

Department of Tourism,
Innovation and Sport

ANNUAL REPORT 2020–2021



Queensland
Government

Acknowledgement

We pay our respects to Traditional Owners – their ancestors and elders past, present and emerging.

About our annual report

The Department of Tourism, Innovation and Sport *Annual Report 2020–2021* is an integral part of our Corporate Governance Framework. It is a key tool in ensuring we are accountable to stakeholders, the Queensland Parliament and the community about our activities.

Under the *Financial Accountability Act 2009*, separate annual reports and financial statements are produced for:

- Mt Gravatt Showgrounds Trust on the administration of the *Mt Gravatt Showgrounds Act 1988*
- Stadiums Queensland on administration of the *Major Sports Facilities Act 2001*
- Tourism and Events Queensland on the administration of the *Tourism and Events Queensland Act 2012*.

Accessing the report

This report is available online at www.dtis.qld.gov.au/about-us/annual-report.

Additional annual report data is published on the Queensland Government Open Data Portal at www.data.qld.gov.au.

More information about the department can be found at www.dtis.qld.gov.au.

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More enquiries

Enquiries about this document are welcome via phone or mail.

Calls within Australia: 13 QGOV (13 74 68)

International callers: +61 7 3328 4811

Email: opendata@dtis.qld.gov.au

Post: PO Box 15168, Brisbane City East QLD 4002, Australia

You can provide feedback through the Queensland Government Get Involved website (www.getinvolved.qld.gov.au), on the annual report feedback page.

17 September 2021

The Honourable Stirling Hinchliffe MP
Minister for Tourism Industry Development and Innovation and Minister for Sport
1 William Street
Brisbane Qld 4000

Dear Minister

I am pleased to submit for presentation to the Parliament, the *Annual Report 2020–2021* and financial statements for the Department of Tourism, Innovation and Sport (DTIS).

This report is prepared on the basis of the current administrative arrangements for this agency applying for the whole of the 2020–2021 financial year. That is, it reflects the structure, operations and performance of DTIS as it now exists.

I certify that this annual report complies with:

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

A checklist outlining the Queensland Government's annual reporting requirements is included in appendix three of this report.

Yours sincerely

John Lee
Director-General
Department of Tourism, Innovation and Sport

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DIRECTOR-GENERAL REPORT

The Department of Tourism, Innovation and Sport (DTIS) makes a difference for Queenslanders by championing and delivering for the tourism, sport and active recreation industries, and driving innovation as building blocks for healthy communities and a strong, resilient economy.

As Queensland continues to respond to and recover from the COVID-19 pandemic, we strive to position ourselves as a trusted partner to small, Indigenous and regional businesses; tourism operators and industry bodies; investors, innovators, corporates and startups; and the sport, active recreation and high performance industry.

Throughout 2020–2021, we contributed to the delivery of Queensland’s Economic Recovery Plan: *Unite and Recover for Queensland Jobs* and actively worked to achieve the following government community objectives: Safeguarding our health; Supporting jobs; Backing small business; and Growing our regions.

There have been many highlights over the last year, which we are proud to showcase in this report. Significant achievements include, but are by no means limited to:

- our lead role in delivering the \$74 million Rebuilding Queensland Tourism package to enable rapid and enduring recovery for Queensland’s tourism industry
- the attraction of \$191 million in capital tourism investment, despite continuing pandemic challenges
- the path we have forged to support innovators, including women and Indigenous innovators, and back Queensland startups and researchers in both emerging and established sectors
- the \$755 million Advance Queensland initiative and the almost 27,000 new jobs it supports for Queenslanders; close to 61 per cent of initiative funding recipients are located in regional Queensland, enabling more than 11,000 regional jobs to date
- supporting the sport and active recreation industry through funding programs dedicated to sustaining and developing community-based clubs and organisations (such as the \$4.18 million ActiveKit program delivered in partnership with Health and Wellbeing Queensland) to encourage Queenslanders to be more active, more often, and increase health and wellbeing outcomes across the state
- backing Queensland’s elite athletes and high performance sporting and events, to create the next generation of champions and healthier communities through increased participation in sport
- establishing a robust foundation driven by strong governance, leadership, communication and engagement, and connected and respected employees to ensure organisational and delivery excellence.

When reflecting on the year and priorities for the coming year, I am proud of our collective achievements and excited for future opportunities.

My sincere gratitude goes to DTIS staff, who demonstrate tireless commitment to delivering for and furthering the position of our industries and partners. I look forward to continuing to work alongside you to kick more goals for Queenslanders.

To Queensland industry and communities, we look forward to continuing to work for and with you.

John Lee

Director-General

ABOUT THE DEPARTMENT

Our vision

Our vision is to enrich the lives of Queenslanders by maximising our visitor and innovation economies and supporting healthy and active lifestyles.

Our purpose

Our purpose is to support the transformation of the Queensland economy by:

- creating a more competitive and resilient visitor economy
- enabling a thriving economy through innovation
- improving health and wellbeing outcomes through the sport and active recreation industry
- inspiring extraordinary sporting success.

Machinery of government changes

In line with *Administrative Arrangements Order (No.2) 2020*, released on 12 November 2020, the former Department of State Development, Tourism and Innovation (DSDTI) was renamed as DTIS.

Incoming divisions or functions

The following table outlines divisions or functions that joined DTIS from the former Department of Housing and Public Works due to machinery of government changes.

Table 1: Incoming divisions and functions

Joined DTIS at 12 November 2021	Related annual report*
Sport and Recreation	Department of Communities, Housing and Digital Economies
Queensland Academy of Sport (QAS)	

*Financial statements for the period 1 July to 12 November 2020 can be found in the related department annual report.

Outgoing divisions or functions

The following table outlines those divisions or functions that left the department due to machinery of government changes.

Table 2: Outgoing divisions and functions

Left DTIS as at 12 November 2020	Related annual report **
State Development	Department of State Development, Infrastructure, Local Government and Planning (DSDILGP)
Office of the Coordinator-General	
Economic Development Queensland	
Investment Facilitation and Partnerships	Queensland Treasury

*Financial statements for the period 12 November 2020 to 30 June 2021 can be found in the related department annual report.

#Non-financial performance information for the 2020–2021 reporting period can be found in the related department annual report.

DELIVERING FOR THE COMMUNITY

During 2020–2021, we contributed to the following Queensland Government objectives for the community through implementation of the *DTIS Strategic Plan 2020–2024* objectives and strategies:



Safeguarding our health



Supporting jobs



Backing small business



Growing our regions

Drive economic recovery and growth by attracting and amplifying tourism and innovation investment to sustain and create Queensland jobs

- Lead the whole-of-government approach for planning, development and investment generation in the state’s tourism infrastructure, products and experiences.
- Grow value, add revenue and create global routes to market by connecting research and technology companies with corporates.
- Support jobs through delivery of programs to businesses – including tourism operators, startups, Indigenous, regional and small businesses.
- In partnership with the private sector, support a strong pipeline of startups and scaleups for new jobs and economies.
- Drive high value jobs by supporting innovation places and precincts to achieve mass collaboration.

Maximise benefits of tourism, major events and sport and active recreation experiences to realise Queensland’s economic potential

- Strengthen Queensland as a vibrant and attractive domestic tourism destination, and strong competitor in the recovering global tourism market, by supporting tourism sector recovery and rebound.
- Secure future major events and support the rebuilding of an exciting Queensland major events calendar.

- Continue to attract world class events and provide quality spectator and fan experiences by investing in Stadium Queensland venues.
- Drive physical activity participation and industry development – including jobs – by facilitating delivery of new and improved sport and active recreation infrastructure and services.
- Deliver quality physical activity programs and events in active precincts and venues.

Enrich Queenslanders’ way of life by delivering health and social outcomes through sport and active recreation opportunities

- Implement *Activate! Queensland 2019–2029*.
- Drive collaboration and create strategic focus through:
 - partnerships, programs and services supporting Queenslanders to pursue a healthy and active lifestyle and enhance community connection
 - embracing and partnering with the active industry to drive new technology and innovation initiatives.
- Deliver integrated services to improve access to sport, active recreation and other physical activity opportunities – including for Aboriginal and Torres Strait Islander peoples, rural and remote regions – and communities that most need support to be active.
- Support the resilience and safe operation of the active industry, including government-owned venues.
- Prepare Queensland’s elite athletes for world class success.

- Inspire more Queenslanders to engage with sport and recreation through the success of our elite athletes.

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

- Help realise Indigenous tourism growth potential by undertaking focused engagement with Indigenous businesses and Traditional Owners.
- Put Queensland on the map as a leading cultural and ecotourism destination through developing the adventure, nature-based and ecotourism industry – particularly in the regions.
- Build innovation networks and collaboration for diverse local economies.
- Ensure all Queenslanders benefit from the emerging knowledge-based economy through programs for social impact – including women and Indigenous innovators.

OUR OPERATING ENVIRONMENT

Strategic risks and opportunities

Considering our strategic opportunities and recognising our responsibilities, DTIS' key strategic risks are:

- Major disaster and uncontrollable events may cause a sustained downturn in visitation and investment attraction and impede participation of the visitor and innovation economies.
- Changing economic conditions may impact on the recovery and long-term growth of the visitor and innovation economies.
- Changing customer and investor expectations may lead to reduced demand for Queensland innovation investment, visitor and sport and active recreation experiences.
- Increasing sophistication of cyber security attacks may result in breaches of the department's systems and data.

Strategic direction

The department's strategic direction is highlighted in the *DTIS Strategic Plan 2020–2024*.

Our priority focus remains on supporting the tourism and sport and active recreation industries as they rebound, driving innovation across the economy, and ensuring industry and the department's own readiness to respond to changing circumstances.

In parallel, we have a clear view of the long-term strategies we will implement to drive recovery and a sustainable return to strong economic growth for Queensland.

In delivering the strategic plan, we:

- highlighted departmental strategies that drive economic and jobs growth, and industry recovery and resilience
- holistically considered strategic objectives and operations across the department to identify synergies, collaboration opportunities and potential efficiencies (including productivity gains)
- developed a clear view of our strategic risks and opportunities, including how these will be managed to ensure optimal performance and achievement

- showcased our workforce capability investment and development strategies as recognition that DTIS' greatest resource is our people.

Other whole-of-government plans and specific initiatives

- *Activate! Queensland 2019–2029*
- *Building our Innovation Economy – Advance Queensland Strategy*
- *Deadly Innovation Strategy*
- Queensland's Economic Recovery Plan: *Unite and Recover for Queensland Jobs*.

Our services

Tourism Division

The Tourism Division works closely with the private sector and across government to expand and enrich Queensland's offering for the visitor economy. The division advocates for business, supports the development of new and enhanced tourism infrastructure, products and experiences; facilitates attraction of investment and major events; and creates a favourable environment for the tourism industry to rebound and grow.

Innovation Division

The Innovation Division is responsible for leading and supporting innovative practice across government, and leading the \$755 million Advance Queensland initiative. The division drives sustainable economic growth and job creation through innovation in our traditional and emerging strengths; harnesses Queensland's research strengths and entrepreneurship to encourage new industries; and uses new technology, new skills, capital and ideas to support business and industry creation, global connections and growth.

Sport and Recreation Division

The Sport and Recreation Division supports and encourages Queensland's participation and success in sport and active recreation through:

- grant funding to support the sport and active recreation industry, organisations and individuals
- infrastructure funding for minor works and major projects

- collaboration with sport, recreation and fitness industry peak bodies and state level organisations
- attraction of professional and elite sport, including athletes and teams of national and international significance
- high quality sport, recreation, venue and accommodation experiences
- promotional campaigns and significant community events sponsorships.

Queensland Academy of Sport

QAS is the state’s leading high performance sport environment, currently supporting over 450 athletes ranging from talented juniors through to Olympic, Paralympic and World Championships medallists.

QAS supports in-house squad programs, partnership programs with National Sporting Organisations, and/or scholarships for individuals who are on medal-winning trajectories for international success. QAS has a bold and ambitious vision and strategy, working in close partnership with sports, to enable more medal-winning moments by Queensland athletes and ultimately inspire the state and nation. This is also the backdrop for what will be a transformational Brisbane 2032 Olympic and Paralympic Games.

Corporate Services

Corporate Services delivers quality corporate functions to DTIS, fulfilling a central leadership and strategic partnership role.

Corporate Services harnesses strong partnerships with divisions to enable achievement of DTIS’ strategic objectives and Queensland Government’s objectives for the community, in line with legislation, whole-of-government priorities, policy, frameworks, financial controls and best practices.

Communications and Engagement

The Communications and Engagement business unit keeps stakeholders informed and promotes the great work done by DTIS.

The team works closely with divisions to maximise the benefits of the work DTIS contributes to Queensland.

Our portfolio partners

In addition to DTIS, the following statutory bodies comprise the portfolio of the Minister for Tourism Industry Development and Innovation and Minister for Sport:

Tourism and Events Queensland (TEQ) is the state’s lead body for marketing, destination and experience development, and major events. TEQ aims to maximise economic and social benefits of tourism for the state through marketing and promoting Queensland tourism, helping the development of tourism experiences and destinations, and securing major events for Queensland. TEQ complements DTIS’ efforts in building tourism infrastructure, attracting investment and developing industry capabilities.

Stadiums Queensland develops, manages, maintains and promotes major facilities in Queensland for the staging of sport, recreational or entertainment events, to encourage physical activity, drive major event-related tourism and create jobs for Queenslanders.

Mt Gravatt Showgrounds Trust implements strategy for the development and use of the showgrounds in consideration of community needs, including showground, park and recreation purposes.

Study Queensland reports through Trade and Investment Queensland to the Minister for Tourism Industry Development and Innovation and Minister for Sport. Study Queensland leads whole-of-government efforts to support recovery and future growth of the state’s international and training sector. Through delivering the *International Education and Training Strategy to Advance Queensland 2016–2026*, Study Queensland aims to grow international education and training (IET), particularly in the regions, and enhance the state’s reputation as a leading provider.

Further information about our partners, including their annual reports, is available on their respective websites:

www.teq.queensland.com

www.stadiums.qld.gov.au

www.mtgravattshowgrounds.org.au

www.tiq.qld.gov.au (for more information about Study Queensland).

2020–2021 ACHIEVEMENTS

We remain focused on enabling economic recovery, sustaining and supporting our industries through the continuing pandemic. In light of ongoing COVID-19 impacts, our efforts during 2020–2021 have been significantly redirected towards providing industry and business support to sustain the tourism and active sport and recreation sectors, whilst continuing to drive innovation across the economy.

Tourism Industry Development

- Established the Tourism Industry Reference Panel to work with industry on the development of Action Plans for Tourism Recovery.
- Notwithstanding COVID-19 challenges, achieved the attraction of \$191 million new capital investment into Queensland tourism infrastructure.
- Continued to deliver the Great Barrier Reef (GBR) Island Resort Rejuvenation Program, which has attracted more than \$27 million in private investment and supported an estimated 176 construction jobs and 35 operational jobs since program commencement. The program is additionally delivering positive environmental outcomes for the islands.
- Continued delivery of major infrastructure programs worth \$321.8 million. These programs currently fund 154 projects (106 infrastructure projects and 48 infrastructure enabling projects). At 30 June 2021, these projects are delivering 1573 construction jobs and 1080 operational jobs, and are estimated to attract more than 2 million visitors spending over \$386 million each year.
- \$15 million Aviation Route Restart Program secured 31 routes, delivering 390,197 seats on over 85 return services per week to support an estimated 1222 jobs, and \$145.6 million in overnight visitor expenditure.
- Under the COVID-19 International Tourism Adaptation Grant Program, provided \$2.4 million to support more than 257 vulnerable tourism operators in refocusing to the domestic tourism market until international markets reopen.
- The \$2 million COVID-19 Marine Tourism Rebate directly supported more than 130 tourism vessel operators in eight Local Government Areas.
- Under the \$3 million Tourism Industry Business Capability Program, 1241 activities were delivered with 4547 participants, including 83 Indigenous tourism businesses over three years to 30 June 2021.
- Launched the \$2 million Queensland Tourism Business Financial Counselling Service, supporting micro to medium sized tourism operators to analyse their business, and develop strategies and plans to enable their future sustainability.
- Launched the \$7.5 million Work in Paradise Program to attract workers from across Australia to join Queensland’s tourism industry to address workforce shortages caused by COVID-19.
- The successful Young Tourism Leaders Program continues to support inspirational young tourism professionals, to engage and motivate students to consider tourism as a career choice. Over the year, the leaders undertook 82 school speaking engagements to reach 9000 Queensland students.
- In partnership with the Federal Government, continued delivering the \$5 million 2019 North and Far North Queensland Monsoon Trough Disaster Recovery Funding, and \$6.77 million Southern Queensland Bushfires Disaster Recovery Funding, supporting regions to increase resilience, and reinvigorate to attract and grow visitation.
- Continued to deliver the \$30 million tourism infrastructure commitment under the Great Keppel Island Rejuvenation Project.
- Launched the three-year \$1 million GBR Education Experience Program supporting Queensland school GBR excursions and providing a much-needed boost to COVID-19 impacted tourism operators.
- Supported the hosting of the 2020 AFL Grand Final in Brisbane on 24 October 2020, with the AFL 2020 season attracting an estimated total of over \$136 million into Queensland.
- Supported the attraction and delivery of major sporting events in Queensland, including 2020 State of Origin Game 3 at Suncorp Stadium, 2021 State of Origin Game 1 at Townsville’s Queensland Country Bank Stadium and Game 2 at Suncorp Stadium.
- Secured a package of matches for the FIFA Women’s World Cup 2023 to be played in Queensland.
- Supported the wine industry to develop the ‘Vine and Shine’ Trail as an outcome of the International Wine Tourism Grant; a partnership between DTIS, Wine Australia and Queensland Wine Industry Association. The self-guided trail connects more than 70 wineries across the state, encouraging visitors to journey inland and explore the six Queensland wine regions.

- Continued to deliver the Wangetti Trail construction, including delivery of the new \$2.6 million Mowbray River Pedestrian Bridge.
- The Growing Indigenous Tourism in Queensland Fund supported 24 Indigenous businesses to develop new business concepts, and nine businesses to deliver new Indigenous tourism products and experiences.
- The Our Country Indigenous Tourism Development Service supports emerging and established Aboriginal and Torres Strait Islander tourism operators to start and grow their businesses and products. It has so far provided advice and referrals to more than 155 businesses.
- The Year of Indigenous Tourism Festivals and Events Fund invested \$200,000 to provide strategic support for existing Queensland events and festivals that showcase Aboriginal and Torres Strait Islander cultures.
- The \$300,000 Year of Indigenous Tourism Destination Support Program provided funding to Regional Tourism Organisations to deliver projects aiming to grow the number of Indigenous tourism experiences and events in their destination.
- Continued to deliver the Minjerribah (North Stradbroke Island) Futures Program to support economic transition following the cessation of sand mining on the island at the end of 2019. Projects delivered during 2020–2021 include:
 - Completed Stage 2 of the Minjerribah Ganaba (place to hear, think and understand) refurbishment, which was opened by the Quandamooka Yoolooburrabee Aboriginal Corporation to the public as a host venue for the 2020 Global Eco Conference.
 - Mt Bippo-Penbean recreation trail on Minjerribah was opened to the public.
 - Minjerribah Arts Trail, the first local placemaking initiative, attracted new visitation, media and economic benefits to the island.
 - ‘Your Straddie Story Awaits’ campaign was released to encourage visitors to try a new tourism experience on Minjerribah, reaching a significant audience.

Our performance

Service standards	Notes	2020–2021 Target/Est.	2020–2021 Actual
<i>Effectiveness measure</i>			
Amount of additional capital attracted into tourism investment		\$190 million	\$191 million
<i>Efficiency measure</i>			
Ratio of tourism investment attraction costs to the value of direct capital attracted	1	\$1: \$168	\$1: \$272
<i>Discontinued measures</i>			
Ratio of tourism industry investment leveraged through grant funds	2,3	\$1: \$1.22	\$1: \$0.99
Inbound seat capacity supported by route development programs	4

Notes:

- The service standard for capital investment enabled has grown by 760 per cent over the past five years while the annual department spend for FTEs has not increased. The 2020–2021 Estimated Actual of \$1: \$272 efficiency ratio reflects the increases in efficiency achieved by DTIS.
- From 2021–2022, this measure will be discontinued as the majority of projects funded under the four programs are either complete or close to completion with minimal grant instalments remaining.
- The 2020–2021 Target/Estimate was not achieved due to supplementary funding being reprioritised to Growing Tourism Infrastructure projects impacted by COVID-19, resulting in decreased applicant contribution and one major project not progressing.
- A 2020–2021 Target/Estimate was not set, and no data was collected due to COVID-19 and international borders being closed. This measure has been discontinued due to the projected continuation of international border closures into 2022.

Advancing Queensland through Innovation

- Advance Queensland is supporting close to 27,000 Queensland jobs.
- \$3.8 million announced through Round 7 of the Advance Queensland Ignite Ideas Fund to 31 recipients, with the potential to create over 100 new high value jobs now, and up to 80 jobs in future.
- \$8 million announced through the 2020 Advance Queensland Industry Research Fellowships Program for 31 projects focused on combatting COVID-19, with the potential to create up to 120 new high value jobs now, and up to 510 forecasted jobs.
- \$10 million of Advance Queensland funding provided to the James Cook University Ideas Lab, to support innovators from the Far North to translate research and ideas into products and processes with real commercial application, and impact that can drive economic growth.
- Up to \$3 million of Advance Queensland funding provided to Global AgriFood Innovation Centre Ltd to establish and run the Agtech and Logistics Hub in Toowoomba, to drive productivity, create jobs and stimulate the agtech fuelled economy in the Darling Downs and across Queensland's regions.
- \$2.8 million of Advance Queensland funding awarded to the Central Queensland University Advanced Technology and Innovation Centre in Rockhampton, to focus on commercialising innovation in Central Queensland to underpin the region's future economic growth.
- \$1.5 million Advance Queensland funding provided to XING Technologies to contribute to efforts to reduce the spread of COVID-19 through its XavTrap platform technology, which has the potential to speed up COVID-19 diagnoses and could be applied to equipment to prevent transmission.
- Opened Smart Precinct NQ, contributing \$500,000 Advance Queensland funding to accelerate the impact of innovation in North Queensland by attracting investment, creating business opportunities and boosting employment.
- Partnered with Startup Gladstone and Rio Tinto to deliver a local business accelerator to regional scaleups and startups.
- Appointed the new Queensland Chief Entrepreneur (QCE), Mr Wayne Gerard, Co-founder and Chief Executive Officer of RedEye. The QCE role acts as a champion and flag-bearer for Queensland innovation and entrepreneurship.
- Confirmed the establishment of a new Innovation Advisory Council, which will work hand-in-hand with the QCE to ensure Queensland is on the right track with its innovation focus to help drive economic recovery and growth.
- Supported 12 Queensland small to medium enterprises and two Queensland Associations in the emerging technology sectors (robotics, autonomous systems, artificial intelligence) to attend the annual Defence Cooperative Research Centre for Trusted Autonomous Systems Symposium.
- Partnered with BDO to deliver the Business of Entrepreneurship Program – a financial education and business advice program to Queensland-based scaleups and startups. Close to 400 Queensland companies have accessed the program since mid-2020, with 32 per cent of those regionally based and more than 52 per cent female founded.
- Completion of the three-year partnership between Advance Queensland and Boeing Defence Australia on the Autonomous Systems Platform Technology Project, which has supported over 185 jobs, including 90 jobs in Queensland small to medium enterprises in the supply chain.
- Launch of the QiHub, an entrepreneur-led online community showcasing and connecting Queensland's vibrant innovation and startup ecosystem. The platform has more than 1350 members, 359 startups and features job listings, newsfeed, events, programs and grants.
- Launch of the Queensland Artificial Intelligence Hub, located at The Precinct in Fortitude Valley, to build artificial intelligence capability, showcase the application of artificial intelligence and drive global connections.
- Also located in the Precinct, Fortitude Valley, the Immersive Technologies Hub was launched in partnership with Screen Queensland, to develop local immersive technologies talent and support increased use of virtual and augmented reality in Queensland priority industries.
- The Advance Queensland – TAFE Indigenous Pathway Scholarship Program awarded eight scholarships to Indigenous students to drive regional economic growth by supporting students to obtain qualifications in science, technology, engineering, the arts or maths industries.

- Committed \$600,000 of Advance Queensland funding through Deadly Deals, to support seven Indigenous businesses in developing new commercial products, processes or services leading to new jobs and growth of sustainable businesses.
- The Advance Queensland One Business Program has developed Aboriginal and Torres Strait Islander peoples as trainers. These trainers have delivered 18 online webinars and started face-to-face services in Townsville. 122 participants have registered to participate across different locations.
- More than 480 individual Advance Queensland recipients identify as female, a 21 per cent increase in the last 12 months.
- More than 270 of Advance Queensland recipients identify as Indigenous, a 22 per cent increase in the last 12 months.
- Launch of two Cyber Security Innovation Nodes in Brisbane and Townsville, an important step in the advancement of the cyber security industry throughout Queensland, in partnership with the Australian Government, Townsville City Council and AustCyber.
- Almost \$60,000 Advance Queensland funding provided to Bionics Queensland to investigate and map current and future bionics innovation leaders, focal projects and innovation clusters across Queensland.
- Partnered with Startup Onramp to deliver the Founders Course, an online, video-based course for regional participants to learn how to start a startup and maximise its chances of success.
- Funded 25 female recipients to take part in the first Spark Female Founders Program, to grow businesses and create jobs.
- Following a successful pilot program reporting a significantly positive impact on the wellbeing of participating Queensland founders, an additional 240 hours of mental health consultations were made available to Queensland entrepreneurs through the Mental Health for Founders Program.
- More than \$375,000 of Advance Queensland funding provided to eligible female researchers under the Women’s Research Assistance Program, to enable their research to continue while on maternity leave.

Our performance

Service standards	2020–2021 Target/Est.	2020–2021 Actual
<i>Effectiveness measures</i>		
Proportion of stakeholders who are satisfied with innovation and commercialisation consultative and engagement processes	≥85%	85%
Percentage of participants of programs/events who identified collaboration opportunities	>45%	49%
Percentage of the department’s Advance Queensland funding recipients satisfied with contract management services provided for related grant programs (overall satisfaction)	≥85%	92%
<i>Efficiency measure</i>		
Ratio of investment leveraged as a result of Queensland Government funding invested	\$1: \$1.25	\$1: \$1.25

Sport and Recreation

- Delivered the \$9.11 million Underwood Park community sporting facility redevelopment, resulting in the attraction of new commercial opportunities and investment, and increased sport and active recreation facilities.
- Invested more than \$15.5 million in over 1740 projects under the Active Restart Infrastructure Recovery Fund, as part of the Sport and Recreation COVID Safe Restart Plan.
- Invested an additional \$3 million in the development of Brighton Homes Arena, a boutique stadium for AFL Women's at Springfield.
- Continued delivering the \$27 million investment in sport and recreation infrastructure under the Active Community Infrastructure Program.
- Delivered the \$5.5 million Northside Wizards Basketball Complex upgrade.
- Invested \$7 million for the National Cricket Campus across two sites at Albion and Kedron.
- Continued to deliver the \$40 million investment over three years (2019–2022) into a capital works program to transform Queensland Active Precincts, providing exemplar high quality regional facilities the community can access.
- Continued to support the sport and recreation industry through Return to Play.
- Provided professional sporting teams with a safe venue to train within the quarantine restrictions.
- Provided a quarantine facility to allow the Fijian Sevens teams to take part in the Oceania Sevens, and prepare for the 2020 Tokyo Olympics and Paralympic Games.
- Queensland Recreation Centres delivered 340,736 hours of structured physical activity programs on the Gold and Sunshine Coasts.
- Realignment of funding through the Sport and Recreation COVID Safe Restart Plan, to provide targeted and responsive support to Queensland's sport and active recreation industry in response to COVID-19.
- Developed the \$4.18 million ActiveKIT (Knowledge, Innovation and Technology) Program, in partnership with Health and Wellbeing Queensland, to support organisations to trial and implement new and innovative products or services to increase physical activity opportunities for target cohorts, and contribute to the industry's capability and resilience.
- Delivered over 54,700 FairPlay vouchers, to a total value of over \$8.1 million, through three rounds of the program, indicating a strong return to junior sport following the easing of COVID restrictions.
- \$10.8 million allocated under the Active Industry Fund to state level sport and recreation organisations and industry peak bodies to provide pivotal industry support.
- Invested \$9.3 million under two rounds of the COVID SAFE Active Clubs Kickstart, providing more than 4700 grants to help community sport and recreation clubs across Queensland pay for hygiene supplies, training, equipment and operational costs.
- Through the Emerging Athletes Pathways Program, continued to support Queensland children with the cost of travel to sporting competitions following the easing of restrictions.
- The Indigenous Community Sport and Recreation Program, and Torres Strait Community Sport and Recreation Program delivered more than 3181 sport and recreation activities and programs and provided more than 46,391 unique incidents of activity in 2020–2021.
- Continued to engage and support peak sport and active recreation industry bodies, to maintain the industry COVID Safe Plans which play a vital role in the return to play.
- Supported professional sport organisations to deliver national competitions, which boosted the profile of Queensland and generated an economic benefit, including in regional Queensland.
- Hosted up to 150 attendees at the inaugural Deadly Choices Mini Olympics held at the Queensland Sport and Athletics Centre (QSAC) during National Reconciliation Week 2021.
- Inspired more than 100,000 children across 650 Queensland schools to keep active and develop life skills through the renewal of the Olympics Unleashed Program.
- Construction works practically completed to deliver a gym at QSAC in Nathan, providing an upgraded facility to train and develop athletes. The gym was delivered through stage 1 of the QSAC facilities refurbishment project.
- Partnered with AusCycling, the City of Gold Coast, the Gold Coast Sports Precinct, and the Gold Coast Sport Attraction Program to build a replica of the Tokyo Olympic Freestyle BMX Track for the National BMX Squad to hone their preparations for the 2020 Tokyo Olympic and Paralympic Games.

- Delivery of the Athlete Bonus Grant Program, providing \$3000 grants to eligible Games-bound Queensland athletes, in recognition of their tireless efforts in pursuit of excellence.
- QAS is supporting 31 collaborative research projects with nine universities, of which 16 projects are embedded with specific elite sport programs, with the remaining addressing multi-sport and systemic high performance innovations.
- Committed \$718,256 to collaborative research agreements, with cash contributions from research partners totalling more than \$1 million.
- Developed the *2032 High Performance Sport Strategy*, including broad stakeholder and industry consultation and international benchmarking to identify eight strategic pillars to form the foundation of future success.
- Coordinated the COVID-19 vaccination of over 430 athletes, coaches, and practitioners in the lead-up to the 2020 Tokyo Olympic and Paralympic Games.
- 169 Queensland athletes were chosen to represent Australia at the Tokyo 2020 Olympic and Paralympic Games.
- Partnered with Paralympics Australia, the University of Queensland, University of the Sunshine Coast, Queensland University of Technology, and the Sporting Wheelies and Disabled Association to launch the Queensland Network for Paralympic Performance Enhancement and Applied Sports Research.
- Delivered 12 knowledge seminars in person or online to over 700 coaches, sports scientists and high performance industry professionals working nationally and internationally.

Our performance

Service standards	2020–2021 Target/Est.	2020–2021 Actual
<i>Effectiveness measures</i>		
Percentage of Queensland athletes selected for national teams supported by QAS	25%	26%
Co-contribution ratio of partnership investment to QAS investment in grants research projects	1:1	1:1.5

OUR FUTURE PRIORITIES

In 2021–2022, our priorities in delivering benefits for Queenslanders are:

- Continue to deliver the \$74 million Rebuilding Queensland Tourism program to activate tourism experiences; boost events and marketing; inject additional funding for Regional Tourism Organisations; and future-proof the tourism industry.
- Continue to support the tourism industry COVID-19 recovery through design and delivery of fit-for-purpose programs and initiatives targeting emerging challenges and opportunities.
- Support the Tourism Industry Reference Panel to deliver an Interim Action Plan focused on immediate actions, with the Final Action Plan to be released in early 2022.
- Deliver the \$10 million Aviation Route Support Package to rebuild Queensland’s aviation connectivity.
- Continue to deliver the \$7.5 million Work in Paradise Program, including an incentive scheme and Tourism and Hospitality Jobs website.
- Continue to deliver the GBR Education Experience Program, enabling more Queensland school students to enjoy a reef experience during their school years.
- Continue to deliver the Year of Indigenous Tourism Program and grow the sector.
- Continue to deliver the *Building our Innovation Economy – Advance Queensland Strategy*.
- Lead the \$5 million Regional Futures initiative to build on Advance Queensland’s successful regional investment, and ensure regional innovators and entrepreneurs continue to contribute to jobs growth and the state’s thriving innovation economy.
- Support new innovation hubs throughout Queensland to drive collaboration and connection, and build expertise.
- Develop a Queensland Innovation Places Strategy to coordinate and accelerate the development of Queensland’s innovation precincts and places.
- Deliver new, critical programs and services for the startup and innovation community, particularly in our regions, to help accelerate Queensland’s economic recovery and growth.
- Provide ongoing support to startups and high growth companies to thrive through virtual business and financial education programs and mental health support for founders.
- Continue to support critical research and development, help businesses to commercialise products and services, and access new markets through Industry Research Fellowships and the Ignite Ideas Fund.
- Continue to support female founders through a range of programs to help maximise the number of inspirational women involved in Queensland’s innovation ecosystem.
- Continue to work with Aboriginal and Torres Strait Islander innovators and communities to create new commercial pathways through the *Deadly Innovation Strategy*.
- Support greater opportunities for regional workers to access new high-tech skills through the Queensland Future Skills Partnership.
- Support increased opportunities for scaleups, innovative small to medium enterprises and researchers in the defence sector, through the Trusted Autonomous Systems for Defence Cooperative Research Centre Partnership.
- Help to showcase and increase uptake of Queensland technologies through corporate engagement programs.
- Continue to deliver *Activate! Queensland 2019–2029* to get more Queenslanders moving, more often through:
 - targeting inactive Queenslanders who face the most barriers to accessing physical activity opportunities
 - prioritising quality and equity as fundamental to the physical activity experience
 - influencing the physical and social environments where people live, work and learn to encourage active lifestyles

- strengthening knowledge-sharing across the active industry, universities and government agencies
 - supporting improved sustainability, which will maximise the impact of the active industry and provide market-driven, quality and affordable services to Queenslanders
 - investing in smaller scale infrastructure projects that benefit local communities by delivering quality sport and active recreation facilities to more clubs, while encouraging the use of local contractors and suppliers
 - making better use of existing state-owned facilities to provide more physical activity opportunities.
- Continue capital works programs at Queensland Active Precincts to encourage more Queenslanders to be physically active through access to high quality places and spaces.
 - Completion of stage 2 of the \$9.8 million QSAC facilities refurbishment in Nathan to deliver a sport science laboratory and health suite, and small office upgrades. The completion of stage 1 in 2020–2021, and delivery of stage 2 during 2021–2022, will help ensure Queensland remains a sporting powerhouse for national programs to leverage for years to come.
 - Implement the first stage of the *2032 High Performance Sport Strategy*, including:
 - driving an increase in highly skilled elite coaches through the 2032 Elite Coach Scholarship Program pilot
 - designing and delivering state-wide thematic talent searches to supercharge our efforts in finding and supporting emerging and existing elite athletes, especially in regional Queensland
 - undertaking an Action Sports Hub feasibility study to capitalise on opportunities to gain a leading edge on emerging sports through targeted investment and innovative partnerships
 - implementing a new Performance Investment Policy, partnering with sports to deliver against the QAS vision
 - significantly increasing specialist support to ensure duty of care for all athletes, as both people and performers, pursuing excellence in sport.

OUR GOVERNANCE

DTIS' corporate governance arrangements demonstrate our commitment to good governance principles, and performance and accountability practices which guide achievement of our strategic goals and operational objectives effectively, efficiently and ethically.

Our corporate governance approach enables the establishment of linkages between planning and performance processes, and risk management and accountability frameworks. Our corporate governance structure is designed, along with our organisational structure, to enable and support our vision, purpose and objectives.

Our executive leaders

John Lee, Director-General

In his role as the Director-General, DTIS, John is leading the government's objectives to drive growth and support jobs through the state's tourism, innovation and sport and active recreation sectors.

John leads the government's work and support in rebuilding Queensland's tourism industry and visitor economy. This involves a mix of tactical measures and long-term strategies, including the development of the *Action Plan for Tourism Recovery*. He sits on the Board of Tourism and Events Queensland to provide similar support and direction through that forum.

In terms of innovation, John has the opportunity in his role to engage with some of the state's most entrepreneurial and brightest thinkers, encouraging new industries, new technology, skills and ideas to support Queenslanders.

In the area of sport and active recreation, John oversees government investment in infrastructure, major events, key venues and support for the state's elite athletes via QAS.

John has enjoyed a highly successful career working in government, tourism, sport, major events and transport. He has extensive experience in sports administration, having run a national sporting organisation (Australian Sailing) and two NRL Clubs (Sydney Roosters and South Sydney Rabbitohs).

John is recognised for his leadership skills, strategic thinking, commercial acumen and strong communication skills.

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

Jeff leads the department's tourism industry development effort, focused on ensuring Queensland has the infrastructure, connectivity and

strategic positioning it needs to sustain and rebuild Queensland's visitor economy.

Key priorities include supporting businesses to navigate the challenges of COVID-19; maximising investment to deliver world class visitor infrastructure; partnering with the private sector to develop new and diverse experiences and products across the state; strengthening business capability and resilience; and securing more major events for Queensland.

Jeff previously worked in the Northern Territory as Director-General for Asian Engagement, Trade and Investment where he helped the private sector to diversify the territory's export base, attracted investors for major projects, and refocused strategic engagement with overseas partners.

Prior to the Northern Territory, Jeff worked for the New Zealand Government mostly in international trade and investment roles, lastly as the Head of NZ INC. in Brazil, where he facilitated two-way investments in agribusiness and gas, and trebled New Zealand exports.

Lea Diffey, Acting Deputy Director-General, Innovation

Lea is the Acting Deputy Director-General, Innovation Division, responsible for leading innovative practice across government and the Advance Queensland initiative to foster innovation and entrepreneurialism, capitalise on our natural advantages, and help raise Queensland's profile as an attractive investment destination.

Prior to this, Lea led Science Development for the Queensland Government. She has a long history in sustainable land management, working across portfolios for agriculture, natural resource management, the GBR and environmental management. Lea aims to bring together science and innovation, with policy and outcomes for business.

Dr Sarah Pearson, Deputy Director-General, Innovation (until April 2021)

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

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

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

Andrew Sly, Acting Assistant Director-General, Sport and Recreation

Andrew has over 20 years' experience in property, infrastructure, governance and stakeholder engagement across the public and private sectors. Andrew joined the division in November 2018 as the Executive Director of Venues and Sport Infrastructure where he led program management, infrastructure planning and investment, and delivery of key sporting capital projects and the management of the Queensland Venues and Recreation Centres.

Prior to joining the department, Andrew held the positions of Executive Director of Development Strategy and Executive Director of Regional and Residential Development at the Queensland Government's specialist land use planning and property development unit, Economic Development Queensland. In these roles, Andrew led the facilitation and delivery of projects and programs throughout Queensland.

Andrew holds tertiary qualifications in planning and geographical sciences and is a graduate of the Australian Institute of Company Directors.

Chelsea Warr, Chief Executive, Queensland Academy of Sport

Chelsea is an experienced leader in driving transformational change within high performance sporting industries. Chelsea is well positioned to lead the state's high performance sport unit, QAS, responsible for the preparation of Queensland's most talented athletes.

Prior to her position as Chief Executive, QAS, Chelsea held the position of Director of the Great Britain High Performance system, where her primary objective was to drive strategic development of the system to ensure sustained medal winning success. Over a 20-year period, she played a pivotal leadership role enabling Team Great Britain and Paralympics Great Britain to progress from 36th on the medal table in Atlanta 1996, to second in the world by Rio 2016.

Chelsea's leadership skills and international high performance experience will play a significant role in supporting Queensland to become a sporting powerhouse, especially within the context of the Brisbane 2032 Olympic and Paralympic Games.

Tess Bishop, Deputy Director-General, Corporate Services

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

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

To cover leave arrangements, Andrew Sly acted as Deputy Director-General, Corporate Services, for part of 2020–2021.

Our structure

Director-General					
Tourism	Innovation	Sport and Recreation	Queensland Academy of Sport	Corporate Services	Communications and Engagement
Industry Development	Innovation Engagement and Delivery	Business and Operational Support		Governance, Performance and Risk	
Policy, Partnerships and Events	Innovation Strategy	Infrastructure and Service Delivery		Finance and Procurement	
State Projects	Office of the Queensland Chief Entrepreneur	Policy, Programs and Partnerships		Human Resources	

Governance framework

Our Corporate Governance Framework outlines underpinning governance principles and practices to ensure compliance with our legislative obligations, and provide ongoing confidence in the delivery and integrity of our services. This includes compliance with our obligations under the *Financial Accountability Act 2009*, *Financial and Performance Management Standard 2019* and *Public Sector Ethics Act 1994*.

Governance committees

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

Executive Leadership Team

The Executive Leadership Team (ELT) is comprised of DTIS executive leaders with the role to support and advise the Director-General.

The ELT is the department's peak decision-making and advisory body, and is supported by four additional governance committees.

In general, the ELT makes decisions and provides advice to the Director-General in relation to:

- corporate governance
- strategic policy

- strategic planning and alignment
- strategic workforce policy and planning
- performance management
- service delivery
- risk management.

Audit and Risk Management Committee

The Audit and Risk Management Committee (ARMC) is an independent advisory committee reporting to the Director-General to assist in the effective discharge of responsibilities prescribed in the *Financial Accountability Act 2009*, *Financial and Performance Management Standard 2019* and other relevant legislation.

The ARMC provides expertise and guidance on the effectiveness, efficiency and integrity of DTIS' arrangements for:

- governance and ethical conduct
- enterprise risk management and internal controls
- financial stewardship and public accountability
- compliance with legal obligations
- protection of departmental assets.

The ARMC also monitors the internal audit function to ensure it operates effectively, efficiently and economically.

Membership of the then newly formed ARMC was updated and approved by the Director-General in May 2021. The revised Charter has due regard to the *Queensland Treasury Audit Committee Guidelines: Improving Accountability and Performance*, issued July 2020.

The ARMC is chaired by a professional external expert and convened five times during 2020–2021 (in July, August and September 2020, and May and June 2021).

Key ARMC achievements for 2020–2021:

- Reviewed and endorsed the department’s 2020–2021 financial statements.
- Reviewed and considered the Queensland Audit Office (QAO) draft External audit plan for DTIS.
- Reviewed and considered the draft 2021–2022 Internal Audit Plan for DTIS.
- Endorsed the ARMC Charter and Internal Audit Charter for 2021–2022.
- Monitored implementation of audit recommendations.
- Considered DTIS’ Corporate Governance Framework, systems of performance measurement and reporting, Legislative Compliance Framework, Enterprise Risk Management Framework and fraud prevention system, and Information Security Management System (ISMS) implementation progress.

Committee membership and external members’ remuneration details, as at 30 June 2021:

- Mr Peter Dowling AM – Independent Chair and Member, appointed 1 November 2018 (former Department of Innovation and Tourism Industry Development (DITID) and confirmed 25 March 2021 as continuing; remuneration: \$2400 (GST exclusive) per meeting maximum value \$12,000 per calendar year (GST exclusive); attended five meetings.
- Ms Karen Prentis – Independent Member appointed 1 November 2018 (former DITID) and confirmed 25 March 2021 as continuing; remuneration: \$600 (GST exclusive) per meeting maximum value of \$3000 (GST exclusive) per calendar year (DSDTI); \$1800 (GST exclusive) per meeting maximum value \$9000 per calendar year (GST exclusive); attended five meetings.
- Dr Sarah Pearson, Deputy Director-General, Innovation, Internal Member, appointed

15 June 2020 (former DSDTI); attended three meetings.

- Mr Jason Camden, Internal Member, appointed 15 June 2020 (former DSDTI); attended three meetings.
- Mr Jeff McAlister, Deputy Director-General, Tourism and Major Events, Internal Member, appointed 26 September 2019 (former DITID) and confirmed 25 March 2021 as continuing; attended four meetings.
- Mr Andrew Sly, Acting Assistant Director-General, Sport and Recreation, Internal Member, appointed 25 March 2021; attended two meetings.

Finance Committee

The role of the Finance Committee is to direct the department’s financial strategy, provide oversight of financial operations and performance to assure its financial viability, and identify possible deviations and financial consequences.

The Finance Committee considers and provides advice to the Director-General on:

- financial oversight and accountability, and major budget and investment management decisions
- financial management and controls
- financial and procurement risks management
- strategic asset management
- savings and debt compliance and reporting
- strategic procurement plan and priorities
- significant financial transactions and complex procurements
- financing and proposed financing of significant departmental projects
- compliance with legislative responsibilities.

The Finance Committee meets a minimum of five times per year, or as otherwise determined by the Chair.

Digital and Information Steering Committee

The Digital and Information Steering Committee (DISC) focuses on strategic management of information and technology resources to ensure new investments support the department’s strategic plan and information security oversight. The DISC contributes to the efficient and effective operation of the department in alignment with the *Financial*

Accountability Act 2009, the Financial and Performance Management Standard 2019, Information Standard 2 – ICT Resources Strategic Planning, and Information Standard 18 – Information Security.

The purpose of the DISC is to provide advice and guidance to the Director-General to ensure information and communications technology (ICT), information management (IM), information security and related assets and investments support delivery of government priorities and departmental objectives.

Broadly, the DISC:

- oversees development and maintenance of DTIS' Digital Strategy through two phases – with the draft strategy focused on short to medium term digital optimisation, and further iterations geared towards digital transformation over the longer term
- directs and monitors implementation of whole-of-government digital, ICT and IM (including recordkeeping) strategies, policies and standards
- oversees agency information security risk management activities, including:
 - at-risk ICT systems/applications and mitigation strategies to manage these
 - DTIS ISMS implementation
 - maintenance of a current, comprehensive DTIS Information Asset Register
- monitors DTIS' ICT service levels and account management activities, provided by Information and Technology Partners, Department of Agriculture and Fisheries
- reviews and approves significant ICT investment and projects (including the technology refresh of aging and end-of-support ICT assets)
- approves ICT reporting to the Queensland Government Customer and Digital Group, and publication of data to the public-facing whole-of-government ICT Dashboard.

The DISC meets every two months, or as otherwise determined by the Chair.

Work Health and Wellness Committee

The Work Health and Wellness Committee (WHWC) assists the Director-General and executive leaders to:

- meet their legislative obligations and compliance with the *Work Health and Safety Act 2011, Work Health and Safety Regulation 2011*, codes of practice, and other safety guidance material
- facilitate consultation between the department and union in relation to a broad range of issues in line with obligations under clause 9.2 (1) of the *State Government Certified Entities Agreement 2019*.

The committee provides advice and guidance to its members in relation to:

- identifying, assessing and resolving workplace health and wellbeing (WHW) trends and issues
- the development of policies and systems to mitigate WHW risks and promote best practice
- ensuring executive leaders and employees are informed of WHW policies, systems, initiatives, issues, trends and achievements
- implementing and promoting initiatives that:
 - promote physical and mental health of employees
 - protect workers and members of the public against physical and mental injury
 - prevent workplace bullying and harassment (including sexual harassment)
 - provide suitable injury management and return to work plans for employees following injury
 - prevent workplace hazards and risks, as much as is reasonably practical
 - consult with and involve employees on matters relating to health, safety and wellbeing
- enlisting senior management and key divisional champions to promote priority WHW initiatives across the department.

The WHWC meets quarterly, or as otherwise determined by the Chair.

Consultative Committee

The Consultative Committee is established under the *State Government Entities Certified Agreement 2019* (the Agreement), to facilitate union and employee consultation on a broad range of human resource issues arising under the Agreement.

The committee provides the forum to engage with union representatives regarding matters relating to the Agreement, employment conditions, the organisational environment, and/or matters otherwise impacting (or likely to impact) the workforce, including:

- workplace COVID-19 safety and related return to office arrangements (as necessary)
- variation to the ordinary spread of working hours
- emerging workplace and employee matters, as they relate to the wellbeing of workers
- organisational change and restructuring
- workload management
- training
- flexible work arrangement
- workplace sustainability
- union encouragement
- workforce data
- matters such as review of, changes to, or introduction of new workforce management policies.

The Consultative Committee meets quarterly, or as otherwise determined by the Chair.

Internal audit

Prior to the machinery of government changes in November 2020, the internal audit function was managed through a Business and Corporate Partnership, which included an outsource arrangement with an external provider of internal audit services. DTIS now manages the internal audit function (including in-house secretariat support to the ARMC), and an outsourced arrangement for internal audit services, approved in March 2021, in accordance with the January 2020 Treasurer's Delegations under the *Financial Accountability Act 2009*.

PricewaterhouseCoopers commenced as DTIS' internal audit service provider effective 8 April 2021, and is delegated by the accountable officer the role and responsibilities of the Head of Internal Audit.

The DTIS internal audit function operates in accordance with an approved Internal Audit Charter incorporating professional standards, and is focused on facilitating continuous improvement through

rigorous inquiry, insightful communication and effective, enterprise-wide combined assurance.

Key internal audit achievements for 2020–2021:

- Development of key internal audit artefacts, including the ARMC and Internal Audit Charter.
- Development of ARMC protocols, scope and reporting templates and the provision of operational and secretariat support to the forum.
- Monitored and verified implementation of audit recommendations to the ARMC.

External assurance

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

In 2020–2021, the below two audit reports required action by DTIS.

QAO Report 3: 2019–2020 – Managing cyber security risks, was tabled in Parliament on 1 October 2019 and examined whether entities effectively manage their cyber security risks. A review of the department's status confirmed the 17 recommendations in the report have been addressed and are being appropriately managed.

QAO – Information Brief – 29 September 2020, Awarding of sports grants (Report 6: 2020–2021) was tabled in Parliament on 29 September 2020 and focused on whether the awarding of sports grants was in accordance with documented processes that were appropriate and resulted in the impartial awarding of grants. The department is committed to the processes to ensure all enquiries are clearly documented and subject to a review process.

Risk management

The DTIS Enterprise Risk Management Framework is based on the international risk management standard *AS/NZS ISO 31000:2018 and IEC 31010:2019*, and aligns with *Queensland Treasury's Risk Management Guidelines* to enable departmental compliance with the *Financial Accountability Act 2009*.

The framework provides mechanisms to ensure risk management is an integral part of day-to-day decision-making, where risks are identified, assessed and treated in a systematic way. This involves a consistent approach for prioritising,

escalating and responding to risks, regardless of their nature.

Enterprise risks are recorded on the Strategic Risk Register, which also includes fraud and corruption and information security risks.

Significant strategic risks and opportunities are identified as part of the department's annual strategic planning process. Strategic risks and opportunities are those that may be trending as high divisional risks, multi-divisional risks or emerging risks with the potential to impact the whole department.

Divisions maintain operational, program and project risk registers which are reviewed and reassessed on a quarterly basis to assess risk profile and treatment statuses, and identify trends warranting attention, or when material environmental changes occur (for example, within the department or across industry).

Given the dynamic nature of economic environments, high and trending risks are reported to the ELT and ARMC on a quarterly basis.

The COVID-19 pandemic presents risks to the community and, subsequently, the department. Risk management and business continuity planning activities are reviewed and revised to enable DTIS' rapid response to support our tourism, innovation, sport and active recreation industries. Robust risk management continues to be critical as DTIS drives recovery and planning for long-term economic growth.

OUR PEOPLE

We invest in and build a workplace culture based on respect, diversity, safety and wellness to enable sustainable and high quality delivery of DTIS services, programs and initiatives – both now and into the future.

Our culture

We are committed to Queensland’s public service values:



Customers first



Ideas into action



Unleash potential



Be courageous



Empower people

We work consistently with the public service values to build our culture, hand-in-hand with DTIS’ core values of:



Dedicated



Teamwork



Integrity



Supportive

As with the wider community, COVID-19 presents challenges to individual wellness and the ways we live and work. During 2020–2021, DTIS continued to focus on strengthening organisational culture and resilience through initiatives and actions to promote employee safety; mental health and wellness; disability, domestic and family violence awareness; cultural capability, diversity and inclusivity; and flexible ways of working.

On an ongoing basis, we invest in our staff by offering training opportunities focusing not only on the work that needs to be done, but on the personal and professional goals of employees.

DTIS works in partnership with Aboriginal and Torres Strait Islander businesses through the *Indigenous Participation Plan 2018–2021*, as well as working internally to develop cultural capability and

celebrate and recognise key cultural dates and events.

DTIS is a White Ribbon Australia accredited workplace, participating in whole-of-sector, and internal education and awareness activities aimed at preventing workplace violence, and developing departmental capability to support employees affected by domestic and family violence.

Workforce profile

DTIS has a workforce of 403 full-time equivalent employees¹.

Due to machinery of government changes occurring late in 2020, data required to calculate a separation rate is not available. A separation rate will be made available in the department’s 2021–2022 annual report.

Workforce planning

In 2020–2021, a renewed strategic focus was placed on how we build departmental capability in our workforce, through:

- creating an environment allowing people to thrive and translate opportunities into outcomes
- embedding innovation and supporting a creative, diverse and inclusive workplace
- increasing accountability and agility through ethical decision-making, strong leadership and corporate governance
- enabling an effective workforce through strong collaboration, knowledge-sharing, systems and process reform.

In relation to attraction and recruitment, DTIS strives to maintain appropriate balance between whole-of-government savings and debt priorities and ensuring we have the right people and capacity to deliver.

Capability and performance

Building staff capability and knowledge is fundamental to the achievement of our strategic objectives, and in turn, delivering for Queenslanders.

¹ MOHRI FTE data for fortnight ending 18 June 2021

On an ongoing basis, DTIS employees collaborate with their managers to ensure they have the necessary skills to perform their roles efficiently and effectively, and opportunity to further their career aspirations.

New departmental staff undertake a formal induction process involving:

- orientation within their team and division
- discussion with their manager about job role and performance expectations
- completion of mandatory training including Code of Conduct; information security and privacy; ethical decision-making; *Human Rights Act 2019*; fraud and corruption prevention and awareness; and building evacuation and emergency procedures.

In relation to our current and emerging leaders, we are committed to actively building their capability through mentoring and collaboration, relieving opportunities when they arise, and staff-identified learning and development opportunities.

The continuing development of our senior leaders is enabled through leadership development and business management programs, and informal, on-the-job learning.

Flexible by design

Flexibility is fundamental to creating an innovative and diverse workforce with the ability to respond swiftly to emerging priorities.

In 2020–2021, we recognised opportunities for continuous improvement and embedded flexible working practices, where appropriate, to support employees in achieving healthy work/life balances.

We provide several flexible work practices, including flexible hours of work, various leave types, staggered start and finish time, compressed hours and part-time arrangements, job sharing and telecommuting.

Supporting flexible working practices has enabled the department to become more open and inclusive, remain agile in the management of workload, and respond to challenges of the COVID-19 pandemic.

Health, safety and wellness

DTIS is committed to creating healthy and safe workplaces, enabling our people to thrive and perform at their best.

We recognise that work health and wellness is not just about physical safety, but also about mental, social, and financial health and wellness.

In 2020–2021, we commenced a review of our work health and safety policies and procedures to ensure best practices are in place.

Our Employee Assistance Program (provided by Benestar) provides DTIS employees and their immediate family members with free, confidential counselling sessions to help build strategies to improve mental health.

With community health so vital, and to help keep our staff healthy, the department participated in the annual influenza (flu) vaccination program. This program provided free flu vaccinations to those wishing to get them.

Industrial and employee relations framework

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

DTIS supports the Employment Security and Union Encouragement policies, applying the principles and practices of these policies in managing the department's workforce.

Temporary employees are engaged as necessary to assist in supporting the achievement of business outcomes. DTIS continues to actively undertake temporary employment reviews in accordance with statutory requirements. These reviews are conducted where temporary employees have been continuously employed for two years in the same role. During 2020–2021, DTIS converted 13 employees from temporary to permanent employment status.

The department's Consultative Committee promotes meaningful consultation between the department's management and the union. The committee deals with matters related to the *State Government Entities Certified Agreement 2015* or matters that

impact on the department's workforce. In addition, Together Union is contacted out-of-session as needed.

Ethics and code of conduct

To support the department's culture of accountability and transparency, in 2020–2021, DTIS entered into a service level agreement with DSDILGP for the provision of specialist advice and services in relation to ethics and integrity matters.

DTIS maintains responsibility for the delivery of operational activities relating to:

- complaints management
- declarations and conflicts of interests
- contact with lobbyists
- gifts and benefits reporting
- public interest disclosures
- fraud and corruption prevention.

During 2020–2021, DTIS received nine customer complaints, with three resulting in further action (including staff training and education to target future improvement).

Human Rights

Queensland's *Human Rights Act 2019* (the HR Act) provides for the legal protection of 23 human rights. The HR Act's aim is to ensure respect for human rights is embedded in the culture of the Queensland public sector, and requires public entities to act and make decisions in a manner compatible with human rights.

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

In accordance with section 97, the HR Act requires public entities to disclose details of:

- actions taken to further the objects of the HR Act
- details of reviews of policies, programs, procedures, practices or services undertaken for compatibility with human rights
- received human rights complaints (including the number and outcome of complaints).

Actions taken to further the objects of the HR Act

- Development of the draft DTIS Human Rights Action Plan to:
 - guide implementation of the HR Act provisions through operational/tactical actions
 - drive and sustain a culture based on the respect and promotion of human rights through a longer-term and ongoing program of incremental capability and awareness activities.
- Formation of the DTIS Human Rights Network to provide the collaboration and sharing nexus to help build the department's human rights capability and culture through sharing knowledge, lessons learnt and artefacts.
- Improvements in internal human rights reporting.
- Implementation of staff training, including completion of an introductory online module, complemented by specialist policy and legislation training, and bespoke training based on specific scenarios relevant to the department's functions.

Details of reviews undertaken for compatibility with human rights

All legislation administered by DTIS has been reviewed to ensure compatibility with human rights.

Additionally, DTIS is extensively reviewing policies, procedures and decision-making frameworks to similarly assess human rights compatibility of these artefacts and the actions they prescribe.

Key to this was the review of DTIS' Complaints Management Policy – updated to include in its scope complaints about human rights breaches, supplemented with the delivery of the new DTIS Human Rights Complaint Procedure.

Received human rights complaints

No human rights complaints were received by the department during 2020–2021.

Early retirement, redundancy and retrenchment

During the period, one employee received an early retirement package at a cost of \$29,557.45. No redundancy or retrenchment packages were offered.

OUR FINANCIAL PERFORMANCE

This financial summary provides an overview of DTIS’ financial performance for 2020–2021. Comprehensive financial performance information is provided in the financial statements included in Part 2 of this annual report. *Administrative Arrangements Order (No.2) 2020*, dated 12 November 2020 and effective 1 December 2020, details changes to the department’s title and functions.

As a result of these machinery of government changes, the department’s financial data for the 2020–2021 financial year reflects the following:

- five months of State Development (including Economic Development Queensland)
- seven months of Sport and Recreation and QAS
- 12 months of Tourism and Innovation.

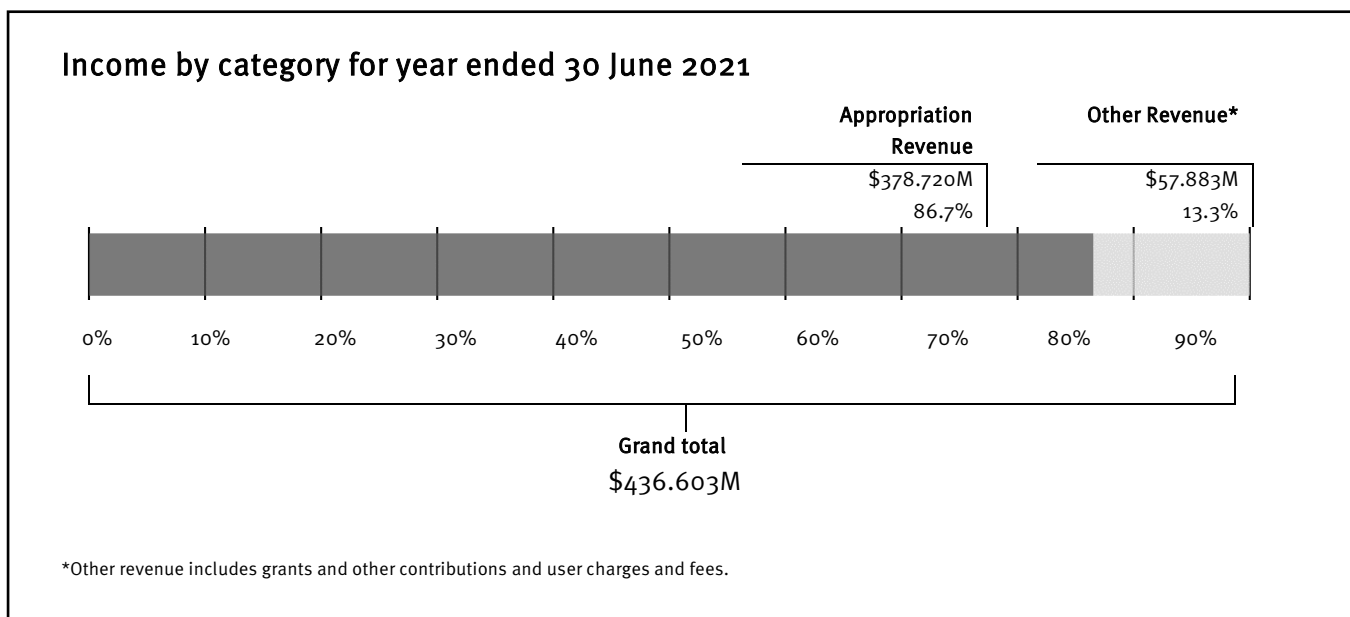
2020–2021 Statement of Assurance

In accordance with the *Financial Accountability Act 2009*, the Chief Finance Officer has provided the Director-General with a statement that DTIS’ financial internal controls are operating efficiently, effectively and economically. DTIS actively manages its financial risks and liabilities and is financially well-positioned to meet its objectives, as outlined in the *DTIS Strategic Plan 2020–2024*.

Operating result

The department’s 2020–2021 result was an operating deficit of \$11.731 million.

For the 2020–2021 financial year, DTIS was primarily funded by Parliamentary appropriations (departmental services revenue) of \$378.720 million (86.7%), with the remaining funding consisting of \$21.703 million (5.0%) from grants and other contributions, and \$36.180 million (8.3%) of other revenue consisting largely of user charges and fees, returned prior year grant funds for the Attracting Aviation Investment Fund and Queensland International Student Crisis Assistance Package.

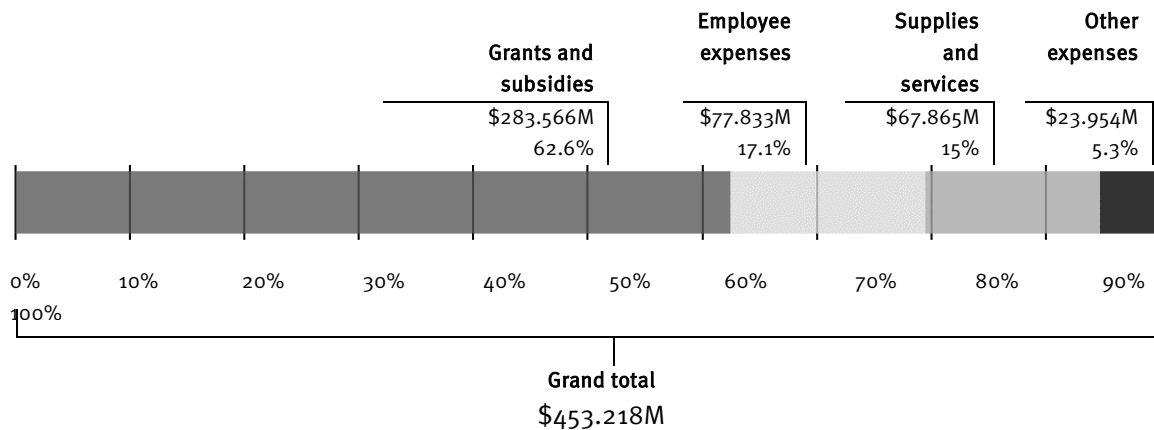


Expenses

Total operating expenses before tax equivalents for the year were \$453.218 million, including:

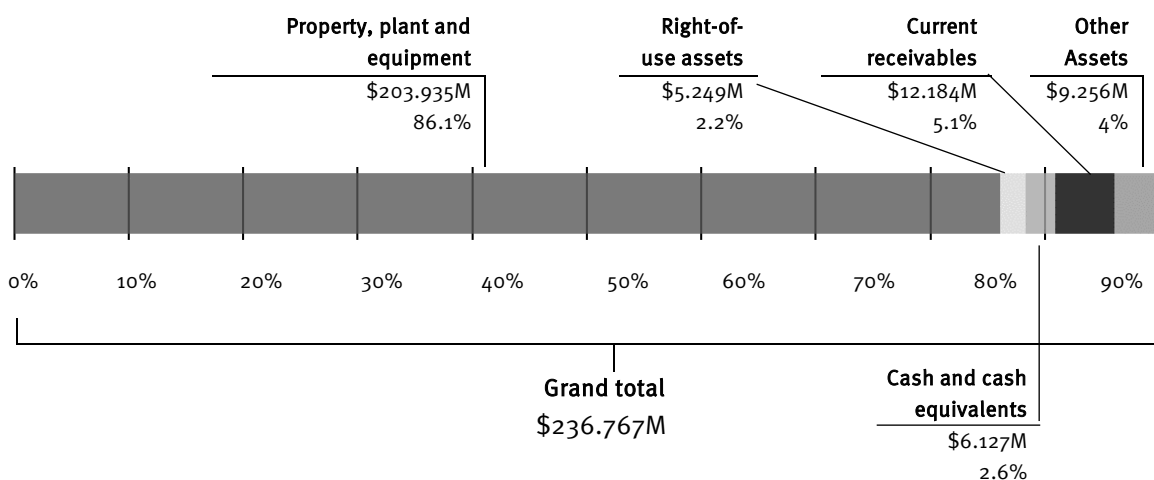
- \$283.566 million (62.6%) in grants and subsidies, including grants paid to TEQ for delivery of tourism programs and payments made to industry and universities for Advance Queensland initiatives.
- \$77.833 million (17.1%) in employee expenses.
- \$67.865 million (15%) in supplies and services, including contractors and consultants and accommodation leasing costs.
- \$23.954 million (5.3%) in other expenses, including depreciation and amortisation.

Expenses by category for year ended 30 June 2021



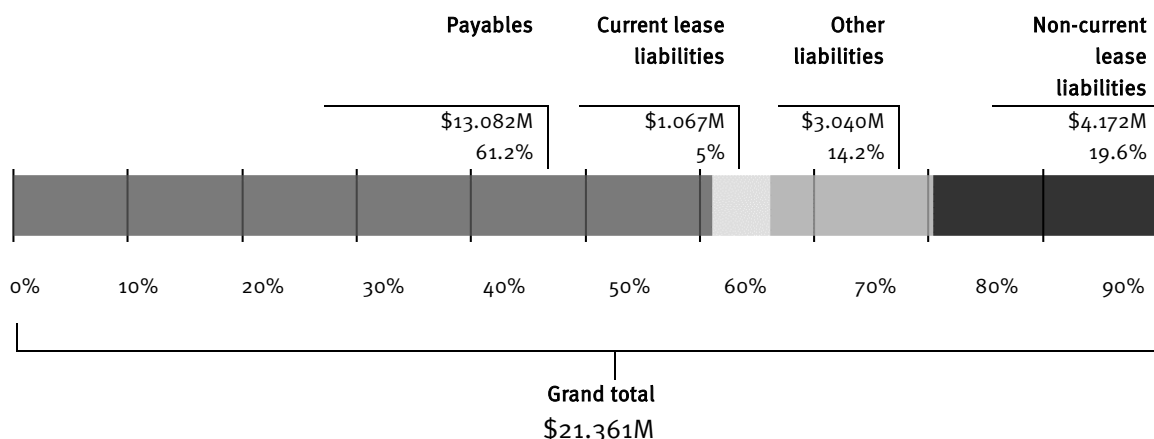
Assets

As at 30 June 2021, DTIS held assets to the value of \$236.767 million, with \$203.935 million (86.1%) held in property, plant and equipment, \$5.249 million (2.2%) as right-of-use assets, \$6.127 million (2.6%) as cash and cash equivalents, \$12.184 million (5.1%) as current receivables, \$9.256 million (4%) as other assets and the remainder as intangibles (\$0.016 million).



Liabilities

As at 30 June 2021, DTIS held liabilities to the value of \$21.361 million, with \$13.082 million (61.2%) in payables, \$1.067 million (5%) as current lease liabilities, \$3.040 million (14.2%) as non-current lease liabilities, and the remainder as other liabilities and accrued employee benefits.



Capital expenditure

DTIS made capital grant payments of \$140.8 million in 2020–2021. This includes expenditure for the Tourism Icons, Growing Tourism Infrastructure Fund (GTIF) 2018 and 2020, Harrup Park Redevelopment, Minjerribah Futures and the Ballymore Precinct Redevelopment. Additionally, DTIS made capital purchases of \$12.3 million in 2020–2021, consisting largely of capital works in progress for the Queensland Active Precincts and Wangetti Trail.

Administered funds

Administered funds are those where a department does not have control but is charged with administering the funds efficiently and effectively on a whole-of-government basis.

During 2020–2021, DTIS administered appropriation revenues of \$141.8 million, and recognised grant payments to TEQ, Stadiums Queensland and the Cross River Rail Delivery Authority (in continuation of arrangements in place prior to the November 2020 machinery of government changes and the Cross River Rail Delivery Authority's standing as one of the department's former portfolio partners).

Outlook for 2021–2022

Operating budget

Total expenses are estimated to be \$392.3 million in 2021–2022. This primarily relates to grant program expenditure for the GTIF 2020, Regional Tourism Organisation Fund, Events Boost, Global Marketing Fund, Tourism Activation Fund, Attracting Tourism Fund, Aviation Route Support Package, Advance Queensland initiatives, Active Community Environment, Active Industry Fund, Local Community Sporting Infrastructure, Sunshine Coast Stadium and the Ballymore Precinct Stage 1 Redevelopment.

Capital expenditure

The 2021–2022 budget for total capital outlays is estimated to be \$166.3 million, consisting of a spend on capital purchases and capital grants which support COVID-19 recovery for tourism, innovation and sport and active recreation industries. Total capital purchases in 2021–2022 are estimated to be \$27.4 million, and includes:

- \$14.6 million provided for the Queensland Active Precincts to enhance existing state-owned sport and active recreation facilities at the Gold Coast, Sunshine Coast and Townsville, to deliver quality experiences that inspire physical activity.

- \$9.9 million allocated to deliver the Wangetti Trail, a 94-kilometre walking and mountain bike trail from Palm Cove to Port Douglas, with public and eco-accommodation facilities.

Total capital grants in 2021–2022 are estimated to be \$138.9 million, and includes:

- \$26.6 million to deliver local community sporting infrastructure to encourage Queenslanders to be more active, more often as well as working to increase health and wellbeing outcomes across the state in line with key government priorities.
- \$20 million provided for the Sunshine Coast Stadium towards the Stage 1 redevelopment.
- \$15 million for the GTIF 2020 to build resilient businesses, regions and communities by creating sustainable new jobs and increasing visitor expenditure through investment in tourism infrastructure.
- \$15 million to complete the Ballymore Precinct Stage 1 Redevelopment and create a new high performance centre for Queensland Rugby Union.
- \$12.6 million to undertake the Active Community Infrastructure Round 1 delivering modular infrastructure solutions in high needs communities that improves accessibility and activity, including support for female participation.

INFORMATION MANAGEMENT

Information systems

DTIS maintains a range of systems to manage and store information. These systems support the delivery of services, initiatives and corporate operations. Currently, DTIS is using network-attached storage, which provides accessible storage solutions for innovation video and image files.

Records management

DTIS has a comprehensive records management framework that is consistent with the *Public Records Act 2002*, *Public Service Act 2008* and the *Queensland State Archives Records Governance Policy*. These policies are in place to outline and allocate recordkeeping responsibilities.

The framework includes an appraisal and disposal program, recordkeeping policies, management of paper records, retrieval and digital delivery of records, an electronic document and records management system (eDRMS), records training and support and a program of permanent records transfers to Queensland State Archives.

The strategic recordkeeping plan *Digital Recordkeeping Futures* has focused on transitioning to digital recordkeeping and solutions that support a mobile working culture using digital records in business processes.

There is an end-to-end recordkeeping service supporting business areas to develop an effective recordkeeping culture and applying new technologies to maximise the use of digital records. The department has moved to digital recordkeeping using a combination of increasing use of the eDRMS, automated capture of records and records compliant business systems. There is ongoing business analysis of agency processes for improved recordkeeping practices and risk mitigation.

The records held in the corporate eDRMS have file structures with appropriate security markings and access controls in accordance with the *Information Security Policy*. There have been no security breaches of this system.

Records are retained in accordance with the following approved general administrative and core business retention and disposal schedules:

- Whole-of-government general administrative schedule – QDAN 415 v.4
- Early destruction of scanned temporary records schedule
- Tourism – QDAN 709
- Gold Coast 2018 Commonwealth Games Coordination – QDAN 721
- Gold Coast 2018 Commonwealth Games Corporation (GOLDOC) – QDAN 713
- Events – QDAN 725
- Department of Tourism and Racing Olympic Task Force Committee – QDAN 523
- Aviation Industry Files (Tourism Industry) – QDAN 325
- Sport, Recreation and Major Events – QDAN 696.

A proactive appraisal and disposal program is in place and boxes of time expired records have been destroyed. Retention and authorised disposal processes and controls are in place for physical and electronic records.

The final financial records from GOLDOC were transferred to the department for ongoing custody.

Records from Sport and Recreation have been migrated into DTIS following the machinery of government changes.

Information release and open data

DTIS is committed to providing Queenslanders free and easy access to our information.

In accordance with the *Right to Information Act 2009*, DTIS is required to maintain a publication scheme to ensure certain types of information are made publicly available. The department's publication scheme is available on the DTIS website at www.dtis.qld.gov.au/about-us/right-to-information/publication-scheme.

In addition to this, DTIS supports the whole-of-government *Open Data Policy Statement* by publishing suitably classified datasets through the Queensland Governance Open Data Portal.

Through the DTIS Open Data Strategy, we demonstrate our commitment to increasing the release of data we collect for reuse and repurposing, to provide new and exciting resources for the community.

The *DTIS 2021–2025 Open Data Strategy* is available on www.dtis.qld.gov.au.

Annual report open data returns

As supplementary data to this annual report, DTIS has published 2020–2021 consultancy expenditure data on the Open Data Portal at www.data.qld.gov.au.

As nil *Queensland Language Services Policy* expenditure was incurred by the department during 2020–2021, no data return has been published.

An overseas travel expenditure report for the 2020–2021 reporting year was not required due to overseas travel not being undertaken by departmental officers.

Information Security Management System

The implementation of a mandatory ISMS has continued to be progressed throughout 2020–2021. An ISMS comprises the policies, processes, procedures, work practices, behaviour, and planned activities the department uses to secure and protect its information.

Key ISMS implementation achievements during the year included:

- Progressing stage three ISMS implementation, with the further assessment of the department's information security and business systems risks.
- Formation of the DISC to support delivery of government priorities and departmental objectives in compliance with international standard ISO27001 and the Queensland Government *Information Standard 18 – Information Security (IS18)* and *Information Security Policy (IS18:2018)*.
- Undertaking a cyber security gap analysis against the 17 recommendations from *QAO Report 3: 2019–2020 Managing cyber security risks*, to confirm recommendations have been

addressed and are being appropriately managed within DTIS.

- Progressing the review, identification, assessment and classification of information assets.
- Information and cyber security training and awareness activities.

Information Security attestation

During the mandatory annual Information Security reporting process, the Director-General attests to the appropriateness of the information security risk management within DTIS to the Queensland Government Chief Information Security Officer. The Director-General further notes that appropriate assurance activities are being undertaken to inform this opinion and the department's information security risk position.

APPENDIX 1: GOVERNANCE COMMITTEES

Aboriginal and Torres Strait Islander Business and Innovation Reference Group (BIRG)					
Act or instrument	The Aboriginal and Torres Strait Islander BIRG is not established under an Act. The Terms of Reference for the group have been established.				
Functions	The Aboriginal and Torres Strait Islander BIRG provides strategic advice to the Minister for Tourism Industry Development and Innovation and Minister for Sport and the Minister for Employment and Small Business and Minister for Training and Skills Development. This advice relates to business and innovation matters that impact Aboriginal and Torres Strait Islander businesses and communities, and recommendations are provided to assist the Queensland Government in supporting the development of existing, emerging and new Aboriginal and Torres Strait Islander businesses and innovators across Queensland.				
Achievements	<p>Key achievements for 2020–2021 include:</p> <ul style="list-style-type: none"> • Advised on COVID-19 recovery needs of First Nations businesses. • Supported development of the Deadly Innovation framework to guide growing the Indigenous Tourism Sector. • Co-development of language for key grant programs such as Outback Tourism Infrastructure Fund, Growing Tourism Infrastructure Fund and Attracting Tourism Fund to provide greater accessibility for Indigenous applicants. • Influenced the Queensland Government on the following policy areas: <ul style="list-style-type: none"> – recovery priorities for Indigenous communities, innovators and businesses during the COVID-19 pandemic – opportunities to increase accessibility of Indigenous voice to government, aligned to the Queensland Government’s commitments to self-determination under Pathway to Treaty – increasing opportunities for Aboriginal and Torres Strait Islander peoples in innovation and tourism initiatives through the <i>Queensland Indigenous Procurement Policy</i> – informing new policy for Indigenous business take of commercial fish led by the Department of Agriculture and Fisheries – giving strategic advice regarding digital inclusion, housing, disaster response and networks • Provided advice on the design of Advance Queensland programs and activities to improve opportunity and uptake by Indigenous peoples. • Championed Advance Indigenous Business and other small business agendas. • Shared materials and opportunities through their networks. 				
Financial reporting	All operating and administrative costs associated with the body are paid for by the department’s core funding. The body’s costs are contained within the department’s financial statements, audited by the QAO annually.				
Remuneration: All positions are voluntary. However, DTIS bears the cost of remunerating members for reasonable out-of-pocket expenses associated with meeting attendance.					
Position	Name	Meetings attended	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Co-Chair	Minister for Tourism Industry Development and Innovation and Minister for Sport	1	N/A	N/A	N/A
Co-Chair	Minister for Employment and Small Business and Minister for Training and Skills Development	2	N/A	N/A	N/A

Member	Leann Wilson	1	N/A	N/A	N/A
Member	Colin Saltmere	1	N/A	N/A	N/A
Member	Leesa Watego	2	N/A	N/A	N/A
Member	Julie-ann Lambourne	2	N/A	N/A	N/A
Member	Shane Kennelly	2	N/A	N/A	N/A
Member	Mundanara Bayles	1	N/A	N/A	N/A
Member	Noel Niddrie	2	N/A	N/A	N/A
Member	Steven Noy	2	N/A	N/A	N/A
Member	Kantesha Takai	2	N/A	N/A	N/A
Member	Leah Cameron	1	N/A	N/A	N/A
Member	Karen Seage	1	N/A	N/A	N/A
Associate Member	Ross Andrews	1	N/A	N/A	N/A
Associate Member	Wayne Butcher	1	N/A	N/A	N/A
No. scheduled meetings/sessions	2				
Total out-of-pocket expenses	Nil				

Board of the Queensland Academy of Sport					
Act or instrument	Not established under an Act.				
Functions	To determine the overall direction of the QAS.				
Achievements	<p>In 2020–2021, the QAS Board met five times with key achievements including:</p> <ul style="list-style-type: none"> • Advice and guidance on the development of the QAS <i>2032 High Performance Sport Strategy</i>. • Ensuring Queensland athletes and coaches were best prepared for the 2020 Tokyo Olympic and Paralympic Games. • Advice on key strategic governance projects. 				
Financial reporting	The board is an advisory body and does not have financial responsibilities.				
Remuneration: Board members are remunerated according to the Queensland Government's pre-existing remuneration arrangements as identified in the table below.					
Position	Name	Meetings attended	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chair	Paula Robinson	5	\$195	N/A	\$975
Member	Ray Epstein	5	\$150	N/A	\$750
Member	Anne Marie White	5	\$150	N/A	\$750
Member	Naomi McCarthy	5	\$150	N/A	\$750
Member	Anita Hobson-Powell	5	\$150	N/A	\$750
Member	Matt Miller	5	\$150	N/A	\$750
No. scheduled meetings/sessions	5				
Total out-of-pocket expenses	\$4725				

International Education and Training Advisory Group (IETAG)					
Act or instrument	Not established under an Act.				
Functions	To provide independent advice to the Queensland Government IET in Queensland; guide the delivery of the IET Strategy; and oversee development of initiatives and programs to improve competitiveness of Queensland's IET industry.				
Achievements	IETAG comprises industry experts and was formed in November 2016 to guide implementation of the IET Strategy. Upon appointment, the Minister for Tourism Industry Development and Innovation and Minister for Sport reviewed the IETAG's membership and Terms of Reference to ensure closer alignment with the government's COVID-19 Economic Recovery agenda.				
Financial reporting	Financial reporting is included in the Trade and Investment Queensland Annual Report.				
Remuneration: Members are not remunerated and sitting fees are not paid. Out-of-pocket expenses are paid to members.					
Position	Name	Meetings attended	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Ex-Officio	Minister for Tourism Industry Development and Innovation and Minister for Sport	2	N/A	N/A	N/A
Ex-Officio	Chair, Trade and Investment Queensland	3	N/A	N/A	N/A
Member	Phil Honeywood	3	N/A	N/A	N/A
Member	Carol Doyle	1	N/A	N/A	N/A
Member	Kathleen Newcombe	3	N/A	N/A	N/A
Member	Karen Spiller	2	N/A	N/A	N/A
Member	Richard Brown	3	N/A	N/A	N/A
Member	Sarah Todd	2	N/A	N/A	N/A
Member	Nick Klomp	2	N/A	N/A	N/A
Member	Melissa Banks	3	N/A	N/A	N/A
Member	Rachel Colaso	1	N/A	N/A	N/A
No. scheduled meetings/sessions	3				
Total out-of-pocket expenses	Nil				

Suncorp Stadium Management Advisory Committee					
Act or instrument	Not established under an Act.				
Functions	The committee was established by and reporting to the commercial operator of Suncorp Stadium. It was established as a requirement of the Development Approval for the redevelopment of Suncorp Stadium and is required for stakeholder and community relations.				
Achievements	The committee endorsed the staging of Nitro World Games in October 2021 and the continual upgrades to the Transport Management Plan to meet community needs. The committee also continued to represent community and business interest for those within the Suncorp Stadium Precinct.				
Financial reporting	N/A				
Remuneration: Members are not remunerated.					
Position	Name	Meetings attended	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chair	Alan Graham	2	N/A	N/A	N/A
Member	Karen Dare	2	N/A	N/A	N/A
Member	Sarosh Mehta	1	N/A	N/A	N/A
Member	Amerson Stephenson	2	N/A	N/A	N/A
Member	Steve Rudlin	2	N/A	N/A	N/A
Member	Andrew Stephenson	2	N/A	N/A	N/A
Ex-Officio	Ward of Paddington Councillor	1	N/A	N/A	N/A
Ex-Officio	Ex-Officio Member Translink	1	N/A	N/A	N/A
Ex-Officio	Queensland Police Service Brisbane Central District	1	N/A	N/A	N/A
Ex-Officio	Queensland Fire and Emergency Services Area Command – Roma Street	2	N/A	N/A	N/A
Ex-Officio	Member for Cooper Ex-Officio Member	1	N/A	N/A	N/A
Ex-Officio	Queensland Ambulance Service Operations, Metro North	0	N/A	N/A	N/A
No. scheduled meetings/sessions	2				
Total out-of-pocket expenses	Nil				

APPENDIX 2: GLOSSARY

Term	Definition
ARMC	Audit and Risk Management Committee
BIRG	Business and Innovation Reference Group
DITID	Department of Innovation and Tourism Industry Development
DISC	Digital and Information Steering Committee
DTIS	Department of Tourism, Innovation and Sport
DSDILGP	Department of State Development, Infrastructure, Local Government and Planning
DSDTI	The former Department of State Development, Tourism and Innovation
eDRMS	electronic Document Records Management System
ELT	Executive Leadership Team
FAA	<i>Financial Accountability Act 2009</i>
FPMS	<i>Financial and Performance Management Standard 2019</i>
GBR	Great Barrier Reef
GST	Goods and Services Tax
GTIF	Growing Tourism Infrastructure Fund
HR Act	<i>Human Rights Act 2019</i>
ICT	Information and Communications Technology
IET	International Education and Training
IETAG	International Education and Training Advisory Group
IM	Information Management
ISMS	Information Security Management System
MOHRI	Minimum Obligatory Human Resources Information
QAO	Queensland Audit Office
QAS	Queensland Academy of Sport
QCE	Queensland Chief Entrepreneur
QSAC	Queensland Sport and Athletic Centre
SLA	Service Level Agreement
TEQ	Tourism and Events Queensland
WHW	Work Health and Wellbeing
WHWC	Work Health and Wellness Committee

APPENDIX 3: COMPLIANCE CHECKLIST

Summary of requirement	Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7 Page 2
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1 Page 3 Page 39
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2 Page 1
	<ul style="list-style-type: none"> Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3 Page 1
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 9.4 Page 1
	<ul style="list-style-type: none"> Information Licensing 	<i>QGEA – Information Licensing</i> ARRs – section 9.5 Page 1
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10 Pages 4 – 5
Non-financial performance	<ul style="list-style-type: none"> Government’s objectives for the community and whole-of-government plans/specific initiatives 	ARRs – section 11.1 Pages 6 – 8
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.2 Pages 6 – 7
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.3 Pages 10 – 15
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1 Pages 28 – 31
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1 Page 20
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2 Pages 18 – 19
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3 Page 9 Pages 34 – 38
	<ul style="list-style-type: none"> Public Sector Ethics 	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4 Page 27
	<ul style="list-style-type: none"> Human Rights 	<i>Human Rights Act 2019</i> ARRs – section 13.5 Page 27
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.6 Page 25
Governance – risk management and accountability	<ul style="list-style-type: none"> Risk management 	ARRs – section 14.1 Pages 23 – 24
	<ul style="list-style-type: none"> Audit committee 	ARRs – section 14.2 Pages 20 – 21
	<ul style="list-style-type: none"> Internal audit 	ARRs – section 14.3 Page 23
	<ul style="list-style-type: none"> External scrutiny 	ARRs – section 14.4 Pages 23 – 24
	<ul style="list-style-type: none"> Information systems and recordkeeping 	ARRs – section 14.5 Page 32
	<ul style="list-style-type: none"> Information Security attestation 	ARRs – section 14.6 Page 33
	<ul style="list-style-type: none"> Strategic workforce planning and performance 	ARRs – section 15.1 Pages 24 – 26

Summary of requirement		Basis for requirement	Annual report reference
Governance – human resources	<ul style="list-style-type: none"> Early retirement, redundancy and retrenchment 	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	Page 27
Open Data	<ul style="list-style-type: none"> Statement advising publication of information 	ARRs – section 16	Pages 1, 30
	<ul style="list-style-type: none"> Consultancies 	ARRs – section 33.1	https://data.qld.gov.au
	<ul style="list-style-type: none"> Overseas travel 	ARRs – section 33.2	N/A
	<ul style="list-style-type: none"> Queensland Language Services Policy 	ARRs – section 33.3	N/A
Financial statements	<ul style="list-style-type: none"> Certification of financial statements 	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	Part B
	<ul style="list-style-type: none"> Independent Auditor's Report 	FAA – section 62 FPMS – section 46 ARRs – section 17.2	Part B

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

Department of Tourism, Innovation and Sport
Financial Statements for the year ended 30 June 2021

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Statement of Comprehensive Income
Statement of Financial Position
Statement of Changes in Equity
Statement of Cash Flows (including Notes to the Statement of Cash Flows)
Statement of Comprehensive Income by Major Departmental Services and Commercialised Business Unit
Statement of Assets and Liabilities by Major Departmental Services and Commercialised Business Unit
Notes to the Financial Statements
Management Certificate
Independent Auditor's Report

General information

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

The head office and principal place of business of the department is Level 34, 1 William Street, Brisbane QLD 4000.

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

For information in relation to the department's financial statements please call 13 QGOV (13 74 68), email dtis.finance@dtis.qld.gov.au or visit the department's website <https://www.dtis.qld.gov.au>.

Department of Tourism, Innovation and Sport
Statement of Comprehensive Income for the year ended 30 June 2021

		2021 Actual \$'000	2021 Original budget \$'000	2021 Budget variance* \$'000	2020 Actual \$'000
OPERATING RESULT	Note				
Income					
Appropriation revenue	4	378,720	473,624	(94,904)	217,307
User charges and fees	5	15,946	25,602	(9,656)	3,929
Grants and other contributions	6	21,703	7,632	14,071	7,796
Land sales		9,804	-	9,804	1,135
Interest		4,876	4,013	863	851
Other revenue	7	5,255	183	5,072	8,168
Total revenue		436,303	511,054	(74,750)	239,186
Gains on disposal and remeasurement of assets		300	-	300	449
Total income		436,603	511,054	(74,451)	239,635
Expenses					
Employee expenses	8	77,833	81,254	(3,421)	34,715
Supplies and services	9	67,865	75,276	(7,411)	32,035
Grants and subsidies	10	283,566	356,032	(72,466)	163,804
Impairment losses		3,320	-	3,320	-
Finance/borrowing costs		2,404	3,853	(1,449)	308
Depreciation and amortisation		4,071	2,952	1,119	1,161
Revaluation decrement		440	-	440	45
Cost of land sales		6,918	-	6,918	1,030
Land inventory written off		2,609	-	2,609	2,906
Other expenses	11	4,192	4,475	(283)	6,510
Total expenses		453,218	523,842	(70,624)	242,516
Operating result before income tax equivalent		(16,616)	(12,788)	(3,828)	(2,881)
Income tax equivalents	18	4,577	-	4,577	876
Operating result after income tax equivalent		(12,039)	(12,788)	749	(2,006)
OTHER COMPREHENSIVE INCOME					
Increase in asset revaluation surplus		308	-	308	68
TOTAL OTHER COMPREHENSIVE INCOME		308	-	308	68
TOTAL COMPREHENSIVE INCOME		(11,731)	(12,788)	1,057	(1,938)

* An explanation of major variances is included at Note 30.

The accompanying notes form part of these financial statements.

Department of Tourism, Innovation and Sport
Statement of Financial Position as at 30 June 2021

		2021	2021	2021	2020
		Actual	Original	Budget	Actual
	Note	\$'000	budget*	variance*	\$'000
			\$'000	\$'000	
Current assets					
Cash and cash equivalents	12	6,127			161,513
Receivables	13	12,184			74,749
Land inventories	14	-			44,494
Other assets	15	9,256			19,865
Total current assets		27,567			300,620
Non-current assets					
Receivables	13	-			192,898
Land inventories	14	-			313,674
Property, plant and equipment	16	203,935			283,479
Right-of-use assets	24	5,249			1,685
Investment property	17	-			226,975
Intangible assets		15			11,975
Deferred tax equivalent asset	18	-			27,172
Total non-current assets		209,199			1,057,858
Total assets		236,767			1,358,479
Current liabilities					
Payables	19	13,082			45,284
Borrowings	20	-			45,000
Accrued employee benefits	21	1,430			3,972
Leases	24	1,067			71
Provisions	22	-			28,812
Deferred tax equivalent liability	18	-			3,003
Other liabilities	23	1,610			21,319
Total current liabilities		17,189			147,461
Non-current liabilities					
Payables	19	-			19,524
Borrowings	20	-			118,146
Leases	24	4,172			334
Provisions	22	-			53,392
Deferred tax equivalent liability	18	-			86,810
Other liabilities	23	-			4,000
Total non-current liabilities		4,172			282,205
Total liabilities		21,361			429,667
Net assets		215,405			928,812
Equity					
Contributed equity		226,270			927,945
Accumulated surplus/(deficit)		(11,240)			799
Asset revaluation surplus		375			68
Total Equity		215,405			928,812

* The department was not required to include a budgeted statement of financial position in the original published Service Delivery Statement tabled in Parliament for the 2020-21 financial year.

The accompanying notes form part of these financial statements.

Department of Tourism, Innovation and Sport
Statement of Changes in Equity for the year ended 30 June 2021

	Note	Contributed Equity \$'000	Accumulated Surplus/(Deficit) \$'000	Revaluation Surplus \$'000	Total \$'000
Balance as at 1 July 2019		<u>2,087</u>	<u>2,805</u>	<u>-</u>	<u>4,892</u>
Operating result		-	(2,006)	-	(2,006)
Other comprehensive income					
Increase in asset revaluation surplus		-	-	68	68
Total Comprehensive Income for the Year		<u>-</u>	<u>(2,006)</u>	<u>68</u>	<u>(1,938)</u>
Transactions with Owners as Owners:					
Appropriated equity injections		186	-	-	186
Appropriated equity withdrawals		(427)	-	-	(427)
Net transfers in from other Queensland Government entities		1,080	-	-	1,080
Balance transferred in through machinery-of-Government (MoG) change		929,141	-	-	929,141
Non-appropriated equity withdrawals		(4,122)	-	-	(4,122)
Net Transactions with Owners as Owners		<u>925,858</u>	<u>-</u>	<u>-</u>	<u>925,858</u>
Balance as at 30 June 2020		<u>927,945</u>	<u>799</u>	<u>68</u>	<u>928,812</u>
Net effect of prior year adjustments ¹		4,862	-	-	4,862
Balance as at 1 July 2020		<u>932,807</u>	<u>799</u>	<u>68</u>	<u>933,674</u>
Operating Result					
Operating result from continuing operations		-	(12,039)	-	(12,039)
Other comprehensive income					
Increase in asset revaluation surplus		-	-	308	308
Total Comprehensive Income for the Year		<u>-</u>	<u>(12,039)</u>	<u>308</u>	<u>(11,731)</u>
Transactions with Owners as Owners:					
Appropriated equity injections	4	16,860	-	-	16,860
Appropriated equity withdrawals	4	(1,460)	-	-	(1,460)
Appropriated equity injections transferred in through MoG changes	3, 4	10,811	-	-	10,811
Appropriated equity withdrawals transferred in through MoG changes	3, 4	(1,030)	-	-	(1,030)
Balance transferred out through MoG changes	3	(745,379)	-	-	(745,379)
Non-appropriated equity injections		13,890	-	-	13,890
Non-appropriated equity withdrawals		(229)	-	-	(229)
Net Transactions with Owners as Owners		<u>(706,537)</u>	<u>-</u>	<u>-</u>	<u>(706,537)</u>
Balance as at 30 June 2021		<u>226,270</u>	<u>(11,240)</u>	<u>375</u>	<u>215,405</u>

¹ This relates to uncorrected misstatements in the 2019-20 financial statements which have been taken up in the 2020-21 financial statements.

The accompanying notes form part of these financial statements.

Department of Tourism, Innovation and Sport
Statement of Cash Flows for the year ended 30 June 2021

		2021	2021	2021	2020
		Actual	Original	Budget	Actual
	Note	\$'000	budget*	variance*	\$'000
			\$'000	\$'000	
CASH FLOWS FROM OPERATING ACTIVITIES					
<i>Inflows:</i>					
Appropriation receipts	4	373,352			171,369
User charges and fees		1,855			6,764
Land sales		9,804			1,135
Grants and other contributions		27,354			8,761
GST input tax credits from ATO		31,280			3,405
GST collected from customers		3,329			1,381
Interest receipts		4,005			866
Other inflows		3,968			11,728
<i>Outflows:</i>					
Employee expenses		(78,921)			(33,228)
Supplies and services		(58,379)			(32,603)
Cost of land sales		(6,918)			-
Grants and subsidies		(300,361)			(153,121)
GST paid to suppliers		(30,805)			(4,854)
GST remitted to ATO		(3,162)			(811)
Finance/borrowing costs		(2,357)			(169)
Income tax equivalents		4,577			(875)
Other outflows		(16,123)			(23,007)
Net cash provided used in operating activities		(37,501)			(43,259)
CASH FLOWS FROM INVESTING ACTIVITIES					
<i>Inflows:</i>					
Sales of property, plant and equipment		-			1,150
Loans and advances redeemed		-			2,243
<i>Outflows:</i>					
Payments for property, plant and equipment		(19,764)			(2,809)
Payments for investments		-			(221)
Payments for intangibles		(39)			(73)
Loans and advances made		(2,236)			(178)
Net cash provided by/(used in) investing activities		(22,038)			112
CASH FLOWS FROM FINANCING ACTIVITIES					
<i>Inflows:</i>					
Equity injections		27,671			902
Equity injections - non-appropriated		12,684			-
Proceeds from borrowings		8,031			932
<i>Outflows:</i>					
Equity withdrawals - appropriated		(2,490)			(427)
Equity withdrawals - non-appropriated		(229)			(4,122)
Equity adjustment		-			-
Borrowing redemptions		(24,189)			(830)
Net cash provided used in financing activities		21,478			(3,545)
Net decrease in cash and cash equivalents		(38,062)			(46,693)
Increase/(decrease) in cash and cash equivalents from restructuring ¹		(117,324)			195,868
Cash and cash equivalents – opening balance		161,513			12,338
Cash and cash equivalents – closing balance	12	6,127			161,513

¹ For details of MoG changes, please refer to Note 3

* The department was not required to include a budgeted statement of cash flows in the original published Service Delivery Statement tabled in Parliament for the 2020-21 financial year.

The accompanying notes form part of these financial statements.

Department of Tourism, Innovation and Sport
Statement of Cash Flows for the year ended 30 June 2021

Notes to the Statement of Cash Flows for the year ended 30 June 2021

Reconciliation of operating result to net cash provided by operating activities

	2021 \$'000	2020 \$'000
Operating deficit	(12,039)	(2,006)
<i>Non-cash items included in operating result:</i>		
Depreciation and amortisation expense	4,071	1,161
Asset Revaluation Surplus	(308)	-
Net gain on disposal of property, plant and equipment and intangible assets	(238)	5
Net goods and service received below fair value	(242)	(12)
Impairment loss reversals - receivables	(58)	-
Impairment losses	50	-
Revaluation increment	(703)	(404)
Revaluation decrement	440	-
Notional Interest	(1,292)	(300)
Loss on discounted loans advanced at concessional rates	571	-
Other non-cash items	(7,271)	(380)
<i>Change in assets and liabilities</i>		
(Increase)/decrease in appropriation revenue receivable	19,221	(35,082)
(Increase)/decrease in appropriation payable to Consolidated Fund	(25,711)	(10,856)
(Increase)/decrease in receivables	(6,344)	4,110
(Increase)/decrease in equity injection receivable	10,811	-
(Increase)/decrease in other current receivables	(58)	3
(Increase)/decrease in trade debtors excluding appropriation revenue receivables	-	(453)
(Increase)/decrease in other current assets	(73)	(4,420)
(Increase)/decrease in other non-current assets	-	45
(Increase)/decrease in LSL levy reimbursement receivables	82	91
(Increase)/decrease in annual leave levy reimbursement receivables	(764)	316
(Increase)/decrease in inventories	(4,476)	(1,967)
(Increase)/decrease in deferred tax	(2,195)	(876)
(Increase)/decrease in prepayments	19,265	(498)
Increase/(decrease) in payables	(9,921)	7,856
Increase/(decrease) in accrued employee benefits	(221)	(410)
(Increase)/decrease in other current liabilities	-	(1,006)
(Increase)/decrease in GST receivables	642	(976)
(Increase)/decrease in grants payable	(17,481)	10,471
Increase/(decrease) in other liabilities	(3,224)	(9,126)
Increase/(decrease) in provisions	(36)	1,455
Net cash provided by operating activities	<u>(37,501)</u>	<u>(43,259)</u>

Changes in liabilities arising from financing activities

2021	Non-Cash Changes				Cash Flows		Closing Balance \$'000
	Opening Balance \$'000	Transfers due to MoG changes ¹ \$'000	New leases acquired \$'000	Other \$'000	Cash Received \$'000	Cash Repayments \$'000	
QTC borrowings (Note 20)	163,146	(146,987)	-	-	8,031	(24,189)	-
Total	<u>163,146</u>	<u>(146,987)</u>	<u>-</u>	<u>-</u>	<u>8,031</u>	<u>(24,189)</u>	<u>-</u>

2020	Non-Cash Changes				Cash Flows		Closing Balance \$'000
	Opening Balance \$'000	Transfers due to MoG changes ¹ \$'000	New leases acquired \$'000	Other \$'000	Cash Received \$'000	Cash Repayments \$'000	
QTC borrowings (Note 20)	-	163,104	-	(61)	932	(830)	163,146
Total	<u>-</u>	<u>163,104</u>	<u>-</u>	<u>(61)</u>	<u>932</u>	<u>(830)</u>	<u>163,146</u>

Non-cash investing and financing activities

Assets and liabilities received or transferred by the department as a result of MoG changes are set out in Note 3.

¹ For details for MoG changes, please refer to Note 3.

Department of Tourism, Innovation and Sport

Statement of Comprehensive Income by Major Departmental Services and Commercialised Business Unit for the year ended 30 June 2021

	Develop the Economy ¹		Business and Economic Growth ²		Advancing Queensland through Innovation		Tourism Industry Development	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Income								
Appropriation revenue	104,046	32,022	-	-	54,387	64,404	132,696	120,881
User charges and fees	7,011	2,188	4,353	276	1,039	1,715	655	-
Grants and other contributions	4,518	26	1,700	-	114	1,339	12,734	6,464
Land sales	-	-	9,804	1,135	-	-	-	-
Interest	908	-	3,968	851	-	-	-	-
Other revenue	87	8,129	13	2,326	734	18	4,028	19
Total revenue	116,570	42,365	19,838	4,588	56,274	67,477	150,113	127,364
Gains on disposal and remeasurement of assets	-	-	10	449	56	-	1	-
Total income	116,570	42,365	19,848	5,037	56,330	67,477	150,114	127,364
Expenses								
Employee expenses	29,993	6,139	6,630	1,503	10,123	11,414	12,380	15,659
Supplies and services	16,537	6,112	9,633	1,666	10,344	13,927	12,486	10,580
Grants and subsidies	68,885	21,645	632	616	34,612	40,865	124,609	100,713
Impairment losses	-	-	3,270	-	50	38	-	(38)
Finance/borrowing costs	281	139	2,076	169	-	-	-	-
Depreciation and amortisation	332	64	100	19	1,055	1,044	24	34
Revaluation decrement	421	-	-	45	-	-	-	-
Cost of land sales	-	-	6,918	1,030	-	-	-	-
Land inventory written off	-	-	2,609	2,906	-	-	-	-
Other expenses	121	8,229	3,236	-	149	189	630	416
Total expenses	116,570	42,328	35,104	7,955	56,333	67,477	150,129	127,364
Operating result before income tax equivalent	-	37	(15,257)	(2,918)	(3)	-	(15)	-
Income tax equivalents	-	-	4,577	876	-	-	-	-
Operating result after income tax equivalent	-	37	(10,680)	(2,043)	(3)	-	(15)	-
OTHER COMPREHENSIVE INCOME								
Increase/(decrease) in asset revaluation surplus	122	18	-	50	-	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME	122	18	-	50	-	-	-	-
TOTAL COMPREHENSIVE INCOME	122	55	(10,680)	(1,993)	(3)	-	(15)	-

¹ Function was transferred to QT and DSDILGP as part of MoG changes effective 1 December 2020.

² This relates to Economic Development Queensland (EDQ), a Commercialised Business Unit (CBU) of the department that was transferred to DSDILGP as part of the MoG changes effective 1 December 2020.

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

Department of Tourism, Innovation and Sport
Statement of Comprehensive Income by Major Departmental Services and Commercialised Business Unit for the year ended 30 June 2021

	Sport and Recreation ³		Inter-Service/Unit Eliminations		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Income						
Appropriation revenue	87,591	-	-	-	378,720	217,307
User charges and fees	5,427	-	(2,539)	(251)	15,946	3,929
Grants and other contributions	4,239	-	(1,602)	(34)	21,703	7,796
Land sales	-	-	-	-	9,804	1,135
Interest	-	-	-	-	4,876	851
Other revenue	393	-	-	(2,323)	5,255	8,168
Total revenue	97,650	-	(4,141)	(2,608)	436,303	239,186
Gains on disposal and remeasurement of assets	233	-	-	-	300	449
Total income	97,883	-	(4,141)	(2,608)	436,603	239,635
Expenses						
Employee expenses	18,350	-	357	-	77,833	34,715
Supplies and services	21,404	-	(2,539)	(251)	67,865	32,035
Grants and subsidies	56,528	-	(1,700)	(34)	283,566	163,804
Impairment losses	-	-	-	-	3,320	-
Finance/borrowing costs	47	-	-	-	2,404	308
Depreciation and amortisation	2,561	-	-	-	4,071	1,161
Revaluation decrement	19	-	-	-	440	45
Cost of land sales	-	-	-	-	6,918	1,030
Land inventory written off	-	-	-	-	2,609	2,906
Other expenses	315	-	(259)	(2,323)	4,192	6,510
Total expenses	99,224	-	(4,141)	(2,608)	453,218	242,516
Operating result before income tax equivalent	(1,341)	-	-	-	(16,616)	(2,881)
Income tax equivalents	-	-	-	-	4,577	876
Operating result after income tax equivalent	(1,341)	-	-	-	(12,039)	(2,006)
OTHER COMPREHENSIVE INCOME						
Increase/(decrease) in asset revaluation surplus	186	-	-	-	308	68
TOTAL OTHER COMPREHENSIVE INCOME	186	-	-	-	308	68
TOTAL COMPREHENSIVE INCOME	(1,155)	-	-	-	(11,731)	(1,938)

³ Function was transferred from DCHDE as part of MoG changes effective 1 December 2020 and includes Queensland Academy of Sport (QAS).

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

Department of Tourism, Innovation and Sport

Statement of Assets and Liabilities by Major Departmental Services and Commercialised Business Unit as at 30 June 2021

	Develop the Economy ¹		Business and Economic Growth ²		Advancing Queensland through Innovation		Tourism Industry Development	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current assets								
Cash and cash equivalents	-	3,524	-	157,211	-	-	785	2,507
Receivables	-	51,919	-	25,656	12,206	3,000	6,061	4,055
Land inventories	-	-	-	47,354	-	-	-	-
Other assets	-	14,360	-	567	106	94	2,300	4,844
Total current assets	-	69,803	-	230,788	12,312	3,095	9,146	11,406
Non-current assets								
Receivables	-	55,045	-	144,196	-	-	-	-
Land inventories	-	-	-	313,674	-	-	-	-
Property, plant and equipment	-	119,888	-	158,630	2,702	3,786	320	1,175
Right-of-use assets	-	-	-	1,685	-	-	-	-
Investment property	-	-	-	226,975	-	-	-	-
Intangible assets	-	11,975	-	-	-	-	-	-
Deferred tax equivalent asset	-	-	-	27,172	-	-	-	-
Other assets	-	-	-	-	2	5	(7)	(5)
Total non-current assets	-	186,908	-	872,332	2,704	3,791	313	1,170
Total assets	-	256,711	-	1,103,120	15,016	6,885	9,459	12,577
Current liabilities								
Payables	-	24,538	-	18,282	-	4,351	7,722	9,455
Borrowings	-	-	-	45,000	-	-	-	-
Leases	-	-	-	71	-	-	-	-
Accrued employee benefits	-	2,522	-	668	278	330	310	452
Provisions	-	15,938	-	16,002	-	-	-	-
Deferred tax equivalent liability	-	-	-	3,003	-	-	-	-
Other liabilities	-	15,568	-	5,486	127	-	92	265
Total current liabilities	-	58,566	-	88,512	405	4,681	8,124	10,172
Non-current liabilities								
Payables	-	6,343	-	19,524	-	-	-	-
Borrowings	-	-	-	118,146	-	-	-	-
Leases	-	-	-	334	-	-	-	-
Provisions	-	-	-	53,392	-	-	-	-
Deferred tax equivalent liability	-	-	-	86,810	-	-	-	-
Other liabilities	-	-	-	4,000	-	-	-	-
Total non-current liabilities	-	6,343	-	282,206	-	-	-	-
Total liabilities	-	64,910	-	370,718	405	4,681	8,124	10,172

¹ Function was transferred to QT and DSDILGP as part of MoG changes effective 1 December 2020.

² This relates to Economic Development Queensland (EDQ), a CBU of the department that was transferred to DSDILGP as part of the MoG changes effective 1 December 2020.

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

Department of Tourism, Innovation and Sport

Statement of Assets and Liabilities by Major Departmental Services and Commercialised Business Unit as at 30 June 2021

	Sport and Recreation ³		Inter-Service/Unit Eliminations		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current assets						
Cash and cash equivalents	11,786	-	(6,444)	(1,729)	6,127	161,513
Receivables	5,176	-	(11,259)	(9,880)	12,184	74,749
Land inventories	-	-	-	(2,860)	-	44,494
Other assets	6,850	-	-	-	9,256	19,865
Total current assets	23,812	-	(17,703)	(14,470)	27,567	300,620
Non-current assets						
Receivables	-	-	-	(6,343)	-	192,898
Land inventories	-	-	-	-	-	313,674
Property, plant and equipment	200,913	-	-	-	203,935	283,479
Right-of-use assets	5,249	-	-	-	5,249	1,685
Investment property	-	-	-	-	-	226,975
Intangible assets	15	-	-	-	15	11,975
Deferred tax equivalent asset	-	-	-	-	-	27,172
Other assets	5	-	-	-	-	-
Total non-current assets	206,182	-	-	(6,343)	209,199	1,057,858
Total assets	229,994	-	(17,703)	(20,813)	236,767	1,358,479
Current liabilities						
Payables	10,175	-	(4,815)	(11,341)	13,082	45,285
Borrowings	-	-	-	-	-	45,000
Accrued employee benefits	842	-	-	-	1,430	3,972
Leases	1,067	-	-	-	1,067	71
Provisions	-	-	-	(3,128)	-	28,812
Deferred tax equivalent liability	-	-	-	-	-	3,003
Other liabilities	1,391	-	-	-	1,610	21,319
Total current liabilities	13,475	-	(4,815)	(14,470)	17,189	147,461
Non-current liabilities						
Payables	-	-	-	(6,343)	-	19,524
Borrowings	-	-	-	-	-	118,146
Leases	4,172	-	-	-	4,172	334
Provisions	-	-	-	-	-	53,392
Deferred tax equivalent liability	-	-	-	-	-	86,810
Other liabilities	-	-	-	-	-	4,000
Total non-current liabilities	4,172	-	-	(6,343)	4,172	282,205
Total liabilities	17,647	-	(4,815)	(20,813)	21,361	429,667

³ Function was transferred from DCHDE as part of MoG changes effective 1 December 2020 and includes Queensland Academy of Sport (QAS).

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

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1. Basis of financial statement preparation

1.1 General information

The Department of Tourism, Innovation and Sport (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.

1.2 Compliance with prescribed requirements

The department has prepared these financial statements in compliance with section 38 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's (QT) 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 applied for the first time in these financial statements are outlined in Note 35.

1.3 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 except where restated as necessary to be consistent with disclosures in the current reporting period. The current year is not comparable to the previous year due to the MoG changes. Refer to Note 3.

Current/non-current classification

Assets and liabilities are classified as either 'current' or 'non-current' in the statement of financial position and associated notes.

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the department does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

1.4 Authorisation of financial statements for issue

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

1.5 Basis of measurement

Historical cost is used as a measurement basis in this financial report except for land, buildings, infrastructure and investment property which are measured at fair value.

Historical costs

Under historical costs, 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 obligations or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair value

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

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

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

Present value

Present value represents the:

- (a) discounted value of the future net cash inflows that the item is expected to generate (in respect of assets); or
- (b) 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.

1. Basis of financial statement preparation (continued)

1.6 The reporting entity

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

As a result of the *Administrative Arrangements Order (No.2) 2020* dated 12 November 2020, the Department of State Development, Tourism and Innovation (DSDTI) was renamed the Department of Tourism, Innovation and Sport (DTIS), effective 1 December 2020. For further information on details of functions transferred in and out of the department and the extent of the changes, refer to Note 3.

As at 1 December 2020, the department's shares in the below jointly controlled operations were transferred out to the Department of State Development, Infrastructure, Local Government and Planning (DSDILGP) as part of the MoG changes.

The department shared an interest in a jointly controlled operation, Woodlands Andergrove, in partnership with the Mackay Regional Council to develop and sell land lots located at Bedford Road, Andergrove in Mackay. In accordance with the partnership agreement, the department's interest in the joint venture was 50% which was not material. The department's share of transactions from this agreement are consolidated but not considered to be material for disclosure in the 2020-21 financial year.

The department also shared an interest in a jointly controlled operation, Toondah Harbour, in partnership with the Redland City Council to facilitate the efficient and effective development of project land located at the Toondah Harbour Priority Development Area, Cleveland. In accordance with the joint venture agreement, the department's interest in the joint venture was 50% which was not material. The department's share of transactions from this agreement are consolidated but not considered to be material for disclosure in the 2020-21 financial year.

The financial statements also include many categories of expenditure for the 2032 Taskforce that have been incurred by DTIS. The 2032 Taskforce is a whole of government initiative that has been jointly funded by DTIS, Department of Premier and Cabinet (DPC) and the Australian Government. Queensland's successful candidature for the 2032 Olympic and Paralympic Games was developed by the 2032 Taskforce in conjunction with a range of Games' partner organisations such as the Australian Olympic Committee, Australian Government and Local Governments. Details of the candidature can be found at <https://olympics.com/ioc/brisbane-2032>.

The 2032 Taskforce has been attached to DPC and reported to both the Premier and Minister for Trade and the Minister for Tourism Industry Development and Innovation and Minister for Sport who both represented Queensland on an Olympic Games Candidature Leadership Group.

2. Department objectives

The department's vision is to enrich the lives of Queenslanders by maximising our visitor and innovation economies and supporting healthy and active lifestyles.

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

Major Departmental Services	Purpose
Tourism Industry Development	To promote long-term growth of the tourism industry by facilitating a strategic whole-of-government approach to planning and investment in the State's tourism infrastructure, assets and products and the coordination and leveraging of key major events to generate jobs.
Advancing Queensland through Innovation	To drive economic growth and job creation through innovation in our traditional and emerging strengths, harnessing Queensland's research strengths and entrepreneurship to encourage new industries and using new technology, new skills capital and ideas to support business and industry creation, global connections and growth.
Sport and Recreation	To benefit Queenslanders and their communities by promoting healthier, more active lifestyles, through supporting and encouraging participation in sport and recreation, while also preparing Queensland's elite athletes for world class success and leverage their success to inspire Queenslanders.
Develop the Economy	To attract and facilitate investment opportunities and industry development in Queensland that provide enduring economic benefit.
Business and Economic Growth	To initiate a range of development projects to drive economic growth, facilitate renewal and generate ongoing employment opportunities, consistent with the Queensland Government's economic development agenda.

3. Machinery-of-Government changes

As a result of *Administrative Arrangements Order (No.2) 2020*, dated 12 November 2020 and effective 1 December 2020, the Department of State Development, Tourism and Innovation (DSDTI) was renamed the Department of Tourism, Innovation and Sport (DTIS). Under this notice, the following functions were transferred.

Controlled Activities

The assets and liabilities transferred as a result of these changes were as follows:

		Transferred out to QT	Transferred out to DSDILGP			Transferred in from DCHDE	Net Transfer
		Investment Facilitation and Partnerships	State Development	Economic Development Queensland	Integrated Resort Developments and Global Tourism Hubs	Sport and Recreation	
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets							
Cash and cash equivalents		23,104	7,245	117,926	-	30,951	117,324
Receivables	13	17,102	19,527	33,815	-	13,236	57,208
Land inventories	14	-	-	367,115	-	-	367,115
Other assets	15	-	980	404	-	10,317	(8,933)
Non-current assets classified as held for sale		22,000	-	-	-	-	22,000
Total current assets		62,206	27,752	519,261	-	54,504	554,714
Non-current assets							
Receivables	13	53,143	277	140,167	-	-	193,587
Property, plant and equipment	16	10,684	92,035	161,128	1,017	189,497	75,367
Right-of-use assets	24	-	-	1,685	-	5,851	(4,166)
Investment properties	17	-	-	228,590	-	-	228,590
Intangible assets		-	11,880	-	-	19	11,861
Deferred tax equivalent asset	18	-	-	30,907	-	-	30,907
Total non-current assets		63,827	104,192	562,477	1,017	195,367	536,146
Total assets		126,033	131,944	1,081,739	1,017	249,871	1,090,861
Current liabilities							
Payables		718	14,381	13,944	-	35,915	(6,872)
Borrowings	20	-	13,395	20,810	-	-	34,205
Lease liabilities	24	-	-	67	-	1,019	(952)
Accrued employee benefits	21	400	2,489	599	-	1,166	2,322
Provisions	22	-	16,923	65,891	-	-	82,814
Deferred tax equivalent liability	18	-	-	5,385	-	-	5,385
Other liabilities	23	267	1,112	6,362	-	6,101	1,640
Total current liabilities		1,385	48,300	113,058	-	44,201	118,543
Non-current liabilities							
Payables		-	2,481	19,524	-	-	22,005
Borrowings	20	-	-	126,177	-	-	126,177
Lease liabilities	24	-	-	262	-	4,172	(3,910)
Provisions	22	-	-	2,481	-	-	2,481
Deferred tax equivalent liability	18	-	-	85,967	-	-	85,967
Other liabilities	23	-	-	4,000	-	-	4,000
Total non-current liabilities		-	2,481	238,411	-	4,172	236,720
Total liabilities		1,385	50,781	351,469	-	48,373	355,263
Net assets		124,648	81,163	730,270	1,017	201,498	735,598

The net decrease in assets of \$735.598 million has been accounted for as a decrease in contributed equity as disclosed in the statement of changes in equity.

As part of the MoG changes, budgeted appropriation revenue of \$130.363 million was reallocated from Department of Communities, Housing and Digital Economy (DCHDE) to the department. Budgeted appropriation revenue of \$79.777 million and \$127.653 million were reallocated from the department to QT and DSDILGP respectively.

Details of transfers out:

- Investment Facilitation and Partnerships (IFP) function transferred to QT.
- State Development (DSD), Economic Development Queensland (EDQ), Integrated Resort Developments and Global Tourism Hubs functions transferred to the Department of State Development, Infrastructure, Local Government and Planning (DSDILGP). EDQ is a CBU and incorporates joint ventures outlined in Note 1.

Details of transfers in:

- Sport and Recreation (SR), including Queensland Academy of Sport (QAS) transferred from DCHDE.

3. Machinery-of-Government changes (continued)

Administered Activities

	Transferred out to DTMR	Transferred in from DCHDE
	Cross River Rail Delivery Authority	Stadiums Queensland
	\$'000	\$'000
Assets		
Cash	-	1,535
Other current assets	34,867	-
	<u>34,867</u>	<u>1,535</u>
Liabilities		
Appropriation Payables	-	1,535
Payables	34,867	-
	<u>34,867</u>	<u>1,535</u>
Net assets	<u>-</u>	<u>-</u>

The administered budgeted appropriation revenue reallocated from DCHDE to the department was \$1.829 million and \$61.149 million administered appropriation was reallocated from the department to Department of Transport and Main Roads (DTMR) as part of the MoG changes.

Details of transfers out:

- The responsibility of forwarding administered appropriation to Cross River Rail Delivery Authority (CRRDA) was transferred to DTMR.

Details of transfers in:

- The responsibility of forwarding administered appropriation to Stadiums Queensland (SQ) transferred into the department from DCHDE as part of SR administered arrangements.

	Note	2021 \$'000	2020 \$'000
4. Appropriation revenue			
Reconciliation of payments from Consolidated Fund to appropriated revenue recognised in operating result			
Budgeted appropriation receipts		438,853	220,036
Lapsed appropriation revenue		(45,501)	(69,565)
Treasurer's transfers		(20,000)	(902)
Treasurer's advance revenue		-	21,800
Total appropriation receipts (cash)		<u>373,352</u>	<u>171,369</u>
Plus: Opening balance of appropriation payable		-	10,856
Plus: Transfer of deferred appropriation payable from other departments		30,622	-
Less: Opening balance of deferred appropriation revenue receivable		(35,082)	-
Less: Closing balance of deferred appropriation refundable to Consolidated Fund payable	19	(6,033)	-
Less: Transfer of deferred appropriation receivable to other departments		15,861	-
Plus: Closing balance of appropriation revenue receivable	13	-	35,082
Appropriation revenue recognised in statement of comprehensive income		<u>378,720</u>	<u>217,307</u>
Reconciliation of payments from Consolidated Fund to equity adjustment recognised in contributed equity			
Budgeted equity adjustment appropriation		32,187	(427)
Treasurer's transfers		-	902
Lapsed equity adjustment appropriation		(7,006)	-
Total equity adjustment receipts (payments)		<u>25,181</u>	<u>475</u>
Plus: Opening balance of equity adjustment receivable		-	(716)
Equity adjustment recognised in contributed equity		<u>25,181</u>	<u>(241)</u>
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.

Amounts appropriated to the department for transfer to other entities in accordance with legislative or other requirements are reported as 'administered' items in Note 31.

	2021 \$'000	2020 \$'000
5. User charges and fees		
Revenue from contracts with customers		
Sale of services	4,021	1,417
Sale of goods	4,174	-
Statutory fees and charges	1,684	87
Other user charges and fees		
Property rental	4,334	2,005
Statutory fees and charges	169	35
Other fees	1,563	385
Total user charges and fees	15,946	3,929

Accounting policy - User charges and fees

Revenue from contracts with customers

Revenue from contracts with customers is recognised when the department transfers control over a good or service to the customer. The following table provides information about the nature and timing of the satisfaction of performance obligations, significant payment terms, and revenue recognition for the department's user charges under AASB 15 *Contracts with Customers*.

Type of goods or service	Nature and timing of satisfaction of performance obligations	Revenue recognition policies
Provision of services to other government entities through service level agreements	The department provides material corporate services and other support to other government entities under service level agreements. The performance obligation is the delivery of the agreed services over the agreed period.	Revenue is recognised over time to match the services performed over a period of time. The customer under the service level agreement simultaneously receives and consumes the benefits when the agreed services are performed by the department. The department has enforceable right to payment for the completed services.
Provision of programs, activities and catering services	The department collects fees from provision of programs and activities primarily from school groups who attend the various recreation centres for structured outdoor education. The department also recovers costs such as ad-hoc charges from guests at its various centres and catering services provided at these locations.	Revenue is recognised in the accounting period in which the services are provided. The deposit or 15% of the total is lodged up to two years before the adventure camp and recognised as contract liabilities.
Statutory fees and charges	Statutory fees and charges primarily arises from fee for service from various legislation. The revenue is recognised when the legislated fees is charged for the service provided.	Revenue is recognised upfront at the time of receiving the application under the applicable legislation.

Other user charges and fees

Property rentals Property income is mainly from EDQ's straight line lease rent revenue from industrial land and investment properties. Property income is recognised as per contractual arrangement upfront and revenue is not deferred.

Statutory fees and charges Revenue arising from Section 25 of the *State Development and Public Works Organisation Act 1971* (SDPWO Act) and Schedule 1B of SDPWO Regulation is recognised at the occurrence of the taxable event under AASB 1058. The taxable event is the performance of the activity outlined by Section 25 of the SDPWO Act. Where payment is received before the occurrence of the taxable event, the amount is recognised as contract liabilities (unearned revenue).

Other fees Other fees include fees for permitting third parties to access and use State Development Area land, fees for training/seminar/workshop provided and freedom of information application fees. The revenue is recognised upfront because there are no sufficiently specific performance obligations.

6. Grants and other contributions

Other grants and contributions:

- Contributions ¹	16,421	5,524
- Goods and services received below fair value ²	757	2,272
Non-current assets received below fair value	4,525	-
Total grants and other contributions	21,703	7,796

¹ In 2020-21, the balance relates largely to contribution from Queensland Reconstruction Authority (QRA) for disaster recovery and rebuilding Townsville sport facilities after the 2019 monsoon season.

² In 2019-20 and 2020-21, the balance largely related to the Whole of Government Resource Sharing Model (WOGSRM) that has been implemented across Government by the Public Service Commission whereby staff are provided by their home agencies to the department in order to deliver critical activities for government as outlined in Note 8. This program originally commenced in order to deliver a successful Gold Coast 2018 Commonwealth Games.

6. Grants and other contributions (continued)

Accounting Policy - Grants and other contributions

Grants, contributions and donations revenue arise from non-exchange transactions where the department does not directly give approximately equal value to the grantor.

Where the grant agreement is enforceable and contains sufficiently specific performance obligations for the department to transfer goods or services to a third-party on the grantor's behalf, the transaction is accounted for under AASB 15 *Revenue from Contracts with Customers*. In this case, revenue is initially deferred (as a contract liability) and recognised as or when the performance obligations are satisfied.

Otherwise, the grant is accounted for under AASB 1058 *Income of Not-for-Profit Entities*, whereby revenue is recognised upon receipt of the grant funding, except for special purpose capital grants received to construct non-financial assets to be controlled by the department. Special purpose capital grants are recognised as unearned revenue when received, and subsequently recognised progressively as revenue as the department satisfies its obligations under the grant through construction of the asset.

Accounting Policy - Services received below fair value

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

Contributed physical assets are recognised at their fair value.

	2021 \$'000	2020 \$'000
7. Other revenue		
Prior year grant refunds ¹	4,708	8
Revenue from transfers of government property	8	2
Sundry revenue ²	538	8,158
Total other revenue	5,255	8,168

¹ In 2020-21, this related to prior year grant refunds for the Attracting Tourism Fund Aviation Boost, Advance Queensland Connecting with Asia and COVID-19 Support for international students where funds were not expended on the intended purpose of the original grant.

² In 2019-20, this related to supplies exchanged in relation to the Galilee Basin Rail Project. The offsetting expense is recognised in Note 11.

8. Employee expenses

Employee benefits

Salaries and wages	57,818	25,345
Employer superannuation contributions	8,133	3,255
Annual leave levy	6,298	2,485
Long service leave levy	1,459	581
Sick leave	1,204	165
Other employee benefits	399	185
Goods and services received below fair value ¹	358	2,198

Employee related expenses

Employee related expenses	75,671	34,214
Payroll tax	295	73
Workers' compensation premium	80	105
Other employee related expenses	1,788	321
Total employee expenses	77,833	34,715

Number of Employees:

Paid employees ²	401	861
Employee's services received below fair value ¹	-	15
	401	876

¹ This relates to officers working for the department from other Queensland Government agencies who continue to be paid by their home agency payroll systems under the WOGSM arrangements.

² Full Time Equivalent (FTE) data as at 30 June 2021 (based upon payroll fortnight ending 2 July 2021).

Accounting policy - Employee expenses

Employer superannuation contributions, annual leave levies and long service leave levies are regarded as employee benefits.

Worker's compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

Salaries, wages and sick leave

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

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

8. Employee expenses (continued)

Accounting policy - Employee expenses (continued)

Annual leave and long service leave

Under the Queensland Government's Annual Leave Central Scheme (ALCS) and Long Service Leave Scheme (LSL), levies are payable by the department to cover the costs of employees' annual leave and long service leave (including leave loading and on-costs). Hence, no provision for annual leave and long service leave is recognised in the department's financial statements. Instead, the provision for these schemes are reported on a whole-of-government basis pursuant to AASB 1049 *Whole-of-Government and General Government Sector Financial Reporting*.

These levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave and long service leave are claimed from the schemes quarterly in arrears.

Superannuation

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

Defined contribution plans - Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant Enterprise Bargaining Agreement or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

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

	2021 \$'000	2020 \$'000
9. Supplies and services		
Contractors and consultants	28,469	16,498
Lease expense	10,707	3,323
Property and building expenses	7,628	5,817
Information technology and computer equipment	5,880	2,223
Athlete training and development	4,404	-
Shared service provider fee	4,676	2,037
Travel and hospitality	817	592
Transport	847	167
Marketing and public relations	908	525
Administration fees	262	97
Other	3,267	757
Total supplies and services	67,865	32,035

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 10.

Accounting policy - Property and building expenses

Payments for non-specialised commercial office accommodation under the Queensland Government Accommodation Office (QGAO) framework arise from non-lease arrangements from 1 July 2020 to 30 November 2020 with DCHDE, and from 1 December 2020 to 30 June 2021 with Department of Energy and Public Works (DEPW) who has substantive substitution rights over the assets used within this scheme. Payments are expensed as incurred and categorised within property and building expenses.

Accounting policy - Lease expenses

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

	2021 \$'000	2020 \$'000
10. Grants and subsidies		
Grants:		
Queensland and local government ¹	94,445	52,674
Industry attraction ²	131,355	84,681
Universities	16,381	17,853
Commonwealth agencies	2,708	33
COVID-19 rent relief initiatives	61	379
Others ³	32,631	1,909
Subsidies	5,983	6,276
Total grants and subsidies	283,566	163,804

¹ In 2020-21 the balance relates mainly to payments made for grant programs such as Building Our Regions, Southport Spit CBRC, Houghton Pipeline S2 and funding support for State of Origin fixtures in Townsville.

² In 2020-21 the balance relates mainly to payments for grant programs such as Queensland Tourism Icons, Jobs for Regional Growth, Advance Queensland - Platform Technology, COVID-19 International Tourism Adaptation, Gibson Island Manufacturing Facility Assistance Agreement and Sport and Recreation Services Fair Play (COVID) Vouchers.

³ In 2020-21 the balance relates mainly to payments made for grants programs such as the redevelopment of Harrup Park Country Club, Ballymore Precinct and Springfield AFL.

Accounting policy - Grants and subsidies

A non-reciprocal grant is a payment or contribution made to an organisation or person which is not to be repaid or reciprocated, but which must be spent by the recipient for a specific purpose. Accordingly, non-reciprocated grant payments are expensed when payment is made. Where grant payment is reciprocal in nature, an asset (prepayment) is recognised when payment is made. This prepayment is expensed as the grant recipient satisfies the performance obligations under the funding agreement.

A subsidy payment is a payment or contribution made to an organisation or person which is not repaid or reciprocated. Donations and gifts are disclosed in Note 11.

11. Other expenses

Taxes - land, rates and stamp duty ¹	3,064	878
Sponsorships	362	130
Insurance premiums - QGIF	263	39
Insurance premiums - other	94	23
External audit fee ²	164	229
Losses from disposal of property, plant and equipment	4	5
Donations and gifts	59	1
Loan - fair value adjustment	-	4
Other ³	183	5,201
Total other expenses	4,192	6,510

¹ Relates to land and other taxes incurred by EDQ which was transferred to DSDILGP as part of the MoG changes effective 1 December 2020.

² Queensland Audit Office quoted fee for the audit of the department's financial statements in 2020-21 was \$200,000 (2020: \$168,500). There are no non-audit services included in these amounts.

³ In 2019-20, this largely related to supplies exchanged in relation to the Galilee Basin Rail Project. The offsetting revenue is recognised in Note 7. The cost of land sales adjustment as disclosed in Note 14 in 2019-20 is \$3.235 million and recognised as other expenses.

12. Cash and cash equivalents

Cash at bank	6,123	27,744
Imprest accounts	4	-
Deposits at call - QTC	-	133,769
Total cash and cash equivalents	6,127	161,513

Accounting policy - Cash and cash equivalents

For the purpose of the statement of financial position and the statement of cash flows, cash assets include all cash and cheques received but not banked at 30 June as well as deposits at call with financial institutions.

The department has an overdraft facility with the Commonwealth Bank of Australia with an approved limit of \$26 million (2020: \$76 million). The operational cash at bank accounts, except for EDQ's operational bank account are grouped within the whole-of-government set-off arrangement with QT where interest earned on the aggregate set-off arrangement balance accrues to the Consolidated Fund.

Interest earned on EDQ's operating bank account was remitted to EDQ on a quarterly basis. The interest rate is cash rate published by Reserve Bank Australia. Interest is no longer payable on this account as per QT's advice received in October 2020. Interest earned on Queensland Treasury Corporation (QTC) accounts is remitted to the proponents to which the balance relates, as the interest is earned. As a result of the MoG changes (Note 3) this was transferred out to DSDILGP.

	Note	2021 \$'000	2020 \$'000
13. Receivables			
Current			
Trade debtors		6,618	9,955
Loans and advances receivable - amortised cost ¹		-	7,577
Finance lease debtors		-	8,260
Operating lease debtors		-	707
Less: Loss allowance		(14)	(176)
		<u>6,604</u>	<u>26,323</u>
Appropriation revenue for services receivable	4	-	35,082
Reimbursements		-	6,746
Annual leave reimbursements		979	912
GST receivable		4,440	5,189
Long service leave reimbursements		161	411
Interest receivable		-	78
Other		-	8
Total current receivables		<u>12,184</u>	<u>74,749</u>
Non-current			
Trade debtors		-	1,588
Loans and advances receivable - amortised cost ¹		-	131,432
Finance lease debtors		-	59,601
Loans and advances receivable - fair value through profit or loss		-	277
Total non-current receivables		<u>-</u>	<u>192,898</u>

¹ In 2019-20, \$4.786 million of the current loans and advances and \$97.743 million of the non-current loans and advances receivable was associated with loans to facilitate Catalyst Infrastructure that are partially funded through borrowings with QTC. These loans and advances were transferred out as part of the MoG changes in 2020-21 as disclosed in Note 3.

Accounting policy - Receivables

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

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

Where loans and advances are provided at concessional below market interest rates, they are considered to have a fair value less than the actual amount lent. Any additional amounts lent above the fair value is initially recognised as a loss in the statement of comprehensive income as grants and subsidies (Note 10). There are no additional amounts lent above the fair value on initial recognition in 2020-21 since these loans and advances were transferred out as a result of MoG changes as disclosed in Note 3. The notional interest income is recognised over the term of the loan as interest income. The notional interest income from loans transferred out during 2020-21 in the statement of comprehensive income is \$2.330 million (2020: \$0.300 million).

In 2019-20, the department was entitled to receive periodic repayments of capital grants provided under finance lease agreements. The implicit interest was recognised over the term of the finance lease as interest income. The department does not retain the rights associated with the underlying assets. Effective 1 December 2020, all finance leases have been transferred out as a result of MoG changes as disclosed in Note 3.

Disclosure - Receivables

The closing balance of receivables arising from contracts with customer at 30 June 2021 is \$1.042 million (2020: \$1.622 million).

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, including forecast economic changes expected to impact the department's debtors, along with relevant industry and statistical data where applicable.

The department's other receivables are from Queensland Government agencies and Australian Government agencies. No loss allowance is recorded for these receivables on the basis of materiality. The receivables from Queensland Government agencies as at 30 June 2021 is \$0.129 million (2020: \$1.048 million).

For finance lease receivables and loans and advances receivables measured at amortised cost, the department will assess the 12-months expected credit losses if the credit risk has not significantly increased from initial recognition. Otherwise, the department will assess the lifetime expected credit losses on these receivables. Effective 1 December 2020, all finance leases have been transferred out as a result of the MoG changes as disclosed in Note 3.

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

All known bad debts (if any) were written-off as at 30 June 2021.

13. Receivables (continued)

Disclosure - Credit risk exposure of receivables

The maximum exposure to credit risk at balance date for receivable 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's credit risk exposure for receivables measured at amortised cost is determined as outlined below:

Category	Assessment of expected credit losses	Information used
Trade debtors	The department uses a provision matrix to measure the expected credit losses on trade and other debtors. The expected loss rates are based on the payment profiles over a period of 36 months preceding 30 June 2021 and the corresponding historical credit losses experienced within this period.	Review of historical default rates adjusted by reasonable and supportable forward-looking information for expected changes in macroeconomic indicators that affect the future recovery of those receivables. For the department, a change in the CPI rate is determined to be the most relevant forward-looking indicator for receivables.
Finance lease receivables ¹	In 2019-20, finance lease receivables were assessed individually considering recoverability of debt and the risk of business failure.	Review of external credit reports and credit risk assessment to determine the expected value of the leased land and the outstanding balance of lease.
Loans and advances receivables ¹	In 2019-20, the 12-month expected credit losses were assessed on individual basis. The department's debt management policy and procedure outlined the consideration and action taken based on the days the amounts were outstanding. Individual loans were assigned with a risk level and probability of failure in the next 12 months based on external credit analysis reports.	Review of external credit reports, historical loan draw-down patterns and management assessment of the performance of the projects.

¹ These balances were transferred out as per the MoG changes effective 1 December 2020 to DSDILGP and QT. Consequently no credit risk exposure for the balances was undertaken as at 30 June 2021.

	2021 \$'000	2020 \$'000
Disclosure - Movement in loss allowance for trade debtors		
Loss allowance as at 1 July	(176)	(61)
Net transfer in/(out) due to MoG changes	8	(115)
Decrease in allowance recognised in operating result	58	-
Amounts written-off during the year	96	-
Loss allowance as at 30 June	<u>(14)</u>	<u>(176)</u>

14. Land inventories

Current

Land held for resale	-	44,494
Total current land inventories	<u>-</u>	<u>44,494</u>

Non-current

Land held for resale	-	313,674
Total non-current land inventories	<u>-</u>	<u>313,674</u>

Land inventories reconciliation

Carrying amount at 1 July	358,168	-
Transfer in/(out) due to MoG changes	(367,115)	355,683
Acquisition and development costs	21,743	3,186
Cost of land sales	(6,918)	(1,030)
Cost of land sales adjustment	-	3,235
Land inventory written off	(5,878)	(2,906)
Carrying amount at 30 June	<u>-</u>	<u>358,168</u>

Land inventories balances were transferred at fair value under MoG changes to DSDILGP effective 1 December 2020.

14. Land inventories (continued)

Accounting policy - Land inventories

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

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

Accounting policy - Land sales

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

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

Key estimate and judgement - Land sales

Certain variable revenue components in sales contracts required estimation. At each reporting period end, the department estimated the variable consideration to which it was entitled and only recognised revenue to the extent that it was highly probable a significant reversal of the revenue would not occur. This assessment was based on recent and estimated sales activity reports from the developers.

Key estimate and judgement - Cost of land sales

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

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

	2021 \$'000	2020 \$'000
15. Other assets		
Current		
Prepayments	9,256	6,816
Other ¹	-	13,050
Total current other assets	<u>9,256</u>	<u>19,865</u>

¹ In 2019-20 the balance represented accrued revenue that did not arise from contracts with customers reported as part of Other.

Accounting policy - Prepayments

Prepayments are expensed as the supplier satisfies the performance obligations under the contract.

16. Property, plant and equipment

16.1 Closing balances and reconciliation of carrying amount

30 June 2021	Land \$'000	Buildings \$'000	Infrastructure \$'000	Plant and Equipment \$'000	Capital Work in Progress \$'000	Total \$'000
Gross	86,832	145,410	4,364	10,694	16,357	263,657
Less: Accumulated depreciation	-	(50,739)	(2,017)	(6,965)	-	(59,722)
Carrying amount at 30 June 2021	86,832	94,670	2,347	3,729	16,357	203,935

Represented by movements in carrying amount:

Carrying amount at 1 July 2020	267,979	4,840	-	4,833	5,827	283,479
Acquisitions	315	215	-	9	20,235	20,774
Assets received below fair value	3	4,515	-	-	-	4,518
Disposals	(4,240)	-	-	(4)	-	(4,244)
Transfers between asset classes	-	10,033	60	51	(10,144)	-
Acquisitions through MoG changes (Note 3)	(155,036)	76,715	2,359	156	439	(75,367)
Assets reclassified as held for sale	(22,000)	-	-	-	-	(22,000)
Donations made	-	-	-	7	-	7
Revaluation increments recognised in equity	-	307	-	-	-	307
Revaluation decrements recognised in operating result	(189)	-	(19)	-	-	(208)
Depreciation	-	(1,955)	(53)	(1,323)	-	(3,332)
Carrying amount at 30 June 2021	86,832	94,670	2,347	3,729	16,357	203,935

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

Represented by movements in carrying amount:

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

16. Property, plant and equipment (continued)

16.2 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 exceeding the following thresholds in the year of acquisition are reported as property, plant and equipment in the following classes:

- Land	\$	1
- Buildings	\$	10,000
- Infrastructure	\$	10,000
- Plant and equipment	\$	5,000

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

Expenditure on property, plant and equipment is capitalised where it is probable that the expenditure will produce future service potential for the department. Subsequent expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of that asset. Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed.

Accounting policy - Cost of acquisition

Historical cost is used for the initial recording of all property, plant and equipment acquisitions. Historical cost is determined as the value given as considerations and costs incidental to the acquisition (such as architects' fees and engineering design fees), plus all other costs incurred in getting the asset ready for use.

Where assets are received free of charge from another Queensland Government entity (whether as a result of a MoG changes or other involuntary transfer), the acquisition cost is recognised as the carrying amount in the books of the other entity immediately prior to the transfer.

Assets acquired at no cost or for nominal consideration, other than from another Queensland Government entity are recognised at their fair value at date of acquisition.

16.3 Accounting policy - Measurement using historical costs

Plant and equipment, (excluding major plant and equipment) is measured at historical cost in accordance with QT's Non-Current Asset Policies (NCAP) for the Queensland Public Sector. The carrying amounts for such plant and equipment is not materially different from their fair value.

16.4 Accounting policy - Measurement using fair value

Land, buildings and infrastructure are measured at fair value as required by QT's NCAP 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 accumulated 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.

Property, plant and equipment classes measured at fair value are revalued on an annual basis either by appraisals undertaken by an independent professional valuer, or by the use of appropriate and relevant indices. For financial reporting purposes, the revaluation process is managed by the department's Financial Accounting team, who determines the specific revaluation practices and procedures. The outcomes and recommendations are reported to the Chief Finance Officer and the Audit and Risk Management Committee after each annual review.

Work in progress is recognised at cost. All costs relating to items of property, plant and equipment constructed in house are recorded as work in progress until completion of the project using all direct and indirect costs, where the latter are reliably attributable. Work in progress performed under external contracts is recorded using the invoice amount supplied by the contractor.

Use of specific appraisals

Revaluations using independent professional valuers are undertaken at least once every five years. However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal.

The fair values reported by the department are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs. Materiality is considered in determining whether the difference between the carrying amount and the fair value of an asset is material (in which case a revaluation is warranted).

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. DTIS ensures that the application of such indices results in a valid estimation of the assets' fair values at reporting date. The State Valuation Services (SVS) supplies the indices used for the various types of assets. Such indices are either publicly available, or are derived from market information available to SVS. SVS provides assurance of their robustness, validity and appropriateness for application to the relevant assets.

Indices used are tested for reasonableness by applying the indices to a sample of assets, comparing the results to similar assets that have been valued by an independent professional valuer, and analysing the trend change in values over time. Through this process, which is undertaken annually, management assesses and confirms the relevance and suitability of indices provided by SVS based on the departments' own particular circumstances.

Accounting for changes in Fair Value

Any revaluation increment arising on the revaluation of an asset is credited to the 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 revaluations surplus relating to that asset class.

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

16. Property, plant and equipment (continued)

16.4 Accounting policy - Measurement using fair value (continued)

Accounting for changes in Fair Value (continued)

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

Fair value measurements

Fair value

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

Observable inputs are publicly available data that are relevant to the characteristics of the assets/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 to the characteristics of the asset/liabilities being valued. Significant unobservable inputs used by the department include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the department's assets/liabilities, internal records of recent constructions costs (and/or estimates of such costs), 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 of market participant's ability to generate economic benefit by the asset in its highest and best use.

Fair value measurement hierarchy

Details of individual assets measured under each category of fair value are set out in the following table.

All property, plant and equipment is categorised within 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;
Level 2	represents fair value measurements that are substantially derived from inputs (other than quoted prices included within 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 are eligible for categorisation into level 1 of the fair value hierarchy.

There was no transfers of assets between fair value hierarchy levels during the period.

Land

The department holds land throughout Queensland for various purposes including future economic development opportunities, a specific community or economic need, or for rezoning purposes.

Land assets transferred through MoG changes to DSDILGP

For all land assets, excluding EDQ's land assets, the department engaged SVS to undertake rolling comprehensive revaluations of 25% of the assets portfolio over four years. SVS used the comprehensive revaluation results as at 30 June 2020 to derive a desktop index on 25% of the asset portfolio, while a standard index is used for the remaining 50% of the assets with an effective date of 30 June 2020. All these assets were transferred at fair value to DSDILGP effective 1 December 2020 as part of the MoG changes.

For EDQ land assets, EDQ engaged SVS to undertake a full comprehensive revaluation of EDQ land assets as at 30 June 2020. All these assets were transferred at fair value to DSDILGP effective 1 December 2020 as part of the MoG changes.

Fair value was determined through direct comparison with the sales history of similar properties based on location, area, access and topography. SVS also considered the characteristics of the asset, any restrictions and highest and best use in the assessment of fair value.

In accordance with AASB 13 *Fair Value Measurement*, these land assets are generally categorised as level 2.

16. Property, plant and equipment (continued)

16.4 Accounting policy - Measurement using fair value (continued)

Fair value measurements (continued)

Buildings

Buildings transferred through MoG changes to QT and DSDILGP

Buildings were revalued using either the market, income or cost approach depending on their use, with an effective valuation date of 30 June 2020. The department assessed and confirmed with SVS that these valuations were appropriate for use at 1 December 2020 for the transfers to QT and DSDILGP as result of the MoG changes.

The building assets revalued using a market approach are revalued on a four year rolling program. The department engaged SVS to perform the rolling comprehensive valuations. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets. Where the asset is not comprehensively valued in the reporting period, SVS uses the Cordell Housing Price Index for residential assets. This index is specific to Queensland house price movements (observable market data) and was considered the most appropriate index to use for residential housing specific to Queensland properties. For building improvements, SVS uses the Queensland Treasury Office of Economical Statistical Research (QT OESR) Implicit Price Deflator as this is the most appropriate for these particular assets.

The department is a lessor to rental agreements on various properties. Due to the department's current strategy for these buildings and zoning regulations, the fair value is determined using the income approach, calculated using the present value of future cash flows. QTC zero coupon rates are used to calculate the present value.

Land, Buildings and Infrastructure assets transferred through MoG changes from DCHDE

The majority of the SR buildings are Queensland Recreation Centres. As there is insufficient sales activity for these types of properties to derive market based valuations, the buildings are valued using the current replacement cost. Management judge that the highest and best use of these properties is their current use.

Land is comprised of freehold and reserve land. Freehold land is valued using comparisons to land that is similar in topography and location. For reserve land, market data is adjusted by the valuer to reflect the nature of the restriction and therefore uses unobservable inputs.

The infrastructure assets include the Currimundi Active Recreation Centres and Townsville Sport Reserve is valued using the current replacement cost.

Specific appraisals are performed on these properties once every five years. The last appraisal by an independent valuer was in 2019-20. For 2020-21, these properties were valued specifically using the indexation method, with indices provided by SVS.

Categorisation of assets measured at fair value

	Level 2		Level 3		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Recurring fair value measurements						
Land	18,526	267,979	68,306	-	86,832	267,979
Buildings	-	1,928	94,670	2,912	94,670	4,840
Infrastructure	-	-	2,347	-	2,347	-
Total recurring	18,526	269,907	165,323	2,912	183,849	272,819

Level 3 Fair value measurement reconciliations

	Land \$'000	Buildings \$'000	Infrastructure \$'000	Total \$'000
30 June 2021				
Carrying amount at 1 July 2020	-	2,912	-	2,912
Transfers in from other Queensland Government entities	68,111	83,381	2,359	153,851
Transfers between asset classes	-	9,999	60	10,059
Revaluation increments / (decrements) recognised in operating result	195	-	(19)	176
Revaluation increments recognised in equity	-	186	-	186
Depreciation	-	(1,807)	(53)	(1,860)
Carrying amount as 30 June 2021	68,306	94,670	2,347	165,323
30 June 2020				
Carrying amount at 1 July 2019	-	1,859	-	1,859
Disposals	-	(4)	-	(4)
Transfers in from other Queensland Government entities	-	851	-	851
Transfers between asset classes	-	187	-	187
Revaluation increments recognised in equity	-	51	-	51
Depreciation	-	(32)	-	(32)
Carrying amount as 30 June 2020	-	2,912	-	2,912

16. Property, plant and equipment (continued)

16.5 Accounting policy - Depreciation expense

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

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

Straight-line depreciation is used as that is consistent with the even consumption of service potential of these assets over their useful life to the department.

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

Assets under construction (work in progress) are not depreciated until construction is complete and the asset is put to use or is ready for its intended use, whichever is earlier. These assets are then reclassified to the relevant class within property, plant and equipment.

For the department's depreciable assets, the estimated amount to be received on disposal at the end of their useful life (residual value) is determined to be zero.

Depreciation rates

Depreciation rates are assessed annually and the following rates apply for each class of depreciable asset:

Asset class	Category	Useful lives	
Buildings	-	5 - 50 years	
Infrastructure	-	3 - 10 years	in accordance with useful life of components
Plant and equipment	Computer equipment	3 - 5 years	
	Office equipment	5 - 20 years	
	Leasehold improvements	5 - 50 years	
	Other plant and equipment	3 - 10 years	

	2021 \$'000	2020 \$'000
17. Investment property		
Land - at fair value	-	225,800
Buildings - at fair value	-	1,175
Total investment property	-	226,975

Reconciliation of movement in investment property

Carrying amount at 1 July	226,975	-
Acquisitions	1,615	221
Transfer in/(out) due to MoG changes	(228,590)	226,305
Movement on revaluation through income	-	449
Carrying amount at 30 June	-	226,975

Accounting policy - Investment property

Investment property is property held to earn rentals and/or for capital appreciation. It is initially recognised at cost including transaction costs. Where investment property is acquired at no or nominal cost it is recognised at fair value. Investment property is subsequently carried at fair value, being revalued as at each reporting date.

Common costs on investment property are allocated based on lot size.

Gains or losses arising from changes in the fair value of investment property are included in the operating result for the period in which they arise. As the department's investment property is carried at fair value, it is not depreciated and is not tested for impairment.

Key judgement

In determining the investment land values the following factors were considered:

- the highest and best use given the legal and zoning restrictions and any other restrictions outside the control of the department, and
- the probability of any of the restrictions being changed in the future.

The department engaged SVS to undertake a comprehensive valuation on all land assets under investment and land assets with a perpetual lease term. Management assessed and confirmed the relevance and suitability of market inputs provided by SVS, with an effective valuation date of 30 June 2020. The department assessed and confirmed with SVS that these valuations were appropriate for use at 1 December 2020 for the transfers to DSDILGP as a result of MoG changes. The land assets under investment are categorised as level 2 in accordance with the fair value hierarchy.

The comprehensive valuations of investment property assets with a perpetual lease had been significantly discounted. The discount was applied due to the inability to freehold and restrictions on use.

Investment property buildings and investment property land assets with a term lease were valued using the discounted cash flow method incorporating forecast rental cash flows.

17. Investment property (continued)

Categorisation of assets measured at fair value

Investment property balances were transferred at fair value under MoG changes to DSDILGP effective 1 December 2020. No fair value disclosures required for the current financial year.

2020	Level 2	Level 3	Total
Recurring fair value measurements	\$'000	\$'000	\$'000
Investment property - Land	215,530	10,270	225,800
Investment Property - Buildings	-	1,175	1,175
Total recurring	215,530	11,445	226,975

18. Income tax equivalents

(a) Income tax equivalent expense/(benefit)

Current tax		(3,738)	(814)
Deferred tax		(839)	(61)
Balance as at 30 June		(4,577)	(876)

(b) Numeric reconciliation of income tax equivalent expense to prima facie tax payable

Loss before tax		15,257	2,918
Tax benefit at the Australian tax rate of 30%		(4,577)	(876)
Income tax equivalent benefit		(4,577)	(876)

(c) Non-current assets - deferred tax equivalent asset

The balance comprises temporary differences attributable to:

Transfer due to MoG changes	(16,866)	-
Allowance for doubtful debts	34	34
Accrued expenses	3,951	4,765
Written down value of other capitalised expenses	33	21
Building accumulated depreciation	876	846
Building accumulated impairment/devaluation	4,118	4,118
Capital asset impairment	1,603	618
Concessional loan discount	5,920	6,136
Deferred fee income	331	332
Losses transfer due to MoG changes	(14,041)	-
Prior year tax losses carried forward	10,303	9,489
Current tax losses carried forward	3,738	814
Balance as at 30 June	-	27,172

(d) Current liabilities - income tax payable/(receivable)

Balance at the beginning of the year	3,003	-
Transfer due to MoG changes	(5,385)	3,003
Income tax equivalent (paid)/refunded	783	-
Tax file number credit	(4)	-
Under provision in previous years	1,603	-
Balance as at 30 June	-	3,003

(e) Non-current liabilities - deferred tax equivalent liabilities

The balance comprises temporary differences attributable to:

Transfer due to MoG changes	(85,967)	-
Land revaluations	37,258	37,258
Inventories	5,304	5,310
Investment property	39,488	39,488
Grants receivable	3,917	4,753
Balance as at 30 June	-	86,810

From 1 July 2014, all Queensland Government departments were exempted from payroll tax. This exemption however, is not extended to the commercial business units such as EDQ. Pursuant to the National Tax Equivalents Regime, EDQ is required to make payments to the Queensland Government equivalent to the amount of any Australian Government income tax for which an exemption is not received.

Effective 1 December 2020, as part of the MoG changes (Note 3), EDQ was transferred to DSDILGP.

19. Payables	Note	2021 \$'000	2020 \$'000
Current			
Trade creditors		5,444	15,969
Taxes - land, rates and stamp duty payable		-	10,551
Grants payable		1,312	18,402
Interest payable		-	5
Fringe benefits tax		9	126
Deferred appropriation payable to Consolidated Fund	4	6,033	-
Other		283	232
Total current payables		13,082	45,284
Non-current			
Other ¹		-	19,524
Total non-current payables		-	19,524
Total payables		13,082	64,808

¹ In 2019-20, this balance related to a payment owed to QT for a land parcel under development by the department. This balance was transferred to DSDILGP, effective 1 December 2020, as part of MoG changes detailed in Note 3.

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.

20. Borrowings

Current

QTC borrowings	-	45,000
Total current borrowings	-	45,000

Non-current

QTC borrowings	-	118,146
Total non-current borrowings	-	118,146
Total borrowings	-	163,146

All borrowings by the department are from QTC. Final repayment dates vary from December 2020 to October 2033, with a fixed interest rate range of 2.50% to 3.23% per annum. There have been no defaults or breaches of the loan agreement during the 2021 financial year. No assets have been pledged as security for any borrowings.

EDQ utilises debt facilities to manage cash flow and facilitate development works for residential and catalyst infrastructure projects. A drawdown from the QTC loan occurs when development costs are incurred.

All borrowings were transferred under MoG changes to DSDILGP effective 1 December 2020.

Accounting Policy - Borrowings

QTC borrowings are initially recognised at fair value, plus any transaction costs directly attributable to the borrowings, then subsequently held at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of a financial liability to the amortised cost of the liability.

Any borrowing costs are added to the carrying amount of the borrowing to the extent they are not settled in the period in which they arise.

The department does not enter into transactions for speculative purposes, nor for hedging. No financial liabilities are measured at fair value through profit or loss.

21. Accrued employee benefits

Current

Annual leave levy payable	1,169	2,786
Salaries and wages outstanding	-	604
Long service leave levy payable	262	582
Total current accrued employee benefits	1,430	3,972

Accounting Policy - Accrued employee benefits

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

	2021 \$'000	2020 \$'000
22. Provisions		
Current		
Land acquisition claims	-	15,670
Infrastructure development	-	5,545
Other provision	-	7,596
Total current provisions	<u>-</u>	<u>28,812</u>
Non-current		
Infrastructure development	-	47,048
Other provision	-	6,343
Total non-current provisions	<u>-</u>	<u>53,392</u>
Movements in provisions		
Land acquisition claims		
Current		
Balance at 1 July	82,203	-
Transfer (out)/in due to MoG changes	(85,295)	80,748
Additional provision recognised	9,752	9,228
Restatement of provision	(55)	-
Reduction in provision as a result of payments	(6,606)	(7,772)
Balance as at 30 June	<u>-</u>	<u>82,203</u>

All provisions were transferred under MoG changes to DSDILGP effective 1 December 2020.

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

The department acquired land through compulsory acquisition in accordance with the *Acquisition of Land Act 1967* using the Coordinator-General's powers as contained in the *State Development and Public Works Organisation Act 1971*. The department paid compensation for land acquired in accordance with this legislation when an agreement was reached between the land owner and the Coordinator-General through the execution of a section 15 Compensation Agreement. Prior to the execution of a section 15 Compensation Agreement, the department recognised a provision to account for the compensation it expected to pay for all land resumptions.

Infrastructure charges were collected from developers in Priority Development Areas (PDAs) under the *Economic Development Act 2012*. Charges were payable based on projected growth and network modelling undertaken for water, sewer, transport, parks, community facilities and stormwater networks. Under the Act all infrastructure charges collected for a specific PDA had to be spent on infrastructure delivery in the same PDA.

The department had an obligation to fund costs associated with the conversion of specific buildings into residential units and income support. The estimate of future costs had been recognised as a provision in 2019-20. These provisions have been transferred out to DSDILGP as part of the MoG changes effective 1 December 2020 (Note 3).

23. Other liabilities

Current		
Deposits held ^{1 3}	-	15,381
Security deposits ^{2 3}	-	1,391
Contract liabilities	1,391	2,473
Other unearned revenue	219	1,725
Other	-	350
Total current other liabilities	<u>1,610</u>	<u>21,319</u>
Non-current		
Security deposits ^{2 3}	-	4,000
Total non-current other liabilities	<u>-</u>	<u>4,000</u>

¹ In 2019-20, deposits held were largely for land resumptions. The department acquired land through compulsory acquisition in accordance with the *Acquisition of Land Act 1967* using the Coordinator-General's powers as contained in the *State Development and Public Works Organisation Act 1971*.

² Security deposits were held to secure the performance of developers' obligations under development management agreements and held as security as required under these agreements. Deposits are released when contractual obligations are satisfied.

³ Deposits held and security deposits were transferred to DSDILGP effective 1 December 2020 as part of the MoG changes.

Accounting policy - Unearned revenue

Unearned revenue is recognised as a liability when the department has received revenue in advance of the delivery of the supply of goods and/or services. The amount recognised at the reporting date is the unspent balance of the funds received for which a contract exists.

Disclosure - Contract liabilities

Contract liabilities arises from contracts with customers, while unearned other unearned revenue arises from transactions that are not contracts with customers.

24. Right-of-use assets and lease liabilities

24.1 Leases as lessee

Right-of-use assets	Land		Buildings		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Opening balance at 1 July	1,685	1,685	-	-	1,685	1,685
Transfer in/(out) due to MoG changes	(1,685)	-	5,851	-	4,167	-
Amortisation	-	-	(602)	-	(602)	-
Closing balance at 30 June	-	1,685	5,249	-	5,249	1,685

Lease liabilities	2021 \$'000	2020 \$'000
Current		
Lease liabilities	1,067	71
Non-current		
Lease liabilities	4,172	334
Total lease liabilities	5,239	405

Accounting policy - Leases as lessee

Right-of-use assets

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

- less any lease incentives received
- plus initial direct costs incurred, and
- plus the initial estimate of restoration costs.

Right-of-use assets are subsequently depreciated over the lease term and subject to impairment testing on an annual basis.

The department measures right-of-use assets from concessionary leases at cost on initial recognition, and measures all right-of-use assets at cost subsequent to initial recognition.

The department has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases and leases of low value assets. The lease payments are recognised as expenses on a straight-line basis over the lease term. An asset is considered low value where it is expected to cost less than \$10,000 when new.

Under *Land Act 1994*, EDQ leases seabeds from the Department of Resources that are adjacent to/on its current development projects. The lease term is perpetual with concessionary lease payment terms. Therefore, right-of-use land assets are not depreciated. This was transferred out of the department effective 1 December 2020 as a result of MoG changes, refer to Note 3 for more details.

Lease liabilities

Lease liabilities are initially recognised at the present value of lease payments over the lease term that are not yet paid. The lease term includes any extension or renewal options that the department is reasonably certain to exercise.

When measuring the lease liability, the department uses its incremental borrowing rate as the discount rate where the interest rate implicit in the lease cannot be readily determined. To determine the incremental borrowing rate, the department uses loan rates provided by QTC that correspond to the commencement date and term of the lease.

Disclosures - Leases as lessee

In 2020-21, as part of the MoG changes disclosed in Note 3 the following have occurred:

- 1) All EDQ leases have been transferred out from the department to DSDILGP;
- 2) Leases relating to SR have transferred into the department from DCHDE.

24.2 Leases as lessor

Finance leases

The leases recognised as finance leases are for property on which all the risks and rewards of ownership have passed to the lessee. The finance leases are predominantly held over industrial properties. Lessees are required to pay the principal, being the fair value of the land at the commencement of the finance lease, and an interest component calculated on the remaining balance payable. The finance leases are administered by Department of Resources under the *Land Act 1994* on behalf of EDQ.

24. Right-of-use assets and lease liabilities (continued)

24.2 Leases as lessor (continued)

Operating leases

EDQ has land and investment property assets that are leased out predominately for industrial purposes. Majority of the leases are administered by Department of Resources under the *Land Act 1994* on behalf of EDQ. Under the *Land Act 1994*, the parties leasing these properties can terminate the lease with 28 days' notice or make an application to purchase the land. The amount payable to purchase the land is the market value of the land. The leases are granted on terms of between 1 year and in perpetuity. Refer to Note 17 for additional disclosures about investment properties.

EDQ has entered into a sublease of a seabed. The sublease is considered an operating lease as the 5 year term is significantly shorter than the head lease. The lease income is calculated by applying a predetermined rate against the lessee's turnover. The total contingent rent recognised as property rentals in Note 5 was nil (2020: nil).

Disclosures - Leases as lessor

All leases were transferred out to DSDILGP as part of the MoG changes, effective 1 December 2020 (Note 3). No maturity analysis disclosure is required for the current financial year.

The following table sets out a maturity analysis of future undiscounted lease payments receivable in 2019-20 under the department's operating and finance leases.

	Operating leases 2020 \$'000	Finance leases 2020 \$'000
Less than 1 year	5,754	8,785
1 to 2 years	6,381	8,639
2 to 3 years	5,638	8,582
3 to 4 years	5,615	7,768
4 to 5 years	5,486	7,768
More than 5 years	25,707	38,222
Total	54,582	79,763

Accounting policy - Leases as lessor

The department recognises lease payments from operating leases as income on a straight-line basis over the lease term.

Key Judgement

Due to lessors of operating leases being able to terminate the leases with 28 days notice, or make application to purchase the land, it is assumed that operating leases have a maximum expiry of 10 years from the reporting date.

25. Financial risk disclosures

25.1 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's financial assets are classified, at initial recognition, and subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial asset receivables at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them. The department has the following categories of financial assets and financial liabilities:

Financial assets	Note	2021 \$'000	2020 \$'000
Cash and cash equivalents	12	6,127	161,513
Receivables - at amortised cost	13	12,184	267,370
Receivables - at fair value through profit or loss	13	-	277
Total financial assets		18,311	429,160
Financial liabilities			
Financial liabilities at amortised cost - comprising:			
Payables	19	13,082	64,808
Borrowings	20	-	163,146
Lease liabilities	24	5,239	405
Other liabilities ¹	23	-	20,772
Total financial liabilities		18,321	249,131

¹ In 2019-20, other liabilities only included deposits held and security deposits.

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

25. Financial risk disclosures

25.2 Financial risk management

(a) Risk exposure

Financial risk management is implemented pursuant to Queensland Government and departmental policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the department.

All financial risk is managed by the Finance Division under policies approved by 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	The risk that the department may incur financial loss as a result of another party to a financial instrument failing to discharge their obligations.	The department is exposed to credit risk in respect of its receivables in Note 13.
Liquidity risk	The risk that the department may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	The department is exposed to liquidity risk in respect of its payables in Note 19 and borrowings from QTC in Note 20.
Market risk	<p>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.</p> <p><i>Interest rate risk</i> is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.</p>	<p>The department was exposed to interest rate risk through its borrowings from QTC in Note 20, cash deposited in interest bearing accounts and interest bearing loans and advances. All borrowings have been transferred out as a result of MoG changes as disclosed in Note 3.</p> <p>The department does not trade in foreign currency and is not materially exposed to commodity price changes or other market prices.</p>

(b) Risk measurement and management strategies

The department measures risk exposure using a variety of methods as follows:

Risk exposure	Measurement method	Risk management strategies
Credit risk	Ageing analysis	The department manages credit risk through the use of a credit management 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 an Under Treasurer approved overdraft limit on the department's controlled bank account. This overdraft limit reduces the exposure to liquidity risk by ensuring the department has sufficient funds available to meet employee and supplier obligations as they fall due.

25.3 Credit risk disclosures

Credit risk management practices

The department considers financial assets that are over 30 days past due to have significantly increased in 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 debtors (Note 13), for which the loss allowance is always measured at lifetime expected credit losses.

The department typically considers a financial asset to be in default when it becomes 90 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 amounts in full. The department's assessment of default does not take into account any collateral or other credit enhancements.

The department's write off policy is disclosed in Note 13.

Credit risk exposure

Credit risk exposure relating to receivables is disclosed in Note 13.

25. Financial risk disclosures (continued)

25.4 Liquidity risk - Contractual maturity of financial liabilities

The following tables set 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 these tables differ from the amounts included in the statement of financial position that are based on discounted cash flows.

Financial liabilities

2021	2021 payable in			Total \$'000
	< 1 year \$'000	1–5 years \$'000	> 5 years \$'000	
Payables	13,010	-	-	13,010
Borrowings	-	-	-	-
Other liabilities	-	-	-	-
Lease liabilities	1,084	4,335	-	5,419
Total	14,094	4,335	-	18,429

2020	2020 payable in			Total \$'000
	< 1 year \$'000	1–5 years \$'000	> 5 years \$'000	
Payables	45,284	7,593	11,931	64,808
Borrowings	25,291	28,569	122,560	176,419
Other liabilities	16,772	3,000	1,000	20,772
Lease liabilities	81	324	149	554
Total	87,427	39,485	135,641	262,554

Interest rate sensitivity analysis

The following interest rate sensitivity analysis is based on a report similar to that provided to management, depicting the outcome on net income if interest rates would change by +/- 0.25% from the year end rates as applied to the department's variable rate financial assets and financial liabilities. With all other variables held constant, the department had a surplus and equity increase/(decrease) of \$0.492 million in 2019-20.

2020 Interest rate risk	Carrying amount \$'000	-0.25%		+0.25%	
		Operating result \$'000	Equity \$'000	Operating result \$'000	Equity \$'000
Financial instruments*					
Cash and cash equivalents	125,619	(314)	(314)	314	314
Loans and advances	72,252	(181)	(181)	181	181
QTC borrowings	114,322	3	3	(3)	(3)
Potential impact on		(492)	(492)	492	492

In 2020-21, the above financial instruments were transferred out as part of MoG changes as disclosed in Note 3. Therefore, there are no comparative interest rate risk disclosures for 2020-21.

* Excludes fixed rate or non-interest bearing financial assets and financial liabilities.

26. Contingencies

Litigation in progress

At 30 June 2021, there is one claim (2020: one claim) filed in the courts naming the State of Queensland through the department as defendant. Depending on the outcome of the litigation process, indemnity will be sought through the Queensland Government Insurance fund.

Guarantees and undertakings

The department holds bank guarantees for financial support provided on projects across the department as at 30 June 2021 of \$5.678 million (2020: \$213.629 million).

The following contingencies reported in the 2019-20 period were transferred out of the department as a result of the MoG changes as disclosed in Note 3:

- At 30 June 2020, a total of \$67 million in cash was held by the department as security under the *State Development and Public Works Organisation Act 1971*, to ensure liability to the state is minimised should proponents failed to perform their contractual obligations. Interest was accrued on cash balances held and would be paid out when the security deposit is returned. At reporting date, it is not possible to determine the extent or timing of any potential financial effect of this responsibility.

26. Contingencies (continued)

Guarantees and undertakings (continued)

- The department provided a financial undertaking of \$0.550 million under the Jobs and Regional Growth Fund Assistance agreement for security over the contractual performance obligations.
- The department held bank guarantees in relation to the Advance Queensland Industry Attraction Fund (AQIAF) for financial security against non-conformance of grant agreements. The total value of bank guarantees for five grants within AQIAF as at 30 June 2020 was \$22.196 million.
- Other bank guarantees and bonds were held for financial support provided on projects across the department. The total value of bank guarantees and bonds held of these projects as at 30 June 2020 was \$15.712 million.
- EDQ held bank guarantees in relation to development projects for financial security against non-conformance of contracts. The total value of bank guarantees held by EDQ was \$54.971 million.
- EDQ provided financial guarantees of \$5.042 million for security over the contractual performance obligations for electrical and stormwater augmentation works.

27. Commitments	2021 \$'000	2020 \$'000
Capital expenditure commitments		
Commitments for capital expenditure at reporting date (inclusive of non-recoverable GST input tax credits) are payable:		
Capital works in progress		
- Not later than 1 year	21,808	21,010
- Later than 1 year and not later than 5 years	6,064	29,591
- Later than 5 years	-	13,290
Total capital expenditure commitments	<u>27,871</u>	<u>63,890</u>
Grants and contributions expenditure commitments		
Grants and contributions commitments at reporting date (inclusive of non-recoverable GST input tax credits) are payable:		
- Not later than 1 year	57,809	210,787
- Later than 1 year and not later than 5 years	65,244	123,101
- Later than 5 years	-	949
Total grants and contributions expenditure commitments	<u>123,053</u>	<u>334,837</u>
Other expenditure commitments		
Other expenditure commitments at reporting date (inclusive of non-recoverable GST input tax credits) are payable:		
- Not later than 1 year	25,155	21,636
- Later than 1 year and not later than 5 years	1,489	11,573
- Later than 5 years	-	399
Total other expenditure commitments	<u>26,644</u>	<u>33,608</u>

28. Events occurring after balance date

The department's financial statements are expected to be impacted by COVID-19 programs beyond 30 June 2021, although the actual impacts cannot be reliably estimated at the reporting date.

29. Future impact of accounting standards not yet effective

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards issued but with future effective dates are either not applicable or have no material impact on the department.

30. Budgetary reporting disclosures

QT's Financial Reporting Requirements published for Queensland Government Agencies would ordinarily require actual results to be compared against the SDS original budget for the department. The 2020-21 SDS tabled in Parliament on 1 December 2020 constitutes the original budget for the 2020-21 financial year when preparing the disclosures required under FRR 5C and AASB 1055. This original budget already incorporates the MoG changes arising from the *Public Service Departmental Arrangements Notice (No.4) 2020*. Details of the transfers are outlined in Note 3.

As the 2020-21 SDS does not include a budgeted balance sheet or budgeted statement of cash flows, no disclosures of budget to actual variances is required by AASB 1055 and FRR 5C for these financial statements. Budget to actual disclosures for statement of comprehensive income are still required.

Subject to the line item's materiality, explanations have been provided, at a minimum, for the following variances that are larger than 5% of the original budgeted figure for:

- Employee expenses (statement of comprehensive income); and
- Supplies and services (statement of comprehensive income).

For all other material line items, major variances have been assessed as meeting the following criteria:

- The line item within the Statement of Comprehensive Income is material where the variance is less than or greater than 10% of the budget and the value is greater than 1% of total expenses.

Explanations of major variances - Statement of Comprehensive Income

Appropriation revenue	The decrease in Appropriation revenue of \$94.904 million is largely due to the impact of COVID-19 and other timing issues on the funding requirements for a number of Tourism programs including Regional Tourism Organisation Fund, Tourism Futures Study, Business Capability Program, Tourism Activation Fund, Event Boost, Aviation Route Support Package and the Year of Indigenous Tourism. There were also impacts on various Sports and Recreation programs including Activate Community Environment, Local Community Sporting Infrastructure, Ballymore Precinct Stage 1 Redevelopment, Sunshine Coast Stadium, Harrup Park Redevelopment, Townsville Sailing Club, Allied Health and Wellbeing Centre and the Townsville Skate Park.
User Charges and Fees	The decrease of \$9.656 million predominantly relates to EDQ and is due to property market conditions impacted by COVID-19 with a number of land transactions across South East Queensland and industrial land portfolios deferred to the next financial year. This has been transferred to DSDILGP as part of the MoG changes (Note 3) effective 1 December 2020.
Grants and contributions	The increase of \$14.071 million includes a post MoG reclassification of \$4.515 million by DSDILGP for the Fortitude Valley Police Citizens Youth Club and the recognition of \$1.700 million for EDQ in income support payments post Gold Coast 2018 Commonwealth Games. Additionally funding received from QRA of \$3.469 million for expanded disaster recovery project delivery and \$3.447 million for additional contributions from DPC for preparation of the bid submission for the 2032 Olympic and Paralympic Games.
Other revenue	The increase of \$5.072 million is mainly due to prior year grant refunds for the Attracting Tourism Fund Aviation Boost, Advance Queensland Connecting with Asia and COVID-19 Support for international students where funds were not expended on the intended purpose of the original grant.
Supplies and Services	The decrease of \$7.411 million is largely due to decreased expenditure in EDQ on contractor expenses and decreased sales and marketing costs. This is partially offset by additional expenditure relating to 2032 Taskforce activities for the preparation of the bid submission for the 2032 Olympic and Paralympic Games.
Grants and subsidies	The decrease of \$72.466 million relates predominantly to adjustments for the timing of expenditure for grant programs including Regional Tourism Organisation Fund, Tourism Futures Study, Business Capability Program, Tourism Activation Fund, Events Boost, Aviation Route Support Package, Local Community Sporting Infrastructure, Ballymore Precinct Stage 1 Redevelopment, Sunshine Coast Stadium, Harrup Park Redevelopment, Townsville Sailing Club, Allied Health and Wellbeing Centre and the Townsville Skate Park. This is partially offset by a \$4.200 million post MoG reclassification by DSDILGP for the Fortitude Valley Police Citizens Youth Club.

31. Administered Items

The department administers, but does not control, certain activities on behalf of the government. In doing so, it has responsibility for administering those activities (and related transactions and balances) efficiently and effectively, but does not have the discretion to deploy those resources for achievement of the department's own objectives.

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

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

31.1 Schedule of administered income and expense

	2021 Actual \$'000	2021 Original budget* \$'000	2021 Budget variance* \$'000	2020 Actual \$'000
Administered income				
Appropriation revenue	141,773	128,766	13,007	176,318
Total administered income	141,773	128,766	13,007	176,318
Administered expenses				
Grants and subsidies - Tourism and Events Queensland (TEQ)	104,755	111,748	(6,993)	96,981
Grants and subsidies - CRRDA	15,189	15,189	-	79,337
Grants and subsidies - SQ	21,829	1,829	20,000	-
Total administered expenses	141,773	128,766	13,007	176,318
Operating surplus/(deficit)	-	-	-	-

31.2 Schedule of administered assets and liabilities

Administered assets				
Current assets				
Cash at bank	5,850			54,026
Appropriation revenue receivables	-			7,051
Receivable	1,143			-
Total current assets	6,993			61,077
Administered liabilities				
Current liabilities				
Appropriation revenue payable	6,993			-
Payables	-			24,354
Total current liabilities	6,993			24,354
Net administered assets	-			36,723

* The department was not required to include a budgeted statement of financial position in the original published Service Delivery Statement tabled in Parliament for the 2020-21 financial year.

	2021 \$'000	2020 \$'000
31.3 Reconciliation of payments from Consolidated Fund to administered income		
Budgeted appropriation	99,414	109,902
Transfers from other departments - redistribution of public business	-	59,658
Transfers from other headings	20,000	106
Total administered receipts	119,414	169,666
Less: Opening balance of administered revenue receivable	(7,051)	(399)
Plus: Closing balance of administered revenue receivable	-	7,051
Plus: Transfers from other departments (MoG transfers)	36,403	-
Less: Closing balance of administered revenue payable	(6,993)	-
Administered revenue recognised (as above)	141,773	176,318

31. Administered Items (continued)

31.4 Explanations of major variances in the financial statements

Appropriation revenue	The increase principally relates to additional funding for SQ due to the impacts of COVID-19. This is partially offset by the deferral of funds for TEQ to 2021-22.
Grants and subsidies - TEQ	The decrease principally relates to the deferral of funds to 2021-22 for TEQ to align expenditure to when it will be incurred.
Grants and subsidies - SQ	The increase relates to additional funding provided in response to the impacts on revenue due to COVID-19.
Cash at bank	The increase principally relates to cash received for TEQ which has been deferred to 2021-22.
Appropriation revenue receivables	The decrease relates to the CRRDA Tunnel Stations Development Public Private Partnership notional interest arrangement \$34.868 million transferred to DTMR.
Receivables	Balance relates to TEQ deferral of funds to 2021-22 for Events Management Queensland Marathon refunds.
Appropriation revenue payable	Balance relates to TEQ's deferral of funds to 2021-22.

On 12 November 2020, *Administrative Arrangements Order (No. 2) 2020*, the responsibility for forwarding administered appropriation revenue to CRRDA was transferred from the department to DTMR and the responsibility for forwarding administered appropriation revenue to SQ was transferred into the department from DCHDE.

32. Key management personnel (KMP) disclosures

Details of key management personnel

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

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

Position	Position responsibility
Director-General	The Director-General is responsible for directing the overall efficient, effective and economical administration of the department and is financially responsible for the performance of the department.
Deputy Director-General, Tourism and Major Events	The Deputy Director-General, Tourism and Major Events, is responsible for the efficient, effective and economic administration of the tourism and major events responsibilities for the department.
Deputy Director-General, Innovation	The Deputy Director-General, Innovation is responsible for the efficient, effective and economic administration of the innovation responsibilities for the department.
Deputy Director-General, Corporate	The Deputy Director-General, Corporate, is responsible for enabling a high-performing department by providing systems, advice and governance to enable delivery and manage risk, opportunities, people and resources.
Assistant Director-General, Sport and Recreation	The Assistant Director-General, Sport and Recreation, is responsible for strategic leadership of the division implementing strategies and programs to encourage active lifestyles and initiatives to build the capacity of sport and recreation industry.
Chief Executive Officer, Queensland Academy of Sport	The Chief Executive Officer, Queensland Academy of Sport, is responsible for the development and delivery of High Performance that delivers expert high performance to support Queensland and Australia's most talented emerging and elite athletes and coaches to win on the world stage.
Deputy Director-General, Tourism Development Projects ¹ (1 July 2019 to 9 September 2019)	The Deputy Director-General, Tourism Development Projects, is responsible for the efficient, effective and economic administration of the 2018 Commonwealth Games wrap-up, Gold Coast Global Tourism Hub and Minjerrabah Economic Strategy responsibilities for the department.
Deputy Director-General, Office of Director-General, Economic Policy and Communications ² (6 April 2020 to 30 November 2020)	The Deputy Director-General, Office of Director-General, Economic Policy and Communications, is responsible for informing economic and industry policy and strategy development; leading the department's communication, digital and media functions; advising and assisting the department with activities and processes relating to Parliament, Cabinet and the Executive Council.
Coordinator-General ³	The Coordinator-General is responsible for planning, delivering and coordinating large-scale infrastructure projects which are of economic significance to the state and for ensuring environmental impacts are properly managed.
Assistant Coordinator-General, State Development Areas ³	The Assistant Coordinator-General, State Development Areas, is responsible for the planning, establishment and ongoing management of State Development Areas throughout Queensland in accordance with the <i>State Development and Public Works Act 1971</i> .

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

Details of key management personnel (continued)

Position	Position responsibility
Projects Chief Executive, Tourism Development Projects ⁷	The Projects Chief Executive, Tourism Development Projects, is responsible for the efficient, effective and economic administration of the Queen's Wharf Integrated Resort Development, Cairns Global Tourism Hub and Ecotourism Trails Program responsibilities for the department.
Assistant Coordinator-General, Land Acquisition and Project Delivery ⁴	The Assistant Coordinator-General, Land Acquisition and Project Delivery, is responsible for the delivery of all land acquisition undertaken by the Coordinator-General, and administering statutory programs under the <i>State Development and Public Works Act 1971</i> .
Assistant Coordinator-General, Project Evaluation and Facilitation ³	The Assistant Coordinator-General, Project Evaluation and Facilitation, is responsible for evaluation and coordination of major development projects and infrastructure through the administration of the <i>State Development and Public Works Act 1971</i> .
Acting Assistant Coordinator-General, Coordinated Project Delivery ^{3 5}	The acting Assistant Coordinator-General, Coordinated Project Delivery, is responsible for managing whole of government coordination and evaluation of environmental and social impact assessments for declared 'coordinated projects' under the <i>State Development and Public Works Act 1971</i> , and assist in the delivery of major, complex projects across Queensland.
Acting Deputy Director-General, Investment Facilitation and Partnerships ⁶	The acting Deputy Director-General, Investment Facilitation and Partnerships, is responsible for keeping a strong commercial focus to increase private sector investment in Queensland through the attraction and facilitation of private sector projects; and ensuring a coordinated approach to stakeholder management strategy across the department.
Acting General Manager, Economic Development Queensland ³	The acting General Manager, Economic Development Queensland, is responsible for identifying, planning, facilitating and delivering property development and infrastructure projects across Queensland.
Deputy Director-General, State Development ³	The Deputy Director-General, State Development, is responsible for implementing the regional and industry elements of the economic strategy, coordinating state and local government responses to adverse events and leading the department's network of regionally-based offices.

¹ This position was transferred to DPC on 10 September 2019 with the 2032 Olympic Games Taskforce activity.

² This position was abolished effective 1 December 2020 as part of the MoG changes.

³ These positions were transferred to DSDGILP effective 1 December 2020 as part of the MoG changes.

⁴ This position was redesignated to Executive Director, Project Development and Facilitation from 1 October 2020 as part of a departmental restructure.

⁵ This position was redesignated to Assistant Coordinator-General, Project Evaluation and Facilitation from 1 October 2020 as part of a departmental restructure.

⁶ This position was transferred to QT effective 1 December 2020 as part of the MoG changes.

⁷ Effective 1 September 2020, this position was no longer a KMP. For the period from 1 July to 31 August 2020, this position was only occupied for a total of 4 weeks.

KMP remuneration policies

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The department does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Service Branch within DPC. 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 QT's Report on State Finances.

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

Remuneration expenses for KMP comprise the following components:

Short-term employee expenses, including:

- salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied a KMP
- performance payments recognised as an expense during the year; and
- non-monetary benefits - consisting of provision of vehicle 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.

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

Remuneration expenses

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

2020-21

Position	Short-term employee expenses \$'000	Long-term employee expenses \$'000	Post-employment expenses \$'000	Termination benefits \$'000	Total expenses \$'000
Director-General ¹	458	10	49	-	517
Deputy Director-General, Corporate	257	6	28	-	291
Deputy Director-General - Innovation (1 July 2020 to 30 April 2021)	248	5	26	51	330
Acting Deputy Director-General - Innovation (03 May 2021 to 30 June 2021)	54	1	4	-	59
Deputy Director-General, Tourism and Major Events	249	6	27	-	282
Project Chief Executive ⁶ (1 July 2020 - 31 August 2020)	75	1	7	-	83
Positions transferred from DCHDE as a result of MoG changes					
Acting Assistant Director-General, Sport and Recreation ² (1 December 2020 to 30 June 2021)	144	3	14	-	161
Chief Executive Officer, Queensland Academy of Sport ³ (1 December 2020 to 30 June 2021)	201	5	22	-	228
Positions transferred to DSDILGP as a result of MoG changes					
Coordinator-General (1 July 2020 to 30 November 2020)	158	4	19	-	181
Assistant Coordinator-General, State Development Areas (1 July 2020 to 30 November 2020)	101	2	11	-	114
Assistant Coordinator-General, Land Acquisition and Project Delivery ⁴ (1 July 2020 to 09 October 2020)	64	1	6	-	71
Assistant Coordinator-General, Project Evaluation and Facilitation (09 October 2020 to 30 November 2020)	29	1	3	-	33
Assistant Coordinator-General, Coordinated Project Delivery ⁵ (1 July 2020 to 30 September 2020)	59	1	6	-	66
Deputy Director-General, State Development (1 July 2020 to 30 November 2020)	100	2	11	-	113
Acting General Manager, Economic Development Queensland (1 July 2020 to 30 November 2020)	98	2	11	-	111
Positions transferred to QT as a result of MoG changes					
Deputy Director-General, Investment Facilitation and Partnership (1 July 2020 to 30 November 2020)	111	2	9	-	122
Positions abolished as a result of MoG changes					
Deputy-Director General, Economic Policy and Communications (1 July 2020 to 30 November 2020)	111	2	12	-	126
Total	2,518	56	267	51	2,892

¹ During the period 23 November 2020 to 18 June 2021, the current officer performed the position of Director-General in an acting capacity.

² The total KMP remuneration transferred to DTIS as a result of MoG changes for the year up to 30 November 2020 as disclosed in DCHDE's Financial Statements is \$121,000.

³ The Chief Executive Officer, Queensland Academy of Sport was not identified as a KMP in DCHDE.

⁴ This position was redesignated to Executive Director, Project Development and Facilitation from 1 October 2020 as part of a departmental restructure.

⁵ This position was redesignated to Assistant Coordinator-General, Project Evaluation and Facilitation from 1 October 2020 as part of a departmental restructure.

⁶ Effective 1 September 2020, this position was no longer a KMP. For the period from 1 July to 31 August 2020, this position was only occupied for a total of 4 weeks.

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

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

2019-20

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

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

¹ The total remuneration was \$286,570

² The total remuneration was \$242,433

³ The total remuneration was \$209,435

⁴ The total remuneration was \$228,023

⁵ The total remuneration was \$225,020

⁶ The total remuneration was \$252,394

⁷ The total remuneration was \$251,513

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

Performance payments

No KMP remuneration packages provide for performance or bonus payments.

33. Related party transactions

Transactions with people/entities related to KMP

During the previous financial year, the department awarded a contract to a company for managing contractor services to establish the Queensland Artificial Intelligence Hub at The Precinct. Subsequent to this, on 14 April 2020, a KMP was appointed as a Board Non-Executive Director of this company. This KMP was not involved in the original procurement process. During 2020-21, \$2.420 million was paid to this company. The terms and conditions of the procurement process are the standard terms and conditions for procurement of such services.

This includes officers working for the department from other Queensland Government agencies who continue to be paid by their home agency payroll systems under the WOGRSM arrangements.

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

Transactions with other Queensland Government-controlled entities

The department's primary ongoing sources of funding from the government for services is appropriation revenue and equity injections, both of which are provided in cash via QT and are disclosed in Note 4.

The department received contributions from QRA for disaster recover and TEQ for prior grant refund as disclosed in Note 6 and Note 7.

The MoG transfers of assets and liabilities to QT and DSDILGP and from DCHDE during 2020-21 is disclosed in Note 3.

The department provided certain corporate services to DSDILGP, QT and Department of Regional Development, Manufacturing and Water (DRDMW) under a service level agreement. Corporate services costs incurred by the department were recovered via a fee for service arrangement and disclosed in Note 5.

The department had borrowings from QTC, and Note 20 and Note 25 outline the key terms and conditions of the borrowings. The department had deposits with QTC as disclosed in Note 12 and Note 25. Effective 1 December 2020, these borrowings and deposits were transferred to DSDILGP under the MoG changes.

The department has leases with DCHDE and DEPW for commercial office accommodation, storage facilities and car park spaces. Property and building expenses incurred are disclosed in Note 9.

The department engages Queensland Shared Services (QSS) and Department of Agriculture and Fisheries Information Technology and Partners (DAF ITP) for the provision of technology and business services under a service level agreement. Shared service provider fees incurred are disclosed in Note 9.

The department is a member of the ALCS and LSL Schemes which are administered by QT. Annual leave levy and long service leave levy expense are disclosed in Note 8.

The department provides administered revenue to TEQ, SQ and CRRDA as disclosed in Note 31. Effective 1 December 2020, the administration of CRRDA was transferred to DTMR under the MoG changes as disclosed in Note 3.

EDQ had entered into an agreement with DTMR to facilitate development in priority development areas by providing funding for key infrastructure projects as disclosed in Note 14. Effective 1 December 2020, this has been transferred out of the department as part of the MoG changes.

Department of Resources managed leases on behalf of EDQ and transferred the payments from the lessees to EDQ. Effective 1 December 2020, this function was transferred to DSDILGP as part of the MoG changes.

The department had significant transactions with other government departments and statutory bodies for grants programs and supplies and services expenditure as disclosed in Note 9 and Note 10.

The department paid SQ for the Queensland Sport and Athletics Centre redevelopment as disclosed in Note 15 and funding support for State of Origin Fixture in Townsville as disclosed in Note 10.

34. Agency transactions and balances

Following the MoG changes in May (effective 1 June 2020) and November (effective 1 December 2020), the department continues to perform only a custodial role in respect of transactions and balances in relation to DRDMW. They are not recognised in the financial statements but are disclosed in these notes for the information of users.

Trade and Investment Queensland (TIQ) and the department have a Memorandum of Understanding in place for processing of grants through one of the department's Grants Management Systems.

The department also had an agreement with DSDILGP for the processing of Biofutures Industry Research Fellowships grant through one of the department's Grant Management Systems.

As the department performed only a custodial role in respect of the balances below, these are not recognised in the financial statements, but are disclosed in these notes for the information of users.

	2021 \$'000	2020 \$'000
DRDMW revenue and expenses		
Revenues		
Appropriation revenue	10,231	4,449
Grants and other contributions	208	74
Total revenue	10,439	4,524
Expenses		
Employee expenses	2,688	524
Supplies and services	1,687	909
Grants and subsidies	5,858	3,015
Other expenses	206	75
Total expenses	10,438	4,523

34. Agency transactions and balances (continued)

	2021 \$'000	2020 \$'000
DRDMW assets and liabilities		
Current assets		
Cash and cash equivalents	160,033	137,725
Receivables	223	4,963
Total assets	<u>160,255</u>	<u>142,687</u>
Current liabilities		
Payables	146,108	128,796
Accrued employee benefits	256	-
Total liabilities	<u>146,364</u>	<u>128,796</u>
TIQ expenses		
Expenses		
Grants and subsidies	609	328
Total expenses	<u>609</u>	<u>328</u>
DSDILGP expenses		
Expenses		
Grants and subsidies	305	260
Total expenses	<u>305</u>	<u>260</u>

35. First year application of new accounting standards or change in accounting policy

Accounting standards applied for the first time

No new Australian Accounting Standards have been applied for the first time in 2020-21.

Accounting standards early adopted

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

36. Taxation

The department is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefit 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 ATO, are recognised in Note 13.

37. Climate risk disclosure

Climate risk assessment

The department addresses the financial impacts of climate related risks by identifying and monitoring the accounting judgements and estimates that will potentially be affected, including asset useful lives, fair value of assets, provisions or contingent liabilities and changes to future expense and revenue.

The department has not identified any material climate related risks relevant to the financial report at the reporting date, however constantly monitors the emergence of such risks under the Queensland Government's Climate Transition Strategy.

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.

Future Year Impacts

The department will incorporate an assessment into the ongoing review of asset useful lives and fair value of assets.

38. Significant financial impacts from COVID-19 Pandemic

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

Operating Statement	2021 \$'000	2020 \$'000
Significant expense transactions arising from COVID-19:		
COVID-19 Safe Active Restart Recovery	36,722	-
Tourism Icons	25,018	-
Growing Tourism Infrastructure Fund 2020	17,056	-
University of Queensland - COVID-19 Vaccine	7,650	100
Targeted Tourism Campaigns	7,000	4,800
Airline Route Support	6,300	5,000
COVID-19 International Tourism Adaptation Grant	2,428	-
Industry Research Fellowships - Round 3	2,205	-
COVID-19 Marine Tourism Rebate	1,855	-
Support to International Students impacted by COVID-19	719	4,210
Manufacturing of disposable N95 face masks	-	1,670
Ignite Ideas Round 6	564	616
Tourism Business Financial Counselling	445	-
	107,962	16,396

The department waived the collection of rent for all non-Government tenants of the Advance Queensland Valley Precinct for a period of nine months which commenced 1 April 2020 and concluded on 31 December 2020. Rent forgone for the period of 1 July 2020 to 31 December 2020 was \$0.996 million (1 April 2020 to 30 June 2020 was \$0.435 million). A further \$2.647 million (2020: \$0.379 million) was provided as rent relief to support businesses during the Pandemic.

**Department of Tourism, Innovation and Sport
Management Certificate for the year ended 30 June 2021**

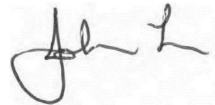
These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 38 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify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

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Department of Tourism, Innovation and Sport for the period ended 30 June 2021 and of the financial position of the department at the end of that period; and

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

SL Summers

**Stephanie Summers CPA
Chief Finance Officer
Date: 27 August 2021**



**John Lee
Director-General
Date: 27 August 2021**

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Department of Tourism, Innovation and Sport

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Department of Tourism, Innovation and Sport.

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 services and commercialised business unit as at 30 June 2021, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental services and commercialised business unit for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

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

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

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

Key audit matters

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

Valuation of buildings and infrastructure assets (\$97.0 million)

Refer to note 16 in the financial report.

Key audit matter	How my audit addressed the key audit matter
<p>Building and infrastructure assets were material to the Department of Tourism, Innovation and Sport at balance date and were measured at fair value using the current replacement cost method. The department performs comprehensive revaluation of all of its buildings and infrastructure assets every five years, or whenever a material variation is expected to have occurred, with desktop valuations conducted in the intervening period. A comprehensive valuation was conducted in 2019–20 by valuation specialist for all buildings and infrastructure assets.</p> <p>The current replacement cost method comprises:</p> <ul style="list-style-type: none"> • gross replacement cost, less • accumulated depreciation. <p>The department derived the gross replacement cost of its buildings and infrastructure assets at balance date through unit prices that required significant judgements for identifying the components of buildings and infrastructure assets with separately identifiable replacement costs.</p> <p>The measurement of accumulated depreciation involved significant judgements for forecasting the remaining useful lives of building and infrastructure asset components.</p> <p>The significant judgements required for gross replacement cost and useful lives are also significant for calculating the annual depreciation expense.</p>	<p>My audit procedures included, but were not limited to:</p> <p>In a previous year when a comprehensive valuation was conducted:</p> <ul style="list-style-type: none"> • Assessing the competence, capability and objectivity of the valuation specialist. • Assessing the adequacy of management's review of the valuation process. • Obtaining an understanding of the methodology used and assessing the design, integrity and appropriateness using common industry practices. <p>In the current year when indexation was applied:</p> <ul style="list-style-type: none"> • Evaluating the reasonableness of the indices used against other publicly available information about movements in values for replacement costs of similar assets. • Performing reasonableness tests to confirm depreciation is calculated in accordance with the department's accounting policies and industry standards.

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.



Michelle Reardon
as delegate of the Auditor-General

31 August 2021

Queensland Audit Office
Brisbane

