

2019–2020  
ANNUAL  
REPORT



## About this report

The *Department of State Development, Tourism and Innovation Annual Report 2019–2020* is an integral part of our Corporate Governance Framework. It is a key tool in ensuring we are accountable to stakeholders, the Queensland Parliament and the community about our activities.

Under the *Financial Accountability Act 2009*:

- Tourism and Events Queensland produces a separate annual report and financial statements on the administration of the *Tourism and Events Queensland Act 2012*.
- Cross River Rail Delivery Authority produces a separate annual report and financial statements on the administration of the *Cross River Rail Delivery Authority Act 2016*.

## Accessing the report

This report and the information on the department's related government bodies is available online at [www.dsdti.qld.gov.au](http://www.dsdti.qld.gov.au).

Additional annual reporting requirements have been published on the Queensland Government Open Data website at [www.data.qld.gov.au](http://www.data.qld.gov.au).

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You can provide feedback on the annual report at the Queensland Government Get Involved website ([www.getinvolved.qld.gov.au](http://www.getinvolved.qld.gov.au)) at the annual report feedback page.

## Interpreter assistance



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29 September 2020

The Honourable Kate Jones MP  
Minister for State Development, Tourism and Innovation  
1 William Street  
Brisbane QLD 4000

Dear Minister

I am pleased to submit for presentation to the Queensland Parliament the *Annual Report 2019–2020* and financial statements for the Department of State Development, Tourism and Innovation.

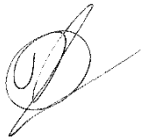
This report is prepared on the basis of the current administrative arrangements for this agency applying for the whole of the 2019–2020 financial year. That is, it reflects the structure, operations and performance of the agency as it now exists.

I certify that this annual report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*
- the detailed requirements set out in the Annual report requirements for Queensland Government agencies.

A checklist outlining the Queensland Government’s annual reporting requirements is included in appendix five of this report or can be accessed at [www.dsdti.qld.gov.au](http://www.dsdti.qld.gov.au).

Yours sincerely



Damien Walker  
**Director-General**  
**Department of State Development, Tourism and Innovation**

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# DIRECTOR-GENERAL'S REPORT

The Department of State Development, Tourism and Innovation (DSDTI – the department) is well positioned to drive Queensland's economic recovery and growth to further the *Queensland Economic Recovery Strategy: Unite and Recover for Queensland Jobs*.

We are firmly focused on making a difference by sustaining our key sectors and jobs through the Novel Coronavirus (COVID-19) pandemic, opening up investment and creating jobs and opportunities across the state. In response to COVID-19, the department worked quickly and decisively with stakeholders to help our industries, providing the support needed to get businesses back in operation faster.

This year has brought exciting changes, with the consolidation of the state development, tourism and innovation portfolios to form the department. This has reinforced our strategic and practical ability to deliver on economic recovery and growth for the state.

I am proud to open our annual report with a snapshot of some key 2019–2020 achievements.

## Develop the economy

Our primary focus is to drive economic recovery to build a stronger Queensland now and in the future. We will do this by enabling long-term business and investment growth across the state, including our hard-hit regions.

This year saw progression of 10-year industry roadmaps and action plans for priority industries including: biofutures, biomedical, defence, aerospace, mining equipment, technology and services (METS), and resource recovery industries. Industry strategies have been developed for hydrogen, space, superyachts and beef processing to propel these sectors forward.

To accelerate job-delivering projects, now more than ever, the department is leading delivery of significant projects poised to transform economies across Queensland and working with private investors to deliver public value to the state.

As at 30 June 2020, Queensland's project pipeline was carrying \$16 billion of coordinated projects with the potential to create 30,900 jobs across the state. This includes four new projects added during the year, worth \$5.2 billion.

The Queensland Charter for Local Content (the Charter) is the government's local industry policy under the *Queensland Industry Participation Policy Act 2011*. The Charter was applied to 104 new eligible major projects during 2019–2020 giving capable local suppliers the opportunity to participate in tender processes.

Our regions received a boost through 48 new projects funded under the Building our Regions program, providing economic stimulus for communities across 39 councils – from remote Far North Queensland to South West Queensland. These projects will create growth and help mitigate the impacts of COVID-19, expediting economic recovery.

Another key milestone was the introduction of the *Forest Wind Development Bill 2020*. The proposed Forest Wind farm has the potential to be one of the largest grid-connected wind farms in the Southern Hemisphere and could propel Queensland towards its target of 50 per cent renewables by 2030. To be established on state plantation forest areas between Gympie and Maryborough, it could create around 440 jobs during construction and 50 full time jobs once operational, as well as providing opportunities for small and medium businesses.

This year saw a key step undertaken in the transformational \$2.1 billion Dexus proposal, with the submission of a development application that will enliven Brisbane's riverfront and has the potential to support more than 1000 construction jobs and 900 operational jobs upon completion.

Queensland also showed its potential in the defence industry with Rheinmetall Defence Australia opening its \$170 million Australia-New Zealand Headquarters and Military Vehicle Centre of Excellence (MILVEHCOE) in Redbank, Ipswich. This long-term partnership between the Queensland Government and Rheinmetall is a win for the state, supporting an average of 300 jobs over two years during construction and up to 450 jobs for Queenslanders once operational. It is expected to contribute more than \$1 billion to Queensland's economy over the life of the project.

The Queensland Government's key private sector investment programs, Advance Queensland Industry Attraction Fund (AQIAF) and Jobs and Regional Growth Fund (JRGF), continued to leverage capital investment and create operational jobs in Queensland. Collectively across the two programs, during 2019–2020 DSDTI contributed \$41.533 million towards investment projects that will deliver 2456 jobs and leverage over \$917 million in capital investment over the life of these projects.

## Support Queensland's tourism industry

Tourism and events is a vital sector to the Queensland economy, providing jobs for hundreds of thousands of Queenslanders right across the state. Our plan of action to protect this sector was swift: we set up a new Economic Advisory Unit and Tourism Response Team, helping tourism businesses to be COVID safe and reopen faster. The department worked with key partners including Tourism and Events Queensland and the Queensland Tourism Industry Council to rebuild and boost Queensland tourism through the *Queensland Economic Recovery Strategy: Unite and Recover for Queensland Jobs*.

These activities complemented other significant 2019–2020 tourism industry development achievements:

- The \$48.6 million Attracting Tourism Fund supported groundbreaking projects including the Townsville Marine Tourism Precinct.
- The Year of Outback Tourism 2019, with more than \$10 million contributed towards new outback tourism attractions and experiences. More than one million tourists visited the region and spent a record \$759 million in 2019.
- Following the Premier's announcement of \$10 million for the Year of Indigenous Tourism 2020, the department led this initiative with the \$7 million Growing Indigenous Tourism in Queensland Grant Fund – *Our Country*, a dedicated Indigenous Tourism Development Service.
- Growth of the state's ecotourism industry through the Queensland Ecotourism Trails Program. This included securing funding to fully construct the \$41.4 million Wangetti Trail in Tropical North Queensland and progressing the market process for new ecotourism experiences at the Cooloola Great Walk on the Sunshine Coast, all in collaboration with local Traditional Owners.
- The \$3.6 billion Queen's Wharf Brisbane redevelopment continued to deliver capital investment. Construction has hit a number of milestones this year, including opening Stage 1 – the first stage of over 12 football fields of new public space.

## Advance Queensland through innovation

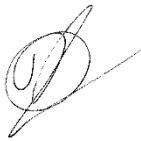
DSDTI continued to lead the Queensland Government's Advance Queensland initiative, which leveraged over \$820 million from program partners and delivered whole-of-initiative investment of more than \$1.5 billion to support economic growth and jobs creation for Queensland. This investment supports more than 23,500 jobs and backs close to 7000 recipients and innovation projects across Queensland.

Through Advance Queensland, innovation is driving economic growth throughout the state and creating jobs in our regions. This is evidenced by the 60 per cent of innovation projects that are based in regional Queensland, which is driving the establishment of more than 10,500 regional jobs. We are investing in science and new technologies, commercialising research and solving challenges facing Queensland and the world.

As part of Advance Queensland's commitment to increasing economic opportunities and the independence of Aboriginal and Torres Strait Islander people, we released the Deadly Innovation Strategy; a whole-of-government strategy partnering with Indigenous business chambers of commerce, universities, TAFE, the education system and industry.

Advance Queensland invested \$10 million in March 2020 to fast-track a COVID-19 vaccine being developed here in Queensland. This funding has enabled the University of Queensland (UQ) to accelerate the process of testing and manufacturing the vaccine with global partners the Coalition for Epidemic Preparedness Innovation (CEPI) and Australian-based biotech leader CSL Ltd. This further cements Queensland's reputation as a world leader in the field.

It has been a highly productive year at a time of great change and I am immensely proud of, and thankful for, the staff who work hard to deliver our core activities. As one of the primary economic development agencies within Queensland Government, this department will continue to drive sustainable economic and jobs growth. We are buoyed by a productive 2019–2020 and honoured to continue serving the people of Queensland.



Damien Walker  
Director-General  
**Department of State Development, Tourism and Innovation**

# COVID-19 RESPONSE

## Search for a COVID-19 vaccine

On 22 March 2020, the Queensland Government committed \$10 million through the Advance Queensland initiative to fast-track a promising vaccine for COVID-19 being worked on by UQ's School of Chemistry and Molecular Biosciences.

On 5 June 2020, the Queensland Government announced the partnership of CEPI and CSL, one of Australia's largest health companies, along with UQ to progress their COVID-19 vaccine to human clinical trials. This makes the UQ vaccine one of only a few in the world to secure a manufacturing deal of this kind, which shows it has real promise to help the world to tackle this pandemic.

The university is undertaking clinical trials to test the safety and efficacy of the vaccine. This innovation is a Queensland-made initiative, giving new hope to millions of people around the world.

## Keeping the community safe and the economy moving

In response to COVID-19, amendments were made to the *Economic Development Act 2012* to protect the public's health and safety and to effectively manage development applications during the event.

Planning and regulation amendments were also introduced to support the construction industry and to keep our state moving forward. For example, the heavy-vehicle lock-out period was relaxed for the Queen's Wharf Brisbane Project, allowing four extra hours per day for trucks to move in and out of the site.

Another key activity was the department's close work with Queensland Health and hotel operators to identify suitable properties to facilitate quarantining for returning/arriving overseas travellers.

## Economic response and recovery

The department established an Economic Recovery Unit to lead the department's COVID-19 response planning, coordination and delivery, and work with the private and public sectors to ensure our industries bounce back.

Teams across the portfolio undertook intensive industry support, reaching out to devastated industries including tourism, major events, international education, and the many small and medium-sized enterprises (SME), large businesses and corporates that comprise Queensland's innovation ecosystem.

The portfolio engaged with over 1600 businesses from February to June 2020, carried out crisis calls with businesses, operators and industry groups such as the Regional Tourism Organisations network, and collected and distributed economic impact data. This close consultation helped the department identify key pressure points for industry to inform the state government's policy response to economic recovery.

The portfolio worked to provide clear and concise information with a weekly industry support newsletter distributed to 400 stakeholders, and a dedicated webpage outlining funding support available and COVID-safe planning requirements.

A dedicated Tourism Response team responded to questions from industry and helped tourism industry associations develop three Industry COVID-Safe Plans to enable tourism and accommodation businesses to open faster.

Our response also included funding support, cash flow relief, workforce support, permitting and red tape reduction, and development of COVID-Safe Plans to facilitate reopening.

## COVID-19 tourism recovery

The department set about supporting the tourism industry rebound with recovery funding including \$25 million for the Growing Tourism Infrastructure Fund to fast-track the development of new and enhanced tourism infrastructure projects, and a further \$25 million



through the Queensland Tourism Icons Program to support tourism enterprises and experiences. An additional \$15 million was earmarked to help secure intrastate aviation routes into regional Queensland and Brisbane, and interstate routes, once borders reopen.

In partnership with Tourism and Events Queensland (TEQ), the department reached out to key stakeholders through weekly meetings with the Regional Tourism Organisation Network to listen to, and take action on, industry needs in relation to COVID-19 impacts. The department also formed the Tourism and Events Economic Recovery Group to specifically focus on planning for the recovery of the tourism and events sector.

### Support for innovators

The COVID-19 crisis has highlighted the importance of Queensland's innovation ecosystem, and the strength of Queenslanders' entrepreneurial spirit to develop innovative solutions and technologies that respond and adapt to presented issues.

The department's Advance Queensland initiatives swiftly took action by:

- realigning Advance Queensland programs such as the Industry Research Fellowships to focus on projects that address the COVID-19 pandemic and recovery, or preparedness for possible future pandemics or similar events of similar scale
- supporting tenants in The Precinct with a six-month rent reprieve to help them survive the economic downturn caused by COVID-19
- advocating to close the gaps for pre-revenue startups and innovators in Australian Government business support packages
- holding a series of roundtables and regional deep-dives with key innovation stakeholders
- establishing a business-to-business support service for Indigenous businesses, supporting some of our most vulnerable operators in responding to pandemic impacts
- implementing and scheduling support sessions in digital form; providing mental

health support, presenting resources, tools, advice, experts and forums for startups and innovators to learn, upskill and connect with one another.

### Operational support for businesses

In the early stages of the COVID-19 outbreak, the Queensland Government established the COVID-19 website. Through the website, DSDTI provided a point of contact for businesses to report supply chain or general operational issues they were experiencing due to COVID-19. Targeted responses were then provided to address particular issues and keep businesses informed. Regional departmental officers contacted all key clients to gauge how they were being impacted by COVID-19 and to identify additional service needs.

DSDTI partnered with Queensland Treasury in delivery of the Industry Support Package (ISP). The ISP is focused on providing support to large and regionally significant businesses through this period to ensure they will be able to scale up and service the community when economic activity improves.

### Essential goods and services support

To help Queensland businesses maintain vital supplies and materials, the department responded to over 400 enquiries through the Queensland Suppliers website and supply support service. Companies sought assistance to locate products and supplies required to continue operations, many of whom were affected by a lack of imported product and higher than usual demand caused by COVID-19. The department undertook extensive research to ensure all enquiring businesses were provided with information and support options.

On 19 May 2020, the Queensland Government announced up to \$50 million had been redirected from AQIAF to help Queensland manufacturers make essential goods such as personal protective equipment, health consumables and devices.

Already there has been assistance from the Essential Goods and Supply Chain Program to

the Logan-based Evolve Group to urgently commence production of disposable medical masks in high volumes.

### Departmental preparedness

Business continuity planning and testing is integral to the department’s ability to continue service delivery in the face of business interruption. Given the unprecedented nature of COVID-19, the department undertook additional preparedness activities to ensure we were ready to step up and best support our industries.

This included testing and strengthening our Pandemic Response, Crisis Communications and Business Continuity Plans. From a people perspective, we:

- established a predominantly work-from-home workforce in alignment with public health orders
- mobilised some of our employees to undertake essential work across government, including within Queensland Health and the Queensland Care Army.

## ABOUT THE DEPARTMENT

The Department of State Development, Tourism and Innovation was formed on 11 May 2020, following machinery of government changes. It is comprised of the former Department of Innovation and Tourism Industry Development (DITID), and the corporate and state development functions of the former Department of State Development, Manufacturing, Infrastructure and Planning (DSDMIP).

### Our vision

Our vision is to shape a Queensland of the future by driving economic and industry growth, maximising our potential as a dynamic leisure destination and building our innovation economy.

## Our purpose

Our purpose is to support the transformation of the Queensland economy by leading industry and state development, creating a more competitive and resilient tourism sector and harnessing our innovation strengths for the benefit of all Queenslanders.

Our department delivers significant economic growth, industry and community benefits to Queenslanders. We work to deliver the Queensland Government’s *Our Future State: Advancing Queensland’s Priorities* of:

- Create jobs in a strong economy
- Protect the Great Barrier Reef
- Be a responsive government.

## Machinery of government changes

As a result of machinery of government changes that came into effect on 11 May 2020, the former Department of Innovation and Tourism Industry Development was renamed to the Department of State Development, Tourism and Innovation, reporting to the Minister for State Development, Tourism and Innovation.

The following table outlines those divisions that joined the department from the former Department of State Development, Manufacturing, Infrastructure and Planning.

*Table 1: Divisions that joined the department*

| Joined the department<br>(effective 11 May 2020) |
|--|
| Corporate  |
| Economic Development Queensland                  |
| Investment Facilitation and Partnerships         |
| Office of the Coordinator-General                |
| State Development                                |

There were no outgoing functions from the former Department of Innovation and Tourism Industry Development and therefore all functions as at 30 June 2020 are reported in this annual report.

## Whole-of-government plans and specific initiatives

During 2019–2020, the department was responsible for the following whole-of-government initiatives:

- *2017 Better Regulation Taskforce Report – Queensland Government Response and Action Plan*
- *Building our Innovation Economy – Advance Queensland Strategy*
- *Deadly Innovation Strategy*
- *North West Queensland Economic Diversification Strategy*
- *Queensland Aerospace 10-Year Roadmap and Action Plan*
- *Queensland Beef Processing Strategy 2019–2022*
- *Queensland Biofutures 10-Year Roadmap and Action Plan*
- *Queensland Biomedical 10-Year Roadmap and Action Plan*
- *Queensland Defence Industries 10-Year Roadmap and Action Plan*
- *Queensland Hydrogen Industry Strategy*
- *Queensland METS 10-Year Roadmap and Action Plan*
- *Queensland Resource Recovery 10-Year Roadmap and Action Plan*
- *Queensland Space Industry Strategy*
- *Queensland Superyacht Industry Development Strategy*
- *Strategic Blueprint for Queensland’s North West Minerals Province.*

## OUR OPERATING ENVIRONMENT

### Strategic risks and opportunities 2020–2024

Our key strategic risks are:

- Global economic conditions impact upon Queensland’s economic performance.

- Major disaster/weather may impact tourism and cause delays to new tourism infrastructure development.
- Queensland’s vast geography, diversity of infrastructure, investment and skills creates challenges in developing the state economy.
- Ability to effectively promote understanding of, and commitment to, the innovation agenda could impact innovation investment attraction.
- Access to skilled labour in regional areas, increasing migration of workers to urban areas, an ageing population and lower youth engagement in the workforce may affect Queensland’s productivity and investment attractiveness.
- Technological advancements cause businesses to rapidly adapt to harness opportunities and could create short-term challenges, including control and compliance risks.
- Economic development must be dynamic and balanced with community’s expectations for environmentally and socially sustainable outcomes.

Our key strategic opportunities are:

- Further diversify the economy to increase economic inclusion, improve resilience and reduce volatility.
- Showcase Queensland as a strong competitor and vibrant and attractive tourism destination.
- Create jobs for Queenslanders by providing the environment for private sector investment, leveraging innovation and harnessing new technologies and business models.
- Use major events to provide an economic and tourism legacy for Queensland.
- Leverage our regional presence to tailor programs and projects in support of the local economy.
- Plan communities that are liveable and environmentally and socially sustainable to

ensure prosperity and quality of life for current and future generations.

- Harness the productivity and industry growth potential of technological advancements, and continue to take up digital ways of working as a department.

## Strategic direction

### 2020–2024

The department's strategic direction is highlighted in the *Department of State Development, Tourism and Innovation Strategic Plan 2020–2024* (the strategic plan), which was launched in July 2020.

Key considerations in this plan were:

- A review of strategic objectives and strategies for our state development, tourism and innovation functions to identify synergies and collaboration opportunities.
- The impact of COVID-19 on key industries. For this reason, it was vital that the strategic plan reflects the department's strategies to drive economic and jobs growth, industry recovery and resilience.
- Developing a clear view of strategic risks and opportunities, given the potential of these to impact positively or negatively on the department's vision and purpose.
- The department's greatest resource is its people, and as recognition of this, departmental and workforce capability development strategies were included.

Our 2020–2021 annual report will reflect achievement against this plan. This 2019–2020 annual report includes achievements reflected against the strategic objectives of the combined former departments.

## DELIVERING FOR THE COMMUNITY: PROGRAM HIGHLIGHTS

Lead a coordinated and strategic approach to Queensland's medium to long-term economic development

### Delivering industry roadmaps and strategies

The department leads the implementation of 10-Year Roadmaps and Strategies, addressed further in the 'Our services' section of this report. Progress against a number of these strategies is reported below.

#### Continued growth in biofutures

Biofutures Queensland is the Queensland Government's focal point for biofutures industry support and works across government, industry and research sectors to drive research, development, and investment in Queensland's industrial biotechnology and bioproducts sector. Key activities during 2019–2020 included:

- delivering the \$5 million Queensland Waste to Biofutures Fund
- continued facilitation of 29 biofutures projects across Queensland
- sponsoring Queensland's first Bio Innovation Week.

#### Biomedical industry

The *Queensland Biomedical 10-Year Roadmap and Action Plan* is delivering grant programs and support activities that are effective in building on areas of comparative strength to identify and attract new opportunities such as medtech.

The collaborative, coordinated approach to grow the sector – including with universities and research institutes, clinicians and hospital

and health services – enabled a quick response to support companies in pivoting to medtech production and related biomedical supply chain activities.

### Growing defence and aerospace industries

The department assisted the defence and aerospace industries by providing capability development support, operating Defence Industry Hubs in Townsville and Ipswich, and promoting the capability of Queensland businesses to domestic and international audiences.

The Minister’s Advisory Council on Defence Industry and Jobs, and two regionally-focused boards for North and South Queensland met to provide expert advice on supply chain gaps and opportunities including the inaugural South Pacific Defence and Industry Forum held in Cairns.

The department also supported the Australian Government in the expansion of the Shoalwater Bay Field Training Area and the Greenvale Training Area to increase defence training activities in Queensland for the Singapore Armed Forces.

### Developing a space industry for Queensland

In February 2020, the \$8 million *Queensland Space Industry Strategy* positioned the state as an Australasian leader for space technologies and launches. The department has progressed investigations into the location of a potential orbital launch facility and other space infrastructure.

### Developing autonomous systems testing

Construction of a world-class \$14.5 million common-user facility for testing and evaluating unmanned aerial systems commenced at Cloncurry Airport in North West Queensland. Final regulatory approvals, practical completion, operational readiness along with first test flights are expected in late 2020. The construction phase of the project will provide up to 65 jobs.

### Hydrogen industry

The *Queensland Hydrogen Industry Strategy 2019–2024* provides a plan to grow a sustainable hydrogen industry that supports renewable resources, creates high-skilled jobs and strengthens our economy. In 2019–2020, activities included providing investors and proponents with tools to understand key elements of the industry, capitalising on opportunities in Townsville, Gladstone and Redlands.

### Mining equipment, technology and services

Activities delivered through the \$7 million *Queensland METS 10-Year Roadmap and Action Plan* included:

- launch of the \$1 million Queensland METS Collaborative Projects Fund to commercialise new technologies with mining customers
- launch of the Quantum TX Accelerator for late-stage Queensland METS SMEs seeking to commercialise high potential innovative products and services
- launch of a second round of the regional METS accelerator program
- expansion of the Queensland Cluster Program.

### Superyacht industry development fund

Superyacht Australia’s data shows that Queensland is leading the way for visiting superyachts with a direct economic impact of \$55 million. This is an 80 per cent increase on 2018.

Queensland saw 68 vessels visit in 2019, the highest number in Australia.

The Queensland Government contributed towards the development of the South East Queensland Superyacht Guide in partnership with Superyacht Australia, which will promote South East Queensland to the international Superyacht industry.

## Diverting waste from landfill

The *Queensland Resource Recovery Industries 10-Year Roadmap and Action Plan* was released in August 2019. It outlines a plan to divert waste from landfill and revolutionise the state's recycling and resource recovery industries. Collaboration with the Department of Environment and Science (DES), industry and local governments will implement the roadmap. This work is a key initiative of the overall strategy to reduce waste, increase recycling and create new jobs through resource recovery.

## Beef processing

The *Queensland Beef Processing Strategy* was launched in August 2019 to support and grow the beef processing industry in Queensland. The strategy was developed in consultation with major beef processors and representative bodies to identify and address challenges facing the industry.

## Coordinated projects

Coordinated projects have a pivotal role in the resources, energy, manufacturing, transport, tourism, agricultural and infrastructure sectors. The projects are typically large, complex and require a comprehensive and coordinated whole-of-government assessment.

The Coordinator-General works with project proponents to develop, assess and manage major projects to create jobs and investment for the state. As at 30 June 2020, there were 15 coordinated projects under assessment with capital value of around \$16 billion, and over 21,000 construction jobs and 9900 operational jobs, should they proceed.

During 2019–2020, the Coordinator-General declared four coordinated projects:

- Valeria
- Urannah
- Port of Gold Coast Ocean-side Cruise Ship Terminal
- Remondis waste to energy proposal.

Five coordinated projects were under construction during 2019–2020 including:

- Coopers Gap Wind Farm
- Cairns Shipping Port Expansion
- Sunshine Coast Airport
- Carmichael Coal Mine and Rail
- Cross River Rail.

## Cairns South State Development Area

The Cairns South State Development Area (SDA) was varied in February 2020 and its development scheme approved in March 2020. The 1159-hectare SDA includes 303 hectares of land around the Mulgrave Mill in Gordonvale, and will support future diversification plans for the mill and industrial development that value-adds to the sugar refining process.

The development scheme promotes medium to long term development opportunities for regionally significant industry while recognising the regional importance of the sugar cane industry.

## Sunshine Coast Airport Expansion Project

The \$347 million Sunshine Coast Airport Expansion Project, a coordinated project assessed by the Coordinator-General in 2016, includes a new runway and associated infrastructure. Crucial to regional economic recovery, it will generate millions of dollars for local business through tourism. The proponent estimates it will result in 1538 operational jobs. The new runway was officially completed on 12 June 2020, with all construction to be finalised in late 2020.

## Growth at the Gold Coast Health and Knowledge Precinct

Lumina is a 9.5-hectare commercial cluster dedicated to growing life sciences, health and technology related businesses within the Gold Coast Health and Knowledge Precinct. The creation of Lumina realises the state's vision to build on the legacy of the Gold Coast 2018

Commonwealth Games (GC2018), while investing in economic diversity and future knowledge job creation.

Since receiving handover of the land in early 2019, six of Lumina's 16 sites are earmarked for health and knowledge sector uses, including an \$80 million children's health and education centre of excellence, Proxima, and Griffith University's planned Advanced Design and Prototyping Technologies (ADaPT) Institute.

Construction is expected to begin in the next 12 months and will support up to 150 jobs, with up to 900 health and knowledge workers and researchers based at Proxima when fully occupied.

Opened in May 2019, COHORT, Lumina's co-working space, is home to Cluster Biotechnology, Griffith Innovation Centre, IntelliHQ and other digital health and startup innovators.

## Leverage benefits of major events, tourism and international education to maximise the potential of Queensland's visitor economy

### Securing and leveraging major events

Queensland had a strong year attracting major events including the FIFA 2023 Women's World Cup. Brisbane is set to host matches in a huge boost to the Queensland tourism sector. During 2019–2020, the department also supported:

- hosting the International Cricket Council Women's T20 World Cup between February and March 2020, and the INAS Global Games in 2019
- relocation of interstate Australian Football League teams to the Gold Coast Hub
- a range of TEQ-led events, including securing funding to attract additional event content such as the Horn v. Tszyu boxing event (held in August 2020), to the recently opened Queensland Country Bank Stadium

- the Queensland Government's \$3 million Year of Outback Tourism Events Program.

## Advance the innovation economy and grow Queensland's tourism industry to create jobs and attract investment, skills and talent

### Progressing Advance Queensland

Since launching in 2015, our investment in Advance Queensland (AQ) has positioned Queensland as a global leader in innovation, supporting game-changing ideas that solve our biggest social, environmental and economic challenges.

As at 30 June 2020:

- \$621 million has been committed by Queensland Government to support economic growth and help create jobs
- \$820 million in external investment has been committed by program partners.

In late 2019, an evaluation of the AQ initiative and business growth found that AQ recipients:

- have a better business survival rate
- are more likely to register for GST following funding (indicating an expected income of \$75,000 or more in a financial year)
- are nine times more likely than the general business population to have a 'growth event', e.g. patenting a product or service
- regional recipients showed some of the highest number of quality growth events such as trademarking activities.

### Innovation to grow industry

We fostered innovation to grow industry and attract skills, talent and investment by:

- implementing the *Building our Innovation Economy – Advance Queensland Strategy*
- releasing the *Deadly Innovation Strategy*, which creates pathways for Aboriginal and Torres Strait Islander businesses and innovators to turn their ideas into reality, building wealth and creating jobs

- pivoting the AQ Industry Research Fellowships to respond to COVID-19 challenges, supporting PhD qualified people to partner with industry; 35 recipients were awarded under the program to work with industry partners on projects that will benefit Queensland. Investment includes science and technology research towards priority areas such as water and energy sustainability, healthcare, agricultural sustainability and protecting the Great Barrier Reef
- opening registration to participate in the Indigenous Innovators and Entrepreneurs Pathways Program
- awarding 65 Ignite Ideas Fund grants to support SMEs in commercialising their innovative products and services
- supporting the delivery of QODE Virtual, a fully digital experience connecting Queensland innovators and thought leaders to a global audience
- creating new online resources, tools and services available to Queensland startups during COVID-19 through the Office of the Queensland Chief Entrepreneur
- awarding up to 75 scholarships through the AQ TAFE Queensland Pathways Scholarships Program
- supporting over 40 female researchers through the Women's Research Assistance Program to maintain research momentum while on maternity leave
- launching the Female Founders Program to increase participation rates and business skills of female founders
- conducting three 'Adopt a Chief' programs with startups that required guidance and assistance
- releasing 'Open for Business', an Indigenous business-to-business support service and hotline
- supporting local entrepreneurship and building local innovation ecosystems in regional Queensland AQ programs including the Regional Startup Hubs Support Program, Advancing Regional Innovation Program, Innovate Queensland, My Innovation Advisor service, the Startup

Onramp Pre-Accelerator Program and the Regional Angel Investors Support Program.

## Creating innovation hubs

Innovation hubs play a vital role in building our innovation economy to drive economic growth and create jobs in our regions. AQ is supporting a number of these hubs.

The Artificial Intelligence (AI) Hub at The Precinct in Fortitude Valley, is a new \$5 million investment to build AI capabilities and global connections.

The AI Hub's inaugural medical datathon was held in early June with a huge response from doctors and nurses keen to work with data scientists and data analysts to see how data can play a key role in combatting diseases.

The Toowoomba-based Agtech and Logistics Hub will support economic growth, creating jobs and improving the productivity, capability and sustainability of Queensland's agricultural industry through innovation.

It will provide a central place for agribusiness, startups, SMEs, training providers, researchers and supply chain providers to collaborate on solutions to industry challenges.

Twenty regional startup hubs across Queensland are funded through the Regional Startup Hubs Support Program to engage staff, deliver education, networking events and activities that create and support local startups.

The Central Queensland University Advance Technology and Innovation Centre responds to the needs of industry with the provision of state-of-the-art teaching and training technologies with a specific focus on agtech, manufacturing innovation, engineering, information and communication technology (ICT) and design. It is a one-stop centre for the community, industry and schools to engage with contemporary technologies, investigate new career opportunities and trial new business ventures.



## Attracting and leveraging private sector investment into tourism

Over \$225 million of tourism investment was realised through the department's efforts during 2019–2020. Investments delivered included over \$100 million in new and refurbished hotel products in Cairns through the opening of the luxury Bailey Crystalbrook Collection hotel by the GA Group, and upgrades to both the Novel Oasis Resort and Pullman Cairns International hotels by Shakespeare Property Group.

The Whitsundays saw \$135 million of new investment with the refurbishment of Hayman Island Intercontinental Resort.

On the Sunshine Coast, in addition to the \$10 million Sunshine Coast Convention Centre at the Novotel Sunshine Coast Resort, Shakespeare Property Group committed further investment in the resort with room refurbishments underway.

## Driving tourism industry development

The department continued to deliver the *Advancing Tourism Strategy 2016–2020* to deliver economic growth and jobs to the Queensland visitor economy.

Through the Growing Tourism Infrastructure Fund, new infrastructure and experiences were developed – diversifying and broadening destination appeal across the state including:

- Australian Age of Dinosaurs near Winton – Gondwana Stars Observatory and March of the Titanosaurs
- Spicers Six-Day Scenic Walk in the Scenic Rim
- Brisbane River to Moreton Bay – Fast Boat Tours.

In delivering the Outback Tourism Infrastructure Fund, new infrastructure and experiences were developed to enhance and fill geographical gaps between outback locations including:

- Desert Dreaming Centre in Barcaldine and Winton

- Yambangku Indigenous Ecotourism experience outside Aramac
- Freedom Caravan and Camping Parks in Aramac, Jericho and Muttaborra
- Cobbold Gorge Glass Bridge
- Mitchell Grass Eco-lodges in Longreach
- Qantas Founders Museum's Super Constellation restoration in Longreach
- Riversleigh Fossil Centre in Mount Isa
- McKinlay Shire Council's Julia Creek Artesian Baths.

During 2019–2020, the department continued delivery of the \$25 million Great Keppel Island Rejuvenation Pilot by providing priority tourism infrastructure enhancements as a state contribution to the redevelopment of the island resort by a new investor. To date, this has included technical assessments, environmental monitoring, design development and stakeholder engagement.

We supported development of game-changing projects under the Attracting Tourism Fund including:

- 'Via Ferrata' rock climbing experience at Binna Burra in the Gold Coast Hinterland
- Hazelwood Lodge – a new accommodation and food showcase in the Gold Coast Hinterland
- The Museum of Underwater Art Stage 3 off Magnetic Island in Townsville
- Howard Smith Wharves River Terminal in Brisbane.

## Create a diverse, productive and sustainable economy for a fairer Queensland

### Year of Indigenous Tourism

The 2020 Year of Indigenous Tourism is now extended into 2021 due to COVID-19 impacts. Programs developed and delivered during 2020 included:

- \$7 million Growing Indigenous Tourism in Queensland Grant Fund for new and enhanced Indigenous tourism products and experiences

- *Our Country* Indigenous Tourism Development Service to support growth of Indigenous tourism businesses
- Indigenous Innovation and Entrepreneurs Program, with TAFE Queensland, workshops/coaching for Indigenous businesses, focusing on tourism and hospitality
- appointment of 10 Indigenous Young Tourism Leaders to champion tourism as a rewarding career choice.

## Minjerrabah Futures

The department continued to deliver the \$24.75 million Minjerrabah Futures investment to support the transition of Minjerrabah (North Stradbroke Island) from past reliance on sand mining to a new future as a leading cultural and ecotourism destination.

Highlights for the year included:

- six eco-tents and a camp kitchen installed at Bradbury's Beach campgrounds and protected areas expansion strategy released
- Jessica Mauboy headlining Quandamooka Festival
- two public art place markers by Quandamooka artists unveiled at Pulan (Amity Point) and Mulumba (Point Lookout).
- provided \$2.7 million, with \$1.18 million from the Australian Government, for expansion of the Nareeba Moopi Moopi Pa Aged Care Hostel (Moopi), located at Gumpi (Dunwich).

## Response to bushfires and monsoon flooding

Partnering with the Australian Government through the Disaster Recovery Funding Arrangements, Category C program, the department continued to deliver two \$5 million Tourism Recovery Packages—one for North and North West Queensland communities impacted by the monsoon trough event in early 2019, and the second for regions impacted by bushfires in late 2019.

Initiatives delivered included a crisis communication toolkit, DestinationQ event support, volunteer's education training program and a tourism recovery package with a diverse range of actions to support bushfire-impacted areas in collaboration with local government, industry and TAFE Queensland.

## Building a skilled workforce and business capability

In partnership with the Queensland Tourism Industry Council and other industry partners, the department continued to deliver the Tourism Business Capability Program, focusing on preparing businesses for reopening and being competitive in the available market for 2020–2021.

## Rapid response

The department continued to coordinate activities associated with the Queensland Government's Worker Transition Scheme (WTS). The WTS provides information about support services for those who are without work as a result of business closures or redundancy programs.

The scheme is designed to complement, not duplicate, the key responsibilities and services provided by other parties – in particular the Australian Government, as the primary provider of government support to retrenched workers.

Once activated, the rapid response is coordinated through the department's regional offices and includes:

- engaging with the business or administrators to offer assistance and monitor progress on actions
- assisting retrenched workers on where they might find new employment and advising of government training schemes, where possible
- assisting businesses in these companies' supply chains.

## Create well-planned Queensland communities that are prosperous, resilient and sustainable

### Lighting up the North West

The \$1.5 billion CopperString Project is a coordinated project for a 1100-kilometre overhead high voltage electricity transmission line. It will connect the North West Minerals Province and Mount Isa to the National Electricity Market grid south of Townsville. The proponent is developing an environmental impact statement and the Coordinator-General will undertake a rigorous assessment of all environmental, social and economic impacts, informed by extensive community consultation.

### North Queensland industry diversification

The Coordinator-General has been contributing to the diversification of the North Queensland economy through the facilitation of Tassal's Northern Queensland Prawn Precinct Development (Hamilton Bay). The project was declared a prescribed project in August 2019 enabling the Coordinator-General to ensure timely decisions on approvals to realise jobs and investment. The project is now stocking and harvesting prawns from three stages of its development and is progressing with stage 4.

### Construction at Carseldine Village supports job creation

Three key construction projects worth \$16.4 million at Carseldine Village contributed to supporting 84 construction jobs. This includes a pedestrian bridge, Stage 1 civil works and a new sport and recreation precinct.

### Delivering a new community at Oxley

Work is well underway on the former Oxley Secondary College site including demolition of existing buildings and remediation works, making it safe and ready for the start of development. The 19-hectare site will become a

new residential development with a retirement living complex and community centre, and a relocated C&K Yuingi Community Childcare Centre to a flood-free site. Over 50 per cent of the site will be public open space and preserved bushland reserve.

Following declaration of the Oxley Priority Development Area (PDA) in August 2018, the local community played a vital role in informing the PDA development scheme, the overall planning framework, and the master plan.

### Yeronga Priority Development Area

Work started in the Yeronga PDA after the development scheme came into effect on 9 August 2019. The removal of asbestos-containing materials and separate cross boundary shared services with the adjoining Yeronga State High School was completed and supported 22 jobs. Construction of a new, permanent home for the Yeronga Community Centre, including two co-located community groups, is expected to begin in mid-2021.

### Supporting strong and sustainable resource communities

The Coordinator-General has included 69 large resource projects across Queensland since the *Strong and Sustainable Resource Communities Act 2017* (SSRC Act) commenced in March 2018. This has resulted in 295 communities being protected from recruitment discrimination, with projects being prohibited from 100 per cent fly-in, fly-out workforces.

A post-implementation review of the SSRC Act is required by March 2021. The Office of the Coordinator-General is investigating how the Act is meeting its objective of ensuring communities benefit from resource projects.

### Support through Remote Area Boards

Remote Area Boards (RABs) aim to support economic development projects across remote Queensland. Funding provided by the department provides certainty for RABs to underpin economic planning and help secure

projects, services and activities, regardless of their location or limited ratepayer base.

In August 2018, the Queensland Government announced \$2.25 million in funding over three years for the RAB Program. Since then, six projects have been completed, two are in progress and a further nine have been approved. These projects strengthen economic outcomes for Queensland's regions and enhance resilience to sustain and recover from future natural disasters.

## Attract and stimulate investment in Queensland to grow the economy and create secure, long-term jobs

### Investment and jobs from industrial land sales

During 2019–2020, Economic Development Queensland (EDQ) sold 18 industrial land lots across the state, generating around \$111 million private sector investment. Around 259 jobs will be supported from the growth to business in the advanced manufacturing, transport, logistics, resource recovery and defence sectors. EDQ has 19 industrial estates across Queensland, which support economic growth and job creation.

### Investment at Northshore

Development at Northshore continues to support the commercial, residential and tourism sectors. Hercules Street Park is now a contemporary park and playground after a \$10 million makeover, while Cirque du Soleil supported 180 local jobs and wowed 110,000 guests during 61 performances. Alceon consolidated its Business Technology Park precinct, investing \$40 million to build four new commercial buildings, and Frasers began building the Riverlight North apartments during COVID-19, supporting 300 jobs.

### Cross River Rail Project

The Coordinator-General coordinates and evaluates the environmental and social impact assessments of the Cross River Rail Project – a declared coordinated project.

The Coordinator-General is undertaking the evaluation of rolling project change applications by the Cross River Rail Delivery Authority as improvements and efficiencies for the delivery of this key infrastructure project for Queensland are identified by the construction consortia.

Refer to the Cross River Rail Delivery Authority's annual report for more information on this project.

### Townsville State Development Area Acceleration Project

The Townsville City Deal is committed to acceleration of the Townsville SDA. The Coordinator-General offered 326 hectares of land in the Townsville SDA to the market. Cleveland Bay Industrial Park will develop a master-planned industrial estate with type two road train access to the Townsville Port Access Road, access to the Port of Townsville and Flinders Highway. Site works are planned to commence in late 2020 with industrial development starting in 2021.

### Prescribed projects

The Coordinator-General has powers to facilitate complex projects to ensure critical project approvals are obtained on time. During 2019–2020, four prescribed project declarations were made:

- Northern Queensland Prawn Precinct Development (Hamilton Bay)
- Unmanned Aerial Vehicle Test, Trial and Evaluation Facility at Cloncurry
- Saint Elmo Vanadium Project
- Lower Fitzroy River Infrastructure Project.

These projects have a combined capital expenditure of \$1.065 billion and potential to create 846 jobs.

## Growing the North West Minerals Province

Over 95 per cent of actions in *A Strategic Blueprint for Queensland's North West Minerals Province* are complete or on track—delivering a raft of geological resources for industry, diversification opportunities in high value crops and new tourism markets and employment programs for young and Indigenous job seekers.

A further \$260 million in Queensland Government investment has been leveraged for the region, including new opportunities arising as part of Queensland's post COVID-19 economic recovery.

## North West Queensland Economic Diversification Strategy and Implementation Plan

The August 2019 release of the *North West Queensland Economic Diversification Strategy* provided stakeholders with an agreed set of priorities to enable the region to move forward with confidence, after the disastrous 2019 monsoon event. An initial funding commitment of \$1.25 million was announced with the strategy, together with a commitment to develop a more detailed implementation plan.

Release of the *North West Queensland Economic Diversification Strategy Implementation Plan 2019–2021* in November 2019 supported a \$33.3 million investment to enhance the investment environment, strengthen supply chains and build sustainable communities. Initiatives included:

- \$14.5 million towards the establishment of an unmanned aerial system Flight Test Range at Cloncurry airport
- \$14.1 million to deliver a New Economy Minerals package
- \$1.77 million to support tourism development
- \$1.28 million towards agricultural infrastructure and new cropping opportunities

- \$1.65 million to support economic development planning, drive business competitiveness and build strong communities.

## Targeted industry support initiatives

### Increasing private sector investment

The \$150 million AQIAF aims to increase private sector investment and create jobs in a strong economy. AQIAF attracts and retains contestable business projects to Queensland – generating significant economic benefits, including the creation of new jobs, bringing regional growth, increasing the uptake of innovation and technology, and growing global value and local supply chains.

In 2019–2020, AQIAF contributed \$15.567 million toward projects that will deliver 1081 jobs and leverage over \$365 million in capital investment over their lifespan.

Successful new projects and milestones announced in 2019–2020 included:

- opening of Hilton Foods \$280 million meat processing and distribution facility in South East Queensland creating more than 650 new jobs
- international law firm Ashurst chose Brisbane over competing locations across Australia and Asia to set up a new shared services global delivery centre creating high-value jobs
- Australian Biotherapeutics is building a facility on the Sunshine Coast that will manufacture a range of medical-grade live biotherapeutics for global export
- Boardriders (formerly Quiksilver) established its Asia-Pacific headquarters on the Gold Coast
- Scottish craft brewers BrewDog opened a production brewery and tap room in Brisbane
- the Qantas Group Pilot Academy in Toowoomba opened in January 2020, poised to train up to 250 pilots a year and create up to 160 new jobs.

## Resource Recovery Industry Development Program

The \$100 million Resource Recovery Industry Development Program seeks to make Queensland a world leader in recovery projects, providing funding to initiatives that divert waste from landfill, reduce stockpiling and create jobs. During 2019–2020, 33 projects were funded to support 1.5 million tonnes of waste being diverted from landfill and create 430 jobs.

## Biomedical Assistance Fund

The \$2 million Biomedical Assistance Fund supports business to progress their new technologies to a stage where they can attract follow-on funding from private and public sources. The fund supported 13 projects. Follow-on funding has been secured by several recipients, under the Australian Government's Biomedical Translation Fund. Funding recipients included:

- BiVACOR Pty Ltd
- Cancure Ltd
- Ellume Pty Ltd
- The University of Queensland.

## Biomedical Voucher Program

The Biomedical Voucher Program continued its success in bringing customers and capital to Queensland and embedding the state's world-class biomedical infrastructure and capabilities in the national and international biomedical product value chain. During 2019–2020, a total of \$842,867 was expended over two rounds to eight successful projects.

## Building the Gold Coast's biomedical supply chain

Queensland's biomedical industry incorporates the clinical trials sector that drives research investigations, new treatments and technologies. The department delivered the Regional Biomedical Supply Chain Project to identify the current and projected economic value of the Gold Coast clinical trials sector. The project confirmed this sector and related supply chains are expected to double over the next decade and create high-value jobs.

## Defence and Aerospace Industry Development Fund

The fund supported 18 recipients from across the state with more than \$250,000 in funding to acquire globally recognised certification to assist in securing defence and aerospace supply chain contracts. Funding support for international trade show participation was paused due to the COVID-19 pandemic.

## Maximising Queensland's defence industry contribution to the national and global market

The department is working with Rheinmetall Defence Australia (RDA) as they deliver the LAND 400 Phase 2 project, a catalyst for the development of industry capability and skills in the state. RDA has been shortlisted for the \$10 to \$15 billion LAND 400 Phase 3 project.

The commitment to Cyber Nodes in Brisbane, Townsville and the Sunshine Coast in partnership with AustCyber, Townsville and Sunshine Coast Councils highlights Queensland's strengths in innovative technologies. The nodes will focus on priority areas of defence, advanced manufacturing, health and education, supporting the development of local cyber security capability.

The Defence Cooperative Research Centre for Trusted Autonomous Systems (DCRC TAS), a funding partnership between the Australian and Queensland Governments, has so far expended \$4 million to three Queensland businesses and four Queensland university researchers – including three women. The initiative focuses on autonomous and robotic technologies that may one day deliver new capability and systems to the Australian Defence Forces. Through the DCRC TAS, two Queensland SMEs have also attracted further funding from the Australian Army, which has resulted in an addition of ten new jobs in these businesses.

## Strengthening Queensland's defence industry supply chains

During 2019–2020, the department delivered 23 workshops across Queensland, attracting more than 350 industry participants. Workshop delivery was adapted to an online format during COVID-19. The department worked with TAFE Queensland to deliver a welding upskilling program to over 100 participants from more than 40 companies, creating a network of welders with globally competitive capabilities.

## Showcasing Queensland's defence and aerospace industry capabilities

The department partnered with 16 companies at Pacific 2019 International Maritime exposition and 11 organisations at Maintenance, Repair and Overhaul (MRO) Asia Pacific. The inaugural South Pacific Defence and Industry Forum, held in Cairns in September 2019, attracted more than 100 national and international delegates. The state hosted the inaugural MRO Australasia conference in March 2020, which attracted over 280 delegates and exhibitors.

## Hydrogen Industry Development Fund

The \$15 million Hydrogen Industry Development Fund supports renewable hydrogen projects to establish in Queensland. The successful projects will include capital investment worth more than \$35 million and create 17 new jobs. Examples include:

- Australian Gas Networks \$4.2 million gas injection facility at Gladstone
- Sun Metals proposed renewable hydrogen facility in Townsville
- UQ's \$16.2 million project to replace two diesel-powered buses with hydrogen cells.

## Business capability development

In partnership with the Department of Regional Development and Manufacturing (DRDM), the department continues to deliver workshops, seminars and networking events to increase the adoption of leading-edge design, innovation, technologies, processes and practices. A total of 107 workshops were delivered to over 3200 participants during 2019–2020.

## Assisting regional businesses to grow

The \$175 million Jobs and Regional Growth Fund assists businesses to grow and expand throughout regional Queensland. The fund aims to accelerate private sector projects, which promote investment and improve ongoing employment outcomes in regions facing economic and employment challenges. During 2019–2020, the fund provided \$25.966 million toward projects that will deliver 1375 jobs and leverage over \$552 million in capital investment over the life of these projects.

Successful new projects and milestones achieved during the year included:

- opening of Swickers' \$64 million pork processing facility in Kingaroy following a devastating fire in 2016 and enabling an increase in employee numbers to over 800 staff
- expansion of the Mort and Co feedlot, making it Australia's largest operational feedlot with a turnoff capacity of 200,000 cattle per annum, creating 50 new operational jobs
- opening of Mungalli Creek Dairy's new \$3 million processing plant on the Atherton Tablelands, creating approximately 24 new jobs at what is already the largest employer in this regional community
- John Dee commencing a \$16.7 million operations expansion that will create 155 long-term jobs at its meat processing facility at Warwick and beef feedlot at Inglewood
- completing the \$35 million Sunshine Coast International Broadband Network project, with the cable landing station in Maroochydore commissioned and the 550-kilometre submarine branch cable connected
- commencing construction on the Rheinmetall NIOA Munitions' \$60 million shell forging and manufacturing facility in Maryborough, which will support up to a peak of 90 jobs and approximately 100 long-term operational jobs. Funding will also be provided for the facility's complex electricity connection

- commencing construction of a \$20.8 million manufacturing hub for Childers-based Oreco Group, Australia's largest producer of garden-ready products
- supporting flights three times a week between Cairns and Hong Kong to maintain the continued export of fresh produce and other freight
- developing a \$1.2 million produce service centre at Inglewood on the southern Darling Downs for farming enterprise Qualipac.

### Activation of resource sector opportunities in Wide Bay Burnett

The Wide Bay Burnett Minerals Group, formed in 2012 and supported by the department, aims to activate the Wide Bay Burnett minerals region, which boasts a range of critical minerals and presents significant regional opportunities. The resource sector offers economic diversification, supply chain opportunities and can drive infrastructure development for the benefit of industry and the community. This group's two-year action plan is delivering an investment prospectus to promote the region.

### Improving business and investor confidence

The department has worked to improve business and investor confidence, and leverage private sector investment and attraction by:

- delivering more reliable, competitively priced internet for regional Queenslanders through QCN Fibre; improving access to quality, high-speed internet and data to fast track connections in regional Queensland. The initial program of work is complete with the existing fibre network connected to six National Broadband Network points in Toowoomba, Bundaberg, Rockhampton, Mackay, Townsville and Cairns
- working with Trade and Investment Queensland (TIQ) to promote investment-ready startups to international investors
- supporting Townsville City Council to connect the North Queensland Regional

Data Centre located in Townsville's Local Disaster Coordination Centre, enabling high capacity low cost data transmission from Townsville to Brisbane and the rest of Australia. This advances the region's digital capability and resilience.

## Enable the development of public and private infrastructure projects that provide enduring benefits

### Building our Regions

The Building our Regions (BoR) program provides funding for regional infrastructure projects that create flow-on economic development opportunities and jobs.

The program works with local governments to identify projects that will deliver local growth, support local businesses and create more liveable regional communities.

To date, the competitive BoR program administered by DSITI has approved 271 infrastructure projects (159 completed as at 30 June 2020, with 35 of these completed during 2019–2020), generating an estimated 2767 jobs and attracting over \$538 million in additional investment. This includes 48 projects from 39 local government areas approved for funding under Round 5.

### Inland rail

The Inland Rail Project is a 1700-kilometre freight rail line proposed by Australian Rail Track Corporation that will allow freight trains to travel from Melbourne to Brisbane in 24 hours.

The Coordinator-General has declared four sections of the Inland Rail Project in Queensland, from the Queensland border to Kagaru, as coordinated projects that require an environmental impact statement.



## Adani Mine and Rail Project

Construction of Adani's railway to connect its mine to the Port of Abbot Point commenced in May 2020 following the finalisation of an agreement to construct on the Coordinator-General's infrastructure corridor within the Galilee Basin SDA. Adani report the mine and rail will produce 1500 construction and 6750 indirect jobs.

## Building future schools

The Coordinator-General is securing tenure and access to land including opening and closing of roads for the Building Future Schools Fund. The Coordinator-General secured tenure for the Inner City South State Secondary College, Foxwell State Secondary College and the West End State School expansion, to allow construction to commence to meet Department of Education project timeframes.

## Rookwood Weir Project

The Coordinator-General is providing land and access to land for Rookwood Weir that will allow Sunwater Limited to begin construction.

## Road infrastructure to support affordable housing community

Queensland Government funding for vital road infrastructure continues to enable the development of new, affordable housing estates, including around 3300 new homes forecasted to be built in the Ripley Valley.

The Coordinator-General has assisted in obtaining easements for critical trunk sewer infrastructure and land to allow the construction of roads, to open development of critical areas of the Ripley Valley PDA.

Catalyst Infrastructure Funding contributions enabled the construction with \$7.14 million towards Binnies Road West, supporting around 36 jobs. The initial loan gets the project off the ground to enable job creation and access to affordable land.

## Roma Hospital student accommodation precinct

Construction of the \$5.95 million student accommodation precinct located near the new Roma Hospital will support local sub-contractors and approximately 15 jobs.

Setting a new benchmark in regional student accommodation standards, the precinct will assist South West Hospital and Health Service attract and retain staff in the region.

## James Cook University, Central Plaza

James Cook University's Central Plaza, a new public space in the heart of the university's urban development project opened after a \$12.6 million renewal.

With \$5 million from the government's Catalyst Infrastructure Program and supporting 130 building jobs, the new network of public spaces connects The Science Place and the future Townsville Innovation Complex. Central Plaza will be fundamental in the growth of the university's knowledge community and the broader health and knowledge precinct.

## Cedar Grove Environmental Centre

The first stage of a state-of-the-art, \$53.7 million sustainable wastewater treatment plant to service the Greater Flagstone PDA was completed and began operating in mid-2020.

The Queensland Government contributed \$40 million to this vital infrastructure, delivered in conjunction with Logan City Council.

Located on 204 hectares of council-owned land the wastewater treatment plant will manage wastewater flows from about 20,000 people initially, with future stages providing services to around 189,000 people.

## Implementation of the Gold Coast Spit Master Plan

The Queensland Government, in collaboration with the City of Gold Coast and Gold Coast Waterways Authority, prepared and released *The Spit Master Plan* in May 2019.

The Master Plan followed 18 months of intensive community consultation and establishes a shared vision for the long-term development of this iconic space on the Gold Coast.

In February 2020, the *Implementation of The Spit Master Plan Act 2020* was passed by parliament – an important milestone enabling the Gold Coast Waterways Authority to lead delivery of community infrastructure projects, providing investment certainty and creating jobs.

The state has committed \$60 million to implement the Master Plan. During 2019–2020, \$6.84 million was dedicated towards the first three implementation projects, responsible for delivering 23 direct employment opportunities. Stage 1 of the Seaworld Drive shared pathway has been completed. The Seaway Promenade and Moondarewa Spit improvement projects' designs were completed and construction tender issued.

The competitive process for the Village Centre South site was released in January 2020. If a preferred proponent is appointed at the end of the next stage and secures development approval from the local authority, this will encourage further private sector investment, leading to economic recovery on The Spit.

### Fortitude Valley Police-Citizens Youth Club redevelopment

Redevelopment of the Fortitude Valley Police-Citizens Youth Club (PCYC) is nearing completion, with the purpose-built facilities expected to be completed by October 2020. Construction of the PCYC has supported 17 jobs, with 162 construction jobs resulting from the full site development. The new PCYC facility will support around 20 operational jobs once completed.

### Gold Coast Global Tourism Hub

Following strong market response from international operators to deliver a new integrated resort on the Gold Coast, the government received an unsolicited offer for

casino licence exclusivity from The Star Entertainment Group (Star) in October 2019. The offer included a contribution towards an upgrade of the Gold Coast Convention and Exhibition Centre.

The Gold Coast Global Tourism Hub market process was paused to allow the government to consider the offer and negotiate with Star through an exclusive negotiation process. The state and Star could not reach agreement on key terms to ensure value for the Gold Coast and Queensland taxpayers. The exclusive negotiation process was concluded by mutual agreement and casino licence exclusivity on the Gold Coast was not granted to Star.

### Great Barrier Reef Island Resorts Rejuvenation Program

Under the \$25 million Great Barrier Reef Island Resorts Rejuvenation Program, the department is partnering with industry to rejuvenate, reopen and clean up island resorts from Tropical North Queensland to the Southern Great Barrier Reef. This will include new and improved visitor infrastructure, increased solar energy capacity, enhanced energy and waste management and the removal of legacy waste.

Provide easy access to department services and stakeholder advice, to build collaboration and opportunities across industry

### Building our tourism industry and economic opportunities

We built economic opportunities across sectors through collaboration and partnerships by:

- leading the *Minjerribah (North Stradbroke Island) Economic Transition Strategy* and five priority projects, which are now being delivered with the Quandamooka Yoolooburrabee Aboriginal Corporation, alongside a Quandamooka Country Tourism Action Plan

- facilitating the successful delivery of the \$3.6 billion Queen’s Wharf Brisbane integrated resort development including awarding the contractor for the Neville Bonner Pedestrian Bridge and opening Stage 1 of Queen’s Wharf Brisbane – being Waterline Park, the Mangrove Walk and 500 metres of upgraded bikeway
- delivering the Queensland Ecotourism Trails Program including:
  - constructing the new Mowbray River Pedestrian Bridge and release of the tender package for the next stage (Palm Cove to Wangetti) of the \$41.4 million Wangetti Trail
  - conducting market transactions to secure operators such as CABN for the Cooloola Great Walk
  - supporting Traditional Owners to use their unique culture to create powerful tourism experiences
- supporting the first Bionics Queensland Research Challenge to identify, celebrate and fast-track ‘stand-out’ innovations and build capabilities and networks across the state
- promoting Queensland’s strengths in advanced manufacturing, including through the advocacy of the Queensland Chief Entrepreneur, securing recognition by the World Economic Forum of Queensland’s status as an Advanced Manufacturing Hub
- establishing the Queensland Connects Regional Pilots in Toowoomba, Gladstone and Mackay as an evidence-based framework to unlock existing potential and drive innovation-led growth locally
- partnering with Impact Innovation Group to deliver the suite of commercialisation workshops, webinars and consultations through the Innovate Queensland Program and My Innovation Advisor
- establishing a new Advancing Champion Enterprise Network of AQ recipients and award-winning Queensland companies to remain engaged and enhance the opportunities available to some of Queensland’s most innovative and high growth potential companies.

## FUTURE PRIORITIES

In 2020–2021, the department will focus on furthering the Queensland Economic Strategy: *Unite and Recover for Queensland Jobs*. It will help the state recover from COVID-19 with a focus on backing Queensland jobs across three key areas – building vital infrastructure, strengthening our industries and enabling future growth.

### Building vital infrastructure

We will:

- facilitate successful delivery of Queen's Wharf Brisbane integrated resort development, including the completion of The Landing public realm structure and commencement of construction of the Neville Bonner Pedestrian Bridge
- attract and facilitate new tourism infrastructure investors to Queensland
- work across government to develop new adventure and nature-based opportunities such as ecotourism accommodation facilities and visitor centres
- progress the \$25 million tourism infrastructure commitment under the Great Keppel Island Rejuvenation Pilot
- commence around \$66 million of capital works projects within the next 12 months, supporting over 200 jobs and catalysing \$332 million in private sector development and investment, and a further 979 jobs
- continue partnering with the developer and South West Hospital and Health Service to complete the \$5.95 million Roma Hospital Student Accommodation by mid-2021
- progress assessment and delivery of large-scale and complex infrastructure projects through the Coordinator-General’s statutory powers and whole-of-government coordination.

### Strengthening our industries

We will:

- support the tourism industry’s recovery through targeted initiatives including the \$25 million Growing Tourism Infrastructure

Fund 2020–2021, \$25 million Queensland Tourism Icons Program and \$15 million of Aviation Support

- continue delivery of the Growing Tourism, Growing Tourism Jobs Programs following COVID-19 related delays for some proponents
- lead delivery of the Minjerribah (North Stradbroke Island) Economic Transition Strategy, estimated for completion in December 2021
- support the rebuilding of the Queensland major events calendar and continue to secure and leverage new major events
- deliver the \$7 million Growing Indigenous Tourism in Queensland Grant Fund and *Our Country* Indigenous Tourism Development Service
- deliver projects under the Queensland Ecotourism Trail Program, in collaboration with local Traditional Owners
- support and grow Queensland’s emerging renewable hydrogen sector, so that by 2030 Queensland will be at the forefront of renewable hydrogen production in Australia
- maintain Queensland’s crucial momentum in the biofutures sector by delivering catalytic infrastructure projects and investigating opportunities to develop biofutures hubs in key regional locations
- develop the biofuels industry to establish commercial biorefineries producing a range of renewable fuels
- further investment in bioenergy projects to create statewide jobs and economic opportunities using low-emissions energy generation biorefineries producing a range of renewable fuels
- develop Queensland’s innovative medtech sector as an integrated, globally competitive and sustainable ecosystem that is commercially-focused and supports businesses to accelerate development and commercialisation of medical device technologies
- continue delivery of services through the Defence Industry Hubs to support the defence and aerospace sectors
- commission the Unmanned Aerial Systems Flight Test Range at Cloncurry Airport
- deliver key Space Strategy initiatives – including supporting the development of an Earth observation analytics hub, supporting a common-user static rocket engine testing site and undertaking a business case for an orbital launch facility
- position the Cairns Marine Precinct as Northern Australia’s leading regional marine maintenance, repair and training centre to capitalise on increased spending on naval defence assets and military modernisation within the Indo-Pacific
- develop and deliver programs that strengthen METS companies’ resilience
- oversee the implementation and delivery of the Strategic Blueprint for the North West Minerals Province
- consult with industry on the development of a skills program targeting job seekers interested in resource recovery, recycling, waste management and sustainability
- progress delivery of the Essential Goods and Supply Chain Program to increase Queensland manufacturing of essential goods.

## Enabling future growth

We will:

- take a leadership and coordination role across government to develop and deliver economic policy to ensure the state is well positioned to recover from the impact of the COVID-19 pandemic
- contribute to state economic policy solutions to further grow Queensland’s economy
- roll-out the new \$200 million Building Acceleration Fund to accelerate projects that unlock development, increase construction and support long-term jobs
- lead a collaborative and coordinated approach on industrial land supply to support private investment
- attract and manage private sector proponents and investors, and develop new investment pathways
- support major private sector investment by providing tailored project facilitation services (such as advice on appropriate

- and efficient statutory approval pathways), coordination across all levels of government and communication with other key project stakeholders
- continue to advance planning for SDAs and facilitate economic development outcomes in the regions they support
- work with private sector proponents to develop, assess and manage major projects and capital works development across the state
- maintain focus on regional innovation to support jobs and economic diversification
- link government, industry and regional business to grow regional supply chains and economies
- support innovation hubs, which play a vital role in building the innovation economy
- establish an Immersive Technology Hub to promote Queensland’s capabilities nationally and internationally, and assist local industry, corporate and government organisations to better understand and engage with immersive technologies
- deliver programs to connect research and technology companies with corporates to grow value, adding revenue and global routes to market
- continue to support a strong pipeline of startups and scaleups for new jobs and economies
- ensure that all Queenslanders benefit from the emerging knowledge-based economy through programs for women and Indigenous innovators.

## OUR FINANCIAL PERFORMANCE

### 2019–2020 Chief Finance Officer Statement

In overseeing the financial activities of the Department of State Development, Tourism and Innovation, I assert that I have fulfilled the responsibilities of Chief Finance Officer listed in section 77 of the *Financial Accountability Act 2009* including:

- financial resource management, including the establishment, maintenance and review of financial internal controls
- budget management
- preparation of financial information, including annual financial statements to facilitate the discharge of the department’s statutory reporting obligations
- provision of advice on the effectiveness of accounting and financial management information systems and financial controls in meeting the department’s requirements
- provision of advice concerning the financial implications of, and financial risks to, the department’s current and projected services, and
- development of strategic options for the department’s future financial management and capability.

I have provided a statement to the accountable officer confirming that the financial internal controls of the department are operating efficiently, effectively and economically as required by section 77 of the *Financial Accountability Act 2009*.

Chris Breitzkreuz CPA

Chief Finance Officer

### Summary of financial performance

This section provides an overview of the financial statements of the department for the 2019–2020 financial year, which are detailed at the ‘financial statements’ section of this report.

## Understanding the financial statements

On 20 September 2019, in accordance with *Administrative Arrangements Order (No.1) 2019*, the Department of Innovation, Tourism Industry Development and the Commonwealth Games was renamed the Department of Innovation and Tourism Industry Development. Following from this, in accordance with *Administrative Arrangements Order (No. 1) 2020*, dated 11 May 2020, the department was renamed the Department of State Development, Tourism and Innovation. Under this notice, State Development, Major Projects (Coordinator-General) and Economic Development Queensland were transferred in from the Department of Regional Development and Manufacturing effective 1 June 2020. This has attributed to an increase in net assets as at 30 June 2020.

The following comparisons of the 2019–2020 financial results against 2018–2019 was considered and accepted by the department’s Audit and Risk Management Committee at the 28 August 2020 meeting.

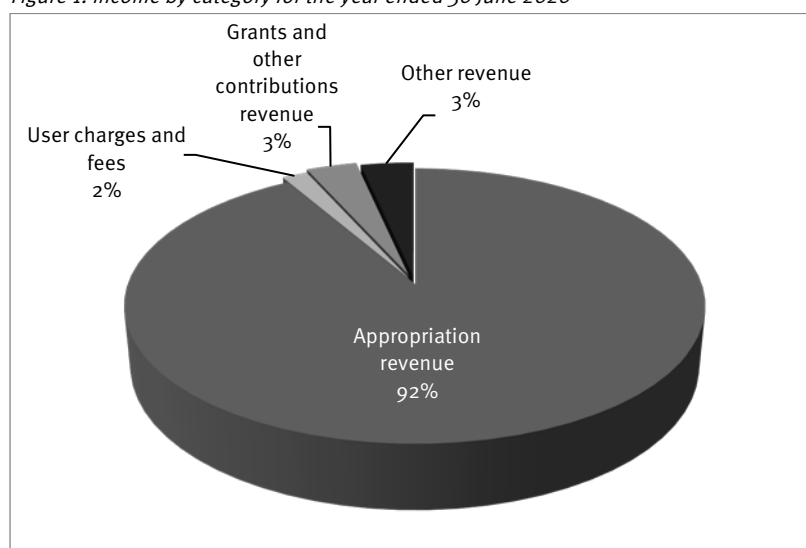
### Analysis – operating result

Table 2: Operating result

|  | 2020<br>\$'000 | 2019<br>\$'000 | Variance<br>\$'000 |
|--|----------------|----------------|--------------------|
| Total income   | 239,635        | 150,163        | 89,472             |
| Total expenses                                       | (242,516)      | (150,163)      | 92,353             |
| <b>Operating result before income tax equivalent</b> | <b>(2,881)</b> | <b>0</b>       | <b>(2,881)</b>     |
| Income tax equivalents                               | 876            | 0              | 876                |
| <b>Operating result after income tax equivalent</b>  | <b>(2,006)</b> | <b>0</b>       | <b>(2,006)</b>     |
| Asset revaluation reserve                            | 68             | 0              | 68                 |
| <b>Total comprehensive income</b>                    | <b>(1,938)</b> | <b>0</b>       | <b>(1,938)</b>     |

### Income

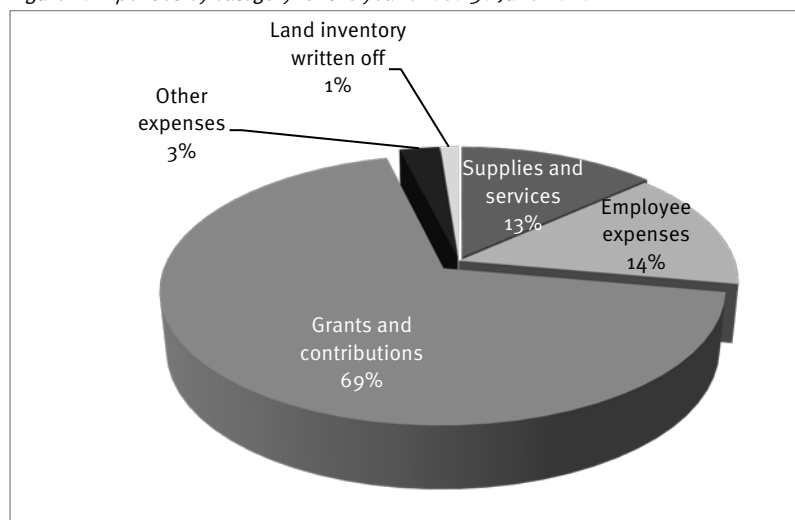
Figure 1: Income by category for the year ended 30 June 2020



Total income for the year ended 30 June 2020 is \$239.635 million. The 2019–2020 appropriation revenue increased by \$84.287 million predominantly due to the transfers of functions as a result of the May 2020 machinery of government changes effective 1 June 2020. The department’s significant income category is appropriation revenue.

## Expenses

Figure 2: Expenses by category for the year ended 30 June 2020



Total expenses for the year ended 30 June 2020 are \$242.516 million. The increase of \$92.353 million from 2018–2019 is predominantly due to grants and contribution activity, in particular, for the Great Barrier Reef Island Resort Rejuvenation Fund, Growing Tourism Infrastructure Fund, Tourism Recovery Fund, Minjerribah Futures and the Mowbray North section of the Wangetti Trail. The increase in expenses is also due to the May 2020 machinery of government changes effective 1 June 2020. The department's significant expenses categories are grants and contributions, employee expenses and supplies and services.

## Statement of financial position – assets and liabilities

Table 3: Assets and liabilities

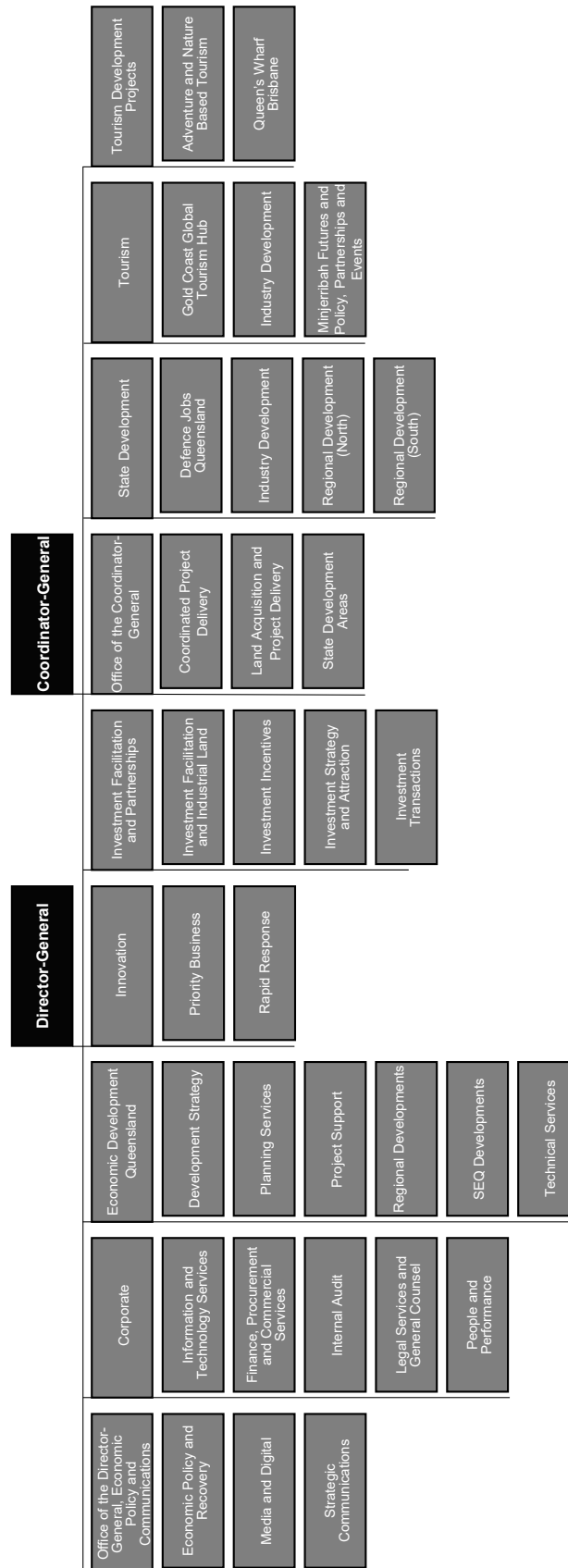
|                               | 2020<br>\$'000   | 2019<br>\$'000 | Variance<br>\$'000 |
|-------------------------------|------------------|----------------|--------------------|
| Total Current Assets          | 300,620          | 15,963         | 284,657            |
| Total Non-Current Assets      | 1,057,858        | 6,203          | 1,051,655          |
| <b>Total Assets</b>           | <b>1,358,479</b> | <b>22,166</b>  | <b>1,336,313</b>   |
| Total Current Liabilities     | 147,461          | 16,660         | 130,801            |
| Total Non-Current Liabilities | 282,205          | 3,218          | 278,987            |
| <b>Total Liabilities</b>      | <b>429,667</b>   | <b>19,878</b>  | <b>409,789</b>     |
| <b>Total Equity</b>           | <b>928,812</b>   | <b>2,288</b>   | <b>926,524</b>     |

Total assets as at 30 June 2020 are \$1,358.479 million. Total assets increased by \$1,336.313 million in 2019–2020 predominantly due to functions transferring into the department as a result of the May 2020 machinery of government changes.

Total liabilities as at 30 June 2020 are \$429.667 million. Total liabilities increased by \$409.789 million in 2019–2020 predominantly due to functions transferring into the department as a result of the May 2020 machinery of government changes.

# GOVERNANCE

Our structure as at 30 June 2020





## Our services

### Office of the Director-General, Economic Policy and Communications

The Office of the Director-General, Economic Policy and Communications (ODGEPC) is a multi-faceted division that has a central lead role to deliver policy, strategic communications, and executive and cabinet services to support the department's critical role in Queensland's future economic development.

These are critical strategic and tactical services that support the division's role to develop and coordinate economic policy for the department and influence whole-of-government policy development. The division achieves this through insights and data developed by evidence-based research and economic modelling, which it shares with stakeholders to inform the strategic direction of the department.

The division also leads strategic communication and external engagement to effectively engage and inform Queenslanders.

ODGEPC's role includes:

- delivery of Executive and Cabinet Services for the department and portfolio through: coordinating departmental and ministerial correspondence; Cabinet services – parliamentary, Cabinet, Cabinet Committee and Executive Council matters; and departmental liaison
- leadership and coordination to provide informed and future-focused strategic policy advice to support the economic development of Queensland
- coordination and oversight of portfolio responses to economic recovery initiatives through strong stakeholder engagement, including:
  - monitoring and reporting on portfolio progress in economic recovery
  - engaging with industry and liaising across Queensland Government to support economic recovery efforts

- best practice economic modelling, research and analysis
  - economic and industry monitoring and reporting
  - strategic policy and legislation expertise
  - advice on Native Title and cultural heritage matters to facilitate projects that provide economic development opportunities for Aboriginal and Torres Strait Islander people
- leadership of the department's strategic communications direction and functions, through specialist communications, media and digital advice and services.

### Coordinator-General

The Coordinator-General administers the *State Development and Public Works Organisation Act 1971* (SDPWO Act), along with the relevant Minister. Under the SDPWO Act, the Coordinator-General has wide-ranging powers to plan, deliver and coordinate large-scale projects, while ensuring their environmental impacts are properly managed. These projects, such as Cross River Rail Project, in turn promote economic and social development in Queensland.

Under the SDPWO Act, the Coordinator-General can:

- declare a project a coordinated project – initiating an environmental assessment process that the Coordinator-General coordinates and evaluates
- control the planning and development of state development areas
- acquire land and sell or lease land or easements
- require a local government or other entity to build a particular project (through a 'works regulation') or a group of related projects (through a 'program of works')
- provide development and land-access rights for private infrastructure facilities
- use prescribed project powers to ensure timely decision making by local or state government agencies

- ensure compliance with approval conditions imposed by the Coordinator-General.

From March 2018, the Coordinator-General has administered the SSRC Act. This Act is designed to ensure that residents of communities near large resource projects benefit from the construction and operation of those projects.

## Corporate

Corporate oversees the delivery and management of corporate services throughout the department.

The department delivers its corporate services through six key areas:

- Finance, Procurement and Commercial Services
- Grant and Program Management
- Information and Technology Services
- Internal Audit
- Legal Services and General Counsel
- People and Performance.

The former Department of Innovation and Tourism Industry Development participated in a Business and Corporate Partnership with other agencies in the delivery of some core corporate services, including financial services, internal audit, information and communications technology and legal services.

## Economic Development Queensland

EDQ is a commercialised business unit delivering property development and specialist planning and infrastructure functions to create investment opportunities for Queenslanders to prosper. EDQ has four key areas of strategic focus:

- enabling strategic industrial land supply for the attraction and development of industry
- unlocking government owned land for renewable opportunities in a commercially viable manner
- facilitating ongoing land supply through planning, assessing and managing development in 33 PDAs in Queensland

- facilitating important state projects through PDA declarations and assessment and compliance.

EDQ engages with state and local government, the development industry and the public to identify, plan, facilitate and deliver property development and infrastructure projects.

EDQ drives a range of development projects including large complex urban sites, regional residential projects, industrial and infrastructure projects.

EDQ's key program areas are mixed use and residential projects, industrial development and planning and infrastructure facilitation in PDAs.

## Innovation

Innovation works across whole-of-government and the innovation sector to build a more collaborative and effective innovation ecosystem in Queensland, leading to the growth and competitiveness of current industries, and new jobs in emerging sectors.

The division harnesses Queensland's research strengths and entrepreneurship, and supports the use of new technology, capital and ideas to support business for industry creation and growth. Priorities are to:

- create jobs through innovation by building on Queensland's traditional strengths such as agriculture, manufacturing, resources and tourism, and encourage new industries based on our state's assets, like biofutures
- back our regions to compete globally by working with regional communities to grow their unique competitive advantage
- scale up local solutions for new markets, working with entrepreneurs, startups, SMEs and innovative businesses by helping them commercialise ideas, linking them to investors and making global connections
- invest in science and technology to create high value jobs by commercialising research and helping to solve challenges facing Queensland and the world, including climate change, protecting the Great Barrier Reef, and energy and water sustainability.

The Office of the Queensland Chief Entrepreneur works within the Innovation division to extend the reach of the department and drive growth of Queensland's innovation ecosystem across the state. Through a series of regional visits, the Queensland Chief Entrepreneur, Leanne Kemp, helps to engage Queenslanders in a conversation about future-focused skills and opportunities to drive new innovative solutions, increase Queensland's global connections and enable more regional innovators to successfully commercialise their ideas.

## Investment Facilitation and Partnerships

As part of the investment facilitation framework, Investment Facilitation and Partnerships (IFP) provides tailored services to support the delivery of private sector investment and jobs throughout Queensland.

IFP, in consultation with other key agencies and the private sector, gathers and shares industry intelligence, insights and opportunities with other relevant investment agencies and, where appropriate, works directly with proponents to develop investment-ready proposals.

IFP administers AQIAF, JRGF and the Exclusive Transactions Framework, as well as provides extensive project facilitation services. Through these investment programs, IFP drives innovative, multi-agency solutions, develops and manages complex projects, bespoke commercial frameworks and agreements, and negotiates contracts to realise investment and employment outcomes.

IFP offers a clear entry point for new ideas and significant proposals to provide streamlined, bespoke support for complex commercial proposals.

## State Development

State Development delivers on regional economic and industry development priorities for the department and whole-of-government, with 14 regional offices across Queensland from Cairns and Mount Isa to Southport and Roma.

State Development leads the development of key industry sectors through implementation of AQ 10-Year Roadmaps and Strategies:

- *Queensland Defence Industries 10-Year Roadmap and Action Plan*
- *Queensland Aerospace 10-Year Roadmap and Action Plan*
- *Queensland Space Industry Strategy*
- *Queensland Superyacht Strategy*
- *Queensland Biomedical 10-Year Roadmap and Action Plan*
- *Queensland Biofutures 10-Year Roadmap and Action Plan*
- *Queensland Resource Recovery Industries 10-Year Roadmap and Action Plan*
- *Queensland Hydrogen Industry Strategy 2019–2024*
- *Queensland METS 10-Year Roadmap and Action Plan*
- *Strategic Blueprint for Queensland's North West Minerals Province*
- *Queensland Beef Processing Strategy 2019–2022.*

State Development supports the delivery of departmental programs throughout regional Queensland.

The regional office network also supports the whole-of-government economic agenda by providing strategic links between industry, local government, Australian Government and other Queensland Government agencies.

## Tourism

Tourism division works closely with the private sector and across government to build the state's tourism infrastructure and create a favourable environment for the industry to grow.

The division leads a strategic whole-of-government approach to planning and investment in the state's tourism infrastructure, assets and products, including supporting new projects, identifying new opportunities, risks and responses for the sector, enhancing industry capability and resilience, and the coordination and leveraging of key major events to generate jobs.

World-class tourism projects are developed and delivered by Tourism division, including ecotourism and adventure and nature-based tourism opportunities, integrated resort developments such as Queen's Wharf Brisbane, and other tourism infrastructure initiatives.

To progress multi-year development projects from concept through to operation, the division has well-established networks with industry, Queensland Government agencies and local governments, and works collaboratively with stakeholders.

## Executive management

Our senior leaders are committed to building a strong and agile department. The following leaders were part of the Executive Leadership Team (ELT) during 2019–2020.

### Damien Walker, Director-General

As Director-General, Damien is leading the Queensland Government agenda to drive economic growth and create jobs for Queenslanders.

Damien works to maximise opportunities for economic development through attracting investment in key sectors and emerging industries to stimulate economic growth and create jobs. He leads the department, working with its portfolio partner TEQ, to strengthen and grow our visitor economy, as well as working closely with Study Queensland to support the international education sector.

Damien works collaboratively with other government agencies to further the Queensland Government's Advance Queensland vision.

Damien was the Director-General of the former Department of Innovation, Tourism Industry Development and the Commonwealth Games, where he successfully led the Queensland Government's delivery of the Gold Coast 2018 Commonwealth Games, and of the Department of Tourism, Major Events and Small Business from October 2016.

Damien undertakes the following board roles:

- Cross River Rail Delivery Board – Chair and Member
- TEQ Board – Member

- TIQ Queensland Board – Member
- Townsville Industrial Development Board – Chair
- Economic Development Board – Member.

Damien has held senior executive roles in the South Australian Government in infrastructure planning and delivery, investment facilitation, contract management and reform implementation. He holds academic qualifications in public policy and planning, and has broad experience, particularly in the economic development and strategic planning arena.

Damien is a champion for gender equity in the workplace and the prevention of domestic and family violence in all our communities. He is also passionate about delivering initiatives to create opportunities for Aboriginal and Torres Strait Islanders.

Damien is the Director-General Champion for Kowanyama Aboriginal Shire. Damien consults with Gary Uhlmann, the Shire's Chief Executive Officer, in relation to matters relevant to Kowanyama and Queensland Government projects, including the completion of the Men's Shed, airport and sporting precinct. Visits to Kowanyama during 2019–2020 have not been possible due to significant weather events and COVID-19 travel restrictions.

### Toni Power, Coordinator-General

Appointed in February 2020, Toni is Queensland's first female Coordinator-General. The role gives Toni wide-ranging powers to independently assess and balance the economic development, environmental sustainability and social impacts of large-scale projects.

Toni has a professional background in government property management, commercialised business services and corporate services.

Toni has experience in leading strategy and people across government and industry to connect sectors and find opportunities to deliver public/private outcomes. She is passionate about teamwork and collaboration, and initiatives that assist economic growth and

the development of sustainable communities in regional and remote areas.

The opportunity to collaborate with the private sector to deliver economic outcomes for Queensland continues to motivate Toni in her current role.

**Tess Bishop, Deputy Director-General, Office of the Director-General, Economic Policy and Communications (since April 2020)**

Tess has more than 20 years' experience across the public and private sectors in Australia and the United Kingdom. Prior to her current role, Tess was Deputy Secretary in the Department of the Prime Minister and Cabinet and Department of Infrastructure, Transport, Regional Development and Communications.

Tess is a graduate of the Australian Institute of Company Directors and holds a Masters of International Relations, a Graduate Diploma in Business Management and a Bachelor of Arts majoring in political science and public policy.

Through COVID-19, Tess has led the department's economic recovery response, working across Queensland Government and with key stakeholders to deliver critical support to business and industry to enable the safe and successful economic recovery from impacts of the pandemic.

**Michael McKee, Deputy Director-General, Corporate**

Michael has more than 15 years' experience working in senior roles within the public sector. His strengths and interests include organisational development, corporate governance, strategy, operations and business partnering.

Michael's career spans statutory bodies, commercialised business units, councils, and various government agencies. He has also worked in the private sector with a large chartered accounting firm.

Michael believes in the importance of developing strong client services and leads his division with an emphasis on engagement.

**Jason Camden, A/General Manager, Economic Development Queensland**

Jason leads the delivery of a range of residential, commercial and industrial planning and development projects throughout Queensland.

Jason has over 30 years' experience in delivering solutions in asset and capital management, financing and governance to align business operations with strategic direction and bottom line outcomes.

With qualifications in finance and investment, Jason has a strong commercial focus and extensive stakeholder engagement experience, building productive and professional relationships with internal and external stakeholders within the private and public sectors.

**Dr Sarah Pearson, Deputy Director-General, Innovation (since February 2020)**

Sarah joined the department from the Department of Foreign Affairs and Trade where she was the Chief Scientist and Chief Innovation Officer. She is an internationally experienced Open Innovation practitioner, innovation ecosystem builder, scientist and advocate for collaborative innovation and entrepreneurship.

Her career has spanned the innovation sector from schools to higher education, SMEs to multinationals, startups and startup programs, venture capitalists, state government and corporate boards as well as leadership positions in and for the Australian Government.

Sarah has a PhD from Oxford University in particle physics and has conducted research into diagnosing cancer. She is passionate about helping Australia become an innovative nation, creating economic and social impact.

**Nicolle Kelly, A/Deputy Director-General, Innovation (until February 2020)**

As Acting Deputy Director-General, Innovation, Nicolle brought extensive experience in leading

the design and delivery of complex and significant programs across government and in all aspects of strategic, business and corporate planning, implementation and delivery.

### Michael Carey, A/Deputy Director-General, Investment Facilitation and Partnerships

Michael's government experience includes roles in the State and Australian Government policy areas including regional development, agriculture and resources.

Since joining IFP, Michael has worked to develop the investment facilitation framework including the exclusive transactions process, driving cross-agency collaboration in investment attraction activities and working with private sector proponents to accelerate investment through multiple investment pathways.

Over the course of the financial year, there were short periods of acting arrangements for the Deputy Director-General, IFP role that were filled by Gerard Coggan, Michael Allen and Craig Whip.

### Michele Bauer, Deputy Director-General, State Development

Michele has extensive experience in economic development portfolios with a focus on industry development, investment attraction and regional infrastructure programs. Michele's career has included whole-of-government infrastructure planning for mineral processing and industrial development in North West and North Queensland.

Throughout her various roles, Michele promotes stakeholder relationships and has extensive networks across regional Queensland and within government agencies.

Prior to her current role, Michele held senior positions in the Office of the Coordinator-General – including Assistant Coordinator-General, Coordinated Project Delivery.

### Jeffrey McAlister, Deputy Director-General, Tourism and Major Events

Jeff leads the department's tourism industry development effort, which is focused on ensuring Queensland has the infrastructure, connectivity, and strategic positioning it needs to sustain and grow our tourism industry.

During COVID-19, Jeff has been instrumental in leading the response effort to support and sustain businesses through the crisis and to help the sector navigate reopening and recovery.

Jeff previously worked in the Northern Territory as Director-General for Asian Engagement, Trade and Investment where he helped the private sector to diversify the NT's export base, attracted investors for major projects, and refocused strategic engagement with overseas partners. Prior to the NT, Jeff worked for the New Zealand Government mostly in international trade and investment roles, lastly as the Head of NZ Inc. in Brazil where he facilitated two-way investments in agribusiness and gas, and trebled New Zealand exports.

### David Edwards, Projects Chief Executive, Tourism Development Projects

As the Projects Chief Executive, David's responsibility is as the state's representative for the delivery of the \$3.6 billion Queen's Wharf Brisbane and the Queensland Ecotourism Trails Program.

David's professional background is in economics, infrastructure, project management and public policy. David is a former Director-General of the Department of State Development, Infrastructure and Planning. Prior to joining the Queensland public service, David was the Manager, Strategy and Market Development at GHD, and before that, State Director for the Committee for Economic Development of Australia.

In addition to his role with the department, David is the Chair of the Board of Trustees for Ipswich Grammar School, Chairman of Lifetec, a not-for-profit organisation supporting people

with disabilities, and a board member for Wesley Mission Queensland, a not-for-profit community service organisation that provides a range of services to support people in need.

### Kerry Petersen PSM, Deputy Director-General, Tourism Development Projects (until August 2019)

Kerry's responsibilities include assessment of a potential candidature for a 2032 Olympic and Paralympic Games. She previously led the Queensland Government's delivery of the Gold Coast 2018 Commonwealth Games including the delivery of GC2018 infrastructure.

## Our governance

The department's corporate governance arrangements outline our commitment to the fundamental principles of good governance, performance and accountability practices, which guide the department in achieving our strategic goals and operational objectives effectively, efficiently and ethically.

The purpose of corporate governance is to facilitate accountability and responsibility for performance and ethical behaviour, providing stakeholder confidence in the department's ability to identify and achieve valuable outcomes.

Our approach to corporate governance is to establish the links between our corporate planning and performance processes, strategic and operational planning, risk management and accountability frameworks. Our corporate governance structures are designed along with our organisational structure to enable and support the department's vision, purpose and objectives.

### Governance Framework

Our Corporate Governance Framework outlines the key governance practices that underpin the department's corporate governance. These practices ensure the department complies with its legislative obligations and best-practice management standards, to provide ongoing confidence in the delivery and integrity of our services. This includes compliance with our

obligations under the *Financial Accountability Act 2009*, *Financial and Performance Management Standard 2019* and *Public Sector Ethics Act 1994*.

As a result of the machinery of government changes, the department's corporate policies and procedures are being reviewed to support legislative requirements and whole-of-government directives. Corporate delegations are also under review to ensure the department's business operations are supported, that delegated functions and powers are clear, business needs are balanced with risk and enable decisions to be made at the most appropriate levels of the department.

### Governance committees

The Director-General has overall responsibility under the *Public Service Act 2008* (section 98) for the management, governance and operation of the department.

The department's governance committees meet regularly and assist the Director-General and senior executives in decision-making and ensuring the department's goals and objectives are met.

### Executive Leadership Team

The ELT is an advisory committee that considers department business priorities and resourcing, ministerial and parliamentary business, and corporate policy.

The ELT is the department's principal policy-setting and decision-making authority. It supports the Director-General as the department's accountable officer to ensure the department implements and operates within an appropriate governance framework.

The ELT works collectively to:

- provide leadership on emerging and/or contentious issues
- set departmental strategy and oversee the department's forward policy agenda
- allow consideration of significant issues affecting the department's operations

- develop departmental budget strategy and approve changes in line with emerging priorities
- provide direction for appropriate management of risks escalated to ELT
- consider new project proposals, particularly with respect to:
  - resourcing impacts
  - project alignment with the department’s strategic direction
  - stakeholder assistance and interest in the project.

The ELT is supported by the following four governance sub-committees:

- Audit and Risk Management Committee (ARMC)
- Finance and Asset Management Committee (FAMC)
- Information Steering Committee (ISC), jointly with DRDM, supported by the Solutions Design Authority
- People and Culture Committee (PCC), supported by the Consultative Committee and Work Health and Safety (WHS) Committee.

## Audit and Risk Management Committee

The ARMC provides independent assurance and assistance to the Director-General and the ELT on the department’s:

- risk, control and compliance frameworks
- integrity framework
- external accountability responsibilities as outlined in relevant legislation and standards.

The ARMC also has a primary role in overseeing financial statements reporting.

The structure of the ARMC meets the requirements of the *Financial and Performance Management Standard 2019* (section 24) and is chaired by a professional expert member external to the department.

During 2019–2020, the ARMC considers it has observed the terms of its Charter and has had due regard to the *Audit Committee Guidelines: Improving Accountability and Performance* issued by Queensland Treasury in June 2012.

In discharging its responsibilities, the ARMC has the authority to:

- conduct or authorise investigations into matters within its scope of responsibility
- access information, records and personnel of the department for such purpose
- request the attendance of any employee, including executive staff, at ARMC meetings
- conduct meetings with the department’s internal and external auditors as necessary
- seek advice from external parties as necessary.

As at 30 June 2020, ARMC members have been provided with recommendations arising from Queensland Audit Office (QAO) reports to parliament that relate to the former DITID.

The ARMC also provided a forum for dialogue between the Director-General, executive management, Internal Audit and the QAO.

The ARMC convened six times during 2019–2020: August 2019, September 2019, November 2019, January 2020, April 2020 and June 2020.

Internal Audit Services provided secretariat support to the ARMC during 2019–2020, and during May and June 2020, worked with the incoming Head of Internal Audit (HIA) and Internal Audit function for machinery of government transition purposes. The ARMC of the newly formed DSDTI was held on 24 June 2020. The outgoing HIA and the newly appointed HIA both attended this meeting. The department’s ARMC membership and remuneration details as at 30 June 2020 are as follows:

- Mr Peter Dowling AM, Independent Chair and Member, appointed 1 November 2018 (former DITID) and confirmed June 2020 as continuing; remuneration: \$2400 (GST exclusive) per meeting, maximum value \$12,000 per calendar year (exclusive GST); attended six meetings.
- Ms Karen Prentis, Independent Member appointed 1 November 2018 (former DITID) and confirmed June 2020 as continuing; remuneration: \$600 (exclusive GST) per meeting, maximum value \$3000 per



calendar year (exclusive GST); attended six meetings.

- Mr Jeffrey McAlister, Deputy Director-General, Tourism and Major Events, Internal Member, appointed 26 September 2019 (former DITID) and confirmed June 2020 as continuing; attended three meetings.
- Dr Sarah Pearson, Deputy Director-General, Innovation, Internal Member, appointed 15 June 2020; attended one meeting.
- Ms Nicolle Kelly, Acting Deputy Director-General, Innovation, Internal Member, appointed as proxy March 2018 (former DITID); attended two meetings.
- Mr Jason Camden, Internal Member, appointed 15 June 2020; attended one meeting.

## Finance and Asset Management Committee

The FAMC focuses on strategic resource decisions including budget development, financial management and controls, emerging risks to funding, reporting, assets or resourcing.

Specifically, the FAMC provides strategic advice, insight and assurance to the ELT through:

- identifying budget and financial issues and overseeing departmental budget processes, including referral of unresolved issues to the ELT and/or Director-General for decision
- implementing strategies and methodologies to improve resource usage that aligns with the department's objectives
- monitoring the business performance and resource usage of the department through the monthly financial report and escalating significant risks to achieving departmental objectives to ELT
- assisting the Chief Finance Officer (CFO) to certify internal controls and financial statements
- managing the department's assets and liabilities through review of the Total Asset Management Plan annually, and quarterly monitoring through the Capital Performance Report and Financial Performance Report

- examining procurement issues and trends
- managing funded full-time equivalents (FTEs) – including monitoring of unfunded positions.

The FAMC meets a minimum of five times per year, or as otherwise determined by the Chair. Attendees include invited guests/observers based on content expertise, including the department's CFO.

## Information Steering Committee

The ISC focuses on strategic management of information and technology resources to ensure that new investments support the department's strategic plan and information security oversight. The ISC also provides this role for DRDM and contributes to the efficient and effective operation of the department in alignment with the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019*, *Information Standard 2 – ICT Resources Strategic Planning*, and *Information Standard 18 – Information Security*.

Specifically, the ISC:

- ensures decisions and actions are in accordance with legislation and policy, are transparent and evidence-based, equitable in outcome and sustained through integrity
- develops the department's information management (IM) and ICT strategy and related roadmap
- directs the priority and sequence of programs and projects to ensure the ICT and IM portfolio supports departmental and government strategy, policy and objectives for the community
- ensures the ICT and IM investment portfolio is evaluated and monitored using departmental and government investment, project, procurement, architecture, policy and risk frameworks, assurance and governance process
- makes and applies financial and resource decisions for the ICT and IM portfolio within budgetary and resource allocations
- develops and manages portfolio and project reporting and analysis

- ensures risks are identified, managed and independently audited
- develops and manages policy, procedures and technology to ensure the security of data, information assets and related ICT and IM systems.

The ISC meets monthly or as otherwise determined by the Chair. Attendees include invited guests/observers based on content expertise.

## People and Culture Committee

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

The PCC:

- provides oversight on the strategic direction and management of human resources including facilitating the sharing of resources and identifying when resources will become available
- aims to ensure the department's work is conducted ethically and that the workforce is flexible, agile and capable of meeting the needs of a rapidly changing environment
- acts to review and make decisions regarding all matters relating to the attraction, recruitment and utilisation of people in a way that delivers on the strategic priorities of the department.

The PCC meets quarterly unless otherwise determined by the Chair. Attendees may include invited guests/observers based on content expertise.

## Workplace Health and Wellbeing Committee

The former DITID Workplace Health and Wellbeing Committee provided strategic advice and assisted the Director-General and executives to meet their due diligence requirements under WHS legislation across the department.

This committee provided a consultative forum to identify, develop and implement strategies to enable continuous improvement of workplace

health and wellbeing within the department through a management system approach.

The committee also oversaw activities associated with being an accredited White Ribbon Workplace, and championed diversity and inclusion within the department.

The committee has been integral in addressing key WHS matters and recommending corrective action where necessary.

As a result of the machinery of government, this committee was replaced by the WHS Committee as a sub-committee of the PCC.

## Consultative Committee

The DSDTI Consultative Committee is made up of departmental and union representatives from the former DSDMIP and DITID.

Following May 2020 machinery of government changes, the committee formed pursuant to Part 9 of the *State Government Entities Certified Agreement 2015* (the Core Agreement), to facilitate meaningful consultation between the department's management and the union.

The committee deals with matters relating to the Core Agreement, or matters that otherwise impact (or may impact upon) the department's workforce.

The committee meets on a regular basis to discuss a range of matters, including:

- the agency's response to COVID-19
- return to office arrangements
- variation to the ordinary spread of working hours
- emerging workplace and employee matters
- machinery of government change implementation
- the planning process that supports effective FTE growth in the Queensland public service to support economic recovery in response to COVID-19.

## Human Rights

Actions undertaken by the department to further the objects of the *Human Rights Act 2019* (HR Act), including reviews for compatibility with human rights, have been

impacted as a result of COVID-19. While relevant actions in 2020 have varied from what was anticipated, the department still undertook significant work within this period.

This involved work in the lead-up to commencement of the HR Act including:

- embedding our commitment to human rights in our strategic and workforce plans
- raising departmental awareness through publishing human rights information and resources through our intranet and internal communications
- briefing and training for senior leaders and policy staff, with broader training deferred to 2020–2021 due to resourcing and reprioritisation of work in response to COVID-19
- engaging with our functional public entities to raise awareness of their obligations during the implementation phase of the HR Act
- reviewing our legislation and regulations for compatibility with human rights has been completed for the majority of our groups, with reviews of the remaining legislation we administer to be completed in 2020–2021
- commencing the review and incorporation of human rights considerations into our corporate and operational policies
- incorporating human rights into our complaint handling policies and procedures.

Information available to our staff will be further developed to continue building our understanding of our obligations under the HR Act, including making decisions that are compatible with relevant human rights and ongoing incorporation of human rights impact assessments in our decision-making processes.

## Actions during COVID-19 relating to human rights

During COVID-19, the department played an important role in the government's efforts to protect and support Queenslanders. From a human rights perspective, the department took action and made decisions that protected the following right:

- right to health services (section 37), including through introducing regulations that contained requirements to support access to essential goods and services during COVID-19 and future emergency events.

In protecting this right, other human rights at times were limited such as:

- recognition and equality before the law (section 15)
- right to freedom of expression (section 21)
- property rights (section 24)
- privacy and reputation (section 25).

In taking these actions and making these decisions, the department was mindful of its obligation to act compatibly with human rights, by ensuring that any limitations on human rights were reasonable and justified. Actions and decisions taken by the department included:

- the development of emergency legislation/subordinate legislation, including the Economic Development and Other Legislation (Temporary Use Licence) Amendment Regulation 2020 which meant supermarkets or pharmacies, who ordinarily have conditions limiting their hours of operation and other operational requirements, were able to have these conditions suspended temporarily
- suspended operations/services which could not be conducted in compliance with social distancing requirements
- ensured flexible responses so our services could continue despite social distancing requirements
- obtained supplies/requisitioned property to protect staff, and supported staff through flexible working arrangements.

## Human rights complaints

From 1 January 2020, individuals have a right to make a complaint if they believe their human rights have been limited by a public entity. Complaints can only be made for alleged breaches that occur after this date.

No human rights complaints were received by the department for the period of 1 January to 30 June 2020.

## Our partners

### Portfolio bodies

Throughout the year, the department worked closely with two statutory bodies that also report to the Minister for State Development, Tourism and Innovation:

- TEQ is the state's lead body for marketing destination and experience development and major events. TEQ markets and promotes tourism in Queensland, helps develop tourism experiences and destinations, and secures major events for Queensland. TEQ complements the department's efforts in building tourism infrastructure, attracting investment and developing industry capabilities. More information about TEQ, including their annual report, can be found on their website: [www.teq.queensland.com](http://www.teq.queensland.com).
- The Cross River Rail Delivery Authority's primary role is to plan, carry out, promote or coordinate activities to facilitate economic development and development for community purposes, in a Cross River Rail Priority Development Area, and to facilitate the efficient delivery of the Cross River Rail Project and related projects. More information about the Delivery Authority, including their annual report, is available on their website: [www.crossriverrail.qld.gov.au](http://www.crossriverrail.qld.gov.au).

### Internal audit

Internal Audit Services (IAS) is a business unit within DES. During 2019–2020, IAS provided internal audit independent assurance, advice and services to the Director-General, former DITID senior management and the Audit and Risk Committee (ARC). DES IAS enhanced the department's corporate governance environment in line with roles and responsibilities detailed in the *Financial Accountability Act 2009*. It achieved this through an objective, systematic approach to

evaluating the effectiveness and efficiency of corporate governance processes, internal controls, risk assessment and management practices.

The role, operating environment and responsibilities of IAS were established in the department's 2019–2020 Internal Audit Charter, renamed from the former DITID, which has due regard to the professional standards and the *Audit Committee Guidelines: Improving Accountability and Performance*, issued by Queensland Treasury (June 2012).

Key IAS internal audit activities for the department for 2019–2020 included:

- providing secretariat support to the department's ARC, which has been renamed to the ARMC
- Phase 2 Fraud Controls and Assurance Review
- Procurement and Contract Management Review
- WHS Framework Review
- Governance and Accountability Review over Advance Queensland
- Privacy Health Check Review
- monitoring and reporting on the status of implementation of internal and external audit recommendations to the ARMC.

Following the May 2020 machinery of government changes and the renaming of the former DITID to DSDTI, transition activities formalised governance arrangements for the DSDTI internal audit function and the transition from the former IAS Service Level Agreement (SLA) service and the outgoing HIA.

The incoming DSDTI HIA was appointed by the DSDTI accountable officer on 25 June 2020.

### External assurance

#### Queensland Audit Office

The QAO undertakes financial and performance audits within the public sector.

In 2019–2020, four audit reports required action by the department:

- *Auditor-General's Report 3: 2019–2020 Managing Cyber Security Risks*, tabled in

parliament on 1 October 2019. This considered whether entities effectively manage their cyber security risks. The QAO recommended that all departments self-assess against the findings of the report and, where relevant, implement identified measures to improve cyber security risk management. Identified actions are delivered as part of the ongoing implementation of an Information Security Management System in line with the Queensland Government Enterprise Architecture (QGEA) requirements of *Information Security Policy IS18:2018*.

- *Auditor-General's Report 8: 2019–2020, Queensland state government entities: 2018–2019 results of financial audits*, tabled in parliament on 27 November 2019.
- *Auditor-General's Report 10: 2019–2020 Effectiveness of the State Penalties Enforcement Registry ICT reform*, tabled in parliament on 6 February 2020. This considered the effectiveness of the governance of the reform program's ICT component. The QAO recommended that the Department of Housing and Public Works require all departments to publish data on the digital projects dashboard and provide more detailed reporting on projects ending prematurely to the Office of Assurance and Investment. The department follows the mandatory reporting requirements of the QGEA, including requirements for reporting through the Digital Dashboard.

The department has developed action plans for implementation of the recommendations made. Progress in implementing all recommendations is monitored and followed-up by Internal Audit and reported to the ARMC for review and noting.

## Responses to parliamentary committees

### **Inquiry into the Queensland Government's economic response to COVID-19 – Economics and Governance Committee**

On 22 April 2020, the Legislative Assembly referred an inquiry into the Queensland Government's economic response to COVID-19 to the Economics and Governance Committee with the following terms of reference:

1. That the Economics and Governance Committee inquire into and report to the Legislative Assembly on the Queensland Government's response to COVID-19 in relation to the economic response only.
2. That in undertaking the inquiry, the Committee should take into account the Australian Government's response to COVID-19 and its impacts on the Queensland Government's response.
3. That in conducting the inquiry the Committee is to be conscious of any requests for witnesses or materials and ensure that any requests do not unreasonably divert resources from the immediate COVID-19 response.
4. That the Committee report to the Legislative Assembly by no later than 3 months after the conclusion of the Public Health Emergency declared under the Public Health Act 2005 regarding COVID-19.

The department has played a key role in delivering on the Queensland Government's economic response to the impacts of COVID-19, particularly on the tourism and events industry, which has been hit hard by restrictions to protect human health. The department has actively participated in the inquiry, providing a written submission to the Committee on 22 June 2020 and participating in a public hearing on 22 June 2020.

A report is due to be tabled three months after the conclusion of the Public Health Emergency.

## Risk management

Departmental risk is managed in accordance with the *Financial Accountability Act 2009*. The Risk Management Framework is based on the international risk management standard *AS/NZS ISO 31000:2018* and Queensland Treasury's *Risk Management Guidelines*, providing the mechanisms for identifying and managing risks consistently across the department, through a robust system of internal controls.

Our approach to risk management can be characterised by the following principles:

- Risk management is an integral part of day-to-day decision-making, and is considered and addressed by everyone in the department.  
Risk management encompasses threats and opportunities, and reflects the potential for either of these to impact positively or negatively on the achievement of our vision, purpose and objectives.
- Risk management is not about risk avoidance; rather, it is about the management of risks and exploitation of opportunities within agreed parameters, to drive innovation and the delivery of strategic priorities.
- A mature, risk-aware culture is fundamental to the effectiveness of risk management practices and decision-making.
- The framework allows for the effective identification and management of fraud and corruption risks from the whole-of-department perspective.

Department enterprise risks are recorded on the strategic risk register, underpinned by fraud and corruption, divisional, program and project risk registers. Registers are maintained through day-to-day risk management activities and reviewed on a minimum quarterly basis to identify trends that warrant attention at a departmental level.

Key strategic risks and opportunities are identified as part of the department's annual strategic planning process. Through business planning activities, divisions identify risks and opportunities that may impact on their business

objectives. Given the dynamic nature of risk and business environments, significant risks are reviewed regularly by the ELT and ARMC.

The COVID-19 pandemic presents significant risks to the community and, in turn, to the department. Agile and robust risk management will continue to be critical as the department leads economic recovery and planning for long-term economic growth.

## Information management

### Information systems

The department maintains a range of systems to manage and store information. These systems support the delivery of services, initiatives and corporate operations.

### Records management

The department has an enterprise records management approach, through the use of established electronic Document Records Management Systems (eDRMS) to maintain compliance with the *Public Records Act 2002*, *Public Service Act 2008* and the whole-of-government recordkeeping governance policies and guidelines issued by the Queensland State Archivist.

An eDRMS is a repository for electronic and physical administrative and core business records that are captured, created, and managed in order to maintain a corporate memory of transactional and activity-based transparent and evidence-based decisions.

Within the eDRMS, documents are held in file structures with appropriate security access according to the Information Security Policy. There have been no serious security breaches of the department's eDRMS.

We also use the whole-of-government systems SAP (for financial performance management) and Aurion (for human resource management).

Recordkeeping roles and responsibilities are defined in the *Records Management Policy* and *Clear Desk and Clear Screen Procedure*, which are supported through eDRMS training and awareness programs.

The department is committed to a paperlite environment with a focus on ‘Born Digital, Stay Digital’ strategy, through embracing electronic business processes and internal electronic approvals, and a business preference for creating, sending and receiving electronic records where possible.

Retention and authorised disposal processes and controls are established for physical and electronic records, and are managed through the following approved general administrative, and core business retention and disposal schedules:

- Whole-of-government general administrative schedule – QDAN 415 v.4
- Early destruction of scanned temporary records schedule
- Economic Development Queensland schedule – QDAN 712 v.1
- Coordinator-General – QDAN 703 v.1
- Tourism – QDAN 709
- Gold Coast 2018 Commonwealth Games Coordination – QDAN 721
- Gold Coast 2018 Commonwealth Games Corporation (GOLDOC) – QDAN 713
- Events – QDAN 725
- Department of Tourism & Racing Olympic Task Force Committee – QDAN 523
- Aviation Industry (Tourism Industry) – QDAN 325.

Records in the eDRMS and physical records at offsite storage are tagged with retention review dates to ensure permanent records are identified and managed and records of a temporary or short-term value can be assessed and processed through established approved disposal processes and controls.

The number of records transferred to off-site storage continues to decline as the transition to digital recordkeeping increases. A proactive appraisal and disposal program is in place.

## Information release

The department is committed to providing the Queensland public with easier access to our information. In accordance with the *Right to Information Act 2009*, the department maintains a publication scheme, ensuring that certain types of information are made available

to the public. The department’s publication scheme is available at [www.dsdti.qld.gov.au/about-us/right-to-information/publication-scheme](http://www.dsdti.qld.gov.au/about-us/right-to-information/publication-scheme).

In addition to this, the department supports the whole-of-government *Open Data Policy Statement* by publishing suitably classified datasets through the Open Data Portal at [www.data.qld.gov.au](http://www.data.qld.gov.au).

Datasets identified and published in the department’s open data portal include reports on consultancies, overseas travel, late payments and the *Queensland Language Services Policy*. The reporting requirement for government bodies is available on the department’s website at [www.dsdti.qld.gov.au](http://www.dsdti.qld.gov.au).

We are committed to increasing the release of data that we collect for re-use and repurposing, to provide new and exciting resources for the community.

## Information Security Management System

The implementation of a mandatory Information Security Management System (ISMS) has continued throughout 2019–2020. An ISMS is comprised of the people, policies, processes and systems through which information assets are protected.

Key ISMS implementation achievements during the year included:

- Stage 2 ISMS implementation, with further assessment of the department’s information security and business systems risk.
- Further development of the ISMS risk framework in alignment with the departmental governance and risk frameworks.
- Embedding of the new security classifications in compliance with the whole-of-government *Information Security Policy (IS18:2018)* and Queensland Government Information Security Classification Framework.
- Information and cyber security training and awareness activities.

## OUR PEOPLE

We foster a workplace culture that supports respect, diversity and wellbeing as a sound foundation to enable sustainable and high-quality delivery of the department's programs and initiatives.

As reflected in our strategic plan, we build capability and enable a skilled and flexible workforce by:

- creating the right environment for people to thrive and translate opportunities into outcomes
- fostering innovation and diversity to support a creative, diverse and inclusive workplace
- increasing accountability and agility through strong corporate governance
- enabling an effective workforce through strong collaboration, knowledge sharing, systems and process reform.

### Workforce profile

The department has a workforce of 861 FTE employees. Due to the machinery of government changes that established DSDTI as a new department late in the financial year, the data required to undertake the calculation of a separation rate is not available. A separation rate will be made available in the department's 2020–2021 annual report.

Employees who were seconded to the former DITID from other Queensland Government departments, and who continued to be paid by their department, are reflected in the Minimum Obligatory Human Resources Information (MOHRI) data of their substantive department. However, for purposes of transparency, these same employees are reflected in DSDTI's financial statements.

The Office of the Commonwealth Games Extension Secondment Program officially ceased as at 30 June 2020 with staff returning to their home agency. A small number of departments have agreed to continue the arrangement on a short-term basis to finalise existing programs of work.

### Workforce planning and performance

The department has put in place strategies to ensure implementation of our strategic objectives, and alignment to the Public Service Commission's (PSC) *10-Year Human capital outlook*. This aligns with strategic imperatives around the four levers for change: leadership and capability, culture, talent acquisition and new ways of working.

Given the impact of the COVID-19 pandemic on the workforce and strategic priorities, particular focus has been on enabling an agile and flexible workforce that is able to respond quickly and effectively to new and emerging business needs.

### Ethics and code of conduct

To support the department's Ethics Framework and a culture of accountability and transparency, Ethics provides specialist advice and services about:

- customer, employee, privacy and human rights complaints, and complaints related to corrupt conduct
- public interest disclosures
- declarations and conflicts of interests
- gifts and benefits
- contact with lobbyists
- fraud and corruption prevention.

All new departmental employees receive information about the Code of Conduct at induction, and all employees are required to complete online Code of Conduct and ethical decision-making training annually. Employees have access to a range of online ethical training videos, such as conflicts of interest, gifts and benefits and complaints, information privacy and fraud and corruption. Ethics also provides tailored information sessions on request.

During 2019–2020, DSDTI received 90 customer complaints – three of which resulted in further action. This includes customer complaints relating to the portfolios of DITID and DSDMIP prior to the May 2020 machinery of government changes.



## Leadership and capability

In 2019–2020, the department focused its efforts on building leadership and capability at all levels, and remained committed to implementing the PSC Leadership Development Framework to ensure we have the capability to deliver outcomes.

Employees continued to participate in a structured performance management process. These processes are directed at regular and meaningful feedback conversations providing our people with an opportunity to clarify expectations and identify opportunities for capability development.

The department also invested time and resources in a range of focused, collaborative and experiential development opportunities for our people. These included:

- online learning modules, videos and interactions via a learning management system
- ‘micro-learning’ opportunities distributed directly to our people based on topical information and events
- participation in the Lead4QLD Program aimed at providing key insights into capability strengths and areas requiring development
- short-burst lunch box style talks and/or panel discussions with field experts or internal leaders with knowledge to share
- engagement of leaders, and other staff, in a number of forums for consultation, discussion and idea generation
- encouraging the establishment of informal mentoring relationships to guide our people in their careers
- whole-of-sector leadership development programs, masterclasses and seminars.

The department participated in the PSC’s Capability Blueprint, which was used to identify areas of organisational strength and opportunities for improvement across three aspects: leadership, strategy and delivery. Strengths included: outstanding external stakeholder responsiveness and engagement; project and program expertise and delivery; and staff motivation and commitment.

Opportunities included: collaboration across divisions; identification and communication of departmental priorities; and effective use of data to support delivery, decision-making and reporting.

## Culture

The department’s culture, born out through its values, is an ongoing priority. Culture permeates all aspects of the department’s approach to, and behaviour of, its people.

The department is committed to achieving our cultural vision of a thriving and inclusive workplace, where people are respected, have the opportunity to fulfil their potential, and deliver the best possible outcomes. We achieve this by living Queensland public service values:

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

The department also adopts the additional value of ‘collaborate’. With a large program of work and ambitious goals, collaboration – with each other, with our partners, stakeholder and customers – enables the department to deliver the most successful outcomes.

Activities to promote, and in support of, our culture and values included forums for staff and leadership engagement and idea sharing, building cross department consultation into operational planning and providing opportunities for our people to engage directly with the department’s Director-General through informal ‘DG Chats’, departmental and senior leader forums.

In light of feedback from staff, flexibility, work/life balance including workload management, inclusion, fairness and learning and development were cultural focus areas.

The department continued to work directly with Aboriginal and Torres Strait Islander businesses through the *Indigenous Participation Plan 2018–2021*, as well as working internally to develop cultural capability through cultural

intelligence workshops, recognising and celebrating key cultural dates and events.

In support of a diverse and inclusive culture, online learning modules include disability awareness, cultural capability and domestic and family violence. The department also hosted unconscious bias training workshops.

The department remains a White Ribbon Australia accredited workplace and participates in whole-of-sector activities and internal education for the prevention of workplace violence. The department continues to support employees affected by domestic and family violence and promotes a safe and respectful workplace.

## Industrial and employee relations framework

The *State Government Entities Certified Agreement 2015* (Core Agreement 2015) and the *Queensland Public Service Officers and Other Employees Award – State 2015* provisions apply to all employees except for Senior Executive Service and Senior Officers.

The department supports the *Employment Security* and *Union Encouragement* policies and has applied the principles and practices of these policies in managing the department's workforce.

Temporary employees are engaged to assist in supporting the achievement of business outcomes. The department continues to actively undertake temporary employment reviews in accordance with statutory requirements. These reviews are conducted where temporary employees have been continuously employed for two years in the same role. During 2019–2020, the department converted six employees from temporary to permanent.

In addition to the Consultative Committee, Together Union is contacted out-of-session around matters as needed.

## Health, safety and wellbeing

WHS is a key priority for the department. Work has been undertaken to realign and enhance

the department's WHS framework. This includes:

- engagement of a new service provider under the Workplace Health Services Standing Offer Arrangement for the provision of Employee Assistance Program (EAP) services – a confidential and professional counselling and coaching service for employees and their immediate family members
- My Health for Life and Live Well, Work Well Programs
- flu vaccinations
- mental health awareness and forums
- prevention of domestic and family violence education and awareness events.

The department is committed to fostering a supportive work environment that assists employees to achieve an effective and healthy balance between work and life activities.

EAP services are promoted regularly to build awareness of the range of services that are available to enhance emotional, physical and financial wellbeing.

Physical health is a priority, with staff having the opportunity to identify critical risk factors through the My Health for Life Program. Support and coaching were made available for staff who identify as being high risk for developing a chronic disease.

## COVID-19 workforce impacts

In March 2020, the department focused on enabling the majority of our workforce to work remotely in line with community restrictions. In June 2020, the graduated return of staff to the workplace commenced as community restrictions started to ease. To support this, a Return to Office Plan was implemented, which includes a staged approach to enable the department to best manage the health, safety and wellbeing of our staff. In providing guidance on operational considerations to managers and staff, the plan was informed by Chief Health Officer directions and advice from other key government agencies.

In April and May 2020, a 'Flexible work and return to office survey' was conducted to

understand staff perceptions and seek feedback. The survey results were considered by executive leaders and the Human Resources team, and informed initiatives to support staff to continue to work productively, efficiently and safely.

Additional guidance and support has been provided to leaders and staff through regular internal communications, webinars and information sessions, and the provision of other resources.

## Talent Management

The department has continued to strive to be recognised as an employer of choice through offering meaningful work as well as competitive remuneration and benefits to prospective employees.

Throughout 2019–2020 the department continued to recruit for high calibre talent using the SmartJobs Queensland Government platform as well as communicating our work and mandate through social media sites such as LinkedIn, Seek and TalentNow.

Recruitment and selection practices were examined to ensure they were absent implicit bias and inclusive in nature. Staff were able to undertake Unconscious Bias training presented by the Queensland Human Rights Commission.

New recruits and existing staff have benefited from retention efforts including opportunities for professional development, a positive workplace culture, flexible working arrangements, and reward and recognition.

## Flexible Workplace

The department has a continuing commitment to promoting, encouraging and embedding flexible working practices wherever practicable.

Flexible work practices include providing employees access to flexible hours of work arrangements, various leave types, a compressed working week, part-time arrangements, job sharing and telecommuting.

Employees had the opportunity to participate in online surveys and senior leadership-led

discussions and forums around safe work practices and flexible work arrangements.

Providing flexible working practices has enabled the department to become more open and inclusive, benefitting our people in different ways, remaining agile to manage workload and responding to challenges associated with social distancing through the COVID-19 pandemic.

## Early retirement, redundancy and retrenchment

During 2019–2020, one employee received a voluntary medical retirement package at a total cost of \$35,408.15.

## Appendix 1: Legislation administered by the department

In 2019–2020, the department administered the following legislation for the portfolio of the Minister for State Development, Tourism and Innovation:

- *Alcan Queensland Pty. Limited Agreement Act 1965* (except to the extent administered by the Treasurer, Minister for Infrastructure and Planning)
- *Amoco Australia Pty. Limited Agreement Act 1961*
- *Ampol Refineries Limited Agreement Act 1964*
- *Austral-Pacific Fertilizers Limited Agreement Act 1967*
- *Central Queensland Coal Associates Agreement Act 1968* (Sch pt VI)
- *Central Queensland Coal Associates Agreement (Amendment) Act 1986*
- *Central Queensland Coal Associates Agreement Amendment Act 1989*
- *Central Queensland Coal Associates Agreement and Queensland Coal Trust Act 1984*
- *Central Queensland Coal Associates Agreement Variation Act 1996*
- *Century Zinc Project Act 1997* (Parts 4, 7 and 8)
- *Cross River Rail Delivery Authority Act 2016*
- *Economic Development Act 2012*
- *Implementation of The Spit Master Plan Act 2020*
- *Major Events Act 2014*
- *Queensland Industry Participation Policy Act 2011*
- *Queensland Nickel Agreement Act 1970*
- *Queensland Nickel Agreement Act 1988*
- *Queen's Wharf Brisbane Act 2016* (Chapter 5, Part 1)
- *State Development and Public Works Organisation Act 1971* (except to the extent jointly administered with the Minister for Regional Development and Manufacturing)
- *Strong and Sustainable Resource Communities Act 2017*
- *Tourism and Events Queensland Act 2012*
- *Townsville Zinc Refinery Act 1996*
- *Trade and Investment Queensland Act 2013* (to the extent that it is relevant to international education and training)
- *Traveller Accommodation Providers (Liability) Act 2001.*

## Appendix 2: Progress against service standards

The following section provides details of the department's performance against the *2019–2020 Budget Paper No. 5 – Service Delivery Statements (SDS)* as at 30 June 2020, including results against annual performance targets.

The department's service structure for 2019–2020 as at 30 June 2020 is as follows.

Table 4: Department of State Development, Tourism and Innovation service structure

| Service Area   | Service area objective   |
|--|--|
| Advancing Queensland through Innovation                        | To drive economic growth and job creation through innovation, harnessing Queensland's research strengths and entrepreneurship and using new technology, capital and ideas to support business and industry creation and growth.  |
| Develop the economy  | Attract and facilitate investment opportunities and industry development in Queensland that provide enduring economic benefit.   |
| Tourism Industry Development                                   | To promote long-term growth of the tourism industry by facilitating a strategic whole-of-government approach to planning and investment in the state's tourism infrastructure, assets and products and the coordination and leveraging of key major events to generate jobs. |
| Business and Economic Growth (Economic Development Queensland) | To drive business and economic growth in Queensland by delivering policies and programs consistent with the government's economic development agenda.  |

| Advancing Queensland through Innovation   | 2019–2020 Target/Est | 2019–2020 Actual |
|---|----------------------|------------------|
| <b>Service standards</b>  |                      |                  |
| <i>Effectiveness measures</i>   |                      |                  |
| Proportion of stakeholders who are satisfied with innovation and commercialisation consultative and engagement processes <sup>1</sup>   | ≥85%                 | 85%              |
| Percentage of collaboration opportunities identified by participants of innovation programs/events <sup>2</sup>   | >45%                 | 58%              |
| Percentage of DSDTI Advance Queensland funding recipients satisfied with contract management services provided for related grant programs (overall satisfaction) <sup>3,4</sup> | ≥85%                 | 90%              |
| <i>Efficiency measure</i>   |                      |                  |
| Ratio of investment leveraged as a result of Queensland government funding invested <sup>5</sup>  | \$1:\$1.25           | \$1:\$1.25       |

Notes:

1. This service standard is a measure of departmental engagement activities and programs that aim to build entrepreneurial capacity and capability. Department clients and customers include, but are not limited to, startups and entrepreneurs, industry, commercial/business interests, researchers and research institutes, government and community groups. Aspects measured include timeliness, quality, access, staff, outcomes and overall satisfaction. Initiatives that contribute to this measure include, but are not limited to, Innovate Queensland and My Innovation Advisor, the Innovation Festival and related events and activities, and the Office of the Queensland Chief Entrepreneur-run events.

2. Facilitating collaboration and enabling development of partnerships are recognised as key strategies and enablers for driving economic growth and job creation. This service standard is a proxy effectiveness measure that measures potential new collaboration opportunities and partnerships identified by attendees and/or participants of innovation events designed to foster collaboration. Attendees and participants include key innovation system participants, including but not limited to, startups, entrepreneurs, business/industry, research centres, universities and government. Programs that contribute to this measure include the Innovation Festival, Office of the Queensland Chief Entrepreneur events and Innovation in Government programs. Participants are surveyed after events to identify if they are likely to form new collaborations and/or partnerships as a result of the event. The measure indicates the proportion of participants who reported potential new collaboration opportunities and/or partnerships.
3. This service standard is a measure of the effectiveness in providing contract management services (from application through to project completion) to recipients of Advance Queensland funding provided via competitive funding programs. Reference to DITID has been updated to DSDTI to reflect the department's change of name as a result of machinery of government changes in May 2020.
4. Included in this service standard are departmental innovation funding programs that deliver on the vision and objectives of Advance Queensland. Recipients include, but are not limited to, startups and entrepreneurs, industry, commercial/business interests, researchers and research institutes, government and community groups. The services provided are required to effectively deliver government programs to stakeholders, manage funding awarded and monitor achievement of outcomes. Aspects measured include timeliness, ease of access, staff, quality, outcomes/outputs and overall satisfaction.
5. This service standard is an indicator of the efficient use of government funding to leverage private/commercial/philanthropic/ Australian Government sector investments. The 2019–2020 actual reflects that \$1.25 will be leveraged for every \$1 of government funds invested in programs designed to attract external investment. Investment sources include, but are not limited to, startups, entrepreneurs, business/industry, research centres, universities and other government jurisdictions.

| <b>Develop the economy<sup>1</sup></b>   | <b>2019–2020<br/>Target/Est</b> | <b>2019–2020<br/>Actual</b> |
|--|---------------------------------|-----------------------------|
| <b>Service: Industry and investment facilitation<sup>2</sup></b>   |                                 |                             |
| <b>Service standards</b>   |                                 |                             |
| <i>Effectiveness measure</i>   |                                 |                             |
| Value of capital investment enabled through project facilitation <sup>3</sup>  | New measure                     | New measure                 |
| Estimated number of jobs enabled through project facilitation <sup>3,4</sup>   | New measure                     | New measure                 |
| <i>Efficiency measure</i>  |                                 |                             |
| Capital investment enabled per dollar spent on project facilitation <sup>3,5</sup>   | New measure                     | New measure                 |
| <b>Service: Regional economic development<sup>6</sup></b>  |                                 |                             |
| <b>Service standards</b>   |                                 |                             |
| <i>Effectiveness measures</i>  |                                 |                             |
| Value of infrastructure investment being developed or delivered through the Building our Regions and Royalties for the Regions programs <sup>7,8</sup>   | \$467.80 million                | \$554.6 million             |
| <i>Efficiency measure</i>  |                                 |                             |
| Value of infrastructure investment being developed or delivered through the Building our Regions and Royalties for the Regions programs enabled per dollar invested in program management <sup>7,8,9</sup> | \$270.37                        | \$360.65                    |

Notes:

1. The service area has been renamed from 'Driving enterprise development, economic growth and job creation' in the former DSDMIP 2019–2020 SDS to better reflect the department's broader function in developing the Queensland economy. This service area also appears in the DRDM performance statement as there is a joint responsibility in the delivery of some of the functions of state development and manufacturing across the two departments. Those functions that are the responsibility of DRDM are being performed by DSDTI under a SLA.
2. Industry and investment facilitation service includes support services and post-approval monitoring of projects that require multiple regulatory approvals, are complex or sensitive in nature, require significant coordination across government, and respond to a recognised regional need or government priority. The capital investment value includes investment from private

sector as well as government agencies. This service was previously presented in the 'Driving enterprise development, economic growth and job creation' service area in the former DSDMIP 2019–2020 SDS.

3. This is a new service standard due to the change in the calculation methodology which now includes projects that meet the facilitation definition. This service standard also appears in the DRDM performance statement as there is a joint responsibility in the delivery of some of the functions of state development and manufacturing across the two departments. Those functions that are the responsibility of DRDM are being performed by DSDTI under a SLA. The programs that form part of the service standard are part of both departments and include the Advance Queensland Industry Attraction Fund, Jobs and Regional Growth Fund, Made in Queensland Program, the Industry Capability Network contract, Project Facilitation including Coordinator-General projects, Resource Recovery Industry Development Fund and Exclusive Transactions. Capital investment and jobs enabled will only be reported once in the financial year that a contract/agreement is signed for grant programs and when a significant commitment is made for private sector projects (for example when a project moves to detailed design/preconstruction phase). This methodology is designed to emphasise the capital investment and jobs enabled by facilitated projects that are committed to be realised by the project proponents.
4. The number of jobs reported in this measure refers to the number of jobs expected to be enabled by all in-scope projects over their entire project life, even where these jobs will occur over several financial years. Jobs enabled are reported once in the year that the in-scope projects are reported in the 'value of capital investment enabled through project facilitation' measure.
5. This service standard captures the capital investment on Queensland projects being facilitated by the department for every dollar invested in annual staff expenses (salaries and on costs) which relate to the delivery of these projects.
6. This service and related service standards were previously presented in the 'Driving enterprise development, economic growth and job creation' service area in the former DSDMIP 2019–2020 SDS.
7. These programs provide funding for projects that may be co-funded by local governments, other Queensland Government agencies, Australian Government agencies and the private sector. The Building our Regions program supports local government infrastructure projects in regional communities and comprises four separate streams. DSDTI administers the Regional Capital Fund, Royalties for Resource Producing Communities Fund and the Remote and Aboriginal and Torres Strait Islander Communities Fund, and these are reported in the department's service standards. The Department of Transport and Main Roads administers the Transport Infrastructure Development Scheme, which is not included in these service standard calculations.
8. The investment amount reported refers to the full investment value over the entire life of the project. Program management includes the annual salaries and on costs of staff administering the Building our Regions program.
9. The increase in the 2019–2020 actuals is due to the reallocation of the workforce thereby increasing the efficiency in the administration of the program.

| <b>Tourism Industry Development</b>  | <b>2019–2020<br/>Target/Est</b> | <b>2019–2020<br/>Actual</b> |
|--|---------------------------------|-----------------------------|
| <b>Service standards</b>   |                                 |                             |
| <i>Effectiveness measures</i>  |                                 |                             |
| Inbound seat capacity supported by route development programs <sup>1</sup>   | 600,000                         | 350,000                     |
| Amount of additional capital attracted into tourism investment   | \$180 million                   | \$225.5 million             |
| Value of capital investment being developed or delivered through the department's facilitated tourism infrastructure projects <sup>2,3</sup> | \$3.6 billion                   | \$3.6 billion               |
| Estimated number of jobs enabled through projects developed or delivered <sup>2,3,4</sup>  | 2000                            | 2000                        |
| Ratio of tourism industry investment leveraged through grant funds <sup>5</sup>  | \$1:\$1.22                      | \$1:\$1.04                  |
| <i>Efficiency measures</i>   |                                 |                             |
| Ratio of tourism investment attraction costs to the value of direct capital attracted  | \$1:\$168                       | \$1:\$323                   |
| Value of capital investment enabled per dollar spent on project development and delivery <sup>2,3,6,7</sup>                                  | \$1:\$759                       | \$1:\$1059                  |

Notes:

1. This service standard measures additional airline capacity under the following funds - the Attracting Aviation Investment Fund, Connecting with Asia (CWA) and Attracting Tourism Fund. The service standard is calculated to include seats over the life of the agreement. The variance between the 2019–2020 target/estimate and the 2019–2020 actual is due to the travel restrictions introduced for the COVID-19 response resulting in a total of zero seats for quarter 4.

2. Capital investment amounts reported include those contributed from private sector entities and the state for development and delivery of Integrated Resort Development, which includes casino licences.
3. The investment amount reported in this service standard refers to the full investment value over the entire life of the project even where this is expected to be fulfilled over several financial years.
4. This service standard measures the estimated number of jobs enabled through projects developed and delivered by private sector capital investment per the proponent's announcement. The number of jobs reported in this measure refers to the number of jobs expected to be enabled by all in-scope projects over their entire project life, even where these jobs will occur over several financial years.
5. This service standard measures the effective return on investment of the government's contribution to tourism grant initiatives attracting co-contribution from private sector and/or other government investment. The measure relates to both infrastructure and non-infrastructure (e.g. products and experiences). This includes the following grant programs Growing Tourism Infrastructure Fund, Outback Tourism Infrastructure Fund, Great Barrier Reef Island Resorts Rejuvenation Program, and Attracting Tourism Fund. The 2019–2020 target/estimate was incorrectly presented in the 2019–2020 former Department of Innovation, Tourism Industry Development and the Commonwealth Games Service Delivery Statement as \$1:\$2.22 instead of \$1:\$1.22. The target has not been met due to a significant number of projects across all grant programs being impacted by COVID-19 and not progressing as scheduled.
6. This service standard measures the value of capital investment enabled per dollar spent on project development and delivery. The amount reported for each financial year indicates the total value of capital investment enabled by the department divided by the annual department spend for FTEs, supplies and services and other operating costs on the development and delivery.
7. The increase in the 2019–2020 actual reflects lower operating costs incurred by the state in the delivery of the Integrated Resort Development during 2019–2020.

| <b>Business and Economic Growth</b>  | <b>2019–2020<br/>Target/Est</b> | <b>2019–2020<br/>Actual</b> |
|--|---------------------------------|-----------------------------|
| <b>Service standards</b>   |                                 |                             |
| <i>Effectiveness measures</i>  |                                 |                             |
| Value of private sector investment generated through the facilitation of economic and community development projects <sup>1</sup>                                | \$273 million                   | \$237.4 million             |
| <i>Efficiency measure</i>  |                                 |                             |
| Administrative costs as a percentage of private sector investment generated through the facilitation of economic and community development projects <sup>2</sup> | 5.4%                            | 6.03%                       |

Notes:

1. This services standard measures the value of private sector investment generated through the facilitation of economic and community development projects by EDQ, including the value of land sales for which EDQ is responsible. The variance between 2019–2020 target and 2019–2020 actual is due to lower land sales as a result of the subdued property market and the impact of COVID-19.
2. This measure calculates expenses including employee expenses and sales costs, and an allocation for operating expenses that relate to the delivery of development projects as a percentage of the value of private sector investment generated. The variance between the 2019–2020 target and the 2019–2020 actual is due to the lower value of private sector investment as referenced in Note 1.



## Discontinued measures

Performance measures included in the 2019–2020 *Service Delivery Statements* that have been discontinued or replaced are reported in the following table with estimated actual results.

| Department of State Development, Manufacturing, Infrastructure and Planning   | 2019–2020 Target/Est | 2019–2020 Actual |
|---|----------------------|------------------|
| <b>Service: Industry and investment facilitation<sup>1</sup></b>  |                      |                  |
| <i>Effectiveness measures</i>   |                      |                  |
| Value of capital investment enabled through industry facilitation <sup>2,3</sup>  | \$600 million        | \$2.445 billion  |
| Estimated number of jobs enabled through industry facilitation <sup>2,3</sup>   | 1980                 | 2476             |
| <i>Efficiency measure</i>   |                      |                  |
| Capital investment enabled per dollar spent on industry facilitation <sup>2,3</sup>   | \$64.06              | \$323.00         |
| <b>Service: Project development and delivery<sup>4</sup></b>  |                      |                  |
| <i>Effectiveness measures</i>   |                      |                  |
| Value of capital investment being developed or delivered through projects <sup>4</sup>  | \$874.50 million     | \$906.7 million  |
| Estimated number of jobs enabled through projects developed or delivered <sup>4</sup>   | 1926                 | 2073             |
| <i>Efficiency measure</i>   |                      |                  |
| Value of capital investment enabled per dollar spent on project development and delivery <sup>4,5</sup>   | \$706.44             | \$606.53         |
| <b>Service: Economic development through coordinated projects, state development areas and land acquisition programs<sup>6</sup></b>  |                      |                  |
| <i>Effectiveness measure</i>  |                      |                  |
| Proportion of total Coordinator-General's imposed conditions on coordinated projects under construction or early operation for which there has been full compliance with those conditions, or action has been taken to identify and correct non-compliance <sup>6</sup> | 100%                 | 100%             |
| <i>Efficiency measure</i>   |                      |                  |
| Potential capital expenditure leveraged per dollar spent on the Coordinator General annual budgeted staff expenses to assess and facilitate projects to construction <sup>6</sup>   | \$2500               | \$2654           |
| <b>Department of Innovation and Tourism Industry Development</b>  |                      |                  |
| <b>Service area: Tourism Industry Development</b>   |                      |                  |
| Grow international overnight visitor expenditure in Queensland supported by tourism development programs <sup>7</sup>   | \$70 million         | \$61.3 million   |

Notes:

1. This service and the related service standards were presented in the 'Driving enterprise development, economic growth and job creation' service area in the former DSDMIP 2019–2020 SDS.
2. This service standard has been discontinued and reinstated as a new service standard in the 'Develop the Economy' service area due to the change in the calculation methodology which now includes project delivery and Coordinator-General projects that meet the facilitation definition. This service standard will not be reported elsewhere.
3. The increase in the 2019–2020 actual is as a result of the addition of high value projects that were not anticipated at the time of the formulation of the 2019–2020 target/estimate.
4. This service and the related service standards were presented in the 'Assessing, approving, developing and delivering projects to generate jobs and economic growth' service area in the former DSDMIP 2019–2020 SDS. The service has been

discontinued as it is no longer relevant to the department's functions and will not be reported elsewhere. Those projects that meet the facilitation definition are now reported in the 'Develop the Economy' service area.

5. The decrease in the 2019–2020 actual mainly relates to unbudgeted resourcing costs spent on managing Biofutures clients.
6. This service and the related service standards were presented in the 'Assessing, approving, developing and delivering projects to generate jobs and economic growth' service area in the former DSDMIP 2019–2020 SDS. The service standards have been discontinued as they do not meet the requirements of the Queensland Government Performance Management Framework as a measure of effectiveness or efficiency and will not be reported elsewhere.
7. This service standard was presented in the former DITID 2019–2020 SDS. This service standard is based on the aviation attraction projects under the CWA Program, specifically where the number of inbound seats flown is used to calculate the estimated overnight visitor expenditure based on average length of stay of visitors from the source market. The service standard has been discontinued as the aviation attraction projects funded under CWA ceased in 2019–2020 and therefore there will no longer be inbound seat data available from March 2020.

## Appendix 3: Government bodies relevant to DSDTI

In addition to the following government bodies, the portfolio of the Minister for State Development, Tourism and Innovation includes TEQ and Cross River Rail Delivery Authority. Further information about these entities' government bodies is available in their annual reports.

| <b>Aboriginal and Torres Strait Islander Business and Innovation Reference Group</b>  |  |
|---|--|
| Act or instrument   | The Aboriginal and Torres Strait Islander Business and Innovation Reference Group is not established under an Act. The Terms of Reference for the group have been established.   |
| Functions   | The Aboriginal and Torres Strait Islander Business and Innovation Reference Group provides strategic advice to the Minister for State Development, Tourism and Innovation and the Minister for Employment and Small Business and Minister for Training and Skills Development. This advice relates to business and innovation matters that impact Aboriginal and Torres Strait Islander businesses and communities and recommendations are provided to assist the Queensland Government in supporting the development of existing, emerging and new Aboriginal and Torres Strait Islander businesses and innovators across Queensland.   |
| Achievements  | <p>Key achievements for 2019–2020 include:</p> <ul style="list-style-type: none"> <li>• releasing the <i>Deadly Innovation Strategy</i></li> <li>• opening registrations to participate in the Indigenous Innovators and Entrepreneurs Program (in partnership with TAFE Queensland)</li> <li>• releasing Open for Business an Indigenous Business to Business support service and hotline</li> <li>• providing direction on the need and requirements of various Advance Queensland programs including: <ul style="list-style-type: none"> <li>- One Business – Indigenous Innovators and Entrepreneurs Program</li> <li>- Open for Business</li> <li>- Indigenous Native Food Project</li> <li>- Indigenous Pathways Scholarships</li> <li>- Deadly Deals Program</li> </ul> </li> <li>• advocating for government action including: <ul style="list-style-type: none"> <li>- 20 day payment for all small businesses procured by government</li> <li>- development of the Queensland Government procurement Indigenous Business Spend Report</li> <li>- Indigenous outcomes impact tracking of the department through the Indigenous Participation Plan</li> <li>- giving advice on how to better access local suppliers in discrete communities through Business and Asset Services</li> </ul> </li> <li>• advising developing government agendas on: <ul style="list-style-type: none"> <li>- the implementation of the Queensland Indigenous Procurement Policy</li> <li>- digital inclusion, Indigenous housing, disaster response, and networks</li> </ul> </li> <li>• activating Indigenous business and innovation networks through shared materials and opportunities and championing government events and activities, such as QODE, and procurement roadshows.</li> </ul> |
| Financial reporting   | All operating and administrative costs associated with the body are paid for by the department's core funding. The body's costs are contained within the department's financial statements which are audited by the QAO annually.  |
| Remuneration: All positions are voluntary. However, the department bears the cost of remunerating members for reasonable out-of-pocket expenses associated with meeting attendance. |  |

| Position                        | Name  | Meetings attended | Approved annual, sessional or daily fee | Approved sub-committee fees if applicable | Actual fees received |
|---------------------------------|---|-------------------|---|---|----------------------|
| Co-Chair                        | Minister for State Development, Tourism and Innovation  | 4 (3 Official)    | N/A                                     | N/A                                       | N/A                  |
| Co-Chair                        | Minister for Employment and Small Business and Minister for Training and Skills Development   | 1 (1 Official)    | N/A                                     | N/A                                       | N/A                  |
| Member                          | Leann Wilson  | 3 (1 Official)    | N/A                                     | N/A                                       | N/A                  |
| Member                          | Colin Saltmere  | 4 (1 Official)    | N/A                                     | N/A                                       | N/A                  |
| Member                          | Leesa Watego  | 4 (2 Official)    | N/A                                     | N/A                                       | N/A                  |
| Member                          | Julie-ann Lambourne   | 4 (1 Official)    | N/A                                     | N/A                                       | N/A                  |
| Member                          | Shane Kennelly  | 6 (3 Official)    | N/A                                     | N/A                                       | N/A                  |
| Member                          | Mundanara Bayles  | 4 (3 Official)    | N/A                                     | N/A                                       | N/A                  |
| Member                          | Noel Niddrie  | 6 (3 Official)    | N/A                                     | N/A                                       | N/A                  |
| Member                          | Ross Andrews  | 2 (2 Official)    | N/A                                     | N/A                                       | N/A                  |
| Member                          | Steven Noy  | 4 (3 Official)    | N/A                                     | N/A                                       | N/A                  |
| Member                          | Kantesha Takai  | 3 (2 Official)    | N/A                                     | N/A                                       | N/A                  |
| Member                          | Leah Cameron  | 3 (2 Official)    | N/A                                     | N/A                                       | N/A                  |
| Member                          | Karen Seage   | 4 (3 Official)    | N/A                                     | N/A                                       | N/A                  |
| No. scheduled meetings/sessions | <p>Official meetings:</p> <ul style="list-style-type: none"> <li>• 13 August 2019</li> <li>• 9 December 2019</li> <li>• 28 April 2020</li> </ul> <p>Other meetings:</p> <ul style="list-style-type: none"> <li>• 14 October 2019 – Out-of-session meeting</li> <li>• 26 March 2020 – Yarn</li> <li>• 21 April 2020 – Special request</li> <li>• 28 May 2020 – Out-of-session meeting</li> </ul> |                   |   |   |                      |
| Total out-of-pocket expenses    | Nil   |                   |   |   |                      |

| <b>Economic Development Board</b>  |   |                          |  |  |                             |
|--|---|--------------------------|--|--|-----------------------------|
| Act or instrument  | <i>Economic Development Act 2012</i>  |                          |  |  |                             |
| Functions  | <p>The functions of the Economic Development Board (ED Board) are to:</p> <ul style="list-style-type: none"> <li>advise and make recommendations to the Minister for Economic Development Queensland (MEDQ) about how MEDQ can affect the main purpose of the <i>Economic Development Act 2012</i> (the ED Act)</li> <li>monitor and report to MEDQ about the performance of MEDQ's functions or exercise of MEDQ's powers by entities (including the board) to whom the functions or powers are delegated</li> <li>ensure MEDQ adopts best practice corporate governance and financial management and accountability arrangements</li> <li>perform the functions and exercising the powers of MEDQ delegated under the ED Act.</li> </ul>  |                          |  |  |                             |
| Achievements   | <p>Key achievements for 2019–2020 include:</p> <ul style="list-style-type: none"> <li>regular review of the performance of EDQ's industrial and residential portfolios to ensure optimum financial and community outcomes</li> <li>approval of the EDQ Business Plan for 2019–2023 and monitoring its implementation</li> <li>regular oversight of EDQ's WHS activities</li> <li>provision of strategic input to the delivery of development projects including Northshore Hamilton, Gold Coast Health and Knowledge Precinct and Carseldine Urban Village</li> <li>guide the development of the Developer Charges and Offsets Plan for Yeronga and Fitzgibbon PDAs</li> <li>monitor the financial sustainability of infrastructure funding and provision for key PDAs</li> <li>provision of input to EDQ's economic development activities in response to the COVID-19 crisis</li> <li>review commercial proposals for key development projects</li> <li>review enterprise and project-related risks.</li> </ul> |                          |  |  |                             |
| Financial reporting  | Annual financial performance data is incorporated into the departmental audited annual financial statements.  |                          |  |  |                             |
| Remuneration: Members are not remunerated and sitting fees are not paid. Out-of-pocket expenses are not paid to members. |   |                          |  |  |                             |
| <b>Position</b>  | <b>Name</b>   | <b>Meetings attended</b> | <b>Approved annual, sessional or daily fee</b> | <b>Approved sub-committee fees if applicable</b> | <b>Actual fees received</b> |
| Chair  | Director-General, DSDTI   | 7                        | N/A  | N/A  | N/A                         |
| Member   | Under Treasurer, Queensland Treasury  | 7                        | N/A  | N/A  | N/A                         |
| Member   | Director-General, Department of the Premier and Cabinet   | 7                        | N/A  | N/A  | N/A                         |
| Member   | Liza Carroll  | 7                        | N/A  | N/A  | N/A                         |
| No. scheduled meetings/sessions  | 7   |                          |  |  |                             |
| Total out-of-pocket expenses   | Nil   |                          |  |  |                             |

| <b>International Education and Training Advisory Group</b>   |   |                          |  |  |                             |
|--|---|--------------------------|--|--|-----------------------------|
| Act or instrument  | <i>Trade and Investment Queensland Act 2013</i>   |                          |  |  |                             |
| Functions  | To provide independent advice to the Queensland Government on international education and training in Queensland, guide the delivery of the International Education and Training (IET) Strategy, and oversee the development of initiatives and programs to improve the competitiveness of Queensland's international education and training industry.  |                          |  |  |                             |
| Achievements   | Key achievements for 2019–2020 include: <ul style="list-style-type: none"> <li>• rapidly pivoted to provide a voice for the IET sector during COVID-19</li> <li>• informed the design of the immediate industry recovery package for the IET sector</li> <li>• informed the design of the refreshed IET Strategy including flagship initiatives such as the Study Queensland Talent Program</li> <li>• successfully advocated for policy change in the interest of the sector.</li> </ul> |                          |  |  |                             |
| Financial reporting  | Annual financial performance data is incorporated into the departmental audited annual financial statements.  |                          |  |  |                             |
| Remuneration: Members are not remunerated and sitting fees are not paid. Out-of-pocket expenses are paid to members. |   |                          |  |  |                             |
| <b>Position</b>  | <b>Name</b>   | <b>Meetings attended</b> | <b>Approved annual, sessional or daily fee</b> | <b>Approved sub-committee fees if applicable</b> | <b>Actual fees received</b> |
| Member   | Minister for State Development, Tourism and Innovation  | 3                        | N/A  | N/A  | N/A                         |
| Member   | Chair, TIQ  | 2                        | N/A  | N/A  | N/A                         |
| Member   | Phil Honeywood  | 3                        | N/A  | N/A  | N/A                         |
| Member   | Peter Hoj   | 3                        | N/A  | N/A  | N/A                         |
| Member   | Carol Doyle   | 3                        | N/A  | N/A  | N/A                         |
| Member   | Kathleen Newcombe   | 2                        | N/A  | N/A  | N/A                         |
| Member   | Karen Spiller   | 3                        | N/A  | N/A  | N/A                         |
| Member   | Richard Brown   | 2                        | N/A  | N/A  | N/A                         |
| Member   | Sarah Todd  | 2                        | N/A  | N/A  | N/A                         |
| Member   | Nick Klomp  | 2                        | N/A  | N/A  | N/A                         |
| Member   | Melissa Banks   | 2                        | N/A  | N/A  | N/A                         |
| Member   | Rachel Colaso   | 2                        | N/A  | N/A  | N/A                         |
| No. scheduled meetings/sessions  | 3   |                          |  |  |                             |
| Total out-of-pocket expenses   | \$5000  |                          |  |  |                             |

| <b>North Queensland Defence Advisory Board</b>  |   |                   |   |   |                      |
|---|---|-------------------|---|---|----------------------|
| Act or instrument   | Cabinet. Terms of Reference established.  |                   |   |   |                      |
| Functions   | To provide advice to the Queensland Government, through the Queensland Minister's Advisory Council on Defence Industry and Jobs, on defence industry development and investment attraction in North Queensland, to capitalise on Queensland's defence industry capabilities and drive sustainable economic and employment growth outcomes for the state.  |                   |   |   |                      |
| Achievements  | <p>Key achievements for 2019–2020 include:</p> <ul style="list-style-type: none"> <li>provided strategic oversight of the Defence Industry Hub – Townsville, an initiative of the <i>Queensland Defence Industries 10-Year Roadmap and Action Plan</i>, endorsing the focus for the next 12 months</li> <li>identified cyber security challenges in defence industry supply chains particularly for SMEs, endorsing the department's approach to support SME awareness and capability development</li> <li>participated in key North Queensland briefings to support priority defence initiatives including Australia Singapore Military Training Initiative and Australia's engagement with the Indo-Pacific</li> <li>endorsed the North Queensland 12 month action plan to grow the defence industry and target expansion opportunities for the Australian Defence Force in North Queensland</li> <li>provided advice to the department on industry interest in major defence projects and Queensland's investment in a site for the test, trial and evaluation of unmanned aerial vehicles.</li> </ul> |                   |   |   |                      |
| Financial reporting   | The operating and administrative costs associated with the board are paid by the department, which reports its financial statements annually.   |                   |   |   |                      |
| Remuneration: The chair and members of the board are remunerated in accordance with the government's <i>Remuneration Procedures for Part-time Chairs and Members of Queensland Government Bodies at Regulation, Administration and Advice, Level 3</i> . All necessary and reasonable out-of-pocket expenses associated with meeting attendance are born by the department. |   |                   |   |   |                      |
| Position  | Name  | Meetings attended | Approved annual, sessional or daily fee | Approved sub-committee fees if applicable | Actual fees received |
| Chair   | Ranee Crosby  | 1                 | \$390 daily fee                         | N/A                                       | \$390                |
| Member  | Isabelle Yates  | 1                 | \$300 daily fee                         | N/A                                       | -                    |
| Member  | Kari Arbouin  | 1                 | \$300 daily fee                         | N/A                                       | \$300                |
| Member  | Deputy Director-General, State Development, DSDTI   | 1                 | N/A                                     | N/A                                       | N/A                  |
| Member  | Raelene Caulley   | 1                 | \$300 daily fee                         | N/A                                       | \$300                |
| Member  | Cathy Weis  | 1                 | \$300 daily fee                         | N/A                                       | \$300                |
| Member  | Olav Groot  | 1                 | \$300 daily fee                         | N/A                                       | \$300                |
| Member  | Bryan Smith   | 1                 | \$300 daily fee                         | N/A                                       | \$300                |
| No. scheduled meetings/sessions   | 1   |                   |   |   |                      |
| Total out-of-pocket expenses  | \$49.35   |                   |   |   |                      |

| <b>South Queensland Defence Advisory Board</b>  |   |                   |   |   |                      |
|---|---|-------------------|---|---|----------------------|
| Act or instrument   | Cabinet. Terms of Reference established.  |                   |   |   |                      |
| Functions   | To provide advice to the Queensland Government, through the Queensland Minister's Advisory Council on Defence Industry and Jobs, on defence industry development and investment attraction in South Queensland, to capitalise on Queensland's defence industry capabilities and drive sustainable economic and employment growth outcomes for the state.  |                   |   |   |                      |
| Achievements  | <p>Key achievements for 2019–2020 include:</p> <ul style="list-style-type: none"> <li>provided strategic oversight of the Defence Industry Hub – Ipswich, an initiative of the <i>Queensland Defence Industries 10-Year Roadmap and Action Plan</i>, endorsing the focus for the next 12 months</li> <li>identified cyber security challenges in defence industry supply chains particularly for SMEs, endorsing the department's approach to support SME awareness and capability development</li> <li>provided advice to the department on industry interest in major defence projects and Queensland's investment in a site for the test, trial and evaluation of unmanned aerial vehicles.</li> </ul> |                   |   |   |                      |
| Financial reporting   | The operating and administrative costs associated with the board are paid by the department, which reports its financial statements annually.   |                   |   |   |                      |
| Remuneration: The chair and members of the board are remunerated in accordance with the government's <i>Remuneration Procedures for Part-time Chairs and Members of Queensland Government Bodies at Regulation, Administration and Advice, Level 3</i> . All necessary and reasonable out-of-pocket expenses associated with meeting attendance are born by the department. |   |                   |   |   |                      |
| Position  | Name  | Meetings attended | Approved annual, sessional or daily fee | Approved sub-committee fees if applicable | Actual fees received |
| Chair   | Sarah Earey   | 1                 | \$390 daily fee                         | N/A                                       | \$390                |
| Member  | Sharon Swan   | 1                 | \$300 daily fee                         | N/A                                       | \$300                |
| Member<br>(10 January 2020 to 26 June 2020)   | Linda-Anne Griffiths  | 1                 | \$300 daily fee                         | N/A                                       | \$300                |
| Member  | Sandra Brodie   | 1                 | \$300 daily fee                         | N/A                                       | \$300                |
| Member  | Mark Strambi  | 1                 | \$300 daily fee                         | N/A                                       | -                    |
| Member  | Robert Brett  | 1                 | \$300 daily fee                         | N/A                                       | \$300                |
| Member  | Bernadette McIntyre   | 1                 | \$300 daily fee                         | N/A                                       | \$390                |
| Member  | Andrew Sanderson  | 1                 | \$300 daily fee                         | N/A                                       | \$300                |
| Member  | Deputy Director-General, State Development, DSDTI   | 1                 | N/A                                     | N/A                                       | N/A                  |
| No. scheduled meetings/sessions   | 1   |                   |   |   |                      |
| Total out-of-pocket expenses  | \$85.75   |                   |   |   |                      |



| Queensland Minister's Advisory Council on Defence Industry and Jobs   |  |                   |   |   |                      |
|---|--|-------------------|---|---|----------------------|
| Act or instrument   | Cabinet. Terms of Reference established.   |                   |   |   |                      |
| Functions   | To provide high-level policy and strategic advice to the Queensland Government on defence industry development and investment attraction, to capitalise on Queensland's defence industry capabilities and drive sustainable economic and employment growth outcomes for the state.   |                   |   |   |                      |
| Achievements  | <p>Key achievements in 2019–2020 include:</p> <ul style="list-style-type: none"> <li>• advised the Minister on defence priorities, engagement with the Australian Government and opportunities for the Queensland defence industry, in the recovery phase of COVID-19, to drive economic growth and job creation</li> <li>• advised on opportunities to leverage Queensland's industry strengths and capabilities to support the objectives of the Australian Defence Force including major defence projects such as Land 400, Queensland's investment in a site for the test, trial and evaluation of unmanned aerial vehicles, and its leadership in trusted autonomous systems</li> <li>• participated in briefings including the ethics of autonomy in the defence context, trusted autonomous systems and hypersonics in the defence context</li> <li>• considered opportunities to strengthen Queensland defence industry's cyber capabilities and discussed industry views on skilling and career pathways</li> <li>• provided oversight of the North Queensland and South Queensland Defence Advisory Boards.</li> </ul> |                   |   |   |                      |
| Financial reporting   | The operating and administrative costs associated with the board are paid by the department, which reports its financial statements annually.  |                   |   |   |                      |
| Remuneration: The chair and members of the board are remunerated in accordance with the government's <i>Remuneration Procedures for Part-time Chairs and Members of Queensland Government Bodies at Regulation, Administration and Advice, Level 3</i> . All necessary and reasonable out-of-pocket expenses associated with meeting attendance are born by the department. |  |                   |   |   |                      |
| Position  | Name   | Meetings attended | Approved annual, sessional or daily fee | Approved sub-committee fees if applicable | Actual fees received |
| Member  | Minister for State Development, Tourism and Innovation   | 1                 | N/A                                     | N/A                                       | N/A                  |
| Member  | Director-General, DSDTI  | 0                 | N/A                                     | N/A                                       | N/A                  |
| Member  | Deputy Director-General, State Development, DSDTI  | 2                 | N/A                                     | N/A                                       | N/A                  |
| Member  | Aerospace Queensland Strategic Defence Advisor   | 2                 | N/A                                     | N/A                                       | N/A                  |
| Member  | Sea Queensland Strategic Defence Advisor   | 2                 | N/A                                     | N/A                                       | N/A                  |
| Member  | Land Queensland Strategic Defence Advisor  | 2                 | N/A                                     | N/A                                       | N/A                  |
| Member  | Sue Keay   | 1                 | \$300 daily fee                         | N/A                                       | -                    |
| Member  | Emma Thomas  | 1                 | \$300 daily fee                         | N/A                                       | -                    |
| Member  | Carl Quarterman  | 2                 | \$300 daily fee                         | N/A                                       | \$600                |

|   |   |   |                 |     |       |
|---|---|---|-----------------|-----|-------|
| Member  | Andy Keough   | 2 | \$300 daily fee | N/A | \$600 |
| Member  | Gary Stewart  | 2 | \$300 daily fee | N/A | \$600 |
| Member  | Sarah Earey   | 1 | \$300 daily fee | N/A | \$300 |
| Member  | Karen Stanton   | 2 | \$300 daily fee | N/A | \$600 |
| Member  | Scott Carpendale  | 1 | N/A             | N/A | N/A   |
| Member  | Ranee Crosby  | 1 | \$300 daily fee | N/A | \$300 |
| Member  | Deanne Barnett  | 1 | \$300 daily fee | N/A | -     |
| Chair<br>(17 August 2018 to<br>31 July 2019)  | Minister for State<br>Development,<br>Manufacturing,<br>Infrastructure and<br>Planning  | 1 | N/A             | N/A | N/A   |
| Member<br>(17 August 2018 to<br>31 July 2019) | Director-General,<br>Department of State<br>Development,<br>Manufacturing,<br>Infrastructure and<br>Planning  | 1 | N/A             | N/A | N/A   |
| Member<br>(17 August 2018 to<br>31 July 2019) | Brendan Sargent   | 1 | \$300 daily fee | N/A | -     |
| Member<br>(17 August 2018 to<br>31 July 2019) | Darren Edwards  | 1 | N/A             | N/A | N/A   |
| No. scheduled<br>meetings/sessions            | 2 meetings:<br><ul style="list-style-type: none"> <li>• 25 July 2019 (Inaugural membership 17 August 2018 to 31 July 2019)</li> <li>• 16 June 2020</li> </ul> |   |                 |     |       |
| Total out-of-pocket<br>expenses               | \$675.02  |   |                 |     |       |

| <b>Townsville Industrial Development Board</b>   |  |                   |   |   |                      |
|--|--|-------------------|---|---|----------------------|
| Act or instrument  | Townsville City Deal   |                   |   |   |                      |
| Functions  | <p>A commitment was made under the Townsville City Deal to establish the Industrial Development Board for Townsville.</p> <p>The board will provide advice to the relevant decision-making authorities regarding potential and planned medium-to-heavy industrial projects and uses in the Townsville Region, and other matters relating to industry and economic development.</p>   |                   |   |   |                      |
| Achievements   | <p>Key achievements in 2019–2020 include:</p> <ul style="list-style-type: none"> <li>• contributed to the rezoning of Lansdown (from rural to heavy industry) to enable future development by Townsville City Council</li> <li>• supported the signing of a development agreement for 320 hectares of land in the Townsville State Development Area</li> <li>• supported the Port of Townsville Channel Capacity Widening Project</li> <li>• commenced preparation of an Investment Attraction Strategy</li> <li>• contributed to the Townsville Economic Gateway led by Townsville City Council.</li> </ul> |                   |   |   |                      |
| Financial reporting  | The operating and administrative costs associated with the board are paid by the department, which reports its financial statements annually.  |                   |   |   |                      |
| Remuneration: Members are not remunerated and sitting fees are not paid. Out-of-pocket expenses are paid to members. |  |                   |   |   |                      |
| Position   | Name   | Meetings attended | Approved annual, sessional or daily fee | Approved sub-committee fees if applicable | Actual fees received |
| Chair  | Director-General, DSDTI  | 2                 | N/A                                     | N/A                                       | N/A                  |
| Member   | Coordinator-General, DSDTI   | 2                 | N/A                                     | N/A                                       | N/A                  |
| Member   | Chief Executive Officer, Port of Townsville  | 2                 | N/A                                     | N/A                                       | N/A                  |
| Member   | Chief Executive Officer, Townsville City Council   | 2                 | N/A                                     | N/A                                       | N/A                  |
| Member   | Connie Navarro   | 1                 | N/A                                     | N/A                                       | N/A                  |
| Member   | Patrick Brady  | 2                 | N/A                                     | N/A                                       | N/A                  |
| Member   | Stephen Motti  | 2                 | N/A                                     | N/A                                       | N/A                  |
| Member   | Christopher Cocklin  | 2                 | N/A                                     | N/A                                       | N/A                  |
| Member   | Stephen Cantwell   | 2                 | N/A                                     | N/A                                       | N/A                  |
| No. scheduled meetings/sessions  | 2  |                   |   |   |                      |
| Total out-of-pocket expenses   | \$2333.32 grand total: \$1503.62 paid to date; \$829.70 outstanding for the 2019–2020 financial year   |                   |   |   |                      |

## Appendix 4: Contacts and locations

### HEAD OFFICE

1 William Street  
Brisbane QLD 4000

### Postal address

PO Box 15168  
Brisbane City East QLD 4002

### Phone

13 QGOV (13 74 68)  
International callers: +61 7  
3452 7144 (+10 hours UTC)

### Website

[www.dsdti.qld.gov.au](http://www.dsdti.qld.gov.au)

### The Precinct

Level 2 TC Beirne Building  
315 Brunswick Street  
Fortitude Valley QLD 4006  
(07) 3423 9500  
[team@oqce.qld.gov.au](mailto:team@oqce.qld.gov.au)

### REGIONS

#### Minjerribah Futures

Ground floor  
2/9 Ballow Road  
Dunwich QLD 4183  
(07) 3415 2820  
[minjerribahfutures@ditid.qld.gov.au](mailto:minjerribahfutures@ditid.qld.gov.au)

#### Far North Queensland

Ground Floor, Cairns Port  
Authority Building  
Corner of Grafton and Hartley  
Streets  
Cairns QLD 4870  
(07) 4037 3209  
[cairns@dsdmip.qld.gov.au](mailto:cairns@dsdmip.qld.gov.au)

#### Mackay Isaac Whitsunday

Level 4  
44 Nelson Street  
Mackay QLD 4740  
(07) 4898 6800  
[mackay@dsdmip.qld.gov.au](mailto:mackay@dsdmip.qld.gov.au)

#### North West Queensland

1/75 Camooweal Street  
Mount Isa QLD 4825  
(07) 4747 3900  
[nwq@dsdmip.qld.gov.au](mailto:nwq@dsdmip.qld.gov.au)

#### North Queensland

Level 4  
445 Flinders Street  
Townsville QLD 4810  
(07) 4758 3400  
[townsville.nqro@dsdmip.qld.gov.au](mailto:townsville.nqro@dsdmip.qld.gov.au)

#### Central Queensland

Level 1  
20-22 Herbert Street  
Gladstone QLD 4680  
(07) 4977 7400  
[gladstone@dsdmip.qld.gov.au](mailto:gladstone@dsdmip.qld.gov.au)

#### Bundaberg Burnett

Level 1  
7 Takalvan Street  
Bundaberg QLD 4670  
(07) 4331 5616  
[wbbregionalservices@dsdmip.qld.gov.au](mailto:wbbregionalservices@dsdmip.qld.gov.au)

#### Fraser Coast and Gympie

123 Wharf Street  
Maryborough QLD 4650  
(07) 4122 0417  
[fcgregional@dsdmip.qld.gov.au](mailto:fcgregional@dsdmip.qld.gov.au)

#### Darling Downs South West

128 Margaret Street  
Toowoomba QLD 4350  
(07) 4616 7307  
[toowoombasara@dsdmip.qld.gov.au](mailto:toowoombasara@dsdmip.qld.gov.au)

#### South East Queensland

**North – Maroochydore**  
Level 8, Mike Ahern Building  
12 First Avenue  
Maroochydore QLD 4558  
[sunshinecoast@dsdmip.qld.gov.au](mailto:sunshinecoast@dsdmip.qld.gov.au)

#### South East Queensland

##### North – North Lakes

6 Endeavour Boulevard  
North Lakes QLD 4509  
(07) 3882 8408  
[northlakes@dsdmip.qld.gov.au](mailto:northlakes@dsdmip.qld.gov.au)

##### South East Queensland

##### West – Ipswich

Level 4  
117 Brisbane Street  
Ipswich QLD 4305  
(07) 3432 2400  
[seqwest@dsdmip.qld.gov.au](mailto:seqwest@dsdmip.qld.gov.au)

##### South East Queensland

##### South – Gold Coast

Level 1  
7 Short Street  
Southport QLD 4215  
(07) 5644 3202  
[seq.south@dsdmip.qld.gov.au](mailto:seq.south@dsdmip.qld.gov.au)

### Feedback

The Department of the Premier and Cabinet is coordinating feedback on agency annual reports at [www.qld.gov.au/annualreportfeedback](http://www.qld.gov.au/annualreportfeedback)

## Appendix 5: Compliance checklist

| Summary of requirement                |  | Basis for requirement   | Annual report reference |
|---------------------------------------|--|---|-------------------------|
| Letter of compliance                  | <ul style="list-style-type: none"> <li>A letter of compliance from the accountable officer or statutory body to the relevant Minister/s</li> </ul> | ARRs – section 7  | Page 3                  |
| Accessibility                         | <ul style="list-style-type: none"> <li>Table of contents</li> <li>Glossary</li> </ul>  | ARRs – section 9.1  | Page 4<br>Pages 73-74   |
|                                       | <ul style="list-style-type: none"> <li>Public availability</li> </ul>  | ARRs – section 9.2  | Page 2                  |
|                                       | <ul style="list-style-type: none"> <li>Interpreter service statement</li> </ul>  | <i>Queensland Government Language Services Policy</i><br>ARRs – section 9.3 | Page 2                  |
|                                       | <ul style="list-style-type: none"> <li>Copyright notice</li> </ul>   | <i>Copyright Act 1968</i><br>ARRs – section 9.4                             | Page 2                  |
|                                       | <ul style="list-style-type: none"> <li>Information Licensing</li> </ul>  | <i>QGEA – Information Licensing</i><br>ARRs – section 9.5                   | Page 2                  |
| General information                   | <ul style="list-style-type: none"> <li>Introductory Information</li> </ul>   | ARRs – section 10.1   | Pages 5-7               |
|                                       | <ul style="list-style-type: none"> <li>Machinery of government changes</li> </ul>  | ARRs – section 10.2, 31 and 32  | Page 10                 |
|                                       | <ul style="list-style-type: none"> <li>Agency role and main functions</li> </ul>   | ARRs – section 10.2   | Page 10                 |
|                                       | <ul style="list-style-type: none"> <li>Operating environment</li> </ul>  | ARRs – section 10.3   | Pages 11-12             |
| Non-financial performance             | <ul style="list-style-type: none"> <li>Government's objectives for the community</li> </ul>  | ARRs – section 11.1   | Page 10                 |
|                                       | <ul style="list-style-type: none"> <li>Other whole-of-government plans/specific initiatives</li> </ul>   | ARRs – section 11.2   | Page 11                 |
|                                       | <ul style="list-style-type: none"> <li>Agency objectives and performance indicators</li> </ul>   | ARRs – section 11.3   | Pages 12-29             |
|                                       | <ul style="list-style-type: none"> <li>Agency service areas and service standards</li> </ul>   | ARRs – section 11.4   | Pages 53-58             |
| Financial performance                 | <ul style="list-style-type: none"> <li>Summary of financial performance</li> </ul>   | ARRs – section 12.1   | Pages 29-31             |
| Governance – management and structure | <ul style="list-style-type: none"> <li>Organisational structure</li> </ul>   | ARRs – section 13.1   | Page 32                 |
|                                       | <ul style="list-style-type: none"> <li>Executive management</li> </ul>   | ARRs – section 13.2   | Pages 36-39             |
|                                       | <ul style="list-style-type: none"> <li>Government bodies (statutory bodies and other entities)</li> </ul>  | ARRs – section 13.3   | Page 44<br>Pages 59-67  |
|                                       | <ul style="list-style-type: none"> <li>Public Sector Ethics</li> </ul>   | <i>Public Sector Ethics Act 1994</i><br>ARRs – section 13.4                 | Page 48                 |
|                                       | <ul style="list-style-type: none"> <li>Human Rights</li> </ul>   | <i>Human Rights Act 2019</i><br>ARRs – section 13.5                         | Pages 42-44             |

| Summary of requirement                          | Basis for requirement   | Annual report reference   |
|---|---|---|
|   | <ul style="list-style-type: none"> <li>Queensland public service values</li> </ul>              | ARRs – section 13.6<br>Page 49  |
| Governance – risk management and accountability | <ul style="list-style-type: none"> <li>Risk management</li> </ul>                               | ARRs – section 14.1<br>Page 46  |
|   | <ul style="list-style-type: none"> <li>Audit committee</li> </ul>                               | ARRs – section 14.2<br>Pages 40-41  |
|   | <ul style="list-style-type: none"> <li>Internal audit</li> </ul>                                | ARRs – section 14.3<br>Page 44  |
|   | <ul style="list-style-type: none"> <li>External scrutiny</li> </ul>                             | ARRs – section 14.4<br>Pages 44-45  |
|   | <ul style="list-style-type: none"> <li>Information systems and recordkeeping</li> </ul>         | ARRs – section 14.5<br>Pages 46-47  |
| Governance – human resources                    | <ul style="list-style-type: none"> <li>Strategic workforce planning and performance</li> </ul>  | ARRs – section 15.1<br>Page 48  |
|   | <ul style="list-style-type: none"> <li>Early retirement, redundancy and retrenchment</li> </ul> | Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i><br>ARRs – section 15.2<br>Page 51 |
| Open Data                                       | <ul style="list-style-type: none"> <li>Statement advising publication of information</li> </ul> | ARRs – section 16<br>Page 2   |
|   | <ul style="list-style-type: none"> <li>Consultancies</li> </ul>                                 | ARRs – section 33.1<br><a href="https://data.qld.gov.au">https://data.qld.gov.au</a>                      |
|   | <ul style="list-style-type: none"> <li>Overseas travel</li> </ul>                               | ARRs – section 33.2<br><a href="https://data.qld.gov.au">https://data.qld.gov.au</a>                      |
|   | <ul style="list-style-type: none"> <li>Queensland Language Services Policy</li> </ul>           | ARRs – section 33.3<br><a href="https://data.qld.gov.au">https://data.qld.gov.au</a>                      |
| Financial statements                            | <ul style="list-style-type: none"> <li>Certification of financial statements</li> </ul>         | FAA – section 62<br>FPMS – sections 38, 39 and 46<br>ARRs – section 17.1<br>Part B – page 42              |
|   | <ul style="list-style-type: none"> <li>Independent Auditor's Report</li> </ul>                  | FAA – section 62<br>FPMS – section 46<br>ARRs – section 17.2<br>Part B – pages 43-46                      |

ARRs *Annual report requirements for Queensland Government agencies*

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

QGEA *Queensland Government Enterprise Architecture*

## Abbreviations

| Term     | Definition  |
|----------|---|
| ADaPT    | Advanced Design and Prototyping Technologies                                |
| AQ       | Advance Queensland  |
| AQIAF    | Advance Queensland Industry Attraction Fund                                 |
| ARC      | Audit and Risk Committee  |
| ARMC     | Audit and Risk Management Committee   |
| BoR      | Building our Regions program  |
| BQ       | Building Queensland   |
| CEPI     | Coalition for Epidemic Preparedness Innovation                              |
| CFO      | Chief Finance Officer   |
| CRC TiME | Cooperative Research Centre Transition in Mining Economies                  |
| CWA      | Connecting with Asia  |
| DCRC TAS | Defence Cooperative Research Centre for Trusted Autonomous Systems          |
| DES      | Department of Environment and Science                                       |
| DITID    | Department of Innovation and Tourism Industry Development                   |
| DRDM     | Department of Regional Development and Manufacturing                        |
| DSDTI    | Department of State Development, Tourism and Innovation                     |
| DSDMIP   | Department of State Development, Manufacturing, Infrastructure and Planning |
| EAP      | Employee Assistance Program   |
| EDQ      | Economic Development Queensland   |
| eDRMS    | electronic Document Records Management Systems                              |
| ELT      | Executive Leadership Team   |
| FAA      | <i>Financial Accountability Act 2009</i>                                    |
| FAMC     | Finance and Asset Management Committee                                      |
| FTE      | Full-time equivalents   |
| GC2018   | Gold Coast 2018 Commonwealth Games  |
| GOLDOC   | Gold Coast 2018 Commonwealth Games Corporation                              |
| HIA      | Head of Internal Audit  |
| HR Act   | <i>Human Rights Act 2019</i>  |
| IAS      | Internal Audit Services   |
| ICT      | Information and Communications Technology                                   |
| IET      | International Education and Training  |
| IFP      | Investment Facilitation and Partnerships                                    |
| IM       | Information Management  |
| ISP      | Industry Support Package  |
| ISC      | Information Steering Committee  |
| ISMS     | Information Security Management System                                      |

| Term      | Definition   |
|-----------|--|
| JRGF      | Jobs and Regional Growth Fund                                      |
| METS      | Mining equipment technology and services                           |
| MILVEHCOE | Military Vehicle Centre of Excellence                              |
| MOHRI     | Minimum Obligatory Human Resources Information                     |
| MRO       | Maintenance, Repair and Overhaul                                   |
| ODGEPC    | Office of the Director-General, Economic Policy and Communications |
| PCC       | People and Culture Committee                                       |
| PCYC      | Police-Citizens Youth Club   |
| PDA       | Priority Development Area  |
| PSC       | Public Service Commission  |
| QAO       | Queensland Audit Office  |
| QGEA      | Queensland Government Enterprise Architecture                      |
| RDA       | Rheinmetall Defence Australia                                      |
| SDA       | State Development Area   |
| SDS       | Service Delivery Statements  |
| SDPWO Act | <i>State Development and Public Works Organisation Act 1971</i>    |
| SLA       | Service Level Agreement  |
| SME       | Small and medium-sized enterprises                                 |
| SSRC Act  | <i>Strong and Sustainable Resource Communities Act 2017</i>        |
| TEQ       | Tourism and Events Queensland                                      |
| TIQ       | Trade and Investment Queensland                                    |
| UQ        | University of Queensland   |
| WHS       | Work health and safety   |
| WTS       | Worker Transition Scheme   |



# Glossary

| Term  | Description   |
|---|---|
| Administrative Arrangements Orders            | Set out the principal responsibilities of government ministers and their portfolios.  |
| Building our Regions                          | The Building our Regions program supports local government infrastructure projects in regional communities that create flow-on economic development opportunities and jobs. The program is focused on delivering more enduring economic outcomes for regional communities, targeting funding towards infrastructure that will improve economic conditions and liveability.  |
| Coordinated Project                           | A proponent of a project with one or more of the following characteristics may apply to have it declared a 'coordinated project' under the SDPWO Act: <ul style="list-style-type: none"> <li>• complex approval requirements, involving local, state and federal governments</li> <li>• significant environmental effects</li> <li>• strategic significance to the locality, region or state, including for the infrastructure, economic and social benefits, capital investment or employment opportunities it may provide</li> <li>• significant infrastructure requirements.</li> </ul>  |
| Cyber security                                | The protection of information assets (data and documents) and computer systems that are connected to the internet. Cyber security threats may include: <ul style="list-style-type: none"> <li>• gathering intelligence to support state-sponsored activities</li> <li>• cyber attacks that aim to destroy critical infrastructure</li> <li>• criminals using the internet to commit fraud and/or identity theft.</li> </ul>   |
| Environmental Impact Statement                | A document prepared to describe the potential impacts of a proposed activity on the environment, and ways to avoid, minimise or mitigate potential negative impacts of a project.   |
| Global Tourism Hub                            | Global Tourism Hubs are an integrated strategy for Queensland that incentivises the private sector to support the delivery of the government's policy objectives. Global Tourism Hubs are designed to: <ul style="list-style-type: none"> <li>• deliver world-class tourism infrastructure, accelerate tourism growth and support local infrastructure opportunities</li> <li>• develop integrated resorts with a broad range of tourist related facilities and attractions and other tourism infrastructure</li> <li>• provide high-quality accommodation and a range of experiences to support the government's broader tourism strategy to increase visitors' length of stay, spend per night and repeat visitation</li> <li>• deliver catalytic projects that support city building objectives and other complementary projects</li> <li>• optimise broader community gains including; regional jobs, investment and associated flow-on developments including enhancing public realm.</li> </ul> |
| Information Management Security System (ISMS) | An ISMS is comprised of the people, policies, processes and systems through which information assets (data and documents) are protected, in order to ensure their confidentiality, integrity and availability.  |
| Jobs and Regional Growth Fund                 | A \$175 million program that is part of the government's broader Jobs and Regional Growth Package targeted at growing regional economies and creating jobs for Queenslanders.<br><br>The fund is helping to facilitate private sector projects that create employment and economic growth opportunities in regional areas. The fund   |

| Term                      | Description   |
|---------------------------|---|
|                           | focuses primarily on regions outside South East Queensland however, projects located in all areas with higher than average unemployment may be considered.  |
| Machinery of government   | A machinery of government change occurs when the Queensland Government decides to change the way state responsibilities are managed. It can involve the movement of functions, resources and people from one agency to another.   |
| Pandemic                  | A global outbreak of a disease that meets three criteria: <ul style="list-style-type: none"> <li>• Humans have little or no pre-existing immunity to the causative pathogen.</li> <li>• Infection with the pathogen usually leads to disease in humans.</li> <li>• The pathogen has the capacity to spread efficiently from person-to-person.</li> </ul>  |
| Prescribed projects       | The Minister may, by gazette notice, declare a project to be a 'prescribed project'. A prescribed project is one that is of significance, particularly economically and socially, to Queensland or a region. In deciding whether to declare a prescribed project the Minister may consider: <ul style="list-style-type: none"> <li>• public interest</li> <li>• potential environmental effects</li> <li>• other matters considered relevant.</li> </ul> If a prescribed project is considered to be 'critical or essential' for economic, social or environmental reasons to Queensland, the Minister may also declare it a 'critical infrastructure project'. |
| Priority Development Area | A site declared by the state government to facilitate the development of land in Queensland for economic development or community purposes.   |
| Royalties for the Regions | A now-closed program that provided support for infrastructure projects that addressed identified local needs. The program was replaced by the BoR Program.  |
| State Development Area    | Clearly defined area of land established to promote economic development in Queensland. Development in these areas is overseen by the Coordinator-General.  |
| Social impact assessment  | A study that identifies the potential social impacts directly related to a project and proposes strategies to capitalise on social opportunities and to avoid, mitigate and manage the identified project impacts.<br>A social impact assessment generally covers: <ul style="list-style-type: none"> <li>• community and stakeholder engagement</li> <li>• workforce management</li> <li>• housing and accommodation</li> <li>• local business and industry content</li> <li>• health and community wellbeing.</li> </ul>  |
| Terms of Reference        | Describes the purpose and structure of a project, committee, meeting, negotiation or any similar collection of people who have agreed to work together to accomplish a shared goal.   |
| Whole-of-government       | A term used to refer to all Queensland Government departments and agencies.   |
| Whole-of-sector           | A term used to describe service providers, businesses and organisations that are part of the same sector.   |

**Department of State Development, Tourism and Innovation**  
**Financial Statements for the year ended 30 June 2020**

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**General information**

The Department of State Development, Tourism and Innovation (the department) is a Queensland Government department established under the *Public Service Act 2008* and controlled by the State of Queensland, which is the ultimate parent.

The head office and principal place of business of the department is Level 37, 1 William Street, Brisbane QLD 4000.

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

For information in relation to the department's financial statements please call +61 7 3452 6930, email [financedsdmip@dsgdmip.qld.gov.au](mailto:financedsdmip@dsgdmip.qld.gov.au) or visit the department's website <https://www.dsdti.qld.gov.au/>.

Department of State Development, Tourism and Innovation  
Statement of Comprehensive Income for the year ended 30 June 2020

|  |        | 2020           | 2020           | 2020           | 2019           |
|--|--------|----------------|----------------|----------------|----------------|
|  |        | Actual         | Original       | Budget         | Actual         |
|  | Note   | \$'000         | budget         | variance*      | \$'000         |
|  |        |                | \$'000         | \$'000         |                |
| <b>OPERATING RESULT</b>                              |        |                |                |                |                |
| <b>Income</b>  |        |                |                |                |                |
| Appropriation revenue                                | 4      | 217,307        | 222,270        | (4,963)        | 133,020        |
| User charges and fees                                | 5      | 3,929          | -              | 3,929          | -              |
| Land sales   |        | 1,135          | -              | 1,135          | -              |
| Interest   |        | 851            | -              | 851            | -              |
| Grants and other contributions revenue               | 6      | 7,796          | 2,259          | 5,537          | 4,552          |
| Other revenue  | 7      | 8,168          | -              | 8,168          | 12,591         |
|  |        | -              | -              | -              | -              |
| <b>Total revenue</b>                                 |        | <b>239,186</b> | <b>224,529</b> | <b>14,657</b>  | <b>150,163</b> |
| Gains on disposal and remeasurement of assets        |        | 449            | -              | 449            | -              |
| <b>Total income</b>                                  |        | <b>239,635</b> | <b>224,529</b> | <b>15,106</b>  | <b>150,163</b> |
| <b>Expenses</b>                                      |        |                |                |                |                |
| Supplies and services                                | 8      | 32,035         | 31,069         | 966            | 33,951         |
| Grants and contributions                             | 9      | 163,804        | 167,762        | (3,958)        | 79,957         |
| Employee expenses                                    | 10     | 34,715         | 24,908         | 9,807          | 26,076         |
| Revaluation decrement                                | 17, 18 | 45             | -              | 45             | -              |
| Finance/borrowing costs                              |        | 308            | -              | 308            | -              |
| Cost of land sales                                   | 16     | 1,030          | -              | 1,030          | -              |
| Depreciation and amortisation                        |        | 1,161          | 618            | 543            | 814            |
| Impairment losses                                    |        | -              | -              | -              | 61             |
| Land inventory written off                           | 16     | 2,906          | -              | 2,906          | -              |
| Other expenses                                       | 12     | 6,510          | 172            | 6,338          | 9,303          |
|  |        | -              | -              | -              | -              |
| <b>Total expenses</b>                                |        | <b>242,516</b> | <b>224,529</b> | <b>17,987</b>  | <b>150,163</b> |
| <b>Operating result before income tax equivalent</b> |        | <b>(2,881)</b> | <b>-</b>       | <b>(2,881)</b> | <b>-</b>       |
| Income tax equivalents                               | 20     | 876            | -              | 876            | -              |
| <b>Operating result after income tax equivalent</b>  |        | <b>(2,006)</b> | <b>-</b>       | <b>(2,006)</b> | <b>-</b>       |
| Increase/(decrease) in asset revaluation surplus     |        | 68             | -              | 68             | -              |
| <b>TOTAL OTHER COMPREHENSIVE INCOME</b>              |        | <b>68</b>      | <b>-</b>       | <b>68</b>      | <b>-</b>       |
|  |        | -              | -              | -              | -              |
| <b>TOTAL COMPREHENSIVE INCOME</b>                    |        | <b>(1,938)</b> | <b>-</b>       | <b>(1,938)</b> | <b>-</b>       |

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

Department of State Development, Tourism and Innovation  
Statement of Financial Position as at 30 June 2020

|                                      |      | 2020             | 2020         | 2020             | 2019          |
|--------------------------------------|------|------------------|--------------|------------------|---------------|
|                                      | Note | Actual           | Original     | Budget           | Actual        |
|                                      |      | \$'000           | budget       | variance*        | \$'000        |
|                                      |      |                  | \$'000       | \$'000           |               |
| <b>Current assets</b>                |      |                  |              |                  |               |
| Cash and cash equivalents            | 13   | 161,513          | 3,214        | 158,299          | 12,338        |
| Receivables                          | 14   | 74,749           | 2,333        | 72,416           | 3,369         |
| Land inventories                     | 16   | 44,494           | -            | 44,494           | -             |
| Other assets                         | 15   | 19,865           | 55           | 19,810           | 255           |
| <b>Total current assets</b>          |      | <b>300,620</b>   | <b>5,602</b> | <b>295,018</b>   | <b>15,963</b> |
| <b>Non-current assets</b>            |      |                  |              |                  |               |
| Receivables                          | 14   | 192,898          | -            | 192,898          | -             |
| Land inventories                     | 16   | 313,674          | -            | 313,674          | -             |
| Property, plant and equipment        | 17   | 283,479          | 1,945        | 281,534          | 4,777         |
| Right-of-use assets                  |      | 1,685            | -            | 1,685            | -             |
| Investment property                  | 18   | 226,975          | -            | 226,975          | -             |
| Intangible assets                    | 19   | 11,975           | -            | 11,975           | -             |
| Deferred tax equivalent asset        | 20   | 27,172           | -            | 27,172           | -             |
| Other assets                         | 15   | -                | 1,398        | (1,398)          | 1,427         |
| <b>Total non-current assets</b>      |      | <b>1,057,858</b> | <b>3,343</b> | <b>1,054,515</b> | <b>6,203</b>  |
| <b>Total assets</b>                  |      | <b>1,358,479</b> | <b>8,945</b> | <b>1,349,534</b> | <b>22,166</b> |
| <b>Current liabilities</b>           |      |                  |              |                  |               |
| Payables                             | 21   | 45,284           | 3,405        | 41,879           | 13,633        |
| Borrowings                           | 22   | 45,000           | -            | 45,000           | -             |
| Leases                               |      | 71               | -            | 71               | -             |
| Accrued employee benefits            |      | 3,972            | 916          | 3,056            | 1,002         |
| Provisions                           | 23   | 28,812           | -            | 28,812           | -             |
| Deferred tax equivalent liability    | 20   | 3,003            | -            | 3,003            | -             |
| Other liabilities                    | 24   | 21,319           | 339          | 20,980           | 2,025         |
| <b>Total current liabilities</b>     |      | <b>147,461</b>   | <b>4,660</b> | <b>142,801</b>   | <b>16,660</b> |
| <b>Non-current liabilities</b>       |      |                  |              |                  |               |
| Payables                             | 21   | 19,524           | -            | 19,524           | -             |
| Borrowings                           | 22   | 118,146          | -            | 118,146          | -             |
| Leases                               |      | 334              | -            | 334              | -             |
| Provisions                           | 23   | 53,392           | -            | 53,392           | -             |
| Deferred tax equivalent liability    | 20   | 86,810           | -            | 86,810           | -             |
| Other liabilities                    | 24   | 4,000            | -            | 4,000            | 3,218         |
| <b>Total non-current liabilities</b> |      | <b>282,205</b>   | <b>-</b>     | <b>282,205</b>   | <b>3,218</b>  |
| <b>Total liabilities</b>             |      | <b>429,667</b>   | <b>4,660</b> | <b>425,007</b>   | <b>19,878</b> |
| <b>Net assets</b>                    |      | <b>928,812</b>   | <b>4,285</b> | <b>924,527</b>   | <b>2,288</b>  |
| <b>Equity</b>                        |      |                  |              |                  |               |
| Contributed equity                   |      | 927,945          | 4,085        | 923,860          | 2,087         |
| Accumulated surplus/(deficit)        |      | 799              | 200          | 599              | 201           |
| Asset revaluation surplus            |      | 68               | -            | 68               | -             |
| <b>Total Equity</b>                  |      | <b>928,812</b>   | <b>4,285</b> | <b>924,527</b>   | <b>2,288</b>  |

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

Department of State Development, Tourism and Innovation  
Statement of Changes in Equity for the year ended 30 June 2020

|   | Note | Contributed<br>Equity<br>\$'000 | Accumulated<br>Surplus/(Deficit)<br>\$'000 | Revaluation<br>Surplus<br>\$'000 | Total<br>\$'000 |
|---|------|---------------------------------|--|----------------------------------|-----------------|
| <b>Balance as at 1 July 2018</b>                                    |      | <u>2,050</u>                    | <u>201</u>                                 | <u>-</u>                         | <u>2,251</u>    |
| <b>Operating Result</b>   |      | -                               | -  | -                                | -               |
| <b>Total Comprehensive Income for the Year</b>                      |      | -                               | -  | -                                | -               |
| <b>Transactions with Owners as Owners:</b>                          |      |                                 |  |                                  |                 |
| Appropriated equity injections                                      | 4    | 716                             | -  | -                                | 716             |
| Appropriated equity withdrawals                                     | 4    | (541)                           | -  | -                                | (541)           |
| Net transfers in/(out) from other Queensland Government entities    |      | (138)                           | -  | -                                | (138)           |
| <b>Net Transactions with Owners as Owners</b>                       |      | <u>37</u>                       | <u>-</u>                                   | <u>-</u>                         | <u>37</u>       |
| <b>Balance as at 30 June 2019</b>                                   |      | <u>2,087</u>                    | <u>201</u>                                 | <u>-</u>                         | <u>2,288</u>    |
| Net effect of changes in accounting policies                        | 1    | -                               | 2,604                                      | -                                | 2,604           |
| <b>Balance as at 1 July 2019</b>                                    |      | <u>2,087</u>                    | <u>2,805</u>                               | <u>-</u>                         | <u>4,892</u>    |
| <b>Operating Result</b>   |      |                                 |  |                                  |                 |
| Operating result from continuing operations                         |      | -                               | (2,006)                                    | -                                | (2,006)         |
| <b>Other comprehensive income</b>                                   |      |                                 |  |                                  |                 |
| Increase/(decrease) in asset revaluation surplus                    |      | -                               | -  | 68                               | 68              |
| <b>Total Comprehensive Income for the Year</b>                      |      | <u>-</u>                        | <u>(2,006)</u>                             | <u>68</u>                        | <u>(1,938)</u>  |
| <b>Transactions with Owners as Owners:</b>                          |      |                                 |  |                                  |                 |
| Appropriated equity injections                                      | 4    | 186                             | -  | -                                | 186             |
| Appropriated equity withdrawals                                     | 4    | (427)                           | -  | -                                | (427)           |
| Net transfers in/(out) from other Queensland Government entities    |      | 1,080                           | -  | -                                | 1,080           |
| Balance transferred in/(out) through machinery-of-Government change | 3    | 929,141                         | -  | -                                | 929,141         |
| Non-appropriated equity withdrawals                                 |      | (4,122)                         | -  | -                                | (4,122)         |
| <b>Net Transactions with Owners as Owners</b>                       |      | <u>925,858</u>                  | <u>-</u>                                   | <u>-</u>                         | <u>925,858</u>  |
| <b>Balance as at 30 June 2020</b>                                   |      | <u>927,945</u>                  | <u>799</u>                                 | <u>68</u>                        | <u>928,812</u>  |

The accompanying notes form part of these financial statements.

Department of State Development, Tourism and Innovation  
Statement of Cash Flows for the year ended 30 June 2020

|   | Note | 2020<br>Actual<br>\$'000 | 2020<br>Original<br>budget<br>\$'000 | 2020<br>Budget<br>variance*<br>\$'000 | 2019<br>Actual<br>\$'000 |
|---|------|--------------------------|--------------------------------------|---------------------------------------|--------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                         |      |                          |                                      |                                       |                          |
| <i>Inflows:</i>   |      |                          |                                      |                                       |                          |
| Appropriation receipts  | 4    | 171,369                  | 220,036                              | (48,667)                              | 86,555                   |
| User charges and fees   |      | 6,764                    | -                                    | 6,764                                 | -                        |
| Land sales  |      | 1,135                    | -                                    | 1,135                                 | -                        |
| Grants and other contributions revenue                              |      | 8,761                    | 100                                  | 8,661                                 | 4,338                    |
| GST input tax credits from ATO                                      |      | 3,405                    | -                                    | 3,405                                 | 9,763                    |
| GST collected from customers  |      | 1,381                    | -                                    | 1,381                                 | 439                      |
| Interest receipts   |      | 866                      | -                                    | 866                                   | -                        |
| Other inflows   |      | 11,728                   | 43                                   | 11,685                                | 12,983                   |
| <i>Outflows:</i>  |      |                          |                                      |                                       |                          |
| Supplies and services   |      | (32,603)                 | (31,177)                             | (1,426)                               | (35,325)                 |
| Employee expenses   |      | (33,228)                 | (22,835)                             | (10,393)                              | (23,860)                 |
| Grants and contributions  |      | (153,121)                | (167,779)                            | 14,658                                | (144,371)                |
| GST paid to suppliers   |      | (4,854)                  | -                                    | (4,854)                               | (10,701)                 |
| GST remitted to ATO   |      | (811)                    | -                                    | (811)                                 | -                        |
| Finance/borrowing costs   |      | (169)                    | -                                    | (169)                                 | -                        |
| Income tax equivalents  |      | (875)                    | -                                    | (875)                                 | -                        |
| Other outflows  |      | (23,007)                 | (1,129)                              | (21,878)                              | (595)                    |
| <b>Net cash provided by/(used in) operating activities</b>          |      | <b>(43,259)</b>          | <b>(2,741)</b>                       | <b>(40,518)</b>                       | <b>(100,774)</b>         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                         |      |                          |                                      |                                       |                          |
| <i>Inflows:</i>   |      |                          |                                      |                                       |                          |
| Sales of property, plant and equipment                              |      | 1,150                    | -                                    | 1,150                                 | -                        |
| Loans and advances redeemed   |      | 2,243                    | -                                    | 2,243                                 | -                        |
| <i>Outflows:</i>  |      |                          |                                      |                                       |                          |
| Payments for property, plant and equipment                          |      | (2,809)                  | -                                    | (2,809)                               | (718)                    |
| Payments for investments  |      | (221)                    | -                                    | (221)                                 | -                        |
| Payments for intangibles  |      | (73)                     | -                                    | (73)                                  | -                        |
| Loans and advances made   |      | (178)                    | -                                    | (178)                                 | -                        |
| <b>Net cash provided by/(used in) investing activities</b>          |      | <b>112</b>               | <b>-</b>                             | <b>112</b>                            | <b>(718)</b>             |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                         |      |                          |                                      |                                       |                          |
| <i>Inflows:</i>   |      |                          |                                      |                                       |                          |
| Equity injections   |      | 902                      | -                                    | 902                                   | -                        |
| Proceeds from borrowings  |      | 932                      | (200)                                | 1,132                                 | -                        |
| <i>Outflows:</i>  |      |                          |                                      |                                       |                          |
| Equity withdrawals - appropriated                                   |      | (427)                    | (427)                                | -                                     | (541)                    |
| Equity withdrawals - non-appropriated                               |      | (4,122)                  | -                                    | (4,122)                               | -                        |
| Borrowing redemptions   |      | (830)                    | -                                    | (830)                                 | -                        |
| <b>Net cash provided by/(used in) financing activities</b>          |      | <b>(3,545)</b>           | <b>(627)</b>                         | <b>(2,918)</b>                        | <b>(541)</b>             |
| Net increase/(decrease) in cash and cash equivalents                |      | (46,693)                 | (3,368)                              | (43,325)                              | (102,033)                |
| Increase/(decrease) in cash and cash equivalents from restructuring |      | 195,868                  | -                                    | 195,868                               | -                        |
| Cash and Cash Equivalents – opening balance                         |      | 12,338                   | 6,582                                | 5,756                                 | 114,371                  |
| <b>Cash and Cash Equivalents – closing balance</b>                  | 13   | <b>161,513</b>           | <b>3,214</b>                         | <b>158,299</b>                        | <b>12,338</b>            |

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

Notes to the Statement of Cash Flows for the year ended 30 June 2020

Reconciliation of operating result to net cash provided by operating activities

|   | 2020<br>\$'000  | 2019<br>\$'000   |
|---|-----------------|------------------|
| Operating surplus/(deficit)   | (2,006)         | -                |
| <i>Non-cash items included in operating result:</i>                             |                 |                  |
| Depreciation and amortisation expense   | 1,161           | 814              |
| Net gain on disposal of property, plant and equipment and intangible assets     | 5               | 237              |
| Net goods and service received below fair value                                 | (12)            | -                |
| Impairment loss reversals - receivables   | -               | 61               |
| Revaluation increment   | (404)           | -                |
| Notional Interest   | (300)           | -                |
| Other non-cash items  | (380)           | (1,411)          |
| <i>Change in assets and liabilities</i>   |                 |                  |
| (Increase)/decrease in appropriation revenue receivable                         | (35,082)        | 975              |
| (Increase)/decrease in equity injection receivable                              | -               | (716)            |
| (Increase)/decrease in receivables  | 4,110           | -                |
| (Increase)/decrease in other current receivables                                | 3               | 2                |
| (Increase)/decrease in trade debtors excluding appropriation revenue receivable | (453)           | 2,504            |
| (Increase)/decrease in other current assets                                     | (4,420)         | (42)             |
| (Increase)/decrease in other non-current assets                                 | 45              | 343              |
| (Increase)/decrease in LSL levy reimbursement receivables                       | 91              | (13)             |
| (Increase)/decrease in annual leave levy reimbursement receivables              | 316             | (91)             |
| (Increase)/decrease in inventories  | (1,967)         | -                |
| (Increase)/decrease in deferred tax   | (876)           | -                |
| (Increase)/decrease in prepayments  | (498)           | -                |
| Increase/(decrease) in payables   | 7,856           | (1,646)          |
| Increase/(decrease) in accrued employee benefits                                | (410)           | 78               |
| (Increase)/decrease in other current liabilities                                | (1,006)         | 1,571            |
| (Increase)/decrease in other non-current liabilities                            | -               | (188)            |
| (Increase)/decrease in GST receivables  | (976)           | 184              |
| (Increase)/decrease in GST payable  | -               | (4)              |
| (Increase)/decrease in appropriation payable to Consolidated Fund               | (10,856)        | (39,018)         |
| (Increase)/decrease in grants payable   | 10,471          | (64,413)         |
| Increase/(decrease) in other liabilities  | (9,126)         | -                |
| Increase/(decrease) in provisions   | 1,455           | -                |
| Net cash provided by operating activities                                       | <u>(43,259)</u> | <u>(100,774)</u> |

Changes in liabilities arising from financing activities

| 2020                     | <u>Non-Cash Changes</u>   |   |                                  |                 | <u>Cash Flows</u>       |                              | Closing Balance<br>\$'000 |
|--------------------------|---------------------------|---|----------------------------------|-----------------|-------------------------|------------------------------|---------------------------|
|                          | Opening Balance<br>\$'000 | Transfers due to<br>machinery-of-<br>Government<br>change into <sup>1</sup><br>\$'000 | New leases<br>acquired<br>\$'000 | Other<br>\$'000 | Cash Received<br>\$'000 | Cash<br>Repayments<br>\$'000 |                           |
| QTC borrowings (Note 22) | -                         | 163,104   | -                                | (61)            | 932                     | (830)                        | 163,146                   |
| <b>Total</b>             | <u>-</u>                  | <u>163,104</u>  | <u>-</u>                         | <u>(61)</u>     | <u>932</u>              | <u>(830)</u>                 | <u>163,146</u>            |

There were no liabilities arising from financing activities in the 2018-19 reporting period.

Non-cash investing and financing activities

Assets and liabilities received by the department as a result of a machinery-of-Government change are set out in Note 3.

<sup>1</sup> For details for machinery-of-Government change, please refer to Note 3.



Department of State Development, Tourism and Innovation  
Statement of Comprehensive Income by Major Departmental Services and Commercialised Business Unit for the year ended 30 June 2020

|  | Develop the Economy <sup>1</sup> |                | Business and Economic Growth <sup>1 2</sup> |                | Advancing Queensland through Innovation |                |
|--|----------------------------------|----------------|---|----------------|---|----------------|
|  | 2020<br>\$'000                   | 2019<br>\$'000 | 2020<br>\$'000                              | 2019<br>\$'000 | 2020<br>\$'000                          | 2019<br>\$'000 |
| <b>Income</b>  |                                  |                |   |                |   |                |
| Appropriation revenue                                | 32,022                           | -              | -   | -              | 64,404                                  | 70,393         |
| User charges and fees                                | 2,188                            | -              | 276   | -              | 1,715                                   | -              |
| Land sales   | -                                | -              | 1,135                                       | -              | -                                       | -              |
| Interest   | -                                | -              | 851   | -              | -                                       | -              |
| Grants and other contributions revenue               | 26                               | -              | -   | -              | 1,339                                   | 875            |
| Other revenue  | 8,129                            | -              | 2,326                                       | -              | 18                                      | 2,098          |
| <b>Total revenue</b>                                 | <b>42,365</b>                    | <b>-</b>       | <b>4,588</b>                                | <b>-</b>       | <b>67,477</b>                           | <b>73,365</b>  |
| Gains on disposal and remeasurement of assets        | -                                | -              | 449   | -              | -                                       | -              |
| <b>Total income</b>                                  | <b>42,365</b>                    | <b>-</b>       | <b>5,037</b>                                | <b>-</b>       | <b>67,477</b>                           | <b>73,365</b>  |
| <b>Expenses</b>                                      |                                  |                |   |                |   |                |
| Supplies and services                                | 6,112                            | -              | 1,666                                       | -              | 13,927                                  | 13,147         |
| Grants and contributions                             | 21,645                           | -              | 616   | -              | 40,865                                  | 38,141         |
| Employee expenses                                    | 6,139                            | -              | 1,503                                       | -              | 11,414                                  | 12,152         |
| Revaluation decrement                                | -                                | -              | 45  | -              | -                                       | -              |
| Finance/borrowing costs                              | 139                              | -              | 169   | -              | -                                       | -              |
| Cost of land sales                                   | -                                | -              | 1,030                                       | -              | -                                       | -              |
| Depreciation and amortisation                        | 64                               | -              | 19  | -              | 1,044                                   | 799            |
| Impairment losses                                    | -                                | -              | -   | -              | 38                                      | 33             |
| Land inventory written off                           | -                                | -              | 2,906                                       | -              | -                                       | -              |
| Other expenses                                       | 8,229                            | -              | -   | -              | 189                                     | 9,008          |
| <b>Total expenses</b>                                | <b>42,328</b>                    | <b>-</b>       | <b>7,955</b>                                | <b>-</b>       | <b>67,477</b>                           | <b>73,280</b>  |
| <b>Operating result before income tax equivalent</b> | <b>37</b>                        | <b>-</b>       | <b>(2,918)</b>                              | <b>-</b>       | <b>-</b>                                | <b>85</b>      |
| Income tax equivalents                               | -                                | -              | 876   | -              | -                                       | -              |
| <b>Operating result after income tax equivalent</b>  | <b>37</b>                        | <b>-</b>       | <b>(2,043)</b>                              | <b>-</b>       | <b>-</b>                                | <b>85</b>      |
| <b>TOTAL OTHER COMPREHENSIVE INCOME</b>              | <b>18</b>                        | <b>-</b>       | <b>50</b>                                   | <b>-</b>       | <b>-</b>                                | <b>-</b>       |
| <b>TOTAL COMPREHENSIVE INCOME</b>                    | <b>55</b>                        | <b>-</b>       | <b>(1,993)</b>                              | <b>-</b>       | <b>-</b>                                | <b>85</b>      |

<sup>1</sup> Function was transferred from Department of Regional Development and Manufacturing (former Department of State Development, Manufacturing, Infrastructure and Planning) effective 1 June 2020.

<sup>2</sup> This relates to Economic Development Queensland (EDQ), a Commercialised Business Unit (CBU) of the department.

Refer to Note 2 of the financial statements for a description of major departmental services.

Department of State Development, Tourism and Innovation  
Statement of Comprehensive Income by Major Departmental Services and Commercialised Business Unit for the year ended 30 June 2020

|  | Tourism Industry<br>Development |                | Inter-Service/Unit<br>Eliminations |                | Total          |                |
|--|---------------------------------|----------------|------------------------------------|----------------|----------------|----------------|
|  | 2020<br>\$'000                  | 2019<br>\$'000 | 2020<br>\$'000                     | 2019<br>\$'000 | 2020<br>\$'000 | 2019<br>\$'000 |
| <b>Income</b>  |                                 |                |                                    |                |                |                |
| Appropriation revenue                                | 120,881                         | 62,627         | -                                  | -              | 217,307        | 133,020        |
| User charges and fees                                | -                               | -              | (251)                              | -              | 3,929          | -              |
| Land sales   | -                               | -              | -                                  | -              | 1,135          | -              |
| Interest   | -                               | -              | -                                  | -              | 851            | -              |
| Grants and other contributions revenue               | 6,464                           | 3,678          | (34)                               | -              | 7,796          | 4,552          |
| Other revenue  | 19                              | 10,493         | (2,323)                            | -              | 8,168          | 12,591         |
| <b>Total revenue</b>                                 | <b>127,364</b>                  | <b>76,798</b>  | <b>(2,608)</b>                     | <b>-</b>       | <b>239,186</b> | <b>150,163</b> |
| Gains on disposal and remeasurement of assets        |                                 | -              | -                                  | -              | 449            | -              |
| <b>Total income</b>                                  | <b>127,364</b>                  | <b>76,798</b>  | <b>(2,608)</b>                     | <b>-</b>       | <b>239,635</b> | <b>150,163</b> |
| <b>Expenses</b>                                      |                                 |                |                                    |                |                |                |
| Supplies and services                                | 10,580                          | 20,805         | (251)                              | -              | 32,035         | 33,951         |
| Grants and contributions                             | 100,713                         | 41,816         | (34)                               | -              | 163,804        | 79,957         |
| Employee expenses                                    | 15,659                          | 13,924         | -                                  | -              | 34,715         | 26,076         |
| Revaluation decrement                                | -                               | -              | -                                  | -              | 45             | -              |
| Finance/borrowing costs                              | -                               | -              | -                                  | -              | 308            | -              |
| Cost of land sales                                   | -                               | -              | -                                  | -              | 1,030          | -              |
| Depreciation and amortisation                        | 34                              | 15             | -                                  | -              | 1,161          | 814            |
| Impairment losses                                    | (38)                            | 28             | -                                  | -              | -              | 61             |
| Land inventory written off                           | -                               | -              | -                                  | -              | 2,906          | -              |
| Other expenses                                       | 416                             | 295            | (2,323)                            | -              | 6,510          | 9,303          |
| <b>Total expenses</b>                                | <b>127,364</b>                  | <b>76,883</b>  | <b>(2,608)</b>                     | <b>-</b>       | <b>242,516</b> | <b>150,163</b> |
| <b>Operating result before income tax equivalent</b> | <b>-</b>                        | <b>(85)</b>    | <b>-</b>                           | <b>-</b>       | <b>(2,881)</b> | <b>-</b>       |
| Income tax equivalents                               |                                 | -              | -                                  | -              | 876            | -              |
| <b>Operating result after income tax equivalent</b>  | <b>-</b>                        | <b>(85)</b>    | <b>-</b>                           | <b>-</b>       | <b>(2,006)</b> | <b>-</b>       |
| <b>TOTAL OTHER COMPREHENSIVE INCOME</b>              | <b>-</b>                        | <b>-</b>       | <b>-</b>                           | <b>-</b>       | <b>68</b>      | <b>-</b>       |
| <b>TOTAL COMPREHENSIVE INCOME</b>                    | <b>-</b>                        | <b>(85)</b>    | <b>-</b>                           | <b>-</b>       | <b>(1,938)</b> | <b>-</b>       |

Refer to Note 2 of the financial statements for a description of major departmental services.

Department of State Development, Tourism and Innovation  
Statement of Assets and Liabilities by Major Departmental Services and Commercialised Business Unit as at 30 June 2020

|                                      | Develop the Economy <sup>1</sup> |                | Business and Economic Growth <sup>1 2</sup> |                | Advancing Queensland through Innovation |                |
|--------------------------------------|----------------------------------|----------------|---|----------------|---|----------------|
|                                      | 2020<br>\$'000                   | 2019<br>\$'000 | 2020<br>\$'000                              | 2019<br>\$'000 | 2020<br>\$'000                          | 2019<br>\$'000 |
| <b>Current assets</b>                |                                  |                |   |                |   |                |
| Cash and cash equivalents            | 3,524                            | -              | 157,211                                     | -              | -                                       | 8,155          |
| Receivables                          | 51,919                           | -              | 25,656                                      | -              | 3,000                                   | 2,253          |
| Land inventories                     | -                                | -              | 47,354                                      | -              | -                                       | -              |
| Other assets                         | 14,360                           | -              | 567   | -              | 94                                      | 183            |
|                                      | <u>69,803</u>                    | <u>-</u>       | <u>230,788</u>                              | <u>-</u>       | <u>3,095</u>                            | <u>10,591</u>  |
| <b>Total current assets</b>          | <b>69,803</b>                    | <b>-</b>       | <b>230,788</b>                              | <b>-</b>       | <b>3,095</b>                            | <b>10,591</b>  |
| <b>Non-current assets</b>            |                                  |                |   |                |   |                |
| Receivables                          | 55,045                           | -              | 144,196                                     | -              | -                                       | -              |
| Land inventories                     | -                                | -              | 313,674                                     | -              | -                                       | -              |
| Property, plant and equipment        | 119,888                          | -              | 158,630                                     | -              | 3,786                                   | 4,648          |
| Right-of-use assets                  | -                                | -              | 1,685                                       | -              | -                                       | -              |
| Investment property                  | -                                | -              | 226,975                                     | -              | -                                       | -              |
| Intangible assets                    | 11,975                           | -              | -   | -              | -                                       | -              |
| Deferred tax equivalent asset        | -                                | -              | 27,172                                      | -              | -                                       | -              |
| Other assets                         | -                                | -              | -   | -              | 5                                       | 1,382          |
|                                      | <u>186,908</u>                   | <u>-</u>       | <u>872,332</u>                              | <u>-</u>       | <u>3,791</u>                            | <u>6,030</u>   |
| <b>Total non-current assets</b>      | <b>186,908</b>                   | <b>-</b>       | <b>872,332</b>                              | <b>-</b>       | <b>3,791</b>                            | <b>6,030</b>   |
| <b>Total assets</b>                  | <b>256,711</b>                   | <b>-</b>       | <b>1,103,120</b>                            | <b>-</b>       | <b>6,885</b>                            | <b>16,621</b>  |
| <b>Current liabilities</b>           |                                  |                |   |                |   |                |
| Payables                             | 24,538                           | -              | 18,282                                      | -              | 4,351                                   | 11,442         |
| Borrowings                           | -                                | -              | 45,000                                      | -              | -                                       | -              |
| Leases                               | -                                | -              | 71  | -              | -                                       | -              |
| Accrued employee benefits            | 2,522                            | -              | 668   | -              | 330                                     | 512            |
| Provisions                           | 15,938                           | -              | 16,002                                      | -              | -                                       | -              |
| Deferred tax equivalent liability    | -                                | -              | 3,003                                       | -              | -                                       | -              |
| Other liabilities                    | 15,568                           | -              | 5,486                                       | -              | -                                       | 919            |
|                                      | <u>58,566</u>                    | <u>-</u>       | <u>88,512</u>                               | <u>-</u>       | <u>4,681</u>                            | <u>12,874</u>  |
| <b>Total current liabilities</b>     | <b>58,566</b>                    | <b>-</b>       | <b>88,512</b>                               | <b>-</b>       | <b>4,681</b>                            | <b>12,874</b>  |
| <b>Non-current liabilities</b>       |                                  |                |   |                |   |                |
| Payables                             | 6,343                            | -              | 19,524                                      | -              | -                                       | -              |
| Borrowings                           | -                                | -              | 118,146                                     | -              | -                                       | -              |
| Leases                               | -                                | -              | 334   | -              | -                                       | -              |
| Provisions                           | -                                | -              | 53,392                                      | -              | -                                       | -              |
| Deferred tax equivalent liability    | -                                | -              | 86,810                                      | -              | -                                       | -              |
| Other liabilities                    | -                                | -              | 4,000                                       | -              | -                                       | 3,218          |
|                                      | <u>6,343</u>                     | <u>-</u>       | <u>282,206</u>                              | <u>-</u>       | <u>-</u>                                | <u>3,218</u>   |
| <b>Total non-current liabilities</b> | <b>6,343</b>                     | <b>-</b>       | <b>282,206</b>                              | <b>-</b>       | <b>-</b>                                | <b>3,218</b>   |
| <b>Total liabilities</b>             | <b>64,910</b>                    | <b>-</b>       | <b>370,718</b>                              | <b>-</b>       | <b>4,681</b>                            | <b>16,091</b>  |

<sup>1</sup> Function was transferred from Department of Regional Development and Manufacturing (former Department of State Development, Manufacturing, Infrastructure and Planning) effective 1 June 2020.

<sup>2</sup> This relates to Economic Development Queensland (EDQ), a Commercialised Business Unit (CBU) of the department.

Refer to Note 2 of the financial statements for a description of major departmental services.

Department of State Development, Tourism and Innovation  
Statement of Assets and Liabilities by Major Departmental Services and Commercialised Business Unit as at 30 June 2020

|                                      | Tourism Industry<br>Development |                | Inter-Service/Unit<br>Eliminations |                | Total            |                |
|--------------------------------------|---------------------------------|----------------|------------------------------------|----------------|------------------|----------------|
|                                      | 2020<br>\$'000                  | 2019<br>\$'000 | 2020<br>\$'000                     | 2019<br>\$'000 | 2020<br>\$'000   | 2019<br>\$'000 |
| <b>Current assets</b>                |                                 |                |                                    |                |                  |                |
| Cash and cash equivalents            | 2,507                           | 4,136          | (1,729)                            | -              | 161,513          | 12,290         |
| Receivables                          | 4,055                           | 1,164          | (9,880)                            | -              | 74,749           | 3,417          |
| Land inventories                     | -                               | -              | (2,860)                            | -              | 44,494           | -              |
| Other assets                         | 4,844                           | 72             | -                                  | -              | 19,865           | 255            |
|                                      | <u>11,406</u>                   | <u>5,372</u>   | <u>(14,470)</u>                    | <u>-</u>       | <u>300,620</u>   | <u>15,963</u>  |
| <b>Total current assets</b>          | <b>11,406</b>                   | <b>5,372</b>   | <b>(14,470)</b>                    | <b>-</b>       | <b>300,620</b>   | <b>15,963</b>  |
| <b>Non-current assets</b>            |                                 |                |                                    |                |                  |                |
| Receivables                          | -                               | -              | (6,343)                            | -              | 192,898          | -              |
| Land inventories                     | -                               | -              | -                                  | -              | 313,674          | -              |
| Property, plant and equipment        | 1,175                           | 128            | -                                  | -              | 283,479          | 4,777          |
| Right-of-use assets                  | -                               | -              | -                                  | -              | 1,685            | -              |
| Investment property                  | -                               | -              | -                                  | -              | 226,975          | -              |
| Intangible assets                    | -                               | -              | -                                  | -              | 11,975           | -              |
| Deferred tax equivalent asset        | -                               | -              | -                                  | -              | 27,172           | -              |
| Other assets                         | (5)                             | 45             | -                                  | -              | -                | 1,427          |
|                                      | <u>1,170</u>                    | <u>174</u>     | <u>(6,343)</u>                     | <u>-</u>       | <u>1,057,858</u> | <u>6,203</u>   |
| <b>Total non-current assets</b>      | <b>1,170</b>                    | <b>174</b>     | <b>(6,343)</b>                     | <b>-</b>       | <b>1,057,858</b> | <b>6,203</b>   |
| <b>Total assets</b>                  | <b>12,577</b>                   | <b>5,545</b>   | <b>(20,813)</b>                    | <b>-</b>       | <b>1,358,479</b> | <b>22,166</b>  |
| <b>Current liabilities</b>           |                                 |                |                                    |                |                  |                |
| Payables                             | 9,455                           | 2,191          | (11,341)                           | -              | 45,284           | 13,633         |
| Borrowings                           | -                               | -              | -                                  | -              | 45,000           | -              |
| Leases                               | -                               | -              | -                                  | -              | 71               | -              |
| Accrued employee benefits            | 452                             | 490            | -                                  | -              | 3,972            | 1,002          |
| Provisions                           | -                               | -              | (3,128)                            | -              | 28,812           | -              |
| Deferred tax equivalent liability    | -                               | -              | -                                  | -              | 3,003            | -              |
| Other liabilities                    | 265                             | 1,106          | -                                  | -              | 21,319           | 2,025          |
|                                      | <u>10,172</u>                   | <u>3,787</u>   | <u>(14,470)</u>                    | <u>-</u>       | <u>147,461</u>   | <u>16,661</u>  |
| <b>Total current liabilities</b>     | <b>10,172</b>                   | <b>3,787</b>   | <b>(14,470)</b>                    | <b>-</b>       | <b>147,461</b>   | <b>16,661</b>  |
| <b>Non-current liabilities</b>       |                                 |                |                                    |                |                  |                |
| Payables                             | -                               | -              | (6,343)                            | -              | 19,524           | -              |
| Borrowings                           | -                               | -              | -                                  | -              | 118,146          | -              |
| Leases                               | -                               | -              | -                                  | -              | 334              | -              |
| Provisions                           | -                               | -              | -                                  | -              | 53,392           | -              |
| Deferred tax equivalent liability    | -                               | -              | -                                  | -              | 86,810           | -              |
| Other liabilities                    | -                               | -              | -                                  | -              | 4,000            | 3,218          |
|                                      | <u>-</u>                        | <u>-</u>       | <u>(6,343)</u>                     | <u>-</u>       | <u>282,205</u>   | <u>3,218</u>   |
| <b>Total non-current liabilities</b> | <b>-</b>                        | <b>-</b>       | <b>(6,343)</b>                     | <b>-</b>       | <b>282,205</b>   | <b>3,218</b>   |
| <b>Total liabilities</b>             | <b>10,172</b>                   | <b>3,787</b>   | <b>(20,813)</b>                    | <b>-</b>       | <b>429,667</b>   | <b>19,878</b>  |

Refer to Note 2 of the financial statements for a description of major departmental services.

**About the Department and this Financial Report**

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|--------|--|
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**Notes about our Financial Position**

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**Other Information**

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## 1. Basis of financial statement preparation

### Compliance with prescribed requirements

The Department of State Development, Tourism and Innovation (the department) has prepared these financial statements in compliance with section 38 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2019.

The department is a not-for-profit entity and these general purpose financial statements are prepared on an accrual basis (except for the Statement of Cash Flows which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

New accounting standards applied for the first time in these financial statements are outlined in this note.

### Presentation

Currency and rounding: Amounts included in the financial statements are in Australian dollars and rounded to the nearest \$1,000 or, where the amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required. Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.

Comparatives: Comparative information reflects the audited 2018-19 financial statements except where restated as necessary to be consistent with disclosures in the current reporting period. The current year is not comparable to the previous year due to the machinery-of-Government change. Refer to Note 3.

Current/Non-current classification: Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes. Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the department does not have an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

### Authorisation of financial statements for issue

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

### Basis of measurement

Historical cost is used as a measurement basis in this financial report except for the following:

- Land, buildings and investment property which are measured at fair value; and
- Inventories, which are measured at the lower of cost and net realisable value.

Historical cost: Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair value: Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique. Fair value is determined using one of the following three approaches:

- The *market approach* uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business.
- The *cost approach* reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current replacement cost methodology.
- The *income approach* converts multiple future cash flow amounts to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

Where fair value is used, the fair value approach is disclosed.

Present value: Present value represents the present discounted value of the future net cash inflows that the item is expected to generate (in respect of assets) or the present discounted value of the future net cash outflows expected to settle (in respect of liabilities) in the normal course of business.

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

### The reporting entity

The financial statements include all income, expenses, assets, liabilities and equity of the department, including those functions transferred through machinery-of-Government change as outlined below.

On 20 September 2019, *Administrative Arrangements Order (No. 1) 2019*, the Department of Innovation, Tourism Industry Development and the Commonwealth Games was renamed the Department of Innovation and Tourism Industry Development (DITID). As a result of this, the responsibility of forwarding administered appropriation revenue to the Cross River Rail Delivery Authority (CRRDA) was transferred to the department from Queensland Treasury. This machinery-of-Government change impacted solely on administered funding, details of this transfer has been outlined in Note 34.

As a result of the *Administrative Arrangements Order (No.1) 2020* on 11 May 2020, the Department of Innovation and Tourism Industry Development was renamed the Department of State Development, Tourism and Innovation (DSDTI), effective 1 June 2020. Details of functions transferred from the Department of Regional Development and Manufacturing (DRDM) are outlined in Note 3.

Due to the machinery-of-Government change, the department now shares the following joint operations:

- Woodlands Andergrove, in partnership with the Mackay Regional Council to develop and sell land lots located at Bedford Road, Andergrove in Mackay. In accordance with the partnership agreement, the department's interest in the joint venture is 50% which is not material. The department's share of transactions and balances from this agreement are consolidated but not considered to be material for disclosure in the 2019-20 financial year.
- Toondah Harbour, in partnership with the Redland City Council to facilitate the efficient and effective development of project land located at the Toondah Harbour Priority Development Area, Cleveland. In accordance with the joint venture agreement, the department's interest in the joint venture is 50% which is not material. The department's share of transactions and balances from this agreement are consolidated but not considered to be material for disclosure in the 2019-20 financial year.

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

#### Accounting standards applied for the first time

Three new accounting standards were applied for the first time in 2019-20:

- AASB 15 *Revenue from Contracts with Customers*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 16 *Leases*

The effect of adopting these new standards are detailed below.

**1. Basis of financial statement preparation (continued)**

**AASB 15 Revenue from Contracts with Customers**

The department applied AASB 15 *Revenue from Contracts with Customers* for the first time in 2019-20. The nature and effect of changes resulting from the adoption of AASB 15 are described below:

**i. New revenue recognition model**

AASB 15 establishes a new five-step model for determining how much and when revenue from contracts with customers is recognised. The five-step model is detailed below:

|  |   |
|--|---|
| Step 1 - Identify the contract with the customer                                       | The department's land sales revenue and user charges revenue and fees which contain a contract with a customer, fall within the scope of AASB 15. These contracts are enforceable and contain sufficiently specific performance obligations.  |
| Step 2 - Identify the performance obligations in the contract                          | To be within the scope of AASB 15, the performance obligations must be 'sufficiently specific', such that the department is able to measure how far along it is in meeting the performance obligations.   |
| Step 3 - Determine the transaction price   | When the consideration in the contract includes a variable amount, the department estimates the variable consideration to which it is entitled and only recognise revenue to the extent that it is highly probably a significant reversal of the revenue will not occur. This is the case in some land sales contracts.   |
| Step 4 - Allocate the transaction price to the performance obligation                  | When there is more than one performance obligation in a contract, the transaction price is allocated to each performance obligation, based on applicable clauses of each contract.  |
| Step 5 - Recognise revenue when or as the department satisfies performance obligations | Revenue is recognised when the department transfers control of the goods or services to the customer. A key judgement is whether a performance obligation is satisfied over time or at a point in time. And where it is satisfied over time, the department has developed methods for measuring progress towards satisfying the obligation depending on each contract type. |

There were no changes or adjustments required as a result of implementing AASB 15 at 1 July 2019.

**ii. Other changes arising from AASB 15**

AASB 15 specifies the accounting for incremental costs of obtaining a contract and costs directly related to fulfilling a contract.

The standard requires contract assets (accrued revenue) and contract liabilities (unearned revenue) to be shown separately and requires contract assets to be distinguished from receivables.

**iii. Transitional impact**

*Grants and other contributions revenue*

Grants and other contributions revenue agreements are not enforceable and/or not sufficiently specific. They do not qualify for deferral and are recognised as revenue as soon as they are controlled.

There are no adjustments required at 1 July 2019.

**AASB 1058 Income of Not-for-Profit Entities**

The department applied AASB 1058 *Income of Not-for-Profit Entities* for the first time in 2019-20. The nature and effect of changes resulting from the adoption of AASB 1058 are described below:

**i. Scope and revenue recognition under AASB 1058**

AASB 1058 applies to transactions where the department acquires an asset for significantly less than fair value principally to enable the department to further its objective.

*General revenue recognition framework*

The revenue recognition framework for in scope transactions is as follows:

- Recognise the asset - e.g. cash, receivables, property, plant and equipment, a right-of-use asset or an intangible asset
- Recognise related amounts - e.g. contributed equity, a financial liability, a lease liability, a contract liability or a provision (grants and donations in many cases can have nil related amounts)
- Recognise the difference as income upfront

The department did not receive specific-purpose capital grants or volunteer services.

**ii. Transitional impact**

Revenue recognition of the department's appropriations and grants and other contributions will not change under AASB 1058, as compared to AASB 1004. Revenue will continue to be recognised when the department gains control of the asset (e.g. cash or receivable) in most instances.

There are no adjustment required at 1 July 2019.

**AASB 16 Leases**

The department applied AASB 16 *Leases* for the first time in 2019-20. The department applied the modified retrospective transition method and has not restated comparative information for 2018-19, which continues to be reported under AASB 117 *Leases* and related interpretations.

The nature and effect of changes resulting from the adoption of AASB 16 are described below:

**i. Definition of a lease**

AASB 16 introduced new guidance on the definition of a lease.

For leases and lease-like arrangements existing at 30 June 2019, the department elected to apply the practical expedient to grandfather the previous assessments made under AASB 117 and interpretation 4 *Determining whether an Arrangement contains a Lease* about whether those contracts contained leases. However, arrangements were reassessed under AASB 16 where no formal assessment had been done in the past.

## 1. Basis of financial statement preparation (continued)

### Amendments to former operating leases for office accommodation

In 2018-19, the department held operating leases under AASB 117 from the Department of Housing and Public Works (DHPW) for non-specialised commercial office accommodation through the Queensland Government Accommodation Office (QGAO).

Effective 1 July 2019, the framework agreements that govern QGAO were amended with the result that these arrangements would not meet the definition of a lease under AASB 16 and therefore are exempt from lease accounting.

From 2019-20 onwards, the costs of these services are expensed as supplies and services expenses when incurred. The new accounting treatment is due to a change in the contractual arrangements rather than a change in accounting policy.

### ii. Changes to lessee accounting

Previously, the department classified its leases as operating or finance leases based on whether the lease transferred significantly all of the risks and rewards incidental to ownership of the asset to the lessee.

This distinction between operating and finance leases no longer exists for lessee accounting under AASB 16. From 1 July 2019, all leases, other than short-term leases and leases of low value assets, are now recognised on balance sheet as lease liabilities and right-of-use assets.

### Lease liabilities

Lease liabilities are initially recognised at the present value of lease payments over the lease term that are not yet paid. The lease term includes any extensions or renewal options that the department is reasonably certain to exercise. The future lease payments included in the calculation of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the department under residual value guarantees
- the exercise price of a purchase option that the department is reasonably certain to exercise
- payments for termination penalties, if the lease term reflects the early termination

The discount rate used is the interest rate implicit in the lease, or the department's incremental borrowing rate if the implicit rate cannot be readily determined.

Subsequently, the lease liabilities are increased by the interest charge and reduced by the amount of lease payments. Lease liabilities are also remeasured in certain situations such as a change in variable lease payments that depend on an index or rate (e.g. a market rent review), or a change in lease term.

### Right-of-use assets

Right-of-use assets are initially recognised at cost comprising the following:

- the amount of the initial measurement of the lease liability
- lease payments made at or before the commencement date, less any lease incentives received
- initial direct costs incurred
- the initial estimate of restoration costs

Right-of-use assets will subsequently give rise to a depreciation expense and be subject to impairment. Right-of-use assets differ in substance from leased assets previously recognised under finance leases in that the asset represents the intangible right to use the underlying asset rather than the underlying asset itself.

### Short-term leases and leases of low value assets

The department has elected to recognise lease payments for short-term leases of low value assets as expenses on a straight-line basis over the lease term, rather than accounting for them on balance sheet. This accounting treatment is similar to that used for operating leases under AASB 117.

### iii. Changes to lessor accounting

Lessor accounting remains largely unchanged under AASB 16. Leases are still classified as either operating or finance leases. However, the classification of subleases now references the right-of-use arising from the head lease, instead of the underlying asset.

### iv. Transitional impact

#### Former operating leases as lessee

- The department's former operating leases are under the QGAO arrangements, which are now exempt in applying AASB 16.

The following table summarises the on-transition adjustments to asset and liability balances at 1 July 2019 in relation to former operating leases.

|  | <b>\$'000</b> |
|--|---------------|
| Lease incentive asset- current (decrease)          | 151           |
| Lease incentive asset - non current (decrease)     | 1,382         |
| Lease incentive liability - current (decrease)     | 919           |
| Lease incentive liability - non-current (decrease) | 3,217         |
| Accumulated surplus (increase)                     | 2,604         |

#### Leases as lessor

No transitional adjustments were required for leases in which the department is lessor.



## 2. Department objectives

The department brings together the functions of the Coordinator-General; Economic Development Queensland; Innovation; Investment Facilitation and Partnerships; State Development; Tourism; and Tourism Development Projects. Our objectives are to leverage benefits of major events, tourism, international education and innovation to maximise the potential of Queensland's economy; advance the economy by attracting and stimulating investment in Queensland to create jobs and build the State's skills and talent; create a diverse, productive and sustainable economy for a fairer Queensland; enable state development through public and private projects that provide enduring benefits; and provide easy access to department services and stakeholder advice, to build collaboration and opportunities across industry.

The identity and purpose of the major departmental services undertaken by the department during the year are as follows:

### **Develop the economy**

This service area's objective is to attract and facilitate investment opportunities and industry development in Queensland that provide enduring economic benefit.

### **Tourism Industry Development**

This service area's objective is to promote long-term growth of the tourism industry by facilitating a strategic whole-of-government approach to planning and investment in the State's tourism infrastructure, assets and products and the coordination and leveraging of key major events to generate jobs.

### **Advancing Queensland through Innovation**

This service area's objective is to drive economic growth and job creation through innovation in our traditional strengths, harnessing Queensland's research strengths and entrepreneurship to encourage new industries and using new technology, capital and ideas to support business and industry creation, global connections and growth.

### **Business and Economic Growth**

This commercialised business unit's objective is to initiate a range of development projects to drive economic growth, facilitate renewal and generate ongoing employment opportunities, consistent with the Queensland Government's economic development agenda.

### **Business and Corporate Partnership (BCP) arrangements**

The department participates in a corporate partnership arrangement whereby certain agencies "host" a number of strategic and operational corporate services provided to the department as a "recipient" department. This arrangement was developed with a focus on ensuring economies of scale, service integration, scalability and responsiveness. The "host" agency of each corporate service function receives the appropriation of funds and reports Full Time Equivalent positions in the respective agency. The model is multi-layered for different corporate services functions. Refer to Note 8 and Note 32.

The department received defined services from the following agencies:

- Department of Natural Resources, Mines and Energy (DNRME): Accommodation Services<sup>1</sup>, Legal Services,
- Department of Environment and Science (DES): Internal Audit
- Department of Agriculture and Fisheries (DAF): Finance, Information Management, Fleet Management, Telecommunications

<sup>1</sup> Accommodation Services transferred from DNRME back to the department effective from 1 November 2019.

### 3. Machinery-of-Government changes

Following the *Administrative Arrangements Order (No. 1) 2019* on 20 September 2019, the Department of Innovation, Tourism Industry Development and the Commonwealth Games was renamed to the Department of Innovation and Tourism Industry Development (DITID). Under this notice, the responsibility of forwarding administered appropriation revenue to the Cross River Rail Delivery Authority (CRRDA) was transferred to the department from Queensland Treasury. Details of this transfer has been outlined in Note 34.

As a result of *Administrative Arrangements Order (No.1) 2020* on 11 May 2020, the Department of Innovation and Tourism Industry Development was renamed the Department of State Development, Tourism and Innovation (DSDTI). Under this notice, the following functions were transferred in from the Department of Regional Development and Manufacturing (DRDM), effective 1 June 2020:

- State Development (excluding coordinated projects associated with mining and mining infrastructure and regional economic development); Major Projects (Coordinator-General); and Economic Development Queensland (EDQ). EDQ is a Commercialised Business Unit (CBU) and incorporates joint ventures outlined in Note 1.

The assets and liabilities transferred as a result of the machinery-of Government (moG), effective from 1 June 2020, are outlined below.

|                                      | Transferred in                             |                                       | Total            |
|--------------------------------------|--|---------------------------------------|------------------|
|                                      | State<br>Development and<br>Major Projects | Economic<br>Development<br>Queensland |                  |
|                                      | \$'000                                     | \$'000                                | \$'000           |
| <b>Current assets</b>                |  |                                       |                  |
| Cash and cash equivalents            | 39,401                                     | 156,467                               | 195,868          |
| Receivables                          | 24,366                                     | 26,436                                | 50,802           |
| Land inventories                     | -  | 37,128                                | 37,128           |
| Other assets                         | 13,987                                     | 92                                    | 14,079           |
| <b>Total current assets</b>          | <b>77,754</b>                              | <b>220,123</b>                        | <b>297,877</b>   |
| <b>Non-current assets</b>            |  |                                       |                  |
| Receivables                          | 54,287                                     | 145,356                               | 199,643          |
| Land Inventories                     | -  | 318,555                               | 318,555          |
| Property, plant and equipment        | 118,631                                    | 159,281                               | 277,912          |
| Right-of-use assets                  | -  | 1,685                                 | 1,685            |
| Investment property                  | -  | 226,305                               | 226,305          |
| Intangible assets                    | 11,930                                     | -                                     | 11,930           |
| Deferred tax equivalent asset        | -  | 26,516                                | 26,516           |
| <b>Total non-current assets</b>      | <b>184,848</b>                             | <b>877,698</b>                        | <b>1,062,546</b> |
| <b>Total assets</b>                  | <b>262,602</b>                             | <b>1,097,821</b>                      | <b>1,360,423</b> |
| <b>Current liabilities</b>           |  |                                       |                  |
| Payables                             | 20,419                                     | 16,470                                | 36,889           |
| Borrowings                           | -  | 45,000                                | 45,000           |
| Lease liabilities                    | -  | 71                                    | 71               |
| Accrued employee benefits            | 2,782                                      | 598                                   | 3,380            |
| Provisions                           | 20,541                                     | 53,863                                | 74,404           |
| Deferred tax equivalent liability    | -  | 3,003                                 | 3,003            |
| Other liabilities                    | 20,770                                     | 6,086                                 | 26,856           |
| <b>Total current liabilities</b>     | <b>64,512</b>                              | <b>125,091</b>                        | <b>189,603</b>   |
| <b>Non-current liabilities</b>       |  |                                       |                  |
| Payables                             | 6,343                                      | 19,524                                | 25,867           |
| Borrowings                           | -  | 118,104                               | 118,104          |
| Lease liabilities                    | -  | 334                                   | 334              |
| Provisions                           | -  | 6,343                                 | 6,343            |
| Deferred tax equivalent liability    | -  | 87,029                                | 87,029           |
| Other liabilities                    | -  | 4,000                                 | 4,000            |
| <b>Total non-current liabilities</b> | <b>6,343</b>                               | <b>235,335</b>                        | <b>241,677</b>   |
| <b>Total liabilities</b>             | <b>70,855</b>                              | <b>360,426</b>                        | <b>431,282</b>   |
| <b>Net assets</b>                    | <b>191,747</b>                             | <b>737,395</b>                        | <b>929,141</b>   |

The net increase in assets of \$929.141 million has been accounted for as an increase in contributed equity as disclosed in the Statement of Changes in Equity.

As part of the machinery-of-Government change, budgeted appropriation revenue of \$124.869 million was reallocated from DRDM.

|   | Note | 2020<br>\$'000 | 2019<br>\$'000 |
|---|------|----------------|----------------|
| <b>4. Appropriation revenue</b>   |      |                |                |
| <b>Reconciliation of payments from Consolidated Fund to appropriated revenue recognised in operating result</b> |      |                |                |
| Budgeted appropriation receipts   |      | 220,036        | 222,834        |
| Lapsed appropriation revenue  |      | (69,565)       | (136,279)      |
| Treasurer's transfers   |      | (902)          | -              |
| Treasurer's advance revenue   |      | 21,800         | -              |
| <b>Total appropriation receipts (cash)</b>  |      | <b>171,369</b> | <b>86,555</b>  |
| Plus: Opening balance of appropriation payable  |      | 10,856         | 48,899         |
| Less: Closing balance of deferred appropriation refundable to Consolidated Fund payable                         | 21   | -              | (10,856)       |
| Plus: Closing balance of appropriation revenue receivable   | 14   | 35,082         | -              |
| <b>Net appropriation revenue</b>  |      | <b>217,307</b> | <b>124,598</b> |
| Plus: Deferred appropriation payable to Consolidated Fund (expense in 2018-19)                                  |      | -              | 8,422          |
| <b>Appropriation revenue recognised in statement of comprehensive income</b>                                    |      | <b>217,307</b> | <b>133,020</b> |
| <b>Reconciliation of payments from Consolidated Fund to equity adjustment recognised in contributed equity</b>  |      |                |                |
| Budgeted equity adjustment appropriation  |      | (427)          | (255)          |
| Treasurer's transfers   |      | 902            | -              |
| Lapsed equity adjustment appropriation  |      | -              | (286)          |
| <b>Total equity adjustment receipts (payments)</b>  |      | <b>475</b>     | <b>(541)</b>   |
| Plus: Opening balance of equity adjustment payable/(receivable)   |      | (716)          | -              |
| Plus: Closing balance of equity adjustment receivable/(payable)   | 14   | -              | 716            |
| <b>Equity adjustment recognised in contributed equity</b>   |      | <b>(241)</b>   | <b>175</b>     |

#### Accounting policy

##### Appropriation revenue

Appropriations provided under the *Appropriation Act 2019* and the *Appropriation (COVID-19) Act 2020* are recognised as revenue when received. Where the department has an obligation to return unspent (or unapplied) appropriation receipts to Consolidated Fund at year end (a deferred appropriation repayable 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. Prior to 1 July 2019, any liability at the end of the financial year for deferred appropriation repayable was debited to expense under the requirements of the superseded AASB 1004 *Contributions* (refer Note 12). Capital appropriations are recognised as adjustments to equity.

Amounts appropriated to the department for transfer to other entities in accordance with legislative or other requirements are reported as 'administered' items in Note 34.

#### 5. User charges and fees

|  |  |              |          |
|--|--|--------------|----------|
| <b>Revenue from contracts with customers</b> |  |              |          |
| Sale of services                             |  | 1,417        | -        |
| Statutory fees and charges                   |  | 87           | -        |
| <b>Other user charges and fees</b>           |  |              |          |
| Property rental                              |  | 2,005        | -        |
| Statutory fees and charges                   |  | 35           | -        |
| Other fees                                   |  | 384          | -        |
| <b>Total user charges and fees</b>           |  | <b>3,929</b> | <b>-</b> |

#### Accounting policy

##### 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 and revenue recognition of the department's revenue from contracts with customers.

| Type of sale of service   | Nature and timing of satisfaction of performance obligations   | Revenue recognition policies  |
|---|--|---|
| Provision of services to other government entities through service level agreements | The department provides material corporate services and other support to other government entities under service level agreements. The performance obligation is the delivery of the agreed services over the agreed period.     | Revenue is recognised over time to match the services performed over a period of time. The customer under the service level agreement simultaneously receives and consumes the benefits when the agreed services are performed by the department. The department has an enforceable right to payment for the completed services.<br><br>The adoption of AASB 15 <i>Revenue from Contracts with Customers</i> in 2019-20 did not change the timing of revenue recognition from service level agreements. |
| Cost recoveries in other fees   | The department recovers costs such as expert advice or advertising it incurs from third parties under statutory requirements/contractual arrangements. The department has the principal responsibility to obtain these services. | Revenue is recognised upfront since the cost recovery is carried out under statutory requirements/contracts. The adoption of AASB 15 <i>Revenue from Contracts with Customers</i> in 2019-20 did not change the timing of revenue recognition of cost recoveries.   |
| Statutory fees and charges  | Statutory fees and charges primarily arises from fee for service from various legislation. The revenue is recognised when the legislated fees is charged for the service provided.   | Revenue is recognised upfront at the time of receiving the application under the applicable legislation. The adoption of AASB 15 <i>Revenue from Contracts with Customers</i> in 2019-20 did not change the timing of revenue recognition of statutory fees and charges.  |

#### 5. User charges and fees (continued)

##### Other user charges and fees

|                            |   |
|----------------------------|---|
| Property rentals           | Property income is mainly from EDQ's straight line lease rent revenue from industrial land and investment properties. Property income is recognised as per contractual arrangement upfront and revenue is not deferred.   |
| Statutory fees and charges | Revenue arising from Section 25 of the <i>State Development and Public Works Organisation Act 1971</i> (SDPWO Act) and Schedule 1B of SDPWO Regulation is recognised at the occurrence of the taxable event under AASB 1058. The taxable event is the performance of the activity outlined by Section 25 of the SDPWO Act. Where payment is received before the occurrence of the taxable event, the amount is recognised as contract liabilities (unearned revenue). |
| Other fees                 | Other fees primarily include fees for permitting third parties to access and use State Development Area land, fees for training/seminar/workshop provided and freedom of information application fees. The revenue is recognised upfront because there are no sufficiently specific performance obligations.  |

|   | 2020<br>\$'000      | 2019<br>\$'000      |
|---|---------------------|---------------------|
| <b>6. Grants and other contributions revenue</b>            |                     |                     |
| Other grants and contributions:                             |                     |                     |
| - Contributions <sup>1</sup>                                | 5,524               | 2,287               |
| - Goods and services received below fair value <sup>2</sup> | 2,272               | 2,265               |
| <b>Total grants and other contributions revenue</b>         | <u><u>7,796</u></u> | <u><u>4,552</u></u> |

<sup>1</sup> In 2019-20, balance relates largely to contributions from the Queensland Reconstruction Authority towards Monsoon recovery activities.

<sup>2</sup> This largely relates to the Whole of Government Resource Sharing Model (WOGSRM) that has been implemented across Government by the Public Service Commission whereby staff are provided by their home agencies to the department in order to deliver critical activities for government as outlined in Note 10. This program originally commenced in order to deliver a successful Gold Coast 2018 Commonwealth Games.

##### Accounting Policy

Grants and contribution revenue agreements are not enforceable and/or not sufficiently specific and do not qualify for deferral and recognised as revenue as soon as they are controlled. The adoption of AASB 1058 *Income of Not-for-Profit Entities* in 2019-20 did not change the timing of revenue recognition of grants and other contributions revenue.

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and expense.

#### 7. Other revenue

|  |                     |                      |
|--|---------------------|----------------------|
| Recovery of prior year grant expenses <sup>1</sup> | -                   | 10,254               |
| Revenue from transfers of government property      | 2                   | -                    |
| Sundry revenue <sup>2</sup>                        | 8,166               | 2,336                |
| <b>Total other revenue</b>                         | <u><u>8,168</u></u> | <u><u>12,591</u></u> |

<sup>1</sup> In 2018-19, this principally relates to funding returned from Gold Coast 2018 Commonwealth Games Corporation (GOLDOC) and for the Whitsundays Cyclone Debbie Tourism Recovery Fund (TRF) as the remainder of the program was delivered by the department.

<sup>2</sup> In 2019-20, this relates to supplies exchanged in relation to the Galilee Basin Rail Project. The offsetting expense is recognised in Note 12 Other expenses. In 2018-19, this relates largely to the recognition of rent received from licensees for Advance Queensland Valley Precinct.

#### 8. Supplies and services

|   |                      |                      |
|---|----------------------|----------------------|
| Contractors and consultants                   | 16,498               | 17,818               |
| Other project costs                           | 122                  | 244                  |
| Property and building expenses                | 9,139                | 6,644                |
| Information technology and computer equipment | 2,223                | 919                  |
| Shared service provider fee                   | 1,000                | 776                  |
| Travel and hospitality                        | 592                  | 816                  |
| Transport                                     | 167                  | 98                   |
| Marketing and public relations                | 525                  | 270                  |
| Other   | 1,769                | 6,367                |
| <b>Total supplies and services</b>            | <u><u>32,035</u></u> | <u><u>33,951</u></u> |

##### Accounting policy

##### Distinction between grants and procurement

For a transaction to be classified as supplies and services, the value of goods or services received by the department must be of approximately equal value to the value of the consideration exchanged for those goods or services. Where this is not the substance of the arrangement, the transaction is classified as a grant in Note 9.

## 8. Supplies and services (continued)

### Property and building expenses

Payments for non-specialised commercial office accommodation under the Queensland Government Accommodation Office (QGAO) framework arise from non-lease arrangements with the Department of Housing and Public Works, who has substantive substitution rights over the assets used within this scheme. Payments are expensed as incurred and categorised within property and building expenses.

### 2018-19 policy under AASB 117 - straight-lining of leases

Property and building expenses include lease expenses. Lease expenses are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred. Incentives received on entering into operating leases are recognised as liabilities in Note 24 Other liabilities - Current. Lease expenses are allocated between rental expense and reduction of the liability.

|                                       | Note | 2020<br>\$'000 | 2019<br>\$'000 |
|---------------------------------------|------|----------------|----------------|
| <b>9. Grants and contributions</b>    |      |                |                |
| Grants:                               |      |                |                |
| Queensland and local government       |      | 52,674         | 32,673         |
| Industry attraction                   |      | 84,681         | 29,074         |
| Universities                          |      | 17,853         | 11,358         |
| Commonwealth agencies                 |      | 33             | 1,663          |
| Others                                |      | 1,909          | 292            |
| COVID-19 rent relief initiatives      | 27   | 379            | -              |
| Contributions                         |      | 6,276          | 4,898          |
| <b>Total grants and contributions</b> |      | <b>163,804</b> | <b>79,957</b>  |

### Accounting policy

Grants and contributions are recognised in accordance with the relevant funding agreement between the department and the recipient and are non-reciprocal. Grants are treated as an expense when the recipient can control the use of the resources or when the department's obligation for a transfer arises at that time.

## 10. Employee expenses

### Employee benefits

|   |  |               |               |
|---|--|---------------|---------------|
| Salaries and wages <sup>1</sup>                           |  | 25,345        | 18,794        |
| Employer superannuation contributions                     |  | 3,255         | 2,328         |
| Annual leave levy   |  | 2,485         | 1,802         |
| Sick leave  |  | 165           | 12            |
| Special leave COVID-19                                    |  | 3             | -             |
| Long service leave levy                                   |  | 581           | 367           |
| Other employee benefits                                   |  | 182           | 66            |
| Goods and services received below fair value <sup>2</sup> |  | 2,198         | 2,214         |
|   |  | <b>34,214</b> | <b>25,583</b> |

### Employee related expenses

|                                 |  |               |               |
|---------------------------------|--|---------------|---------------|
| Payroll tax                     |  | 73            | -             |
| Workers' compensation premium   |  | 105           | 70            |
| Other employee related expenses |  | 321           | 422           |
| <b>Total employee expenses</b>  |  | <b>34,715</b> | <b>26,076</b> |

### Number of Employees:

|  |  |            |            |
|--|--|------------|------------|
| Paid employees <sup>3</sup>                                |  | 861        | 166        |
| Employee's services received below fair value <sup>2</sup> |  | 15         | 17         |
|  |  | <b>876</b> | <b>183</b> |

<sup>1</sup> Salaries and wages includes \$178,718 for \$1,250 one-off, pro-rata payments for 153 full-time equivalent employees (announced in September 2019).

<sup>2</sup> This relates to officers working for the department from other Queensland Government agencies who continue to be paid by their home agency payroll systems under the Whole of Government Resource Sharing Model (WGRSM) arrangements.

<sup>3</sup> There are 40 FTEs seconded to DRDM from the department at 30 June 2020.

### Accounting policy

#### Salaries and wages

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

#### Sick leave

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

#### Annual leave and long service leave

Under the Queensland Government's Annual Leave Central Scheme and Long Service Leave Scheme, the department is required to pay a levy to cover the cost of employees' annual leave (including leave loading and on-costs) and long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for leave are claimed from the schemes, quarterly in arrears.

No provision for annual leave or long service leave is recognised in the department's financial statements as the liability is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

#### Superannuation

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

#### 10. Employee expenses (continued)

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.

#### Workers' compensation premiums

The department pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. It is not employee benefits and is recognised separately as employee related expenses.

#### 11. Key management personnel (KMP) disclosures

##### Details of key management personnel

The department's responsible Minister is identified as part of the department's KMP, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. The Minister is the Minister for State Development, Tourism and Innovation.

The following details for non-Ministerial KMP reflect those departmental positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2019-20 and 2018-19. Further information about these positions can be found in the body of the Annual Report under the section relating to Governance and Executive.

| Position  | Position responsibility  |
|---|--|
| Director-General  | The Director-General is responsible for directing the overall efficient, effective and economical administration of the department and is financially responsible for the performance of the department.   |
| Deputy Director-General, Tourism  | The Deputy Director-General, Tourism, is responsible for the efficient, effective and economic administration of the tourism and major events responsibilities for the department.   |
| Deputy Director-General, Tourism Development Projects (1 July 2019 to 9 September 2019) <sup>1</sup>                                | The Deputy Director-General, Tourism Development Projects, is responsible for the efficient, effective and economic administration of the 2018 Commonwealth Games wrap-up, Gold Coast Global Tourism Hub and Minjerribah Economic Strategy responsibilities for the department.  |
| Deputy Director-General, Innovation   | The Deputy Director-General, Innovation is responsible for the efficient, effective and economic administration of the innovation responsibilities for the department.   |
| Deputy Director-General, Office of Director-General, Economic Policy and Communications (6 April 2020 to 30 June 2020) <sup>2</sup> | The Deputy Director-General, Office of Director-General, Economic Policy and Communications, is responsible for informing economic and industry policy and strategy development; leading the department's communication, digital and media functions; advising and assisting the department with activities and processes relating to Parliament, Cabinet and the Executive Council. |
| Projects Chief Executive, Tourism Development Projects  | The Projects Chief Executive, Tourism Development Projects, is responsible for the efficient, effective and economic administration of the Queen's Wharf Integrated Resort Development, Cairns Global Tourism Hub and Ecotourism Trails Program responsibilities for the department.   |
| Coordinator-General <sup>3</sup>  | The Coordinator-General is responsible for planning, delivering and coordinating large-scale infrastructure projects which are of economic significance to the state and for ensuring environmental impacts are properly managed.  |
| Deputy Director-General, Corporate <sup>3</sup>   | The Deputy Director-General, Corporate, is responsible for enabling a high-performing department by providing systems, advice and governance to enable delivery and manage risk, opportunities, people and resources.  |
| Assistant Coordinator-General, State Development Areas <sup>3</sup>   | The Assistant Coordinator-General, State Development Areas, is responsible for the planning, establishment and ongoing management of State Development Areas throughout Queensland in accordance with the <i>State Development and Public Works Act 1971</i> .   |
| Assistant Coordinator-General, Land Acquisition and Project Delivery <sup>3</sup>   | The Assistant Coordinator-General, Land Acquisition and Project Delivery, is responsible for the delivery of all land acquisition undertaken by the Coordinator-General, and administering statutory programs under the <i>State Development and Public Works Act 1971</i> .   |
| Acting Assistant Coordinator-General, Coordinated Project Delivery <sup>3</sup>   | The Acting Assistant Coordinator-General, Coordinated Project Delivery, is responsible for managing whole of government coordination and evaluation of environmental and social impact assessments for declared 'coordinated projects' under the <i>State Development and Public Works Act 1971</i> ; and assist in the delivery of major, complex projects across Queensland.       |
| Acting Deputy Director-General, Investment Facilitation and Partnerships <sup>3</sup>   | The Acting Deputy Director-General, Investment Facilitation and Partnerships, is responsible for keeping a strong commercial focus to increase private sector investment in Queensland through the attraction and facilitation of private sector projects; and ensuring a coordinated approach to stakeholder management strategy across the department.                             |
| Acting General Manager, Economic Development Queensland <sup>3</sup>  | The Acting General Manager, Economic Development Queensland, is responsible for identifying, planning, facilitating and delivering property development and infrastructure projects across Queensland.   |
| Deputy Director-General, State Development <sup>3</sup>   | The Deputy Director-General, State Development, is responsible for implementing the regional and industry elements of the economic strategy, coordinating state and local government responses to adverse events and leading the Department's network of regionally-based offices.   |

<sup>1</sup> This position was transferred to Department of Premier and Cabinet on 10 September 2019 with the 2032 Olympic Games Taskforce activity.

<sup>2</sup> This is a new position under the department restructure effective 6 April 2020.

<sup>3</sup> These positions were transferred to the department from the Department of Regional Development and Manufacturing, effective 1 June 2020 as part of the machinery-of-Government change outlined in Note 3.

## 11. Key management personnel (KMP) disclosures (continued)

### KMP 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 the Minister. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by the Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements, which are published as part of Queensland Treasury's Report on State Finances.

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

Remuneration expenses for KMP comprise the following components:

- Short-term employee expenses include salaries, allowances, and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied a KMP position.
- Long-term employee expenses include amounts expensed in respect of long service leave entitlements earned.
- Post-employment expenses include amounts expensed in respect of employer superannuation obligations.
- Termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual leave and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

The remuneration packages for all KMP do not provide for any non-monetary benefits, or for any performance or bonus payments.

### KMP remuneration expenses

The following disclosures focus on the expenses incurred by the department attributable to non-Ministerial KMP during the respective reporting periods. The amounts disclosed are determined on the same basis as expenses recognised in the Statement of Comprehensive Income.

#### 2019-20

| Position   | Short-term employee expenses \$'000 | Long-term employee expenses \$'000 | Post-employment expenses \$'000 | Termination benefits \$'000 | Total expenses \$'000 |
|--|-------------------------------------|------------------------------------|---------------------------------|-----------------------------|-----------------------|
| Director-General   | 423                                 | 10                                 | 39                              | -                           | 472                   |
| Deputy Director-General, Tourism   | 246                                 | 6                                  | 26                              | -                           | 278                   |
| Deputy Director-General, Tourism Development Projects (from 1 July 2019 to 9 September 2019)   | 54                                  | 1                                  | 5                               | -                           | 60                    |
| Deputy Director-General - Innovation (from 28 January 2020 to 30 June 2020)  | 117                                 | 3                                  | 12                              | -                           | 132                   |
| Acting Deputy Director-General, Innovation (from 1 July 2019 to 24 January 2020)   | 143                                 | 3                                  | 13                              | -                           | 159                   |
| Deputy Director-General, Deputy Director-General, Office of Director-General, Economic Policy and Communications (from 6 April 2020 to 30 June 2020) | 58                                  | 1                                  | 6                               | -                           | 65                    |
| Projects Chief Executive, Tourism Development Projects   | 361                                 | 8                                  | 42                              | -                           | 411                   |
| <b>Positions transferred from DRDM as a result of machinery-of-Government change</b>   |                                     |                                    |                                 |                             |                       |
| Coordinator-General (from 1 June 2020 to 30 June 2020) <sup>4</sup>  | 31                                  | 1                                  | 2                               | -                           | 34                    |
| Assistant Coordinator-General, State Development Areas (from 1 June 2020 to 30 June 2020) <sup>5</sup>   | 19                                  | -                                  | 2                               | -                           | 22                    |
| Assistant Coordinator-General, Land Acquisition and Project Delivery (from 1 June 2020 to 30 June 2020) <sup>6</sup>                                 | 19                                  | -                                  | 1                               | -                           | 21                    |
| Acting Assistant Coordinator-General, Coordinated Project Delivery (from 1 June 2020 to 30 June 2020) <sup>7</sup>                                   | 18                                  | -                                  | 2                               | -                           | 20                    |
| Deputy Director-General, Corporate (from 1 June 2020 to 30 June 2020) <sup>8</sup>   | 21                                  | -                                  | 2                               | -                           | 24                    |
| Acting Deputy Director-General, Industry Facilitation and Partnerships (from 1 June 2020 to 30 June 2020)  | 24                                  | -                                  | 2                               | -                           | 26                    |
| Acting General Manager, Economic Development Queensland (from 1 June 2020 to 30 June 2020) <sup>9</sup>  | 20                                  | -                                  | 2                               | -                           | 22                    |
| Deputy Director-General, State Development (from 1 June 2020 to 30 June 2020) <sup>10</sup>  | 20                                  | -                                  | 2                               | -                           | 22                    |
| <b>Total</b>   | <b>1,573</b>                        | <b>35</b>                          | <b>159</b>                      | <b>-</b>                    | <b>1,768</b>          |

The remuneration for the KMPs transferred from DRDM as a result of MoG change for the year up to 31 May 2020 are disclosed in DRDM's Financial Statement as follows:

<sup>4</sup> The total remuneration was \$286,570

<sup>5</sup> The total remuneration was \$242,433

<sup>6</sup> The total remuneration was \$209,435

<sup>7</sup> The total remuneration was \$228,023

<sup>8</sup> The total remuneration was \$225,020

<sup>9</sup> The total remuneration was \$252,394

<sup>10</sup> The total remuneration was \$251,513

The department does not have any non-monetary benefit to disclose in relation to its KMP.

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

2018-19

| Position   | Short-term employee expenses<br>\$'000 | Long-term employee expenses<br>\$'000 | Post-employment expenses<br>\$'000 | Termination benefits<br>\$'000 | Total expenses<br>\$'000 |
|--|--|---------------------------------------|------------------------------------|--------------------------------|--------------------------|
| Director-General   | 417                                    | 9                                     | 39                                 | -                              | 465                      |
| Deputy Director-General, Tourism and Major Events<br>(Prior to 18 March 2019 this was Deputy Director-General, Tourism)                              | 235                                    | 5                                     | 26                                 | -                              | 266                      |
| Deputy Director-General, Tourism Development Projects<br>(Prior to 18 March 2019 this was Deputy Director-General, Office of the Commonwealth Games) | 254                                    | 5                                     | 28                                 | -                              | 287                      |
| Deputy Director-General, Innovation (1 July 2018 to 14 December 2018)  | 116                                    | 3                                     | 14                                 | -                              | 133                      |
| Deputy Director-General, Innovation<br>(Acting 17 December 2018 to 30 June 2019)   | 155                                    | 3                                     | 11                                 | -                              | 169                      |
| Projects Chief Executive, Tourism Development Projects<br>(Prior to 18 March 2019 this was Projects Chief Executive, Special Projects Unit)          | 360                                    | 7                                     | 41                                 | -                              | 408                      |
| <b>Total</b>   | <b>1,537</b>                           | <b>32</b>                             | <b>159</b>                         | <b>-</b>                       | <b>1,728</b>             |

|   | Note | 2020<br>\$'000 | 2019<br>\$'000 |
|---|------|----------------|----------------|
| <b>12. Other expenses</b>                             |      |                |                |
| Deferred appropriation payable to Consolidated Fund   | 4    | -              | 8,422          |
| Taxes - land, rates and stamp duty                    |      | 878            | -              |
| Loan - fair value adjustment                          |      | 4              | -              |
| Sponsorships  |      | 130            | 160            |
| External audit fee <sup>1</sup>                       |      | 229            | 265            |
| Insurance premiums - QGIF                             |      | 39             | 32             |
| Insurance premiums - other                            |      | 23             | 12             |
| Losses from disposal of property, plant and equipment |      | 5              | 237            |
| Donations and gifts                                   |      | 1              | 2              |
| Other <sup>2</sup>                                    |      | 5,201          | 173            |
| <b>Total other expenses</b>                           |      | <b>6,510</b>   | <b>9,303</b>   |

<sup>1</sup> Queensland Audit Office fee for the audit of the department's financial statements in 2019-20 was \$168,500 and in 2018-19 it was \$140,000. The additional amounts in 2018-19 is for work undertaken on the Gold Coast 2018 Commonwealth Games Corporation (GOLDOC). There are no non-audit services included in these amounts.

<sup>2</sup> This largely relates to supplies exchanged in relation to the Galilee Basin Rail Project. The offsetting revenue is recognised in Note 7 Other revenue. The cost of goods sold adjustment as disclosed in Note 16 Land inventories in 2019-20 is \$3,234,621 and recognised as other expenses.

13. Cash and cash equivalents

|   |                |               |
|---|----------------|---------------|
| Cash at bank                              | 27,744         | 12,354        |
| Deposits at call - QTC                    | 133,769        | -             |
| MOG Payable relating to other Departments | -              | (16)          |
| <b>Total cash and cash equivalents</b>    | <b>161,513</b> | <b>12,338</b> |

**Accounting policy**

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques received but not banked at 30 June as well as deposits at call with financial institutions.

The department has an overdraft facility with the Commonwealth Bank of Australia with an approved limit of \$76 million (2019: \$26 million). The operational cash at bank accounts, except for EDQ's operational bank account are grouped within the whole-of-government set-off arrangement with Queensland Treasury where interest earned on the aggregate set-off arrangement balance accrues to the Consolidated Fund.

Interest earned on EDQ's operating bank account is remitted to EDQ on a quarterly basis. The interest rate is cash rate published by Reserve Bank Australia.

Interest earned on Queensland Treasury Corporation (QTC) accounts is remitted to the proponents to which the balance relates, as the interest is earned, except for the EDQ QTC account where interest is retained by EDQ.



| 14. Receivables   |      | 2020                  | 2019                |
|---|------|-----------------------|---------------------|
| Current   | Note | \$'000                | \$'000              |
| Trade debtors   |      | 9,955                 | 584                 |
| Loans and advances receivable - amortised cost *                  |      | 7,577                 | -                   |
| Finance lease debtors   |      | 8,260                 | -                   |
| Operating lease debtors   |      | 707                   | -                   |
| Less: Loss allowance  |      | <u>(176)</u>          | <u>(61)</u>         |
|   |      | 26,322                | 523                 |
| Appropriation revenue for services receivable                     | 4    | 35,082                | -                   |
| Reimbursements  |      | 6,746                 | -                   |
| Equity injection receivable                                       | 4    | -                     | 716                 |
| Annual leave reimbursements                                       |      | 912                   | 434                 |
| GST receivable  |      | 5,189                 | 1,532               |
| Long service leave reimbursements                                 |      | 411                   | 161                 |
| Interest receivable   |      | 78                    | -                   |
| Other   |      | 8                     | 3                   |
| <b>Total current receivables</b>                                  |      | <b><u>74,749</u></b>  | <b><u>3,369</u></b> |
| <b>Non-current</b>  |      |                       |                     |
| Trade debtors   |      | 1,588                 | -                   |
| Loans and advances receivable - amortised cost *                  |      | 131,432               | -                   |
| Finance lease debtors   |      | 59,601                | -                   |
| Loans and advances receivable - fair value through profit or loss |      | <u>277</u>            | <u>-</u>            |
| <b>Total non-current receivables</b>                              |      | <b><u>192,898</u></b> | <b><u>-</u></b>     |

\* \$4.786 million of the current loans and advances and \$97.743 million of the non-current loans and advances receivable is associated with loans to facilitate Catalyst infrastructure that are partially funded through borrowings with Queensland Treasury Corporation. These loans and advances were transferred-in as part of the machinery-of-Government change in 2019-20 as disclosed in Note 3.

#### Accounting policy

##### Receivables

Trade debtors, loans and advances receivable - amortised cost, finance lease receivables and most operating lease receivables are measured at amortised cost. The concessional loans and advances containing contingent repayment terms are measured at fair value through profit or loss.

Trade debtors are recognised at the amounts due at the time of sale or service delivery being the agreed purchase/contract price. Standard settlement terms require these amounts to be paid within 30 days from the invoice date.

Where loans and advances are provided at concessional below market interest rates, they are considered to have a fair value less than the actual amount lent. Any additional amounts lent above the fair value is initially recognised as a loss in the Statement of Comprehensive Income as grants and contributions expense (Note 9). There are no additional amounts lent above the fair value on initial recognition in 2019-20 since these loans and advances were transferred in as a result of machinery of Government change as disclosed in Note 3. The notional interest income is recognised over the term of the loan as interest income. The notional interest income from loans transferred in during 2019-20 in the Statement of Comprehensive Income is \$0.300 million.

The department is entitled to receive periodic repayments of capital grants provided under finance lease agreements. The implicit interest is recognised over the term of the finance lease as interest income. The department does not retain the rights associated with the underlying assets.

##### Impairment of receivables

The loss allowance of trade receivables, except for receivables from Queensland Government agencies or Australian Government agencies, reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information, including forecast economic changes expect to impact the department's trade receivables, along with relevant industry and statistical data where applicable.

No loss allowance is recorded for receivables from Queensland Government agencies on the basis of materiality. The receivables from Queensland Government agencies as at 30 June 2020 are \$1.048 million (2019: \$1.83 million).

For finance lease receivables and loans and advances receivables measured at amortised cost, the department will assess the 12-months expected credit losses if the credit risk has not significantly increased from initial recognition. Otherwise, the department will assess the lifetime expected credit losses on these receivables.

Where the department has no reasonable expectation of recovering an amount owed, the amount owed is written-off by directly reducing the receivable against the loss allowance. This occurs when the department determines that an amount owing to the department does become uncollectible (after an appropriate range of debt recovery actions). If the amount written-off exceeds the loss allowance, the excess is recognised as an impairment loss.

All known bad debts were written-off as at 30 June 2020.

#### Disclosure

##### Credit risk exposure of receivables

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets. No collateral is held as security and no credit enhancements relate to receivables held by the department.

The department's credit risk exposure for receivables measured at amortised cost is determined as outlined below:

| Category      | Assessment of expected credit losses   | Information used   |
|---------------|--|--|
| Trade debtors | The department uses both individual assessment and a provision matrix to measure the expected credit losses. Where a provision matrix is used, the loss rates are calculated separately for groupings of customers with similar loss patterns. | Review of historical debtor settlement period, debt collections and amount of bad debts. |

14. Receivables (continued)

|                                |   |  |
|--------------------------------|---|--|
| Finance lease receivables      | Finance lease receivables are assessed individually considering recoverability of debt and the risk of business failure.  | Review of external credit reports and credit risk assessment to determine the expected fair value of the leased land and the outstanding balance of lease. |
| Loans and advances receivables | 12-month expected credit losses are assessed on individual basis. The department's debt management policy and procedure outlines the consideration and action to take based on the days the amounts are outstanding. Individual loans are assigned with a risk level and probability of failure in the next 12 months based on external credit analysis reports.<br><br>The risk levels assigned as at 30 June 2020 were between very low risk to moderate risk. The probability of failure in the next 12 months were assessed between 0.03% to 1.25%. No impairment was recognised based on this assessment as at 30 June 2020 (2019: Nil). | Review of external credit reports, historical loan draw-down patterns and management assessment of the performance of the projects.                        |

Set out below is the credit risk exposure on the department's receivables assessed using a provision matrix and individually, excluding Queensland Government trade debtors.

Disclosure - Movement in loss allowance

|   | 2020<br>\$'000 | 2019<br>\$'000 |
|---|----------------|----------------|
| Loss allowance as at 1 July             | (61)           | (61)           |
| Transfer due to machinery-of-Government | (115)          | -              |
| Loss allowance as at 30 June            | <u>(176)</u>   | <u>(61)</u>    |

The movement in loss allowance relates to receivables assessed using lifetime expected credit losses methodology. There were no changes to the credit risk of operating lease receivables, finance lease receivables and loans and advances receivables since initial recognition. No allowance of impairment is recognised on these financial assets.

15. Other assets

Current

|                                   |                      |                   |
|-----------------------------------|----------------------|-------------------|
| Prepayments                       | 6,816                | 104               |
| Lease incentive *                 | -                    | 151               |
| Other                             | 13,050               | -                 |
| <b>Total current other assets</b> | <u><b>19,865</b></u> | <u><b>255</b></u> |

Non-current

|                                       |                 |                     |
|---------------------------------------|-----------------|---------------------|
| Prepayments                           | -               | 45                  |
| Lease incentive *                     | -               | 1,382               |
| <b>Total non-current other assets</b> | <u><b>-</b></u> | <u><b>1,427</b></u> |

\* Lease incentive is in relation to properties leased from DHPW. This has been derecognised with the implementation of AASB 16 Leases as disclosed in Note 1.

| 16. Land inventories                      | 2020<br>\$'000 | 2019<br>\$'000 |
|---|----------------|----------------|
| <b>Current</b>                            |                |                |
| Land held for resale                      | 44,494         | -              |
| <b>Total current land inventories</b>     | <u>44,494</u>  | <u>-</u>       |
| <b>Non-current</b>                        |                |                |
| Land held for resale                      | 313,674        | -              |
| <b>Total non-current land inventories</b> | <u>313,674</u> | <u>-</u>       |
| <b>Land inventories reconciliation</b>    |                |                |
| Carrying amount at 1 July                 | -              | -              |
| Transfer due to machinery-of-Government   | 355,683        | -              |
| Acquisition and development costs         | 3,186          | -              |
| Cost of land sales                        | (1,030)        | -              |
| Cost of land sales adjustment             | 3,235          | -              |
| Land inventory written off                | (2,906)        | -              |
| <b>Carrying amount at 30 June</b>         | <u>358,168</u> | <u>-</u>       |

The department holds land inventories to facilitate development of industrial and residential projects.

#### Accounting policy

##### Land inventories

Land held for the purpose of resale is recognised at the lower of cost and net realisable value (NRV) in accordance with AASB 102 *Inventories*. Land cost includes the cost of acquisition and development of the land to a ready-for-sale condition.

Land inventories are subject to an annual impairment review. NRVs are monitored and assessed against the cost base to ensure compliance with AASB 102 *Inventories*. Where NRVs have moved lower than the current carrying value, the asset is written down to the net realisable value and a Land inventory write off expense is recorded in the Statement of Comprehensive Income. Industrial land inventory NRV is independently determined every 12 months by external certified valuers. NRV for residential and urban renewal inventories are assessed by management based on project forecasts.

##### Land sales

For common land sales where a buyer pays the purchase price in exchange for the ownership of land, land sales revenue is recognised under AASB 15 *Revenue from Contracts with Customers* at settlement of sales contracts when the department fulfils performance obligation of transferring the property to the buyer.

Land sales revenue from development management agreements containing the variable consideration component is recognised upon the fulfilment of relevant performance obligations. These contracts contain a percentage income from the developers' subsequent property sales revenue. Depending on the arrangements, the department's performance obligations are fulfilled either upon sale of property to the developer for future development, or sale of developed property to third party buyers.

##### Key estimate and judgement - Land sales

Certain variable revenue components in sales contracts require estimation. At each reporting period end, the department estimates the variable consideration to which it is entitled and only recognise revenue to the extent that it is highly probably a significant reversal of the revenue will not occur. This assessment is based on recent and estimated sales activity reports from the developers.

##### Cost of land sales

Cost of land sales is recognised in the operating result at the settlement of the sales contract. Where practical, inventory sales apply a cost of goods sold allocation based on actual cost (land acquisition and development cost).

##### Key estimate and judgement - Cost of land sales

Residential land inventory sales apply a cost of goods sold methodology that allocates a cost value to the land sold based on an estimated gross profit percentage for the life of the project. This percentage is calculated from the business case reviews which are performed biannually on a project-by-project basis. This includes judgement in determining the future sales revenue, future development costs and timing of future cash flows for the project. Key inputs used for these forecasts are validated by management using relevant industry experts and/or observable market information.

A cost of goods sold adjustment is made to the Statement of Comprehensive Income at this time, if required, to ensure the recoverability of inventory balances will be realised. Where the forecast value of a project is below the current carrying value of inventory and future development costs, an adjustment is recognised as a reduction to the value of inventory and as a Cost of goods sold expense in the Statement of Comprehensive Income.

## 17. Property, plant and equipment

### Closing balances and reconciliation of carrying amount 30 June 2020

|  | Land<br>\$'000 | Buildings<br>\$'000 | Plant and<br>Equipment<br>\$'000 | Capital Work<br>in Progress<br>\$'000 | Total<br>\$'000 |
|--|----------------|---------------------|----------------------------------|---------------------------------------|-----------------|
| Gross                                  | 267,979        | 8,067               | 9,882                            | 5,827                                 | 291,755         |
| Less: Accumulated depreciation         | -              | (3,227)             | (5,049)                          | -                                     | (8,276)         |
| <b>Carrying amount at 30 June 2020</b> | <b>267,979</b> | <b>4,840</b>        | <b>4,833</b>                     | <b>5,827</b>                          | <b>283,479</b>  |

#### Represented by movements in carrying amount:

|  |                |              |              |              |                |
|--|----------------|--------------|--------------|--------------|----------------|
| Carrying amount at 1 July 2019                                     | -              | -            | 4,777        | -            | 4,777          |
| Acquisitions   | 45             | -            | -            | 1,932        | 1,977          |
| Acquisitions through machinery-of-Government change                | 269,129        | 3,787        | 913          | 4,082        | 277,912        |
| Disposals  | (1,150)        | -            | (5)          | -            | (1,155)        |
| Transfers in/(out) from other Queensland Government entities       | -              | 851          | 229          | -            | 1,080          |
| Transfers between asset classes                                    | -              | 187          | -            | (187)        | -              |
| Revaluation increments/(decrements) recognised in equity           | -              | 68           | -            | -            | 68             |
| Revaluation increments/(decrements) recognised in operating result | (45)           | -            | -            | -            | (45)           |
| Depreciation   | -              | (53)         | (1,081)      | -            | (1,134)        |
| <b>Carrying amount at 30 June 2020</b>                             | <b>267,979</b> | <b>4,840</b> | <b>4,833</b> | <b>5,827</b> | <b>283,479</b> |

### 30 June 2019

|  | Land<br>\$'000 | Buildings<br>\$'000 | Plant and<br>Equipment<br>\$'000 | Capital Work<br>in Progress<br>\$'000 | Total<br>\$'000 |
|--|----------------|---------------------|----------------------------------|---------------------------------------|-----------------|
| Gross                                  | -              | -                   | 6,168                            | -                                     | 6,168           |
| Less: Accumulated depreciation         | -              | -                   | (1,391)                          | -                                     | (1,391)         |
| <b>Carrying amount at 30 June 2019</b> | <b>-</b>       | <b>-</b>            | <b>4,777</b>                     | <b>-</b>                              | <b>4,777</b>    |

#### Represented by movements in carrying amount:

|   |          |          |              |          |              |
|---|----------|----------|--------------|----------|--------------|
| Carrying amount at 1 July 2018                      | -        | -        | 3,181        | -        | 3,181        |
| Acquisitions  | -        | -        | 2,637        | -        | 2,637        |
| Acquisitions through machinery-of-Government change | -        | -        | 11           | -        | 11           |
| Disposals   | -        | -        | (237)        | -        | (237)        |
| Depreciation  | -        | -        | (814)        | -        | (814)        |
| <b>Carrying amount at 30 June 2019</b>              | <b>-</b> | <b>-</b> | <b>4,777</b> | <b>-</b> | <b>4,777</b> |

### Categorisation of assets measured at fair value

| 2020                                     | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
|--|-------------------|-------------------|-----------------|
| <b>Recurring fair value measurements</b> |                   |                   |                 |
| Land                                     | 267,979           | -                 | 267,979         |
| Buildings                                | 1,928             | 2,912             | 4,840           |
| <b>Total recurring</b>                   | <b>269,907</b>    | <b>2,912</b>      | <b>272,819</b>  |

No assets were measured at level 2 fair value or level 3 fair value in 2019.

### Building level 3 fair value measurement – reconciliations

|  |              |
|--|--------------|
| Carrying amount at 1 July                                    | -            |
| Acquisitions through machinery-of-Government change          | 1,859        |
| Disposals  | (4)          |
| Transfers in/(out) from other Queensland Government entities | 851          |
| Transfers between asset classes                              | 187          |
| Revaluation increments/(decrements) recognised in equity     | 51           |
| Depreciation   | (32)         |
| <b>Carrying amount as 30 June</b>                            | <b>2,912</b> |

None of the department's valuation of assets are eligible for categorisation into Level 1 of the fair value hierarchy.

### Transfers between levels

There were no transfers between levels within the same class during the reporting period (2019: Nil).

### Accounting policy

#### Capitalisation and recognition threshold for Property, plant and equipment

Items of property, plant and equipment with a historical cost or other value equal to or exceeding the following thresholds in the year of acquisition are reported as Property, plant and equipment in the following classes:

|                       |    |        |
|-----------------------|----|--------|
| - Land                | \$ | 1      |
| - Buildings           | \$ | 10,000 |
| - Plant and equipment | \$ | 5,000  |

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

Expenditure on property, plant and equipment is capitalised where it is probable that the expenditure will produce future service potential for the department. Subsequent expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of that asset. Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed.

## 17. Property, plant and equipment (continued)

### Acquisitions of assets

Historical cost is used for the initial recording of all property, plant and equipment acquisitions. Historical cost is determined as the value given as consideration and costs incidental to the acquisition (such as architects' fees and engineering design fees), plus all other costs incurred in getting the assets ready for use.

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

Assets acquired at no cost or for nominal consideration, other than from another Queensland Government entity, are recognised at their fair value at the date of acquisition.

### Depreciation of property, plant and equipment

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less any estimated residual value, progressively over its estimated useful life to the department. Land is not depreciated as it has an unlimited useful life to the department.

### Key judgement

Straight line depreciation is used as that is consistent with the even consumption of service potential of these assets over their useful life to the department.

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

Assets under construction (work in progress) are not depreciated until construction is complete and the asset is first put to use or is ready for its intended use, whichever is earlier. These assets are then reclassified to the relevant class within property, plant and equipment.

For the department's depreciable assets, the estimated amount to be received on disposal at the end of their useful life (residual value) is determined to be zero.

### Key estimate

Depreciation rates are assessed annually and the following rates apply for each class of depreciable asset:

| Asset class         | Category               | 2020 Rate %    | 2019 Rate %  |
|---------------------|------------------------|----------------|--------------|
| Buildings           | -                      | 1.25% - 12.50% | -            |
| Plant and equipment | Office equipment       | 3.70% - 33.33% | 12.50% - 20% |
| Plant and equipment | Leasehold improvements | 10% -12.50%    | 10% -12.50%  |

### Measurement of property, plant and equipment

Land and buildings are measured at fair value as required by Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation. The cost of items acquired during the financial year has been judged by management to materially represent their fair value at the end of the reporting period.

Plant and equipment is measured at historical cost in accordance with Queensland Treasury' Non-Current Asset Policies for the Queensland Public Sector. The carrying amounts for such plant and equipment are not materially different from their fair value.

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

### Fair value measurement

#### Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Observable inputs are publicly available data that are relevant to the characteristics of the assets being valued. Observable inputs used by the department include, but are not limited to, published sales data for buildings.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets being valued. Significant unobservable inputs used by the department include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the department's assets, internal records of recent construction costs (and/or estimates of such costs), asset's characteristics/functionality, and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets.

#### Fair value measurement hierarchy

All property, plant and equipment is categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent valuations:

Level 1 – represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets;

Level 2 – represents fair value measurements that are substantially derived from inputs that are observable, either directly or indirectly; and

Level 3 – represents fair value measurements that are substantially derived from unobservable inputs.

## 17. Property, plant and equipment (continued)

### Revaluation of property plant and equipment measured at fair value

Property, plant and equipment classes measured at fair value are assessed on an annual basis either by appraisals undertaken by an independent professional valuer or by use of appropriate and relevant indices. For financial reporting purposes, the revaluation process is overseen by the Chief Finance Officer, who determines the specific revaluation practices and procedures in conjunction with the asset managers.

Revaluations using an independent professional valuer are performed on a four year rolling basis. However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal.

The fair values reported by the department are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs.

Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up-to-date via the application of relevant indices. The department ensures that the application of such indices results in a valid estimation of the assets' fair values at reporting date. An independent professional valuer supplies the indices used for the various types of assets. Such indices are either publicly available, or are derived from market information available to the valuer. The valuer provides assurance of their robustness, validity and appropriateness for application to the relevant assets. Indices used are also tested for reasonableness by performing a benchmarking exercise with publicly available relevant indices. Through this process, which is undertaken annually, management assesses and confirms the relevance and suitability of indices provided by the valuer based on the department's own particular circumstances.

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

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

### Land

The department holds land throughout Queensland for various purposes including future economic development opportunities, a specific community or economic need, or for rezoning purposes.

#### Land assets transferred through machinery-of-Government change from DRDM

For all land assets, excluding EDQ's land assets, DRDM engaged State Valuation Services (SVS) to undertake rolling comprehensive revaluations of 25% of the asset portfolio over four years. SVS used the comprehensive revaluation results as at 30 June 2020 to derive a desktop index on 25% of the asset portfolio, while a standard index is used for the remaining 50% of the assets with an effective date of 30 June 2020. The department assessed and confirmed with SVS that these valuations are appropriate for use at 1 June 2020 for the machinery-of-Government change transfer between DRDM and the department.

The department ensures that the application of such indices results in a valid estimation of the asset's fair values at reporting date. Where the land held was within a State Development Area (SDA) at reporting date, identification of land use type was determined in consultation with the SDA team who administer the *State Development and Public Works Organisation Act (1971)*. Indices and values supplied by SVS are tested for reasonableness.

For EDQ land assets, EDQ engaged SVS to undertake a full comprehensive revaluation of EDQ land assets as at 30 June 2020. EDQ assessed and confirmed with SVS that these valuations are appropriate for use at 1 June 2020 for the machinery-of-Government change transfer between DRDM and the department.

Fair value was determined through direct comparison with the sales history of similar properties based on location, area, access and topography. SVS also considered the characteristics of the asset, any restrictions and highest and best use in the assessment of fair value.

In accordance with AASB 13 *Fair Value Measurement*, the department's land assets are generally categorised as Level 2.

### Buildings

Buildings were revalued using either the income approach or market approach depending on their use, with an effective valuation date of 30 June 2020. The department assessed and confirmed with SVS that these valuations are appropriate for use at 1 June 2020 for the machinery-of-Government change transfer between DRDM and the department.

#### Building assets transferred through machinery-of-Government change from DRDM

The building assets revalued using market approach are revalued on a four year rolling program. DRDM engaged SVS to perform the rolling comprehensive valuations. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets. Where the asset is not comprehensively valued in the reporting period, SVS uses the Cordell Housing Price Index for residential assets. This index is specific to Queensland house price movements (observable market data) and was considered the most appropriate index to use for residential housing specific to Queensland properties. For building improvements, SVS uses the Queensland Treasury Office of Economic and Statistical Research (QT OESR) Implicit Price Deflator as this is the most appropriate for these particular assets.

The department is a lessor to rental agreements on various properties. Due to the department's current strategy for these buildings and zoning regulations, the fair value is determined using the income approach, calculated using the present value of future cash flows. The Queensland Treasury Corporation zero coupon rates are used to calculate the present value.

### Impairment of non-current assets

All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the department determines the asset's recoverable amount. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and current replacement cost. Where the carrying amount of the asset exceeds the recoverable amount, an impairment loss is recorded.

## 18. Investment property

Land - at fair value

Buildings - at fair value

**Total investment property**

|  | 2020<br>\$'000 | 2019<br>\$'000 |
|--|----------------|----------------|
|  | 225,800        | -              |
|  | 1,175          | -              |
|  | <u>226,975</u> | <u>-</u>       |

EDQ has a term lease over a seabed from DNRME. The lease terms expire on 4 May 2027 and there are no option periods. The lease payments are consistent with market rates.

18. Investment property (continued)

|  | 2020<br>\$'000 | 2019<br>\$'000 |
|--|----------------|----------------|
| <b>Reconciliation of movement in investment property</b> |                |                |
| Carrying amount at 1 July                                | -              | -              |
| Acquisitions   | 221            | -              |
| Transfer due to machinery-of-Government change           | 226,305        | -              |
| Movement on revaluation through income statement         | 449            | -              |
| <b>Carrying amount at 30 June</b>                        | <b>226,975</b> | <b>-</b>       |

Rental income from investment property is recognised as income on a periodic straight-line basis over the term of the lease. Rental income recognised in the operating result is \$0.049 million (2019: Nil).

Direct operating expenses primarily for Council Rates & Water charges that generated rental income for the period were \$0.130 million (2019: Nil). There were no direct operating expenses on property that did not generate rental income.

The department leases assets representing \$10.270 million in the accounts. Proceeds on the disposal of these lots won't flow through to the department. There are no other restrictions on the realisability of investment property and the remittance of income and proceeds of disposal.

**Accounting policy**

Investment property is property held for capital appreciation and/or to earn rental returns. It is initially recognised at cost including development costs. Where investment property is acquired at no or minimal cost, it is recognised at fair value. Investment property is subsequently carried at fair value, being subject to valuations on an annual basis where significant market movements have occurred. The valuation method is based on selling prices in an active property market adjusted, if necessary, to reflect the nature, location or condition of the specific investment property.

Common costs on investment property are allocated based on lot size.

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

**Key judgement**

In determining the investment land values the following factors are considered:

- the highest and best use given the legal and zoning restrictions and any other restrictions outside the control of the department, and
- the probability of any of the restrictions being changed in the future.

**Investment property assets transferred through machinery-of-Government change from DRDM**

DRDM engaged State Valuation Services (SVS) to undertake comprehensive valuation on all land assets under investment and land assets with perpetual lease term. Management assesses and confirms the relevance and suitability of market inputs provided by SVS. The land assets under investment are categorised as level 2 in accordance with the fair value hierarchy.

The comprehensive valuations of Investment property assets with a perpetual lease have been significantly discounted. The discount is applied due to the inability to freehold and restrictions on use.

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

The investment building assets and right-of-use land assets with a term lease are categorised as level 3 in accordance with the fair value hierarchy.

**Categorisation of investments measured at fair value**

| 2020         | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
|--------------|-------------------|-------------------|-----------------|
| Land         | 215,530           | 10,270            | 225,800         |
| Buildings    | -                 | 1,175             | 1,175           |
| <b>Total</b> | <b>215,530</b>    | <b>11,445</b>     | <b>226,975</b>  |

In 2019-20, investment properties were transferred-in as part of the machinery-of-Government change as disclosed in Note 3. Therefore, there are no comparative fair value disclosures for 2018-19.

19. Intangible assets

**Closing balances and reconciliation of carrying amount  
30 June 2020**

|                                   | Software<br>purchased<br>\$'000 | Software<br>internally<br>generated<br>\$'000 | Other intangibles<br>\$'000 | Work in<br>progress<br>\$'000 | Total<br>\$'000 |
|-----------------------------------|---------------------------------|---|-----------------------------|-------------------------------|-----------------|
| Gross                             | 150                             | 2,230   | 10,422                      | 695                           | 13,497          |
| Less: Accumulated amortisation    | (150)                           | (1,372)                                       | -                           | -                             | (1,522)         |
| <b>Carrying amount at 30 June</b> | <b>-</b>                        | <b>858</b>                                    | <b>10,422</b>               | <b>695</b>                    | <b>11,975</b>   |

19. Intangible assets (continued)

|   | Software<br>purchased<br>\$'000 | Software<br>internally<br>generated<br>\$'000 | Other intangibles<br>\$'000 | Work in<br>progress<br>\$'000 | Total<br>\$'000 |
|---|---------------------------------|---|-----------------------------|-------------------------------|-----------------|
| <i>Represented by movements in carrying amount:</i> |                                 |   |                             |                               |                 |
| Carrying amount at 1 July 2019                      | -                               | -   | -                           | -                             | -               |
| Acquisitions  | -                               | -   | -                           | 73                            | 73              |
| Amortisation  | -                               | (27)  | -                           | -                             | (27)            |
| Acquisition through machinery-of-Government change  | -                               | 885   | 10,422                      | 623                           | 11,930          |
| <b>Carrying amount at 30 June</b>                   | <b>-</b>                        | <b>858</b>                                    | <b>10,422</b>               | <b>695</b>                    | <b>11,975</b>   |

There were no intangible assets in 2018-19 for closing balances and reconciliation of carrying amount.  
All intangible assets have been tested for impairment.

**Accounting policy**

**Recognition and measurement of intangibles**

Intangible assets of the department comprise software purchased, software internally generated, and easements. Intangible assets with a cost or value equal to or greater than \$100,000 (including network assets) are recognised in the financial statements. Items with lesser value are expensed.

Network assets, recognised as Other intangibles, include items with an individual value of less than \$100,000 which are capitalised if collectively they exceed the recognition threshold. A network asset is a chain of interconnected but dissimilar assets connected for the provision of the one simultaneous service, such as easements.

There is no active market for any of the department's intangible assets. As such, the assets are recognised and carried at historical cost less accumulated amortisation and accumulated impairment losses.

Expenditure on research activities relating to internally-generated intangible assets is recognised as an expense in the period in which it is incurred. Costs associated with the internal development of computer software are capitalised and amortised under the amortisation policy below. No intangible assets have been classified as held for sale or form part of a disposal group held for sale.

**Amortisation expense**

Software has finite useful life and is amortised on a straight-line basis over the period of the expected benefit to the department, which is five to seven years. Other intangible assets (easements) are not amortised as they have indefinite useful lives.

20. Income tax equivalents

**(a) Income tax equivalent expense/(benefit)**

|                              |              |          |
|------------------------------|--------------|----------|
| Current tax                  | (814)        | -        |
| Deferred tax                 | (61)         | -        |
| <b>Balance as at 30 June</b> | <b>(876)</b> | <b>-</b> |

**(b) Numeric reconciliation of income tax equivalent expense to prima facie tax payable**

|   |              |          |
|---|--------------|----------|
| (Profit)/loss before tax                                | 2,918        | -        |
| Tax expense/(benefit) at the Australian tax rate of 30% | (876)        | -        |
| <b>Income tax equivalent expense/(benefit)</b>          | <b>(876)</b> | <b>-</b> |

**(c) Non-current assets - deferred tax equivalent asset**

The balance comprises temporary differences attributable to:

|  |               |          |
|--|---------------|----------|
| Allowance for doubtful debts                     | 34            | -        |
| Accrued expenses                                 | 4,765         | -        |
| Written down value of other capitalised expenses | 21            | -        |
| Building accumulated depreciation                | 846           | -        |
| Building accumulated impairment/devaluation      | 4,118         | -        |
| Capital asset impairment                         | 618           | -        |
| Concessional loan discount                       | 6,136         | -        |
| Deferred fee income                              | 332           | -        |
| Prior year tax losses carried forward            | 9,489         | -        |
| Current tax losses carried forward               | 814           | -        |
| <b>Balance as at 30 June</b>                     | <b>27,172</b> | <b>-</b> |



20. Income tax equivalents (continued)

|  | Note | 2020<br>\$'000 | 2019<br>\$'000 |
|--|------|----------------|----------------|
| <b>(d) Current liabilities - income tax payable/(receivable)</b>         |      |                |                |
| Balance at the beginning of the year                                     |      | -              | -              |
| Transfer due to machinery-of-Government change                           |      | 3,003          | -              |
| <b>Balance as at 30 June</b>   |      | <b>3,003</b>   | <b>-</b>       |
| <b>(e) Non-current liabilities - deferred tax equivalent liabilities</b> |      |                |                |
| The balance comprises temporary differences attributable to:             |      |                |                |
| Land revaluations  |      | 37,258         | -              |
| Inventories  |      | 5,310          | -              |
| Investment property  |      | 39,488         | -              |
| Grants receivable  |      | 4,753          | -              |
| <b>Balance as at 30 June</b>   |      | <b>86,810</b>  | <b>-</b>       |

**Accounting policy**

The department is a state body as defined under the *Income Tax Assessment Act 1936* and is exempt from Australian Government taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). As such, input tax credits receivable from and GST payable to the Australian Taxation Office are recognised. From 1 July 2014 all Queensland Government departments were exempted from payroll tax. This exemption is not extended to commercial business units, such as EDQ.

Pursuant to the National Tax Equivalents Regime, the department's commercialised business unit, EDQ is required to make payments to the Queensland Government equivalent to the amount of any Australian Government income tax for which an exemption is not received.

The income tax equivalent benefit for the period is the tax payable on the current period's taxable income based on the national tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

AASB 112 *Income Taxes* uses a 'balance sheet approach' of calculating income tax balances. This approach recognises the difference between the carrying value of an asset or liability and its tax base. The differences are recognised at the tax rate expected to be applied when the assets are recovered or liabilities settled.

If applicable, deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

21. Payables

**Current**

|   |   |               |               |
|---|---|---------------|---------------|
| Trade creditors                                     |   | 15,969        | 2,618         |
| Taxes - land, rates and stamp duty payable          |   | 10,551        | -             |
| Grants payable                                      |   | 18,402        | 33            |
| Interest payable                                    |   | 5             | -             |
| Fringe benefits tax                                 |   | 126           | 35            |
| Deferred appropriation payable to Consolidated Fund | 4 | -             | 10,856        |
| Other   |   | 232           | 91            |
| <b>Total current payables</b>                       |   | <b>45,284</b> | <b>13,633</b> |

**Non-current**

|                                   |  |               |          |
|-----------------------------------|--|---------------|----------|
| Other*                            |  | 19,524        | -        |
| <b>Total non-current payables</b> |  | <b>19,524</b> | <b>-</b> |

|                       |  |               |               |
|-----------------------|--|---------------|---------------|
| <b>Total payables</b> |  | <b>64,808</b> | <b>13,633</b> |
|-----------------------|--|---------------|---------------|

\* \$19.524 million of non-current other payables relates to payment owed to Queensland Treasury for a land parcel under development by the department.

**Accounting policy**

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.

EDQ is required under the Queensland Treasury's Commercialisation of Government Business Activities in Queensland Policy Framework to recognise tax equivalents payments and payments in lieu of stamp duty, land tax and local government rates. Calculation and recognition of tax equivalents ensures EDQ is not advantaged relative to its private sector counterparts. Payments are required to be made to the Queensland Government's Consolidated Fund and are determined on a self-assessment basis giving proper regard to current rates and charges applicable.

|                                     | 2020<br>\$'000        | 2019<br>\$'000  |
|-------------------------------------|-----------------------|-----------------|
| <b>22. Borrowings</b>               |                       |                 |
| <b>Current</b>                      |                       |                 |
| QTC borrowings                      | 45,000                | -               |
| <b>Total current borrowings</b>     | <u>45,000</u>         | <u>-</u>        |
| <b>Non-current</b>                  |                       |                 |
| QTC borrowings                      | 118,146               | -               |
| <b>Total non-current borrowings</b> | <u>118,146</u>        | <u>-</u>        |
| <b>Total borrowings</b>             | <u><u>163,146</u></u> | <u><u>-</u></u> |

All borrowings by the department are from the Queensland Treasury Corporation (QTC). Final repayment dates vary from December 2020 to October 2033, with a fixed interest rate range of 2.50% to 3.23% per annum. There have been no defaults or breaches of the loan agreement during the 2020 financial year. No assets have been pledged as security for any borrowings.

The undrawn facility limit at 30 June 2020 is \$84.102 million (2019: Nil).

EDQ utilises debt facilities to manage cash flow and facilitate development works for residential and catalyst infrastructure projects. A drawdown from the QTC loan occurs when development costs are incurred.

#### Accounting Policy

QTC borrowings are initially recognised at fair value, plus any transaction costs directly attributable to the borrowings, then subsequently held at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument (or, where appropriate, a shorter period) to the net carrying amount of that instrument.

Any borrowing costs are added to the carrying amount of the borrowing to the extent they are not settled in the period in which they arise.

The department does not enter into transactions for speculative purposes, nor for hedging. No financial liabilities are measured at fair value through profit or loss.

#### 23. Provisions

|   |               |          |
|---|---------------|----------|
| <b>Current</b>                                    |               |          |
| Land acquisition claims                           | 15,670        | -        |
| Infrastructure development                        | 5,545         | -        |
| Other provision                                   | 7,596         | -        |
| <b>Total current provisions</b>                   | <u>28,812</u> | <u>-</u> |
| <b>Non-current</b>                                |               |          |
| Infrastructure development                        | 47,048        | -        |
| Other provision                                   | 6,343         | -        |
| <b>Total non-current provisions</b>               | <u>53,392</u> | <u>-</u> |
| <b>Movements in provisions</b>                    |               |          |
| Balance at 1 July                                 | -             | -        |
| Transfer in due to machinery-of-Government change | 80,748        | -        |
| Additional provision recognised                   | 9,228         | -        |
| Reduction in provision as a result of payments    | (7,772)       | -        |
| <b>Balance as at 30 June</b>                      | <u>82,203</u> | <u>-</u> |

#### Accounting policy

Provisions are recorded when the department has a present obligation, either legal or constructive, as a result of a past event. They are recognised at the amount expected at reporting date for which the obligation will be settled in a future period.

#### Key estimates

The department acquires land through compulsory acquisition in accordance with the *Acquisition of Land Act 1967* using the Coordinator-General's powers as contained in the *State Development and Public Works Organisation Act 1971*. The department pays compensation for land acquired in accordance with this legislation when an agreement is reached between the land owner and the Coordinator-General through the execution of a section 15 Compensation Agreement. Prior to the execution of a section 15 Compensation Agreement, the department recognises a provision to account for the compensation it expects to pay for all land resumptions.

The department collects infrastructure charges from developers in Priority Development Areas (PDAs) under the *Economic Development Act 2012*. Charges are payable based on projected growth and network modelling undertaken for water, sewer, transport, parks, community facilities and stormwater networks. Under the Act all infrastructure charges collected for a specific PDA must be spent on infrastructure delivery in the same PDA.

The department has an obligation to fund costs associated with the conversion of specific buildings into residential units and income support. The estimate of future costs has been recognised as a provision.

## 24. Other liabilities

|  | 2020<br>\$'000 | 2019<br>\$'000 |
|--|----------------|----------------|
| <b>Current</b>                             |                |                |
| Deposits held <sup>1</sup>                 | 15,381         | 200            |
| Security deposits <sup>2</sup>             | 1,391          | -              |
| Contract liabilities                       | 2,473          | -              |
| Unearned revenue                           | 1,725          | 906            |
| Other <sup>3</sup>                         | 350            | 919            |
| <b>Total current other liabilities</b>     | <b>21,319</b>  | <b>2,025</b>   |
| <b>Non-current</b>                         |                |                |
| Security deposits <sup>2</sup>             | 4,000          | -              |
| Other <sup>3</sup>                         | -              | 3,218          |
| <b>Total non-current other liabilities</b> | <b>4,000</b>   | <b>3,218</b>   |

<sup>1</sup> Deposits held are largely for land resumptions. The department acquires land through compulsory acquisition in accordance with the *Acquisition of Land Act 1967* using the Coordinator-General's powers as contained in the *State Development and Public Works Organisation Act 1971*.

<sup>2</sup> Security deposits are held to secure the performance of developers' obligations under development management agreements and held as security as required under these agreements. Deposits are released when contractual obligations are satisfied.

<sup>3</sup> The other liabilities in 2018-19, relates to lease incentives for the Advance Queensland Valley Precinct Initiative. Incentives received on entering into operating leases are recognised as liabilities. These have been derecognised with the implementation of AASB16 *Leases* as disclosed in Note 1.

### Accounting policy

Other liabilities are recognised in accordance with contract terms. Contract liabilities arise from contracts with customers while other unearned revenue arising from transactions that are not contracts with customers.

Revenue from contract liabilities is recognised when the performance obligations are satisfied.

Unearned revenue is recognised by identifying the portion of up-front payment unearned as at 30 June.

## 25. Leases as lessor

### Finance leases

The leases currently recognised as finance leases are for property on which all the risks and rewards of ownership have passed to the lessee. The finance leases are predominantly held over industrial properties. Lessees are required to pay the principal, being the fair value of the land at the commencement of the finance lease, and an interest component calculated on the remaining balance payable. The finance leases are administered by DNRME under the *Land Act 1994* on behalf of EDQ.

### Operating leases

EDQ has land and investment property assets that are leased out predominately for industrial purposes. Majority of the leases are administered by DNRME under the *Land Act 1994* on behalf of EDQ. Under the *Land Act 1994*, the parties leasing these properties can terminate the lease with 28 days' notice or make an application to purchase the land. The amount payable to purchase the land is the market value of the land. The leases are granted on terms of between 1 year and in perpetuity. Refer to Note 18 for additional disclosures about investment properties.

EDQ has entered into a sublease of a seabed. The sublease is considered an operating lease as the 5 year term is significantly shorter than the head lease. The lease income is calculated by applying a predetermined rate against the lessee's turnover. The total contingent rent recognised as property rentals in Note 5 was nil (2019: nil).

The following table sets out a maturity analysis of future undiscounted lease payments receivable under the department's operating and finance leases. These leases were transferred-in during 2019-20 as part of machinery-of-Government change disclosed in Note 3.

|                   | Operating leases<br>2020<br>\$'000 | Finance leases<br>2020<br>\$'000 |
|-------------------|------------------------------------|----------------------------------|
| Less than 1 year  | 5,754                              | 8,785                            |
| 1 to 2 years      | 6,381                              | 8,639                            |
| payments          | 5,638                              | 8,582                            |
| payments          | 5,615                              | 7,768                            |
| payments          | 5,486                              | 7,768                            |
| More than 5 years | 25,707                             | 38,222                           |
| payments          | <b>54,582</b>                      | <b>79,763</b>                    |

### Accounting policy

#### Leases as lessor

The department recognises lease payments from operating leases as income on a straight-line basis over the lease term.

#### Key Judgement

Due to lessors of operating leases being able to terminate the leases with 28 days notice, or make application to purchase the land, it is assumed that operating lease have a maximum expiry of 10 years from the reporting date.

## 26. Budgetary reporting disclosures

Queensland Treasury's Financial Reporting Requirements published for Queensland Government Agencies would ordinarily require actual results to be compared against the SDS adjusted budget. Due to the COVID-19 response suspending the budget process there has been no adjusted budget presented to parliament. As such the original budget figures are presented as the comparator to actual results with explanations of major variances in respect of the department's Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows.

Following the machinery-of-Government change, the department was renamed the Department of State Development, Tourism and Innovation. As a result of Administrative Arrangements Order (No. 1) 2020 on 11 May 2020, functions were transferred to the department, effective 1 June 2020. Details of the transfers are outlined in Note 3.

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

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

For all other material line items, major variances have been assessed as meeting the following criteria:

- The line item within the Statement of Comprehensive Income is material where the value is less than or greater than 10% plus greater than 1% of total expenses;
- The line item within the Statement of Financial Position is material where the value is less than or greater than 10% plus greater than 5% of total assets; or
- The line item within the Statement of Cash flows is material where the value is equal to or greater than 10% plus greater than 5% of total inflows or total outflows for the relevant cash flow category.

### Explanations of major variances - Statement of Comprehensive Income

|   |   |
|---|---|
| <b>Appropriation revenue</b>                  | The decrease in Appropriation revenue of \$4.963 million is primarily due to: <ul style="list-style-type: none"> <li>- \$36.985 million as a result of the timing of funding requirements for a number of programs including the Great Keppel Island Rejuvenation Pilot (GKI), Indigenous Tourism Development Grants (ITDG), Great Barrier Reef Island Resorts Rejuvenation Program (GBRRP), and Advance Queensland (AQ) programs. This is partially offset by new funding received for COVID-19 Tourism Industry Recovery (TIR) support and International Student Support.</li> <li>- This is also offset by one month of actuals of \$32.022 million from the former Department of State Development, Manufacturing, Infrastructure and Planning (DSDMIP) transferring in as a result of the May 2020 machinery-of-Government changes.</li> </ul> |
| <b>User Charges and Fees</b>                  | The \$3.929 million increase is primarily due to recognition of rent from external tenants at the Advance Queensland Valley Precinct and one month of actuals for functions from the former State Development, Manufacturing, Infrastructure and Planning (DSDMIP) as a result of the May 2020 machinery-of-Government changes.   |
| <b>Grants and other contributions revenue</b> | The \$5.537 million increase in Grants and other contributions revenue primarily represents the recognition of funding contributions for the Global Tourism Hub Integrated Resort Development (GTH IRD), A Strategic Blueprint for Queensland's North West Minerals Province, 2032 Taskforce and Queensland Reconstruction Authority funding for 2019 Monsoon recovery activities.  |
| <b>Other revenue</b>                          | The increase of \$8.168 million is due to one month of transactions for functions transferred in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes.  |
| <b>Employee expenses</b>                      | The increase of \$9.807 million primarily relates to additional expenditure of \$7.679 million as a result of the May 2020 machinery-of-Government changes, plus the realignment of required employee expenses for the delivery of program initiatives.   |
| <b>Grants and other contributions expense</b> | The decrease of \$3.958 million relates predominantly to the timing of expenditure for grants programs. This is partially offset by new funding received for COVID-19 support, International Student support and Minjerribah Futures. Additionally, \$22.000 million of grants expenditure relates to functions transferred to the department as a result of the May 2020 machinery-of-Government changes.  |
| <b>Land inventory written off</b>             | The increase of \$2.906 million is due to a reduction in net realisable value for land inventory for regional residential development projects, which is due to an unbudgeted item as a result of the May 2020 machinery-of-Government changes.   |
| <b>Other Expenses</b>                         | The increase of \$6.338 million in Other expense predominantly relates to one month of actuals for the functions transferred in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes.   |

### Explanations of major variances - Statement of Financial Position

|                                     |   |
|-------------------------------------|---|
| <b>Cash and cash equivalents</b>    | The increase of \$158.299 million is primarily due to actuals transferring in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes. |
| <b>Current Receivables</b>          | The increase of \$72.416 million is primarily due to actuals transferring in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes.  |
| <b>Current Land Inventories</b>     | The increase of \$44.494 million is primarily due to actuals transferring in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes.  |
| <b>Current Other Assets</b>         | The increase of \$19.810 million is primarily due to actuals transferring in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes.  |
| <b>Non-current Receivables</b>      | The increase of \$192.898 million is primarily due to actuals transferring in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes. |
| <b>Non-current Land Inventories</b> | The increase of \$313.674 million is primarily due to actuals transferring in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes. |
| <b>Property Plant and Equipment</b> | The increase of \$281.534 million is primarily due to actuals transferring in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes. |

26. Budgetary reporting disclosures (continued)

|  |   |
|--|---|
| <b>Investment Property</b>                           | The increase of \$226.975 million is primarily due to actuals transferring in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes. |
| <b>Intangible Assets</b>                             | The increase of \$11.975 million is primarily due to actuals transferring in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes.  |
| <b>Non-current Deferred Tax Equivalent Asset</b>     | The increase of \$27.172 million is primarily due to actuals transferring in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes.  |
| <b>Payables</b>                                      | The increase of \$41.879 million is primarily due to actuals transferring in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes.  |
| <b>Borrowings</b>                                    | The increase of \$45.000 million is primarily due to actuals transferring in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes.  |
| <b>Accrued Employee Benefits</b>                     | The increase of \$3.056 million is primarily due to actuals transferring in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes.   |
| <b>Provisions</b>                                    | The increase of \$28.812 million is primarily due to actuals transferring in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes.  |
| <b>Deferred Tax Equivalent Liability</b>             | The increase of \$3.003 million is primarily due to actuals transferring in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes.   |
| <b>Other Liabilities</b>                             | The increase of \$20.980 million is primarily due to actuals transferring in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes.  |
| <b>Non-current Payables</b>                          | The increase of \$19.524 million is primarily due to actuals transferring in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes.  |
| <b>Non-current Borrowings</b>                        | The increase of \$118.146 million is primarily due to actuals transferring in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes. |
| <b>Non-current Provisions</b>                        | The increase of \$53.392 million is primarily due to actuals transferring in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes.  |
| <b>Non-current Deferred Tax Equivalent Liability</b> | The increase of \$86.810 million is primarily due to actuals transferring in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes.  |
| <b>Non-current Other Liabilities</b>                 | The increase of \$4.000 million is primarily due to actuals transferring in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes.   |
| <b>Contributed Equity</b>                            | The increase of \$923.860 million is primarily due to actuals transferring in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes. |

**Explanations of major variances - Statement of Cash Flows**

**Inflows:**

**Appropriation Receipts** The decrease of \$48.667 million relates to changes to the timing of funding requirements for the Great Keppel Island Rejuvenation Pilot (GKI), Indigenous Tourism Development Grants (ITDG), Great Barrier Reef Island Resorts Rejuvenation Program (GBRRP), Advance Queensland (AQ) programs, Minjerrabah Futures, Global Tourism Hubs and Integrated Resort Developments (GTH IRD), Connecting with Asia (CWA), Growing Tourism Infrastructure Fund (GTIF), Tourism Recovery Fund (TRF), lapse for FibreCo and CBRC approved savings. This is partially offset by new funding received for COVID-19 Tourism Industry Recovery (TIR) support and International Student Support.

**User Charges and Fees** The increase of \$6.764 million is primarily due to one month of actuals from functions transferred in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes.

**Grants and other contributions revenue** The increase of \$8.661 million in Grants and other contributions revenue primarily represents the recognition of funding contributions for the Global Tourism Hub Integrated Resort Development (GTH IRD), A Strategic Blueprint for Queensland's North West Minerals Province, 2032 Taskforce and Queensland Reconstruction Authority funding for 2019 Monsoon recovery activities.

**GST input tax credits from ATO** The increase of \$3.405 million is primarily due to one month of actuals from functions transferring in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes.

**Other Inflows** The increase of \$11.685 million is primarily due to one month of actuals from functions transferred in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes.

**Outflows:**

**Employee Expenses** The increase of \$10.393 million is primarily due to one month of actuals from functions transferred in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes. The balance of \$2.012 million relates to realignment of required employee expenses for the delivery of program initiatives.

**Grants and Contributions** The decrease of \$14.658 million largely relates to the timing of expenditure on programs. This is offset by one month of actuals for the functions transferred in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes and new funding paid for COVID-19 support, International Student support and Minjerrabah Futures.

**GST Paid to Suppliers** The increase of \$4.854 million is primarily due to one month of actuals from functions transferred in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes.

**Other Outflows** The increase of \$21.878 million is primarily due to one month of actuals from functions transferred in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes.

## 26. Budgetary reporting disclosures (continued)

|   |  |
|---|--|
| <b>Payments for property, plant and equipment</b> | The increase of \$2.809 million is primarily due to one month of actuals from functions transferred in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes. |
| <b>Equity Withdrawals - non-appropriated</b>      | The increase of \$4.122 million is primarily due to movements for functions transferred in from the former DSDMIP as a result of the May 2020 machinery-of-Government changes.             |

## 27. Significant financial impacts from COVID-19 Significant financial impacts - COVID-19 Pandemic

The following significant transactions were recognised by the department during 2019-20 financial year in response to the COVID-19 pandemic.

|   | 2020<br>\$'000 |
|---|----------------|
| <b>Operating Statement</b>                                    |                |
| <u>Significant expense transactions arising from COVID-19</u> |                |
| Airline Route Support   | 5,000          |
| Tropical North Qld and Gold Coast targeted tourism campaigns  | 4,800          |
| Support to International Students impacted by COVID-19        | 4,210          |
| Manufacturing of disposable N95 face masks                    | 1,670          |
| COVID-19 Response and Recovery Commercialisation Projects     | 616            |
| Contribution to development COVID-19 vaccine                  | 100            |
|   | <u>16,396</u>  |

The department waived the collection of rent for all non-Government tenants of the Advance Queensland Valley Precinct for a period of six months which commenced 1 April 2020 and will conclude 30 September 2020. Rent forgone for the period 1 April 2020 to 30 June 2020 was \$0.435 million. A further \$0.379 million was provided in industrial rent relief to support businesses during the COVID-19 pandemic.

|  | 2020<br>\$'000 | 2019<br>\$'000 |
|--|----------------|----------------|
| <b>28. Commitments</b>   |                |                |
| <b>Capital expenditure commitments</b>   |                |                |
| Commitments for capital expenditure at reporting date (inclusive of non-recoverable GST input tax credits) are payable:  |                |                |
| <b>Capital works in progress</b>   |                |                |
| - Not later than 1 year  | 21,010         | -              |
| - Later than 1 year and not later than 5 years   | 29,591         | -              |
| - Later than 5 years   | 13,290         | -              |
| <b>Total capital expenditure commitments</b>   | <u>63,890</u>  | <u>-</u>       |
| <b>Grants and contributions expenditure commitments</b>  |                |                |
| Grants and contributions commitments at reporting date (inclusive of non-recoverable GST input tax credits) are payable: |                |                |
| - Not later than 1 year  | 210,787        | 88,007         |
| - Later than 1 year and not later than 5 years   | 123,101        | 52,847         |
| - Later than 5 years   | 949            | -              |
| <b>Total grants and contributions expenditure commitments</b>  | <u>334,837</u> | <u>140,854</u> |
| <b>Other expenditure commitments</b>   |                |                |
| Other expenditure commitments at reporting date (inclusive of non-recoverable GST input tax credits) are payable:        |                |                |
| - Not later than 1 year  | 21,636         | 15,533         |
| - Later than 1 year and not later than 5 years   | 11,573         | 2,791          |
| - Later than 5 years   | 399            | -              |
| <b>Total other expenditure commitments</b>   | <u>33,608</u>  | <u>18,324</u>  |
| <b>Non-cancellable operating lease commitments</b>   |                |                |
| Operating lease commitments in 2018/19 under AASB 117 disclosure.  |                |                |
| Within 1 year  | -              | 6,052          |
| Later than 1 year but not later than 5 years   | -              | 23,278         |
| Later than 5 years   | -              | 6,829          |
|  | <u>-</u>       | <u>36,159</u>  |

## 29. Contingencies

### Guarantees and undertakings

The department holds bank guarantees for financial support provided on projects across the department as at 30 June of \$213.629 million (2019: \$206.000 million).

The following contingencies are from the functions transferred to the department as a result of the machinery-of-Government change as disclosed in Note 3

- The department holds bank guarantees in relation to the Advance Queensland Industry Attraction Fund (AQIAF) for financial security against non-conformance of grant agreements. The total value of bank guarantees for five grants within AQIAF as at 30 June 2020 is \$22.196 million.
- Other bank guarantees and bonds are held for financial support provided on projects across the department. The total value of bank guarantees and bonds held for these projects as at 30 June 2020 is \$15.712 million.
- EDQ holds bank guarantees in relation to development projects for financial security against non-conformance of contracts. The total value of bank guarantees held by EDQ is \$54.971 million.
- EDQ provided financial guarantees of \$5.042 million for security over the contractual performance obligations for electrical and stormwater augmentation works.

## 29. Contingencies (continued)

- The department also provided a financial undertaking of \$0.550 million under the Jobs and Regional Growth Fund Assistance (JRGF) agreement for security over the contractual performance obligations.
- At 30 June 2020, a total of \$67.000 million in cash is held by the department as security under the *State Development and Public Works Organisation Act 1971*, to ensure liability to the state is minimised should proponents fail to perform their contractual obligations. Interest is accrued on cash balances held and will be paid out when the security deposit is returned. At reporting date, it is not possible to determine the extent or timing of any potential financial effect of this responsibility.

### Litigation in progress

At 30 June 2020, there is one claim filed in the courts naming the State of Queensland through the department as defendant. Depending on the outcome of the litigation process, indemnity will be sought through the Queensland Government Insurance fund.

### Native title claims over departmental land

At 30 June 2020, native title continues to exist over certain land parcels owned by the department. Native title determination applications have been registered in the Federal Court of Australia but not all applications have been determined by the Court. At reporting date, it is not possible to make an estimate of any probable outcome of these claims or any financial effect.

## 30. Events occurring after balance date

Subsequent to balance date, a bank guarantee for \$125 million was returned to the applicant on 2 July 2020. This is the only event which would have a material effect on the information provided in the department's controlled or administered financial statements, specifically Note 29.

EDQ, a CBU of the department, understands that the Commissioner of State Revenue is likely to reassess duty payable in relation to a past commercial transaction (on the basis that section 14(4) of the *Duties Act 2001* does not apply to that transaction). The outcome of a reassessment may result in a potential liability under the contractual agreement between the Minister of Economic Development Queensland and the third party. At reporting date, it is not possible to estimate the financial impact from a reassessment.

In response to the Queensland Government's COVID-19 Industry Support Package (ISP), the department and Queensland Treasury Corporation (QTC) will jointly administer the loan facilities for each entity selected by the government to receive a loan under the ISP. As QTC will undertake the role of lender for these loans, the department has provided an indemnity in relation to claims arising out of the loan facilities. The deed of indemnity was signed by the department on the 5 August 2020.

The department's financial statements are expected to be impacted by COVID-19 programs beyond 30 June 2020, although the actual impacts cannot be reliably estimated at the reporting date.

## 31. Financial instruments

### Financial instrument categories

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the department becomes party to the contractual provisions of the financial instrument.

The department's financial assets are classified, at initial recognition, and subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial asset receivables at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them. The department has the following categories of financial assets and financial liabilities:

|  | Note | 2020<br>\$'000 | 2019<br>\$'000 |
|--|------|----------------|----------------|
| <b>Financial assets</b>  |      |                |                |
| Cash and cash equivalents  | 13   | 161,513        | 12,338         |
| <b>Financial assets at amortised cost - comprising:</b>                    |      |                |                |
| Receivables  | 14   | 267,370        | 3,369          |
| <b>Financial assets at fair value through profit or loss - comprising:</b> |      |                |                |
| Receivables  | 14   | 277            | -              |
| <b>Total financial assets</b>  |      | <b>429,160</b> | <b>15,707</b>  |
| <b>Financial liabilities</b>   |      |                |                |
| Payables   | 21   | 64,808         | 13,633         |
| Borrowings   | 22   | 163,146        | -              |
| Other liabilities *  | 24   | 20,772         | 200            |
| Lease liabilities  | 25   | 405            | -              |
| <b>Total financial liabilities</b>   |      | <b>249,131</b> | <b>13,833</b>  |

\* Other liabilities only include deposits held and security deposits

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

### 31. Financial instruments (continued)

#### Financial risk management

##### (a) Risk exposure

Financial risk management is implemented pursuant to Queensland Government and departmental policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the department.

All financial risk is managed under policies approved by the department which relate to financial arrangements as per the department's policies. The department's activities expose it to a variety of financial risks as set out in the following table:

| Risk exposure  | Definition   | Exposure  |
|----------------|--|---|
| Credit risk    | The risk that the department may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.  | The department is exposed to credit risk in respect of its receivables in Note 14.  |
| Liquidity risk | The risk that the department may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.   | The department is exposed to liquidity risk in respect of its payables in Note 21 and borrowings from QTC in Note 22.   |
| Market risk    | The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.<br><br><i>Interest rate</i> risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. | The department is not materially exposed to changes in commodity prices, foreign currency or other price risk.<br><br>The department is exposed to interest rate risk through its borrowings from QTC, cash deposited in interest bearing accounts and interest bearing loans and advances.<br><br>The market risk is immaterial in relation to finance lease receivables due to the significantly lower interest rates stipulated in the lease contracts. The interest is recognised as time value of money. |

##### (b) Risk measurement and management strategies

The department measures risk exposure using a variety of methods as follows:

| Risk exposure  | Measurement method                 | Risk management strategies   |
|----------------|------------------------------------|--|
| Credit risk    | Ageing analysis                    | The department manages credit risk through the use of a credit management policy articulated in the department's Financial Management Practice Manual. This policy aims to reduce the exposure to credit default by assessing whether the customer has the ability and willingness to pay amounts owing to the department in an approved timeframe. The department monitors all funds owed on a monthly basis. Exposure to credit risk is monitored on an ongoing basis. |
| Liquidity risk | Sensitivity analysis               | The department manages liquidity risk through the use of an Under Treasurer approved overdraft limit on the department's controlled bank account. This overdraft limit reduces the exposure to liquidity risk by ensuring the department has sufficient funds available to meet employee and supplier obligations as they fall due.  |
| Market risk    | Interest rate sensitivity analysis | The department does not undertake any hedging in relation to interest rate risk and manages its risk as per the department's Financial Management Practice Manual.   |

#### Liquidity risk - Contractual maturity of financial liabilities

The following table sets out the liquidity risk of financial liabilities held by the department. It represents the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at the reporting date. The undiscounted cash flows in these tables differ from the amounts included in the Statement of Financial Position that is based on discounted cash flows.

##### Financial liabilities 2020

|                   | 2020 payable in    |                     |                     |                 |
|-------------------|--------------------|---------------------|---------------------|-----------------|
|                   | < 1 year<br>\$'000 | 1-5 years<br>\$'000 | > 5 years<br>\$'000 | Total<br>\$'000 |
| Payables          | 45,284             | 7,593               | 11,931              | 64,808          |
| Borrowings        | 25,291             | 28,569              | 122,560             | 176,419         |
| Other liabilities | 16,772             | 3,000               | 1,000               | 20,772          |
| Lease liabilities | 81                 | 324                 | 149                 | 554             |
| <b>Total</b>      | <b>87,427</b>      | <b>39,485</b>       | <b>135,641</b>      | <b>262,554</b>  |

##### 2019

|                   | 2019 payable in    |                     |                     |                 |
|-------------------|--------------------|---------------------|---------------------|-----------------|
|                   | < 1 year<br>\$'000 | 1-5 years<br>\$'000 | > 5 years<br>\$'000 | Total<br>\$'000 |
| Payables          | 13,633             | -                   | -                   | 13,633          |
| Other liabilities | 200                | -                   | -                   | 200             |
| <b>Total</b>      | <b>13,833</b>      | <b>-</b>            | <b>-</b>            | <b>13,833</b>   |

#### Fair value measurement

The department does not recognise any financial assets or financial liabilities at fair value other than loans and advances measured at fair value through profit or loss. The loans and advances measured at fair value through profit or loss are measured under Level 2.

In 2019-20, Loans and advances were transferred in as part of the machinery-of-Government change as disclosed in Note 3. Therefore, there are no comparative financial assets recorded at fair value disclosures for 2018-19.



### 31. Financial instruments (continued)

#### Fair value disclosures for financial liabilities measured at amortised cost

With the exception of QTC borrowings, the carrying amount of financial liabilities measured at amortised cost approximates their fair value at reporting date.

The fair value of borrowings is notified by QTC and is calculated using discounted cash flow analysis and the effective interest rate. They are categorised as level three fair values within the fair value hierarchy.

|  | 2020                      |                      |
|--|---------------------------|----------------------|
|  | Carrying amount<br>\$'000 | Fair value<br>\$'000 |
| Financial liabilities at amortised cost: |                           |                      |
| QTC borrowings                           | 163,146                   | 166,439              |
| <b>Total</b>                             | <b>163,146</b>            | <b>166,439</b>       |

In 2019-20, QTC borrowings were transferred in as part of the machinery-of-Government change as disclosed in Note 3. Therefore, there are no comparative financial liabilities measured at amortised cost value disclosures for 2018-19.

#### Interest rate sensitivity analysis

The following interest rate sensitivity analysis is based on a report similar to that provided to management, depicting the outcome on net income if interest rates would change by +/- 0.25% from the year end rates as applied to the department's variable rate financial assets and financial liabilities. With all other variables held constant, the department would have a surplus and equity increase/(decrease) of \$0.492 million (2019: nil).

#### 2020 Interest rate risk

|                               | Carrying amount<br>\$'000 | -0.25%                     |                  | +0.25%                     |                  |
|-------------------------------|---------------------------|----------------------------|------------------|----------------------------|------------------|
|                               |                           | Operating result<br>\$'000 | Equity<br>\$'000 | Operating result<br>\$'000 | Equity<br>\$'000 |
| <b>Financial instruments*</b> |                           |                            |                  |                            |                  |
| Cash and cash equivalents     | 125,619                   | (314)                      | (314)            | 314                        | 314              |
| Loans and advances            | 72,252                    | (181)                      | (181)            | 181                        | 181              |
| QTC borrowings                | 114,322                   | 3                          | 3                | (3)                        | (3)              |
| <b>Potential impact on</b>    |                           | <b>(492)</b>               | <b>(492)</b>     | <b>492</b>                 | <b>492</b>       |

\* Excludes fixed rate or non-interest bearing financial assets and financial liabilities.

### 32. Related party transactions

#### Transactions with other Queensland Government-controlled entities

The department's primary ongoing sources of funding from the government for services is appropriation revenue and equity injections, both of which are provided in cash via QT and are disclosed in Note 4.

The department provides certain corporate services to the Department of Local Government, Racing and Multicultural Affairs, Department of Regional Development and Manufacturing and Queensland Treasury under a service level agreement. Corporate services costs incurred by the department are recovered via a fee for service arrangement and disclosed in Note 5.

The department has borrowings from QTC, and Note 22 and Note 31 outline the key terms and conditions of the borrowings. The department has deposits with QTC as disclosed in Note 13 and Note 31.

The department has leases with DHPW for commercial office accommodation, storage facilities and car park spaces. Property and building expenses incurred are disclosed in Note 8.

The department engages Queensland Shared Services and CITEC for the provision of technology and business services under a service level agreement. Shared service provider fees incurred are disclosed in Note 8.

The department is a member of the Annual Leave Central Scheme (ALCS) and Long Service Leave Scheme (LSLS) which are administered by QT. Annual leave levy and long service leave levy expense is disclosed in Note 10.

The department holds deposits from the Department of Transport and Main Roads (DTMR) for the Townsville Eastern Access Rail Corridor project. Deposits are disclosed in Note 24.

The department provides administered revenue to Tourism and Events Queensland and Cross River Rail Delivery Authority as disclosed in Note 34.

The department paid in advance for Department of Education compulsory acquisitions as disclosed in Note 24.

EDQ has entered into an agreement with DTMR to facilitate development in priority development areas by providing funding for key infrastructure projects as disclosed in Note 16.

DNRME manages leases on behalf of EDQ and transfers the payments from the lessees to EDQ.

The department had significant transactions with other government departments and statutory bodies for grants programs and supplies and services expenditure as disclosed in Note 8 and Note 9.

### 32. Related party transactions (continued)

For the period 1 July 2019 to 30 June 2020, the department received defined services from the following agencies:

- DNRME: Accommodation Services<sup>1</sup>, Legal Services
- DES: Internal Audit
- DAF: Finance, Information Management, Fleet Management, Telecommunications

Refer to Note 1 for a description of BCP arrangements. The revenue and expense related to these contributions of services have not been recognised in the financial statements, apart from Information Management services that are invoiced by DAF as these values are considered to be immaterial and cannot be measured reliably.

<sup>1</sup> Accommodation Services were only provided by DNRME for the period 1 July 2019 to 31 October 2019.

#### Transactions with people and entities related to KMP

The department has no transactions with people and entities related to its key management personnel during the financial year.

### 33. Agency transactions and balances

At 30 June 2020 a total of \$67.411 million of third-party deposits was held by the department in an agency capacity under the *State Development and Public Works Organisation Act 1971*. These funds are received and held on behalf of proponents, with the department having no discretion over these funds. Consequently, these balances are not recognised in the financial statements but are disclosed for information purposes.

The total value of land taken by the Coordinator-General pursuant to the *State Development and Public Works Organisation Act 1971* is \$34.864 million. The land is currently held by the Coordinator-General and licensed to the proponent for construction of the project. Upon completion of construction, the land will be surveyed and will be utilised by the proponent for the activities under the project. Consequently, these land assets are not recognised in the financial statements but are disclosed for information purposes.

Due to moG changes dated 12 December 2017, *Administrative Arrangement Order (No.3) 2017*, the Office of Small Business was transferred on 1 January 2018 to DESBT, however their new financial system was not available until September 2018.

Due to the commencement of wind up activities and minimal staffing the Gold Coast 2018 Commonwealth Games Corporation (GOLDOC) transacted in the former DITID ledger from early September 2018 through until its dissolution date of 31 December 2018 as per the *Commonwealth Games Arrangements (GOLDOC Dissolution Day) Amendment Regulation 2018*.

In 2018-19, the department performed a custodial role in respect of transactions below, which are not recognised in the financial statements. There are no custodial role transactions for the current financial year.

|   | <b>2019</b><br><b>\$'000</b> |
|---|------------------------------|
| <b>Agency Revenues and Expenses</b>                   |                              |
| <b>Office of Small Business</b>                       |                              |
| <b>Expenses</b>                                       |                              |
| Employee expenses                                     | 2,803                        |
| Supplies and services                                 | 399                          |
| Grants and subsidies                                  | 1,644                        |
| Impairment losses                                     | 2                            |
| <b>Total expenses</b>                                 | <b>4,848</b>                 |
| <b>Gold Coast 2018 Commonwealth Games Corporation</b> |                              |
| <b>Revenues</b>                                       |                              |
| Other revenue   | 7,713                        |
| <b>Total revenue</b>                                  | <b>7,713</b>                 |
| <b>Expenses</b>                                       |                              |
| Supplies and services                                 | 7,648                        |
| Other expenses  | 65                           |
| <b>Total expenses</b>                                 | <b>7,713</b>                 |

#### 34. Schedule of administered items

|  | 2020<br>Actual<br>\$'000 | 2020<br>Original<br>budget<br>\$'000 | 2020<br>Budget<br>variance<br>\$'000 | 2019<br>Actual<br>\$'000 |
|--|--------------------------|--------------------------------------|--------------------------------------|--------------------------|
| <b>Administered income</b>   |                          |                                      |                                      |                          |
| Appropriation revenue  | 176,318                  | 109,902                              | 66,416                               | 103,415                  |
| <b>Total administered income</b>                                   | <b>176,318</b>           | <b>109,902</b>                       | <b>66,416</b>                        | <b>103,415</b>           |
| <b>Administered expenses</b>                                       |                          |                                      |                                      |                          |
| Grants and subsidies - Tourism and Events Queensland (TEQ)         | 96,981                   | 109,902                              | (12,921)                             | 103,415                  |
| Grants and subsidies - Cross River Rail Delivery Authority (CRRDA) | 79,337                   |                                      | 79,337                               | -                        |
| <b>Total administered expenses</b>                                 | <b>176,318</b>           | <b>109,902</b>                       | <b>66,416</b>                        | <b>103,415</b>           |
| <b>Operating surplus/(deficit)</b>                                 | <b>-</b>                 | <b>-</b>                             | <b>-</b>                             | <b>-</b>                 |
| <b>Administered assets</b>   |                          |                                      |                                      |                          |
| Current assets   |                          |                                      |                                      |                          |
| Cash at bank   | 54,026                   | -                                    | 54,026                               | 1,343                    |
| Appropriation revenue receivables                                  | 7,051                    |                                      | 7,051                                | 399                      |
| <b>Total current assets</b>  | <b>61,077</b>            | <b>-</b>                             | <b>61,077</b>                        | <b>1,742</b>             |
| <b>Administered liabilities</b>                                    |                          |                                      |                                      |                          |
| Current liabilities  |                          |                                      |                                      |                          |
| Payables   | 24,354                   |                                      | 24,354                               | 1,742                    |
| <b>Total current liabilities</b>                                   | <b>24,354</b>            | <b>-</b>                             | <b>24,354</b>                        | <b>1,742</b>             |
| <b>Net administered assets</b>                                     | <b>36,723</b>            | <b>-</b>                             | <b>36,723</b>                        | <b>-</b>                 |

|   | 2020<br>\$'000 | 2019<br>\$'000 |
|---|----------------|----------------|
| <b>Reconciliation of payments from Consolidated Fund to administered</b>  |                |                |
| Budgeted appropriation  | 109,902        | 107,889        |
| Transfers from/(to) other departments (machinery-of-Government transfers) | 59,658         | -              |
| Lapsed administered appropriation   | 106            | (3,499)        |
| <b>Total administered receipts</b>  | <b>169,666</b> | <b>104,390</b> |
| Less: Opening balance of administered revenue receivable                  | (399)          | (1,374)        |
| Plus: Closing balance of administered revenue receivable                  | 7,051          | 399            |
| <b>Administered revenue recognised (as above)</b>                         | <b>176,318</b> | <b>103,415</b> |

#### Explanation of major variances in the financial statements

|  |   |
|--|---|
| <b>Appropriation revenue</b>             | The increase principally relates to additional funding for the CRRDA. This is partially offset by the lapse of funding for TEQ.   |
| <b>Grants and subsidies - TEQ</b>        | The decrease principally relates to the lapse funding for TEQ.  |
| <b>Grants and subsidies - CRRDA</b>      | The increase principally relates to payments for the CRRDA, including adjustments for the notional interest arrangement for the CRRDA Tunnel, Stations and Development (TSD) Public-Private Partnership (PPP).                              |
| <b>Cash at bank</b>                      | The increase principally relates to cash received on behalf of CRRDA for capital works that has not been drawn down by CRRDA at 30 June 2020. Additionally, the department has received funding on behalf of TEQ which subsequently lapsed. |
| <b>Appropriation revenue receivables</b> | The increase principally relates to the CRRDA TSD PPP notional interest arrangement. This is partially offset by TEQ's lapsed funding.  |
| <b>Payables</b>                          | The increase principally relates to an Equity Injection payable for CRRDA for additional works delivered as at 30 June 2020.  |
| <b>Contributed equity</b>                | The increase relates to funding received for the CRRDA capital works program.   |

#### Machinery-of-Government

On 20 September 2019, *Administrative Arrangements Order (No. 1) 2019*, the responsibility for forwarding administered appropriation revenue to the Cross River Rail Delivery Authority (CRRDA) was transferred to the department from Queensland Treasury.

#### Accounting policy

The department administers, but does not control, certain activities on behalf of the Queensland Government. In doing so, it has responsibility for administering those activities (and related transactions and balances) efficiently and effectively, but does not have the discretion to deploy those resources for the achievement of the department's own objectives. Accounting policies applicable to administered items are consistent with the equivalent policies for controlled items, unless stated otherwise.

Major administered revenue includes appropriations and grants received from the Australian and the Queensland Government that are forwarded onto other Queensland government bodies.

#### 35. Future impact of accounting standards not yet effective

At the date of authorisation of the financial report, there are no expected impacts from new or amended Australian Accounting Standards issued, but with future commencement dates.

#### 36. Climate risk disclosure

The department addresses the financial impacts of climate related risks by identifying and monitoring the accounting judgments and estimates that will potentially be affected, including assets 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.

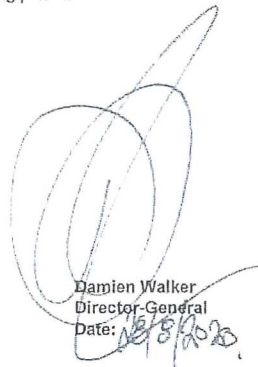
These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 38 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify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

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects;
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the department for the financial year ended 30 June 2020 and of the financial position of the department at the end of that year; and

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



Chris Breitzkreuz CPA  
Chief Finance Officer  
Date: 28/8/20



Damien Walker  
Director-General  
Date: 28/8/20

## INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Department of State Development, Tourism and Innovation

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of Department of State Development, Tourism and Innovation.

In my opinion, the financial report:

- a) gives a true and fair view of the department's financial position as at 30 June 2020, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position and statement of assets and liabilities by major departmental services and commercialised business unit as at 30 June 2020, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental services and commercialised business unit for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

#### Basis for opinion

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

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

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

#### Key audit matters

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

**Carrying value of land inventories (\$358.2 million)**

Refer to note 16 in the financial report.

| Key audit matter   | How my audit addressed the key audit matter   |
|--|---|
| <p>Land inventories were transferred from the Department of Regional Development and Manufacturing on 1 June 2020.</p> <p>Significant judgement is required by management in the determination of the carrying value of land inventories.</p> <p>The significant judgements and key assumptions used in the model to estimate the future cash flows for the development project include:</p> <ul style="list-style-type: none"> <li>• sales rates</li> <li>• land pricing</li> <li>• expected date of completion</li> <li>• future development costs</li> <li>• discount rates.</li> </ul> | <p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• confirming the carrying value of land inventories transferred with the Department of Regional Development and Manufacturing</li> <li>• obtaining an understanding of the model, and assessing its design, integrity and appropriateness, with reference to common industry practices</li> <li>• evaluating whether management's estimates for sales rates, land prices, development completion dates, future development costs and discount rates remained current by reviewing for changes in market conditions and the department's plans during June 2020.</li> </ul> |

**Responsibilities of the department for the financial report**

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

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

**Auditor's responsibilities for the audit of the financial report**

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

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

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

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

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

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

### **Statement**

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

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

### **Prescribed requirements scope**

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



31 August 2020

Michelle Reardon  
as delegate of the Auditor-General

Queensland Audit Office  
Brisbane



