

Department of Employment,  
Small Business and Training

# ANNUAL REPORT 2020–2021



**Queensland**  
Government

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## About this report

This annual report provides information about the Department of Employment, Small Business and Training (DESBT) financial and non-financial performance for 2020–21. The annual report is important in fulfilling the department's commitment to accountability and transparency. It has been prepared in accordance with the *Financial Accountability Act 2009*.

This report details our achievements, performance and financial position for the 2020–21 financial year. It aligns with the departments *Strategic Plan 2020–24* as well as the DESBT *2020–21 Service Delivery Statements*. It also provides information on our future direction, people management and governance.

### View our report online

This report and the information on DESBT government bodies is available online: [desbt.qld.gov.au/about-us/reports](https://desbt.qld.gov.au/about-us/reports)

### Open data

Agencies are required to publish certain information on the Queensland Government Open Data website as part of annual reporting requirements. For 2020–21, DESBT had no expenditure to report for consultancies and overseas travel as no overseas travel was undertaken by any officers of the department.

Open data on DESBT's implementation of the Queensland Language Services Policy during 2020–21 is available on the website [data.qld.gov.au](https://data.qld.gov.au)

### Interpreter services

DESBT is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. For assistance with this annual report, you can contact us on 131 450 and we will arrange an interpreter. For more information visit the website [qld.gov.au/help/languages](https://qld.gov.au/help/languages)



### Providing feedback

We continually strive to meet best practice reporting standards and value the views of our readers. We invite you to provide feedback on this report by completing a survey on the *Get Involved* website

[getinvolved.qld.gov.au](https://getinvolved.qld.gov.au)

For enquiries about this annual report, contact Strategy and Governance, Corporate Services, DESBT by phoning +61 7 3025 6042 or email [corporate.stratgov@desbt.qld.gov.au](mailto:corporate.stratgov@desbt.qld.gov.au) or post to PO Box 15033, City East Qld 4002.

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### Attribution

Content from this annual report should be attributed as:

The State of Queensland (Department of Employment, Small Business and Training) Annual Report 2020–21.

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**Letter of compliance**

17 September 2021

The Honourable Dianne Farmer MP  
Minister for Employment and Small Business and  
Minister for Training and Skills Development  
PO Box 15483  
City East Qld 4002

Dear Minister Farmer

I am pleased to submit for presentation to the Parliament the Annual Report 2020–21 and financial statements for the Department of Employment, Small Business and Training.

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* and as outlined in the compliance checklist (refer Appendix 1).

Yours sincerely



Warwick Agnew  
Director-General  
Department of Employment, Small Business and Training

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# Message from the Director-General

## Welcome to our annual report

I am pleased to present the 2020–21 Annual Report for the Department of Employment, Small Business and Training. This report highlights the achievements our department has made in contributing to Queensland's economic recovery from COVID-19 and provides an account of our financial and business performance as well as planned priorities for the coming year.

The 2020–21 year was like no other, with COVID-19 the primary challenge impacting everyone as we learned to adapt and look for opportunities in our changing environment.

Following the state election in October 2020, the department's portfolio and structure remained the same with minimal change. In November 2020, Minister Farmer was appointed as the portfolio Minister and I was appointed Director-General. I thank my predecessor Mary-Anne Curtis for guiding the department since its formation in late 2017.

## Our focus – assisting with recovery

We were focused on working together and collaborating with other agencies in responding to COVID-19, as well as assisting local communities in various ways following disruptions from natural disasters. We looked at areas of greatest need and put in place a range of support mechanisms to assist impacted small businesses, as well as funding online training to assist Queenslanders to upskill.

## Making a difference

I am proud of the difference our department has made to many Queenslanders' lives by helping people kick-start careers through training or starting and growing their own small businesses. I recognise our employees' hard work in delivering positive benefits for stakeholders in the community. This has been evident from the positive feedback received from stakeholders and from meeting our strategic objectives.

## Supporting Queensland jobs

The successful Back to Work program was extended by providing businesses in regional Queensland and parts of south-east Queensland with \$70 million to hire eligible jobseekers as part of the government's commitment to boosting the economy and getting Queenslanders back to work in more jobs and more industries. Through this program, we saw more Queenslanders assisted in getting back to work compared to 2019–20.

## Backing small businesses

To assist small businesses, we continued rolling out the Small Business COVID-19 Adaption Grants as part of *Unite and Recover: Queensland's COVID-19 Economic Recovery Plan*. These grants helped about 20,000 Queensland businesses to change their business processes or move online to better adapt and become resilient when facing future disruptions.

In December 2020, the *Big Plans for Small Business* commitment of \$140 million was announced and the strategy was shaped through extensive direct engagement with small businesses across the State.



**We looked at areas of greatest need and put in place a range of support mechanisms to assist impacted small businesses, as well as funding online training to assist Queenslanders to upskill.**

### **Investing in skills**

We continued to invest in skills and training as a key focus of *Queensland's COVID-19 Economic Recovery Plan*, so Queenslanders have the skills for more jobs in more industries. We demonstrated leadership in strengthening the quality of our funded training providers through the Skills Assure initiative implemented from 1 July 2020.

Our department achieved a major milestone by completing the Advancing Our Training Infrastructure initiative and expended \$85 million across six TAFE training sites as part of the long-term plan to revitalise Queensland's training portfolio and help support Queensland's current and future workforce.

Skilling Queensland's youth was also a departmental priority and we funded free apprenticeships, Free TAFE for under 25s and the Gateway to Industry Schools Program to help students lay pathways to employment and future careers.

The Skilling Queenslanders for Work program also reached a major milestone and was made permanent, with an ongoing annual commitment of \$80 million to assist 15,000 disadvantaged Queenslanders each year.

### **Boosting productivity and competitiveness**

The department continues to play a key role in building the productive capacity of the Queensland economy and improving business competitiveness. These key foundations for economic growth and features of the economic strategy were outlined in the 2021–22 State Budget in June 2021.

### **Looking forward**

I am excited about the opportunity to continue building on the great work that the department has achieved and engaging with our stakeholders and portfolio partners to deliver the commitments made by this government.

As the Government Champion for the Lockhart River Community, I look forward to continuing our partnership through listening and supporting the needs of the community.

In the coming year, we will continue to respond to the economic challenges presented by COVID-19, and deliver responsive services, programs and initiatives that will benefit Queensland.

Warwick Agnew  
Director-General  
Department of Employment, Small  
Business and Training



# Our department

## Our vision

All Queenslanders have the skills and opportunities to manage and adapt, now and into the future.

## Our purpose

To empower and enable Queenslanders to take full advantage of employment, skilling and business opportunities, so people are ready to: invest in themselves and their future; and participate, employ others and adapt to change, including to support economic recovery from the impacts of COVID-19.

## Our values

Our values are the Queensland Public Service values, which guided our behaviours and the way we connected and delivered better outcomes for Queensland.



**Customers first**



**Ideas into action**



**Unleash potential**



**Be courageous**



**Empower people**

## Our operating environment

The major environmental factors impacting the department during 2020–21 involved:

- evolving financial and economic conditions in response to COVID-19 and other natural disasters
- adjusting to new ways of working and delivering services in responding to COVID-19
- changing growth and investment rates
- competing and changing economic, labour market, business and skills needs.

The department proactively monitors and manages the following strategic risks, which may reduce our ability to:

- deliver on our purpose defined by the government
- support future directions and manage resources to achieve our vision and purpose
- develop and maintain relationships with key stakeholders and partnerships
- maintain reliable governance and strong controls to prevent fraud and corruption.
- ensure a safe working environment for departmental employees or to those on DESBT owned premises

The department also pursues opportunities for advancing our strategic objectives by:

- focussing on Queenslanders' needs in responding to COVID-19
- leveraging our regional networks to tailor our services to meet customer needs
- strengthening and valuing our relationships with the community, industry and government agencies to drive policy and program success
- investing in our people to drive a performance excellence culture delivering high quality outcomes
- leveraging new technology to make better decisions for Queenslanders.

## Our legislation

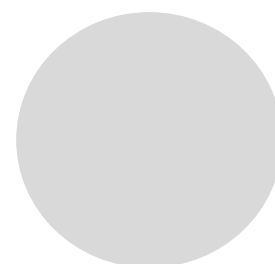
For information about the legislation and responsibilities administered by the department, please visit either:

- our website at [desbt.qld.gov.au/about-us/our-department/legislation](https://desbt.qld.gov.au/about-us/our-department/legislation)
- the Queensland Government Administrative Arrangements Order webpage at [qld.gov.au/about/how-government-works/government-responsibilities](https://qld.gov.au/about/how-government-works/government-responsibilities)

## Delivering government commitments

During 2020–21, the department worked collaboratively with government and stakeholders in delivering the following government commitments:

1. consulted with the Chamber of Commerce and Industry Queensland about the practicality of further reducing the government invoice payment terms from 20 days for small business
2. invested up to \$15 million at the Cairns TAFE campus, refurbishing facilities to better utilise the campus
3. invested up to \$15 million at the Mount Gravatt TAFE campus, refurbishing existing facilities and giving students the ability to study locally
4. invested up to \$15 million at the Gold Coast TAFE Campuses establishing a TAFE legacy post-Commonwealth Games for trades training at Ashmore and revitalised nursing and allied health facilities at Southport.



# Our Strategic Plan 2020–24

## Contributing to government objectives for the community

The Queensland Government’s objectives for the community were built around *Unite and Recover – Queensland’s COVID-19 Economic Recovery Plan*.

The department contributed to the following government objectives:

- Supporting jobs
- Backing small business
- Making it for Queensland
- Building Queensland
- Growing our regions
- Investing in skills
- Backing our frontline services.

Our programs and services played a key role in contributing to *Queensland’s COVID-19 Economic Recovery Plan* by supporting small businesses through recovery and providing people with online access to free training and new skills. Further information is included in the *Our service performance* section of this report.

## Our Strategic Plan 2020–24

Our *Strategic Plan 2020–24* sets out our vision to ensure all Queenslanders have the skills and opportunities to manage and adapt, now and into the future.

To view a full copy of the *Strategic Plan 2020–24* go to our website: [desbt.qld.gov.au/about-us/reports](https://desbt.qld.gov.au/about-us/reports)

Our *Strategic Plan 2020–24* included the following strategic objectives aligned to the government objectives for the community that focused our business direction:

1. connect Queenslanders and small businesses to skills, training and employment opportunities so they are better equipped to participate in the state’s workforce
2. deliver effective policies for recovery, employment, small business and training
3. be a responsive, diverse and team-orientated organisation.

## Our agency objectives and performance

We assessed our progress and performance in achieving the department’s objectives by comparing results against our *Strategic Plan 2020–24* indicators, as shown below.

### Status legend:

\* Further information is available in the *Service Delivery Statements* performance tables in the next section.



### Objective 1

**Connect Queenslanders and small businesses to skills, training and employment opportunities so they are better equipped to participate in the state’s workforce.**

**Indicator:** Increased proportion of Queenslanders with higher qualifications.

**What this means: More qualified Queenslanders.**



**Performance:** \* Proportion of Queenslanders with higher qualifications—63.8 per cent against a target of 62 per cent.

**Indicator:** Delivery of the capital infrastructure program.

**What this means:** More training facilities available for Queenslanders to build careers. 

**Performance:** In 2020–21, the department continued to deliver the capital infrastructure plan and completed the Advancing our Training Infrastructure program, including the following key projects:

- committed \$28.7 million on the Gold Coast: expanded the nursing and allied health training at Southport TAFE and expanded the trades training at Ashmore TAFE
- committed \$15 million at Mount Gravatt TAFE including: a new Fashion Centre of Excellence; campus experience projects; horticulture and makerspace upgrades; revitalised filmmaking and improved concourse amphitheatre spaces
- committed \$10 million at Alexandra Hills TAFE including: a new nursing and allied health facility and improved plumbing, engineering and construction trades
- committed \$15 million at Cairns TAFE including:
  - a new hair, beauty and hospitality precinct
  - upgraded specialist teaching areas across trades training facilities, a student café and social learning spaces, human welfare and adult education, visual and performing arts, a makerspace and personal services
  - campus navigation improvements
  - a new customer service point at S Block, new solar panels, and an upgraded Banggu Minjaany art gallery
- redevelopment of Pimlico TAFE campus


- upgrades to the Toowoomba campus for nursing and allied health care services, and a new Rural Centre of Excellence for agricultural and horticultural training.

The department continued to progress key training infrastructure projects under the Queensland's COVID-19 Economic Recovery Plan, including committing:

- \$23 million for the Renewable Energy Training Facility, comprising \$17 million committed by government and a \$6 million contribution from industry. This facility at Pinkenba will deliver world's best practice training in renewable energy, and will be easily accessible to up to 26,000 licensed electricians in Queensland
- \$20 million in the stage 2 development of the Plumbing Industry Climate Action Centre of the Queensland Apprenticeships Centre in Beenleigh. The expanded apprenticeship training facility will enable the Plumbing Industry Climate Action Centre to deliver a range of skills and training for construction-related trades and include specialisation in renewable hydrogen energy training delivery
- funding for upgrades to training facilities at regional campuses across Queensland, including at Bowen, Bohle, Burdekin and Cannonvale.


The department also prepared the rollout of the Equipping TAFE for our Future initiative, which will commit \$100 million over three years from 2021–22 to support skills development in priority industries such as advanced manufacturing, trades training, defence, renewable energy, resources, agriculture and aquaculture.

**Indicator:** Customer satisfaction with policies and programs.

**What this means: More employers satisfied with the Back to Work programs.** 


**Performance:** Of employers who accessed the regional and south-east Queensland Back to Work employment programs, when surveyed—3789 were satisfied or very satisfied, which was 93.7 per cent of total responses.

**Indicator:** Improved employment opportunities for Queenslanders through participation in programs.

**What this means: More Queenslanders assisted in getting back to work.** 

**Performance:** For 2020–21, 2852 employees were assisted through the Back to Work program, which is an increase of approximately 12.6 per cent compared to 2019–20.

**Indicator:** Provision of data analytics to support DESBT's business intelligence and decision-making and inform best practice.

**What this means: Business decision-making strengthened through use of evidence-based data.** 

**Performance:** During 2020–21, the department continued to rely on data analytics to provide insights supporting decision-making, including:


- \* percentage of new or existing businesses reporting increased capability (including digital) as a direct result of participation in small business grant programs—99.6 per cent against a target of 98 per cent
- research, data and policy recommendations from Jobs Queensland contributing to evidence-based decision-making, including the *Big Plans for Small Business* strategy

- data and analytics activities providing the evidence for informed decision-making in our training compliance program redevelopment, supporting the targeting of training activities, and in the development of new programs for our First Nations people and small businesses
- increasing the availability of data throughout the department through expanding access to tailored information (regional profiles, labour force and training data), and with external stakeholders, to improve reporting.

## Objective 2

**Deliver effective policies for recovery, employment, small business and training.**

**Indicator:** Internal and external stakeholders are satisfied with our engagement and collaboration and with the strategic advice and support provided, including responding to COVID-19.

**What this means: Stakeholders satisfied with our engagement, collaboration, strategic advice and support.** 

**Performance:** Received positive stakeholder feedback on a range of recovery support services including:

- the Small Business Recovery Centre in Townsville. The centre is a one-stop shop for small business operators following the 2019 North and Far North Queensland Monsoon Trough event. The centre has continued to provide ongoing assistance, including implementation of projects under the \$10 million Business and Industry Support Package and promotion of service and grants through roadshow events and engagement across 14 local government areas

- Small Business Roadshows in 17 locations throughout Queensland
- ensuring vocational training and other training information is available for public transparency
- regular publication of SAS Alerts and SQW Alerts, providing timely and critical updates to the Skills Assure Provider Network and Skilling Queenslanders for Work (SQW) Community Based Organisation Network
- departmental employees being trained as contact tracers with Queensland Health, and in Queensland Border Pass work with the Queensland Police Service. Employees who were deployed through the Queensland Government Community Recovery Ready Reserve program participated in COVID-19 recovery programs, vaccination hubs and other vital *Unite & Recover* programs
- the department providing proactive communication through a range of channels, including direct emails, social media, a dedicated small business hotline and local contact from regional offices, to advise small businesses of changes, including updates on business operating restrictions, new services and existing initiatives such as grants and other support programs.
- providing customer-focused and easy-to-use online services and information about government small business programs through the Business Queensland website
- analysing small business data to strengthen policy and decision-making across Queensland Government
- the Digital Transformation Program, which delivered the following two projects as part of the Commonwealth Small Business Regulatory Reform agreement:
  - Vocational Education and Training Support Program. This allows businesses that employ trainees and apprentices in Queensland to better understand and manage their employer regulatory obligations through a new integrated and engaging web presence that consolidates and aggregates regulatory information and provides Short Message Service (SMS) alerts
  - Queensland Business Launchpad in Logan and Townsville City Council areas. The Launchpad is a digital tool that makes it easier to start and run businesses in these locations by providing easy access to information on licences, permits and regulatory requirements across all levels of government
- the Better Regulation Taskforce, a sub-committee of the Queensland Small Business Advisory Council, which undertook:
  - an artisanal producers' regulation review to better understand the impact of the regulatory system on artisan food and non-alcoholic beverage producers

**Indicator:** Policies and the regulatory environment are fit for purpose.

**What this means: Easier doing business through simplifying compliance and online services.** 

**Performance:** Initiatives the department delivered to improve the small business regulatory environment and make it easier to do business included:

- a small business transfer duty regulatory review, with a focus on transfer duty relief for restructures undertaken by small businesses
- recommending the introduction of the Small Business Friendly Councils initiative, which commenced in August 2020 and is being implemented by the Queensland Small Business Commissioner. This will assist local councils to reduce the regulatory compliance burden on small businesses
- highlighting challenges for small business resulting in the revision of noise guidelines for licensed premises by the Office of Liquor and Gaming Regulation.
- continuing to implement the Small Business Procurement Commitment Action Plan, which included:
  - a commitment to shorten payment times for small business to 20 days as of 1 July 2020
  - 25 per cent small medium enterprise procurement target, which commenced 1 July 2020, increasing to 30 per cent by 30 June 2022.

## Objective 3

**Be a responsive, diverse and team-orientated organisation.**

**Indicator:** Improved collaborative and innovative ways of working which align to the department's objectives.

**What this means: Together delivering results through a range of collaborative mechanisms, platforms and tools.**



**Performance:** Using technology platforms to connect across the state with all stakeholders, regional employees and employees working remotely.

- Departmental regional employees:
  - engaged with and provided support, resources and information to industry, employers, small business and other stakeholders. This engagement was provided through a range of mechanisms including physical visits, where possible, and departmental Reference Groups, which were attended by a broad range of stakeholders and conducted virtually, in some instances, due to COVID-19 restrictions
  - proactively communicated and engaged with small businesses to promote the take up of the COVID-19 Check-In App.
- Feedback from the Small Business Roadshows and consultation with a wide range of internal and external stakeholders informed the development of the Small Business Engagement Framework. This will boost collaboration and improve the way the department connects small businesses to support and services; captures small business feedback/needs; and promotes small business to consumers.

- Working for Queensland 2020 survey results for the department yielded positive responses to the questions:
  - *“People in my workgroup share diverse ideas to develop innovative solutions”* — 72 per cent were positive, which is a 3 per cent improvement on 2019 results.
  - *“I have the tools I need to do my job effectively”* — 73 per cent were positive, which is a 6 per cent positive increase on 2019 results.

**Indicator:** Improved key employee satisfaction indicators, which indicate employees want to join, develop and stay.

**What this means: More of our employees satisfied with flexible work arrangements.**



**Performance:** We supported employees through COVID-19 with flexible work arrangements including working from home, and staggered hours in place across the department, with regular communication updates provided. Job sharing was also available.

A majority of employee respondents to the Working for Queensland 2020 survey agreed or strongly agreed with the survey questions:

- *“People in my workgroup work together so flexible working meets individual and business needs”* — 81 per cent were positive, which is an increase of 4 per cent on the 2019 survey result and 12 per cent higher than the 2020 overall Queensland Public Sector survey result.
- *“My manager proactively discusses flexible work arrangements with my workgroup”* – 70 per cent were positive, which is a 12 per cent increase on the 2019 survey result and 12 per cent higher than the 2020 overall Queensland Public Sector survey result.

**Indicator:** Increased focus on building our capability to meet current and future business needs and responding to COVID-19.

**What this means: Maturing our ICT capability to meet business needs.**



**Performance:** Maturing our ICT governance through design authority and a change board.

- The department is committed to:
  - constantly maturing ICT governance focusing on cost, quality and ensuring accountability, and that programs meet delivery expectations of our stakeholders
  - providing collaboration options for our customers, including fast-tracking access to Microsoft Teams to all employees prior to COVID-19 lockdowns. This ensured service delivery to clients and stakeholders was not interrupted.

**Indicator:** Invest in diversity and gender equity within the department.

**What this means: More of our employees positive about diversity and gender equity.**



**Performance:** A majority of employee respondents to the Working for Queensland 2020 survey agreed or strongly agreed with the survey questions:

- *“Gender is not a barrier to success in my organisation”* — 75 per cent were positive, which is an increase of 3 per cent on the 2019 survey result and 5 per cent higher than the 2020 overall Queensland Public Sector survey.
- *“My workplace has an inclusive culture where diversity is valued and respected”* — 73 per cent were positive, which is a 4 per cent increase on 2019 result and equal to the 2020 overall Queensland Public Sector survey result.



# Our service performance

Our 2020–21 service area structure comprised the following three service areas:

- Employment
- Small Business
- Training and Skills.

Performance highlights for each service area are addressed in the following sections and include performance against the *Strategic Plan 2020–24* strategies.

## Employment

### Our objective

To increase employment opportunities for Queenslanders, in particular, disadvantaged cohorts.

### Our 2020–21 achievement highlights

During 2020–21, the department continued to deliver the targeted employment program, Back to Work, assisting employers and disadvantaged jobseekers.



**In June 2021, the Queensland Government committed \$140 million over the next four years to the successful Back to Work program.**

### Back to Work Program – Unite and recover for Queensland jobs

In July 2020, the flagship employment program, Back to Work was extended, as part of the government's commitment to boosting the economy and getting Queenslanders back to work in more jobs and more industries. This extension provided businesses in regional Queensland and parts of south-east Queensland with \$70 million to hire eligible jobseekers.

In June 2021, the Queensland Government committed \$140 million over the next four years to the successful Back to Work program. As at 30 June 2021, Back to Work had connected more than 25,500 Queenslanders with jobs since it commenced in July 2016.

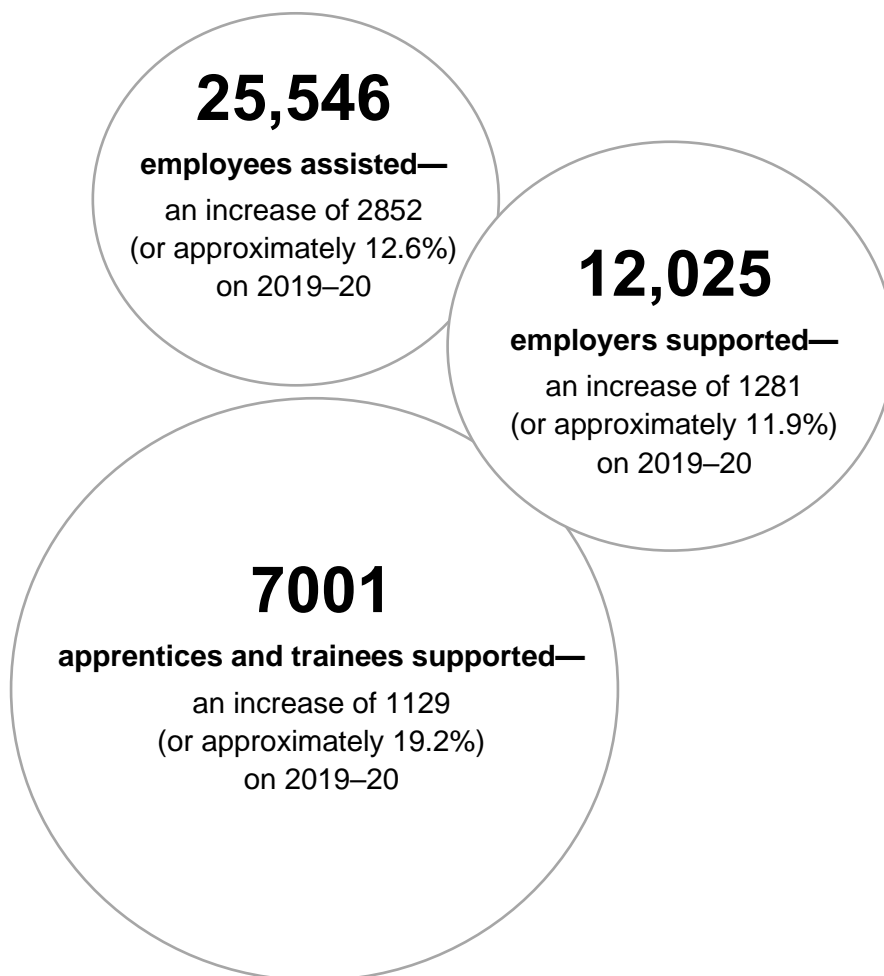
The program offers employers, often from the small business sector, support payments of up to \$20,000 when they employ Queenslanders who have experienced a period of unemployment. As at 30 June 2021, more than 80 per cent of employers who benefited from the Back to Work program were small businesses.

The program included the introduction of a new Apprentice and Trainee Boost payment of up to \$20,000. These support payments were available for eligible employers who hired eligible unemployed Queenslanders.

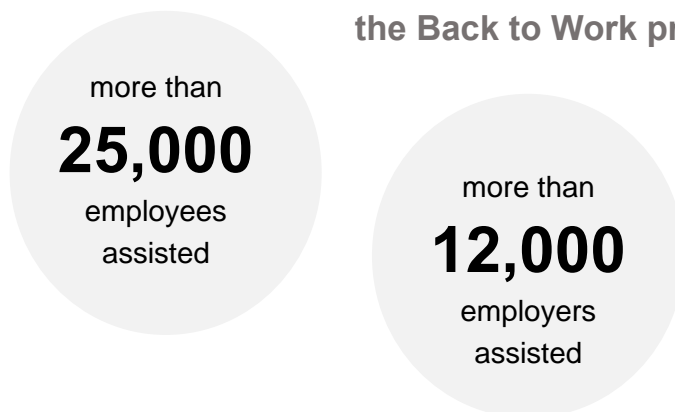
The department undertook planning to include more wraparound support elements for jobseekers, employers and their employees as part of the revitalised Back to Work program for commencement in 2021–22.

## Back to Work program snapshot

As at 30 June 2021:



From 2016 to 30 June 2021, under the Back to Work program:



### Supporting transition of Minjerribah workers

The department continued to support Minjerribah workers to upskill, reskill and transition to new employment opportunities, including supporting workers impacted by the cessation of sand mining on Minjerribah through the North Stradbroke Island Workers Assistance Scheme.

In December 2020, the end date of the scheme was extended to 30 June 2022. This will provide more equitable access for workers impacted after 1 January 2020 and enable workers still employed with Sibelco more time to prepare and plan for support that is available under the scheme.

### Regional Jobs Committees driving local workforce development

The Regional Jobs Committees are part of our plan to work with all stakeholders to create more jobs, improve training pathways and drive economic activity across the state. The committees form one of the key actions of the *Skills for Queensland – Great training for quality jobs* strategy and the *Big Plans for Small Business* strategy.

These committees provide an opportunity for local stakeholders to work together to align regional skills and workforce development with local industry and employer needs. The committees bring together local business, government, community leaders, training providers, industry representatives, high schools and unions to ensure training and employment solutions are more accurately aligned with local skills needs and economic activity to support regional jobs growth.

During 2020–21, there were six committees operating across the state in Townsville, Mackay, Fraser Coast, Springfield, Toowoomba and Redlands.

These committees help to drive job growth in their regions and plan for the future by:

- developing strategies that address local workforce and skills issues
- identifying new skills and maximising local employment opportunities
- providing regional industry advice to identify trends and opportunities in the local area
- ensuring the local workforce has the skills needed to fill future jobs.



During 2020–21, the department reviewed Regional Jobs Committees applications and forward Action Plans for 2021–22 delivery and issued service agreements for the next two years with the option to extend for a further 12 months. Planning also commenced for three new Regional Jobs Committees.

### Supporting Queensland Business and Skilled Migration program

In partnership with Business and Skilled Migration Queensland, the department supports delivery of Queensland's skilled and business migration programs, including the setting of the skilled occupation lists that support state visa nominations and participating in national forums such as the Australian Government's Inquiry into Skilled Migration. In 2020–21, due to international border restrictions, state visa nominations focused on securing skilled visa holders who were already onshore to help meet Queensland's critical skills needs in sectors impacted by COVID-19.

## Employment service area – our 2020–21 performance

The following are service standard measures in the department's *2020–21 Service Delivery Statements*, which are used to assess overall performance of the Employment service area.

Employment	2020–21 Target/ estimate	2020–21 Actual	Status
<p><i>Effectiveness measure</i></p> <p><b>Overall customer satisfaction with employment programs</b></p> <ul style="list-style-type: none"> <li>This service standard measures overall client satisfaction with the department's employment programs considering quality, timeliness, staff knowledge, access and outcome. It is derived from a survey of employers who have accessed the Back to Work program.</li> </ul>	90%	93.7%	
<p><i>Efficiency measure</i></p> <p><b>Average cost per hour</b></p> <ul style="list-style-type: none"> <li>This service standard measured the efficiency of providing employment policy services by the department.</li> <li>This service standard was discontinued from 2020–21 as it was not considered a robust measure of efficiency for this service area.</li> </ul>	\$106.56	\$106.56	

Status legend: Met target



## Employment service area – our planned priorities for 2021–22

In 2021–22, we are committed to [Queensland's COVID-19 Economic Recovery Plan](#) by delivering employment policies and programs to increase employment opportunities for Queenslanders, in particular, disadvantaged cohorts and unemployed jobseekers. This includes:

- continuing to deliver targeted employment support programs to assist employers and disadvantaged jobseekers through the revitalised Back to Work program (up to \$140 million)
- supporting workforce adaption to high-growth and emerging industries including the hydrogen industry
- delivering strategic advice on future skills needs, workforce planning and development
- through Regional Jobs Committees, continuing to strengthen collaboration between industry, employers, training sector stakeholders and government to plan for and invest in future skills and training that link to jobs and support regional needs
- continuing to support workers to upskill, reskill and transition to new employment opportunities due to cessation of sand mining on Minjerribah through the North Stradbroke Island Workers Assistance Scheme.

## Small Business

### Our objective

To ensure small businesses can seamlessly interact with government and are supported to start, grow and employ.

### Our 2020–21 achievement highlights

#### Grants helping businesses adapt through COVID-19

##### Small Business COVID-19 Adaption Grants

To assist small businesses during COVID-19, the department continued rolling out the Small Business COVID-19 Adaption Grants as part of *Queensland's Economic Recovery Plan*. These grants helped about 20,000 businesses in Queensland to change their business processes or move online to adapt and prepare for post-COVID operations. The top three business sectors that received Small Business COVID-19 Adaption Grants in round one were food and beverage, tourism and retail operations.

The second round of Small Business COVID-19 Adaption Grants opened on 1 July 2020, with \$100 million in funding for businesses to apply for grants of up to \$10,000. These grants were administered by the Queensland Rural and Industry Development Authority with the department taking an oversight role in monitoring the funds.

As at 30 June 2021, for rounds one and two of the Small Business COVID-19 Adaption Grants:

- 20,434 applications were approved
- \$181.6 million was paid
- 67 local government authorities were covered.

During 2020–21, more than 16,526 small businesses received grants.

#### Regional network of support

To assist small businesses in regional Queensland to stay afloat and keep their employees employed during COVID-19, the department implemented a new \$1.2 million initiative to establish a network of regional stakeholder managers in partnership with the Chamber of Commerce and Industry Queensland. Seven officers were employed to help local business communities become aware of and access available government support and other assistance, information, grants and programs.

#### Small business grants fast facts

- 97 per cent of all grant recipients told the department their project funded by the grant was a success.
- 98 per cent of grant recipients were satisfied or very satisfied in their interactions with the department.

#### Business Queensland website making it easier to access services

During 2021–21, the Business Queensland website, managed by the department, provided information and resources on a wide range of COVID-19 related issues. The website achieved its largest number of customers in 2020–21 with over 7.1 million users, 11.7 per cent more than the previous year.

#### Small Business Hotline answering the call

The department operated a Small Business Hotline to assist COVID-19 impacted Queensland small businesses by linking callers to relevant support. During 2020–21, the Small Business Hotline assisted 18,040 callers.

### **Keeping small businesses connected**

The department ensured subscribed Queensland small businesses were connected and kept up to date with regular emailed newsletters. Newsletter content included COVID-19 updates, and the latest information about available training, business advice and support, grants and funding, supplying to government, events and resources. This information was supplemented by regular social media posts.

### **Small Business Skills Hub boosting business capability**

To assist small businesses to upskill and reskill, the department made hundreds more free online courses available for small businesses dealing with the impacts of COVID-19. Targeted non-accredited training in a range of industries was offered for up to six months via free subscription services. Short courses in the areas of marketing, entrepreneurial skills, cyber security, stress management and digital literacy were just some of the topics covered in new short courses available for Queensland small business operators and their employees.

The new courses delivered by 15 training providers brought the total courses funded under the Queensland Government's \$4 million investment to more than 1300. As at 30 June 2021, more than 30,500 Queenslanders had signed up for free training.

### **Engaging and meeting with small businesses**

#### **Jobs and Skills Roadshow and Buy Queensland Roadshow**

The department was responsible for delivering Jobs and Skills Roadshow events between July and August 2020, which were attended by small businesses, trainees and apprentices, Mentoring for Growth mentors, industry stakeholders, training organisations and Members of Parliament.

From August to October 2020, the Buy Queensland Roadshow was delivered by the department in partnership with the former Department of Housing and Public Works. These events focused on how small and medium businesses could access Queensland Government procurement opportunities to capitalise on the 25 per cent target for all government purchases from 1 July 2020. Approximately 530 small businesses, Mentoring for Growth mentors, industry stakeholders and training organisations attended these events.

The Jobs and Skills Roadshow and Buy Queensland Roadshow delivered 15 events and provided stakeholders with direct access to the details of [Queensland's COVID-19 Economic Recovery Plan](#) and how they could access support.

#### **Back on Track Roadshow**

From September to December 2020, departmental employees from the Townsville Small Business Recovery Centre visited local communities in impacted local government areas through a series of Back on Track Road trips. The employees conducted face to face meetings with key stakeholders and small businesses to continue to raise awareness of the broad range of support services available.

#### **State-wide Small Business Roadshow**

In February and March 2021, the department supported the Minister who hosted the Small Business Roadshow across the state to support small business, exchange ideas and insights, and help drive economic recovery in Queensland. The roadshow kicked off in Gladstone, before visiting 16 more locations throughout Queensland. The visits provided opportunities to discuss challenges and opportunities directly with small businesses, who were eager to communicate what they needed to recover from COVID-19, and how to create jobs.

Through the Small Business Roadshow, online events and online survey, the Minister heard directly from 2500 stakeholders about their needs, to keep their local businesses and communities strong.

Key themes from the Small Business Roadshow included:

- finding motivated employees
- attracting skilled employees, especially in remote areas
- access to relevant training and development
- the emergence of home-based and digital businesses
- dealing with all levels of government and navigating websites to find information
- timeframes and eligibility processes for grant applications
- the role of JobKeeper in the retention of employees.

### Promoting the value of small business

Small businesses are the backbone of the Queensland economy and were significantly impacted by COVID-19. During 2020–21, the department continued to support small businesses during the recovery from COVID-19 to help keep 334,000 Queenslanders in jobs. Small businesses were also impacted by extreme events and disruptions during 2020–21. To help promote the value of the small business sector, the department actively supported and promoted the following activities.

#### Small Business Month

The Queensland Small Business Month theme in May 2021 was ‘bounce back better’, with a calendar of events that covered a range of business skills from applying for grants to digital capability. There were activities targeting specific industries hardest hit by COVID-19, such as tourism and the arts sector.

Among the conferences, expos, seminars, workshops, forums, webinars and trade shows throughout the state, there were also events for targeted groups such as rural and regional Queensland and female small business owners.

These events focused on ways to assist the small business sector’s economic recovery from COVID-19, and delivered networking, awareness, promotion and collaboration opportunities that enabled small business to build strategic partnerships and connect with government, industry and each other. The department spent more than \$100,000 to sponsor these activities.

#### Townsville Small Business Expo

In recognition of Queensland Small Business Month 2021, the department’s Small Business Recovery Centre hosted the Townsville Small Business Expo, with a week of activities that attracted almost 100 businesses. The expo gave small business owners the opportunity to experience and learn more about departmental services, attend workshops and engage in mentor chats. One highlight was hearing directly from a number of small business owners impacted by the 2019 North and Far North Queensland Monsoon Trough event and COVID-19, sharing their recovery journeys, their successes and hardships. The expo feedback was overwhelmingly positive.

#### Love Your Small Business Day

As part of raising awareness about the importance of small businesses to the Queensland economy, the department promoted Love Your Small Business Day on Saturday 15 May 2021. Thousands of Queenslanders took the opportunity over that May weekend to show the love to small businesses in their local communities.

## **Big Plans for Small Business strategy**

On 12 June 2021, the Minister released the *Big Plans for Small*

*Business strategy* to further drive economic recovery and lift the competitiveness and resilience of the small business sector. The strategy aims to help small business thrive and grow through a commitment of \$140 million over two years, which includes committing:

- \$100 million Business Investment Fund to invest in small to medium-sized businesses with significant growth potential to create Queensland-based jobs
- \$30 million to increase skills and capability through grants and other support for small business
- \$10 million to make the Queensland Small Business Commissioner permanent, and a targeted engagement framework that includes reinvigorating the Queensland Small Business Advisory Council.

### **Grants helping small businesses bounce back better**

In September 2020, the Minister announced the 17 Queensland successful business recipients to share in almost \$780,000 to grow their business and create jobs. The **Business Growth Fund** provided grants of up to \$50,000 for small and medium-sized businesses that demonstrated high growth and employment potential. Since the fund began in 2018, more than \$4.35 million has been distributed to help around 100 Queensland businesses in their next stage of development.

The department committed a further \$2.5 million for the Business Growth Fund grants, which opened on 11 May 2021, offering grants of up to \$50,000 to help established businesses buy highly specialised equipment to accelerate growth opportunities.

The Business Growth Fund grant was the first in a package of \$25 million of new grants over the next two years, unveiled as part of Queensland Small Business Month.

New features of the Business Growth Fund included a simplified and streamlined application process and applicants having a mentoring session to support them to fully explore their business proposition and how best to position their business for success.

The department opened the new **Business Basics** grants on 31 May 2021, offering grant funding of \$5000 to new and emerging businesses to increase core capabilities and adopt current best practices. Through this grant, businesses will be assisted in activities of website development and upgrades, strategic marketing, training and coaching, advisory services and planning for business continuity and succession.

The investment in small business grants was a response to the feedback received from the state-wide Small Business Roadshow and an online survey in February and March 2021. The feedback from small businesses was that the department's grants helped them survive the impacts of COVID-19 in 2020, with the new grants program based on direct feedback from thousands of small business owners.

### **Mentoring for Growth – partnerships, prosperity, potential**

During 2020–21, the department continued to deliver the Mentoring for Growth program, which offers eligible businesses free access to volunteer business experts who provide insights, options and suggestions relating to challenges and opportunities. Mentors are drawn from a Queensland-wide pool of registered mentors who have expertise and experience in coaching or developing businesses.



In the first half of 2020–21, the department worked on the administrative management of the program, including identifying key stakeholders for targeted cohorts, implementing a mentor recruitment strategy, and managing the intake and onboarding of mentors.

As part of the *Big Plans for Small Business* strategy, Mentoring for Growth is a government commitment that targets regional areas, and specific cohorts including Aboriginal people and Torres Strait Islander people, women, culturally and linguistically diverse people and start-ups. The first Mentor Information Sharing Session was delivered in February 2021 with 64 mentors in attendance, and positive feedback received.

Overall, in 2020–21, 614 Mentoring for Growth sessions were held, with 599 unique businesses and mentors providing 1590 volunteer hours of customised business mentoring.

### **Business Launchpad saving time and effort**

In April 2021, at the Small Business Friendly Councils Conference, the department launched the Business Launchpad digital tool, which was made available for those starting a food and beverage or residential construction business in the Townsville and Logan City Council areas. The Launchpad makes it easier to start and run businesses in these locations by providing easy access to information on licences, permits and regulatory requirements across all levels of government.

### **Business health check tool**

The \$140 million *Big Plans for Small Business* strategy includes a focus on providing easy access to information on running a business through the Business Ready initiative.

Business Ready will deliver a range of improvements to how the Queensland Government supports its business community through the Business Queensland website. As part of the Business Ready initiative, in June 2021, the department launched the 'Business health check'.

The 'Business health check' tool was designed to support small businesses to recover from the impacts of COVID-19 and get into the best possible shape to look to future growth. It's a new way for Queensland businesses to find out how ready they are for change and how they can improve their resilience.

By answering a series of questions, the health check provides each business with a personalised report and resources to help them address potential blind spots.

## **Advocating for small business**

### **Office of the Queensland Small Business Commissioner**

The Queensland Government committed to permanently establishing the role of the Queensland Small Business Commissioner following a rising demand for businesses to navigate leasing disputes with their landlords and continue to access free mediation. The department has been leading the work to permanently establish the office.

As at 30 June 2021, the Office of the Queensland Small Business Commissioner:

- received 683 commercial lease or retail shop lease disputes
- delivered 397 free mediation conferences
- informally resolved 110 disputes prior to mediation
- delivered 329 outreach activities across Queensland.

## Reinvigorating the Queensland Small Business Advisory Council

The Queensland Small Business Advisory Council focused on significant small business challenges and provided advice and solutions to its Chair, the Honourable Minister for Small Business, Di Farmer MP.

In February 2021, the Advisory Council membership expired, as did the membership of the Better Regulation Taskforce, a sub-committee of the council, with meetings concluded until new memberships are reconstituted. Planning commenced to reinvigorate the council, with membership to be 100 per cent small business owners, to provide a direct voice to government for priority groups including Indigenous people, culturally and linguistically diverse people, women and youth business owners, not for profit organisations as well as having a regional or geographic representation.

## Rebuilding stronger following natural disasters

During 2020–21, several Queensland regions experienced natural disasters, as well as being impacted by the COVID-19 shutdown restrictions. The department assisted local communities in various ways.

In 2020–21, a \$10 million Business and Industry Support Package was activated under Disaster Recovery Funding Arrangements following the North and Far North Queensland Monsoon Trough event in 2019. Due to COVID-19 restrictions, the program was extended.

As part of this program, over \$4.6 million was provided directly to the small business community in grant funding, and applications closed in June 2021.

The Small Business Recovery Centre in Townsville continued to provide direct support to small business operators.

The centre continued engagement across 14 local government areas and facilitated information and training sessions with almost 30 Back on Track Roadshows completed across central Queensland, north-west and far north Queensland regions.

Under Go Local funding, \$1.1 million was allocated for projects that supported locally led initiatives celebrating local small business, buy local campaigns and community events.

## Small Business disaster hub is live!

In June 2021, the department launched a new app and online resources to help small businesses prevent, prepare, respond, recover and communicate in the event of disasters. The resources include prepare, respond and recover checklists, suggested communication messaging, how-to video animations, small business resilience case studies, and links to key information and financial assistance.

The disaster hub is available on the Business Queensland website at [business.qld.gov.au/disasterhub](https://business.qld.gov.au/disasterhub), or via the free app on Apple and Android devices, and has downloadable resources that can be printed and kept handy in the event of power outages.

This new initiative was funded under the Disaster Recovery Funding Arrangements.

## Southern Queensland bushfires – 6 to 12 September 2019

During 2020–21, the department supported the implementation of four Go Local initiatives implemented as part of a \$6 million tourism recovery package to support bushfire-impacted communities.

The Disaster Recovery Funding Arrangements funding of \$600,000 supported the design and commencement of locally led activities, tailored to the specific needs, audiences and opportunities in the following local government areas, which the department supported:

- Scenic Rim Regional Council—agribusiness/agritourism focus initiatives, including a 10-year strategic road map and Go Local Marketing campaign
- Noosa Shire Council—activities to drive tourism in the region supported by online services and social media support
- Southern Downs Regional Council—multiple initiatives to assist local businesses, including support for marketing, business growth, shop local card and business awards program
- Sunshine Coast Regional Council—support for new or start-up and home-based businesses to fill long-term empty retail spaces and reinvigorate local high streets.

### Paying businesses sooner

From 1 July 2020, the department implemented the government's On-time Payment Policy, ensuring registered small business customers get paid faster. Under the policy, small businesses are to be paid within 20 calendar days following receipt of a correct, undisputed invoice. If they don't receive payment within 20 calendar days, they can claim for penalty interest.



**From 1 July 2020, the department implemented the government's On-time Payment Policy ...**

## Future work for small business report

In June 2021, Jobs Queensland released the report *Future work for small business: Skills, capabilities and potential*, which examines the high-level skills and capability needs of Queensland small businesses and identifies ways these needs can be supported, particularly in a post-COVID-19 world and against a backdrop of significant shifts in the way businesses and individuals work.

A healthy small business sector is a prerequisite for a healthy economy. The research paper identified six high-level skills and capability development areas needed by small businesses, including finance, human resources, marketing, business acumen, leadership and management, digital and data skills, and enterprise-specific skills.

Jobs Queensland is supported by the Jobs Queensland Secretariat, which is part of the department.

## Queensland small business snapshot

Small businesses employ around 901,000 Queenslanders.

Queensland small businesses:





- represent more than 97 per cent of all businesses in the state
- employ around 42 per cent of all private sector workers
- contribute \$117.3 billion to the Queensland economy per year.

The top five small business industries are:

- construction
- rental, hiring and real estate
- professional, scientific and technical
- agriculture, forestry and fishing
- financial and insurance.

## Small Business service area – our 2020–21 performance

The following are service standard measures in the department’s 2020–21 *Service Delivery Statements*, which are used to assess overall performance of the Small Business service area.

Small Business	2020–21 Target/estimate	2020–21 Actual	Status
<i>Effectiveness measures</i>			
<b>Percentage of new or existing businesses reporting increased capability (including digital) as a direct result of participation in small business grant programs</b>	98%	99.6%	
<ul style="list-style-type: none"> <li>This service standard measures the effectiveness of Small Business grant programs to increase the capability of small businesses in using digital technologies and implementing innovative solutions to help their business grow.</li> <li>Capability is defined as having increased confidence or capability in business operational processes and systems, business management or corporate governance, human resources, understanding financial statements and forecasting, general business related skills or knowledge, strategic or business planning, financing or investment, marketing or promotion, digital technologies or implementation, product development or innovation and/or entering new markets or increasing market share.</li> </ul>			
<b>Percentage of businesses assisted by small business programs that report a projected increase in either employment, turnover or profitability</b>	98%	96.6%	
<ul style="list-style-type: none"> <li>Variance between 2020–21 Target/estimate and 2020–21 Actual is mainly due to the COVID-19 impacts on small businesses.</li> <li>This service standard measures the projected increase by Queensland small businesses in employment, turnover or profitability following participation in the department’s small business programs.</li> <li>Small businesses are surveyed either on completion of their project or six months after participating in a program.</li> </ul>			
<b>Customer Effort Score: Average score out of 5 by customers for how easy it is to use the Business Queensland website</b>	3.5	3.4	
<ul style="list-style-type: none"> <li>This service standard measures the effectiveness of the Business Queensland website by surveying customers who are asked how easy it is to interact with government through the website.</li> <li>The online survey asked customers how easy it is for them to achieve their purpose using a scale of 1 to 5, where 1 is ‘very difficult’ and 5 is ‘very easy’.</li> </ul>			
<i>Efficiency measure</i>			
<b>Average cost to DESBT to provide online services per customer visit to Business Queensland website</b>	\$0.22	\$0.22	
<ul style="list-style-type: none"> <li>This service standard measured the average cost to the department of a customer session on the Business Queensland website.</li> <li>This service standard was discontinued from 2020–21 as it was limited to a certain set of activities and not considered a robust measure of efficiency for this service area.</li> </ul>			

Small Business	2020–21 Target/estimate	2020–21 Actual	Status
<ul style="list-style-type: none"> <li>A customer session was defined as a group of interactions that a customer undertook on the Business Queensland website. These interactions may have included viewing a number of different website pages, completing an online application form or making a payment.</li> <li>The cost to the department was based on the cost of the business area managing the services, including the cost of technical infrastructure required to support the website.</li> </ul>			

Status legend:

Met target



Working towards target



## Small Business – our planned priorities for 2021–22

In 2021–22, we are committed to Queensland's COVID-19 Economic Recovery Plan by delivering small business policies and programs to ensure small businesses are supported to start, grow and employ. This includes:

- delivering the Australian and Queensland governments jointly funded \$600 million 2021 COVID-19 Business Support Grants to support businesses that have had a decline in turnover of more than 30 per cent
- implementing the *Big Plans for Small Business* strategy to help drive economic recovery and employment, including delivering a Workforce Summit
- strengthening capability of small businesses through \$25 million in new grants programs to support small businesses at various stages, from new and emerging to fast growing
- providing access to critical information, business advice and support through the Business Queensland website, Small Business Hotline, regional offices, and Mentoring for Growth program to support small businesses
- continuing to support the Office of the Queensland Small Business Commissioner to deliver engagement, advocacy and dispute resolution activities for small businesses
- continuing to implement the Queensland *Social Enterprise Strategy* and funding commitments
- continuing to implement the Queensland small business procurement commitment, and leading the Queensland Government On-Time Payment Policy to improve government payment practices and timeframes
- continuing to support economic recovery and resilience through delivery of targeted initiatives activated under the Disaster Recovery Funding Arrangements
- continuing to make it easier for small businesses to engage with the government online
- extending the reach of the Queensland Business Launchpad to cover more than 55 per cent of the population, and the full business life cycle for food and beverage and residential construction businesses.

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## Training and Skills

### Our objective

To facilitate access to and participation in vocational education and training pathways, enabling Queenslanders to gain employment in current and future industries.

### Our 2020–21 achievement highlights

In support of *Queensland's COVID-19 Economic Recovery Plan*, the department continued to invest in training so Queenslanders have the skills for more jobs in more industries.

#### COVID-19 free online courses

During 2020–21, the department continued to make available free online micro-credentials and skills sets delivered by TAFE Queensland and Central Queensland University as part of the Jobs Finder Queensland portal.

Online skills sets were made available to jobseekers and workers impacted by COVID-19, targeting community care, customer engagement, food service and medication assistance.

Online micro-credentials were also made available through TAFE Queensland to any Queenslanders to develop digital skills to improve employability.

As at 30 June 2021, there were more than 10,000 micro-credential completions and more than 6000 enrolments in skills sets through TAFE Queensland.

#### Skills helping keep Queenslanders safe

The department, in partnership with the Australian Government, provided Queenslanders with the opportunity to undertake targeted training in infection control skills sets.

Between March 2020 when the program commenced and May 2021 (the last report for 2020–21), approximately 21,000 enrolments had commenced and around 9500 had been completed. This training was undertaken by customer-facing workers in industries such as retail, tourism, transport and logistics, hospitality, cleaning and security services, as well as existing workers in sectors such as aged and disability care. The training was fully subsidised and therefore free to participants.

Aligned to the road map for easing restrictions in Queensland, the department supported the mandatory online COVID Safe training for business owners and operators in the hospitality and beauty services industries. As at 30 June 2021, more than 245,100 people were enrolled and more than 212,700 had completed the following courses:

- COVID Safe for Dining
- COVID SAFE Work Training for Beauty and Nails.

### Funding skills for Queensland's future

The impacts of COVID-19 have seen the demand for skills change across Queensland industries, with reduced opportunities in some sectors, while demand for other skills have increased. During 2020–21, the department continued to provide opportunities for Queenslanders to participate in education and training that has helped keep many Queenslanders, particularly our youth and other disadvantaged Queenslanders, engaged and connected to the labour market during COVID-19.

Investing in skills has been a key focus for the department. As part of the government's plan to rebuild and grow the Queensland economy, the government committed in December 2020, in the 2020–21 budget, more than \$1 billion for training and skills initiatives focused on preparing Queenslanders for the jobs of the future. Much of this funding is being managed by the department in delivering a range of projects that will support new and existing apprentices, trainees and workers in local industries, including:

- \$200 million over four years for skills initiatives, including \$25 million over two years for Pre-Apprenticeship Support, \$8 million over two years for the Social Enterprise Jobs Fund, and \$5 million for the First Nations Training Strategy
- \$21 million to extend the Free tafe for Year 12 graduates and free apprenticeships for under 21s programs to young Queenslanders under 25
- \$100 million in TAFE facilities across the state, commencing in 2021–22, to create high-quality training spaces tailored to deliver the skills local industry needs.

### **Supporting a diverse and sustainable social enterprise sector**

Social enterprises play an important role in Queensland's small business landscape. A social enterprise is a business that has a social mission that directly supports social, cultural and environmental needs through delivering socially and environmentally sustainable products or services and invests the majority of income to fulfil its mission.

In May 2021, an additional \$8 million over two years was committed, including \$3 million for grants, through the new Social Enterprise Jobs Fund, which will help the sector to grow, scale-up activities and create more training and employment opportunities, particularly for vulnerable and disadvantaged Queenslanders.

As part of the Social Enterprise Jobs Fund, \$600,000 was committed to the Community Social Enterprise Development grants targeting non-profit community-based organisations to grow existing social enterprises and expand skills development and employment opportunities for disadvantaged Queenslanders. These grants opened on 3 June 2021.

During 2020–21, the department continued to support and work with the Queensland Social Enterprise Council as the sector's peak body, with a renewed funding agreement to enable the council to continue to provide a key consultative role.

### **VET-informed consumer**

Vocational education and training—otherwise known as VET—is learning that directly relates to getting a job. The VET system delivers education and training services for individuals at every stage of their work life, whether students, job seekers or those already employed.

During 2020–21, the department implemented the VET-informed consumer project to make it easier for small businesses when employing apprentices and trainees. The project included development of an SMS reminder service and new website content to provide key information in a centralised location.

Employers of apprentices and trainees from around Queensland provided insights about which communication tools they preferred, and how the department's website content and SMS reminders could provide valuable assistance when managing their apprentices or trainees. Outcomes from the customer research were used in the implementation of the SMS and in building the new website content.

## Regional Skills Investment Strategy

Under the *Regional Skills Investment Strategy*, a \$9 million initiative funded over four years (2017–21), the department funded 17 projects across Queensland, delivered by host agencies including local government and not-for-profit regional economic development organisations. These projects identify skilling needs and encourage employer collaboration on developing local training solutions to address workforce skills needs.

## Strengthening quality through strategic monitoring and compliance

From 1 July 2020, the Queensland Government introduced the Skills Assure initiative so Queenslanders can be confident that government-subsidised training is provided by quality Registered Training Organisations.

Queenslanders will be able to easily recognise Skills Assure Suppliers that have met the rigorous requirements to deliver government subsidised training, through display of the Skills Assure logo on their webpages and marketing materials. Other changes included:

- a new agreement for Skills Assure Suppliers with strengthened provisions
- a requirement to submit details on contracted third parties
- system enhancements to improve data validation.

Skills Assure means that Registered Training Organisations who fail to meet requirements determined by the department will no longer be able to deliver government-subsidised training.

A total of 441 Skills Assure Suppliers are contracted to deliver government-funded activity to Queenslanders.

The Skills Assure initiative continues to safeguard the integrity and quality of training in Queensland for students with the following measures in place:

- an independent review undertaken by the Queensland Training Ombudsman with six recommendations to improve compliance including strengthening of Skills Assure Suppliers policies and increasing communication on non-compliances. As published in November 2020, the government accepted these recommendations with implementation commenced
- the Queensland VET Quality Forum, established in 2020–21, to support quality in VET, with strong collaboration occurring between regulators in this Forum
- the Training Scammer hotline (1800 773 048)
- regular compliance monitoring of Skills Assure Suppliers through reviews of false and misleading advertising; website compliance; monthly data submissions and indicators of risk occurrences
- compliance audits against the requirements of the Skills Assure Suppliers agreement and program policies.



## Skilling our youth

Targeted initiatives under the *Queensland Government: Skills for Queensland – Great training for quality jobs* strategy include skilling Queensland's youth in laying pathways to employment. Equipping people with the right skills is a key part of creating opportunities that translate into jobs, products and profitability.

### Free apprenticeships

From 1 January 2021 to 30 September 2022, the department will fund the full cost of training for apprentices and trainees under the age of 25 who commence, or are undertaking, one of the 139 priority apprenticeship and traineeship qualifications.

### Free TAFE for under 25s

Under this government commitment, the department is funding the full cost of training for eligible Queenslanders under the age of 25 years in 26 priority qualifications, with delivery only available at TAFE Queensland and Central Queensland University.

### Gateway to Industry Schools Program

As part of the department's industry engagement framework, the Gateway to Industry Schools Program supports school students in their transition from school to choosing their future career. The program also assists industries to meet their future workforce requirements.

The program promotes school–industry engagement in 10 industries considered priorities for Queensland's economic growth. As at 30 June 2021, there were 401 Memorandums of Understanding with Queensland schools that are participating in the program.

## Snapshot of Queensland apprenticeships and traineeships

There were more than 63,600 apprentices and trainees in training across the state as at 31 December 2020, which represents 21.4 per cent of the national figure.

For apprenticeships and traineeships in Queensland for 12 months to 31 December 2021, based on the latest data, there were:



## Skilling our workforce

### Skilling Queenslanders for Work

Investing in skills and the SQW initiative was a crucial part of the government's ongoing recovery plan from the economic impact of COVID-19. The SQW initiative helps disadvantaged Queenslanders gain skills, qualifications and experience to enter and stay in the workforce, as well as helping employers and industries fill needed roles across the state. The SQW initiative represents a significant commitment of \$420 million over six years to support up to 54,000 Queenslanders into work.

SQW aims to offer targeted support for young people, Aboriginal and Torres Strait Islander peoples, people with disability, mature-age jobseekers, women re-entering the workforce, people from culturally or linguistically diverse backgrounds, recently released prisoners, and veterans or ex-service personnel.

The department, through SQW, funds skills development, training and job opportunities for unemployed, disengaged or disadvantaged Queenslanders through a suite of targeted skills and training programs. These programs include Get Set for Work, Youth Skills, Ready for Work, Community Work Skills, First Start and Work Skills Traineeships, which provide opportunities for people from a range of backgrounds.

In July 2020, the government extended the SQW program with an additional \$10 million to increase Work Skills Traineeships in the popular construction and conservation and land management projects. The Work Skills Traineeships are focused on providing paid employment to trainees while they gain hands-on skills and complete an entry-level vocational qualification that will lead to ongoing employment.

Some of the projects the trainees work on include refurbishment of community facilities and recreational spaces, minor infrastructure works and land care projects across Queensland.

In February 2021, the second round of funding was announced, with more than \$13 million committed to more than 80 projects to assist approximately 2000 Queenslanders to get hands-on skill development, training and job opportunities. The first round of funding saw \$42 million go to more than 200 projects to assist around 5000 Queenslanders to get training.

In June 2021, the Minister announced the successful SQW initiative would be made permanent, with an ongoing annual commitment of \$80 million to assist 15,000 disadvantaged Queenslanders each year.

### Helping kick-start careers

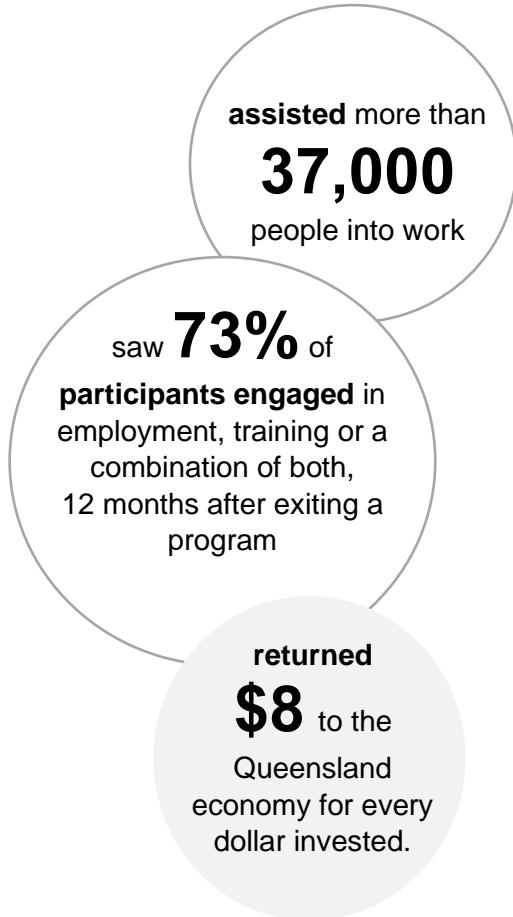
The SQW First Start program is part of the ongoing commitment to support training pathways and employment opportunities in local communities. This program, managed in partnership with the Local Government Association of Queensland, supports 60 local councils and a statutory authority to employ an extra 400 apprentices and trainees. More than half of the 2021 positions are with councils outside of south-east Queensland, including 10 Aboriginal councils and two more in the Torres Strait. The program allows young people to continue to live and work in their local communities by providing local opportunities.



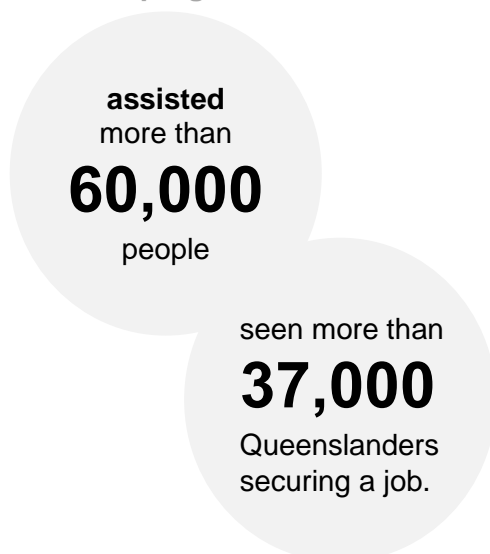
**The SQW initiative represents a significant commitment of \$420 million over six years to support up to 54,000 Queenslanders into work.**

## Skilling Queenslanders for Work snapshot 2020–21

As at 30 June 2021, SQW:



From 2015 to 30 June 2021,  
the SQW program has:



## Investing in world-class training facilities

The department managed TAFE facility upgrades and new infrastructure developments across Queensland to future-proof training infrastructure to ensure businesses have the skills for more jobs in more industries.

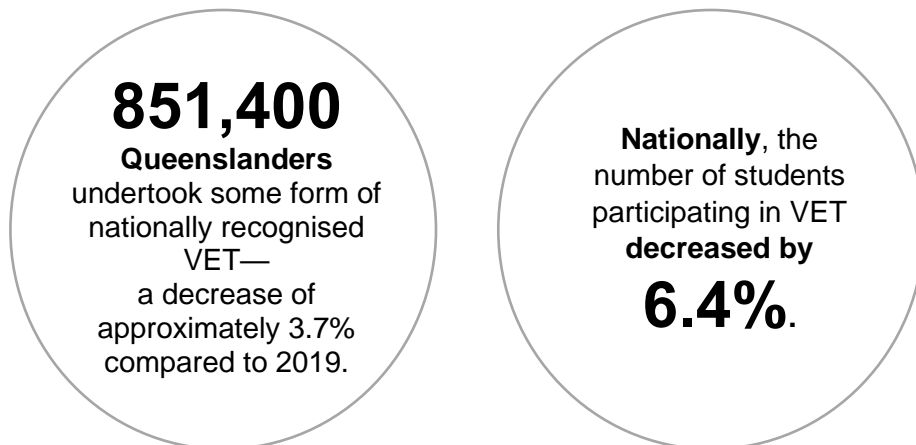
During 2020–21, the department managed and delivered the following:

- The Advancing Our Training Infrastructure initiative invested \$85 million across several training sites as part of the long-term plan to revitalise the training portfolio. This investment supported the redevelopment and refurbishment of six TAFE training sites at Pimlico (Townsville), Toowoomba, Mount Gravatt, Gold Coast region, Redlands region and Cairns TAFE.
- key training infrastructure projects under Queensland's COVID-19 Economic Recovery Plan continued, including:
  - the Renewable Energy Training Facility at Pinkenba, which will deliver world's best practice training in renewable energy, and be accessible to up to 26,000 licensed electricians in Queensland
  - Stage 2 development of the Plumbing Industry Climate Action Centre of the Queensland Apprenticeships Centre in Beenleigh to deliver a range of skills and training for construction-related trades, including a specialisation in renewable hydrogen energy training delivery
  - upgrades to training facilities at regional campuses across Queensland, including at Bowen, Bohle, Burdekin and Cannonvale.

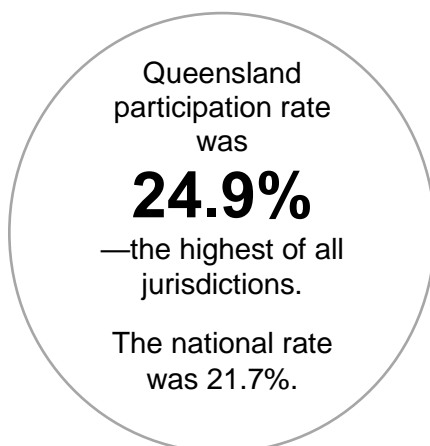
## VET snapshot

Queensland is a leader in VET, having the nation's highest VET participation rate in 2020. This means more students are gaining world-class training that will prepare them for their future.

### Total VET participation in 2020

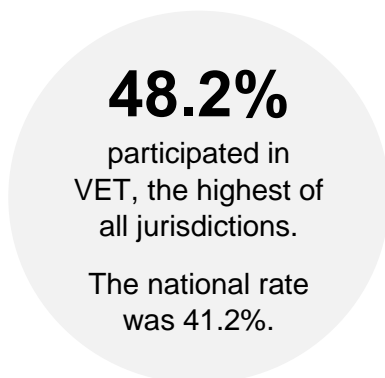


### Queensland's total VET participation rate for 2020

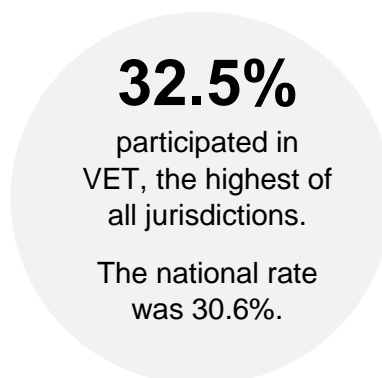


### Participation rates among young people

#### 15–19 year olds:



#### 20–24 year olds:



## Awards celebrating the power of skills

The Queensland Training Awards is the most prestigious and longest running training sector awards program in the state, providing individuals and organisations with a unique opportunity to showcase their achievements, best practice and innovation in training.

Across 14 categories, the awards showcase the success stories of Queensland's outstanding apprentices, trainees, VET students and trainers, as well as employers, training providers and community-based organisations.

The winners and finalists of the 2020 Queensland Training Awards and regional winners were announced in September 2020. Due to COVID-19, the event was conducted online in 2020 rather than in-person. To view the award winners, visit our website at [desbt.qld.gov.au/training/qta](https://desbt.qld.gov.au/training/qta)

The 2021 Queensland Training Awards nomination period was extended to 28 March 2021 to provide entrants more time to nominate. The 2021 awards mark a special Diamond Jubilee year, celebrating 60 years of the power of skills.





## Training and Skills service area – our planned priorities for 2020–21

The following are service standard measures in the department's 2020–2021 *Service Delivery Statements*, which are used to assess overall performance of the Training and Skills service area.

Training and Skills	2020–21 Target /estimate	2020–21 Actual	Status
<i>Effectiveness measures</i>			
<b>Proportion of all attempted competencies successfully completed</b>	93%	92.1%	
<ul style="list-style-type: none"> <li>Variance between 2020–21 Target/estimate and 2020–21 Actual was reflective of the significant impact COVID-19 had on training providers across the state.</li> <li>This service standard measures the proportion of all Queensland vocational and educational training course modules attempted that were successfully completed and covers all activity by public providers and all government-funded activity by other providers.</li> <li>It is calculated by dividing the number of successfully completed competencies by the total number of competencies attempted.</li> </ul>			
<b>Proportion of Queenslanders with higher qualifications</b>	62%	63.8%	
<ul style="list-style-type: none"> <li>While the department actively influences this service standard (including through the Higher Level Skills program and providing funding for other higher level qualifications based on industry advice), it is affected by a range of factors including the economy, higher education providers, the Australian Government and the VET sector.</li> <li>This service standard measures the proportion of 25 to 64-year-olds with a Certificate III or higher qualification.</li> <li>The data is sourced from the <i>Australian Bureau of Statistics (ABS) Survey of Education and Work</i>, Australia, cat no. 6227.0 on the ABS website. This measure applies to the subset who are aged 25 to 64.</li> </ul>			

Training and Skills	2020–21 Target /estimate	2020–21 Actual	Status
<p><b>Proportion of VET graduates in employment or further study</b></p> <ul style="list-style-type: none"> <li>Variance between 2020–21 Target/estimate and 2020–21 Actual was reflective of the significant effect of COVID-19 on respondents' employment levels.</li> <li>While the department actively influences this service standard (including through the Higher Level Skills program and providing funding for other higher level qualifications based on industry advice), it is affected by a range of factors including the economy, higher education providers, the Australian Government and the VET sector.</li> <li>This service standard measures the proportion of government-funded vocational education and training graduates employed or in further study after completing training.</li> <li>The data is sourced from the annual National Centre for Vocational Education Research (NCVER) Student Outcomes Survey. The measure involves a survey of students who graduated in the preceding year and are asked about their employment and study status. This means the result above for 2020 is based on responses from graduates from 2019.</li> </ul>	87%	75.6%	
<p><b>Number of completions: Apprenticeships</b></p> <ul style="list-style-type: none"> <li>Variance between 2020–21 Target/estimate and 2020–21 Actual was consistent with the national results impacted by COVID-19 global economic conditions impacting on employers and their ability to retain apprentices and provide work.</li> <li>For 12 months to September 2020, based on the latest available national data, Queensland led the country at over 25 per cent of the national total.</li> <li>This service standard measures the number of Queensland apprentices who successfully completed their apprenticeship in 2020–21.</li> </ul>	11,500	8,600	
<p><b>Number of completions: Traineeships</b></p> <ul style="list-style-type: none"> <li>Traineeships have been supplemented through the SQW initiative, which is a \$420 million commitment over six years from 2015–16 until 2020–21 and incorporates traineeship programs.</li> <li>Variance between 2020–21 Target/estimate and 2020–21 Actual was due to COVID-19 economic conditions impacting on employers, and is consistent with national results.</li> <li>This service standard measures the number of Queensland trainees who successfully completed their traineeship in 2020–21.</li> </ul>	13,500	9,600	
<p><b>Number of completions: School-based apprenticeships and traineeships</b></p> <ul style="list-style-type: none"> <li>Variance between 2020–21 Target/estimate and 2020–21 Actual was directly related to changeable labour market conditions due to the impact of COVID-19 in the retail, tourism and hospitality sectors, which have traditionally been significant employers of trainees.</li> <li>This service standard measures the number of Queensland school-based apprentices and trainees who successfully completed their apprenticeship or traineeship in 2020–21.</li> </ul>	5,000	3,500	

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Training and Skills	2020–21 Target /estimate	2020–21 Actual	Status
<b>Proportion of graduates satisfied with the overall quality of their training</b>	89%	88.9%	
<ul style="list-style-type: none"> <li>This service standard measures the proportion of government-funded graduates who are satisfied with the overall quality of their training in the Queensland VET sector.</li> <li>The data is from the most recent NCVET Student Outcome Survey conducted in 2020.</li> </ul>			
<b>Proportion of employers satisfied with graduates of: nationally accredited training</b>	85%	78.2%	
<ul style="list-style-type: none"> <li>Variance between 2020–21 Target/estimate and 2020–21 Actual was reflective of a national trend of lower satisfaction with nationally accredited training, which decreased by 3.4 per cent between 2017 and 2019 to 78.8 per cent nationally. In comparison, Queensland decreased by 2.5 per cent.</li> <li>This service standard measures the proportion of employers using graduates of national accredited training who are satisfied with the Queensland VET sector.</li> <li>Employer satisfaction estimates are obtained from the biennial national survey Employers' Use and Views of the VET System, which was last conducted by NCVET in 2019.</li> </ul>			
<b>Proportion of employers satisfied with graduates of: apprenticeships and traineeships</b>	83%	77.6%	
<ul style="list-style-type: none"> <li>Variance between 2020–21 Target/estimate and 2020–21 Actual was reflective of difficult economic conditions negatively impacting on the market to provide stable employment opportunities, which are key to the apprenticeship and traineeship market. The variance reflects a national trend of lower satisfaction with apprenticeship training, reported at 77.6 per cent nationally.</li> <li>This service standard measures the proportion of employers using apprentices and trainees who are satisfied with the training as a way of meeting their skill needs.</li> <li>Employer satisfaction estimates are obtained from the biennial national survey Employers' Use and Views of the VET System, which was last conducted by NCVET in 2019.</li> </ul>			
<i>Efficiency measure</i>			
<b>Average cost per competency successfully completed</b>	\$595	\$701	
<ul style="list-style-type: none"> <li>Variance between 2020–21 Target/estimate and 2020–21 Actual was due to the training budget being revised higher as a result of delivering Training and Skills related COVID-19 programs compared to successfully completed competencies.</li> <li>This service standard measures the efficiency of delivering government-funded VET resources in Queensland.</li> <li>The VET competencies are defined as individual study units.</li> </ul>			

Status legend:

Met target



Working towards target



## Training and Skills service area – our planned priorities for 2021–22

In 2021–22, we are committed to Queensland’s COVID-19 Economic Recovery Plan by facilitating access and participation in VET pathways, enabling Queenslanders to gain employment in current and future industries. This includes:

- contributing to Queensland’s economic recovery by committing \$21 million in quality skills pathways and opportunities, including Free TAFE and apprenticeships for Queenslanders under 25 in priority skills areas
- implementing skilling initiatives over three years under the Future Skills Fund, including:
  - investing in infrastructure by committing \$100 million through the Equipping TAFE for Our Future program to meet significant growth in training demand and ensuring that our training facilities are equipped to provide these emerging skills
  - \$32.4 million for the TAFE Priority Skills Fund to provide funding to TAFE Queensland and Central Queensland University to grow training places in priority growth industries, as well as those that are new and emerging
  - \$25 million towards funding pathways to support people to become the tradespeople of the future under the Pre-Apprenticeship Support Program
  - \$8 million for the new Social Enterprise Jobs Fund to support social enterprises to scale up activities, with a focus on creating training and employment opportunities
  - \$16.51 million to establish Manufacturing Skills Queensland, an independent industry body to support both existing workers and new entrants into the manufacturing industry
  - \$5 million for development of a First Nations Training Strategy to support Aboriginal and Torres Strait Islander communities to develop skills relevant to local needs and be able to compete for jobs in the future economy
  - \$5 million towards a Workforce Transition Support Program to support workers impacted by major business closures.
- making the SQW initiative permanent and committing \$320 million over four years to assist up to 15,000 disadvantaged Queenslanders each year through a suite of targeted skills and training programs, and implementing two new programs, Community Foundation Skills and Skill Up
- supporting the Queensland Government’s commitment to the national reform of the VET system in Australia and actively participating in the national skills reform agenda.



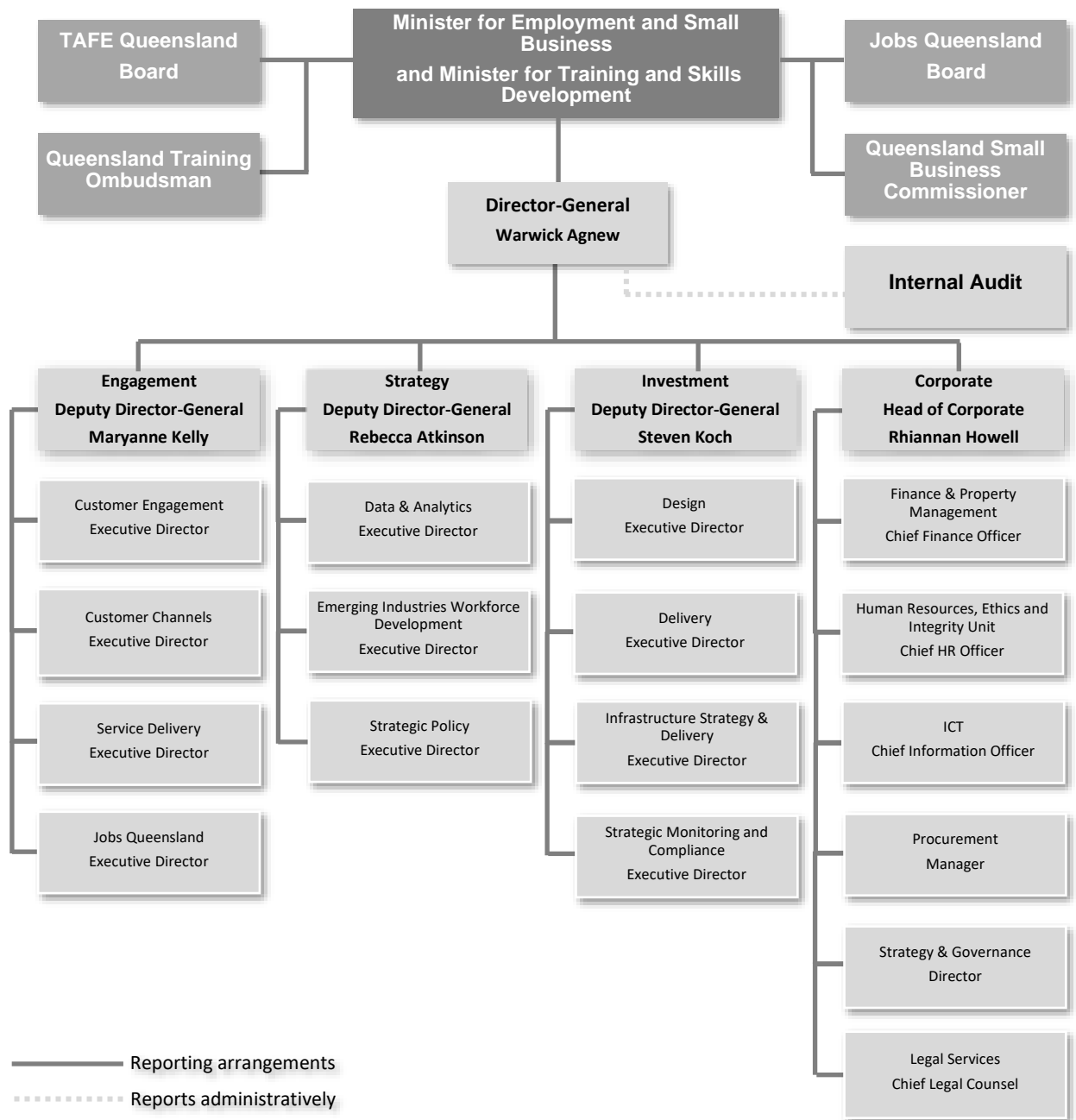
# Our governance

To ensure the continued effectiveness of our department's structure, the Executive Leadership Team reviews the structure and working arrangements where needed to ensure the structure and governance are effectively meeting our service delivery needs.

## Our structure as at 30 June 2021

### DESBT organisation structure

The department's organisational structure is shown below.



## Executive management

As at 30 June 2021, the following leaders comprised the Executive Leadership Team and Board of Management of the department.

### Director-General – Warwick Agnew

- Master of Applied Finance
- Master of Social Science (Economics)
- Bachelor of Economics

Warwick Agnew was appointed as Director-General of the department in November 2020. Prior to joining the department, Warwick held the position of Director-General, Local Government, Racing and Multicultural Affairs, and he has direct experience in social and economic policy issues facing all areas of Queensland.

Throughout his career, Warwick has led social and economic infrastructure projects, economic analysis and policy, legislative reform, financial and commercial procurement, and corporate finance advisory services.

Warwick’s private sector experience includes commercial project development and senior advisory roles for global companies servicing the resources, energy, industrial, infrastructure, property and defence sectors. He has also served on key government boards including Queensland Treasury Corporation Capital Markets Board, the Long-Term Asset Allocation Board and the Queensland Rural and Industry Development Authority.

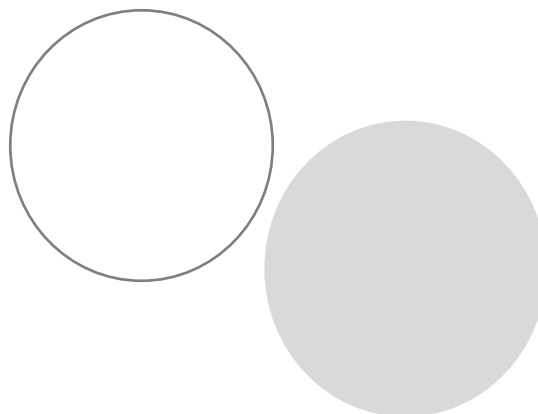
### Deputy Director-General – Investment, Steven Koch

- Bachelor of Economics
- Bachelor of Business Management

Steven Koch has over 20 years’ experience in designing and delivering economic development programs and initiatives for government, and is passionate about the economic and social outcomes that these initiatives deliver, particularly the life-changing impact for individuals.

He has a strong background in VET, employment and small business, having held executive roles in departments responsible for these sectors over the past eight years.

In Steven’s current role, he leads the development of training infrastructure strategy and delivery, as well as program design and delivery for the department’s suite of employment, small business and training programs.



### **Deputy Director-General – Engagement, Maryanne Kelly**

- Bachelor of Commerce
- Master of Social Planning and Development
- Graduate Diploma of Business with a major in accounting

Maryanne Kelly joined the department in January 2020 to lead the Engagement division. In this role, Maryanne leads the department's engagement and communication approaches with industry, peak bodies, small businesses and students, as well as overseeing regional service delivery, the regulation of Queensland's apprenticeship and traineeship system, and secretariat support for the Jobs Queensland Board.

Maryanne has more than 20 years' experience in leadership roles across the Queensland Public Service, Commonwealth Public Service and the United Kingdom Civil Service. Previously, Maryanne was Acting Deputy Under Treasurer, Agency Performance, Queensland Treasury from December 2017. Maryanne has experience in strategy, engagement and leadership.

### **Deputy Director-General – Strategy, Rebecca Atkinson**

Rebecca Atkinson joined the department in November 2020 to lead the Strategy division. In this role, Rebecca is shaping evidenced-based strategic policies supporting employment growth, small business and increased economic readiness through skills and training, as well as overseeing data and analytics and facilitating employment and training pathways for emerging industries.

Rebecca has 10 years' experience in leadership roles across the Queensland Public Service and local government, including Acting Deputy Director-General of Arts Queensland, and Deputy Director-General, Strategy, Racing and Multicultural Affairs.

Rebecca holds credentials from the Australian Institute of Company Directors and has non-executive director experience.

### **Head of Corporate – Rhiannan Howell**

- Executive Master in Public Administration

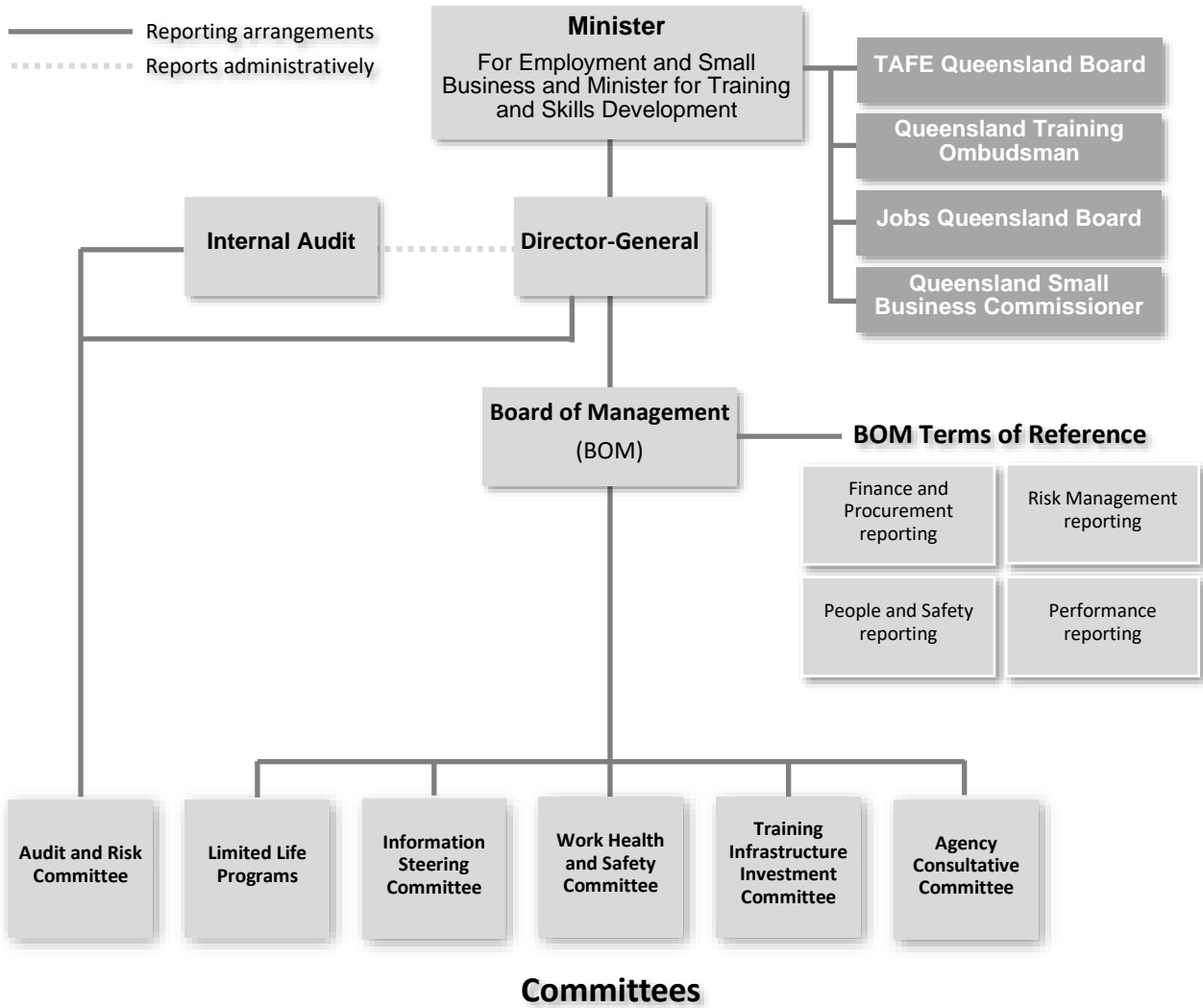
Rhiannan Howell joined the department at its formation as the Chief Human Resources Officer in late 2017. In June 2021, Rhiannan was appointed as the Head of Corporate for the department's Corporate Services division, leading the functions of financial management, procurement, human resources, information and communication technology, legal services, and strategy and governance. Prior to this, Rhiannan was acting in the role.

Rhiannan has a diverse background across the public and private sectors in a number of service delivery and corporate service roles. Prior to joining the department, Rhiannan was the Director Workforce Strategy in the Department of Science, Information Technology and Innovation.

## Governance and accountability

### Governance framework

The department's governance arrangements are shown below.



## Board of Management

The role of the Board of Management is to:

- use analytics and insights to drive the department to provide engaging and relevant community programs to meet the department's vision
- assess whole-of-government priorities for department implications relating to policy and resourcing
- provide a forum for decision-making on key strategic and operational issues including:
  - monitoring performance and reporting requirements for department targets
  - reviewing risk treatment strategies and actions, and providing continual monitoring of the risk appetite for the department
  - managing departmental audit recommendations and subsequent implementation actions to ensure a robust, compliant department.

### Membership

<b>Chair</b>	<ul style="list-style-type: none"> <li>• Director-General</li> </ul>
<b>Members</b>	<ul style="list-style-type: none"> <li>• Deputy Director-General Investment</li> <li>• Deputy Director-General Engagement</li> <li>• Deputy Director-General Strategy</li> <li>• Head of Corporate</li> </ul>
<b>Observers</b>	<ul style="list-style-type: none"> <li>• Director, Office of the Director-General</li> <li>• Secretariat</li> </ul>

## Audit and Risk Committee

The Audit and Risk Committee (ARC) is appointed by the Director-General and plays an important role in providing independent oversight of the department's governance, risk management, financial reporting process and internal control.

The ARC operates under an ARC Charter (the Charter) in accordance with the *Financial and Performance Management Standard 2019* and is directly responsible to the Director-General. In discharging its responsibilities, the ARC has the authority to:

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

The annual review of the Charter was endorsed by the ARC at the meeting held in March 2021 and approved by the Director-General in April 2021. The ARC met six times during 2020–21.

The role and functions of the ARC are to:

- assist the Director-General as the accountable officer to meet responsibilities under the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019* and other prescribed requirements

- provide independent assurance and assistance to the Director-General on:
  - the risk, control and compliance frameworks
  - the department’s external accountability responsibilities as prescribed in the relevant legislation and standards
  - the department’s integrity framework
- review the implementation of external audit recommendations accepted by management.

The functions of the ARC do not replace or replicate:

- established management responsibilities and delegations
- the responsibilities of other executive management groups within the department
- the reporting lines and responsibilities of either internal audit or external audit functions.

### Responsibilities

The ARC carries out a range of duties and responsibilities to maintain oversight of key financial, risk and performance management activities for our department including:

- financial statements—reviewing the appropriateness of our accounting policies, significant assumptions and critical judgements made by management, reviewing the appropriateness of disclosures in our financial statements and analysing our financial performance
- integrity oversight and misconduct prevention—monitoring misconduct trends and prevention approaches and addressing any gaps in dealing with integrity issues in relation to misconduct. Monitoring the compliance of the department with relevant integrity legislation and whole-of-government policies, principles and guidelines

- risk management—reviewing the effectiveness of our risk management framework, and processes for identifying, monitoring, escalating and managing significant business risks
- internal control—reviewing, through the internal and external audit functions, the adequacy of our internal control structure and systems, including information technology security and control
- performance management—reviewing compliance with the relevant legislative and whole-of-government performance management and reporting requirements and identifying appropriate use of performance information
- internal and external audit—reviewing and endorsing our Internal Audit Plan and consulting with External Audit on our proposed audit strategy and reviewing findings and recommendations from audit activity accepted by management. Where issues remain unresolved, ensuring that satisfactory progress is made to mitigate the risk associated with audit findings.

### Achievement highlights 2020–21

- Chaired by an external member, with additional representation from an external public sector agency.
- Reviewed and endorsed the financial statements for 2019–20 and noted the Chief Finance Officer statement of assurance for 2019–20.
- Reviewed the *2020–21 Internal Audit Plan*, with oversight of review outcomes.

- Reviewed and endorsed the *2021–22 Internal Audit Plan* in May 2021.
- Endorsed the implementation of the International Standard 18:2018 *Information Security Annual Return* and the International Standard 18:2018 *Information Security Attestation Letter* for financial year 2019–20.
- Reviewed and endorsed the updated ARC Charter in March 2021.
- Reviewed and endorsed the updated Internal Audit Charter in May 2021.

### ARC membership

Members, including the Chair, are appointed by the Director-General and are as follows.

Name	Position	Committee role	Membership period
Karen Prentis	Consultant	External Chair	July 2020 – June 2021
Steven Koch	Deputy Director-General, Investment	Member, departmental	July 2020 – June 2021
Maryanne Kelly	Deputy Director-General, Engagement	Member, departmental	July 2020 – June 2021
Rebecca Atkinson	Deputy Director-General, Strategy	Member, departmental	November 2020 – June 2021
Peter McKay	Deputy Director-General, Strategy	Member, departmental	July 2020 – November 2020
Debbie Brooks	Chief Finance Officer, Queensland Treasury	Member, public sector external	July 2020 – June 2021

As an independent and external member of the committee, Karen Prentis received \$8250 in 2020–21 to prepare for and attend meetings. This amount was less than previous years as only three of the four quarterly invoices were paid during 2020–21.

## Risk management

The department's Risk Management function works with business areas to identify any relevant risk mitigation strategies for implementation by the respective business areas.

The department has a two-tiered structure of risk registers to ensure that all risks are reviewed, escalated, managed and reported at an appropriate level within the organisation, including reporting escalated risks quarterly to the DESBT Board of Management.

The strategic risk register managed by the Executive Leadership Team is a key input into the department's annual planning cycle.

During 2020–21, in strengthening internal controls, the department appointed a Fraud Control Officer, who oversees the coordinated implementation of the department's Fraud and Corruption Control Framework.

## Internal Audit

The Internal Audit function reports administratively to the DESBT Director-General and functionally for operations to the ARC through the Chair, with direct access to both if necessary.

The Internal Audit function operates in line with the ARC Charter and Internal Audit Charter, as well as relevant audit and ethical standards. The function is outsourced to PricewaterhouseCoopers.

The Charter is reviewed on an annual basis and is endorsed by the ARC.

### Role and functions

Internal Audit has a primary responsibility to advise on governance, risk management and control issues and is required to report risks that are inadequately addressed and non-effective control processes to management and the ARC.

Internal Audit provides an independent and objective assurance and advisory service to:

- provide assurance to the department's Director-General and the ARC that the department's financial and operational controls are operating in an efficient, effective, economical and ethical manner
- assist management in improving the entity's business performance
- ensure audits are performed in accordance with accepted professional standards and practices and by qualified, competent and skilled persons
- prepare the risk-based Internal Audit Plan and its scope, and report progress in implementing the audit work plan
- report to ARC any significant changes to the Internal Audit Plan, including any difficulties or restrictions on scope of activities, or significant concerns
- work cooperatively with other agencies' or service providers' Internal Audit units to ensure coverage of key risks, and that there is appropriate coordination with the External Auditor
- review and monitor management's response to Internal Audit findings and recommended actions
- review the implementation of agreed management actions and where issues remain unresolved, ensure that satisfactory progress is being made to mitigate the risk associated with Internal Audit's findings.



## Internal Audit Plan

Internal Audit's scope of work is based on an annual audit plan endorsed by the ARC. This encompasses the review of all financial and non-financial policies and operations, including evaluating the adequacy and effectiveness of the department's governance, risk management process, system of internal control structure and quality of performance in carrying out assigned responsibilities to achieve the department's stated objectives. The *2021–22 Internal Audit Plan* was endorsed in May 2021.

## Achievement highlights 2020–21

- Completed five Internal Audit reviews scheduled for the period.
- Monitored and reported on the status of the Internal Audit Plan and internal audit reports at each ARC meeting.
- Followed up and reported on the progress of management actions at each meeting, including open and overdue actions.
- Developed the *2021–22 Internal Audit Plan*, including the update of the three-year Internal Audit plan.
- Provided management with an annual assessment of the maturity of internal controls for the period against the Commission of Sponsoring Organisations of the Treadway Commission internal control framework.

## Building a human rights-centred culture

For 2020–21, the department received 34 customer complaints and 21 employee complaints, with none being human rights complaints, or complaints that were later assessed as involving human rights, from either external customers or internal employees.

### Complaints management

The department provides a complaints management system, in accordance with Section 219A of the *Public Service Act 2008*, allowing people the opportunity to voice their satisfaction or dissatisfaction with our services. By 30 September each year, the department publishes the following information on its website: the number of customer complaints received, those resulting in further action, and those complaints that resulted in no further action. This information can be found at [desbt.qld.gov.au/about-us/reports](https://desbt.qld.gov.au/about-us/reports)

All complaints are assessed to determine the validity of the allegations raised and follow a documented process by departmental employees.

Building on past foundational actions, the department continued to be committed to respecting, protecting and promoting human rights in our decision-making and actions.

### Actions taken to continue implementing the objects of the *Human Rights Act 2019* (Qld)

In supporting implementation of the objects of the *Human Rights Act 2019* (the Act), the department undertook a range of measures to ensure:

- employees continued to act and make decisions compatibly with human rights
- our clients and stakeholders were made aware of our commitment to protecting their human rights.

### Policy and legislation

- Reviewed the following for human rights compatibility and, where relevant, included details about the Act:
  - legislation and subordinate legislation
  - corporate policies and procedures
  - internal divisional policies, procedures and practices.
- Ensured portfolio statutory bodies were aware of their obligations.
- Ensured human rights are central to the development of policy and legislation.

### Communicating with our clients and stakeholders

- Provided information about the Act and compliance to:
  - Skills Assure providers (formerly known as pre-qualified suppliers) via the *Contract Connector* newsletters
  - SQW stakeholders via the SQW Alert.
- Embedded the Act into all SQW services agreements.

### Communicating with our employees

- Raised awareness about human rights through including articles about the Act, communicating the availability of human rights resources in the internal employees' newsletter and on the intranet, and circulating the *Human Rights Newsletter*.
- Presented information sessions to departmental and ministerial office staff.
- Ensured the mandatory online training module was available and completed by employees, including new employees as part of the induction process—more than 540 employees completed the training.
- Maintained a dedicated human rights intranet page.

### Our decision-making, planning and reporting

- Ensured any potential human rights complaints were managed through effective and accountable internal processes.
- Incorporated a commitment statement to human rights in the next cycle of the department's strategic and business plans.
- Included human rights obligations in relevant contracts and procurement processes.
- Ensured human rights compatibility was considered as part of decision-making in every executive briefing note.
- Recorded actions and outcomes related to reporting obligations under Section 97 of the Act and participated in the bi-annual Human Rights Commission's Interdepartmental Committee meetings.

### Protecting human rights during the ongoing COVID-19 pandemic

The department continued to provide new and existing programs and services connecting small businesses and individuals to skills, training and employment opportunities for Queenslanders, consistent with the human rights of Queenslanders. This included having access on general terms of equality to the public services provided, putting people first in our actions, decisions, interactions, policy development and planning, and making decisions and applying eligibility criteria with respect to and protecting human rights.

Departmental services were delivered online and over the phone using online video meetings when required, providing accessible online information, regular e-newsletters and customer assistance through our Customer Centre, including delivery to people from vulnerable groups.

A suite of online free training was made available to support individuals, including vulnerable groups and those unemployed seeking to upskill, to improve employment prospects. Online free training was also made available to small businesses impacted by COVID-19. The department made every effort to ensure people from vulnerable groups could continue to access services consistent with the right of every person to enjoy their human rights without discrimination.



**The department made every effort to ensure people from vulnerable groups could continue to access services consistent with the right of every person to enjoy their human rights without discrimination.**

## External scrutiny

The department is subject to external review. The following reports applicable to the department were tabled by the Queensland Auditor-General in Parliament during 2020–21:

- Report: *Effectiveness of audit committees in state government entities* (Report 2: 2020–21)
- Report: *Queensland Government response to COVID-19* (Report 3: 2020–21)
- Report: *State Entities 2020* (Report 13: 2020–21)
- Report: *State Finances: 2020–21* (Report 15: 2020–21)
- Report: *Education 2020* (Report 18: 2020–21).

For more information, refer to either:

- the Queensland Audit Office website at [gao.qld.gov.au/reports-resources/reports-parliament](https://gao.qld.gov.au/reports-resources/reports-parliament)
- the Queensland Parliament website at [parliament.qld.gov.au](https://parliament.qld.gov.au)

For information about the reviews conducted by the Queensland Training Ombudsman during 2020–21 involving the department, refer to the Queensland Training Ombudsman’s website [trainingombudsman.qld.gov.au](https://trainingombudsman.qld.gov.au)

## Records governance and systems

Our department is committed to meeting its recordkeeping requirements under the:

- *Public Records Act 2002* (Qld)
- *Financial and Performance Management Standard 2019*
- Queensland Government Enterprise Architecture
- Records Governance Policy
- whole-of-government information standards.

The department implements appropriate strategies, processes, applications and tools to ensure records of business activities are made and kept for as long as required, in accordance with the approved records retention and disposal schedules.

## Information security

During the mandatory annual information security reporting process, the department worked towards attestation for the Queensland Government Chief Information Security Officer. Appropriate assurance activities had been undertaken to inform the process and the department’s information security risk position.

### Communicating roles and responsibilities

As a commitment to good records governance and practices, the department:

- delivered mandatory online employee training in information security and information privacy to increase employee awareness of their role in good information security practices and responsibilities, with annual refresher training for all employees
- maintained published policies and guidelines accessible by all employees
- promoted Privacy Awareness Week to reinforce privacy rights, and employees' responsibilities and protection of information
- communicated how to manage personal information securely in an emergency, such as during natural disaster situations, to help keep communities safe and maintain privacy.

### Improvements

During 2020–21, several improvement milestones were delivered in changing the way we manage information in the department. Highlights included:

- increasing adoption of SharePoint as a collaborative document sharing system
- introducing ICT policies to support strengthened frameworks for ICT and information management
- commencing scoping the department-wide record-keeping strategy to support collaborative, accurate and effective record-keeping.

### Managing digital records and systems

The department purchases transactional processing services from Queensland Shared Services and uses whole-of-government systems for finance and human resource management services.

As part of the department's information vision, with an emphasis on working digitally in an integrated way, several key milestones were achieved in 2020–21, including:

- greater use of SharePoint as a central communication platform within the department and managing digital records
- adoption of a Ministerial and Executive Correspondence System, providing a streamlined document workflow management system
- implementing improvements in cybersecurity protection of digital records and systems
- phasing out the use of Skype Instant Messaging and migrating to Microsoft Teams as a messaging and videoconferencing service
- migrating some human resources and finance portable document format (PDF) forms in November 2020 to the Queensland Shared Services, Service Now portal
- advising employees how to manage phishing scams, including the rollout of message reporting for suspicious emails
- informing employees about good records storage practices and how to store physical files and records securely.

## Other whole-of-government plans/specific initiatives

### Queensland Government

During 2020–21, the department was responsible for leading the following whole-of-government programs and initiatives:

- Back to Work program supporting eligible employers and jobseekers
- SQW initiative, supporting Queenslanders back into work
- Queensland Apprenticeship and Traineeship system
- developing the new *Big Plans for Small Business* strategy
- Business Queensland website, communicating government business services online
- *Skills for Queensland: Great training for quality jobs* strategy
- *Queensland Social Enterprise Strategy*.

Further information about these is contained within this report.

The department also supported the following whole-of-government plans and initiatives:

- *State Disaster Management Plan*
- *Advance Queensland Manufacturing Strategy*.

### National agreements and reform initiatives

Queensland continues to be a leader in the national VET system, having the highest proportion of students completing VET qualifications.

During 2020–21, the department continued to lead the Queensland Government management of the *National Agreement for Skills and Workforce Development*. The department continued to support training programs to meet the objective of the agreement, which is to achieve a VET system that delivers a more productive and highly skilled workforce, enabling all working age Australians to participate effectively in the labour market and contribute to Australia's economic future.

During 2020–21, the department continued to implement the Queensland Business Launchpad and VET Support Program projects as part of the *Small Business Regulatory Reform Project Agreement* between the Australian and Queensland governments. Work progressed during 2020–21 included:

- streamlining the start-up and compliance pathway for small business in Queensland
- delivering the first major milestone of the Queensland Business Launchpad project to make it easier for businesses in the food and beverage and residential construction industries to transact with government, initially offered to businesses in Logan and Townsville
- improving the way businesses access training and apprenticeship services as part of the VET Support Program
- commencing the expansion of Queensland Business Launchpad to enhance functionality and extend reach to the majority of Queensland regions.

### JobTrainer Fund

During 2020–21, the department worked with the Australian Government to implement the national JobTrainer Fund program across Queensland.

JobTrainer is a joint Australian and state and territory government initiative.

The Australian and Queensland governments are investing \$200 million to deliver additional training places in short courses, certificate and diploma level qualifications to Queensland jobseekers, school-leavers and young people.

Fee-free training is available for a range of short courses and certificates with low-fee training (no more than \$400) available for higher level qualifications. These training places are providing skills needed to find work, re-enter the labour market or explore new work opportunities as Queensland’s economy recovers from the impacts of COVID-19.

As at 30 June 2021, there have been over 43,000 enrolments in certificate and diploma level qualifications and short courses in Queensland.

**“ As at 30 June 2021, there had been over 43,000 enrolments in certificate and diploma level qualifications and short courses in Queensland. ”**

### Infection Control Training Fund

The Infection Control Training Fund is a joint initiative of Australian and state and territory governments to support take up of infection prevention and control training in customer-facing businesses to keep people safe from COVID-19 and support Australia’s economic recovery.

To help minimise the risk of spreading COVID-19 as Australia moves towards rebuilding businesses, the workforce and a stronger economy, the department is supporting the delivery of training at no cost to existing Queensland employees in health, retail, food handling, transport and logistics, and other industry areas where infection control training is beneficial for employees.

**“ ...the department is supporting the delivery of training at no cost to existing Queensland employees in health, retail, food handling, transport and logistics, and other industry areas where infection control training is beneficial for employees. ”**

The Australian and Queensland governments are jointly investing approximately \$8 million each in this initiative. Between March 2020, when the program commenced, and May 2021 (the last report for 2020–21), there had been approximately 21,000 enrolments in infection control skills sets.

In 2020–21, the department also contributed to:

- *National Indigenous Reform Agreement (Closing the Gap)*
- *National Disability Strategy*
- *Bilateral Agreement between the Commonwealth and Queensland on the National Disability Insurance Scheme.*

# Our people, delivering services

Essential to our department delivering government commitments and services to Queenslanders are the department's dedicated employees, who make a difference in people's learning, careers and working lives.

## Supporting flexible working arrangements

COVID-19 presented unique challenges and opportunities over the year, which our employees and management navigated by adapting to different ways of working and managing hybrid teams.

In July 2020, as part of the government's road map to easing restrictions, the department implemented a staged return of employees to the workplace after they had been working remotely and adopting different patterns of work. Towards the end of 2020, employees returning to the workplace increased, with flexible work agreements in place enabling employees to balance work and home life commitments, while ensuring operational requirements were met.

Flexible working arrangements are applied through the department's Flexible Work policy and procedures, including flexible working hours, leave arrangements, part-time work and job sharing.

## Maintaining service delivery while navigating COVID-19

During 2020–21, the department's Rapid Response Group was activated when needed to ensure ongoing business continuity of service delivery for our customers, partners, stakeholders and employees.

The Rapid Response Group includes leaders from across the department who play key roles in coordinating and facilitating critical business functions. This also includes information-sharing actions across the department, and with other government agencies, our customers and stakeholders.

## Our ethics and employee relations framework

Our ethical values underpin our workplace culture and management of employees. During 2020–21, the department continued its commitment to high behavioural standards and supported employees to do the right thing through educational training and administrative policies and practices.

The department continued its commitment to transparency and accountability, by complying with the public sector ethics principles set out in the *Public Sector Ethics Act 1994*. Employees completed online, annual refresher training in the Code of Conduct for the Queensland Public Service, and Fraud and Corruption. Employees who hold procurement and financial delegations also completed annual refresher training.

The department is committed to supporting ethical decision-making and has a policy and procedure to support the reporting of wrongdoing, including making public interest disclosures.

The *Industrial Relations Act 2016*, the *Public Service Act 2008* and the following instruments comprise our employee relations framework:

- *Queensland Public Service Officers and Other Employees Award – State 2015*
- *State Government Entities Certified Agreement 2019*.

During 2020–21, the department actively consulted with the Together Union through the agency consultative committee regarding employee and industrial relations matters, including flexible workplace arrangements and workplace change.

## Maintaining employee wellbeing

The Queensland Government has formal support options in place for employees who are experiencing domestic and family violence. The department is committed to providing a positive, ethical and healthy workplace, and recognises that employees may face difficult situations in their work and personal life, such as domestic violence.

In May 2021, supporting Domestic and Family Violence Prevention Month, the Director-General and the Executive Leadership Team released their commitment statement supporting any employee experiencing domestic and family violence. In June 2021, the department received White Ribbon re-accreditation.

During 2020–21, employee wellbeing was actively promoted and encouraged through a range of activities, including:

- adding COVID-Safe Workplaces training for all departmental employees to the employee induction process
- continuing to support free flu vaccinations for employees
- appointing and training a Mental Health Support Officers Network, which provides a comprehensive approach to mental health and wellbeing to help employees experiencing mental health issues
- building awareness and support of a diverse organisation through celebrating and promoting annual recognition events including National Aborigines and Islanders Day Observance Committee (NAIDOC) Week, Disability Action Week, Harmony Week, White Ribbon Day and International Women's Day
- providing information resources assisting employees with ergonomics to suit individual needs in the workplace
- implementing rehabilitation and return to work policy and procedures
- promoting an external employee assistance service that provides free, professional and confidential counselling services to assist employees and immediate family members through both personal and work-related problems
- providing an Aboriginal and Torres Strait Islander employee support line via our employee assistance provider, Benestar
- supporting two employees through the Recover @ Work program and assisting other agencies with return to work placements for injured workers.

## Workforce profile

In 2020–21, the department had:

- 536.29 full-time equivalent employees as per the Minimum Obligatory Human Resource Information full-time equivalent data for the fortnight ending 18 June 2021 (the last full pay period for 2020–21)
- a permanent separation rate of 5.79 per cent
- no redundancy, early retirement or retrenchment packages paid during the period.



## Valuing inclusion and diversity in our workplace

Diversity groups	Actual as at June 2021 <sup>1, 2</sup>	As a percentage of total workforce June 2021	Percentage compared to 2019–20	
Aboriginal and Torres Strait Islander peoples	13	2.28%	⬇️	down by 0.34%
People with disability	18	3.16%	⬆️	up by 0.05%
People from non-English speaking background	39	6.84%	⬇️	down by 0.03%
Women in the workforce	435	72.12%	⊞	same

### Status legend:

Improved from 2019–20



Not improved from 2019–20



Same as 2019–20



### Notes:

1. Data is based on Minimum Obligatory Human Resource Information full-time equivalents for the fortnight ending 18 June 2021 (the last full pay period for 2020–21).
2. Employees can self-identify with multiple diversity groups.

Diversity groups	Headcount actuals as at June 2021	As a percentage of the relevant classification group June 2021	Percentage compared to 2019–20	
Women in all senior leadership roles (SO, SES, CEO)	30	51.93%	⬆️	up by 0.26%
Women in leadership roles (AO6, AO7, AO8, PO5, PO6 and equivalent)	179	88.17%	⬆️	up by 24.33%

### Status legend:

Improved from 2019–20



## Strengthening our workplace culture

### Strategic workforce planning

During 2020–21, the department continued to implement effective human resources policies and practices and progressed the following workforce planning initiatives to attract, recruit and retain an inclusive, diverse and capable workforce. Key achievements included:

- issued the revised *DESBT Disability Service Plan 2020–21*, ensuring people with disability have access to the same departmental services, information and facilities that are available to the broader community. This plan details the actions being undertaken to improve this access, including:
  - supporting Queenslanders from diverse backgrounds to access VET, supporting Skills Assure suppliers with embedding the Inclusive Learning: A Way Forward framework by conducting scheduled audits
  - ensuring our policies and programs reflect the needs and interests of people with disability and their carers
  - promoting assistive technology that can support the participation of people with disability in VET
  - promoting and creating opportunities for employees to participate in Disability Action Week activities
- continued to implement the *Cultural Capability Action Plan 2019–2023* as part of the Queensland Government Cultural Capability Framework. Cultural capability involves acquiring knowledge about the culture of individuals and groups of people, and integrating that knowledge into our standards, practices and attitudes.

This plan is about increasing our understanding of the historical and contemporary issues relating to Aboriginal and Torres Strait Islander peoples and engaging with them in a sustained, respectful and participatory manner when developing policies, programs and services.

### Managing high performance

High standards of performance and clear behavioural expectations are aligned to the Queensland Public Service values and are communicated to all employees through our policies, procedures and online mandatory training. During 2020–21, employee performance continued to be managed through annual performance and development plans as part of the Queensland Public Service Commission's Conduct and Performance Excellence service.

In supporting a high-performance culture, onboarding new employees through the induction process provides our new employees and those transferring between teams the information they require to transition into a new work environment and new role as quickly as possible. Prior to commencement, managers are provided with a new starter checklist and information to implement reasonable workplace adjustments where required, to assist employees with disability and support an inclusive and diverse workplace.

We measured our collective performance and employee engagement through the Public Service Commission's annual Working for Queensland employee opinion survey. The September 2020 results showed that, as a department, we maintained a similar high response rate compared to 2019, at 86 per cent. This is 43 per cent higher than the overall Queensland Public Sector response rate of 43 per cent.

The department's survey results overall were positive, showing there were improvements compared to previous years in the question sections about agency engagement, job empowerment, my work group, my manager, anti-discrimination and innovation.

### Encouraging learning and preparing for the future of work

During 2020–21, employees were actively supported and assisted with continued learning and development as part of annual performance and development planning. The MyCareer learning management system provided online mandatory training for departmental employees to keep currency of knowledge and remain informed of developments.

The Senior Leadership Team met fortnightly during the COVID-19 pandemic response. This increased cross-departmental communication and collaboration. In 2020–21, the Senior Leadership Team was involved in the major review and development of the department's strategic plan.

Other activities undertaken to invest in the capability of leaders was rolling-out Challenge DV training in Domestic and Family Violence and Masterclasses in Writing workshops.

In order to further prepare and position the department for the future of work, the following activities were undertaken:

- continued to develop our workforce data analysis to understand trends and workforce issues in supporting workforce planning

- continued to participate in the Strategic Workforce Council and associated work in the reviewed Strategic Roadmap for Queensland Public Service
- continued our Senior Leadership Network as a forum for departmental senior officers to share knowledge and innovative practices and harness contemporary perspectives.

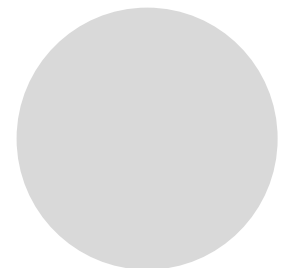
### Supporting our communities

During 2020–21, there were several occasions the department sought employee volunteers to participate in community recovery activities, including:

- COVID-19 contact tracing
- assisting communities impacted by natural disasters, including drought, flooding, fires on Fraser Island and the cyclone events of Imogen, Kimi and Nirran.

### Recognising employee excellence

In October 2020, the department's Small Business Recovery Centre in Townsville received a highly commended award in the Resilient Australia Awards which celebrates initiatives that build whole of community resilience to disasters and emergencies around Australia.



# Financial summary

This financial summary of the department's performance and position provides an overview of the key financial information for the year ended 30 June 2021 and a statement by the Chief Finance Officer. A complete view is provided in the Financial Statements which are included in the next section of this report.

## Statement by the Chief Finance Officer

In accordance with the requirements of the *Financial Accountability Act 2009*, the Chief Finance Officer has provided the Director-General with a statement confirming the financial internal controls of the department are operating efficiently, effectively and economically in conformance with Section 38 of the *Financial and Performance Management Standard 2019*. The statement was presented at the Audit and Risk Committee meeting in August 2021.

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

## Financial performance

The department's 2020–21 total income was \$1.31 billion and total expenses of \$1.315 billion, resulting in a net deficit for the year of \$5.4 million, compared to a deficit of \$2.2 million in 2019–20. The deficit positions in both years are as a result of revaluation decrements in the land assets of the department.

**Table 1. Summary of financial results of the department's operations**

Category	2020–21 \$'000	2019–20 \$'000
Total income	1,309,617	1,105,339
Total expenses	1,314,974	1,107,512
<b>Operating result for the year</b>	<b>(5,357)</b>	<b>(2,173)</b>



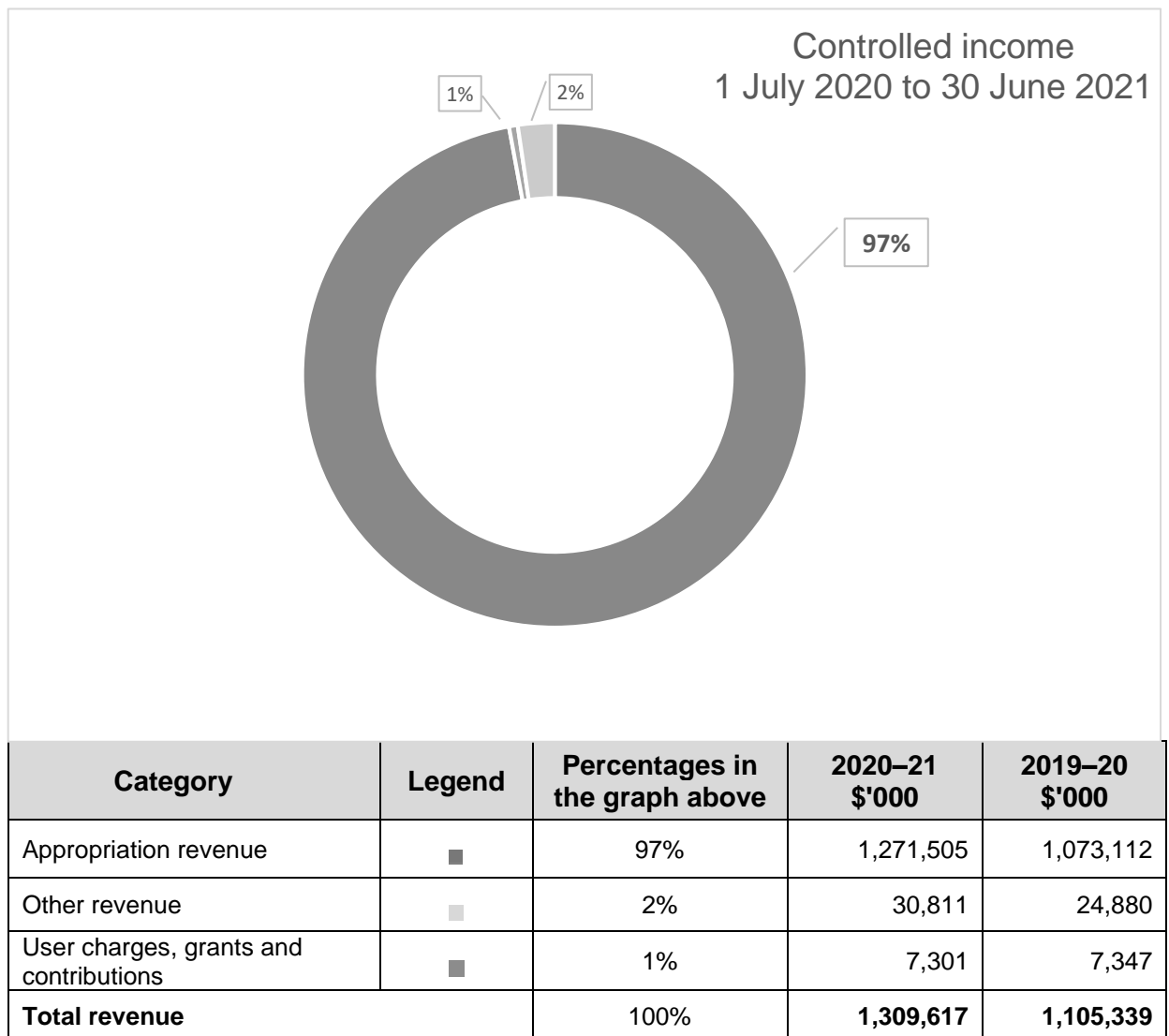
The primary source of the department's revenue in 2020–21 was \$1.272 billion of appropriation from the Queensland Government, which accounted for 97 per cent of the total income.

## Income

The primary source of the department's revenue in 2020–21 was \$1.272 billion of appropriation from the Queensland Government, which accounted for 97 per cent of the total income. Further sources of revenue comprised \$30.8 million from other revenue which included grant recoveries and contributions from TAFE Queensland for the Southbank Education Training Precinct Public Private Partnership (SETP).

The department also received \$4.1 million in grants and contributions as well as \$3.2 million of user charges and fees, mainly related to the hire of facilities and property income from TAFE Queensland facilities, controlled by the department.

**Figure 1: Income by category for the year ended 30 June 2021**



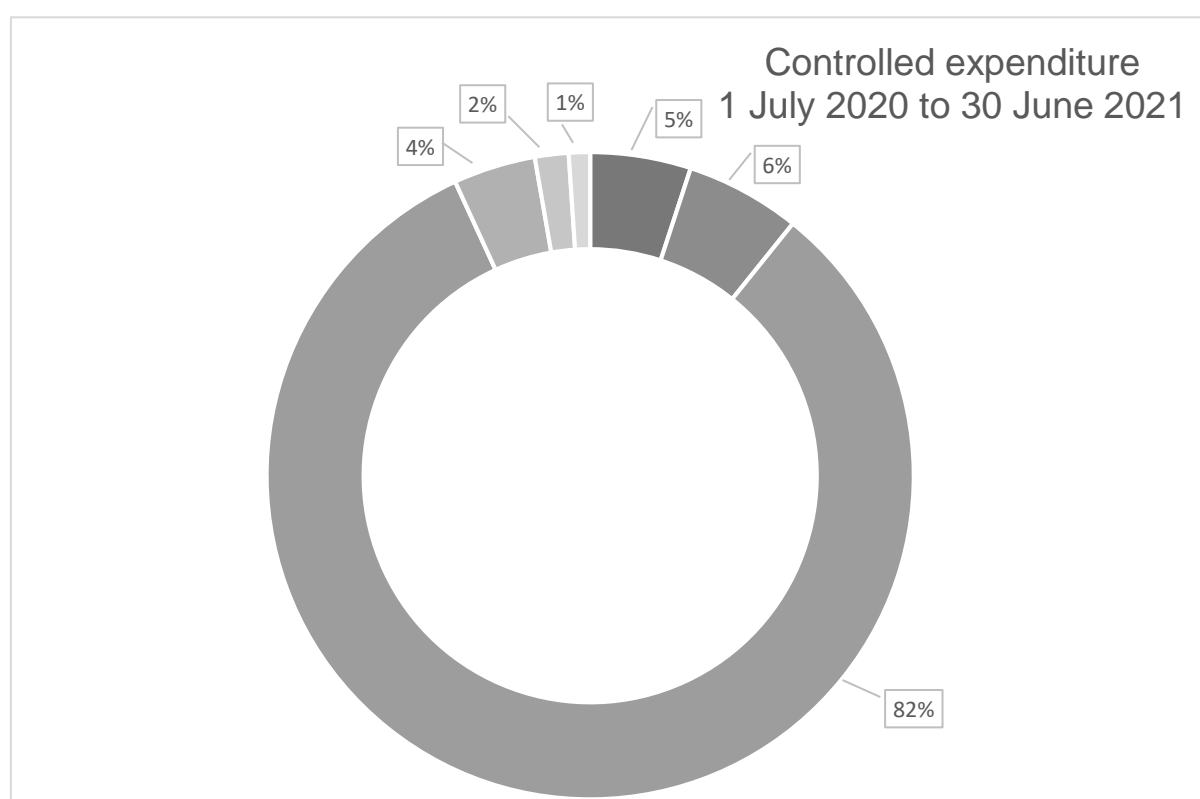
## Expenses

Expenses totalled \$1.315 billion in 2020–21, which included \$1.083 billion (approximately 82 per cent) of grants and subsidies mainly related to training and skills programs (\$856.3 million), and another \$191 million was for small business programs predominately for the Small Business COVID-19 Adaption Grants.

The department expensed \$75.6 million on supplies and services with the largest spend on building maintenance and associated costs. To support the department’s workforce, \$66.1 million was expensed on employee expenses, with 537 full time equivalents at 30 June 2020 compared to 577 full time equivalents in 2019.

Depreciation of \$54 million was incurred which predominately related to TAFE Queensland buildings controlled by the department, and a further \$22.1 million for finance/borrowing costs associated with the SETP finance liability, which will continue to 2039.

**Figure 2: Expenses by category for the year ended 30 June 2021**



Category	Legend	Percentages in the graph above	2020–21 \$'000	2019–20 \$'000
Grants and subsidies	■	82%	1,083,123	873,745
Supplies and services	■	6%	75,582	88,126
Employee expenses	■	5%	66,142	69,443
Depreciation and amortisation	■	4%	54,035	48,435
Finance/borrowing costs	■	2%	22,130	22,493
Other expenses (including Impairment losses and revaluation decrement)	■	1%	13,962	5,270
<b>Total expenses</b>		100%	<b>1,314,974</b>	<b>1,107,512</b>

## Financial position

The net assets position or total equity reported in the financial statements shows the net worth of the department. At 30 June 2021, this was \$1.349 billion.

Table 2 summarises the department's financial position for 2020–21 and 2019–20.

**Table 2. Summary of financial position – Assets and Liabilities**

Category	2020–21 \$'000	2019–20 \$'000
Total assets	1,850,266	1,807,759
Total liabilities	(500,796)	(462,913)
Total equity	1,349,470	1,344,846

### Assets

At 30 June 2021, the department held assets totalling \$1.85 billion. Assets consist primarily of \$303.9 million in cash and cash equivalents, and \$1.529 billion in property, plant and equipment. Property, plant and equipment represents 83 per cent of total assets and consists predominately of \$419.5 million in land, \$960.3 million in buildings and \$148.9 million of work in progress on buildings, which are all at TAFE Queensland sites controlled by the department.

The department delivered \$68.9 million in capital works during 2020–21 compared to \$100.9 million in 2019–20. The annual revaluation of buildings had a net increase of \$16.7 million, increasing the building asset revaluation surplus to \$221.7 million and the revaluation of land resulted in a \$5.4 million decrement that is recognised in the Statement of Comprehensive Income as the department had not had a land asset revaluation reserve from establishing the department in 2017–18.

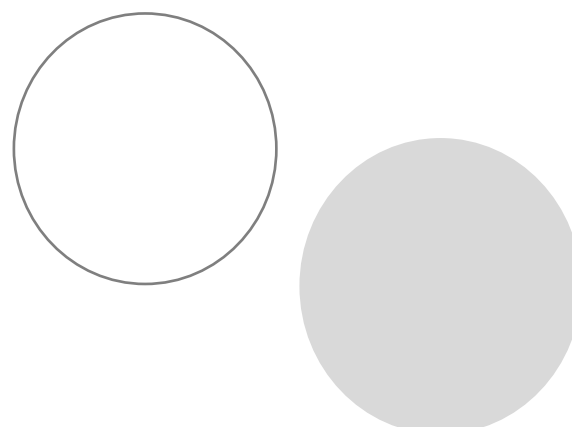
### Liabilities

The department's liabilities at 30 June 2021, totalled \$500.8 million consisting primarily of \$212.6 million in payables, \$206 million in interest-bearing liabilities, and \$79.8 million in provision for training services.

Payables relate to trade and capital creditors, amounts owed to grant and subsidy recipients and amounts payable to the Queensland Government to the Consolidated Fund.

Interest-bearing liabilities relate to the finance liability for the SETP, which will continue to 2039.

Provision in training services are for obligations under contractual arrangements to registered training providers, for training delivery and assessment of students who commenced studies and did not complete their study prior to 30 June 2021.



# Financial statements

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Department of Employment, Small Business and Training Financial Statements  
For the Year Ended 30 June 2021

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Department of Employment, Small Business and Training  
Statement of Comprehensive Income  
for the year ended 30 June 2021

OPERATING RESULT	Notes	2021 Actual \$'000	2021 Original Budget \$'000	Budget Variance * \$'000	2020 Actual \$'000
<b>Income from continuing operations</b>					
Appropriation revenue	B1-1	1 271 505	1 438 869	( 167 364)	1 073 112
User charges and fees	B1-2	3 248	1 705	1 543	2 823
Grants and contributions		4 053	6 200	( 2 147)	4 524
Other revenue	B1-3	30 811	17 128	13 683	24 880
<b>Total income from continuing operations</b>		<b>1 309 617</b>	1 463 902	( 154 285)	1 105 339
<b>Expenses from continuing operations</b>					
Employee expenses	B2-1	66 142	71 157	( 5 015)	69 443
Supplies and services	B2-2	75 582	105 899	( 30 317)	88 126
Grants and subsidies	B2-3	1 083 123	1 213 680	( 130 557)	873 745
Depreciation and amortisation		54 035	48 412	5 623	48 435
Impairment losses	C2-1	4 086	-	4 086	253
Finance/borrowing costs		22 130	22 130	-	22 493
Revaluation decrement	C7-3	5 357	-	5 357	2 055
Other expenses	B2-4	4 519	2 624	1 895	2 962
<b>Total expenses from continuing operations</b>		<b>1 314 974</b>	1 463 902	( 148 928)	1 107 512
<b>Operating result from continuing operations</b>		<b>( 5 357)</b>	-	( 5 357)	( 2 173)
<b>OTHER COMPREHENSIVE INCOME</b>					
<u>Items that will not be reclassified to operating result:</u>					
Increase/(decrease) in asset revaluation surplus	C7-3	16 691	-	16 691	2 193
<b>Total items that will not be reclassified to operating result</b>		<b>16 691</b>	-	16 691	2 193
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>16 691</b>	-	<b>16 691</b>	<b>2 193</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>11 334</b>	-	<b>11 334</b>	<b>20</b>

\*An explanation of major variances is included at Note E1.

The accompanying notes form part of these financial statements.

Department of Employment, Small Business and Training – Statement of Comprehensive Income  
by Major Departmental Service  
for the year ended 30 June 2021

	Training and Skills		Small Business		Employment		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income from continuing operations</b>								
Appropriation revenue	1 013 496	989 334	212 561	29 576	45 448	54 202	1 271 505	1 073 112
User charges and fees	3 248	2 823	-	-	-	-	3 248	2 823
Grants and contributions	130	526	3 916	3 737	7	261	4 053	4 524
Other revenue	30 536	24 641	224	16	51	223	30 811	24 880
<b>Total Revenue</b>	<b>1 047 410</b>	<b>1 017 324</b>	<b>216 701</b>	<b>33 329</b>	<b>45 506</b>	<b>54 686</b>	<b>1 309 617</b>	<b>1 105 339</b>
<b>Total income from continuing operations</b>	<b>1 047 410</b>	<b>1 017 324</b>	<b>216 701</b>	<b>33 329</b>	<b>45 506</b>	<b>54 686</b>	<b>1 309 617</b>	<b>1 105 339</b>
<b>Expenses from continuing operations</b>								
Employee expenses	51 063	54 727	10 129	8 689	4 950	6 027	66 142	69 443
Supplies and services	55 642	77 012	15 118	6 023	4 822	5 091	75 582	88 126
Grants and subsidies	856 317	811 651	191 084	18 558	35 722	43 536	1 083 123	873 745
Depreciation and amortisation	54 030	48 418	4	3	1	14	54 035	48 435
Impairment losses	3 889	249	197	4	-	-	4 086	253
Finance/borrowing costs	22 130	22 493	-	-	-	-	22 130	22 493
Revaluation decrement	5 357	2 055	-	-	-	-	5 357	2 055
Other expenses	4 339	2 892	169	52	11	18	4 519	2 962
<b>Total expenses from continuing operations</b>	<b>1 052 767</b>	<b>1 019 497</b>	<b>216 701</b>	<b>33 329</b>	<b>45 506</b>	<b>54 686</b>	<b>1 314 974</b>	<b>1 107 512</b>
<b>Operating result from continuing operations</b>	<b>( 5 357)</b>	<b>( 2 173)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>( 5 357)</b>	<b>( 2 173)</b>
<b>Operating result for the year</b>	<b>( 5 357)</b>	<b>( 2 173)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>( 5 357)</b>	<b>( 2 173)</b>
<b>Other comprehensive income</b>								
<u>Items that will not be reclassified to operating result:</u>								
Increase/(decrease) in asset revaluation surplus	16 691	2 193	-	-	-	-	16 691	2 193
<b>Total other comprehensive income</b>	<b>16 691</b>	<b>2 193</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16 691</b>	<b>2 193</b>
<b>Total comprehensive income</b>	<b>11 334</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11 334</b>	<b>20</b>

All corporate overheads have been allocated across respective departmental services based on activity drivers. Corporate services functions include: finance and administration, procurement, human resources, payroll, staff training, information technology, records management, legal services, facilities management, policy development and executive services.

Department of Employment, Small Business and Training  
Statement of Financial Position  
as at 30 June 2021

	Notes	2021 Actual \$'000	2020 Actual \$'000
<b>Current assets</b>			
Cash and cash equivalents	C1	303 951	290 783
Receivables	C2	15 259	10 320
Prepayments		1 561	652
<b>Total current assets</b>		<b>320 771</b>	<b>301 755</b>
<b>Non-current assets</b>			
Property, plant and equipment	C3-1	1 528 859	1 505 200
Intangible assets		636	804
<b>Total non-current assets</b>		<b>1 529 495</b>	<b>1 506 004</b>
<b>Total assets</b>		<b>1 850 266</b>	<b>1 807 759</b>
<b>Current liabilities</b>			
Payables	C4	212 646	175 201
Interest-bearing liabilities	C5	4 017	3 613
Accrued employee benefits		1 917	1 917
Provisions	C6	79 808	76 092
Unearned revenue		424	89
<b>Total current liabilities</b>		<b>298 812</b>	<b>256 912</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	C5	201 984	206 001
<b>Total non-current liabilities</b>		<b>201 984</b>	<b>206 001</b>
<b>Total liabilities</b>		<b>500 796</b>	<b>462 913</b>
<b>Net assets</b>		<b>1 349 470</b>	<b>1 344 846</b>
<b>Equity</b>			
Contributed equity		1 234 040	1 240 749
Accumulated surplus		( 106 287)	( 100 929)
Asset revaluation surplus	C7-3	221 717	205 026
<b>Total equity</b>		<b>1 349 470</b>	<b>1 344 846</b>

The accompanying notes form part of these financial statements.

Department of Employment, Small Business and Training – Statement of Assets and Liabilities by  
Major Departmental Service  
as at 30 June 2021

	Training and Skills		Small Business		Employment		General Not Attributed		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Current assets</b>										
Cash and cash equivalents	-	-	-	-	-	-	303 951	290 783	303 951	290 783
Receivables	12 788	8 645	1 256	820	1 215	855	-	-	15 259	10 320
Prepayments	1 363	600	136	-	62	52	-	-	1 561	652
<b>Total current assets</b>	<b>14 151</b>	<b>9 245</b>	<b>1 392</b>	<b>820</b>	<b>1 277</b>	<b>907</b>	<b>303 951</b>	<b>290 783</b>	<b>320 771</b>	<b>301 755</b>
<b>Non current assets</b>										
Property, plant and equipment	1 528 843	1 505 198	13	2	3	-	-	-	1 528 859	1 505 200
Intangible assets	636	804	-	-	-	-	-	-	636	804
<b>Total non-current assets</b>	<b>1 529 479</b>	<b>1 506 002</b>	<b>13</b>	<b>2</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 529 495</b>	<b>1 506 004</b>
<b>Total assets</b>	<b>1 543 630</b>	<b>1 515 247</b>	<b>1 405</b>	<b>822</b>	<b>1 280</b>	<b>907</b>	<b>303 951</b>	<b>290 783</b>	<b>1 850 266</b>	<b>1 807 759</b>
<b>Current liabilities</b>										
Payables	189 534	89 971	18 086	76 279	5 026	8 951	-	-	212 646	175 201
Interest-bearing liabilities	4 017	3 613	-	-	-	-	-	-	4 017	3 613
Accrued employee benefits	1 505	1 509	290	248	122	160	-	-	1 917	1 917
Provisions	79 808	76 092	-	-	-	-	-	-	79 808	76 092
Unearned revenue	100	-	235	-	89	89	-	-	424	89
<b>Total current liabilities</b>	<b>274 964</b>	<b>171 185</b>	<b>18 611</b>	<b>76 527</b>	<b>5 237</b>	<b>9 200</b>	<b>-</b>	<b>-</b>	<b>298 812</b>	<b>256 912</b>
<b>Non current liabilities</b>										
Interest-bearing liabilities	201 984	206 001	-	-	-	-	-	-	201 984	206 001
<b>Total non current liabilities</b>	<b>201 984</b>	<b>206 001</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>201 984</b>	<b>206 001</b>
<b>Total liabilities</b>	<b>476 948</b>	<b>377 186</b>	<b>18 611</b>	<b>76 527</b>	<b>5 237</b>	<b>9 200</b>	<b>-</b>	<b>-</b>	<b>500 796</b>	<b>462 913</b>

Please note that the department has systems in place to allocate assets and liabilities by departmental services.

Department of Employment, Small Business and Training  
Statement of Changes in Equity  
for the year ended 30 June 2021

	Notes	Accumulated Surplus	Asset Revaluation Surplus	Contributed Equity	Total
		\$'000	\$'000	\$'000	\$'000
<b>Balance as at 1 July 2019</b>		<b>( 98 756)</b>	<b>202 833</b>	<b>1 229 781</b>	<b>1 333 858</b>
<b>Operating result</b>					
Operating result from continuing operations		( 2 173)	-	-	( 2 173)
<b>Other comprehensive income</b>					
Increase/(decrease) in asset revaluation surplus					
Buildings		-	2 193	-	2 193
<b>Total comprehensive income for the year</b>		<b>( 2 173)</b>	<b>2 193</b>	<b>-</b>	<b>20</b>
<b>Transactions with owners as owners</b>					
- Appropriated equity injections	C7-2	-	-	57 381	57 381
- Appropriated equity withdrawals	C7-2	-	-	( 48 436)	( 48 436)
- Net transfers in from other Queensland Government entity	C3-1	-	-	2 023	2 023
<b>Net transactions with owners as owners</b>		<b>-</b>	<b>-</b>	<b>10 968</b>	<b>10 968</b>
<b>Balance as at 30 June 2020</b>		<b>( 100 929)</b>	<b>205 026</b>	<b>1 240 749</b>	<b>1 344 846</b>
<b>Balance as at 1 July 2020</b>		<b>( 100 929)</b>	<b>205 026</b>	<b>1 240 749</b>	<b>1 344 846</b>
<b>Operating result</b>					
Operating result from continuing operations		( 5 357)	-	-	( 5 357)
<b>Other comprehensive income</b>					
Increase/(decrease) in asset revaluation surplus					
Buildings		-	16 691	-	16 691
<b>Total comprehensive income for the year</b>		<b>( 5 357)</b>	<b>16 691</b>	<b>-</b>	<b>11 334</b>
<b>Transactions with owners as owners</b>					
- Appropriated equity injections	C7-2	-	-	47 326	47 326
- Appropriated equity withdrawals	C7-2	-	-	( 54 035)	( 54 035)
<b>Net transactions with owners as owners</b>		<b>-</b>	<b>-</b>	<b>( 6 709)</b>	<b>( 6 709)</b>
<b>Balance as at 30 June 2021</b>		<b>( 106 287)</b>	<b>221 717</b>	<b>1 234 040</b>	<b>1 349 470</b>

The accompanying notes form part of these financial statements.

Department of Employment, Small Business and Training  
Statement of Cash Flows  
for the year ended 30 June 2021

	2021 Actual \$'000	2020 Actual \$'000
Note		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<i>Inflows:</i>		
Service appropriation receipts	1 295 952	1 145 277
User charges, fees and other revenue*	30 125	26 137
Grants and contributions	3 786	3 949
GST input tax credits from ATO	31 000	26 989
GST collected from customers	4 536	6 233
<i>Outflows:</i>		
Employee expenses	( 67 195)	( 69 538)
Supplies and services	( 85 260)	( 58 963)
Grants and subsidies	(1 062 977)	( 889 403)
Finance/borrowing costs	( 22 130)	( 22 493)
GST paid to suppliers	( 30 171)	( 27 030)
GST remitted to ATO	( 5 001)	( 6 271)
Other	( 1 772)	( 2 094)
<b>Net cash provided by operating activities</b>	CF-1 <b>90 893</b>	157 644
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<i>Inflows:</i>		
Sales of property, plant and equipment	6	9 245
<i>Outflows:</i>		
Payments for property, plant and equipment	( 73 032)	( 100 944)
<b>Net cash used in investing activities</b>	( 73 026)	( 91 699)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<i>Inflows:</i>		
Equity injections	47 326	57 381
<i>Outflows:</i>		
Equity withdrawals	( 48 412)	( 47 738)
Repayments of borrowings/finance liability payments	CF-2 ( 3 613)	( 3 250)
<b>Net cash (used in)/provided by financing activities</b>	( 4 699)	6 393
<b>Net increase/(decrease) in cash and cash equivalents</b>	13 168	47 487
<b>Cash and cash equivalents - opening balance</b>	290 783	243 296
<b>Cash and cash equivalents - closing balance</b>	C1 <b>303 951</b>	290 783

The accompanying notes form part of these financial statements.

\*The category of User charges, fees and other revenue includes inflows reported under Other in the department's financial statements for 2019-20.

Department of Employment, Small Business and Training  
Statement of Cash Flows  
for the year ended 30 June 2021

**NOTES TO THE STATEMENT OF CASH FLOW**

**CF-1 Reconciliation of operating result to net cash provided by operating activities**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Operating surplus/(deficit)	( 5 357)	( 2 173)
<i>Non-cash items included in operating result:</i>		
Depreciation and amortisation expense	54 035	48 436
Revaluation decrement	5 357	2 055
Net Losses on disposal of property, plant and equipment	2 748	867
Impairment losses	4 086	253
<i>Change in assets/liabilities:</i>		
(Decrease)/increase in deferred appropriation payable to Consolidation Fund	24 447	72165
(Increase)/decrease in GST input tax credits receivable	364	( 78)
(Increase)/decrease in net operating receivables	( 5 301)	( 972)
(Increase)/decrease in other current assets	( 910)	( 285)
Increase/(decrease) in other current liabilities	4 050	25 320
Increase/(decrease) in payables	7 373	( 12 257)
Increase/(decrease) in accrued employee benefits	1	( 538)
<b>Net cash provided by operating activities</b>	<b>90 893</b>	<b>132 793</b>

**CF-2 Change in Liabilities Arising from Financing Activities**

	<b>Finance Liability</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>
Opening balance 2020	212 863	212 863
<i>Cash Flows:</i>		
Cash Repayment	( 3 250)	( 3 250)
Closing balance 2020	<b>209 613</b>	<b>209 613</b>
	<b>Finance Liability</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>
Opening balance 2021	209 613	209 613
<i>Cash Flows:</i>		
Cash Repayment	( 3 613)	( 3 613)
Closing balance 2021	<b>206 000</b>	<b>206 000</b>



**SECTION 1  
ABOUT THE DEPARTMENT AND THIS FINANCIAL REPORT**

## **A1 BASIS OF FINANCIAL STATEMENT PREPARATION**

### **A1-1 GENERAL INFORMATION**

The Department of Employment, Small Business and Training (“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:

1 William Street  
Brisbane QLD 4000.

### **A1-2 COMPLIANCE WITH PRESCRIBED REQUIREMENTS**

The department has prepared these financial statements in compliance with section 38 of the *Financial and Performance Management Standard 2019*. These financial statements comply with Queensland Treasury’s Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2020.

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 early adopted and/ or applied for the first time in these financial statements are outlined in Note F4.

### **A1-3 PRESENTATION**

#### **Currency and rounding**

Amounts included in the financial statements are in Australian dollars and rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero unless disclosure of the full amount is specifically required.

#### **Comparatives**

Comparative information reflects the audited 2019-20 financial statements.

#### **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.

### **A1-4 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE**

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

## **A1 BASIS OF FINANCIAL STATEMENT PREPARATION (continued)**

### **A1-5 BASIS OF MEASUREMENT**

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

- Land and buildings assets which are measured at fair value; and
- Provisions expected to be settled 12 or more months after reporting date which are measured at their present 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 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.

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.

### **A1-6 THE REPORTING ENTITY**

The financial statements include all income, expenses, assets, liabilities and equity of the department, as the entity it controls is not material (refer to Note A3).

## A2 DEPARTMENTAL OBJECTIVES

The Department of Employment, Small Business and Training works with employers, small businesses and individuals to support their career and business aspirations, delivering programs and developing policy to support employment growth and match skills and training opportunities with industry workforce needs both now and into the future. Through this focus, the department is supporting the vision of skilled Queenslanders and vibrant small businesses growing Queensland's economy.

The department's purpose is to support Queensland's future workforce by connecting Queenslanders to learning opportunities through quality training and employment opportunities, and by helping small businesses to start, grow and thrive.

Contribution to the Government's objectives for the community

- supporting jobs;
- making it for Queensland
- growing our regions;
- backing small businesses;
- investing in skills;
- building Queensland; and
- backing our frontline services.

are the key priorities of the service areas:

### **Employment**

Preparing Queensland's workforce for the demands of current and future industries by increasing employment opportunities for Queenslanders in particular disadvantaged cohorts and unemployed jobseekers.

### **Small Business**

Helping small businesses to start, grow and employ by ensuring small businesses can seamlessly interact with government and are supported.

### **Training and Skills**

Connecting people to quality training and skills by regulating Queensland apprenticeships and traineeships and facilitating access and participation in vocational education and training pathways, enabling Queenslanders to gain employment in current and future industries.

The department is funded for the departmental services it delivers principally by parliamentary appropriations.

Department of Employment, Small Business and Training  
Notes to the Financial Statements  
for the year ended 30 June 2021

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### **A3 CONTROLLED ENTITIES**

The following entity is a directly controlled entity of the department:

Name: Building Construction Industry Training Fund (Qld) Limited

Purpose and Principal Activities: Assist in the acquisition and enhancement of the knowledge, skills, training and education of workers in the building and construction industry. BCITF (Qld) Limited does not trade.

% Interest in Entity & Basis for Control: 100% owned by the Department of Employment, Small Business and Training

The BCITF (Qld) Limited ('the Company') was established on 1 January 1999 to assist in the acquisition and enhancement of the knowledge, skills, training and education of workers in the building and construction industry. The Company is established as a public company, limited by guarantee, and the Minister is the sole shareholder. The Company is controlled by the department, and is audited by the Auditor-General of Queensland.

The Company does not conduct business and therefore has no assets, liabilities, revenues and expenses to be consolidated in these financial statements.

The Company is the sole trustee of the Building and Construction Industry Training Fund ('the Trust'). The Trust is established to advance the education and skills of persons and organisations involved in the building and construction industry, and is audited by the Auditor-General of Queensland. The Trust is not controlled by the department.

Department of Employment, Small Business and Training  
Notes to the Financial Statements  
for the year ended 30 June 2021

**SECTION 2**  
**NOTES ABOUT OUR FINANCIAL PERFORMANCE**

**B1 REVENUE**

**B1-1 APPROPRIATION REVENUE**

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

	2021 \$'000	2020 \$'000
<b>Original budgeted appropriation</b>	<b>1 360 279</b>	1 049 892
Supplementary amounts:		
Treasurer's Advance	-	85 320
Transfers from (to) other headings (variation in headings)	( 720)	10 065
Lapsed appropriation	<b>( 63 607)</b>	-
<b>Total appropriation received (cash)</b>	<b>1 295 952</b>	1 145 277
Plus: Opening balance of deferred appropriation payable to Consolidated Fund	<b>78 590</b>	6 425
Less : Closing balance of deferred appropriation payable to Consolidated Fund	<b>( 103 037)</b>	( 78 590)
<b>Net Appropriation revenue</b>	<b>1 271 505</b>	1 073 112
<b>Appropriation revenue recognised in statement of comprehensive income</b>	<b>1 271 505</b>	1 073 112
Variance between original budgeted and actual appropriation revenue	<b>( 88 774)</b>	23 220

**Accounting policy – Appropriation revenue**

Appropriations provided under the *Appropriation (2020-2021) Act 2021* 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. Capital appropriations are recognised as adjustments to equity, refer to Note C7-2.

**Disclosure – Variance analysis**

Budget vs actual appropriation revenue (refer to Note E1-1).

**B1-2 USER CHARGES AND FEES**

	2021 \$'000	2020 \$'000
Revenue from contracts with customers		
General fees	17	226
Other user charges and fees		
Hire of facilities	1 986	716
Property income	1 245	1 881
<b>Total</b>	<b>3 248</b>	2 823

**Accounting policy – General fees**

General fees comprising of apprentice indenture documentation are recognised on transfer of the goods to the customer, which is the sole performance obligation. General fees for the sale of tickets to Queensland Training Award events are offset for the cost of the holding the event. Refunds for the event are immaterial and the full amount is recognised as revenue.

Department of Employment, Small Business and Training  
Notes to the Financial Statements  
for the year ended 30 June 2021

**B1 REVENUE (continued)**

**B1-2 USER CHARGES AND FEES (continued)**

**Accounting policy – Hire of facilities/ property income**

Hire of facilities and property income is recognised when received as there is no performance obligation by the department other than the maintenance of the facilities.

**Disclosure – Hire of facilities/ property income**

The department provides TAFE Queensland access to training facilities. The income value of this right of use access has not been accounted for during 2020-21 as a reliable measurement of rent payable is unable to be determined. This is because the ongoing arrangement includes a number of sites, varying utilisation at each site, varying condition of the buildings and facilities, and the costs borne by TAFE Queensland in the management of the facilities.

Due to COVID-19 business restrictions the department waived rental income on training facilities for the period of July 2020 to September 2020 for commercial business customers. The amount of rental income to 30 June 2021 that department has foregone is approximately \$0.252 million.

**B1-3 OTHER REVENUE**

	2021 \$'000	2020 \$'000
Contributions to finance liability	17 038	16 605
Recoveries from grants programs	13 773	8 275
<b>Total</b>	<b>30 811</b>	<b>24 880</b>

**Accounting policy – Other revenue**

Recoveries from grants programs have been reviewed during the financial year 2020-21 and due to the nature of these transactions have been accounted for under AASB 15 *Revenue from Contracts with Customers*.

Contributions to finance liability for the Private Provision of Public Infrastructure (PPPI) arrangement are received in arrears of payments made by the department for this obligation and accounted for under AASB 1058 *Income of Not-for-Profit Entities* and are recognised on receipt.

**Disclosure – Contributions to finance liability**

The department, as a result of contractual agreements for the right of use access to the PPPI asset at Southbank Education and Training Precinct (SETP), receives from TAFE Queensland contributions. These contributions are towards the outflows associated with the precinct. Information regarding the amount of the contribution and conditions for variations are contained in schedules which form part of the agreement, refer to Note F3.

Department of Employment, Small Business and Training  
Notes to the Financial Statements  
for the year ended 30 June 2021

**B2 EXPENSES**

**B2-1 EMPLOYEE EXPENSES**

	2021 \$'000	2020 \$'000
<b>Employee benefits</b>		
Wages and salaries	51 268	54 021
Annual leave/ levy expenses	6 063	6 197
Long service leave levy	1 224	1 249
Employer superannuation contributions	7 047	7 113
Termination benefits*	15	91
<b>Employee related expenses</b>		
Fringe benefits tax	67	131
Workers' compensation premium	177	234
Staff transfer costs	2	-
Staff rental accommodation	18	18
Staff training	261	389
<b>Total</b>	<b>66 142</b>	<b>69 443</b>

\*Termination benefits expenses relate to payment of post-employment expenses for staff, no redundancy payments were made in financial year 2020-21 or 2019-20

	2021 No.	2020 No.
Full-Time equivalent employees **	537	577

\*\* Full-Time equivalent employee data as at 30 June 2021 (based upon the fortnight ending 2 July 2021).

**Accounting policy – Wages and salaries**

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 values.

**Accounting policy – 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 into 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.

**Accounting policy – Annual leave and long service leave**

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

**Accounting policy – Superannuation**

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

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

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

Department of Employment, Small Business and Training  
Notes to the Financial Statements  
for the year ended 30 June 2021

**B2 EXPENSES (continued)**

**B2-1 EMPLOYEE EXPENSES (continued)**

**Accounting policy – 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 employees' total remuneration package. It is not an employee benefit and is recognised separately as employee related expenses.

Key management personnel and remuneration disclosures are detailed in Note F1.

**B2-2 SUPPLIES AND SERVICES**

	2021 \$'000	2020 \$'000
Building maintenance	27 682	36 768
Utilities	3 844	4 648
Equipment and building refurbishment	1 362	4 237
Consultants and contractors	18 212	17 631
Materials and running costs	9 915	10 270
Payments to shared service provider/inter-agency services	1 485	1 974
Computer costs	6 575	5 761
Travel	452	887
Office accommodation	5 484	5 335
Motor vehicle - QFleet	555	561
Lease expenses	16	54
<b>Total</b>	<b>75 582</b>	<b>88 126</b>

**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 B2-3.

**Office accommodation and employee housing**

Payments for non-specialised commercial office accommodation under the Queensland Government Accommodation Office (QGAO) framework and residential accommodation properties under the Government Employee Housing (GEH) program arise from non-lease arrangements with the Department of Energy and Public Works (previously known as Department of Housing and Public Works up to 12 November 2020), who has substantive substitution rights over the assets used within these schemes. Payments are expensed as incurred and categorised within Office accommodation in Note B2-2 and Staff rental accommodation in Note B2-1.

**Lease expenses**

Lease expenses include lease rentals for short-term leases, leases of low value assets and variable lease payments.



Department of Employment, Small Business and Training  
Notes to the Financial Statements  
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**B2 EXPENSES (continued)**

**B2-3 GRANTS AND SUBSIDIES**

	2021 \$'000	2020 \$'000
<i>Recurrent</i>		
Training and skills programs	826 869	811 019
Employment programs	35 720	43 532
Small business programs	191 079	18 557
Other grants and allowances to organisations	37	37
<i>Capital</i>		
State Government		
Training Centre Grants	29 418	600
<b>Total</b>	<b>1 083 123</b>	<b>873 745</b>

**Accounting policy – Grants and subsidies**

The department administers a number of programs where payments are made without expectation of an equal value in return. For the arrangement to be classified as grants or subsidies, consideration to the classification of the payment is based on the nature of the transaction and if there is any third-party recipient to the payment made. This distinguishes the arrangement from procurement transactions.

**Disclosure – Additional grant programs**

Additional grant programs have been implemented by the department directly due to COVID-19. Grant payments under the department's key priority of Small Business programs significantly increased in the 2020-21 financial year by \$173.46 million (2019-20: \$11.26 million).

**B2-4 OTHER EXPENSES**

	2021 \$'000	2020 \$'000
Insurance premium - QGIF	1 397	1 391
Queensland Audit Office- external audit fees for the audit of the financial statements <sup>(1)</sup>	219	180
Loss on disposal of property plant and equipment	2 747	867
Payments to other Queensland government departments	-	462
Other expenses	156	62
<b>Total</b>	<b>4 519</b>	<b>2 962</b>

**Audit fees**

(1) Total audit fees quoted by the Queensland Audit Office relating to the 2020-21 financial statements are estimated to be \$0.199 million (2020: \$0.199 million).

Department of Employment, Small Business and Training  
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**SECTION 3  
NOTES ABOUT OUR FINANCIAL POSITION**

**C1 CASH AND CASH EQUIVALENTS**

	2021 \$'000	2020 \$'000
Imprest accounts	-	2
Cash at bank	303 951	290 781
<b>Total</b>	<b>303 951</b>	<b>290 783</b>

**Accounting policy – Cash and cash equivalents**

For the purposes of the statement of financial position and the statement of cash flows, cash assets include all cash and cheques receipted but not banked at 30 June.

**Disclosure – Undrawn facilities**

On 11 May 2018, an overdraft facility was approved by Queensland Treasury for the department's main bank account. This facility is limited to \$40 million and remains in effect permanently. This facility remained fully undrawn at 30 June 2021 and is available for use in the next reporting period. The current overdraft interest rate is 3.6% (2020: 3.75%).

**C2 RECEIVABLES**

	2021 \$'000	2020 \$'000
<b>Current</b>		
Trade debtors	16 436	10 909
Less: Loss allowance	( 5 705)	( 4 358)
	10 731	6 551
 GST receivable	 2 068	 2 431
 Long service leave reimbursements	 329	 253
Annual leave reimbursements	1 239	445
Sundry receivables	892	640
<b>Total</b>	<b>15 259</b>	<b>10 320</b>

**Accounting policy – Receivables**

Receivables are measured at amortised cost which approximates their fair value at reporting date.

Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement on trade debtors is required within 30 days from invoice date.

Sundry receivables generally arise from transactions outside the usual operating activities of the department and are recognised at their assessed values. Terms are a maximum of three months, no interest is charged and no security is obtained.

Department of Employment, Small Business and Training  
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## C2 RECEIVABLES (continued)

### C2-1 IMPAIRMENT OF RECEIVABLES

#### Accounting policy – Impairment of receivables

The loss allowance for trade and other debtors reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information. Economic changes impacting the department's debtors, and relevant industry data form part of the department's impairment assessment.

The department's other receivables are from Queensland Government agencies or Australian Government agencies. No loss allowance is recorded for these receivables on the basis of low credit risk. Refer to Note D1-2 for the department's credit risk management policies.

Where the department has no reasonable expectation of recovering an amount owed by a debtor, the debt is written-off by directly reducing the receivable against the loss allowance. This occurs when the debt is over 120 days past due and the department has ceased enforcement activity. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss.

The amount of impairment losses recognised for receivables is \$4.086 million (2019-20: \$0.253 million).

#### Disclosures – 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 there are no other credit enhancements relating to the department's receivables.

The department uses a provision matrix to measure the expected credit losses on trade debtors. Loss rates are calculated separately for groupings of customers with similar loss patterns. The department has determined there are two material groupings for measuring expected credit losses based on the customer profile for these revenue streams. These groupings are the Registered Training Organisations (RTO) which the department contracts with for the delivery of training services and Other Grant recipients.

The calculations reflect a historical observed default rate calculated using credit losses experienced on past transactions during the last three financial years for the groups.

Due to the nature of the receivables from the Other trade debtors, the department has revised the loss rate for this grouping based on the collectability of the outstanding debts.

Set out below is the credit risk exposure on the department's trade debtors broken down by the customer grouping and by ageing band, excluding any government trade debtors.

#### Impairment Group – Receivables from Trade Debtors (RTO's)

	2021			2020		
	Gross Receivable	Loss Rate	Expected Credit Loss	Gross Receivable	Loss Rate	Expected Credit Loss
Aging	\$'000	%	\$'000	\$'000	%	\$'000
Current	141	12.10%	17	371	0.0%	-
1 to 30 days overdue	685	16.60%	114	-	0.0%	-
31 to 60 days overdue	1 891	18.70%	354	127	0.0%	-
61 to 120 days overdue	-	21.20%	-	2 458	0.0%	-
> 120 days overdue	7 158	57.05%	4 084	3 498	81.63%	2 855
<b>Total</b>	<b>9 875</b>		<b>4 569</b>	<b>6 454</b>		<b>2 855</b>

Department of Employment, Small Business and Training  
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**C2 RECEIVABLES (continued)**

**C2-1 IMPAIRMENT OF RECEIVABLES (continued)**

*Impairment Group – Receivables from Other Grant Debtors*

	2021			2020		
	Gross Receivable \$'000	Loss Rate %	Expected Credit Loss \$'000	Gross Receivable \$'000	Loss Rate %	Expected Credit Loss \$'000
<b>Aging</b>						
Current	-	0.00%	-	-	0.0%	-
1 to 30 days overdue	-	0.00%	-	-	0.0%	-
31 to 60 days overdue	-	0.00%	-	-	0.0%	-
61 to 120 days overdue	59	0.00%	-	-	0.0%	-
> 120 days overdue	1 904	47.70%	908	2 179	69.0%	1 503
<b>Total</b>	<b>1 963</b>		<b>908</b>	<b>2 179</b>		<b>1 503</b>

**Disclosure – Movement in loss allowance for trade debtors**

	2021 \$'000	2020 \$'000
Loss allowance as at 1 July	4 358	4 129
Increase/(decrease) in allowance recognised in the operating result	4 086	238
Amounts written off during the year	( 2 739)	( 9)
Loss allowance as at 30 June	<b>5 705</b>	4 358

During the 2020-21 financial year all trade debtors were reviewed and where it has been determined that the long-term outstanding debt was unlikely to be collected by the department, it has been written off. This resulted in a decrease in the loss allowance percentages applied to the impairment groups.

Loss allowance for the current year relating to the department's receivables is \$1.347 million (2019-20: \$0.229 million).

**Disclosures - Credit risk management practices**

The department considers financial assets that are over 30 days past due to have significantly increased credit risk, and measures the loss allowance of such assets at lifetime expected credit losses instead of 12 month expected credit losses. The exception is trade receivables, for which the loss allowance is always measured at lifetime expected credit losses. The department's write off policy is disclosed above.

All financial assets with counterparties are considered to have low credit risk. This includes receivables from other Queensland Government agencies and Australian Government agencies. The department assumes that credit risk has not increased significantly for these low credit risk assets.

The department typically considers a financial asset to be in default when it becomes 120 days past due. However, a financial asset can be in default before that point if information indicates that the department is unlikely to receive the outstanding amount in full. The department's assessment of default does not take into account any collateral or other credit enhancements.

Department of Employment, Small Business and Training  
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**C3 PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION EXPENSE**

**C3-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT**

	at Fair Value		at Cost Plant and Equipment	Work in Progress	Total
	Land	Buildings			
Property, plant and equipment					
30 June 2021	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000
<b>Gross</b>	419 460	1 794 534	307	148 875	2 363 176
<b>Less: Accumulated depreciation</b>	-	( 834 203)	( 114)	-	( 834 317)
<b>Carrying amount at 30 June 2021</b>	<b>419 460</b>	<b>960 331</b>	<b>193</b>	<b>148 875</b>	<b>1 528 859</b>
<i>Represented by movements in carrying amount:</i>					
Carrying amount at 1 July 2020	425 766	942 409	78	136 947	1 505 200
Acquisitions (including upgrades)	-	-	97	68 857	68 954
Disposals	( 949)	( 1 804)	-	-	( 2 753)
Transfers between classes	-	56 860	61	( 56 929)	( 8)
Net revaluation increments/(decrements) in asset revaluation surplus	-	16 691	-	-	16 691
Net revaluation increments/(decrements) in operating surplus/(deficit)	( 5 357)	-	-	-	( 5 357)
Depreciation expense	-	( 53 825)	( 43)	-	( 53 868)
<b>Carrying amount at 30 June 2021</b>	<b>419 460</b>	<b>960 331</b>	<b>193</b>	<b>148 875</b>	<b>1 528 859</b>

Department of Employment, Small Business and Training  
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**C3 PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION EXPENSE (continued)**

**C3-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT (continued)**

Property, plant and equipment	at Fair Value		at Cost		Total
	Land	Buildings	Plant and Equipment	Work in Progress	
30 June 2020	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
<b>Gross</b>	425 766	1 776 595	318	136 947	2 339 626
<b>Less: Accumulated depreciation</b>	-	( 834 186)	( 240)	-	( 834 426)
<b>Carrying amount at 30 June 2020</b>	<b>425 766</b>	<b>942 409</b>	<b>78</b>	<b>136 947</b>	<b>1 505 200</b>
<i>Represented by movements in carrying amount:</i>					
Carrying amount at 1 July 2019	432 321	990 843	1 117	36 090	1 460 371
Acquisitions (including upgrades)	-	-	14	100 857	100 871
Transfers in from other Queensland Government entities	-	2 023	-	-	2 023
Disposals	( 4 500)	( 4 925)	( 867)	-	( 10 292)
Transfers between classes	-	80	( 80)	-	-
Net revaluation increments/(decrements) in asset revaluation surplus	-	2 193	-	-	2 193
Net revaluation increments/(decrements) in operating surplus/(deficit)	( 2 055)	-	-	-	( 2 055)
Depreciation expense	-	( 47 805)	( 106)	-	( 47 911)
<b>Carrying amount at 30 June 2020</b>	<b>425 766</b>	<b>942 409</b>	<b>78</b>	<b>136 947</b>	<b>1 505 200</b>

Department of Employment, Small Business and Training  
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### **C3 PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION EXPENSE (continued)**

#### **C3-2 RECOGNITION AND ACQUISITION**

##### **Accounting policy – Recognition**

###### Basis of Capitalisation and Recognition Thresholds

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

Buildings (including land improvements)	\$10 000
Land	\$1
Other	\$ 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.

###### Componentisation of complex assets

The department's complex assets are special purpose TAFE buildings.

Complex assets comprise separately identifiable components (or groups of components) of significant value, that require replacement at regular intervals and at different times to other components comprising the complex asset.

On initial recognition, the asset recognition thresholds outlined above apply to the complex asset as a single item. Where the complex asset qualifies for recognition, components are then separately recorded when their value is significant relative to the total cost of the complex asset. Components whose value exceeds 10% of the complex asset's total cost are separately identified as significant value components. Components valued at less than 10% of the complex asset's total are separately recorded only where a material difference in depreciation expense would occur.

When a separately identifiable component (or group of components) of significant value is replaced, the existing component is derecognised. The replacement component is capitalised when it is probable that future economic benefits from the significant component will flow to the department in conjunction with the other components comprising the complex asset and the cost exceeds the asset recognition thresholds specified above. Replacement components that do not meet the asset recognition thresholds for capitalisation are expensed.

Components are separately recorded and valued on the same basis as the asset class to which they relate. The accounting policy for depreciation of complex assets, and estimated useful lives, is disclosed in Note C3-5.

##### **Accounting policy – Cost of acquisition**

Historical cost is used for the initial recording of all non-current physical asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use, including architects' fees and engineering design fees. However, any training costs are expensed as incurred.

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

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland Government entity, are recognised as assets and revenues at their fair value at the date of acquisition.

#### **C3-3 MEASUREMENT USING HISTORICAL COST**

##### **Accounting policy**

Plant and equipment is measured at historical cost in accordance with Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. The carrying amounts for such plant and equipment are assessed as not materially different from their fair value.

### **C3 PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION EXPENSE (continued)**

#### **C3-4 MEASUREMENT USING FAIR VALUE**

##### **Accounting policy**

Land and buildings (including land improvements such as sports facilities) 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 and subsequent accumulation impairment losses where applicable.

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.

Fair value for land is determined by establishing its market value by reference to observable prices in an active market or recent market transactions. The fair value of buildings is determined by calculating the current replacement cost of the asset.

##### Use of specific appraisals

Land and buildings assets are revalued by management each year to ensure that they are reported at fair value. Management's valuations incorporate the results from the independent revaluation program, and the indexation of the assets not subject to independent revaluation each year.

For the purposes of revaluation, the department for 30 June 2021 comprehensively revalued materially all land and building assets. A new program of revaluations has been implemented and includes the yearly revaluation of significant land and building assets.

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.

##### Use of indices

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 these indices results in a valid estimation of the asset's fair value at reporting date. The State Valuation Service (SVS) supplies the indices used for various types of assets.

These indices are derived from market information available to SVS. SVS provides assurance of their robustness, validity and appropriateness for application to the relevant assets. The results of interim indexations are compared to the results of the independent revaluation performed in the year to ensure the results are reasonable. This annual process allows management to assess and confirm the relevance and suitability of indices provided by SVS based on the department's own particular circumstances.

##### Fair Value Measure

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/liabilities being valued. Observable inputs used by the department include, but are not limited to, published sales data for land and general office buildings.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant characteristics of the assets/liabilities being valued. Significant unobservable data takes account of the characteristics of the department assets/liabilities, and includes internal records of recent construction costs (and/or estimates of such costs) for assets' 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/liabilities.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

##### Fair Value Measurement Hierarchy

All assets and liabilities of the department for which fair value is measured or disclosed in the financial statements are categorised with the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- level 1 – represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
- level 2 – represents fair value measurements that are substantially derived from inputs (other than quoted prices included in level 1) that are observable, either directly or indirectly; and
- level 3 – represents fair value measurements that are substantially derived from unobservable inputs.

None of the department's valuations of assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy. There were no transfers of assets between fair value hierarchy levels during the period.



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### **C3 PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION EXPENSE (continued)**

#### **C3-4 MEASUREMENT USING FAIR VALUE (continued)**

##### Accounting for changes in fair value

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

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

##### *Basis for fair values of assets and liabilities*

##### Land

Effective Date of Last Specific Appraisal: 30 June 2021 by State Valuation Services

Valuation Approach: Market-based assessment. Fair Value Hierarchy Level 2.

Inputs: Determining the fair value of land involved physical inspection and reference to publicly available data on recent sales of similar land in nearby localities in accordance with Industry standards.

Current Year Valuation Activity: Approximately 64% of the department's land was independently valued. In determining the values, adjustments were made to the sales data to consider the location of the department's land, its size, street/road frontage and access, and any significant restrictions. The extent of the adjustments made varies in significance for each parcel of land. Overall, the adjustments averaged a decrease of 1.27% to land values.

The remaining land assets have been indexed to ensure that values reflect fair value as at reporting date. State Valuation Service provided indices for each of these sites based on recent market transactions for local land sales. An average indexation of 1% has been applied to land parcels.

##### Buildings

Effective Date of Last Specific Appraisal: 30 June 2021 by State Valuation Services

Valuation Approach: All purpose-built facilities are valued at current replacement cost, as there is no active market for these facilities.

Inputs: State Valuation Services conducted physical inspections and applied construction costs based on recent tenders for typical specialised buildings supported by specialised Quantity Surveyor information. Fair Value Hierarchy Level 3.

Current Year Valuation Activity: Approximately 66% of the department's buildings were independently valued. The current replacement cost was based on standard training facilities and specialised fit-out constructed by the department, adjusted for more contemporary design/construction approaches. Significant judgement was also used to assess the remaining service potential of these facilities, including the current physical condition of each facility.

The remaining buildings were indexed using the Building Price Index provided by GRC Quantity Surveyors. The change in the Building Price Index (June 2020 to June 2021) was a 4.49% increase. State Valuation Service have certified that the Building Price Index is the most appropriate measure for reflecting price changes in the department's buildings in the years when an independent valuation is not undertaken. Management is of the opinion that the continuing investment in general and specific priority maintenance would prevent any abnormal deterioration in asset values in the period between independent valuations.

Department of Employment, Small Business and Training  
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### C3 PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION EXPENSE (continued)

#### C3-5 DEPRECIATION EXPENSE

##### Accounting policy

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

In light of the nature and condition of sculptures, the valuers recommend these assets should not continue to be depreciated, Hence the replacement cost equates to fair value and this class of assets is not depreciated going forward.

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

**Key judgement:** The estimated useful lives of the assets are reviewed annually and, where necessary, are adjusted to better reflect the pattern of consumption and future service potential of the asset. In reviewing the useful life of each asset, factors such as asset usage and the rate of technical and commercial obsolescence are considered.

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.

It has been determined that the department controls buildings that by their nature require componentisation and the assignment of separate useful lives to their component parts. The three components of these buildings are: a) Shell; b) Fit-out; and c) Plant. The useful lives for these assets are disclosed in the table below.

Where assets have separately identifiable components that are subject to regular replacement, these are depreciated according to useful lives of each component.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful life of the improvements or the unexpired period of the lease, whichever is the shorter. The unexpired period of leases includes any option period where exercise of the option is probable.

Assets under construction (capital work-in-progress) are not depreciated until construction is complete and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant classes 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.

##### Depreciation rates

**Key estimates:** For each class of depreciable asset the depreciation rates are based on the following useful lives:

Class	Current useful life (years)	Class	Current useful life (years)
<b>Building - Complex</b>		<b>Building - Infrastructure</b>	
Buildings - Shell	18 - 80	Hard Infrastructure	31 - 81
Buildings - Fit Out	10 - 44	Soft Infrastructure	15 - 40
Buildings - Plant	10 - 44	Invisible Infrastructure	30 - 76
<b>Building - Non-Complex</b>	15 - 58	<b>Plant and Equipment</b>	
		Computer equipment	5
		Office equipment	5 - 10

#### C3-6 IMPAIRMENT

##### Accounting policy

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 under AASB 136 *Impairment of Assets*.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and the asset's value in use.

An impairment loss is recognised immediately in the Statement of Comprehensive Income.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income.

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**C4 PAYABLES**

	2021 \$'000	2020 \$'000
<b>Current</b>		
Trade creditors	2 942	3 534
Capital creditors	51 298	59 527
Fringe benefit tax and other taxes	20	55
Grants and subsidies payable	49 726	32 797
Deferred appropriation payable to Consolidated Fund	103 037	78 590
Equity payable to Consolidated Fund	5 623	698
<b>Total</b>	<b>212 646</b>	<b>175 201</b>

**Accounting policy - Payables**

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.

**C5 INTEREST BEARING LIABILITIES**

	2021 \$'000	2020 \$'000
<b>Current:</b>		
Finance liability - SETP	4 017	3 613
<b>Total</b>	<b>4 017</b>	<b>3 613</b>
<b>Non-Current:</b>		
Finance liability - SETP	201 984	206 001
<b>Total</b>	<b>201 984</b>	<b>206 001</b>

**Accounting policy – Finance liabilities**

Finance liabilities are initially recognised at fair value, plus any transaction costs directly attributable to the liability, 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 through the expected life of a financial liability to the amortised cost of the liability.

The fair value of finance liability is subsequently measured at amortised cost is set out in Note C5-3.

Any finance liability costs are added to the carrying amount of the finance liability to the extent they are not settled in the period in which they arise. Finance liabilities are split between current and non-current liabilities using the principles set out in the foreword and preparation information section of this financial report.

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.

**C5-1 FINANCE LIABILITY**

*Finance terms and conditions*

The finance liability of the department relates to the PPPI Arrangement - Southbank Education and Training Precinct (SETP) for a term of 34 years. The nature of the PPPI Arrangement has been reassessed under AASB 16 *Leases* and it has been concluded this arrangement is not a lease arrangement, but more in the nature of financing to construct and maintain the SETP. There have been no defaults or breaches of the liability agreement during the 2020-21 or 2019-20 financial years. Refer to Note F3 for details of the agreement.

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## C5 INTEREST BEARING LIABILITIES (continued)

### C5-1 FINANCE LIABILITY (continued)

#### Interest rates

Interest on finance liabilities are recognised as an expense as it accrues on the outstanding liability. No interest has been capitalised during the current or comparative reporting period.

The fixed implicit interest rate for the finance liability is 10.64% (2019-20: 10.64%).

#### Security

No security is held over the finance liability, however contractual agreement sets out risk and impacts to the department in event of default. Refer to Note F3 for details.

### C5-2 DISCLOSURE ABOUT SENSITIVITY TO INTEREST RATE MOVEMENTS

Interest rate sensitivity analysis evaluates the outcome on profit or loss if interest rates would change by +/- 1 per cent from the year-end rates applicable to the department's financial assets and liabilities. With all other variables held constant, the department would have a surplus and equity increase/ (decrease) of \$3.040 million (2019-20: \$2.908 million).

### C5-3 FAIR VALUE DISCLOSURES FOR FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

Finance liabilities relate to the Southbank Education and Training Precinct (refer to Note F3) and the fair value of the liability is calculated using discounted cash flow analysis and the effective interest rate and is disclosed below:

	2021		2020	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value* \$'000
<b>Finance liabilities at amortised cost:</b>				
Finance liability	206 001	171 842	209 614	186 312
<b>Total</b>	<b>206 001</b>	<b>171 842</b>	<b>209 614</b>	<b>186 312</b>

\* The fair value amount provided in the department's financial statements against Finance liability for financial year 2020 was incorrect. The corrected comparative amount has been provided.

## C6 PROVISIONS

	2021 \$'000	2020 \$'000
<b>Current:</b>		
Training Services	79 808	76 092
<b>Total</b>	<b>79 808</b>	<b>76 092</b>

#### Accounting policy – Provisions

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 and judgements – Provisions

The department enters into contractual arrangements with registered training organisations (RTOs) of Skills Assure Supplier status. This status allows access to subsidised funding for the delivery of training and assessment for eligible students under approved Vocational and Education and Training (VET) programs in Queensland. As part of the contractual arrangements, RTOs can claim a 50% payment when a student was engaged in some learning activities but was subsequently withdrawn from a competency. The department recognises a training services provision for these RTOs' claims.

The department uses the VET activity data submitted by RTOs and applies historical trends to determine the withdrawal rates and other non-payable outcomes. This withdrawal rate in 2020-21 ranged from 26.23% to 33.1% across the programs (2019-20: 16.34% to 25.42%). The increase of \$3.716 million in the current year was mainly due to an increase in the number of student enrolments across funded courses.

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**C7 EQUITY**

**C7-1 CONTRIBUTED EQUITY**

Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* specifies the principles for recognising contributed equity by the department. Appropriations for equity adjustments is recognised as contributed equity by the department during the reporting and comparative year.

**C7-2 APPROPRIATIONS RECOGNISED IN EQUITY**

**Reconciliation of payments from consolidated fund to equity adjustment**

	2021 \$'000	2020 \$'000
<b>Original budgeted equity adjustment appropriation</b>	<b>( 2 504)</b>	44 369
Supplementary amounts:		
Transfers from/(to) other headings - Variation in Headings	720	( 10 065)
Lapsed equity adjustment	-	( 36 372)
<b>Equity adjustment receipts (payments)</b>	<b>( 1 784)</b>	( 2 068)
Plus: Opening balance of equity adjustment payable	698	11 711
Less : Closing balance of equity adjustments payable	<b>( 5 623)</b>	( 698)
<b>Equity adjustment recognised in contributed equity</b>	<b>( 6 709)</b>	8 945
Variance between original budget and actual equity adjustment appropriation	4 205	35 424

**C7-3 ASSET REVALUATION SURPLUS BY ASSET CLASS**

**Accounting policy**

The asset revaluation surplus represents the net effect of upwards and downwards revaluations of assets to fair value.

	Land \$'000	Buildings \$'000	Total \$'000
Balance at 1 July 2019	-	202 833	202 833
Revaluation increments	7 051	63 683	70 734
Revaluation decrements	( 9 106)	( 61 490)	( 70 596)
Recognised in other comprehensive income <sup>1</sup>	2 055	-	2 055
	-	2 193	2 193
<b>Balance at 30 June 2020</b>	<b>-</b>	<b>205 026</b>	<b>205 026</b>
	-	205 026	205 026
Balance at 1 July 2020	-	205 026	205 026
Revaluation increments	14 067	54 983	69 050
Revaluation decrements	( 19 424)	( 38 292)	( 57 716)
Recognised in other comprehensive income <sup>1</sup>	5 357	-	5 357
	-	16 691	16 691
<b>Balance at 30 June 2021</b>	<b>-</b>	<b>221 717</b>	<b>221 717</b>

(1) As a result of revaluation in the 2020-21 and 2019-20 financial years, a net decrease has been recognised in the comprehensive income of the department. Refer to Note C3-1.

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**SECTION 4**  
**NOTES ABOUT RISK AND OTHER ACCOUNTING UNCERTAINTIES**

**D1 FINANCIAL RISK DISCLOSURES**

**D1-1 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 has the following categories of financial assets and financial liabilities:

	Note	2021 \$'000	2020 \$'000
<b>Financial assets</b>			
Cash and cash equivalents	C1	303 951	290 783
Financial assets at amortised cost:			
<i>Receivables</i>	C2	15 259	10 320
<b>Total financial assets</b>		<b>319 210</b>	<b>301 103</b>
<b>Financial liabilities</b>			
Financial liabilities measured at amortised cost:			
<i>Payables</i>	C4	212 646	175 201
<i>Finance liability</i>	C5	206 001	209 614
<b>Total financial liabilities at amortised cost</b>		<b>418 647</b>	<b>384 815</b>

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

**D1-2 FINANCIAL RISK MANAGEMENT**

**Risk Exposure**

Financial risk management is implemented pursuant to Government policy and seeks to minimise potential adverse effects on the financial performance of the department.

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	Credit risk exposure refers to the situation where the department may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.	The maximum exposure to credit risk is in respect of its receivables (Note C2).
Liquidity Risk	Liquidity risk refers to the situation where 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 payables (Note C4) and finance liability (Note C5).
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.  Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.	The department does not trade in foreign currency and is not materially exposed to commodity price changes.  The department is exposed to interest rate risk through its finance liability (Note C5).

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**D1 FINANCIAL RISK DISCLOSURES (continued)**

**D1-2 FINANCIAL RISK MANAGEMENT (continued)**

**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 strategy. This strategy aims to reduce the exposure to credit default by ensuring that the department invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.
Liquidity Risk	Sensitivity analysis	The department manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the department has minimum but 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 risk and manages its risk as per the liquidity risk management strategy articulated in the department's Financial Management Practices Manual.

**D1-3 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 reporting date. The undiscounted cash flows in this table differ from the amounts included in the statement of financial position that are based on discounted cash flows.

	2021 Total \$'000	Contractual Maturity		
		<1 year \$'000	1 - 5 years \$'000	> 5 years \$'000
<b>Financial Liabilities</b>				
Payables	212 646	212 646	-	-
Finance liability	509 709	28 317	113 269	368 123
<b>Total</b>	<b>722 355</b>	<b>240 963</b>	<b>113 269</b>	<b>368 123</b>
	2020 Total \$'000	Contractual Maturity		
		<1 year \$'000	1 - 5 years \$'000	> 5 years \$'000
<b>Financial Liabilities</b>				
Payables	175 201	175 201	-	-
Finance liability	538 026	28 317	113 269	396 440
<b>Total</b>	<b>713 227</b>	<b>203 518</b>	<b>113 269</b>	<b>396 440</b>

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## D2 CONTINGENCIES

### Litigation in Progress

At 30 June 2021, there were no cases filed in the courts naming the State of Queensland acting through the Department of Employment, Small Business and Training as defendant.

The maximum exposure of the department under policies held with the Queensland Government Insurance Fund is \$10 000 for each insurable event.

There are currently no cases of general liability and WorkCover common law claims being managed by the department.

### Financial Guarantees and Associated Credit Risks

The department paid a total of \$10.65 million to the Construction Industry Skills Centre Pty Ltd (CISC) between 1994 -1998. The amount is only recoverable in circumstances contingent upon the winding up of CISC and the related trust. The department and the Queensland Training Construction Fund (QTCF) (a trust) are equal shareholders (\$1 share each) in CISC and founders of the fund.

### Native Title Claims over Departmental Land

Native title claims may have the potential to impact upon properties of the department. A number of departmental properties are occupied under a "reserve" tenure, validly created prior to 23 December 1996, and therefore any development undertaken in accordance with gazetted purposes should minimise the potential of native title claims.

At 30 June 2021, two native title claims have been received in respect of departmental land covering a total area of approximately 40 hectares in the Sunshine Coast and Wide Bay regions. Together the land has a carrying amount of \$2.82 million. At reporting date, it is not possible to make an estimate of any probable outcome of these claims, or any financial effects.

## D3 COMMITMENTS

### Capital expenditure commitments

Commitments for capital expenditure at reporting date (inclusive of non-recoverable GST input tax credits) are payable:

	2021 \$'000	2020 \$'000
<b>Buildings</b>		
Not later than one year	39 912	19 538
Later than one and not later than five years	3 950	-
<b>Total Capital expenditure commitments - Buildings</b>	<b>43 862</b>	<b>19 538</b>

### Grant commitments

Commitments for grants at reporting date are payable:

	2021 \$'000	2020 \$'000
Not later than one year	34 840	31 293
Later than one and not later than five years	21 901	13 022
<b>Total Grant commitments</b>	<b>56 741</b>	<b>44 315</b>

### Other commitments (Public Private Partnership, Priority Purchasing Program and other)

Commitments for other expenditure at reporting date (inclusive of non-recoverable GST input tax credits) are payable:

	2021 \$'000	2020 \$'000
Not later than one year	38 863	28 516
Later than one and not later than five years	96 389	97 557
Later than five years	367 198	396 900
<b>Total Other commitments</b>	<b>502 450</b>	<b>522 973</b>

Fixed operating costs for Public Provision of Private Infrastructure for Southbank Education and Training Precinct – Axiom, have been included in the estimates of "Other commitments" (refer also to Note F3).



**D4 EVENTS AFTER THE BALANCE DATE**

No events after the balance date have occurred for the department.

**D5 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE**

All other Australian accounting standard and interpretations with future effective dates are either not applicable to the department's activities or have no material impact on the department.

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**SECTION 5**  
**NOTES ABOUT OUR PERFORMANCE COMPARED TO BUDGET**

**E1 BUDGETARY REPORTING DISCLOSURES AND SIGNIFICANT FINANCIAL IMPACTS FROM COVID-19**

This section contains explanations of major variances between the department's actual 2020-21 financial result and the original budget presented to Parliament.

**SIGNIFICANT FINANCIAL IMPACTS – COVID-19 PANDEMIC**

The following significant transactions were recognised by the department during 2020-21 financial year in the response to the COVID-19 pandemic.

<b>Operating Statement</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Significant expense transactions arising from COVID-19.</i>		
Small Business Adaption grants package	189 699	11 741
Small Business COVID-19 assistance package	17	500
Chamber of Commerce and Industry Qld	840	360
Queensland Small Business Commissioner	1 703	164
Jobs Finder online portal and Training	1 473	133
Workers Assistance Package delivery and impact assessment	3 867	395
National Partnership Job Trainer and Infection control funds	12 662	-
<b>Total</b>	<b>210 261</b>	<b>13 293</b>
<i>Additional revenue received to fund COVID-19</i>		
Additional revenue received to fund COVID-19	210 261	12 769
<b>Balance Sheet</b>		
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Significant liabilities arising from COVID-19</i>		
<b>Appropriation payable to the Consolidated Fund for:</b>		
Small Business Adaption grants package	2 310	69 259
Queensland Small Business Commissioner	147	466
Chamber of Commerce and Industry Queensland	360	-
Small Business COVID-19 assistance package	133	150
Jobs Finder online portal and Training	9 595	3 017
Workers Assistance package impact assessment	20 078	125
National Partnership Job Trainer and Infection Control Fund	15 379	-
<b>Total</b>	<b>48 002</b>	<b>73 017</b>

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**E1 BUDGETARY REPORTING DISCLOSURES AND SIGNIFICANT FINANCIAL IMPACTS FROM COVID-19 (continued)**

**E1-1 EXPLANATION OF MAJOR VARIANCES – STATEMENT OF COMPREHENSIVE INCOME**

<i>User charges and fees</i>	The increase in User charges and fees is mainly due to a back pay of rent from the Department of Education for the Queensland Pathways Programs.
<i>Grants and contributions</i>	The decrease in Grants and contributions is mainly due to the timing of funding received from the Queensland Reconstruction Authority for the North Queensland Monsoon event to support various small business recovery efforts.
<i>Other revenue</i>	The increase in Other revenue relates to higher than anticipated grant expenditure recoveries mainly in the Skilling Queenslanders for Work and Certificate 3 Guarantee programs as a result of compliance audits and final grant acquittals.
<i>Employee expenses</i>	Employee expenses are under spent mainly due to delays experienced in recruiting.
<i>Supplies and services</i>	The decrease in Supplies and services is mainly due to revised delivery schedules and milestone payments across various programs including the Queensland Business Launch Pad, Vocational Education and Training support program, First Nations Training Strategy, Social Enterprise Jobs Fund and the North Queensland Monsoon recovery program.
<i>Grants and subsidies</i>	The decreased grants expenditure is mainly due to lower demand and the timing of payments for various programs scheduled for the next financial year, including Back to Work, Skilling Queenslanders for Work, various COVID-19 related initiatives such as Workers Assistance Program initiatives and the Australian Government Job Trainer and Infection Control Training Funds.
<i>Depreciation and amortisation</i>	The increase is due to the effect of the 2019-20 revaluation program and the department capitalising buildings throughout the year, with asset values increasing and adjustments to useful lives impacting on annual depreciation expenses.
<i>Impairment losses</i>	The variance arises from an unbudgeted impairment of receivables mainly due to the uncertainty around grant recoveries from Registered Training Organisations and other grant recipients for various programs including Certificate 3 Guarantee, Skilling Queenslanders for Work and the Back to Work grants programs.
<i>Other expenses</i>	The increase in Other expenses is mainly due to losses on disposals of buildings as a result of building demolitions undertaken as part of the department's ongoing renewal and revitalisation of training infrastructures across the state.
<i>Revaluation decrement</i>	The variance arises from an unanticipated and unbudgeted revaluation decrement during the year for the departments land assets. The movement is predominately due to a decrease in value of \$14 million at Southbank offset by increments at Brackenridge of \$6 million and at Pimlico of \$3 million.

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## F1 KEY MANAGEMENT PERSONNEL REMUNERATION

### Details of Key Management Personnel (KMP)

The department's responsible Minister is identified as part of the department's KMP, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. The Minister is the Honourable Diana Farmer MP, Minister for Employment and Small Business and Minister for Training and Skills Development.

The following details for non-Ministerial KMP personnel includes those positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2020-21 and 2019-20. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Position Responsibility
Director-General	Directs the overall efficient, effective and economical administration of the department. The position also sets the department's strategic direction and priorities.
Deputy Director-General, Engagement	Provides strategic leadership and direction of the department's regional service delivery, engagement and communication approaches with industry, peak bodies, small businesses and students, the regulation of Queensland's apprenticeship and traineeship system, and secretariat support for the Jobs Queensland Board.
Deputy Director-General, Investment	Provides strategic leadership and direction of the department's program delivery, compliance and contract management of more than \$1B employment, small business and training and skills investment, development of training infrastructure strategy and delivery.
Deputy Director-General, Strategy	Provides strategic leadership and direction of department-wide strategy, strategic policy and data insights by driving collaborative and innovative outcomes.
Head of Corporate Services	Provides strategic leadership and direction for the department's corporate services.

### Key Management Personnel Remuneration Policies

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

Remuneration policy for the department's other key management personnel 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 and performance payments if applicable) are specified in employment contracts.

Remuneration expenses for those key management personnel comprise the following components:

Short term employee expenses which 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 the specified position (including any higher duties or allowances earned during that time); and
- non-monetary benefits – consisting of provision of vehicle and car parking together with fringe benefits tax applicable to the benefit.

Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.

Post-employment expenses include amounts expensed in respect of employer superannuation obligations.

Termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

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## F1 KEY MANAGEMENT PERSONNEL REMUNERATION (continued)

### Key Management Personnel Remuneration Expenses

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

#### 2020-21

Position (date resigned if applicable)	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses	Non-Monetary Benefits	\$'000	\$'000	\$'000	\$'000
	\$'000	\$'000				
Director-General <sup>1</sup> from 23/11/2020	246	2	5	25	-	278
Director-General to 22/11/2020	134	2	3	16	-	155
Deputy Director-General, Engagement <sup>3</sup>	232	4	5	27	-	268
Deputy Director-General, Investment <sup>3</sup>	227	4	5	24	-	260
Deputy Director-General, Strategy <sup>2</sup> from 26/11/2020	195	2	3	16	-	216
Deputy Director-General, Strategy To 02/10/2020	83	1	2	7	-	93
Head of Corporate Services <sup>4, 5</sup>	204	4	4	20	-	232

- (1) DG appointed to role after State Election.
- (2) DDG, Strategy appointed to role after the State Election.
- (3) DDG, Engagement and DDG, Investment acted in the role of DG for periods less than 4 weeks during the financial year.
- (4) Acting Head of Corporate Services was officially appointed to the role from 1 June 2021.
- (5) Acting Head of Corporate Services was remunerated (Short-term Monetary expenses \$0.037 million) for extended responsibilities, including minor administrative duties of DDG Strategy during 3 October 2020 to 25 November 2020.

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**F1 KEY MANAGEMENT PERSONNEL REMUNERATION (continued)**

**Key Management Personnel Remuneration Expenses (continued)**

2019-20

Position (date resigned if applicable)	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses	Non-Monetary Benefits	\$'000	\$'000	\$'000	\$'000
	\$'000	\$'000				
Director-General	324	5	8	41	-	378
Deputy Director-General, Engagement from 02/01/2020	129	2	3	13	-	147
Deputy Director-General, Engagement <sup>1</sup> to 07/01/2020	131	2	3	13	-	149
Deputy Director-General, Investment <sup>1</sup> from 07/01/2020	106	2	2	12	-	122
Deputy Director-General, Investment (Acting) from 28/10/2019 to 07/01/2020	52	1	1	4	-	58
Deputy Director-General, Investment to 28/10/2019	81	2	2	8	-	93
Deputy Director-General, Strategy <sup>2</sup>	271	5	6	29	-	311
Head of Corporate Services – (Acting) <sup>3,4</sup> from 27/02/2020	80	2	2	7	-	91
Head of Corporate Services <sup>3</sup> to 01/05/2020	175	4	4	17	36	236

- (1) DDG Engagement moved to the DDG Investment role in January 2020.  
(2) DDG Strategy relieved in the role of DG for the period 30 November 2019 to 2 January 2020.  
(3) Head of Corporate Services was on extended leave from 14 February to 1 May 2020.  
(4) Acting Head of Corporate Services amounts includes remuneration for relieving in the role from 2 January to 16 January 2020.

**Performance Payments**

Key Management Personnel do not receive performance or bonus payments.

## **F2 RELATED PARTY TRANSACTIONS**

### **Transactions with people/ entities related to KMP**

The department had no related party transactions during 2020-21 with people and entities related to Key Management Personnel.

### **Transactions with other Queensland Government-controlled entities**

The department's primary ongoing sources of funding from Government for its services are appropriation revenue (Note B1-1) and equity injections (Notes C7-1 and C7-2), both of which are provided in cash via Queensland Treasury.

The department has an overdraft facility approved by Queensland Treasury and Note C1 outlines the key terms and conditions of the facility.

Grants provided by the department to other State government entities was approximately 33% (2019-20: 42%), with the majority paid to TAFE Queensland being for the state contribution grant and delivery of VET programs.

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### F3 PRIVATE PROVISION OF PUBLIC INFRASTRUCTURE ARRANGEMENT

#### F3-1 Accounting policy

The private provisions of public infrastructure arrangement between the department and Axiom Education Queensland Pty Ltd does not fall within scope of AASB 1059 *Service Concession Arrangements: Grantors* as the management of public services delivered remain the responsibility of the department. Disclosures are included in accordance with AASB 116 *Property, Plant and Equipment* and Queensland Treasury's financial reporting requirements under FRR 5D – *Service Concession Arrangements and Other Public-Private Partnerships*.

#### F3-2 Private Provision of Public Infrastructure (PPPI) Agreement

The PPPI within the table below is a social infrastructure arrangement whereby the department pays for the third-party use of the infrastructure asset through regular service payments to respective partners over the life of the contract.

The land and buildings are owned by the department and are recognised as Property Plant and Equipment (PPE). The Southbank Education and Training Precinct (SETP) buildings are depreciated in accordance with the department's policy for the PPE Buildings' asset class, refer Note C3.

The department recognises the future payments for the construction of the buildings as a financial liability. The monthly service payments are split between the capital component to affect the systematic write down of the liability over the term of the agreement, and the financing component which will be recognised as an expense when incurred. Other components such as facilities management, maintenance, and insurance will be expensed when incurred and are reflected Note D3 as a commitment.

<b>PPPI Arrangement</b>	<b>Southbank Education and Training Precinct (SETP) – Axiom – Public Private Partnership</b>
<b>Entered Into Contract</b>	April 2005
<b>Partner</b>	Axiom Education Queensland Pty Ltd
<b>Agreement Type</b>	Design, construct, maintain, and finance SETP
<b>Agreement Period</b>	34 years
<b>Financing</b>	Finance during the design and construction phases was provided by JEM (Southbank) Pty Ltd.
<b>Arrangement</b>	The department will pay abatable and undissected service payments to Axiom for the operation, maintenance, and provision of the precinct. Axiom is granted the right to enter and operate on the site and is required to maintain the facilities to a high standard.
<b>Construction Commencement</b>	July 2005
<b>Construction Completed</b>	31 October 2008
<b>Variable Costs</b>	No variable costs for the life of the contract.
<b>Risks during the Concession Period</b>	Axiom has accepted site risks for existing structures DESBT bears the risks associated with performance specifications and changes to current and future requirements of the specifications including operating and maintenance risks. DESBT is also exposed to risks associated with early termination, market value, sponsor and financial requirements, and rehabilitation of the site.



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**F3 PRIVATE PROVISION OF PUBLIC INFRASTRUCTURE ARRANGEMENT (continued)**

**F3-3 Private Provision of Public Infrastructure – Cash Flow**

The below estimated cash flow is in respect of the specified income and payments required under the contractual agreement for Southbank Education and Training Precinct - Axiom.

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Estimated cash flows - Fixed costs</b>		
<b>Outflows</b>		
Not later than 1 year	( 43 058)	( 39 176)
Later than 1 year but not later than 5 years	( 185 525)	( 187 244)
Later than 5 years but not later than 10 years	( 238 951)	( 249 783)
Later than 10 years	( 349 363)	( 426 853)
<b>Estimated net cash flow - Fixed costs</b>	<b>( 816 897)</b>	<b>( 903 056)</b>
<b>Estimated cash flows - Variable Costs</b>		
<b>Inflows</b>		
Not later than 1 year	16 762	16 471
Later than 1 year but not later than 5 years	68 902	68 507
Later than 5 years but not later than 10 years	92 156	93 598
Later than 10 years	159 709	192 477
<b>Estimated net cash flow - Variable Costs</b>	<b>337 529</b>	<b>371 053</b>
<b>Total Estimated Net Cashflow</b>	<b>( 479 368)</b>	<b>( 532 003)</b>

**Disclosure about Private Provision of Public Infrastructure Arrangement Cash Flows**

Fixed costs are based on a risk free rate of 1.52 per cent (2020: 0.92%).

Southbank Education and Training Precinct PPP have no variable costs associated with the contractual agreement.

## **F4 FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGE IN POLICY**

### **Accounting standards applied for the first time**

No new accounting standards or interpretations that apply to the department for the first time in 2020-21 have any material impact on the financial statements.

AASB 1059 *Service Concession Arrangements: Grantors* first applies to financial statements in 2020-21. The department does not currently have any arrangements that would fall within the scope of AASB 1059. This standard defines service concession arrangements and applies a new control concept to the recognition of service concession assets and related liabilities.

Analysis of the department's contractual arrangement with Axiom Education Queensland Pty Ltd for the design, construction, maintenance and finance agreement of the Southbank Education and Training Precinct (refer Note F3), indicate that this arrangement does not meet the criteria for a service concession arrangement as defined by this standard.

### **Accounting standards early adopted**

No Australian Accounting Standards have been early adopted for 2020-21

## **F5 TAXATION**

The department is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from all forms of Commonwealth taxation with the exception of Fringe Benefits Tax (FBT), and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the department. GST credits receivable from, and GST payable to the Australian Taxation Office are recognised in Note C2.

## **F6 CLIMATE RISK DISCLOSURE**

### Climate Risk Assessment

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.

### Current Year Impacts

No adjustments to the carrying value of recorded assets or other adjustments to the amounts recorded in the financial statements were recognised during the financial year.

Department of Employment, Small Business and Training  
Notes to the Financial Statements  
for the year ended 30 June 2021

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These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 38 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; and
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Department of Employment, Small Business and Training for the financial year ended 30 June 2021, and of the financial position of the department at the end of that year; and

The Director-General, as the Accountable Officer of the department, acknowledge(s) 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.



Stephen Blatchford, CPA  
A/Chief Finance Officer  
Department of Employment, Small Business and  
Training

Date:

20/08/2021



Warwick Agnew  
Director-General  
Department of Employment, Small Business and  
Training

Date:

20/08/21

## **INDEPENDENT AUDITOR'S REPORT**

To the Accountable Officer of the Department of Employment, Small Business and Training.

### **Report on the audit of the financial report**

#### **Opinion**

I have audited the accompanying financial report of the Department of Employment, Small Business and Training.

In my opinion, the financial report:

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

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

#### **Basis for opinion**

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

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

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

#### **Key audit matters**

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

**Valuation of buildings (\$960.3 million as at 30 June 2021)**

Key audit matter	How my audit addressed the key audit matter
<p>The Department of Employment, Small Business and Training (the department) specialised buildings were measured at fair value at balance date using the current replacement cost method.</p> <p>The department performed a comprehensive revaluation of approximately two-thirds of its buildings using independent valuers with remaining assets being revalued using indexation. It is the department's policy to conduct revaluations on this basis annually. This is consistent with the department's intention to implement a rolling revaluation program.</p> <p>The current replacement cost method comprises:</p> <ul style="list-style-type: none"> <li>Gross replacement cost, less</li> <li>Accumulated depreciation.</li> </ul> <p>For comprehensively revalued buildings, the department applied unit rates provided by an independent quantity surveyor to derive gross replacement cost. These unit rates require significant judgement in relation to:</p> <ul style="list-style-type: none"> <li>identifying the components of buildings with separately identifiable replacement costs</li> <li>specifying the unit rate categories based on building and component types with similar characteristics</li> <li>assessing the current replacement cost for each unit rate category having consideration for more contemporary design/ construction approaches.</li> </ul> <p>For buildings not comprehensively revalued, significant judgement was required to estimate the change in gross replacement cost from the prior year.</p> <p>The significant judgements required for gross replacement cost and useful lives are also significant for calculating annual depreciation expense.</p>	<p>My procedures for buildings comprehensively revalued included, but were not limited to:</p> <ul style="list-style-type: none"> <li>assessing the adequacy of management's review of the valuation process</li> <li>obtaining an understanding of the methodology used and assessing its design, integrity and appropriateness with reference to common industry practice</li> <li>assessing the competence, capability and objectivity of the experts used by the department</li> <li>on a sample basis, evaluating the relevance, completeness and accuracy of source data used to derive the unit cost rates including: <ul style="list-style-type: none"> <li>modern substitute (including locality factors and on-costs)</li> <li>adjustment for excess quality or obsolescence.</li> </ul> </li> </ul> <p>For buildings indexed, my procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>evaluating the relevance and appropriateness of the indices used for changes in Building Price Index inputs by comparing to other relevant external indices</li> <li>reviewing the appropriate application of these indices to the remaining assets of the portfolio.</li> </ul> <p>All building's useful life estimates were reviewed for reasonableness by:</p> <ul style="list-style-type: none"> <li>reviewing management's annual assessment of useful lives</li> <li>ensuring that no component still in use has reached or exceeded its useful life</li> <li>reviewing formal asset management plans, and enquired of management about whether these plans remain current</li> <li>where changes in useful lives were identified, evaluating whether the effective dates of the changes applied for depreciation expense were supported by appropriate evidence</li> <li>ensuring that management has updated accumulated depreciation this year for changes in remaining useful lives identified.</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 2021:

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

#### **Prescribed requirements scope**

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



24 August 2021

Bhavik Deoji  
as delegate of the Auditor-General

Queensland Audit Office  
Brisbane

# Appendix 1: 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	V
Accessibility	<ul style="list-style-type: none"> <li>Table of contents</li> <li>Glossary</li> </ul>	ARRs – section 9.1	IV 108
	<ul style="list-style-type: none"> <li>Public availability</li> </ul>	ARRs – section 9.2	III
	<ul style="list-style-type: none"> <li>Interpreter service statement</li> </ul>	Queensland Government Language Services Policy ARRs – section 9.3	III
	<ul style="list-style-type: none"> <li>Copyright notice</li> </ul>	Copyright Act 1968 ARRs – section 9.4	III
	<ul style="list-style-type: none"> <li>Information licensing</li> </ul>	QGEA – Information Licensing ARRs – section 9.5	III
General information	<ul style="list-style-type: none"> <li>Introductory information</li> </ul>	ARRs – section 10	1-4
Non-financial performance	<ul style="list-style-type: none"> <li>Government's objectives for the community and whole-of-government plans/specific initiatives</li> </ul>	ARRs – section 11.1	5
	<ul style="list-style-type: none"> <li>Agency objectives and performance indicators</li> </ul>	ARRs – section 11.2	5-10
	<ul style="list-style-type: none"> <li>Agency service areas and service standards</li> </ul>	ARRs – section 11.3	11-34
Financial performance	<ul style="list-style-type: none"> <li>Summary of financial performance</li> </ul>	ARRs – section 12.1	54-57
Governance – management and structure	<ul style="list-style-type: none"> <li>Organisational structure</li> </ul>	ARRs – section 13.1	35
	<ul style="list-style-type: none"> <li>Executive management</li> </ul>	ARRs – section 13.2	36-37
	<ul style="list-style-type: none"> <li>Government bodies (statutory bodies and other entities)</li> </ul>	ARRs – section 13.3	III
	<ul style="list-style-type: none"> <li>Public sector ethics</li> </ul>	Public Sector Ethics Act 1994 ARRs – section 13.4	49



Summary of requirement		Basis for requirement	Annual report reference
	• Human rights	Human Rights Act 2019 ARRs – section 13.5	43-45
	• Queensland public service values	ARRs – section 13.6	3
Governance – risk management and accountability	• Risk management	ARRs – section 14.1	42
	• Audit committee	ARRs – section 14.2	39-41
	• Internal audit	ARRs – section 14.3	42-43
	• External scrutiny	ARRs – section 14.4	45
	• Information systems and recordkeeping	ARRs – section 14.5	45-46
	• Information security attestation	ARRs – section 14.6	41, 45
Governance – human resources	• Strategic workforce planning and performance	ARRs – section 15.1	49-53
	• Early retirement, redundancy and retrenchment	Directive No. 04/18 Early Retirement, Redundancy and Retrenchment ARRs – section 15.2	50
Open Data	• Statement advising publication of information	ARRs – section 16	III
	• Consultancies	ARRs – section 33.1	III
	• Overseas travel	ARRs – section 33.2	III
	• Queensland Language Services Policy	ARRs – section 33.3	<a href="http://data.qld.gov.au">data.qld.gov.au</a> III
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	58-101
	• Independent Auditor's report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	102-105

FAA

*Financial Accountability Act 2009*

FPMS

Financial and Performance Management Standard 2019

ARRs

Annual report requirements for Queensland Government agencies

## Appendix 2: Glossary of terms

The meanings of the following acronyms and/or abbreviations used in this report are listed below.

AO  
Administration Officer

ARC  
Audit and Risk Committee

CEO  
Chief Executive Officer

DESBT  
Department of Employment, Small Business and Training

GST  
goods and services tax

ICT  
Information Communication Technology

MP  
Member of Parliament

NAIDOC  
National Aborigines and Islanders Day Observance Committee

NCVER  
National Centre for Vocational Education Research

PDF  
portable document format

PO  
Professional Officer

Qld  
Queensland

SES  
Senior Executive Service

SETP  
Southbank Education Training Precinct  
Public Private Partnership (SETP)

SMS  
Short Message Service

SO  
Senior Officer

SQW  
Skilling Queenslanders for Work

TAFE  
Technical and Further Education

VET  
vocational education and training

