase (decrease) in other liabilities	(5,509)	25,216
Net cash from operating activities	376,414	438,590

Changes in liabilities arising from financing activities

	Borrowings	Lease liabilities	Dividends payable	Total
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2019	465,028	243,839	7,891	716,758
Adjustment on initial application of AASB 16	-	2,442,765	-	2,442,765
Restated balance as at 1 July 2019	465,028	2,686,604	7,891	3,159,523
Cash flows:				
Cash received	10,000	-	-	10,000
Cash paid	(15,450)	(392,347)	(7,891)	(415,688)
Non-cash changes:				
Leases acquired/surrendered	-	286,592	-	286,592
Remeasurement of lease liability	-	145,682	-	145,682
Other	-	(31,475)	-	(31,475)
Dividends declared	-	-	6,667	6,667
Balance as at 30 June 2020	459,578	2,695,056	6,667	3,161,301
Balance as at 1 July 2020	459,578	2,695,056	6,667	3,161,301
Cash flows:				
Cash received	2,000	-	-	2,000
Cash paid	(17,640)	(191,739)	-	(209,379)
Non-cash changes:				
Net transfers from machinery-of-government changes (Note 1.5)	(196,512)	(2,314,381)	(10,244)	(2,521,137)
Leases acquired/surrendered	-	82,821	-	82,821
Remeasurement of lease liability	-	17,478	-	17,478
Other	-	20	-	20
Dividends declared	-	-	3,577	3,577
Balance as at 30 June 2021	247,426	289,255	-	536,681

For changes in liabilities relating to equity appropriations refer to Note 3.15 which details equity appropriations payable/receivable.

Department of Communities Housing and Digital Economy
Statement of Comprehensive Income by Major Departmental Services, Commercialised Business Units (CBU) and Shared Service Providers (SSP)
for the year ended 30 June 2021

	Housing and Homelessness Services		Customer and Digital Services		Queensland Shared Services (SSP)		CITEC (CBU)		Arts and Community Services	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income										
User charges and fees	419,099	426,422	63,502	33,518	133,927	136,930	153,446	150,949	10,878	2,202
Appropriation revenue	588,963	587,714	162,756	155,527	-	-	-	-	79,181	59,438
Grants and other contributions	16,144	1,929	-	-	-	2,030	-	-	(1,697)	568
Other revenue	77,064	33,273	8,547	8,362	108	1,465	3	7	1,016	17,014
Total revenue	1,101,270	1,049,338	234,805	197,407	134,035	140,425	153,449	150,956	89,378	79,222
Gains on disposal/remeasurement of assets	40,959	6,705	(7)	-	-	(93)	-	(1)	5,967	(19)
Total income	1,142,229	1,056,043	234,798	197,407	134,035	140,332	153,449	150,955	95,345	79,203
Expenses										
Supplies and services	758,978	769,742	122,183	112,290	54,703	47,829	97,981	95,621	20,465	57,647
Depreciation and amortisation	137,912	139,104	15,426	14,731	5,446	5,501	17,538	17,128	28,768	1,678
Employee expenses	122,846	129,555	88,499	75,156	77,501	91,127	40,754	41,711	8,273	9,517
Grants and subsidies	131,687	131,968	3,808	4,424	-	-	-	-	31,602	10,829
Revaluation decrement	-	218,988	-	-	-	-	-	-	-	-
Finance/borrowing costs	16,917	17,518	3,633	3,908	6	10	456	634	-	-
Impairment losses on loans and receivables	9,956	12,000	2	1	-	2	-	-	-	(79)
Other expenses	21,710	21,819	91	54	806	865	381	401	829	23
Total expenses	1,200,006	1,440,694	233,642	210,564	138,462	145,334	157,110	155,495	89,937	79,615
Operating result before income tax	(57,777)	(384,651)	1,156	(13,157)	(4,427)	(5,002)	(3,661)	(4,540)	5,408	(412)
Income tax benefit/(expense)	-	-	-	-	-	-	5	(162)	-	-
Operating result after income tax	(57,777)	(384,651)	1,156	(13,157)	(4,427)	(5,002)	(3,656)	(4,702)	5,408	(412)
OTHER COMPREHENSIVE INCOME										
Items that will not be reclassified to operating result										
Increase/(decrease) in asset revaluation surplus	55,918	405,277	-	-	-	-	-	-	9,606	316
Total other comprehensive income	55,918	405,277	-	-	-	-	-	-	9,606	316
Total comprehensive income	(1,859)	20,626	1,156	(13,157)	(4,427)	(5,002)	(3,656)	(4,702)	15,014	(96)

Refer to Note 1.4 for information on changes to services provided over the reporting period. Amounts disclosed above for 2019-20 have been reclassified to align with the services in 2020-21.

Department of Communities Housing and Digital Economy
Statement of Comprehensive Income by Major Departmental Services, Commercialised Business Units (CBU) and Shared Service Providers (SSP)
for the year ended 30 June 2021

	Corporate Administration Agency (SSP)		Building and Procurement Services		Sport and Recreation		QBuild (CBU)		QFleet (CBU)	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income										
User charges and fees	6,432	260,206	649,643	2,649	6,441	409,010	1,113,854	71,112	152,289	-
Appropriation revenue	-	47,107	170,039	57,719	169,883	-	-	-	-	-
Grants and other contributions	-	30	3,643	-	4,215	437	879	-	-	-
Other revenue	-	588	7,457	251	698	5,255	4,055	168	506	-
Total revenue	6,432	307,931	830,782	60,619	181,237	414,702	1,118,788	71,280	152,795	-
Gains on disposal/remeasurement of assets	-	1,178	697	(1)	(618)	2	(100)	-	-	-
Total income	6,432	309,109	831,479	60,618	180,619	414,704	1,118,688	71,280	152,795	-
Expenses										
Supplies and services	1,682	63,228	233,986	8,379	29,993	359,502	978,499	36,002	82,749	-
Depreciation and amortisation	-	208,504	487,515	1,683	3,685	536	1,282	18,118	42,007	-
Employee expenses	4,749	16,360	45,165	12,193	29,040	56,506	126,602	2,208	4,750	-
Grants and subsidies	-	917	4,324	41,011	122,007	367	739	-	-	-
Revaluation decrement	-	-	36,298	-	(9,919)	-	-	-	-	-
Finance/borrowing costs	-	15,435	38,016	37	99	-	-	1,904	6,130	-
Impairment losses on loans and receivables	-	-	(64)	-	12	11	4	-	-	-
Other expenses	196	3,747	6,130	101	263	(1,298)	3,253	2,828	6,416	-
Total expenses	6,627	308,191	851,370	63,404	175,180	415,624	1,110,379	61,060	142,052	-
Operating result before income tax	(195)	918	(19,891)	(2,786)	5,439	(920)	8,309	10,220	10,743	-
Income tax benefit/(expense)	-	-	-	-	-	276	(2,494)	(3,066)	(3,223)	-
Operating result after income tax	(195)	918	(19,891)	(2,786)	5,439	(644)	5,815	7,154	7,520	-
OTHER COMPREHENSIVE INCOME items that will not be reclassified to operating result										
Increase/(decrease) in asset revaluation surplus	-	(23,620)	7,667	-	2,447	-	-	-	-	-
Total other comprehensive income	-	(23,620)	7,667	-	2,447	-	-	-	-	-
Total comprehensive income	(195)	(22,702)	(12,224)	(2,786)	7,886	(644)	5,815	7,154	7,520	-

Refer to Note 1.4 for information on changes to services provided over the reporting period. Amounts disclosed above for 2019-20 have been reclassified to align with the services in 2020-21.

Department of Communities Housing and Digital Economy
Statement of Comprehensive Income by Major Departmental Services, Commercialised Business Units (CBU) and Shared Service Providers (SSP)
for the year ended 30 June 2021

	General - not attributed		Inter-service/ unit eliminations		Total department	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
User charges and fees	114,158	121,040	(354,687)	(723,337)	1,291,934	2,067,749
Appropriation revenue	4,215	-	-	-	999,379	1,083,163
Grants and other contributions	-	-	-	-	15,482	12,696
Other revenue	17	(37)	(1,880)	(1,462)	108,151	54,324
Total revenue	118,390	121,003	(356,567)	(724,799)	2,414,946	3,217,932
Gains on disposal/remeasurement of assets	(1)	(12)	-	-	48,078	6,578
Total income	118,389	120,991	(356,567)	(724,799)	2,463,024	3,224,510
Expenses						
Supplies and services	55,367	55,562	(356,084)	(724,798)	1,280,033	1,681,473
Depreciation and amortisation	461	709	-	-	436,070	711,662
Employee expenses	62,786	64,706	(18)	(2,501)	502,174	605,311
Grants and subsidies	-	103	(465)	2,500	219,756	266,065
Revaluation decrement	-	-	-	-	-	245,367
Finance/borrowing costs	-	-	-	-	38,388	66,315
Impairment losses on loans and receivables	5	-	-	-	9,895	11,955
Other expenses	1	153	-	-	29,415	39,354
Total expenses	118,620	121,233	(356,567)	(724,799)	2,515,731	3,627,502
Operating result before income tax	(231)	(242)	-	-	(52,707)	(402,992)
Income tax benefit/(expense)	-	-	-	-	(2,785)	(5,879)
Operating result after income tax	(231)	(242)	-	-	(55,492)	(408,871)
OTHER COMPREHENSIVE INCOME items that will not be reclassified to operating result						
Increase/(decrease) in asset revaluation surplus	-	-	-	-	42,220	415,391
Total other comprehensive income	-	-	-	-	42,220	415,391
Total comprehensive income	(231)	(242)	-	-	(13,272)	6,520

Refer to Note 1.4 for information on changes to services provided over the reporting period. Amounts disclosed above for 2019-20 have been reclassified to align with the services in 2020-21.

Department of Communities, Housing and Digital Economy
Statement of Assets and Liabilities by Major Departmental Services, Commercialised Business Units (CBU) and Shared Service Providers (SSP)
as at 30 June 2021

	Housing and Homelessness Services		Customer and Digital Services		Queensland Shared Services (SSP)		CITEC (CBU)		Arts Queensland		Community Services		Administration Agency		Corporate	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current Assets																
Cash and cash equivalents	172,377	112,164	3,538	5,865	25,313	24,494	5,457	7,366	18,994	67,045	4,031					
Loans and receivables	53,960	48,959	23,327	18,683	17,672	13,619	15,127	15,811	4,130	2,393	880					
Prepayments	976	1,529	14,681	3,200	1,804	1,202	4,436	5,376	80	167	608					
Other financial assets	6,000	6,000	-	-	-	-	-	-	-	-	-					
Other current assets	-	3	-	-	-	-	-	-	-	-	-					
	233,313	168,655	41,546	27,748	44,789	39,315	25,020	28,553	23,204	69,605	5,519					
Non-current assets classified as held for sale	17,107	13,521	-	-	-	-	-	-	-	-	-					
Total current assets	250,420	182,176	41,546	27,748	44,789	39,315	25,020	28,553	23,204	69,605	5,519					
Non-current Assets																
Property, plant and equipment	15,390,149	15,225,611	1,777	2,671	251	276	6,587	6,297	686,388	130,116	-					
Right-of-use assets	820,238	820,470	101,799	109,356	148	308	24,002	35,990	-	-	-					
Other financial assets	178,464	179,717	-	-	-	-	-	-	-	-	-					
Loans and receivables	39,888	42,843	-	-	-	-	-	-	-	-	-					
Intangible assets	8,212	5,527	4,304	5,304	6,933	12,194	1,043	1,024	-	1,778	-					
Prepayments	-	-	1,144	1,390	17	39	853	770	-	-	-					
Other non-current assets	-	-	-	-	-	-	-	-	-	-	-					
Total non-current assets	16,436,951	16,274,168	109,024	118,721	7,349	12,817	32,485	44,081	686,388	131,894	-					
TOTAL ASSETS	16,687,371	16,456,344	150,570	146,469	52,138	52,132	57,505	72,634	709,592	201,499	5,519					
Current Liabilities																
Lease liabilities	2,759	2,609	13,849	12,735	107	163	10,956	13,878	-	-	-					
Payables	169,289	102,668	34,338	43,397	8,962	1,749	10,748	8,746	17,465	43,376	103					
Unearned revenue	29,128	27,069	-	-	-	26	-	-	-	-	263					
Accrued employee benefits	3,526	4,152	2,424	2,802	2,195	4,637	1,310	1,777	728	532	466					
Provisions	-	-	-	-	-	-	-	-	-	-	-					
Borrowings	15,873	15,640	-	-	-	-	-	-	-	-	-					
Other current liabilities	5,000	5,009	270	226	610	-	1,827	4,441	1,697	-	-					
Total current liabilities	225,575	157,147	50,881	59,160	11,874	6,575	24,841	28,842	19,890	43,908	832					
Non-current Liabilities																
Lease liabilities	153,257	152,389	96,457	104,491	48	155	11,822	20,183	-	-	-					
Borrowings	231,553	247,426	-	-	-	-	-	-	-	-	-					
Queen's Wharf deferred consideration	-	-	-	-	-	-	-	-	-	-	-					
Provisions	-	-	-	-	-	-	-	-	-	-	-					
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-					
Other non-current liabilities	-	-	-	-	-	-	558	474	-	-	-					
Total non-current liabilities	384,810	399,815	96,457	104,491	48	155	12,380	20,657	-	-	-					
TOTAL LIABILITIES	610,385	556,962	147,338	163,651	11,922	6,730	37,221	49,499	19,890	43,908	832					

Refer to Note 1.4 for information on changes to services provided over the reporting period. Amounts disclosed above for 2019-20 have been reclassified to align with the services in 2020-21.

Department of Communities, Housing and Digital Economy
Statement of Assets and Liabilities by Major Departmental Services, Commercialised Business Units (CBU) and Shared Service Providers (SSP)
as at 30 June 2021

	Building and Procurement		Sport and Recreation		QBuild (CBU)		QFleet (CBU)		General - not attributed		Inter-service/unit eliminations		Total department	
	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000
Current Assets														
Cash and cash equivalents	30,055	3,562	105,238	18,925	2,353	118,737	-	-	-	-	-	-	299,108	426,406
Loans and receivables	14,079	14,643	84,990	11,849	14,800	13,292	(12,378)	(34,622)	-	-	-	-	119,911	201,303
Prepayments	15,446	10,110	156	6,828	2,797	2,768	-	-	-	-	-	-	25,549	46,615
Other financial assets	-	-	-	-	-	-	-	-	-	-	-	-	6,000	6,000
Other current assets	220	-	48,784	8,986	-	-	-	-	-	-	(19,691)	-	38,302	-
	59,800	28,315	239,168	46,588	19,950	134,797	(12,378)	(54,313)	-	-	-	-	450,568	718,626
Non-current assets classified as held for sale	41,098	-	-	-	-	-	-	-	-	-	-	-	17,107	54,619
Total current assets	100,898	28,315	239,168	46,588	19,950	134,797	(12,378)	(54,313)	-	-	-	-	467,675	773,245
Non-current Assets														
Property, plant and equipment	3,033,488	192,288	678	265,055	503	889	-	-	-	-	-	-	16,215,771	18,727,253
Right-of-use assets	2,188,405	6,282	-	-	-	-	-	-	-	-	-	-	946,187	3,160,811
Other financial assets	-	-	-	-	-	-	-	-	-	-	-	-	178,464	179,717
Loans and receivables	69,880	-	-	-	-	-	-	-	-	-	-	-	39,888	112,723
Intangible assets	-	22	2,215	-	-	-	-	-	-	-	-	-	22,270	26,286
Prepayments	-	-	-	-	127	5	-	-	-	-	-	-	2,141	2,204
Other non-current assets	1,814	-	2,419	6	-	-	-	-	-	-	-	-	-	4,239
Total non-current assets	5,293,587	198,592	5,312	265,061	630	894	-	-	-	-	-	-	17,404,721	22,213,233
TOTAL ASSETS	5,394,485	226,907	244,480	311,649	20,580	135,691	(12,378)	(54,313)	135,691	17,872,396	(12,378)	(54,313)	17,872,396	22,986,478
Current Liabilities														
Lease liabilities	375,425	1,067	-	-	-	-	-	-	-	-	-	-	27,671	405,877
Payables	41,859	10,395	102,382	10,149	12,936	8,807	(12,378)	(54,313)	8,807	-	-	-	284,839	275,839
Unearned revenue	1,323	-	1,600	-	-	-	-	-	-	-	-	-	29,391	30,018
Accrued employee benefits	1,016	755	10,118	236	1,748	2,002	-	-	2,002	-	-	-	12,929	27,495
Provisions	21,979	-	115	-	-	-	-	-	-	-	-	-	-	22,094
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	15,873	15,640
Other current liabilities	15,097	1,756	804	8,220	4,900	3,404	-	-	3,404	-	-	-	14,304	38,957
Total current liabilities	456,699	13,973	115,019	18,605	19,584	14,213	(12,378)	(54,313)	14,213	17,872,396	(12,378)	(54,313)	385,007	815,920
Non-current Liabilities														
Lease liabilities	2,006,790	5,171	-	-	-	-	-	-	-	-	-	-	261,584	2,289,179
Borrowings	-	-	-	196,512	-	-	-	-	-	-	-	-	231,553	443,938
Queen's Wharf deferred consideration	102,725	-	-	-	-	-	-	-	-	-	-	-	-	102,725
Provisions	57,152	-	-	-	-	-	-	-	-	-	-	-	-	57,152
Unearned revenue	26,452	-	-	-	-	-	-	-	-	-	-	-	-	26,452
Other non-current liabilities	2,567	-	692	15,101	-	-	-	-	-	-	-	-	558	18,834
Total non-current liabilities	2,195,686	5,171	692	211,613	-	-	-	-	-	-	-	-	493,695	2,938,280
TOTAL LIABILITIES	2,652,385	19,144	115,711	230,218	19,584	14,213	(12,378)	(54,313)	14,213	17,872,396	(12,378)	(54,313)	878,702	3,754,200

Refer to Note 1.4 for information on changes to services provided over the reporting period. Amounts disclosed above for 2019-20 have been reclassified to align with the services in 2020-21.

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1 BASIS OF PREPARATION

1.1 Authorisation of financial statements

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

1.2 General information

The Department of Communities, Housing and Digital Economy is a not-for-profit Queensland Government department established under the *Public Service Act 2008* and controlled by the State of Queensland.

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.chde.qld.gov.au.

1.3 Statement of compliance

The department has prepared these general purpose financial statements in compliance with section 38 of the *Financial and Performance Management Standard 2019*, the Australian Accounting Standards and Interpretations applicable to not-for-profit entities, and Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2020.

1.4 Department objectives and principal activities

As part of the machinery-of-government changes outlined in Note 1.5, the former Department of Housing and Public Works was renamed to the Department of Communities, Housing and Digital Economy.

In 2020-21 the Department of Communities, Housing and Digital Economy has worked towards its objectives through delivery of integrated service responses to:

- improve the wellbeing of individuals and communities through quality responsive services that strengthen and help Queensland communities thrive through place based person-centred services that respond to the needs of all Queenslanders
- enrich the lives of Queenslanders and their communities by delivering and funding safe, secure and affordable housing and improving housing and homelessness services and support which meets the needs of Queenslanders, including those experiencing domestic and family violence, young people and Aboriginal and Torres Strait Islander peoples
- drive a more digitally enabled government guided by the needs of the citizens and businesses of Queensland
- promote Queenslanders' engagement with the arts.

Housing and Homelessness Services

Housing and Homelessness Services benefits Queenslanders and their communities by providing housing and homelessness services that are responsive, integrated and accessible, and enrich the lives of Queenslanders.

Customer and Digital Services

Customer and Digital Services puts Queenslanders and their businesses at the heart of government service delivery and oversee investments to enable successful delivery of a digitally enabled government.

Queensland Shared Services

Queensland Shared Services (QSS) provides corporate transactional and advisory services to more than 70,000 public servants across 31 Queensland Government entities. QSS provides financial, human resource management (including payroll), telecommunications and mail support services.

CITEC

CITEC is the whole-of-government information and communication technology services provider to the Queensland Government. CITEC provides high quality, cost effective, whole-of-government and commercial information and technology solutions that support the delivery of quality frontline services to Queensland communities and businesses.

1.4 Department objectives and principal activities (continued)

The following services are delivered by the department from 1 December 2020 following machinery-of-government changes outlined in Note 1.5.

Arts Queensland

Arts Queensland invests in opportunities that create greater access for Queenslanders to experience arts and culture, support the growth of the arts sector and showcase the state's stories and artistic talent.

Community Services

Community Services supports communities to thrive through investing in quality community services that are connected and support the social and economic inclusion and wellbeing of people of all ages, abilities and backgrounds.

Corporate Administration Agency

The Corporate Administration Agency provides corporate services and easy and convenient access to business applications to Queensland public sector entities, principally statutory bodies, under service level agreements.

The following services were delivered by the department until 30 November 2020, prior to machinery-of-government changes outlined in Note 1.5.

Building and Procurement Services

Building and Procurement Services provided effective and efficient services and support to industry and government to benefit Queensland communities including procurement, design excellence, building legislation and policy, major government projects and government accommodation.

Sport and Recreation

Sport and Recreation supported Queenslanders to be more physically active, healthier and better connected while also supporting elite athletic success.

QBuild

QBuild partnered with and supported Queensland Government agencies to effectively and efficiently deliver their core services to Queenslanders, by strategically managing and delivering their building, construction and maintenance activities and programs state-wide.

QFleet

QFleet provided 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, and continued transitioning the government's motor-vehicle fleet to lower-emission vehicles, as outlined in the QFleet Electric Vehicle Transition Strategy.

1.5 Machinery-of-government changes

As a result of the *Public Service Departmental Arrangements Notice (No. 4) 2020*, the former Department of Housing and Public Works was renamed to Department of Communities, Housing and Digital Economy on 12 November 2020.

Pursuant to section 80 of the *Financial Accountability Act 2009*, for financial reporting purposes the effective date of the transfers is 1 December 2020. Transactions from the 12 November 2020 to 30 November 2020 are reported in the financial statements of the transferring departments.

1.5 Machinery-of-government changes (continued)

As part of these machinery-of-government changes, the following functions were transferred to and from the department:

- Community Services transferred in from the former Department of Communities, Disability Services and Seniors
- Arts Queensland and Corporate Administration Agency transferred in from the Department of Environment and Science
- Building Policy and Asset Management and Queensland Government Procurement (including QBuild and QFleet) transferred out to the Department of Energy and Public Works
- Sport and Recreation transferred out to the Department of Tourism, Innovation and Sport.

For functions transferred out of the department, transactions up to 30 November 2020 are included in these financial statements.

<i>Assets and liabilities transferred</i>	<u>Transfers in</u>		<u>Transfers (out)</u>		<u>Total net transfers</u>
	Department of Communities, Disability Services and Seniors	Department of Environment and Science	Department of Energy and Public Works	Department of Tourism, Innovation and Sport	
	\$'000	\$'000	\$'000	\$'000	\$'000
Controlled					
Cash and cash equivalents	35,534	51,854	(251,395)	(30,951)	(194,958)
Loans and receivables	14,166	6,551	(149,448)	(13,236)	(141,967)
Prepayments	191	2,097	(21,155)	(10,317)	(29,184)
Property, plant and equipment	124,670	672,776	(3,298,577)	(189,497)	(2,690,628)
Right-of-use assets	30	-	(2,097,313)	(5,851)	(2,103,134)
Intangible assets	1,989	-	(1,751)	(19)	219
Other assets	-	-	(94,611)	-	(94,611)
Non-current assets classified as held for sale	-	-	(24,714)	-	(24,714)
Total assets	176,580	733,278	(5,938,964)	(249,871)	(5,278,977)
Lease liabilities	-	-	(2,309,190)	(5,191)	(2,314,381)
Payables	16,268	30,372	(110,894)	(35,915)	(100,169)
Unearned revenue	-	109	(32,479)	-	(32,370)
Accrued employee benefits	630	856	(7,589)	(1,166)	(7,269)
Provisions	1,995	-	(79,362)	-	(77,367)
Borrowings	-	-	(196,512)	-	(196,512)
Queen's Wharf deferred consideration	-	-	(102,725)	-	(102,725)
Other liabilities	-	-	(43,106)	(6,101)	(49,207)
Total liabilities	18,893	31,337	(2,881,857)	(48,373)	(2,880,000)
Net assets	157,687	701,941	(3,057,107)	(201,498)	(2,398,977)
Administered					
Cash	-	-	(14)	(1,535)	(1,549)
Receivables	-	100	-	-	100
Total assets	-	100	(14)	(1,535)	(1,449)
Payables	38,137	100	(14)	(1,535)	36,688
Total liabilities	38,137	100	(14)	(1,535)	36,688
Net assets	(38,137)	-	-	-	(38,137)

The decrease in net assets has been accounted for as a decrease in contributed equity as disclosed in the Statement of Changes in Equity.

1.5 Machinery-of-government changes (continued)

The following budgeted appropriations were reallocated as part of the machinery-of-government changes:

	Transfers in		Transfers (out)		Total net transfers
	Department of Communities, Disability Services and Seniors	Department of Environment and Science	Department of Energy and Public Works	Department of Tourism, Innovation and Sport	
	\$'000	\$'000	\$'000	\$'000	\$'000
Controlled - appropriation revenue	81,558	75,938	(78,834)	(146,172)	(67,510)
Controlled - equity adjustments	565	(27,743)	(44,091)	(18,631)	(89,900)
Administered - appropriation revenue	-	65,565	(3,847)	(294)	61,424

1.6 Measurement

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

1.7 Presentation

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

Comparative information reflects the audited 2019-20 financial statements of the former Department of Housing and Public Works. In accordance with Queensland Treasury reporting requirements comparative information has not been re-cast to reflect the transfer of activities as a result of machinery-of-government changes.

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 1059 Service Concession Arrangements: Grantors

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

2 STATEMENT OF COMPREHENSIVE INCOME NOTES

2.1 User charges and fees

Revenue from contracts with customers		
Building services	244,815	658,572
Commercial accommodation service*	185,713	442,816
Government employee housing accommodation service*	19,604	46,845
Information, communication and technology services	158,098	145,042
Services provided by shared service provider	130,860	127,617
Fleet management services*	38,107	90,323
Vehicle sales	30,981	57,139
Corporate charges	27,962	-
Other	41,575	78,955
Other user charges and fees		
Property rental - social housing	413,899	420,440
Property rental - other	320	-
Total	1,291,934	2,067,749

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

Prior to the machinery-of-government changes outlined in Note 1.5, the department provided access to non-specialised, commercial accommodation and residential accommodation to other Queensland public sector entities under government-wide frameworks. The department made a judgement that these arrangements were exempt from lease accounting under AASB 16 *Leases* due to the department having substantive substitution rights over the assets used within these arrangements. Motor vehicles provided by QFleet were also exempt from lease accounting under AASB 16 due to the department holding substantive substitution rights for vehicles provided.

Revenue from contracts with customers

Revenue from contracts with customers is recognised when the department transfers control over a good or service to the customer. The following table provides information about the nature and timing of the satisfaction of performance obligations, significant payment terms, and revenue recognition for the department's major categories of user charges revenue from contracts with customers. From 1 December 2020, significant changes to the department's user charges revenue streams occurred with responsibility for the following services transferring to the Department of Energy and Public Works under the machinery-of-government arrangements detailed in Note 1.5:

- building services
- commercial accommodation services
- government employee housing accommodation services
- fleet management services.

Type of good or service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Information, Communication and Technology (ICT) Services	<p>The department provides ICT services and information solutions to other Queensland state government entities and private sector clients.</p> <p>The contracts contain multiple performance obligations relating to the ICT services being provided. Customers simultaneously receive and consume the benefits provided during that period and the department invoices on a fortnightly or monthly basis in a manner that fairly represents the transfer of these services. Consideration is receivable when invoiced.</p>	Revenue is recognised on a fortnightly or monthly basis as the actual services are provided over the duration of the contract.

2.1 User charges and fees (continued)

Revenue from contracts with customers (continued)

Type of good or service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Services provided by Shared Service Providers	<p>The department provides shared finance and payroll services to other Queensland state government entities.</p> <p>The contracts contain multiple performance obligations relating to the shared services being provided. Customers simultaneously receive and consume the benefits provided during that period and the department invoices on a monthly basis in a manner that fairly represents the transfer of these services. Consideration is receivable when invoiced.</p>	Revenue is recognised on a monthly basis as the actual services are provided over the duration of the contract.
Building Services (transferred to the Department of Energy and Public Works)	<p>Until 1 December 2020, the department provided strategic management of building, construction and maintenance activities primarily to other Queensland state government entities under fixed-price and variable-price contracts. Variable prices were included in the transaction price when they related to provisional amounts (such as final cleaning, statutory charges etc) that were highly likely to occur. Contingent amounts were subject to a high degree of uncertainty and were therefore only included in the transaction price when it was highly probable that a significant reversal would not occur.</p> <p>When the department acted as an agent (refer Note 5.7(a)) it provided project management services with respect to these capital works projects.</p> <p>Building services contracts typically had durations of less than 12 months and contained one performance obligation. These performance obligations were satisfied over time as services were rendered.</p> <p>Customers were either invoiced progressively or on completion depending on the complexity of the work and consideration was payable when invoiced.</p>	<p>Revenue from providing building services was recognised in the accounting period in which the services were provided.</p> <p>Revenue was recognised over time as the building services were provided using either:</p> <ul style="list-style-type: none"> • percentage of completion methodology: stage of completion was measured by reference to the proportion of physical work completed as this represented the transfer of building services to the customer; or • costs incurred to date: this method was typically used for straight-forward activities that occurred over a short period of time. <p>When customers were invoiced progressively, the timing of customer payment did not always match the revenue recognition policies described above. If the building services provided by the department exceeded the payment, a contract asset was recognised. If customer payments exceeded the building services provided by the department, a contract liability was recognised.</p> <p>Estimates of revenues, costs or extent of progress towards completion were revised if circumstances changed. Any resulting increases or decreases in estimated revenues or costs were reflected in profit or loss in the period in which the circumstances that gave rise to the revision became known.</p>

2.1 User charges and fees (continued)

Revenue from contracts with customers (continued)

Type of good or service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Commercial Accommodation Service (transferred to the Department of Energy and Public Works)	<p>Until 1 December, the department provided access to commercial accommodation primarily to other Queensland state government entities.</p> <p>Commercial accommodation contracts typically had durations of up to 10 years and contained multiple performance obligations relating to the commercial space being provided. Customers simultaneously received and consumed the benefits provided during the contract period and the department invoiced on a monthly basis in a manner that fairly represented the transfer of these services. Consideration was receivable when invoiced.</p>	Revenue was recognised on a monthly basis as the actual services were provided over the duration of the contract.
Government Employee Housing Accommodation Service (transferred to the Department of Energy and Public Works)	<p>Until 1 December 2020, the department provided access to government employee housing primarily to other Queensland state government entities.</p> <p>Government employee housing contracts were typically open ended and contained multiple performance obligations relating to the government employee housing being provided. Customers simultaneously received and consumed the benefits provided during the contract period and the department invoiced on a monthly basis in a manner that fairly represented the transfer of these services. Consideration was receivable when invoiced.</p>	Revenue was recognised on a monthly basis as the actual services were provided over the duration of the contract.
Fleet Management Services (transferred to the Department of Energy and Public Works)	<p>Until 1 December 2020, the department provided fleet management services primarily to other Queensland state government entities.</p> <p>Fleet management contracts were typically four years and contained multiple performance obligations relating to the vehicle being provided. Customers simultaneously received and consumed the benefits provided during the contract period and the department invoiced on a monthly basis in a manner that fairly represented the transfer of these services. Consideration was receivable when invoiced.</p>	Revenue was recognised on a monthly basis as the actual services are provided over the duration of the contract.

Refer to Notes 3.6 and 3.12 for disclosures about contract assets and liabilities outstanding at year end.

Property rental - social housing

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

2.2 Appropriation revenue

Reconciliation of payments from Consolidated Fund to appropriation revenue recognised in operating result

Original budgeted appropriation revenue	1,137,169	1,135,129
Supplementary amounts:		
Transfers from/to other headings - variation in headings	(6,889)	(19,915)
Lapsed appropriation revenue	(54,435)	(33,206)
Total appropriation receipts (cash)	1,075,845	1,082,008
Plus: Opening balance of deferred appropriation payable to Consolidated Fund	54,865	56,020
Plus: Transfer of deferred appropriation payable from other Queensland Government entities	30,156	-
Plus: Transfer of appropriation receivable from other Queensland Government entities	(1,852)	-
Less: Transfer of deferred appropriation payable to other Queensland Government entities	(43,325)	-
Less: Closing balance of deferred appropriation payable to Consolidated Fund	(116,310)	(54,865)
Appropriation revenue recognised in Statement of Comprehensive Income	999,379	1,083,163
Variance between original budgeted and actual appropriation revenue	(137,790)	(51,966)

Appropriations provided under the *Appropriation (2020-21) Act 2021* are recognised as revenue when received under AASB 1058 *Income of Not-for-profit Entities*. Where the department has an obligation to return unspent (or unapplied) appropriation receipts to Consolidated Fund at year end (a deferred appropriation payable to Consolidated Fund), a liability is recognised with a corresponding reduction to appropriation revenue, reflecting the net appropriation revenue position with Consolidated Fund for the reporting period. Capital appropriations are recognised as adjustments to equity (refer to Note 3.15).

2.3 Other revenue

Prior year GST refunds	54,788	10,953
Grant and service procurement refunds	21,990	12,568
Insurance compensation from loss of property	16,294	7,643
Interest	1,466	4,282
Other	13,613	18,878
Total	108,151	54,324

2.4 Gains on disposal/remeasurement of assets

Revaluation increment - buildings	36,298	-
Net gain on financial assets at fair value through profit or loss	7,022	4,792
Net gain on disposal of assets	4,758	1,786
Total	48,078	6,578

2.5 Supplies and services

Cost of sales		
Building, construction and maintenance services	159,423	428,659
Motor vehicles and land sold through inventory	22,690	50,176
Property repairs and maintenance	287,286	332,815
Outsourced service delivery - Housing and Homelessness Services	212,175	200,935
Outsourced service delivery - Community Services	52,458	-
Rates to local governments*	175,172	178,526
Information, communication and technology expenses	173,173	176,772
Other property expenses	34,300	58,842
Consultants and contractors	63,058	85,927
Property rental [†]	40,154	30,583
Motor vehicle costs [†]	11,122	24,315
Electricity and gas	12,106	20,839
Other	36,916	93,084
Total	1,280,033	1,681,473

2.5 Supplies and services (continued)

* 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 \$55.988 million (2020 \$57.732 million) in respect of general rates.

† From 1 December 2020 responsibility for non-specialised commercial office accommodation under the Queensland Government Accommodation Office framework was transferred to the Department of Energy and Public Works under the machinery-of-government arrangements outlined in Note 1.5. Consequently the property rental figure stated above includes payments made to the Department of Energy and Public Works in respect of this office accommodation as from 1 December 2020. These payments arose from non-lease arrangements under which the Department of Energy and Public Works has substantive substitution rights over the assets used within this program. Similarly, motor vehicle rental payments made to the Department of Energy and Public Works (QFleet) under non-lease arrangements are included within motor vehicle costs from 1 December 2020. All payments are expensed as incurred.

2.6 Employee expenses

Employee benefits

Wages and salaries	388,436	467,688
Annual leave levy	40,744	49,016
Employer superannuation contributions	51,608	61,046
Long service leave levy	9,244	10,979
Termination benefits	1,240	50
Other employee benefits	594	645
	<u>491,866</u>	<u>589,424</u>
Employee-related expenses	10,308	15,887
Total	<u><u>502,174</u></u>	<u><u>605,311</u></u>

Wages and salaries

Wages and salaries includes \$1.807 million (2020 \$4.895 million) of \$1,250 one-off, pro-rata payments for 1,445 (2020 3,917) full-time equivalent employees (announced in September 2019).

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

Annual leave and long service leave

Under the Queensland Government's Annual Leave Central Scheme and Long Service Leave Scheme a levy is made on the department to cover the cost of employees' annual leave (including leave loading and on-costs) and long service leave. 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.

2.6 Employee expenses (continued)

Employee-related expenses

Payroll tax and workers' compensation insurance 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 2021 (based upon the fortnight ending 2 July 2021) is 3,706 (2020 5,356).

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

2.7 Grants and subsidies

Housing grants	131,687	131,968
Sport and recreation grants	40,546	124,507
Arts Queensland grants	31,602	-
Community services grants	10,829	-
Other grants and subsidies	5,092	9,590
Total	219,756	266,065

2.8 Other expenses

Insurance premiums - Queensland Government Insurance Fund	16,155	16,596
Insurance premiums - other	4,466	8,092
Impairment losses on non-current assets classified as held for sale	2,404	4,022
Queensland Audit Office - external audit fees*	1,712	1,633
Losses:		
Buildings subject to insurance [†]	2,121	1,955
Public money	-	9
Special payments: [‡]		
Court awarded damages	65	-
Ex-gratia payments - other	366	99
Other	2,126	6,948
Total	29,415	39,354

* Total audit fees quoted by the Queensland Audit Office relating to the 2020-21 financial statements are \$0.649 million (GST exclusive) (2020 \$1.004 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). 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:

- on behalf of certain borrowers for maintenance of their houses
- to private property owners for private property damage
- for compensation relating to a construction contract.

The total of all special payments includes rates payments that are required to be disclosed within Supplies and services (Note 2.5).

3 BALANCE SHEET NOTES

3.1 Property, plant and equipment

Land: at fair value	9,950,038	10,881,831
Buildings: at fair value	5,843,742	6,928,866
Plant and equipment: at cost		
Gross	72,261	670,589
Less accumulated depreciation	(53,542)	(226,858)
	18,719	443,731
Infrastructure: at fair value		
Gross	-	337,951
Less accumulated depreciation	-	(95,963)
	-	241,988
Heritage and cultural assets: at fair value		
Gross	724,923	182,112
Less accumulated depreciation	(493,562)	(131,563)
	231,361	50,549
Work in progress: at cost	171,911	180,288
Total	16,215,771	18,727,253

Department of Communities, Housing and Digital Economy
Notes to the financial statements 2020-21

3.1 Property, plant and equipment (continued)	Land \$'000	Buildings \$'000	Leased assets \$'000	Plant and equipment \$'000	Infrastructure \$'000	Heritage and cultural assets \$'000	Work in progress \$'000	Total \$'000
Property, plant and equipment reconciliation								
Carrying amount at 1 July 2019	10,536,454	7,100,280	1,092,879	426,933	220,893	51,243	319,672	19,748,354
Adjustment on initial application of AASB 16	-	-	(1,092,879)	-	-	-	-	(1,092,879)
Restated carrying amount at 1 July 2019	10,536,454	7,100,280	-	426,933	220,893	51,243	319,672	18,655,475
Transfers from other Queensland Government entities	25,271	-	-	-	-	-	-	25,271
Transfers to other Queensland Government entities	(9,400)	-	-	-	-	-	(261,019)	(270,419)
Acquisitions	48,000	998	-	114,029	25,560	-	459,529	648,116
Transfers between classes	8,976	271,346	-	15,891	-	-	(296,213)	-
Transfers to right-of-use assets	-	-	-	-	-	-	(41,614)	(41,614)
Transfers to inventories	-	-	-	(48,279)	-	-	-	(48,279)
Disposals	(46,617)	(4,725)	-	(45)	-	(44)	(66)	(51,497)
Assets reclassified as held for sale	(95,961)	(25,799)	-	-	-	-	(1)	(121,761)
Net revaluation increments/(decrements) recognised in asset revaluation surplus	415,108	-	-	-	389	(106)	-	415,391
Net revaluation increments/(decrements) recognised in operating result	-	(245,367)	-	-	-	-	-	(245,367)
Depreciation	-	(167,867)	-	(64,798)	(4,854)	(544)	-	(238,063)
Carrying amount at 30 June 2020	10,881,831	6,928,866	-	443,731	241,988	50,549	180,288	18,727,253
Carrying amount at 1 July 2020	10,881,831	6,928,866	-	443,731	241,988	50,549	180,288	18,727,253
Transfers from other Queensland Government entities	273,239	219,051	-	1,894	-	230,954	72,771	797,909
Transfers to other Queensland Government entities	(1,220,978)	(1,443,947)	-	(420,647)	(239,852)	(49,835)	(116,756)	(3,492,015)
Acquisitions	21,833	6,662	-	35,065	-	-	340,074	403,634
Transfers between classes	3,358	263,684	-	6,201	-	9,897	(283,140)	-
Transfers to right-of-use assets	-	-	-	-	-	-	(21,326)	(21,326)
Disposals	(1,134)	(3,304)	-	(17,090)	-	-	-	(21,528)
Assets reclassified as held for sale	(41,215)	(19,832)	-	-	-	-	-	(61,047)
Net revaluation increments/(decrements) recognised in asset revaluation surplus	33,104	-	-	-	-	9,116	-	42,220
Net revaluation increments/(decrements) recognised in operating result	-	36,298	-	-	-	-	-	36,298
Depreciation	-	(143,736)	-	(30,435)	(2,136)	(19,320)	-	(195,627)
Carrying amount at 30 June 2021	9,950,038	5,843,742	-	18,719	-	231,361	171,911	16,215,771

3.1 Property, plant and equipment (continued)

(a) Acquisitions

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

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

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

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

Land improvements undertaken by the department are included with buildings.

(b) Measurement

Land, buildings, infrastructure and heritage and cultural assets are measured at fair value. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation. All of these 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.

(c) Revaluation of property

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

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.

3.1 Property, plant and equipment (continued)

(c) Revaluation of property (continued)

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, except where machinery-of-government changes (refer to Note 1.5) result in the transfer out of an entire asset class.

(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 2021, 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 2020-21 31% (2019-20 33%) 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.

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.

3.1 Property, plant and equipment (continued)

(c) Revaluation of property (continued)

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

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.

There has been no evidence of a material increase or decrease in the market values of properties from the date of valuation to 30 June 2021.

(ii) Arts Queensland assets

Land and buildings

Arts Queensland land parcels are situated at:

- Queensland Cultural Centre at South Brisbane
- Fortitude Valley.

Arts Queensland also owns non-heritage buildings including:

- Gallery of Modern Art
- State Library of Queensland
- Judith Wright Centre
- Festival House.

All land and buildings are specifically appraised every five years and indexed in between where relevant. The next comprehensive revaluation is due in 2021-22. Land is valued at market value and buildings are valued at current replacement cost.

Heritage and cultural assets

Effective from 1 December 2020 the department's existing heritage and cultural assets were transferred to the Department of Energy and Public Works under the machinery-of-government arrangements outlined in Note 1.5. These machinery-of-government arrangements also resulted in the department receiving a number of high value heritage listed buildings belonging to Arts Queensland including:

- Queensland Performing Arts Centre
- Queensland Museum
- Queensland Art Gallery.

All heritage and cultural assets are specifically appraised every five years and indexed in between where relevant. The next specific appraisal is due in 2021-22. These assets are valued at current replacement cost.

3.1 Property, plant and equipment (continued)

(d) Asset revaluation surplus by class

	Land \$'000	Leased assets \$'000	Infrastructure \$'000	Heritage and cultural assets \$'000	Total \$'000
Balance at 1 July 2019	2,419,285	76,064	104,041	19,641	2,619,031
Adjustment on initial application of AASB 16	-	(76,064)	-	-	(76,064)
Restated balance as at 1 July 2019	2,419,285	-	104,041	19,641	2,542,967
Net revaluation increments/(decrements)	415,108	-	389	(106)	415,391
Balance at 30 June 2020	2,834,393	-	104,430	19,535	2,958,358
Balance as at 1 July 2020	2,834,393	-	104,430	19,535	2,958,358
Net revaluation increments/(decrements)	33,104	-	-	9,116	42,220
Transfer to accumulated surplus/(deficit) for asset class disposed	-	-	(104,430)	-	(104,430)
Balance at 30 June 2021	2,867,497	-	-	28,651	2,896,148

(e) Fair value measurement

Categorisation of fair values recognised as at 30 June 2021

	Level 2 \$'000		Level 3 \$'000		Total \$'000	
	2021	2020	2021	2020	2021	2020
Land						
- social housing	9,676,483	9,636,233	-	-	9,676,483	9,636,233
- communities	32,986	-	170	-	33,156	-
- Arts Qld	240,399	-	-	-	240,399	-
- government employee housing	-	151,855	-	-	-	151,855
- commercial	-	551,438	-	453,739	-	1,005,177
- sport and recreation	-	20,455	-	68,111	-	88,566
Total land	9,949,868	10,359,981	170	521,850	9,950,038	10,881,831
Buildings						
- social housing	2,542,975	2,549,521	3,067,898	2,927,185	5,610,873	5,476,706
- communities	7,616	-	86,387	-	94,003	-
- Arts Qld	-	-	138,866	-	138,866	-
- government employee housing	-	483,425	-	36,209	-	519,634
- commercial	-	584,977	-	258,771	-	843,748
- sport and recreation	-	-	-	88,778	-	88,778
Total buildings	2,550,591	3,617,923	3,293,151	3,310,943	5,843,742	6,928,866
Infrastructure	-	-	-	241,988	-	241,988
Heritage and cultural assets	-	6,797	231,361	43,752	231,361	50,549
Total	12,500,459	13,984,701	3,524,682	4,118,533	16,025,141	18,103,234

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.
Buildings	Discounts for non-strata title units. This represents the cost of obtaining strata title to sell. Cost estimates for differences in functionality, physical condition and level of customisation.
Heritage and cultural assets	Building replacement/ reproduction cost rates. Remaining useful lives.

3.1 Property, plant and equipment (continued)

(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, 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.

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	15%
Plant and equipment	1%	to	93%
Heritage and cultural assets	1%	to	14%

Remaining useful lives are reviewed annually. Where remaining useful lives require modification, the depreciation expense changes from the date of assessment until the end of the useful life (for both current and future years). The estimation of useful lives requires management judgement in assessing the condition of the asset. Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

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. The property condition is required to be assessed at least once every three years by internal inspection. This results in a condition rating being assigned, and informs future maintenance and upgrade activities. A property that is ready for demolition has a condition rating of one and a property that is like new has a condition rating of ten. Management has assessed that where at least 95% of social housing buildings have a condition rating greater than eight, this supports the annual revision of the remaining useful life for social housing buildings to 50 years. Once every five years the department engages independent experts to provide an opinion on the continued appropriateness of this remaining useful life methodology. During 2020-21 this review was undertaken and the results confirm the appropriateness of the methodology.

(h) 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 2021, the department had provided funding in relation to 2,926 (2020 3,043) properties under this program where title is held by the provider. Due to the fact that the department does not have sole control of these assets, and they are not material, these assets are not disclosed as department assets.

3.2 Leases as lessee

(a) Right-of-use assets

	Buildings \$'000	Plant and equipment \$'000	Total \$'000
1 July 2019 opening balance on adoption of AASB 16	3,037,332	125,320	3,162,652
Additions	450,302	15,597	465,899
Depreciation charge	(444,432)	(20,596)	(465,028)
Disposals / derecognition	(2,712)	-	(2,712)
Closing balance at 30 June 2020	<u>3,040,490</u>	<u>120,321</u>	<u>3,160,811</u>
Opening balance at 1 July 2020	3,040,490	120,321	3,160,811
Additions	112,791	9,423	122,214
Depreciation charge	(210,012)	(22,059)	(232,071)
Disposals / derecognition	(1,633)	-	(1,633)
Transfers out due to machinery-of-government changes (Note 1.5)	(2,103,134)	-	(2,103,134)
Closing balance at 30 June 2021	<u>838,502</u>	<u>107,685</u>	<u>946,187</u>

Right-of-use assets are recognised at cost, consisting of the initial amount of the associated lease liability plus any capital works completed on the underlying asset.

The carrying amount of right-of-use assets are adjusted for any remeasurement of lease liability in the financial year, e.g. following changes in variable lease payments that depend on an index or rate.

Right-of-use assets are depreciated over the lease term on a straight-line basis.

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

(b) Lease liabilities	2021 \$'000	2020 \$'000
Current	27,671	405,877
Non-current	261,584	2,289,179

Lease liabilities are initially recognised at the present value of lease payments over the lease term.

Lease payments are discounted using Queensland Treasury Corporation's Fixed Rate Loan borrowing rate that best corresponds with the lease commencement month and term.

Rental payments are apportioned between the finance charge and a reduction in the recognised lease liability.

Lease liabilities are remeasured in certain situations such as a change in variable lease payments that depend on an index or rate.

A maturity analysis for lease liabilities is included in Note 3.13.

(c) Lease interest

Interest expense on lease liabilities	24,781	47,794
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(d) Amounts recognised in Statement of Cash Flows

Total cash outflow for leases	225,016	444,049
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3.2 Leases as lessee (continued)

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

Buildings - office accommodation

As Queensland Government's central manager of government office accommodation, the Queensland Government Accommodation Office manages a portfolio of commercial accommodation leases. On 1 December 2020 the Queensland Government Accommodation Office was transferred to the Department of Energy and Public Works as part of the machinery-of-government changes outlined in Note 1.5. Right-of-use assets of \$2,097.313 million were transferred at that date.

Buildings on Deed of Grant in Trust land

The department has concessionary leases of \$820.238 million (2020 \$820.470 million) consisting of buildings on Deed of Grant in Trust land. These buildings are leased from a number of Aboriginal and Torres Strait Islander councils. The leases facilitate the construction and/or refurbishment of properties on communal land in accordance with the National Partnership on Remote Housing, entered into between the Australian Government and the Queensland Government.

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

Plant and equipment - Government Wireless Network

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

3.3 Loans and receivables

Current

Contracts with customers

Trade debtors	71,381	144,382
Social housing debtors - maintenance	30,437	29,782
Less: loss allowance	(22,755)	(21,216)
	7,682	8,566
<i>Total contracts with customers</i>	79,063	152,948
Rental bond loans	30,156	30,567
Less: loss allowance	(15,181)	(12,561)
	14,975	18,006
Social housing debtors - rent	12,168	11,802
Less: loss allowance	(6,478)	(5,088)
	5,690	6,714
GST input tax credits receivable	27,913	23,524
GST payable	(22,835)	(23,074)
Net GST receivable	5,078	450
Annual leave reimbursements*	7,478	5,136
Long service leave reimbursements*	2,034	2,062
Housing loans	4,964	4,935
Equity adjustment receivable	629	9,729
Finance lease receivables	-	1,323
Total	119,911	201,303

3.3 Loans and receivables (continued)

Non-current

Rental bond loans	7,539	7,641
Less: loss allowance	(3,795)	(3,140)
	3,744	4,501
Housing loans	36,144	38,342
Finance lease receivables	-	69,880
Total	39,888	112,723

* Refer to Note 2.6 for further information.

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

Movements in loss allowance

	Current			Total	Non-current Rental bond loans
	Rental bond loans	Social housing debtors - Rent	Social housing debtors - Maintenance		
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2019	9,655	4,221	21,541	35,417	2,414
Increase in allowance recognised in operating result	2,943	1,823	3,526	8,292	726
Amounts written-off during the year	(37)	(956)	(3,851)	(4,844)	-
Balance at 30 June 2020	12,561	5,088	21,216	38,865	3,140
Balance at 1 July 2020	12,561	5,088	21,216	38,865	3,140
Increase in allowance recognised in operating result	2,754	2,118	3,823	8,695	655
Amounts written-off during the year	(134)	(728)	(2,284)	(3,146)	-
Balance at 30 June 2021	15,181	6,478	22,755	44,414	3,795

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

3.4 Credit risk

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

Rental bond loans and social housing debtors

Risk management

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

3.4 Credit risk (continued)

Rental bond loans and social housing debtors (continued)

Loss allowance

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

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

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

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

Write-offs

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

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

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

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

Impact of COVID-19

The department's overall exposure to credit risk and loss for bond loan and social housing clients has not been materially impacted due to COVID-19.

Housing loans

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

Other receivables

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

3.5 Other financial assets

Current

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

Financial assets at fair value through profit or loss	178,464	179,717
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The department has two housing products which are classified as financial assets at fair value through profit or loss, being Rental Purchase Plan and Pathways Shared Equity.

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

The department does not have effective control of properties subject to these agreements and its interest in the properties meets the definition of a financial instrument. Fair value is based on the net market value of the department's proportion of the underlying properties. Each year a sample of shared equity properties are specifically appraised. These assets are a level 2 in the fair value hierarchy.

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

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

3.6 Other assets

Current

Contract assets	-	28,296
Inventories	-	9,259
Tax assets	-	744
Other	-	3
Total	-	38,302

Non-current

Deferred tax assets	-	2,425
Other	-	1,814
Total	-	4,239

3.7 Non-current assets classified as held for sale

Land	12,991	47,990
Buildings	4,116	6,629
Total	17,107	54,619

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

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

3.8 Borrowings

Current

Australian Government borrowings	15,873	15,640
Total	15,873	15,640

Non-current

Australian Government borrowings	231,553	247,426
Queensland Treasury Corporation borrowings	-	196,512
Total	231,553	443,938

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 is disclosed below:

	2021		2020	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Australian Government borrowings	247,426	341,629	263,066	340,519
Queensland Treasury Corporation Borrowings	-	-	196,512	199,879

3.9 Payables

Current

Trade creditors	121,995	171,478
Grants and subsidies payable	46,534	42,829
Deferred appropriation payable to Consolidated Fund	116,310	54,865
Dividends	-	6,667
Total	284,839	275,839

3.10 Provisions

Current	-	22,094
Non-current	-	57,152

Movements

	Cladding remediation \$'000	Make good \$'000	Transfer duty \$'000	Other \$'000	Total \$'000
Balance at 30 June 2020	21,830	21,634	35,667	115	79,246
Additional provision made	-	1,166	-	-	1,166
Provision utilised through payments	-	-	-	(1,850)	(1,850)
Unused provisions reversed	-	(934)	-	(261)	(1,195)
Transfers out due to machinery-of-government changes (Note 1.5)	(21,830)	(21,866)	(35,667)	1,996	(77,367)
Balance at 30 June 2021	-	-	-	-	-

Effective from 1 December 2020, the machinery-of-government arrangements outlined in Note 1.5 resulted in the transfer out of the department's existing provisions to the Department of Energy and Public Works and the transfer in of minor provisions from the Department of Communities, Disability Services and Seniors.

3.11 Unearned revenue

	2021 \$'000	2020 \$'000
Current		
Rent	29,128	27,069
Finance lease revenue	-	1,323
Other	263	1,626
Total	29,391	30,018
Non-current		
Finance lease revenue	-	26,452
Total	-	26,452

3.12 Other liabilities

Current		
Contract liabilities	13,650	29,517
Current tax liability	-	1,375
Other	654	8,065
Total	14,304	38,957
Non-current		
Contract liabilities	395	2,732
Deferred tax liability	163	15,961
Other	-	141
Total	558	18,834

3.13 Liquidity risk

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

The department has overdraft facilities of \$16.950 million (2020 \$95.450 million) with the Commonwealth Bank and working capital facilities of \$5 million (2020 \$60 million) with Queensland Treasury Corporation. These facilities are undrawn as at 30 June and are available for future use.

3.13 Liquidity risk (continued)

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.

2021	Amortised Cost \$'000	Undiscounted cash flows			
		Contractual maturity payable in			Total \$'000
		<1 year \$'000	1-5 years \$'000	>5 years \$'000	
Financial liabilities					
Lease liabilities	289,255	36,252	111,420	250,127	397,799
Australian Government borrowings	247,426	26,871	102,515	212,732	342,118
Payables	284,839	284,839	-	-	284,839
Total	821,520	347,962	213,935	462,859	1,024,756

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

3.14 Contributed equity

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

- appropriations for equity adjustments (refer to Note 3.15)
- non-appropriated equity adjustments
- non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities e.g. as a result of machinery-of-government changes (refer to Note 1.5).

3.15 Appropriations recognised in equity

	2021 \$'000	2020 \$'000
Reconciliation of payments from consolidated fund to equity adjustment		
Original budgeted equity adjustment appropriation	248,475	326,220
Supplementary amounts		
Transfers from/to other headings		(27,381)
Lapsed equity adjustment	(74,205)	(32,582)
Equity adjustment receipts (payments)	174,270	266,257
Less: Opening balance of equity adjustment receivable	(9,729)	-
Plus: Opening balance of equity adjustment payable	-	20,972
Plus: Transfer of equity adjustment receivable to other Queensland Government entities	26,865	-
Less: Transfer of equity adjustment payable to other Queensland Government entities	(16,991)	-
Plus: Closing balance of equity adjustment receivable	629	9,729
Equity adjustment recognised in contributed equity	175,044	296,958
Variance between original budgeted and actual equity adjustment appropriation	(73,431)	(29,262)

4 BUDGET TO ACTUAL COMPARISON

This section details the major variances between the department's actual 2021-21 financial results and the original budget presented to Parliament.

The department was not required to include a budgeted Balance Sheet or Statement of Cash Flows in the 2020-21 Service Delivery Statement. Consequently, no budgeted Balance Sheet or Statement of Cash Flows was presented to Parliament for the 2020-21 financial year.

	Original budget 2021 \$'000	Actual 2021 \$'000	Variance \$'000
STATEMENT OF COMPREHENSIVE INCOME			
INCOME			
User charges and fees	1,294,584	1,291,934	(2,650)
Appropriation revenue	1,197,007	999,379	(197,628)
Grants and other contributions	7,764	15,482	7,718
Other revenue	58,782	108,151	49,369
Total revenue	2,558,137	2,414,946	(143,191)
Gains on disposal/remeasurement of assets	2,713	48,078	45,365
Total income	2,560,850	2,463,024	(97,826)
EXPENSES			
Supplies and services	1,390,906	1,280,033	(110,873)
Depreciation and amortisation	436,671	436,070	(601)
Employee expenses	512,159	502,174	(9,985)
Grants and subsidies	287,767	219,756	(68,011)
Finance/borrowing costs	38,242	38,388	146
Impairment losses on loans and receivables	6,951	9,895	2,944
Other expenses	27,441	29,415	1,974
Total expenses	2,700,137	2,515,731	(184,406)
Operating result before income tax	(139,287)	(52,707)	86,580
Income tax benefit/(expense)	-	(2,785)	(2,785)
Operating result after income tax	(139,287)	(55,492)	83,795
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to operating result			
Increase/(decrease) in asset revaluation surplus	-	42,220	42,220
Total other comprehensive income	-	42,220	42,220
Total comprehensive income	(139,287)	(13,272)	126,015

4 BUDGET TO ACTUAL COMPARISON (CONTINUED)

Explanations of major variances

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

- The line item within the Statement of Comprehensive Income is material (greater than 10%) compared to total income or total expenses.
- The variance between the actual amount and the budget is greater than 10% except for payments for employee expenses and supplies and services 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 (\$197.628 million) is mainly due to:

- a decrease (\$153.5 million) in Housing and Homelessness Services primarily related to net deferrals and transfers to 2021-22 due to the impacts of COVID-19 and changes in timing as a result of the complexity of the delivery of the work. These include delivery of various housing and homelessness programs, including under the Queensland Housing Strategy (\$45.314 million), initiatives in Indigenous communities including those related to the Aboriginal and Torres Strait Islander Housing Action Plan (\$47.492 million), housing related capital grants (\$27.968 million), and social housing maintenance (\$16.2 million)
- a decrease (\$22.976 million) in Community Services primarily related to net deferrals (\$28.671 million) to 2021-22 for outsourced service delivery and Community Services grant programs due to the impacts of COVID-19, as well as changes to timing due to the complexity of delivery of the work. This is offset by an increase of \$5.2 million for additional funding for community drought support
- a decrease (\$18.226 million) in Digital Economy primarily related to net deferrals to 2021-22 for changes in program timing.

2 *Other revenue*

The variance of \$49.369 million is mainly due to GST refunds received for taxation adjustments greater than expected \$22.6 million; returns as part of outsourced service delivery grant funding arrangements \$17.014 million; and Queensland Government Insurance recoveries related to prior periods for \$6.536 million.

3 *Supplies and services*

The variance of (\$110.873 million) is mainly due to:

- deferrals (\$16.2 million) to 2021-22 for the delivery of social housing maintenance due to the impacts of COVID 19
- deferrals (\$13.7 million) to 2021-22, mainly for the delivery of initiatives related to the Aboriginal and Torres Strait Islander Housing Action Plan in Indigenous communities due to the impacts of COVID 19
- re-allocation of funding (\$16.6 million) to current grants to deliver programmed activities in response to COVID-19 and the capitalisation of costs incurred in the development of housing information technology systems
- net deferrals and transfers of (\$22.7 million) related to the delivery of outsourced housing and homelessness services, including under the Queensland Housing Strategy, due to the impacts of COVID-19 and changes to the timing of programs
- a decrease of (\$26.386 million) due to actual inter-departmental service eliminations post machinery-of-government change being higher than expected at the time the budget was formed.

4 *Grants and subsidies*

The variance of (\$68.011 million) is mainly due to:

- deferrals (\$27.968 million) to 2021-22 mainly for housing related capital grants which is due to changes in timing as a result of the complexity of the delivery of work and the industry related impacts of COVID-19
- deferrals (\$36.716 million) to 2021-22 mainly for the delivery of maintenance, upgrades and construction activities in Aboriginal and Torres Strait Islander communities which is due to changes in timing as a result of the complexity of the delivery of work and the impacts of COVID-19.

4 BUDGET TO ACTUAL COMPARISON (CONTINUED)

Explanations of major variances (continued)

5 *Gains on disposal/remeasurement of assets*

The department does not budget for movements in the fair value of property 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 \$45.365 million is mainly due to increases in the value of social housing residential building \$30.406 million and \$5.967 million for Arts Queensland buildings. Whilst social housing residential properties have historically decreased in value due to the ageing portfolio, this year has shown an increase in value due to strong market conditions.

6 *Movement in asset revaluation surplus*

The department does not budget for movements in the fair value of property 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 \$42.22 million principally represents increases in the value of social housing residential land of \$55.918 million and heritage and cultural assets from Arts Queensland of \$9.606 million. The movement in social housing land values principally reflects increased values across the Queensland residential property market, particularly in South East Queensland. This is offset by a decrease (\$23.1 million) relating to the former Department of Housing and Public Works valuations performed prior to the machinery-of-government change.

5 OTHER INFORMATION

5.1 Key management personnel disclosures

(a) Details of key management personnel (KMP)

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

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 the Board of Management. There were no material related party transactions with KMP during 2020-21 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.
Chief Customer and Digital Officer	Responsible for leading and driving a more digitally enabled and responsive government, whilst facilitating simple and effective access to services for all Queenslanders. Ensuring digital, strategic and service delivery leadership and capability to enable more responsive services across the Queensland Government. <i>(This position was renamed from Queensland Government Chief Information Officer in 2019-20).</i>
Deputy Director-General, Transformation and Enabling Technologies	Responsible for providing strategic leadership to the Transformation and Enabling Technologies stream to deliver the services, solutions and technologies that empower Queensland Government (QG) agencies to provide high-quality services to Queenslanders. The stream has a heavy focus on partnering with QG agencies and industry to provide innovative, responsive and integrated services. <i>(This position was renamed from Assistant Director-General, Digital Platforms and Data in 2019-20).</i>
Deputy Director-General, Service Delivery and Operations	Responsible for providing strategic leadership for digitally-enabled whole-of-government services to the Queensland public and modern and trusted corporate services and advice to Queensland Government departments and statutory authorities. <i>(This position was renamed from Deputy Director-General, Digital Technology and Services in 2019-20).</i>
Deputy Director-General, Housing and Homelessness	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. <i>(This position was renamed from Deputy Director-General, Housing, Homelessness and Sport on 1 December 2020).</i> Up to 30 November 2020 this position was also responsible for 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, Strategy, Governance and Engagement	Responsible for providing strategic leadership to the Strategy, Governance and Engagement Division to develop, facilitate and coordinate the department's strategies, policies, roadmaps and standards, guide whole-of-government strategic programs of work to achieve complex and whole-of-government objectives. <i>(This position was renamed from Deputy Director-General, Customer and Digital Strategy on 01 December 2020 and prior to that was named Assistant Director-General, Responsive Government).</i> Up to 30 November 2020 this position was also responsible for providing strategic leadership to the Customer and Digital Strategy division to develop, facilitate and coordinate the Queensland Government customer and digital strategies, policies and standards.
Deputy Director-General, Arts Queensland	Provides strategic leadership and direction on the efficient, effective and economic administration of Arts Queensland.
Assistant Director-General, Community Services	Responsible for providing strategic and operational leadership in managing the delivery of and investment in programs and initiatives that support Queensland communities.
Assistant Director-General, Corporate Services	Responsible for providing strategic leadership to deliver the departments corporate support services.

5.1 Key management personnel disclosures (continued)

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

Functions transferred from department

Position	Position responsibility
Assistant Director-General, Sport and Recreation	Responsible for strategic leadership of the division implementing strategies and programs to encourage active lifestyles and initiatives to build the capacity of the sport and recreation industry.
Deputy Director-General, Building Policy and Asset Management	Responsible for providing strategic leadership to deliver high quality outcomes under the department's capital works and building asset management programs, accommodation and employee housing programs and disaster management coordination efforts. The role is critical in developing and maintaining effective partnerships and relationships with key stakeholders and clients including interface with the building industry.
Assistant Director-General, QBuild	The primary purpose of this role is to lead the overall operations of QBuild, including the comprehensive range of asset management, maintenance, construction, consultancy and building services that it provides. The role provides strategic direction to and is accountable for the effective governance of, operational and strategic areas of the business unit to ensure continued commercial viability and the achievement of government and business objectives. <i>(This role was renamed from Executive General Manager QBuild from 20 July 2020).</i>
Assistant Director-General, Building Legislation and Policy	Responsible for leading, managing and coordinating all building-related policy areas for government, by ensuring close working relationships between individual policy groups resulting in efficient and effective policies for all building related functions. The position is also accountable for the provision of expert policy advice and implementation of building legislation and policy.
Assistant Director-General and Chief Advisor Queensland Government Procurement	The role of this position is to provide high-level strategic leadership to support the delivery of the Queensland government's procurement and services strategies, policies and direction across Government. The role also performs the critical leadership function of Chief Advisor, Queensland Government Procurement and undertakes a program management role in the delivery of whole-of-government procurement support and advisory services, fleet management services and the procurement of general goods and services. <i>(This role was renamed from Deputy Director-General, Portfolio Strategy and Chief Advisor Queensland Government Procurement on 20 July 2020).</i>

5.1 Key management personnel disclosures (continued)

(b) Remuneration policies

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

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

Remuneration expenses for those KMP comprise the following components:

Short-term employee expenses include:

- salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee was a KMP
- non-monetary benefits - consisting of provision of vehicle and 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 include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

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

(c) Remuneration expenses

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

1 July 2020 – 30 June 2021

Position	Short-term employee expenses		Long-term employee expenses	Post-employment expenses	Termination benefits	Total expenses
	Monetary expenses	Non-monetary benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Director-General (from 20/11/2020)	208	6	5	26	-	245
Director-General (to 16/10/2020)	136	3	3	19	-	161
Director-General (Acting from 17/10/2020 to 19/11/2020)	43	1	1	2	-	47
Chief Customer and Digital Officer	336	9	8	38	-	391
Acting Deputy Director-General, Transformation and Enabling Technologies	240	9	6	26	-	281
Deputy Director-General, Service Delivery and Operations ¹	254	9	6	29	-	298
Deputy Director-General, Housing and Homelessness	237	10	6	28	-	281
Acting Deputy Director-General, Strategy, Governance and Engagement ²	240	11	6	26	-	283

5.1 Key management personnel disclosures (continued)

(c) Remuneration expenses (continued)

Position	Short-term employee expenses		Long-term employee expenses \$'000	Post-employment expenses \$'000	Termination benefits \$'000	Total expenses \$'000
	Monetary expenses \$'000	Non-monetary benefits \$'000				
	Deputy Director-General, Arts Queensland ³	140				
Assistant Director-General, Community Services ⁴	141	6	3	15	-	165
Assistant Director-General, Corporate Services ⁴	128	6	3	14	-	151
Assistant Director-General, Sport and Recreation (Acting from 03/02/2020 to 30/11/2020) ⁶	104	4	2	11	-	121
Deputy Director-General, Building Policy and Asset Management (to 30/11/2020) ⁵	116	5	3	13	-	137
Assistant Director-General, QBuild (from 20/07/2020 to 30/11/2020) ⁵	98	5	2	10	-	115
Assistant Director-General, Building Legislation and Policy (to 30/11/2020) ⁵	96	4	2	10	-	112
Assistant Director-General and Chief Advisor Queensland Government Procurement (Acting from 20/07/2020 to 30/11/2020) ⁵	96	5	2	10	-	113
Assistant Director-General, Corporate Services (to 30/11/2020) ⁵	103	5	2	9	-	119

1. This position was renamed from Deputy Director-General, Digital Technology and Services in 2019-20.
2. This position was renamed from Deputy Director-General, Customer and Digital Strategy on 1 December 2020 and prior to that was named Assistant Director-General, Responsive Government.
3. This position transferred from the Department of Environment and Science from 1 December 2020.
4. These positions transferred from the Department of Communities, Disability Services and Seniors from 1 December 2020.
5. These positions transferred to the Department of Energy and Public Works from 1 December 2020.
6. This position transferred to the Department of Tourism, Innovation and Sport from 1 December 2020.

5.1 Key management personnel disclosures (continued)

(c) Remuneration expenses (continued)

1 July 2019 – 30 June 2020

Position	Short-term employee expenses		Long-term employee expenses \$'000	Post-employment expenses \$'000	Termination benefits \$'000	Total expenses \$'000
	Monetary expenses \$'000	Non-monetary benefits \$'000				
Director-General	431	9	9	56	-	505
Deputy Director-General, Building Policy and Asset Management	289	11	7	30	-	337
Deputy Director-General, Housing, Homelessness and Sport	276	10	6	30	-	322
Deputy Director-General, Digital Technology and Services ¹	115	4	3	13	-	135
Deputy Director-General, Services Delivery and Operations (from 2/12/2019)	140	5	3	15	-	163
Deputy Director-General Portfolio Strategy and Chief Advisor Queensland Government Procurement (acting from 18/06/2019)	236	10	5	20	-	271
Assistant Director-General, Digital Platforms and Data ²	112	4	3	12	-	131
Deputy Director-General, Transformation and Enabling Technologies (from 2/12/2019)	129	5	3	14	-	151
Assistant Director-General, Sport and Recreation (to 2/02/2020)	122	6	3	13	-	144
Assistant Director-General, Sport and Recreation (from 3/02/2020)	94	4	2	11	-	111
Executive General Manager, QBuild (from 3/02/2020) ³	135	4	2	9	-	150
Assistant Director-General, Building Legislation and Policy	237	11	5	24	-	277
Assistant Director-General, Responsive Government (acting to 18/10/2019)	71	3	2	7	-	83
Assistant Director-General, Responsive Government (from 26/10/2019) ⁴	43	1	1	3	-	48
Deputy Director-General, Customer and Digital Strategy (from 2/12/2019)	139	6	3	15	-	163
Assistant Director-General, Corporate Services	235	11	6	22	-	274
Queensland Government Chief Information Officer ⁵	247	7	5	26	30	315
Chief Customer and Digital Officer (from 3/02/2020)	143	4	3	15	-	165

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

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

³ This position was created from 3 February 2020.

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

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

5.2 Controlled and associated entities

Arts Queensland controls or is associated with the entities below. The entities have not been consolidated or recognised under equity accounting as they would not materially affect the reported financial position and revenue and expenses of the department. Each controlled and associated entity is a reporting entity in its own right and the audited financial statements are included in their respective annual reports. The entities are audited by the Auditor-General of Queensland.

Controlled entities

The Aboriginal Centre for the Performing Arts Pty Ltd (ACPA) is a registered training company that delivers accredited training to indigenous and non-indigenous persons in various performing arts courses. The share capital of ACPA consists of two ordinary shares of \$1 each, fully paid, held by the department on behalf of the State of Queensland.

Queensland Music Festival Pty Ltd (QMF) was established as a not-for-profit company to produce and promote a biennial Queensland festival of music which achieves both international excellence and accessibility for Queenslanders from all walks of life. The share capital of QMF consists of two ordinary shares of \$1 each, fully paid, held by the department on behalf of the State of Queensland.

Associated entities

Major Brisbane Festivals Pty Ltd (MBF) incorporating Brisbane Festival is jointly owned by the State of Queensland and Brisbane City Council and aims to position Brisbane as a key festival destination. The department on behalf of the State of Queensland, and the Brisbane City Council each hold 50% of the shares of the MBF (the share capital of MBF consists of two ordinary shares of \$1 each, full paid). It has been determined that the department does not have control over the financial or operating policies through voting rights or board membership of the entity. However, due to funding arrangements for the entity, the department has significant influence.

5.3 Related party entity transactions

The Department of Communities, Housing and Digital Economy is 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 Communities, Housing and Digital Economy. Transactions/balances with related party entities that are individually or collectively significant are reported below. Transactions with key management personnel (who are all related parties) are reported in Note 5.1.

The department's principal activities described in Note 1.4 include major activities involving other Queensland Government entities such as digital and information technology, government corporate services (and prior to 1 December 2020, construction and maintenance programs, motor vehicle fleet management, office accommodation, and government employee housing). The line items below are predominately comprised of related party transactions associated with these activities:

- Revenue from contracts with customers (excluding vehicle sales) (refer to Note 2.1)
- Trade debtors (contracts with customers) (refer to Note 3.3)

Other significant related party transactions/balances are identified below:

- Grants and other contributions revenue (refer to the Statement of Comprehensive Income and Note 5.6)
- Sale of land to the Cross River Rail Delivery Authority (refer to the Statement of Cash Flows)
- Assets and liabilities transferred due to machinery-of-government changes (refer to Note 1.5)
- Appropriation and equity funding from government (refer to Notes 2.2, 3.9, 3.15 and 5.6)
- Insurance premiums (Queensland Government Insurance Fund) and insurance compensation from loss of property (refer to Notes 2.3 and 2.8)
- Property repairs and maintenance costs (and associated payables), property rental and property security charges (Other property expenses) (refer to Notes 2.5 and 3.9)
- Annual and long service leave related transactions (refer to Notes 2.6 and 3.3)
- Capital works on buildings and right-of-use assets and associated payables (refer to Notes 3.1, 3.2 and 3.9)
- Queensland Treasury Corporation borrowings (refer to Note 3.8)
- Administered appropriation revenue transferred to the Queensland Building and Construction Commission (refer to Note 5.6 Appropriation revenue and Supplies and services)
- Administered grants and subsidies (refer to Note 5.6(d))

5.4 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	Total \$'000
2021			
Property, plant and equipment	232,505	56,251	288,756
2020			
Property, plant and equipment	305,583	15,443	321,026

5.5 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 and Goods and Services Tax (GST). 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.

As a result of machinery-of-government changes effective from 1 December 2020, one of the department's GST entities, QBuild, was transferred to the Department of Energy and Public Works. However the department has in place grouping arrangements with QBuild which will continue, meaning transactions between the GST group members are out of scope for GST. Under GST grouping arrangements the ATO recognises the department's GST entity, Housing, as the nominated representative of the combined GST group, to be responsible for remitting GST collected and for claiming input tax credits for GST on behalf of members of the group. The net amount of GST recoverable or payable by QBuild to the ATO is included in GST receivable or payable. In turn, the department recognises a receivable from QBuild for any GST payable that is attributable to QBuild. Further, the department recognises a payable to QBuild to the extent that a GST receivable is attributable to QBuild.

	Original Budget 2021 \$'000	Actual 2021 \$'000	Budget Variance 2021 \$'000	Actual 2020 \$'000
5.6 Administered activities				
Administered revenues				
Appropriation revenue	125,225	122,542	(2,683)	73,410
Grants and other contributions	7,474	28,357	20,883	-
User charges and fees	70	103	33	82
Total administered revenues	132,769	151,002	18,233	73,492
Administered expenses				
Supplies and services	30,008	30,470	462	23,152
Grants and subsidies	107,842	107,122	(720)	55,827
Employee expenses	-	317	317	-
Transfer of administered revenue to government	70	103	33	82
Total administered expenses	137,920	138,012	92	79,061
Operating result	(5,151)	12,990	18,141	(5,569)

5.6 Administered activities (continued)

Administered current assets

Cash	9,159	1,433
Receivables	43	9
Prepayments	1,367	4,101
Total administered current assets	10,569	5,543

Administered non-current assets

Prepayments	-	1,367
Total administered non-current assets	-	1,367

Administered current liabilities

Payables	25,466	86
Total administered current liabilities	25,466	86

Net administered assets

	(14,897)	6,824
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The department administers, but does not control, certain resources on behalf of the Queensland Government. In doing so, it has responsibility and is accountable for administering related transactions and balances, but does not have the discretion to deploy the resources for the achievement of the department's objectives.

Administered transactions and balances are not significant in comparison to the department's overall financial performance/financial position.

Amounts appropriated to the department for transfer to other entities in accordance with legislative or other requirements are reported as administered appropriation revenue or equity injections.

Accounting policies applicable to administered items are consistent with the equivalent policies for controlled items.

(a) Budget to actual comparison - explanations of major variances

1 *Grants and other contributions*

The variance of \$20.883 million is mainly due to higher than anticipated receipts from the Queensland Reconstruction Authority for natural disaster and recovery grants for past costs incurred for community recovery activations.

(b) Reconciliation of payments from consolidated fund to administered income

Budgeted appropriation revenue	126,760	53,495
Transfers from/(to) other headings	3,189	19,915
Total administered appropriation revenue receipts (cash)	129,949	73,410
Less: Net transfer of administered appropriation receivable from other Queensland Government entities	(100)	-
Less: Net transfer of administered appropriation payable to other Queensland Government entities	(1,535)	-
Less: Closing balance of deferred administered appropriation payable to Consolidated Fund	(5,772)	-
Administered appropriation revenue	122,542	73,410

5.6 Administered activities (continued)

(c) Administered equity payments from consolidated fund

Budgeted equity appropriation	-	35,000
Transfers from/(to) other headings	3,700	27,381
Administered equity adjustment receipts	3,700	62,381
Less: Transfers out to other Queensland Government entities	-	(62,381)
Administered equity adjustment recognised in contributed equity	3,700	-

During 2019-20 the department received administered appropriated equity injections which were paid to Stadiums Queensland for upgrades to the Gabba and construction of the North Queensland Stadium.

(d) Grants and subsidies

Arts Queensland grants		
State Library of Queensland	30,658	-
Queensland Art Gallery	17,569	-
Queensland Museum	15,956	-
Queensland Performing Arts Trust	(18)	-
Queensland Theatre Company	1,300	-
Sport and recreation grants		
Stadiums Queensland	34,803	53,360
Community services grants		
Disaster recovery	6,323	-
Other grants and subsidies	531	2,467
	107,122	55,827

(e) Undrawn facilities

The department has the following overdraft facilities in relation to its Administered accounts. These facilities were undrawn as at 30 June and are available for future use.

Commonwealth Bank	35,000	-
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5.7 Agency transactions and balances

As the department performs only a custodial role in respect of agency transactions and balances, they are not recognised in the financial statements but are disclosed in these notes for the information of users.

(a) QBuild

QBuild acts as an agent on behalf of other Queensland Government agencies in relation to the procurement and project management for large capital works projects. Effective from 1 December 2020, QBuild was transferred to the Department of Energy and Public works as part of the machinery-of-government changes outlined in Note 1.5.

Agency revenues

Receipts for goods and services	208,103	489,803
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Agency expenses

Payments for supplies and services	208,103	489,803
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Agency current assets

Receivables	-	57,242
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Agency current liabilities

Bank overdraft	-	37,635
Payables	-	18,053
Other	-	1,554
Total liabilities	-	57,242

Fees received for the provision of these services are included in user charges.

5.7 Agency transactions and balances (continued)

(b) Smart Service Queensland

Smart Service Queensland acts as an agent for collection and payment processing services, and undertakes certain transactions on behalf of Queensland Government agencies and its clients.

Agency cash assets

Balance at 1 July	1,339	396
Collections during the period	289,351	193,175
Distributions according to clients' instructions during the period	(288,989)	(192,232)
Balance at 30 June	<u>1,701</u>	<u>1,339</u>

Fees received for the provision of these services are included in user charges.

(c) Major Projects Delivery

Major Projects 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. Effective from 1 December 2020, Major Projects Delivery was transferred to the Department of Energy and Public Works as part of the machinery-of-government changes outlined in Note 1.5.

Agency revenues

Receipts for goods and services	34,837	214,605
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Agency expenses

Payments for supplies and services	39,997	214,605
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Agency current assets

Receivables	-	33,188
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Agency current liabilities

Payables	-	33,188
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5.8 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 had no involvement in the management of the trust accounts except in limited circumstances where the head contractor was terminated or entered insolvency and under section 54 of the Act, the department may step into the role of trustee.

Due to the machinery-of-government changes on 12 November 2020, the department's step-in rights moved to the new Department of Energy and Public Works. During 2019-20 and up to the date of the machinery-of-government changes on 12 November 2020 there have been no situations where the department has had to step into the role of trustee.

5.9 Climate risk disclosure

The department addresses the financial impacts of climate related risks by identifying and monitoring the accounting judgements and estimates that will potentially be affected, including asset useful lives, fair value of assets, provisions or contingent liabilities and changes to future expenses and revenue. The department has not identified any material climate related risks relevant to the financial report at the reporting date, however constantly monitors the emergence of such risks under the Queensland Government's Climate Transition Strategy.

5.10 COVID-19 pandemic impacts

There has been a focus on continuity of service delivery throughout the department's response to COVID-19. The department has reviewed assumptions and areas of judgement made, in the process of applying accounting policies and have determined COVID-19 has had no material impact to the financial statements, including those related to:

- market and income based asset valuations (refer to Note 3.1(c))
- impairment of receivables (refer to Note 3.4).

Any major variances due to the impact of COVID-19 between the department's actual 2020-21 financial results and the original budget presented to Parliament are disclosed in Note 4.

5.11 Events occurring after the reporting date

No events have occurred after the reporting date that require additional disclosures or adjustments to these financial statements.

Department of Communities, Housing and Digital Economy

Management Certificate of the Department of Communities, Housing and Digital Economy

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

- (i) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (ii) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Department of Communities, Housing and Digital Economy for the financial year ended 30 June 2021, and of the financial position of the department at the end of that year; and

The Director-General, as the Accountable Officer of the department, acknowledges responsibility under section 7 and section 11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



Deborah McLeod
BCom, FCPA
Chief Finance Officer
Department of Communities, Housing
and Digital Economy

30 August 2021



Clare O'Connor
BA MA
Director-General
Department of Communities, Housing
and Digital Economy

30 August 2021

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Department of Communities, Housing and Digital Economy

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Department of Communities, Housing and Digital Economy.

In my opinion, the financial report:

- a) gives a true and fair view of the department's financial position as at 30 June 2021, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the balance sheet and statement of assets and liabilities by major departmental services, commercialised business units and shared service providers as at 30 June 2021, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental services, commercialised business units and shared service providers for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. I addressed these matters in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of social housing land (\$9.7 billion) and buildings (\$5.5 billion)

Refer to Note 3.1 in the financial report

Key audit matter	How my audit addressed this key audit matter
<p>The Department engaged independent valuers to perform specific appraisal valuations representing 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 at least 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. Once every five years the department engages independent experts to provide an opinion on the continued appropriateness of this methodology with this review undertaken in 2020–21. 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>The department updated the fair values of the remaining properties using indices it derived from the results of the specific appraisal valuations. The development of these indices required significant judgement for determining the criteria for classifying properties into homogenous groups with materially similar characteristics.</p>	<p>My procedures included, but were not limited to: Verifying the adequacy of management’s review of the valuation process by inspecting final valuation approvals and evidence of oversight by management.</p> <p>For specific appraisal valuations in the current year:</p> <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. <p>For indexations in the current year:</p> <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 organisations to evaluate their reasonableness.

Key audit matter	How my audit addressed this key audit matter
	<p>Auditing the condition rating system for reasonableness and appropriate application. This included:</p> <ul style="list-style-type: none"> • obtaining an understanding of the quality assurance process on condition assessments to assess the occurrence and accuracy of the recorded condition ratings • observing the property condition assessment being performed by management for a sample of social housing properties 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 • assessed the competence, capabilities, and objectivity of management's expert and evaluated the appropriateness of their methodology to support management's condition rating assumptions • confirming that at least 95% of the social housing properties have a condition rating of eight and above.

Responsibilities of the department for the financial report

The Accountable Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Accountable Officer is also responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the department or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of expressing an opinion on the effectiveness of the department's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the department.
- Conclude on the appropriateness of the department's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the department's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the department to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Officer, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2021:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the department's transactions and account balances to enable the preparation of a true and fair financial report.



31 August 2021

Michelle Reardon
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

