## Summary of financial performance

Section 77(2)(b) of the *Financial Accountability Act 2009* requires the Chief Finance Officer of the Department of Communities, Disability Services and Seniors to provide the accountable officer with a statement on whether the department’s internal financial controls are operating efficiently, effectively and economically.

The 2019-20 Statement of Assurance provided to the Director-General satisfies all requirements of the *Financial and Performance Management Standard 2019*. The statement was also provided to the department’s Audit and Risk Committee.

It indicated no deficiencies or breakdowns in internal controls that would impact adversely on the department’s financial governance or financial statements for the year.

### Income

Our income in 2019-20 was $406.008 million, with the major sources of income being the Queensland and Australian governments for the provision of services.

During 2019-20, we received our income from:

* appropriation revenue – $358.744 million
* user charges – $7.424 million
* grants and other contributions – $14.920 million
* other revenue – $24.920 million
(such as grant and service procurement refunds and other cost recoveries).

### Operating expenses

Our department provides a wide range of services to the community, delivered by contracted non-government organisations and through direct service delivery. As a result, our two largest expense categories are supplies and services and employee expenses. Our total operating expenses for 2019–20 were $398.561 million, including:

* employee expenses — $193.782 million
* supplies and services — $163.852 million

(which include service procurement expenses of $114.479 million, outsourced corporate service expenses of $15.599 million, property and other lease expenses of $11.461 million, property support, repairs and maintenance expenses of $8.904 million, professional and technical fees of $9.256 million, and other general operating expenses of $4.153 million)

* grants and other subsidies — $31.112 million
* depreciation and amortisation — $5.907 million
* other expenses — $3.908 million
(such as insurance costs, audit fees, loss on sale of property, plant and equipment and impairment losses).

In 2019-20, the department had an operating surplus of $7.447 million, related largely to the recognition of a number of non-cash items including reversal of the revaluation decrement of $6.410 million offset by a net loss on disposal of property, plant and equipment of $1.328 million.

The surplus also includes $1.190 million in revenue received from the Commonwealth (Continuity of Support accommodation management grant) for the refurbishment of residential supported accommodation, recognised as capital expenditure. In addition, the department received greater non-appropriated revenue of $1.175 million.

### Assets

Our total assets as at 30 June 2020 were valued at $366.461 million. The primary assets held by our department were properties used to:

* support people with disability, including accommodation and respite services
* strengthen our communities, including multipurpose and neighbourhood centres.

The department’s assets also include intangible assets, primarily internally generated software and systems.

The value of our assets by category was:

* cash and cash equivalents — $72.041 million
* receivables, current and non-current — $4.841 million
* property, plant and equipment — $283.925 million
* intangibles — $3.226 million
* other assets — $2.428 million.

The department’s cash at bank balance includes a cash-fund investment established with Queensland Treasury Corporation for the Elderly Parent Carer Innovation Initiative. The balance of the cash-fund investment as at 30 June 2020 was $0.381 million.

### Liabilities

Our liabilities consist primarily of payables for service procurement, trade creditors and provisions for employee entitlements.

Our total liabilities as at 30 June 2020 were $42.770 million. Liabilities by category were:

* payables, current and non-current — $32.599 million
* accrued employee benefits — $7.619 million
* provisions — $2.501 million
* lease liabilities – $0.051 million.

### National Disability Insurance Scheme

The NDIS has been available to all Queenslanders from 1 July 2019 for eligible people with disability aged up to 65 years.

### Administered Payments

In 2019-20, on behalf of the Queensland Government, we administered total payments of $2,339.769 million including:

* concession payments of $682.904 million for electricity and reticulated natural gas, rates and water subsidies, electricity for life support, home energy emergency assistance and asset ownership electricity dividend
* payments of $85.920 million for electricity concessions to small and medium businesses impacted by the COVID-19 pandemic
* payments of $1,544.285 million for the transition of clients to the NDIS
* payments of $15.108 million for natural disasters on behalf of the Queensland and Australian governments for grants for emergency assistance, essential household contents, structural assistance, and the Essential Services Safety and Reconnection Scheme
* administrative costs of $11.552 million directly attributable to Community Recovery activities.

Income and expenditure on these items is accounted for separately from our operating accounts. Variances between budget and actual results are explained in the financial statements.

### Financial Risk Management

The department manages financial risks and liabilities by reviewing financial performance through the corporate governance framework. To assist in managing the department’s risks, the departmental Audit and Risk Committee oversees audit activities, audit recommendations, financial reporting, internal controls and compliance. For more information on our financial performance, refer to the financial statements.

### Service Delivery Statement measures

The following scorecards summarise our performance (quantifiable measures and qualitative achievements) against the performance indicators in the department’s Service Delivery Statement 2019–20.

| **Disability Services**  | **Notes** | **2019–20****Target/estimate** | **2019–20****Actual** |
| --- | --- | --- | --- |
| Service standardsEffectiveness measureNumber of people with a disability receiving departmental accommodation support services | (1) | 1070 | 881 |
| Efficiency measurePercentage of approved accommodation support places used | (2) | 80% | 82% |

**Notes:**

1. *The variance between the 2019***–***20 target/estimate and the 2019***–***20 actual was based on the available capacity negotiated with the Commonwealth during the transition to the National Disability Insurance Scheme. Once transition occurred, Disability Accommodation Respite and Forensic Services saw a decline in the number of people with disability accessing ongoing respite services due to exercising choice and control and use of funding flexibility to access a wide range of services not provided by the department, such as in home respite. The target for this measure has been reviewed for future years in order to take in this downward trend.*
2. *The actual result for 2019***–***20 was satisfied with the number of people receiving accommodation support services as an estimated proportion of the number of approved places, including shared living arrangements and short-term accommodation support (or respite). Usage rates below full capacity are required to enable people to trial, and enter and exit accommodation places that are well-maintained and re-equipped between usage, to ensure the wellbeing of clients and staff. Rates below full capacity are also expected as a) market growth in the number and range of supports is encouraged with the implementation of the NDIS meaning that, in particular, people may choose different types of services that provide a respite-type effect for carers (other than short-term accommodation support) and b) the department operates within the principle of competitive neutrality*.

| **Community Services**  | **Notes** | **2019–20****Target/estimate** | **2019–20****Actual** |
| --- | --- | --- | --- |
| Service standardsEffectiveness measurePercentage of eligible Seniors with a Seniors Card | (1) | 88% | 89% |
| Percentage of Community Recovery Emergency Hardship Assistance applications processed for payment within 24 hours | (2) | 75% | 82% |
| Efficiency measuresPercentage of contracted service capacity for in-home and community connection support used | (3)(4) | Baseline | 51% |

1. *This is a proxy measure of the effectiveness in promoting the Seniors Card scheme to applicable stakeholders and forms part of the cost-of-living strategy. The percentage of eligible seniors with a Seniors Card is calculated by the total number of active cardholders divided by the estimated resident population of seniors within Queensland. The estimated resident population is sourced from the Australian Bureau of Statistics, Report 3101.0* Australian Demographic Statistics*. Estimated Resident Population By Single Year Of Age, Queensland. TABLE 53.*
2. *This service standard measures how quickly the department responds to applications for Emergency Hardship Assistance under the Personal Hardship Assistance Scheme to approved applicants impacted by a declared disaster event. The method for distributing the financial assistance will be determined by the nature of the disaster event in consultation with local disaster management leaders. Timely financial relief is important to reduce the levels of financial hardship and psychological distress that can occur as a result of a disaster event. Timeframes for payments may be impacted by the size of the disaster event. This measure will not be reported in years where the department does not administer the Emergency Hardship Assistance grant (that is, the Personal Hardship Assistance Scheme is not activated in response to a disaster event in 2019***–***20).*
3. *This is a utilisation measure that records the number of services accessed as a proportion of the number of services contracted or purchased for use under the Queensland Community Support Scheme. Service usage is an indicator of the efficiency of the scheme’s access point in linking eligible clients to available services and of the return on the investment in service types and locations that best respond to demand for assistance (that is, allocative efficiency). The first year of operation in 2019***–***20 will establish a baseline for a future target/estimated.*
4. *The baseline percentage for 2019***–***20 is lower than expected due to the lockdown restrictions for COVID-19 which allowed only essential services and modification to and a reduction in community connection support. It is expected that results for this measure will increase in the future.*

## Annual Financial Statements 2019–20

* Refer to separate document for the Annual Financial Statements 2019-20.