

# Financial statements 2021–2022

Financial Summary.....	56
Statement by the Chief Finance Officer .....	58
Statement of Comprehensive Income .....	58
Statement of Financial Position .....	59
Introduction to Financial Statements.....	60
Financial Statements 2021-22 .....	61
Management Certificate .....	112
Independent Auditor’s Report .....	113

## Financial Summary

The Department of Energy and Public Works was established on 12 November 2020 as a result of the *Public Service Departmental Arrangements Notice (No. 4 and 5) 2020*.

Pursuant to section 80 of the *Financial Accountability Act 2009*, for financial reporting purposes the effective date of the transfer was 1 December 2020.

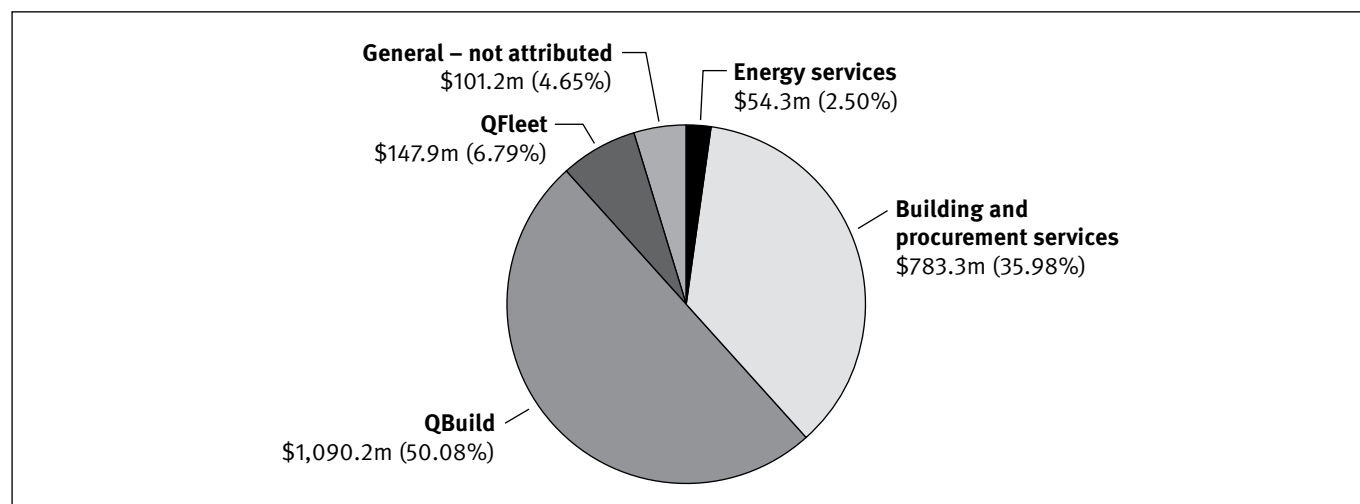
As at 30 June 2022 the reporting entity comprised the Department of Energy and Public Works and two commercialised business units (CBUs) (QBuild and QFleet).

A Statement of Comprehensive Income for the period 1 July 2021 to 30 June 2022 and a Statement of Financial Position as at 30 June 2022 are provided on the following pages.

The department obtains the majority of its total income from user charges and fees which comprise \$1,810 million or 90 percent of the department's total income of \$2,007 million. User charges include:

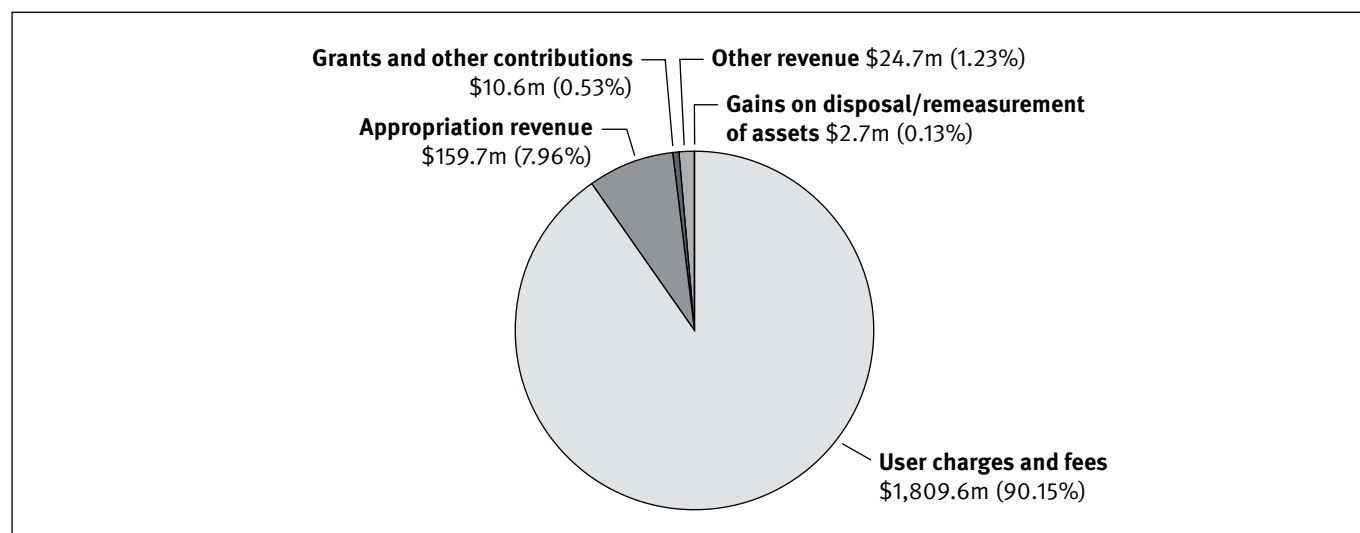
- building services
- commercial accommodation services and government employee housing to other Queensland state government entities
- fleet management services.

### Total income by Major Departmental Services and Commercialised Business Units in 2021-2022<sup>#</sup>



<sup>#</sup> Revenue by Major Departmental Services and Commercialised Business Units do not include internal departmental transaction eliminations which are eliminated in the Statement of Comprehensive Income and Statement of Financial Position.

### Total income by category in 2021-2022

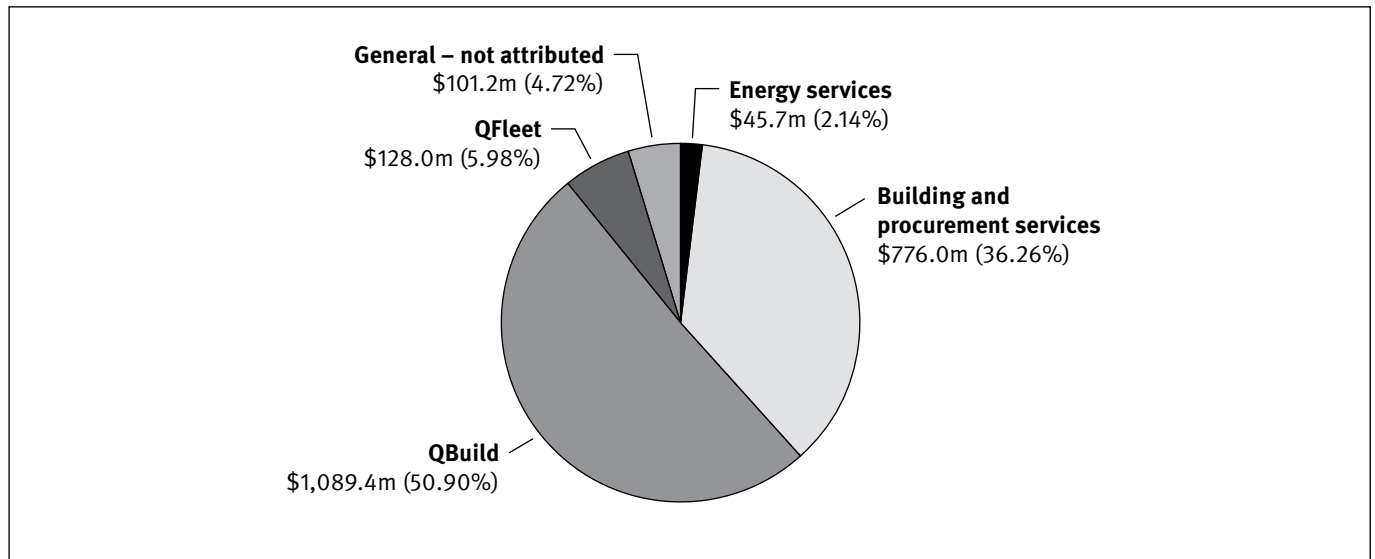


## Financial statements 2021–2022

The major expense of the department is supplies and services which totals \$1,113.9 million or 57 percent of the department's expenses of \$1,970.9 million. The major supplies and services comprise building, construction and maintenance services and property related expenses.

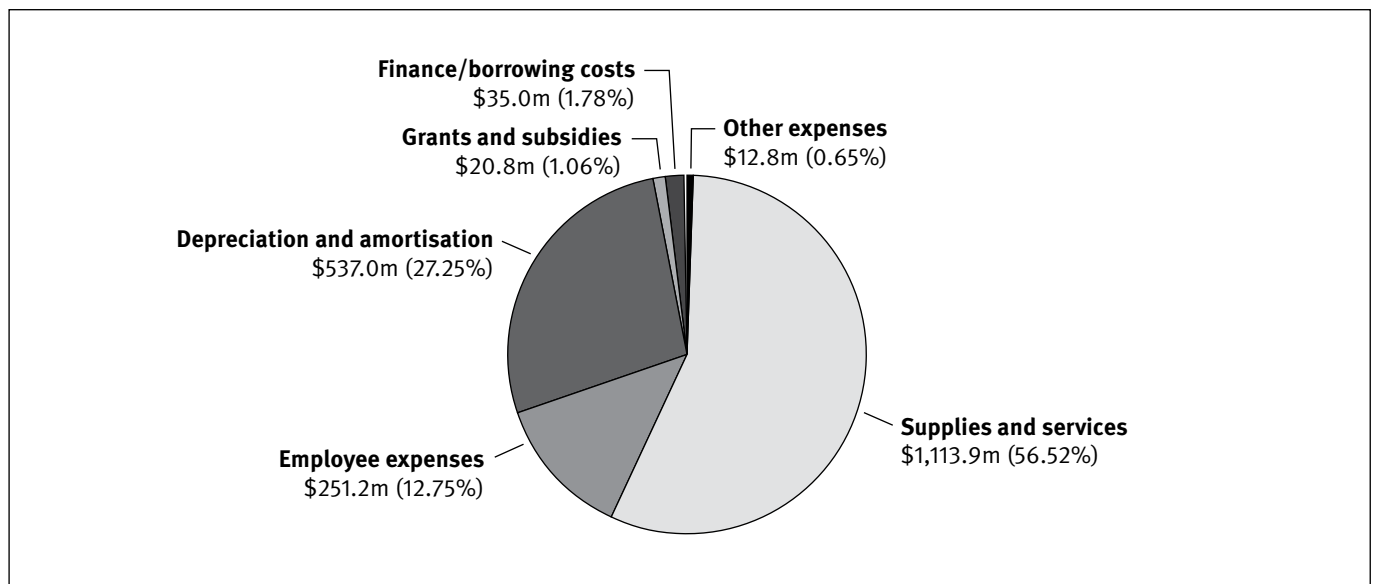
Major assets of the department are property, plant and equipment (\$3,603 million) and right-of-use assets (\$1,720 million) of the department's total assets of \$5,941 million (90 percent). The majority of these assets comprise government owned employee housing, commercial properties and the land on which these are situated and leased commercial accommodation.

### Total expenses by Major Departmental Services and Commercialised Business Units in 2021-2022<sup>#</sup>



<sup>#</sup> Expenses by Major Departmental Services and Commercialised Business Units do not include internal departmental transaction eliminations which are eliminated in the Statement of Comprehensive Income and Statement of Financial Position.

### Total expenses by category in 2021-2022



## Statement by the Chief Finance Officer

In accordance with the requirements of the *Financial Accountability Act 2009*, the Chief Finance Officer has provided the Director-General with a statement confirming the financial internal controls of the department are operating efficiently, effectively and economically in conformance with Section 54 of the *Financial and Performance Management Standard 2019*. The statement was presented at the Audit and Risk Committee meeting in August 2022.

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

## Statement of Comprehensive Income

for the period 1 July 2021 to 30 June 2022

	Note	Actual 2021-22	Actual 2020-21
		\$'000	\$'000
<b>Income</b>			
User charges and fees	1	1,809,634	1,127,464
Appropriation revenue	2	159,720	74,954
Grants and other contributions		10,643	3,040
Other revenue		24,720	17,702
Gains on disposal/remeasurement of assets		2,724	875
<b>Total income</b>		<b>2,007,441</b>	<b>1,224,035</b>
<b>Expenses</b>			
Supplies and services	3	1,113,949	743,463
Depreciation and amortisation	4	537,022	313,176
Employee expenses	5	251,215	108,047
Finance/borrowing costs		35,001	22,501
Grants and subsidies		20,840	7,038
Other expenses		12,824	11,460
<b>Total expenses</b>		<b>1,970,851</b>	<b>1,205,685</b>
<b>Operating result before income tax</b>		<b>36,590</b>	<b>18,350</b>
Income tax benefit / (expense)		(6,210)	(7,119)
<b>Operating result after income tax</b>		<b>30,380</b>	<b>11,231</b>
Other comprehensive income			
Items that will not be reclassified to operating result			
Increase/(decrease) in asset revaluation surplus	6	152,149	72,953
Total other comprehensive income		152,149	72,953
<b>Total comprehensive income</b>		<b>182,529</b>	<b>84,184</b>

### Notes:

1. The increase in user charges and fees is mainly due to the full year effect of the 2020-21 machinery-of-government changes.
2. The increase in appropriation revenue is mainly due to the full year effect of the 2020-21 machinery-of-government changes.
3. The increase in supplies and services is mainly due to the full year effect of the 2020-21 machinery-of-government changes.
4. The increase in depreciation is mainly due to the full year effect of the 2020-21 machinery-of-government changes.
5. The increase in employee expenses is mainly due to the full year effect of the 2020-21 machinery-of-government changes.
6. The increase in the asset revaluation surplus is mainly due to favourable residential and commercial property market conditions across the state.

## Statement of Financial Position

as at 30 June 2022

	Note	Actual 2021-22 \$'000	Actual 2020-21 \$'000
<b>Current assets</b>			
Cash and cash equivalents		315,516	319,441
Receivables	7	154,757	122,895
Contract assets	8	62,765	54,892
Other current assets		16,182	19,014
Non-current assets classified as held for sale		4,568	2,369
<b>Total current assets</b>		<b>553,788</b>	<b>518,611</b>
<b>Non-current assets</b>			
Property, plant and equipment		3,602,504	3,424,948
Right-of-use assets		1,719,877	1,895,692
Receivables		62,050	65,423
Other non-current assets		3,276	3,785
<b>Total non-current assets</b>		<b>5,387,707</b>	<b>5,389,848</b>
<b>TOTAL ASSETS</b>		<b>5,941,495</b>	<b>5,908,459</b>
<b>Current liabilities</b>			
Lease liabilities		376,328	378,255
Payables	9	209,525	180,850
Provisions		13,537	12,474
Accrued employee benefits		8,689	6,181
Unearned revenue		6,407	3,532
Other current liabilities		32,724	26,350
<b>Total current liabilities</b>		<b>647,210</b>	<b>607,642</b>
<b>Non-current liabilities</b>			
Lease liabilities		1,597,244	1,747,309
Borrowings		196,512	196,512
Queen's Wharf deferred consideration		119,392	119,392
Provisions		32,398	46,548
Unearned revenue		23,807	25,129
Other non-current liabilities		17,334	17,448
<b>Total non-current liabilities</b>		<b>1,986,687</b>	<b>2,152,338</b>
<b>TOTAL LIABILITIES</b>		<b>2,633,897</b>	<b>2,759,980</b>
<b>NET ASSETS</b>		<b>3,307,598</b>	<b>3,148,479</b>
<b>Equity</b>			
Contributed equity		3,055,093	3,071,263
Asset revaluation surplus	10	225,102	72,953
Accumulated surplus/(deficit)		27,403	4,263
<b>TOTAL EQUITY</b>		<b>3,307,598</b>	<b>3,148,479</b>

Notes:

7. The increase in receivables is largely due to the timing of completion of work and timing of payments from clients.
8. The increase in contract assets is mainly due to work performed and not yet invoiced under agreed arrangements with client agencies.
9. The increase in payables is mainly due to increased appropriation payable to the Consolidated Fund as at 30 June 2022 as part of the finalisation of the 2021-22 financial year.
10. The increase in the asset revaluation surplus is mainly due to favourable residential and commercial property market conditions across the state.

## 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 – Controlled
- Statement of Financial Position – Controlled
- Statement of Changes in Equity – Controlled
- Statement of Cash Flows – Controlled
- Statement of Comprehensive Income by Major Departmental Services and Commercialised Business Units – Controlled
- Statement of Assets and Liabilities by Major Departmental Services and Commercialised Business Units – Controlled
- Statement of Comprehensive Income – Administered
- Statement of Assets and Liabilities – Administered
- Statement of Comprehensive Income by Major Departmental Services – Administered
- Statement of Assets and Liabilities by Major Departmental Services – Administered
- Notes to the Financial Statements 2021–22
- Management Certificate
- Independent Auditor’s Report.

### General Information

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

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 St

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.epw.qld.gov.au](http://www.epw.qld.gov.au).

## Contents

Statement of Comprehensive Income - Controlled

Statement of Financial Position - Controlled

Statement of Changes in Equity - Controlled

Statement of Cash Flows - Controlled (including Notes to the Statement of Cash Flows)

Statement of Comprehensive Income by Major Departmental Services and Commercialised Business Units - Controlled

Statement of Assets and Liabilities by Major Departmental Services and Commercialised Business Units - Controlled

Statement of Comprehensive Income - Administered

Statement of Financial Position - Administered

Statement of Comprehensive Income by Major Departmental Services - Administered

Statement of Assets and Liabilities by Major Departmental Services - Administered

Notes to the Financial Statements 2021-22

Management Certificate

Independent Auditor's Report

**Department of Energy and Public Works**  
**Statement of Comprehensive Income - Controlled**  
**for the year ended 30 June 2022**

	<b>Note</b>	<b>2022 \$'000</b>	<b>2021 \$'000</b>
<b>Income</b>			
User charges and fees	2.1	1,809,634	1,127,464
Appropriation revenue	2.2	159,720	74,954
Grants and other contributions		10,643	3,040
Other revenue		24,720	17,702
<b>Total revenue</b>		<b>2,004,717</b>	<b>1,223,160</b>
Gains on disposal/remeasurement of assets		2,724	875
<b>Total income</b>		<b>2,007,441</b>	<b>1,224,035</b>
<b>Expenses</b>			
Supplies and services	2.3	1,113,949	743,463
Depreciation and amortisation	3.1, 3.2	537,022	313,176
Employee expenses	2.4	251,215	108,047
Finance/borrowing costs		35,001	22,501
Grants and subsidies		20,840	7,038
Other expenses	2.5	12,824	11,460
<b>Total expenses</b>		<b>1,970,851</b>	<b>1,205,685</b>
<b>Operating result before income tax</b>		<b>36,590</b>	<b>18,350</b>
Income tax benefit/(expense)		(6,210)	(7,119)
<b>Operating result after income tax</b>		<b>30,380</b>	<b>11,231</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified to operating result</b>			
Increase/(decrease) in asset revaluation surplus	3.1	152,149	72,953
<b>Total other comprehensive income</b>		<b>152,149</b>	<b>72,953</b>
<b>Total comprehensive income</b>		<b>182,529</b>	<b>84,184</b>

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

**Department of Energy and Public Works**  
**Statement of Financial Position - Controlled**  
**as at 30 June 2022**

	<b>Note</b>	<b>2022 \$'000</b>	<b>2021 \$'000</b>
<b>Current Assets</b>			
Cash and cash equivalents		315,516	319,441
Receivables	3.3	154,757	122,895
Contract assets	3.5	62,765	54,892
Other current assets	3.6	16,182	19,014
		<u>549,220</u>	<u>516,242</u>
Non-current assets classified as held for sale	3.7	4,568	2,369
<b>Total current assets</b>		<u>553,788</u>	<u>518,611</u>
<b>Non-current Assets</b>			
Property, plant and equipment	3.1	3,602,504	3,424,948
Right-of-use assets	3.2	1,719,877	1,895,692
Receivables	3.3	62,050	65,423
Other non-current assets	3.6	3,276	3,785
<b>Total non-current assets</b>		<u>5,387,707</u>	<u>5,389,848</u>
<b>Total Assets</b>		<u>5,941,495</u>	<u>5,908,459</u>
<b>Current Liabilities</b>			
Lease liabilities	3.2	376,328	378,255
Payables	3.9	209,525	180,850
Provisions	3.11	13,537	12,474
Accrued employee benefits		8,689	6,181
Unearned revenue	3.12	6,407	3,532
Other current liabilities	3.13	32,724	26,350
<b>Total current liabilities</b>		<u>647,210</u>	<u>607,642</u>
<b>Non-current Liabilities</b>			
Lease liabilities	3.2	1,597,244	1,747,309
Borrowings	3.8	196,512	196,512
Queen's Wharf deferred consideration	3.10	119,392	119,392
Provisions	3.11	32,398	46,548
Unearned revenue	3.12	23,807	25,129
Other non-current liabilities	3.13	17,334	17,448
<b>Total non-current liabilities</b>		<u>1,986,687</u>	<u>2,152,338</u>
<b>Total Liabilities</b>		<u>2,633,897</u>	<u>2,759,980</u>
<b>NET ASSETS</b>		<u>3,307,598</u>	<u>3,148,479</u>
<b>EQUITY</b>			
Contributed equity		3,055,093	3,071,263
Asset revaluation surplus	3.1	225,102	72,953
Accumulated surplus/(deficit)		27,403	4,263
<b>Total Equity</b>		<u>3,307,598</u>	<u>3,148,479</u>

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

**Department of Energy and Public Works**  
**Statement of Changes in Equity - Controlled**  
**for the year ended 30 June 2022**

	Contributed equity \$'000	Asset revaluation surplus Note 3.1(d) \$'000	Accumulated surplus/ (deficit) \$'000	Total \$'000
Operating result	-	-	11,231	11,231
Other comprehensive income				
- Increase/(decrease) in asset revaluation surplus	-	72,953	-	72,953
<b>Total comprehensive income for the year</b>	-	72,953	11,231	84,184
<b>Transactions with owners as owners</b>				
- Appropriated equity injections (Note 3.16)	383,726	-	-	383,726
- Appropriated equity withdrawals (Note 3.16)	(370,830)	-	-	(370,830)
- Transfers from machinery-of-government changes (Note 1.5)	3,058,367	-	-	3,058,367
- Dividends paid or declared	-	-	(6,968)	(6,968)
<b>Net transactions with owners as owners</b>	3,071,263	-	(6,968)	3,064,295
<b>Balance as at 30 June 2021</b>	3,071,263	72,953	4,263	3,148,479
<b>Balance as at 1 July 2021</b>	3,071,263	72,953	4,263	3,148,479
Operating result	-	-	30,380	30,380
Other comprehensive income				
- Increase/(decrease) in asset revaluation surplus	-	152,149	-	152,149
<b>Total comprehensive income for the year</b>	-	152,149	30,380	182,529
<b>Transactions with owners as owners</b>				
- Appropriated equity injections (Note 3.16)	502,139	-	-	502,139
- Appropriated equity withdrawals (Note 3.16)	(490,246)	-	-	(490,246)
- Non-appropriated equity adjustments	(40,187)	-	-	(40,187)
- Net transfers in/(out) from other Queensland Government entities	12,124	-	-	12,124
- Dividends paid or declared	-	-	(7,240)	(7,240)
<b>Net transactions with owners as owners</b>	(16,170)	-	(7,240)	(23,410)
<b>Balance as at 30 June 2022</b>	3,055,093	225,102	27,403	3,307,598

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

**Department of Energy and Public Works**  
**Statement of Cash Flows - Controlled**  
**for the year ended 30 June 2022**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<i>Inflows:</i>		
User charges and fees	1,777,889	1,117,716
Appropriation receipts	173,168	87,216
GST collected from customers	124,340	85,461
GST input tax credits received from the Australian Taxation Office	79,654	45,455
Grants and other contributions	10,688	2,874
Other	50,229	32,813
<i>Outflows:</i>		
Supplies and services	(1,163,143)	(725,964)
Employee expenses	(249,228)	(111,922)
GST paid to suppliers	(162,827)	(101,453)
GST remitted to the Australian Taxation Office	(67,679)	(41,086)
Finance/borrowing costs	(35,026)	(22,583)
Grants and subsidies	(11,418)	(8,569)
Taxation equivalents	(8,137)	(3,492)
Other	(12,790)	(12,429)
<b>Net cash provided by (used in) operating activities</b>	<b>505,720</b>	<b>344,037</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<i>Inflows:</i>		
Sales of property, plant and equipment	18,624	29,673
<i>Outflows:</i>		
Payments for property, plant and equipment	(120,219)	(77,703)
<b>Net cash provided by (used in) investing activities</b>	<b>(101,595)</b>	<b>(48,030)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<i>Inflows:</i>		
Equity injections	515,334	402,010
<i>Outflows:</i>		
Equity withdrawals	(523,427)	(395,199)
Payment of lease liabilities	(392,073)	(228,252)
Dividends paid	(7,883)	(9,330)
<b>Net cash provided by (used in) financing activities</b>	<b>(408,049)</b>	<b>(230,771)</b>
Net increase (decrease) in cash and cash equivalents	(3,924)	65,236
Increase in cash and cash equivalents from machinery-of-government changes (Note 1.5)	-	254,205
Cash and cash equivalents – opening balance	319,440	-
<b>Cash and cash equivalents – closing balance</b>	<b>315,516</b>	<b>319,441</b>

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

**Cash disclosures**

Cash represents all cash on hand, cash at bank and cheques receipted but not banked at 30 June.

The departmental bank accounts are grouped within the whole of government banking set-off arrangement with Queensland Treasury Corporation and do not earn interest. The Department has overdraft facilities of \$20 million (2021:\$70 million) with the Commonwealth Bank and working capital facilities of \$55 million (2021:\$55 million) with Queensland Treasury Corporation. A total of \$75 million (2021: \$101.434 million) of these facilities were undrawn as at 30 June and are available for future use.

	2022 \$'000	2021 \$'000
<b>Reconciliation of operating result to net cash from operating activities</b>		
<b>Operating surplus/(deficit) before income tax</b>	36,590	18,350
Less: income tax benefit/(expense)	(6,210)	(7,119)
	30,380	11,231
<i>Non-cash items:</i>		
Depreciation and amortisation expense	537,022	313,176
Motor vehicles sold	29,414	20,882
Impairment losses	162	127
Loss/(gain) on disposal of non-current assets	(2,724)	(875)
Write-on of assets	(1,958)	(2,029)
<i>Change in assets and liabilities:</i>		
(Increase) decrease in GST input tax credits receivable	(1,741)	(417)
(Increase) decrease in receivables	(34,809)	(31,387)
(Increase) decrease in contract assets	(8,993)	28,518
(Increase) decrease in other assets	2,616	12,241
Acquisition of motor vehicles held for rental	(71,476)	(55,229)
Increase (decrease) in GST payable	1,720	25
Increase (decrease) in payables	16,825	69,208
Increase (decrease) in provisions	(1,034)	(16,326)
Increase (decrease) in unearned revenue	(1,153)	(4,013)
Increase (decrease) in accrued employee benefits	2,507	(1,982)
Increase (decrease) in other liabilities	8,962	887
<b>Net cash from operating activities</b>	<b>505,720</b>	<b>344,037</b>

**Changes in liabilities arising from financing activities**

	Borrowings \$'000	Lease liabilities \$'000	Dividends payable \$'000	Total \$'000
Cash flows:				
Cash paid	-	(228,252)	(9,330)	(237,582)
Non-cash changes:				
Transfers from machinery-of-government changes (Note 1.5)	196,512	2,309,190	6,668	2,512,370
Leases acquired/surrendered	-	43,902	-	43,902
Remeasurement of lease liability	-	724	-	724
Dividends declared	-	-	10,545	10,545
Balance as at 30 June 2021	196,512	2,125,564	7,883	2,329,959
Balance as at 1 July 2021	196,512	2,125,564	7,883	2,329,959
Cash flows:				
Cash paid	-	(392,073)	(7,883)	(399,956)
Non-cash changes:				
Leases acquired/surrendered	-	172,387	-	172,387
Remeasurement of lease liability	-	67,694	-	67,694
Dividends declared	-	-	7,240	7,240
Balance as at 30 June 2022	196,512	1,973,572	7,240	2,177,324

For changes in liabilities relating to equity appropriations refer to Note 3.16 which details equity appropriations payable/receivable.

**Department of Energy and Public Works**  
**Statement of Comprehensive Income by Major Departmental Services and Commercialised Business Units - Controlled**  
**for the year ended 30 June 2022**

	Energy services		Building and procurement services		Commercialised Business Units			
	2022	2021	2022	2021	QBuild		QFleet	
	\$'000	\$'000	\$'000	\$'000	2022	2021	2022	2021
					\$'000	\$'000	\$'000	\$'000
<b>Income</b>								
User charges and fees	160	-	651,187	384,868	1,078,774	723,328	147,473	89,267
Appropriation revenue	38,298	15,151	121,422	59,803	-	-	-	-
Grants and other contributions	6,768	(422)	2,563	2,730	1,312	732	-	-
Other revenue	9,087	4,390	5,439	8,144	10,061	5,188	437	244
<b>Total revenue</b>	<b>54,313</b>	<b>19,119</b>	<b>780,611</b>	<b>455,545</b>	<b>1,090,147</b>	<b>729,248</b>	<b>147,910</b>	<b>89,511</b>
Gains on disposal/remeasurement of assets		-	2,678	871	46	4	-	-
<b>Total income</b>	<b>54,313</b>	<b>19,119</b>	<b>783,289</b>	<b>456,416</b>	<b>1,090,193</b>	<b>729,252</b>	<b>147,910</b>	<b>89,511</b>
<b>Expenses</b>								
Supplies and services	13,291	2,879	209,356	130,921	937,968	638,183	65,875	41,743
Depreciation and amortisation	9	5	490,014	286,363	666	751	46,101	26,057
Employee expenses	13,574	8,188	39,267	19,331	148,437	77,102	5,892	3,426
Finance/borrowing costs	-	-	31,670	20,062	-	-	3,331	2,439
Grants and subsidies	18,606	6,321	1,062	54	1,172	663	-	-
Other expenses	224	68	4,629	4,692	1,194	2,837	6,777	3,863
<b>Total expenses</b>	<b>45,704</b>	<b>17,461</b>	<b>775,998</b>	<b>461,423</b>	<b>1,089,437</b>	<b>719,536</b>	<b>127,976</b>	<b>77,528</b>
<b>Operating result before income tax</b>	<b>8,609</b>	<b>1,658</b>	<b>7,291</b>	<b>(5,007)</b>	<b>756</b>	<b>9,716</b>	<b>19,934</b>	<b>11,983</b>
Income tax benefit/(expense)	-	-	-	-	(230)	(3,500)	(5,980)	(3,619)
<b>Operating result after income tax</b>	<b>8,609</b>	<b>1,658</b>	<b>7,291</b>	<b>(5,007)</b>	<b>526</b>	<b>6,216</b>	<b>13,954</b>	<b>8,364</b>
<b>OTHER COMPREHENSIVE INCOME</b>								
<b>Items that will not be reclassified to operating result</b>								
Increase/(decrease) in asset revaluation surplus	-	-	152,149	72,953	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>152,149</b>	<b>72,953</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>8,609</b>	<b>1,658</b>	<b>159,440</b>	<b>67,946</b>	<b>526</b>	<b>6,216</b>	<b>13,954</b>	<b>8,364</b>

**Department of Energy and Public Works**  
**Statement of Comprehensive Income by Major Departmental Services and Commercialised Business Units - Controlled**  
**for the year ended 30 June 2022**

	General - not attributed		Inter-service/unit eliminations		Total department	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>						
User charges and fees	101,107	-	(169,067)	(69,999)	1,809,634	1,127,464
Appropriation revenue	-	-	-	-	159,720	74,954
Grants and other contributions	-	-	-	-	10,643	3,040
Other revenue	48	-	(352)	(264)	24,720	17,702
<b>Total revenue</b>	<b>101,155</b>	<b>-</b>	<b>(169,419)</b>	<b>(70,263)</b>	<b>2,004,717</b>	<b>1,223,160</b>
Gains on disposal/remeasurement of assets		-	-	-	2,724	875
<b>Total income</b>	<b>101,155</b>	<b>-</b>	<b>(169,419)</b>	<b>(70,263)</b>	<b>2,007,441</b>	<b>1,224,035</b>
<b>Expenses</b>						
Supplies and services	56,878	-	(169,419)	(70,263)	1,113,949	743,463
Depreciation and amortisation	232	-	-	-	537,022	313,176
Employee expenses	44,045	-	-	-	251,215	108,047
Finance/borrowing costs	-	-	-	-	35,001	22,501
Grants and subsidies	-	-	-	-	20,840	7,038
Other expenses	-	-	-	-	12,824	11,460
<b>Total expenses</b>	<b>101,155</b>	<b>-</b>	<b>(169,419)</b>	<b>(70,263)</b>	<b>1,970,851</b>	<b>1,205,685</b>
<b>Operating result before income tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,590</b>	<b>18,350</b>
Income tax benefit/(expense)	-	-	-	-	(6,210)	(7,119)
<b>Operating result after income tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,380</b>	<b>11,231</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
<b>Items that will not be reclassified to operating result</b>						
Increase/(decrease) in asset revaluation surplus	-	-	-	-	152,149	72,953
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>152,149</b>	<b>72,953</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>182,529</b>	<b>84,184</b>

Department of Energy and Public Works  
Statement of Assets and Liabilities by Major Departmental Services and Commercialised Business Units - Controlled  
as at 30 June 2022

	Energy services		Building and procurement services		Commercialised Business Units			
					QBuild		QFleet	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Current Assets</b>								
Cash and cash equivalents	-	9,251	35,151	182,820	64,810	94,763	40,247	32,607
Receivables	336	490	23,680	25,619	125,490	98,489	10,509	10,052
Contract assets	-	-	-	-	62,765	54,892	-	-
Other current assets	64	-	5,670	5,935	1,276	1,674	9,264	11,405
	400	9,741	64,501	214,374	254,341	249,818	60,020	54,064
Non-current assets classified as held for sale		-	4,568	2,369	-	-	-	-
<b>Total current assets</b>	400	9,741	69,069	216,743	254,341	249,818	60,020	54,064
<b>Non-current Assets</b>								
Property, plant and equipment	229	238	3,335,201	3,155,238	827	928	265,888	268,544
Right-of-use assets	-	-	1,719,877	1,895,692	-	-	-	-
Receivables	-	-	62,050	65,423	-	-	-	-
Other non-current assets	-	-	12	1,022	3,231	2,757	6	6
<b>Total non-current assets</b>	229	238	5,117,140	5,117,375	4,058	3,685	265,894	268,550
<b>TOTAL ASSETS</b>	629	9,979	5,186,209	5,334,118	258,399	253,503	325,914	322,614
<b>Current Liabilities</b>								
Lease liabilities	-	-	376,328	378,255	-	-	-	-
Payables	32,055	6,312	66,593	59,687	114,711	114,844	11,494	11,762
Provisions	-	-	12,091	12,474	652	-	-	-
Accrued employee benefits	429	747	1,133	1,009	5,538	4,088	223	337
Unearned revenue	-	-	1,389	1,390	5,018	2,142	-	-
Other current liabilities	-	-	24,661	16,960	293	201	4,880	9,189
<b>Total current liabilities</b>	32,484	7,059	482,195	469,775	126,212	121,275	16,597	21,288
<b>Non-current Liabilities</b>								
Lease liabilities	-	-	1,597,244	1,747,309	-	-	-	-
Borrowings	-	-	-	-	-	-	196,512	196,512
Queen's Wharf deferred consideration	-	-	119,392	119,392	-	-	-	-
Provisions	-	-	32,158	46,548	-	-	-	-
Unearned revenue	-	-	23,807	25,129	-	-	-	-
Other non-current liabilities	-	-	325	1,149	369	673	16,640	15,626
<b>Total non-current liabilities</b>	-	-	1,772,926	1,939,527	369	673	213,152	212,138
<b>TOTAL LIABILITIES</b>	32,484	7,059	2,255,121	2,409,302	126,581	121,948	229,749	233,426

**Department of Energy and Public Works**  
**Statement of Assets and Liabilities by Major Departmental Services and Commercialised Business Units - Controlled**  
**as at 30 June 2022**

	General - not attributed		Inter-service/unit eliminations		Total department	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Current Assets</b>						
Cash and cash equivalents	175,308	-	-	-	315,516	319,441
Receivables	18,093	-	(23,351)	(11,755)	154,757	122,895
Contract assets	-	-	-	-	62,765	54,892
Other current assets	1,462	-	(1,554)	-	16,182	19,014
	194,863	-	(24,905)	(11,755)	549,220	516,242
Non-current assets classified as held for sale		-	-	-	4,568	2,369
<b>Total current assets</b>	194,863	-	(24,905)	(11,755)	553,788	518,611
<b>Non-current Assets</b>						
Property, plant and equipment	359	-	-	-	3,602,504	3,424,948
Right-of-use assets	-	-	-	-	1,719,877	1,895,692
Receivables	-	-	-	-	62,050	65,423
Other non-current assets	27	-	-	-	3,276	3,785
<b>Total non-current assets</b>	386	-	-	-	5,387,707	5,389,848
<b>TOTAL ASSETS</b>	195,249	-	(24,905)	(11,755)	5,941,495	5,908,459
<b>Current Liabilities</b>						
Lease liabilities	-	-	-	-	376,328	378,255
Payables	8,023	-	(23,351)	(11,755)	209,525	180,850
Provisions	794	-	-	-	13,537	12,474
Accrued employee benefits	1,366	-	-	-	8,689	6,181
Unearned revenue	-	-	-	-	6,407	3,532
Other current liabilities	4,444	-	(1,554)	-	32,724	26,350
<b>Total current liabilities</b>	14,627	-	(24,905)	(11,755)	647,210	607,642
<b>Non-current Liabilities</b>						
Lease liabilities	-	-	-	-	1,597,244	1,747,309
Borrowings	-	-	-	-	196,512	196,512
Queen's Wharf deferred consideration	-	-	-	-	119,392	119,392
Provisions	240	-	-	-	32,398	46,548
Unearned revenue	-	-	-	-	23,807	25,129
Other non-current liabilities	-	-	-	-	17,334	17,448
<b>Total non-current liabilities</b>	240	-	-	-	1,986,687	2,152,338
<b>TOTAL LIABILITIES</b>	14,867	-	(24,905)	(11,755)	2,633,897	2,759,980

**Department of Energy and Public Works**  
**Statement of Comprehensive Income - Administered**  
**for the year ended 30 June 2022**

	<b>Note</b>	<b>2022 \$'000</b>	<b>2021 \$'000</b>
<b>Revenue</b>			
Appropriation revenue	5.5 (a)	573,345	272,263
User charges and fees		410	383
Other revenue	5.5 (c)	126,637	-
<b>Total revenue</b>		<u>700,392</u>	<u>272,646</u>
<b>Expenses</b>			
Grants and subsidies	5.5 (b)	550,930	268,812
Supplies and services		22,413	3,451
Transfers of administered revenue to government		410	383
Other expenses	5.5 (c)	-	22,377
<b>Total expenses</b>		<u>573,753</u>	<u>295,023</u>
<b>OPERATING RESULT</b>		<u>126,639</u>	<u>(22,377)</u>

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

**Department of Energy and Public Works**  
**Statement of Financial Position - Administered**  
**as at 30 June 2022**

	<b>Note</b>	<b>2022 \$'000</b>	<b>2021 \$'000</b>
<b>Current assets</b>			
Cash		38,557	32,083
Receivables		8,927	8,164
<b>Total assets</b>		<u>47,484</u>	<u>40,247</u>
<b>Current liabilities</b>			
Payables	5.5 (d)	47,404	40,167
<b>Non-current liabilities</b>			
Derivatives	5.5 (e)	93,462	220,099
<b>Total liabilities</b>		<u>140,866</u>	<u>260,266</u>
<b>NET ASSETS</b>		<u>(93,382)</u>	<u>(220,019)</u>
<b>EQUITY</b>			
Contributed equity		(197,642)	(197,642)
Accumulated surplus/(deficit)		104,260	(22,377)
<b>Total Equity</b>		<u>(93,382)</u>	<u>(220,019)</u>

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

Department of Energy and Public Works  
Statement of Comprehensive Income by Major Departmental Services - Administered  
for the year ended 30 June 2022

	Energy Services		Building and Procurement Services		Total	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>						
Appropriation revenue	549,703	268,416	23,642	3,847	573,345	272,263
User charges and fees	366	362	44	21	410	383
Other revenue	126,637	-	-	-	126,637	-
<b>Total revenue</b>	<b>676,706</b>	<b>268,778</b>	<b>23,686</b>	<b>3,868</b>	<b>700,392</b>	<b>272,646</b>
<b>Expenses</b>						
Grants and subsidies	549,701	268,416	1,229	396	550,930	268,812
Supplies and services	-	-	22,413	3,451	22,413	3,451
Transfers of administered revenue to government	366	362	44	21	410	383
Other expenses	-	22,377	-	-	-	22,377
<b>Total expenses</b>	<b>550,067</b>	<b>291,155</b>	<b>23,686</b>	<b>3,868</b>	<b>573,753</b>	<b>295,023</b>
<b>OPERATING RESULT</b>	<b>126,639</b>	<b>(22,377)</b>	<b>-</b>	<b>-</b>	<b>126,639</b>	<b>(22,377)</b>

Department of Energy and Public Works  
Statement of Assets and Liabilities by Major Departmental Services - Administered  
as at 30 June 2022

	Energy Services		Building and Procurement Services		Total	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Current assets</b>						
Cash	38,557	32,083	-	-	38,557	32,083
Receivables	8,927	8,164	-	-	8,927	8,164
Prepayments	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>47,484</b>	<b>40,247</b>	<b>-</b>	<b>-</b>	<b>47,484</b>	<b>40,247</b>
<b>Current liabilities</b>						
Payables	47,404	40,167	-	-	47,404	40,167
<b>Non-current liabilities</b>						
Derivatives	93,462	220,099	-	-	93,462	220,099
<b>TOTAL LIABILITIES</b>	<b>140,866</b>	<b>260,266</b>	<b>-</b>	<b>-</b>	<b>140,866</b>	<b>260,266</b>

1. Basis of preparation
  - 1.1 Authorisation of financial statements
  - 1.2 General information
  - 1.3 Statement of compliance
  - 1.4 Department objectives and principal activities
  - 1.5 Machinery-of-government changes
  - 1.6 Measurement
  - 1.7 Presentation
  - 1.8 New and revised accounting standards
2. Statement of Comprehensive Income notes
  - 2.1 User charges and fees
  - 2.2 Appropriation revenue
  - 2.3 Supplies and services
  - 2.4 Employee expenses
  - 2.5 Other expenses
3. Statement of Financial Position notes
  - 3.1 Property, plant and equipment
  - 3.2 Leases as lessee
  - 3.3 Receivables
  - 3.4 Credit risk
  - 3.5 Contract assets
  - 3.6 Other assets
  - 3.7 Non-current assets classified as held for sale
  - 3.8 Borrowings
  - 3.9 Payables
  - 3.10 Queen's Wharf deferred consideration
  - 3.11 Provisions
  - 3.12 Unearned revenue
  - 3.13 Other liabilities
  - 3.14 Liquidity risk
  - 3.15 Contributed equity
  - 3.16 Appropriations recognised in equity
4. Budget to actual comparison
5. Other information
  - 5.1 Key management personnel disclosures
  - 5.2 Related party entity transactions
  - 5.3 Commitments for expenditure
  - 5.4 Taxation
  - 5.5 Administered activities
  - 5.6 Agency transactions and balances
  - 5.7 Climate risk disclosure
  - 5.8 COVID-19 pandemic impacts
  - 5.9 Events occurring after the reporting date

## 1 BASIS OF PREPARATION

### 1.1 Authorisation of financial statements

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

### 1.2 General information

The Department of Energy and Public Works was established on 12 November 2020 as a result of the machinery-of-government changes outlined in Note 1.5. The department is a not-for-profit Queensland Government department established under the *Public Service Act 2008* and controlled by the State of Queensland which is the ultimate parent.

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

### 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 2021.

These financial statements are prepared on an accrual basis (except for the statement of cash flows which is prepared on a cash basis).

### 1.4 Department objectives and principal activities

The Department of Energy and Public Works is working towards its objectives to:

- deliver safe, secure, sustainable and affordable energy for Queensland
- embed robust procurement practices and expert government fleet management
- provide value-adding design, building policy, public works and asset management services that boost Queensland's growing communities

The principal activities of the department are reflected in the services undertaken by the department which are summarised below:

#### **Energy services**

Energy Services ensures Queensland's energy sector is efficient, equitable and sustainable.

#### **Building and procurement services**

Building and Procurement Services provides 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.

#### **QBuild**

QBuild effectively manages partner agencies' assets to deliver more services for Queenslanders.

#### **QFleet**

QFleet provides 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.

## 1.5 Machinery-of-government changes

The Department of Energy and Public Works was established on 12 November 2020 as a result of the *Public Service Departmental Arrangements Notice (No. 4 and 5) 2020*.

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

As a result of these machinery-of-government changes, the following functions were transferred to the department as at 1 December 2020:

- Building Policy and Asset Management and Queensland Government Procurement (including QBuild and QFleet) transferred from the former Department of Housing and Public Works
- Energy transferred from the former Department of Natural Resources, Mines and Energy
- Hydrogen Energy Policy transferred from the Department of State Development, Infrastructure, Local Government and Planning.

### Assets and liabilities transferred

	Department of Housing and Public Works \$'000	Department of Natural Resources, Mines and Energy \$'000	Total \$'000
<b>Controlled</b>			
Cash and cash equivalents	251,395	2,810	254,205
Receivables	149,448	350	149,798
Prepayments	21,155	670	21,825
Property, plant and equipment	3,298,577	242	3,298,819
Right-of-use assets	2,097,313	-	2,097,313
Non-current assets classified as held for sale	24,714	-	24,714
Other assets	96,362	-	96,362
<b>Total assets</b>	<b>5,938,964</b>	<b>4,072</b>	<b>5,943,036</b>
Lease liabilities	2,309,190	-	2,309,190
Payables	110,895	2,238	113,133
Unearned revenue	32,479	-	32,479
Accrued employee benefits	7,589	573	8,162
Provisions	79,362	-	79,362
Borrowings	196,512	-	196,512
Queen's Wharf deferred consideration	102,725	-	102,725
Other liabilities	43,106	-	43,106
<b>Total liabilities</b>	<b>2,881,858</b>	<b>2,811</b>	<b>2,884,669</b>
<b>Net assets</b>	<b>3,057,106</b>	<b>1,261</b>	<b>3,058,367</b>
<b>Administered</b>			
Cash and cash equivalents	14	35,343	35,357
Receivables	-	82	82
<b>Total assets</b>	<b>14</b>	<b>35,425</b>	<b>35,439</b>
Payables	14	35,346	35,360
Derivatives	-	197,722	197,722
<b>Total liabilities</b>	<b>14</b>	<b>233,068</b>	<b>233,082</b>
<b>Net assets</b>	<b>-</b>	<b>(197,643)</b>	<b>(197,643)</b>

The transfer in of net assets was accounted for as a transfer of contributed equity as disclosed in the Statement of Changes in Equity.

## 1.5 Machinery-of-government changes (continued)

The following budgeted appropriations were reallocated to the Department of Energy and Public Works for the period 1 December 2020 to 30 June 2021 as part of the machinery-of-government changes:

	Department of Housing and Public Works \$'000	Department of Natural Resources, Mines and Energy \$'000	Total \$'000
Controlled - appropriation	78,834	17,727	96,561
Controlled - equity adjustments	44,091	-	44,091
Administered - appropriation	3,847	260,670	264,517

There were no asset, liability or appropriation transfers from the Department of State Development, Infrastructure, Local Government and Planning.

## 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 presented is for the period from 1 December 2020 to 30 June 2021.

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

There are no new accounting standards or interpretations that apply to the department for the first time in 2021-22.

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

## 2 STATEMENT OF COMPREHENSIVE INCOME NOTES

### 2.1 User charges and fees

Revenue from contracts with customers		
Building services	1,039,266	699,587
Commercial accommodation service*	467,133	279,976
Government employee housing accommodation service*	51,116	27,458
Fleet management services*	91,751	54,549
Vehicle sales	51,264	32,279
Service level agreement revenue **	41,922	-
Other	67,182	33,615
<b>Total</b>	<b>1,809,634</b>	<b>1,127,464</b>

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

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

\*\* From 1 July 2021, the department is providing ongoing corporate services under a service level agreement in the form of information technology and legal services to the Department of Communities, Housing and Digital Economy as per agreed funding schedules.

#### Revenue from contracts with customers

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

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

## 2.1 User charges and fees (continued)

### Revenue from contracts with customers (continued)

Type of good or service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Building Services (continued)	<p>Building services contracts typically have durations of less than 12 months and contain one performance obligation. These performance obligations are satisfied over time as services are rendered.</p> <p>Customers are either invoiced progressively or on completion depending on the complexity of the work and consideration is payable when invoiced.</p>	<p>When customers are invoiced progressively, the timing of customer payment does not always match the revenue recognition policies described above. If the building services provided by the department exceed the payment, a contract asset is recognised. If customer payments exceed the building services provided by the department, a contract liability is recognised.</p> <p>Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known.</p>
Commercial Accommodation Service	<p>The department provides access to commercial accommodation primarily to other Queensland state government entities.</p> <p>Commercial accommodation contracts typically have durations of up to 10 years and contain multiple performance obligations relating to the commercial space being provided. Customers simultaneously receive and consume the benefits provided during the contract period and the department invoices on a monthly basis in a manner that fairly represents the transfer of these services. Consideration is receivable when invoiced.</p>	Revenue is recognised on a monthly basis as the actual services are provided over the duration of the contract.
Government Employee Housing Accommodation Service	<p>The department provides access to government employee housing primarily to other Queensland state government entities.</p> <p>Government employee housing contracts are typically open ended and contain multiple performance obligations relating to the government employee housing being provided. Customers simultaneously receive and consume the benefits provided during the contract period and the department invoices on a monthly basis in a manner that fairly represents the transfer of these services. Consideration is receivable when invoiced.</p>	Revenue is recognised on a 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
Fleet Management Services	<p>The department provides fleet management services primarily to other Queensland state government entities.</p> <p>Fleet management contracts are typically four years and contain multiple performance obligations relating to the vehicle being provided. Customers simultaneously receive and consume the benefits provided during the contract period and the department invoices on a monthly basis in a manner that fairly represents the transfer of these services. Consideration is receivable when invoiced.</p>	Revenue is recognised on a monthly basis as the actual services are provided over the duration of the contract.

Refer to Notes 3.5 and 3.13 for disclosures about contract assets and liabilities outstanding at year end.

## 2.2 Appropriation revenue

	2022 \$'000	2021 \$'000
<b>Reconciliation of payments from Consolidated Fund to appropriation revenue recognised in operating result</b>		
Original budgeted appropriation revenue	173,321	86,108
Supplementary amounts:		
Transfers from/to other headings - variation in headings	-	1,108
Lapsed appropriation revenue	(153)	-
<b>Total appropriation receipts (cash)</b>	<b>173,168</b>	<b>87,216</b>
Plus: Opening balance of deferred appropriation payable to Consolidated Fund	23,843	-
Plus: Transfer of deferred appropriation payable from other Queensland Government entities	917	11,581
Less: Closing balance of deferred appropriation payable to Consolidated Fund	(38,208)	(23,843)
<b>Appropriation revenue recognised in Statement of Comprehensive Income</b>	<b>159,720</b>	<b>74,954</b>
Variance between original budgeted and actual appropriation revenue	(13,601)	(11,154)

Appropriations provided under the *Appropriation Act 2022* 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 3.16).

## 2.3 Supplies and services

Cost of sales		
Building, construction and maintenance services	785,021	553,656
Motor vehicles and land sold through inventory	29,855	21,161
Property repairs and maintenance	50,455	28,845
Other property expenses	56,131	35,582
Consultants and contractors	46,158	16,417
Property rental*	4,285	7,787
Motor vehicle costs	23,098	12,834
Information, communication and technology expenses	33,760	20,740
Electricity and gas	15,460	10,133
Rates to local governments	8,328	4,134
Other	61,398	32,174
<b>Total</b>	<b>1,113,949</b>	<b>743,463</b>

\* In accordance with AASB 16 the majority of the department's leases are recognised on the Statement of Financial Position (refer to Note 3.2) with the exception of short-term (up to one year) and low-value leases (less than \$10,000). For these leases, property rental expenses are reported within supplies and services above.

## 2.4 Employee expenses

### **Employee benefits**

Wages and salaries	189,965	82,039
Annual leave levy	20,995	7,818
Employer superannuation contributions	24,802	10,620
Long service leave levy	4,997	2,077
Other employee benefits	-	18
	<b>240,788</b>	<b>102,572</b>

Employee-related expenses	10,427	5,475
<b>Total</b>	<b>251,215</b>	<b>108,047</b>

### **Wages and salaries**

Wages and salaries due (but unpaid at reporting date) are recognised in the Statement of Financial Position 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 defined benefit plan (the former QSuper defined benefit categories now administered by the Government Division of the Australian Retirement Trust) 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.

## 2.4 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 2022 (based upon the fortnight ending 1 July 2022) is 2,161 (2021: 1,594).

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

## 2.5 Other expenses

Impairment losses on non-current assets classified as held for sale	-	2,400
Insurance premiums - Queensland Government Insurance Fund	3,965	1,360
Insurance premiums - other	6,943	3,932
Queensland Audit Office - external audit fees*	515	368
Special payments (ex-gratia) <sup>†</sup>	81	1,950
Other	1,320	1,450
<b>Total</b>	<b>12,824</b>	<b>11,460</b>

\* Total audit fees quoted by the Queensland Audit Office relating to the 2021-22 financial statements are \$0.495 million (GST exclusive) (2021: \$0.440 million).

<sup>†</sup> Special payments include expenditure that the department is not contractually or legally obligated to make to other parties. The special payment over \$5,000 in 2021-22 was made to assist with the financial impacts of a costs order.

## 3 STATEMENT OF FINANCIAL POSITION NOTES

### 3.1 Property, plant and equipment

Land: at fair value	1,179,757	1,145,635
Buildings: at fair value	1,504,497	1,406,101
Plant and equipment: at cost		
Gross	656,963	628,870
Less accumulated depreciation	(236,641)	(199,176)
	420,322	429,694
Infrastructure: at fair value		
Gross	361,397	341,246
Less accumulated depreciation	(111,911)	(101,365)
	249,486	239,881
Heritage and cultural assets: at fair value		
Gross	204,599	187,556
Less accumulated depreciation	(144,108)	(133,787)
	60,491	53,769
Work in progress: at cost	187,951	149,868
<b>Total</b>	<b>3,602,504</b>	<b>3,424,948</b>

3.1 Property, plant and equipment (continued)

	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Infrastructure \$'000	Heritage and cultural assets \$'000	Work in progress \$'000	Total \$'000
<i>Property, plant and equipment reconciliation</i>							
Transfers from machinery-of-government changes (Note 1.5)	1,132,412	1,356,217	419,184	237,493	50,056	103,457	3,298,819
Acquisitions	715	2,197	55,594	-	-	85,681	144,187
Transfers between classes	-	24,930	14,201	-	507	(39,638)	-
Transfers to inventories	-	-	(21,700)	-	-	-	(21,700)
Disposals	(471)	(580)	(2)	-	-	368	(685)
Assets reclassified as held for sale	(464)	(1,001)	-	-	-	-	(1,465)
Net revaluation increments/(decrements) recognised in asset revaluation surplus	13,443	50,708	-	5,285	3,517	-	72,953
Depreciation	-	(26,370)	(37,583)	(2,897)	(311)	-	(67,161)
Carrying amount at 30 June 2021	1,145,635	1,406,101	429,694	239,881	53,769	149,868	3,424,948
Carrying amount at 1 July 2021	1,145,635	1,406,101	429,694	239,881	53,769	149,868	3,424,948
Transfers from other Queensland Government entities	100	12,228	-	-	-	-	12,328
Transfers to other Queensland Government entities	(19)	-	-	-	-	-	(19)
Acquisitions	1,263	2,881	74,996	-	-	106,913	186,053
Transfers between classes	215	58,797	9,786	-	32	(68,830)	-
Transfers to inventories	-	-	(29,414)	-	-	-	(29,414)
Disposals	(726)	(1,237)	(1)	-	-	-	(1,964)
Assets reclassified as held for sale	(8,810)	(10,763)	1,383	-	-	-	(18,190)
Net revaluation increments/(decrements) recognised in asset revaluation surplus	42,099	88,688	-	14,119	7,243	-	152,149
Depreciation	-	(52,198)	(66,122)	(4,514)	(553)	-	(123,387)
Carrying amount at 30 June 2022	1,179,757	1,504,497	420,322	249,486	60,491	187,951	3,602,504

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

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

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

Land improvements undertaken by the department are included with buildings.

#### (b) Measurement

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

Land, buildings, infrastructure and heritage and cultural assets are revalued on an annual basis, either by specific appraisals undertaken by an independent professional valuer or 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.

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.

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

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

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

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

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

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

There has been no evidence of a material increase or decrease in the market values of properties valued using the market and income based methods from the date of valuation to 30 June 2022.

#### (i) Government employee houses – land and buildings

Fair value for Queensland Government employee houses is determined by establishing market value, primarily by the direct comparison method of valuation, or by indexation. There are usually active and liquid residential property markets which provide sufficient applicable sales evidence. Where there is no active and liquid market for assets, fair value is the current replacement cost. Where properties are indexed a number of indices are used depending on the location. Indices are derived from various qualified valuers providing representative property valuations across multiple regions within the state.

Specific appraisals are performed on these properties once every five years. They were specifically appraised by an independent valuer in 2020-21. Five properties were specifically appraised during 2022. Properties that aren't specifically appraised in any given year are indexed.

#### (ii) Commercial properties – land and buildings

As at 30 June 2022, commercial properties were either:

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

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

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

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

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

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

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

##### (iii) Infrastructure

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

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

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

Assets that aren't specifically appraised in any given year are indexed.

##### (iv) Heritage and cultural assets

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

Fair value for the department's other heritage and cultural buildings is assessed based on relevant market evidence for similar assets. In localities where there is insufficient sales activity to derive market-based valuations, the buildings are valued using the current replacement cost and reproduction cost methods. This is also the case for unique or highly specialised buildings for which there is no comparable property market evidence. Properties are specifically appraised every four years unless there is an indication that more frequent revaluation is required. During 2021-22, 20 properties were specifically appraised and the balance of the properties were indexed.

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

	Land \$'000	Buildings \$'000	Infrastructure \$'000	Heritage and cultural assets \$'000	Total \$'000
Net revaluation increments/(decrements)	13,443	50,708	5,285	3,517	72,953
Balance at 30 June 2021	13,443	50,708	5,285	3,517	72,953
Balance as at 1 July 2021	13,443	50,708	5,285	3,517	72,953
Net revaluation increments/(decrements)	42,099	88,688	14,119	7,243	152,149
Balance at 30 June 2022	55,542	139,396	19,404	10,760	225,102

#### (e) Fair value measurement

##### Categorisation of fair values recognised as at 30 June 2022

	Level 2 \$'000		Level 3 \$'000		Total \$'000	
	2022	2021	2022	2021	2022	2021
Land						
- government employee housing	139,422	137,913	-	-	139,422	137,913
- commercial	538,143	509,155	502,192	498,567	1,040,335	1,007,722
Total land	677,565	647,068	502,192	498,567	1,179,757	1,145,635
Buildings						
- government employee housing	460,242	446,273	94,950	71,949	555,192	518,222
- commercial	635,473	633,093	313,832	254,786	949,305	887,879
Total buildings	1,095,715	1,079,366	408,782	326,735	1,504,497	1,406,101
Infrastructure	-	-	249,486	239,881	249,486	239,881
Heritage and cultural assets	9,102	7,500	51,389	46,269	60,491	53,769
<b>Total</b>	<b>1,782,382</b>	<b>1,733,934</b>	<b>1,211,849</b>	<b>1,111,452</b>	<b>2,994,231</b>	<b>2,845,386</b>

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

#### (e) Fair value measurement (continued)

##### 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	Building replacement cost rates. Remaining useful lives and percentage of asset life expired. Government employee houses building condition and size.
Infrastructure	Infrastructure replacement cost rates on a per-component basis. Remaining useful lives and percentage of asset life expired.
Heritage and cultural assets	Building replacement cost rates. Adopted depreciation (percentage of asset life expired). Future estimates of non-cash consideration to be received under non-cancellable contractual arrangements. The discount rate used to calculate a single present value of the future estimates.

#### (f) Impairment

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

#### (g) Depreciation

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

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

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

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

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

Buildings	1%	to	14%
Plant and equipment	3%	to	50%
Infrastructure	1%	to	25% in accordance with useful life of components
Heritage and cultural assets	1%	to	2%

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.

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

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

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

#### (h) Queen's Wharf Precinct (continued)

The Department of Energy and Public Works is the owner of the majority of land and buildings within the IRD Precinct as a result of the machinery-of-government changes outlined in Note 1.5. A leasehold development lease and a freehold development lease for the project commenced on 22 February 2018 transferring responsibility of the whole of the site to the Consortium. As at 30 June 2022 the land and buildings in the precinct have been valued on the basis that the contractual arrangements are considered to be non-cancellable and the highest and best use of the land and buildings in the precinct is that of an IRD. The fair value is based on the income approach with the cash and future estimates for the non-cash consideration to be received under the contractual arrangements discounted to a single present value. Under the fair value hierarchy the future estimates of the non-cash consideration and the discount rate are categorised as unobservable inputs. During 2019-20 the Waterline Park (Goodwill Bridge Extension) was completed and is therefore recognised as property, plant and equipment at fair value. The carrying value of the land and buildings within the Precinct is \$528.5 million.

### 3.2 Leases as lessee

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

Opening balance at 1 July	1,895,692	-
Transfers from machinery-of-government changes	-	2,097,313
Additions	240,300	66,133
Depreciation charge	(413,172)	(245,381)
Disposals/derecognition	(2,943)	(22,373)
Closing balance at 30 June	1,719,877	1,895,692

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

- less any lease incentives received
- plus any restoration costs.

The carrying amount of right-of-use assets are adjusted for any remeasurement of the lease liability in the financial year following changes in lease payments payable or in variable lease payments that depend upon an index or rate, or a change in lease term.

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

Revenue received from other Queensland state government entities in relation to these right-of-use assets is recognised as User charges – refer to Note 2.1.

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

Current	376,328	378,255
Non-current	1,597,244	1,747,309
<b>Total</b>	<b>1,973,572</b>	<b>2,125,564</b>

Lease liabilities are initially recognised at the present value of lease payments over the lease term, less any lease incentives receivable.

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 lease payments payable or in variable lease payments that depend on an index or rate, or a change in the lease term.

A maturity analysis for lease liabilities is included in Note 3.14.

### 3.2 Leases as lessee (continued)

#### (c) Lease interest

Interest expense on lease liabilities	31,670	20,062
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#### (d) Amounts recognised in Statement of Cash Flows

Total cash outflow for leases	423,744	248,314
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#### (e) The department's leasing activities

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

Leases are negotiated on an individual basis and contain a wide range of different terms and conditions in order to achieve the best whole-of-government benefit. The department is exposed to potential future increases in variable lease payments based on CPI or market rates, which make up approximately 12% (2021: 12%) of the portfolio and these are not included in the lease liability until they take effect. When adjustments to lease payments based on CPI or market rates do take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

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

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

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

The lease term is reassessed if the department becomes reasonably certain that an extension option will be exercised. The department has exercised approximately 16% of its extension options for the year ending 30 June 2022 (2021: 12%).

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

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

### 3.3 Receivables

#### **Current**

Contracts with customers - Trade debtors	144,439	108,406
GST input tax credits receivable	4,172	2,431
GST payable	(2,980)	(1,260)
Net GST receivable	1,192	1,171
Annual leave reimbursements*	4,321	3,330
Long service leave reimbursements*	1,549	882
Equity adjustment receivable	-	6,178
Finance lease receivables	3,256	2,928
<b>Total</b>	<b>154,757</b>	<b>122,895</b>

#### **Non-current**

Finance lease receivables	62,050	65,423
<b>Total</b>	<b>62,050</b>	<b>65,423</b>

\* Refer to Note 2.4 for further information.

### 3.3 Receivables (continued)

Receivables are measured at amortised cost which approximates their fair value at reporting date. Receivables are recognised at the amount due at the time of sale or service delivery. Settlement of trade debtors is generally required within 30 days from invoice date.

### 3.4 Credit risk

The department is exposed to credit risk on its receivables. The maximum exposure to credit risk at balance date is the gross carrying amount of these assets. The department manages credit risk by monitoring all funds owed on a timely basis.

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

### 3.5 Contract assets

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

### 3.6 Other assets

#### Current

Prepayments	12,106	13,923
Inventories	3,625	4,734
Tax assets	451	357
<b>Total</b>	<b>16,182</b>	<b>19,014</b>

#### Non-current

Intangible assets	645	1,107
Deferred tax assets	2,592	1,656
Other	39	1,022
<b>Total</b>	<b>3,276</b>	<b>3,785</b>

### 3.7 Non-current assets classified as held for sale

Land	3,656	2,162
Buildings	912	207
<b>Total</b>	<b>4,568</b>	<b>2,369</b>

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

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

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

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

### 3.8 Borrowings

#### **Non-current**

Queensland Treasury Corporation (QTC) borrowings	196,512	196,512
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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 these borrowings is notified by QTC at 30 June and is calculated using discounted cash flow analysis. It is classified as a level three fair value in the fair value hierarchy.

Fair value of QTC borrowings	191,619	198,405
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### 3.9 Payables

#### **Current**

Trade creditors	140,461	148,952
Deferred appropriation payable to Consolidated Fund	38,208	23,843
Equity adjustment payable	14,023	-
Dividends	7,240	7,883
Grants and subsidies payable	9,593	172
<b>Total</b>	<b>209,525</b>	<b>180,850</b>

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

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

### 3.10 Queen's Wharf deferred consideration

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

### 3.11 Provisions

Current	13,537	12,474
Non-current	32,398	46,548

#### **Cladding remediation**

The department recognises a provision for rectification costs for three departmental owned sites requiring remediation to address the presence of combustible cladding. All sites have had interim risk mitigation strategies implemented and are safe for occupation pending final remediation. It is anticipated that remediation works will be completed by 30 June 2023.

#### **Make good**

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

### 3.11 Provisions (continued)

#### **Transfer duty**

A provision has been recognised for transfer duty in relation to the Queen's Wharf Precinct Integrated Resort Development (IRD) agreement. Duty is payable to Queensland Treasury when the IRD long term lease is issued.

<b>Movements</b>	<b>Cladding remediation \$'000</b>	<b>Make good \$'000</b>	<b>Transfer duty \$'000</b>	<b>Other \$'000</b>	<b>Total \$'000</b>
Balance at 30 June 2021	22,170	17,852	19,000	-	59,022
Additional provision made	-	19	-	1,687	1,706
Provision utilised through payments	(1,403)	-	-	-	(1,403)
Unused provisions reversed	(11,620)	(1,770)	-	-	(13,390)
Balance at 30 June 2022	9,147	16,101	19,000	1,687	45,935

### 3.12 Unearned revenue

	<b>2022 \$'000</b>	<b>2021 \$'000</b>
<b>Current</b>		
Finance lease revenue	1,389	1,390
Other	5,018	2,142
<b>Total</b>	<b>6,407</b>	<b>3,532</b>
<b>Non-current</b>		
Finance lease revenue	23,807	25,129
<b>Total</b>	<b>23,807</b>	<b>25,129</b>

### 3.13 Other liabilities

<b>Current</b>		
Contract liabilities	27,581	21,258
Current tax liability	657	2,263
Other	4,486	2,829
<b>Total</b>	<b>32,724</b>	<b>26,350</b>
<b>Non-current</b>		
Contract liabilities	-	1,024
Deferred tax liability	17,009	16,299
Other	325	125
<b>Total</b>	<b>17,334</b>	<b>17,448</b>

#### **Contract liabilities**

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

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

Unearned revenue that does not arise from contracts with customers is included in Note 3.12.

### 3.14 Liquidity risk

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

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

2022	Amortised Cost \$'000	Undiscounted cash flows			
		Contractual maturity payable in			Total \$'000
		<1 year \$'000	1-5 years \$'000	>5 years \$'000	
<b>Financial liabilities</b>					
Lease liabilities	1,973,572	406,794	1,167,915	555,246	2,129,955
Queensland Treasury Corporation borrowings	196,512	3,041	12,066	196,512	211,619
Payables	209,525	209,525	-	-	209,525
<b>Total</b>	2,379,609	619,360	1,179,981	751,758	2,551,099

2021	Amortised Cost \$'000	Undiscounted cash flows			
		Contractual maturity payable in			Total \$'000
		<1 year \$'000	1-5 years \$'000	>5 years \$'000	
<b>Financial liabilities</b>					
Lease liabilities	2,125,564	408,799	1,192,543	696,839	2,298,181
Queensland Treasury Corporation borrowings	196,512	3,480	13,874	196,512	213,866
Payables	180,850	180,850	-	-	180,850
<b>Total</b>	<b>2,502,926</b>	<b>593,129</b>	<b>1,206,417</b>	<b>893,351</b>	<b>2,692,897</b>

### 3.15 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 are disclosed in the Statement of Changes in Equity:

- appropriations for equity adjustments (refer to Note 3.16)
- non-appropriated equity adjustments
- non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities as a result of machinery-of-government changes (refer to Note 1.5).

### 3.16 Appropriations recognised in equity

	2022 \$'000	2021 \$'000
<b><i>Reconciliation of payments from consolidated fund to equity adjustment</i></b>		
Original budgeted equity adjustment appropriation	43,260	44,284
Supplementary amounts		
Transfers from/to other headings	-	(4,587)
Lapsed equity adjustment	(11,166)	(32,886)
<b>Equity adjustment receipts (payments)</b>	<b>32,094</b>	<b>6,811</b>
Less: Opening balance of equity adjustment receivable	(6,178)	-
Less: Transfer of equity adjustment receivable from other Queensland Government entities	-	(16,054)
Plus: Transfer of equity adjustment payable from other Queensland Government entities	-	15,961
Plus: Closing balance of equity adjustment receivable	-	6,178
Less: Closing balance of equity adjustment payable	(14,023)	-
<b>Equity adjustment recognised in contributed equity</b>	<b>11,893</b>	<b>12,896</b>
Variance between original budgeted and actual equity adjustment appropriation	(31,367)	(31,388)

#### 4 BUDGET TO ACTUAL COMPARISON

This section details the major variances between the department's actual 2021-22 financial results and the original budget presented to Parliament.

	Variance notes	Original budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000
<b>STATEMENT OF COMPREHENSIVE INCOME</b>				
<b>INCOME</b>				
User charges and fees		1,822,215	1,809,634	(12,581)
Appropriation revenue		174,238	159,720	(14,518)
Grants and other contributions		6,725	10,643	3,918
Other revenue		14,875	24,720	9,845
Total revenue		2,018,053	2,004,717	(13,336)
Gains on disposal/remeasurement of assets		-	2,724	2,724
<b>Total income</b>		2,018,053	2,007,441	(10,612)
<b>EXPENSES</b>				
Supplies and services		1,117,848	1,113,949	(3,899)
Depreciation and amortisation		557,970	537,022	(20,948)
Employee expenses	1	263,917	251,215	(12,702)
Finance/borrowing costs		35,439	35,001	(438)
Grants and subsidies		20,962	20,840	(122)
Other expenses		15,989	12,824	(3,165)
<b>Total expenses</b>		2,012,125	1,970,851	(41,274)
<b>Operating result before income tax</b>		5,928	36,590	30,662
Income tax benefit/(expense)		(1,872)	(6,210)	(4,338)
<b>Operating result after income tax</b>		4,056	30,380	26,324
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that will not be reclassified to operating result</b>				
Increase/(decrease) in asset revaluation surplus	2	-	152,149	152,149
<b>Total other comprehensive income</b>		-	152,149	152,149
<b>Total comprehensive income</b>		4,056	182,529	178,473

4 BUDGET TO ACTUAL COMPARISON (CONTINUED)

STATEMENT OF FINANCIAL POSITION	Variance notes	Original budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	3	223,019	315,516	92,497
Receivables	4	130,413	154,757	24,344
Contract assets	5	38,699	62,765	24,066
Other current assets		19,531	16,182	(3,349)
		411,662	549,220	137,558
Non-current assets classified as held for sale		1,254	4,568	3,314
<b>Total current assets</b>		412,916	553,788	140,872
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment		3,475,705	3,602,504	126,799
Right-of-use assets		1,777,778	1,719,877	(57,901)
Receivables		63,981	62,050	(1,931)
Other non-current assets		1,991	3,276	1,285
<b>Total non-current assets</b>		5,319,455	5,387,707	68,252
<b>TOTAL ASSETS</b>		5,732,371	5,941,495	209,124
<b>CURRENT LIABILITIES</b>				
Lease liabilities		412,402	376,328	(36,074)
Payables	6	188,720	209,525	20,805
Provisions		4,657	13,537	8,880
Accrued employee benefits		7,576	8,689	1,113
Unearned revenue		2,424	6,407	3,983
Other current liabilities		18,197	32,724	14,527
<b>Total current liabilities</b>		633,976	647,210	13,234
<b>NON-CURRENT LIABILITIES</b>				
Lease liabilities		1,607,005	1,597,244	(9,761)
Borrowings		206,512	196,512	(10,000)
Queen's Wharf deferred consideration		119,392	119,392	-
Provisions		34,218	32,398	(1,820)
Unearned revenue		23,805	23,807	2
Other non-current liabilities		16,754	17,334	580
<b>Total non-current liabilities</b>		2,007,686	1,986,687	(20,999)
<b>TOTAL LIABILITIES</b>		2,641,662	2,633,897	(7,765)
<b>NET ASSETS / TOTAL EQUITY</b>		3,090,709	3,307,598	216,889

4 BUDGET TO ACTUAL COMPARISON (CONTINUED)

STATEMENT OF CASH FLOWS	Variance notes	Original budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<i>Inflows:</i>				
User charges and fees		1,829,725	1,777,889	(51,836)
Appropriation receipts		173,321	173,168	(153)
GST collected from customers		138,533	124,340	(14,193)
GST input tax credits received from Australian Taxation Office		41,559	79,654	38,095
Grants and other contributions		6,725	10,688	3,963
Other		39,585	50,229	10,644
<i>Outflows:</i>				
Supplies and services		(1,177,141)	(1,163,143)	13,998
Employee expenses		(263,093)	(249,228)	13,865
GST paid to suppliers		(125,978)	(162,827)	(36,849)
GST remitted to Australian Taxation Office		(79,432)	(67,679)	11,753
Finance/borrowing costs		(35,502)	(35,026)	476
Grants and subsidies		(20,962)	(11,418)	9,544
Taxation equivalents		(5,793)	(8,137)	(2,344)
Other		(20,109)	(12,790)	7,319
<b>Net cash provided by (used in) operating activities</b>		<b>501,438</b>	<b>505,720</b>	<b>4,282</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<i>Inflows:</i>				
Sales of property, plant and equipment	7	7,500	18,624	11,124
<i>Outflows:</i>				
Payments for property, plant and equipment	8	(146,296)	(120,219)	26,077
<b>Net cash provided by (used in) investing activities</b>		<b>(138,796)</b>	<b>(101,595)</b>	<b>37,201</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<i>Inflows:</i>				
Equity injections		555,126	515,334	(39,792)
Borrowings		10,000	-	(10,000)
<i>Outflows:</i>				
Equity withdrawals		(511,866)	(523,427)	(11,561)
Payment of lease liabilities		(418,381)	(392,073)	26,308
Dividends paid		(7,048)	(7,883)	(835)
<b>Net cash provided by (used in) financing activities</b>		<b>(372,169)</b>	<b>(408,049)</b>	<b>(35,880)</b>
Net increase (decrease) in cash and cash equivalents		(9,527)	(3,924)	5,603
Increase (decrease) in cash and cash equivalents from machinery-of-government changes (Note 1.5)		(314)	-	314
Cash and cash equivalents – opening balance		232,860	319,440	86,580
<b>Cash and cash equivalents – closing balance</b>		<b>223,019</b>	<b>315,516</b>	<b>92,497</b>

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

##### Explanations of major variances

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

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

##### Statement of Comprehensive Income

###### 1 Employee expenses

The variance of (\$12.702 million) is mainly due to the higher than anticipated vacancy rate across the department during the financial year which was largely driven by labour market conditions.

###### 2 Movement in Asset Revaluation Surplus

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

The variance of \$152.149 million represents a net increase in the value of residential land (\$6.801 million) and buildings (\$36.239 million) and a net increase in non-residential land (\$35.298 million) and buildings (\$52.449 million). The remaining \$21.362 million variance is as a result of overall increases from the valuation or indexation of infrastructure and heritage asset classes during the period.

Some of the market drivers of the increases in asset values have been low interest rates, economic stimulus measures and rising construction costs.

##### Statement of Financial Position

###### 3 Cash

The variance of \$92.497 million is mainly due to:

Increased cash balance for Public Works (\$169.031 million) mainly due to deferrals from 2021-22 to 2022-23 (\$52.232 million) outlined in Note 6 below, revised timing of delivery of capital works and maintenance projects (\$56.558 million), timing of invoices for work delivered but paid after 30 June (\$24.150 million) and higher residential property sales than anticipated (\$9.097 million).

Decreased cash balance for QBuild (\$83.758 million) due to a net a decrease in cash during 2021-22 (\$35.402 million) mainly due an increase in receivables and contract assets as outlined in Notes 4 and 5 below and lower actual opening balances (\$48.356 million) mainly due to the continued support in 2020-21 to small and medium enterprises that was implemented as part the COVID-19 pandemic response by paying vendors immediately.

###### 4 Receivables

The variance of \$24.344 million is mainly due to an increase in QBuild receivables due to higher sales associated with increased client programs, the timing of completion of work with an increase in work finalised and invoiced in June and adjustments to reflect work completed but not yet invoiced; partially offset by earlier than anticipated payments from clients.

###### 5 Contract Assets

The variance of \$24.066 million is mainly due to the timing of payments to QBuild's contractors and agreed invoicing arrangements with client agencies for work delivered relating to construction and maintenance work in progress.

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

##### 6 *Payables*

The variance of \$20.805 million is mainly due to:

An increase in net deferrals relating to revenue and equity appropriation funding (\$52.232 million) to mainly reflect the actual year end position of the government accommodation portfolio (\$12.182 million) relating to rental income, depreciation, timing of maintenance and adjustments for AASB16 Leases; deferrals for committed maintenance projects for government owned buildings (\$3.966 million) to reflect the timing of delivery; a deferral for the proposed Borumba Pumped Hydro Energy Storage facility (\$18.270 million) to reflect the timing of delivery of project activities; and information technology projects committed (\$5.220 million) but not finalised.

A net decrease in QBuild trade creditors (\$39.857 million) mainly due to the decision to continue the support to small and medium enterprises that was implemented as part the COVID-19 pandemic response to pay vendors immediately (\$52.165 million); offset by a higher value of supplier invoices received in June (\$8.021 million) compared to budget due to the increased volume of work.

An increase in Energy Services trade creditors mainly due to work delivered on the proposed Borumba Pumped Hydro Energy Storage facility (\$8.262 million) not paid at 30 June.

##### ***Statement of Cash flows***

##### 7 *Sales of Property Plant and Equipment*

The variance of \$11.124 million is mainly due to higher than anticipated sales of government employee residential properties (\$9.097 million) resulting from strong market conditions and the sale proceeds from non-residential land (\$2.027 million).

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

The variance of (\$26.077 million) is mainly due to the revised timing of delivery into 2022-23 for government employee residential properties and the Cairns Convention Centre expansion and refurbishment project; both projects were impacted by supply chain issues, continuing impacts of COVID19 and complexities in delivery. This is partially offset by the timing of funding approvals for the Thomas Dixon Centre refurbishment project which were received after the finalisation of the original budget.

## 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 Energy, Renewables and Hydrogen and Minister for Public Works and Procurement.

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

Position	Position responsibility
Director-General	Responsible for executive leadership, overall strategic direction and the financial administration of the department.
Deputy Director-General, Public Works	Responsible for providing strategic leadership to deliver high quality outcomes under the department's capital works and building asset management programs, accommodation and employee housing programs and disaster management coordination efforts. The role is critical in developing and maintaining effective partnerships and relationships with key stakeholders and clients including interface with the building industry.
Deputy Director-General, Energy	Provides strategic leadership and direction to the department's energy functions and responsibilities.
Assistant Director-General, QBuild	The primary purpose of this position is to lead the overall operations of QBuild, including the comprehensive range of asset management, maintenance, construction, consultancy, and building services that it provides. The role provides strategic direction to and is accountable for the effective governance of, operational and strategic areas of the business unit to ensure continued commercial viability and the achievement of government and business objectives.
Assistant Director-General, Building 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.
Deputy Director-General, 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.
Deputy Director-General, Corporate and Portfolio Strategy	Responsible for providing strategic leadership to deliver the department's corporate support services, the delivery of high quality outcomes across the entire portfolio, with a focus on strategic high value interventions and improving the capability across the Department and leading significant organisational performance agendas for major commercialised business units.
Deputy Director-General, Hydrogen	Responsible for integrating hydrogen into the Queensland Energy Plan, working with government owned energy entities to facilitate their engagement with the hydrogen sector, encouraging domestic use of hydrogen, particularly by governments, and encouraging innovation in the energy sector around hydrogen and other new energy sources.
Assistant Director-General, Portfolio Integration	Responsible for the delivery of high quality outcomes across the entire portfolio, with a focus on strategic high value interventions and on improving the capability of the department.

## 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.

## 5.1 Key management personnel disclosures (continued)

### (c) Remuneration expenses

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

1 July 2021 – 30 June 2022

Position	Short-term employee expenses		Long-term employee expenses	Post-employment expenses	Total expenses
	Monetary expenses	Non-monetary benefits			
	\$'000	\$'000	\$'000	\$'000	\$'000
Director-General (to 24/09/2021)	72	2	3	7	84
Director-General (from 27/09/2021)	307	8	8	35	357
Deputy Director-General, Public Works	296	12	7	31	346
Deputy Director-General, Energy (Acting) to 20/08/2021	41	1	1	3	46
Deputy Director-General, Energy (from 23/08/2021)	198	9	4	20	231
Assistant Director-General, QBuild (to 13/11/2021)	88	4	2	9	104
Assistant Director-General, QBuild (Acting) from 14/11/2021	139	7	6	15	168
Assistant Director-General, Building Policy (to 17/08/2021)	26	1	1	4	31
Assistant Director-General, Building Policy (from 18/08/2021)	196	10	5	19	229
Deputy Director-General, Procurement	240	12	6	26	283
Deputy Director-General, Corporate and Portfolio Strategy (Acting) to 01/05/2022	221	10	5	27	263
Deputy Director-General, Corporate and Portfolio Strategy (from 02/05/2022)	51	2	1	4	58
Deputy Director-General, Hydrogen (from 14 March 2022)	67	3	2	8	80
Assistant Director-General, Portfolio Integration (from 15/11/2021)	142	7	4	15	168

## 5.1 Key management personnel disclosures (continued)

### (c) Remuneration expenses (continued)

1 December 2020 – 30 June 2021

Position	Short-term employee expenses		Long-term employee expenses	Post-employment expenses	Total expenses
	Monetary expenses	Non-monetary benefits			
	\$'000	\$'000	\$'000	\$'000	\$'000
Director-General from 01/01/2021	206	6	5	12	229
Deputy Director-General, Building	176	6	4	18	204
Deputy Director-General, Energy	69	3	2	7	81
Deputy Director-General, Energy (Acting from 15/03/2021 - 26/04/2021)	28	1	1	3	33
Deputy Director-General, Energy (Acting from 27/04/2021)	42	2	1	4	49
Assistant Director-General, QBuild	137	6	3	15	161
Assistant Director-General, Building Policy	135	6	3	14	158
Deputy Director-General, Procurement	135	6	3	14	158
Deputy Director-General, Corporate	147	6	3	14	170

## 5.2 Related party entity transactions

The Department of Energy and Public Works 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 Energy and Public Works. Transactions 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 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)
- Contract assets (refer to Note 3.5)

Other significant related party transactions/balances are identified below:

- Appropriation and equity funding from government (refer to Notes 2.2, 3.16 and 5.5(a))
- Property security charges (Other property expenses) paid to the Queensland Police Service (refer to Note 2.3)
- Queensland Treasury Corporation borrowings (refer to Note 3.8)
- Provisions for transfer duty (refer to Note 3.11)
- Administered community service obligation payments (refer to Note 5.5(b))
- Transfer in of GEH properties from the Department of Education (refer to Statement of Changes in Equity)
- Corporate charges received from the Department of Communities, Housing and Digital Economy for information, communication and technology, and other services (refer to Note 2.1)

2020-21 significant related party transactions/balances are identified below:

- Sale of land to the Cross River Rail Delivery Authority (refer to the Statement of Cash Flows)
- Assets and liabilities received from machinery-of-government changes (refer to Note 1.5)
- Corporate charges paid to the Department of Communities, Housing and Digital Economy for information, communication and technology, and other services (refer to Note 2.3)

## 5.3 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
<b>2022</b>			
Property, plant and equipment	144,820	-	144,820
<b>2021</b>			
Property, plant and equipment	195,873	8,745	204,618

## 5.4 Taxation

The department is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax, Luxury Car Tax (in respect of certain fleet vehicles) and Goods and Services Tax (GST).

One of the department's GST entities, QBuild, is a member of the same GST group as the Housing entity from the Department of Communities, Housing and Digital Economy. Transactions between the GST group members are out of scope for GST. Under GST grouping arrangements the ATO recognises the Housing GST entity 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. These amounts are disclosed in the financial statements of the Department of Communities, Housing and Digital Economy. The net amount of GST recoverable or payable by QBuild to the ATO is included in trade debtors or trade creditors and represents the amount receivable from or payable to the Department of Communities, Housing and Digital Economy.

#### 5.4 Taxation (continued)

Agreements have been reached with Queensland Treasury for the commercialised business units of the department to pay an income tax equivalent, in accordance with the requirements of the National Tax Equivalents Regime. Where a commercialised business unit is subject to the tax equivalents regime, the income tax equivalent expense is calculated based on the Statement of Financial Position approach under which temporary differences are identified for each asset and liability. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is recognised as a tax asset or a tax liability. Tax assets are not brought to account unless realisation of the asset is probable. Tax assets relating to commercialised business units with tax losses are only brought to account to the extent that future profits are probable. Recovery of deferred tax assets is primarily based on projected operational results outlined in three year forecasting budgets provided to Queensland Treasury.

#### 5.5 Administered activities

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

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

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

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

##### (a) Reconciliation of payments from Consolidated Fund

###### *Reconciliation of payments from consolidated fund to administered appropriation revenue*

Budgeted appropriation revenue	545,811	264,517
Transfers from/(to) other headings	-	3,479
Unforeseen expenditure	28,417	-
<b>Total administered appropriation receipts (cash)</b>	<b>574,228</b>	<b>267,996</b>
Less: Opening balance of administered appropriation revenue receivable	(4,267)	-
Plus: Closing balance of administered appropriation revenue receivable	3,384	4,267
<b>Administered appropriation revenue recognised in Administered Statement of Comprehensive Income</b>	<b>573,345</b>	<b>272,263</b>

###### *Reconciliation of payments from consolidated fund to equity adjustment recognised in contributed equity*

Budgeted equity appropriation	383	-
Unforeseen expenditure	40,000	-
<b>Total administered appropriation equity receipts (cash)</b>	<b>40,383</b>	<b>-</b>
<b>Equity adjustment recognised in contributed equity</b>	<b>40,383</b>	<b>-</b>

##### (b) Grants and subsidies

Community service obligations and grants for energy	550,870	268,416
Other	60	396
<b>Total</b>	<b>550,930</b>	<b>268,812</b>

Major administered expenses include community service obligation (CSO) payments made on behalf of the Queensland Government to energy retailers Energy Queensland and Origin. The most significant CSO payment relates to the Uniform Tariff Policy supporting regional Queensland.

5.5 Administered activities (continued)

(c) Movement in fair value of financial instruments (gains)/losses

Other Revenue (Gain)	(126,637)	-
Other Expenses (Loss)	-	22,377
<b>Total</b>	<b>(126,637)</b>	<b>22,377</b>

\*Refer to Note 5.5 (e) for further information.

(d) Payables

Community service obligations and grants payable	47,024	39,805
Transfer of administered item revenue to government payable	380	362
<b>Total</b>	<b>47,404</b>	<b>40,167</b>

(e) Derivatives

Commodity and electricity derivative instruments at fair value	93,462	220,099
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The department is responsible for administering the State's entitlement and obligations for commodity and electricity price hedge instruments related to renewable solar energy investment projects.

Embedded derivatives are not separated from the host commodity contracts and accounted for separately. These are hybrid contracts with bundled price hedge arrangements classified as financial instruments measured at fair value through the statement of comprehensive income.

Financial instruments are initially recognised at fair value on execution of the contracts and subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is classified as held for trading or is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivative financial instruments spanning both current and non-current periods are split into their current and non-current components prior to valuation. The fair value of these components is then classified as current when the maturity profile is less than 12 months and classified as a non-current when the maturity profile is greater than 12 months.

**Change in fair value recognised in the statement of comprehensive income**

Gains and losses from remeasuring the fair value of commodity and electricity derivatives that are not designated as hedging instruments and are classified as financial instruments at fair value are recognised in the statement of comprehensive income (refer to Note 5.5 (c)).

## 5.5 Administered activities (continued)

### (e) Derivatives (continued)

#### **Level 3 fair value measurement - significant valuation inputs and impacts**

Derivative financial liabilities are categorised within level 3 of the fair value hierarchy. There were no transfers of liabilities between fair value hierarchy levels during the period.

Structured commodity and derivative contracts are negotiated directly with counterparties with no observable market prices for component instruments.

The valuation technique used to estimate the fair value commodity and energy contracts takes into account all relevant variables including forecast commodity and electricity prices, physical generation plant variables, transmission losses, energy policy considerations, the risk free discount rate and related credit adjustments.

To the maximum extent possible, valuations are based on assumptions which are supported by independent or observable market data. Where valuation models are used, instruments are discounted at the market interest rate applicable to the instrument.

The following is a summary of the main inputs and assumptions used by the department in measuring the fair value of level three financial instruments:

- Forward commodity and electricity prices includes both observable external market data and independently sourced forecast data. The derived forecast spot pool prices and renewable energy and related certificate prices are applied, as market prices are not observable for long term contracts.
- Forecast generation volumes for derivatives related to renewable generation are independently derived using market modelling assumptions over the life of the instrument.
- Transmission loss factors are based on observable external market data and internally derived assumptions.
- Commonwealth and State schemes for renewable energy and greenhouse gas abatement will affect future alternate tradeable environmental certificates and their value to the State in offsetting cash outflows under the financial instruments.
- Discount rates are based on observable market rates for risk free instruments of the appropriate term.
- Credit adjustments are applied depending on the asset/liability position of a financial instrument to reflect the risk of default by either the State or a specific counterparty.

The use of different methodologies and assumptions could lead to different measurements of fair value for level 3 instruments.

#### **Market risk (Commodity price risk)**

The department is exposed to electricity price movements in the National Electricity Market and environmental certificate price movements that affect the fair value and cash flows of the financial instruments. The department has an agency arrangement in place, until 30 June 2023, to manage its entitlements and obligations under the commodity and derivative contracts. The department measures this risk exposure using sensitivity analysis.

The following commentary and table summarises the sensitivity of the department's derivative financial instruments to commodity and electricity price risk. Analysis is performed using similar information to that which would be provided to management and reflects the impact on the department's financial position should certain price movements occur.

The sensitivity in the mark-to-market of the commodity and electricity derivatives is calculated as at balance date. The analysis assumes simultaneous and standardised upward and downward movements of commodity and electricity prices of 10%, which reflects the market sensitivity of contracts held by the department at balance date.

#### *Market risk sensitivity analysis*

	10% price increase		10% price decrease	
	Effect on operating result \$'000	Effect on equity \$'000	Effect on operating result \$'000	Effect on equity \$'000
<b>Commodity and electricity price risk</b>				
2022	14,730	-	(16,522)	-
2021	11,009	-	(11,277)	-

## 5.5 Administered activities (continued)

### (e) Derivatives (continued)

#### Liquidity risk

The following table details the department's remaining contractual maturity for its derivative financial instrument liabilities. It is based on the undiscounted cash flows of financial liabilities at the earliest date on which the financial liabilities are required to be paid. It includes both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the Statement of Financial Position.

Derivatives	Undiscounted cash flows		
	Contractual maturity payable in		
	1-5 years \$'000	>5 years \$'000	Total \$'000
2022	39,681	78,265	117,946
2021	55,956	196,880	252,836

### (f) 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.

	2022 \$'000	2021 \$'000
Commonwealth Bank	10,000	10,000

### (g) Budget to actual comparison

	Original Budget	Actual	Variance
	2022	2022	
Variance notes	\$'000	\$'000	\$'000
<b>Statement of Comprehensive Income for the year ended 30 June 2022</b>			
<b>Revenue</b>			
Appropriation revenue	545,811	573,345	27,534
User charges and fees	332	410	78
Other revenue	-	126,637	126,637
<b>Total revenue</b>	<b>546,143</b>	<b>700,392</b>	<b>154,249</b>
<b>Expenses</b>			
Grants and subsidies	523,401	550,930	27,529
Supplies and services	22,410	22,413	3
Transfer of administered revenue to government	332	410	78
<b>Total expenses</b>	<b>546,143</b>	<b>573,753</b>	<b>27,610</b>
<b>Operating result</b>	<b>-</b>	<b>126,639</b>	<b>126,639</b>
<b>Statement of Financial Position as at 30 June 2022</b>			
<b>Current assets</b>			
Cash	35,343	38,557	3,214
Receivables	82	8,927	8,845
<b>Total current assets</b>	<b>35,425</b>	<b>47,484</b>	<b>12,059</b>
<b>Current liabilities</b>			
Payables	35,346	47,404	12,058
<b>Non-current liabilities</b>			
Derivatives	197,722	93,462	(104,260)
<b>Net Assets</b>	<b>(197,643)</b>	<b>(93,382)</b>	<b>104,261</b>

**Explanations of major variances**

1 *Other Revenue and Derivatives*

The variance of \$126.637 million is the movement in the fair value of the state's obligations in relation to commodity and electricity price hedge instruments for renewable solar energy investment projects.

2 *Payables*

The variance of \$12.058 million is mainly due to an increase in funding to Energy Queensland for the Uniform Tariff Policy Community Service Obligation (CSO) (\$9.127 million) due to an increase in 2021-2022 funding after the finalisation of the original budget and timing of payments relating to the Drought Relief from Electricity Charges Scheme (\$2.467 million).

3 *Receivables*

The variance of \$8.845 million relates mainly to an increase in appropriation funding receivable for the Drought Relief from Electricity Charges Scheme (\$3.384 million) and the timing of GST receivable relating to payments made for the Uniform Tariff Community Service Obligation (\$5.173 million)

**5.6 Agency transactions and balances**

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

**(a) QBuild**

QBuild acts as an agent on behalf of other Queensland Government agencies in relation to the procurement and project management for large capital works projects. Fees received for the provision of these services are included in Note 2.1 User charges and fees.

**Agency revenues**

Receipts for goods and services	501,089	295,208
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**Agency expenses**

Payments for supplies and services	501,089	295,208
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**Agency current assets**

Receivables	73,599	87,552
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**Agency current liabilities**

Bank overdraft	32,190	67,713
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Payables	39,721	18,316
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Other	1,688	1,523
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<b>Total liabilities</b>	<b>73,599</b>	<b>87,552</b>
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**(b) 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 Note 2.1 User charges and fees.

**Agency revenues**

Receipts for goods and services	75,080	29,777
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**Agency expenses**

Payments for supplies and services	75,080	24,617
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**Agency current assets**

Receivables	19,975	11,652
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**Agency current liabilities**

Payables	19,975	11,652
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**5.7 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.

**5.8 COVID-19 pandemic impacts**

There has been a focus on continuity of service delivery throughout the department's response to COVID-19. The department has reviewed assumptions and areas of judgement made, in the process of applying accounting policies and has 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)).

Any major variances due to COVID-19 between the department's actual 2021-22 financial results and the original budget presented to Parliament are disclosed in Note 4.

**5.9 Events occurring after the reporting date**

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

## Department of Energy and Public Works

### Management Certificate of the Department of Energy and Public Works

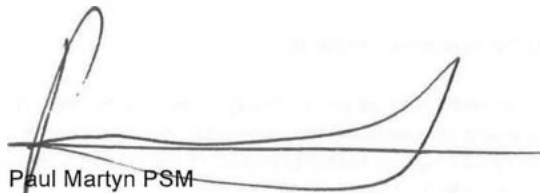
These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 38 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62(1)(b) of the Act, we certify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

- (i) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (ii) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Department of Energy and Public Works for the financial year ended 30 June 2022, and of the financial position of the department at the end of that year.

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



Chris Breitzkreuz  
BCom, FCPA  
**Chief Finance Officer**  
Department of Energy and Public Works



**Director-General**  
Department of Energy and Public Works

29

August 2022

29

August 2022

## INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Department of Energy and Public Works

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of the Department of Energy and Public Works .

In my opinion, the financial report:

- a) gives a true and fair view of the department's financial position as at 30 June 2022, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the controlled and administered statements of financial position and statements of assets and liabilities by major departmental services as at 30 June 2022, the controlled and administered statements of comprehensive income, statements of comprehensive income by major departmental services, and controlled statement of changes in equity, controlled statement of cash flows and for the year then ended, notes to the financial statements including basis of preparation 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 year. 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.

**Classification and valuation of administered commodity and electricity derivative financial instruments (\$93 million)**

Refer to Note 5.5 (e) in the financial report

Key audit matter	How my audit addressed this key audit matter
<p>Management has estimated the fair value of the department's commodity and electricity derivative financial instruments to be \$93.462 million liability as at 30 June 2022.</p> <p>The derivative financial instruments are valued using complex models, with the following key inputs involving significant judgement due to an absence of observable market data:</p> <ul style="list-style-type: none"> <li>• Forecast commodity and electricity prices</li> <li>• Physical generation variables</li> <li>• Market loss factors</li> <li>• Energy policy considerations.</li> </ul>	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• obtaining an understanding of the valuation models, and assessing their design, integrity and appropriateness with reference to common industry practices</li> <li>• challenging management assumptions used in the valuation and assessing the reasonableness of the key inputs by comparison to independently sourced external market data, market conditions at year end, and the energy policy environment</li> <li>• assessing the competence, capability and objectivity of the external experts management used in estimating forecast commodity and electricity prices, and physical generation variables</li> <li>• for a sample of derivatives, testing the reasonableness of the valuation calculations by agreeing key terms to supporting documents (including contracts)</li> <li>• evaluating the appropriateness of disclosures.</li> </ul>

**Valuation of property plant and equipment – fair value hierarchy level 3**

*Buildings (\$409 million) and infrastructure assets (\$249 million)*

Refer to Note 3.1(e) in the financial report

Key audit matter	How my audit addressed this key audit matter
<p>The fair value measurement of commercial buildings without an observable market and infrastructure assets is based on the current replacement cost method.</p> <p>The Department of Energy and Public Works used a combination of comprehensive revaluation and indexation methods to determine the fair value of these assets as at 30 June 2022.</p> <p>The comprehensive revaluations are dependent on certain key assumptions that require significant management judgement for:</p> <ul style="list-style-type: none"> <li>• Identifying any components of the assets that have separately identifiable replacement costs</li> <li>• Estimating the gross replacement cost for each asset component by developing unit rates for the modern equivalent asset</li> <li>• Estimating the remaining useful life of each asset</li> </ul> <p>The indexation method required:</p>	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• assessing the adequacy of management's review of the valuation process and results</li> <li>• reviewing the scope and instructions provided to the valuer</li> <li>• assessing the competence, capabilities and objectivity of the experts involved in developing the unit rates</li> <li>• assessing the appropriateness of the valuation methodology and the underlying assumptions with reference to common industry practices</li> <li>• evaluating the relevance and appropriateness of the indices used for changes in cost inputs by comparing to other relevant external indices</li> <li>• examining a sample of asset valuation movements since the last revaluation date and corroborating the changes with other available information</li> <li>• evaluating useful life estimates for reasonableness by: <ul style="list-style-type: none"> <li>– reviewing management's annual assessment of useful lives</li> <li>– ensuring that no building asset still in use has reached or exceeded its useful life</li> </ul> </li> <li>• where changes in useful lives were identified, evaluating whether the effective dates of the changes applied for depreciation expense were supported by appropriate evidence.</li> </ul>

Key audit matter	How my audit addressed this key audit matter
<ul style="list-style-type: none"> <li>judgement in determining changes in cost and design factors for each asset type since the previous indexation or comprehensive revaluation</li> <li>reviewing previous assumptions and judgements used in the indexation or comprehensive revaluation to ensure ongoing validity of assumptions and judgements used.</li> </ul> <p>The measurement of accumulated depreciation involved significant judgements for determining condition and forecasting the remaining useful lives of the asset building components.</p> <p>The significant judgements required for gross replacement cost and useful lives are also significant judgements for calculating annual depreciation expense.</p>	

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

## **Report on other legal and regulatory requirements**

### **Statement**

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2022:

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

### **Prescribed requirements scope**

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



30 August 2022

David Adams  
as delegate of the Auditor-General

Queensland Audit Office  
Brisbane