

2014

**ANNUAL  
REPORT**

2015



**Queensland  
Government**

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# Letter of compliance

30 September 2015

The Honourable Leeanne Enoch MP  
Minister for Housing and Public Works and Minister for Science and Innovation  
Level 7, 80 George Street  
Brisbane Qld 4000

Dear Minister

I am pleased to present the *2014–2015 Annual Report* and financial statements for the Department of Science, Information Technology and Innovation.

I certify that this annual report complies with:

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

This report is prepared on the basis of the current administrative arrangements for this department applying for the whole of the 2014–2015 financial year. That is, it reflects the structure, operations and performance of the department as it now exists.

A checklist outlining the Queensland Government annual reporting requirements is included in this report.

Yours sincerely

Jamie Merrick  
Acting Director-General  
Department of Science, Information Technology and Innovation

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# About our annual report

The Department of Science, Information Technology and Innovation (DSITI) *2014–2015 Annual Report* is an integral part of our corporate governance framework, and is one of the main tools we use to ensure we are accountable to stakeholders, the Queensland Parliament and the community about our activities.

This report details our achievements, performance and financial position for the 2014–15 financial year. It aligns with the DSITI *Strategic plan 2014–18, Service delivery statements 2014–15*, and the Queensland Government's objectives for the community. It also provides information on our future direction, people management and corporate governance.

## View our report online

This report is available online: [qld.gov.au/dsiti/annual-report](http://qld.gov.au/dsiti/annual-report).

For enquiries about this annual report, contact the Executive Director, Strategic Transformation and Performance, telephone +61 7 3719 7891 or [webfeedback@dsiti.qld.gov.au](mailto:webfeedback@dsiti.qld.gov.au).

## More information on the Queensland Government Open Data website

A number of annual reporting requirements for this year have been addressed through publication of information on the Queensland Government Open Data website. These are:

- consultancies
- overseas travel
- *Queensland language services policy*
- government bodies.

For further information please visit: [data.qld.gov.au](http://data.qld.gov.au).





# From the Director-General: *the year in review*

I am pleased to present the *2014–2015 Annual Report* for the Department of Science, Information Technology and Innovation (DSITI).

This report sets out our achievements and how the department has supported delivery of the Queensland Government's objectives for the community. In particular it highlights our growing role in stimulating jobs and economic growth through our support for innovation and how we are at the forefront of harnessing digital technologies to improve services for our customers.

Our vision as a department is to be innovative, clever and connected. This underpins the way we operate, how we engage and partner with the community and the private sector, and how we invest to develop the skills of our staff.

During 2014–15, the department commenced and implemented a range of key initiatives, including:

- providing greater choice to Queenslanders in how they access services. This included managing the delivery of more than 260 government services, handling more than 29 million customer transactions and implementing six new service outlets pilots in the Lockyer Valley and Scenic Rim
- responding to 25,895 SES and 38,782 disaster recovery calls during the 2014–15 disaster season
- supporting the safety of the community, police and emergency services during the G20 Leaders Summit through the Government Wireless Network
- leading the procurement of industry-led ICT services for 1 William Street
- working with industry on a new *ICT Industry Engagement Action Plan* to simplify and improve government ICT procurement; improving communication between industry and government; and actively identifying opportunities for collaboration
- continually improving our approach and systems (through the work of Queensland Shared Services) to provide easier and cheaper services in the areas of finance, HR and payroll where we support some 45,000 Queensland Government employees
- providing scientific services in the areas of water, land and vegetation, biodiversity, climate and air quality. This has included

storm tide advice and water quality monitoring during and after Tropical Cyclone Marcia, remote sensing to inform the response to Panama disease, and significant scientific services as part of the commitment to deliver the *Reef 2050—Long-Term Sustainability Plan*

- providing investment to support construction of the Australian Institute for Tropical Health and Medicine and delivering a successful Queensland BIO 2015 mission to Philadelphia which resulted in major new partnerships with Johnson & Johnson, Siemens and Emory University
- progressing the Innovation Hub pilot project as a groundbreaking way to tackle complex problems facing government and the community.

Looking forward, we will play key leadership and delivery roles in the \$180 million Advance Queensland initiative. This will include the following programs:

- Advance Queensland Best and Brightest Fund which will develop, attract and retain world-class talent—both scientific and entrepreneurial—and provide new opportunities for Queenslanders to get experience in overseas startups, companies and research organisations.
- Advance Queensland Jobs Strategy which will support new industry-research collaborations, help to tackle major economic, social, and environmental challenges, and deliver 10-year roadmaps for emerging industries with global growth potential.
- Advance Queensland Business Investment package, and particularly those elements that will support a vibrant and innovative startup and SME sector in Queensland.

It has been a productive and rewarding year. I am proud of all that the department has achieved and would like to acknowledge the dedication of DSITI's staff to delivering high-quality services and improved outcomes for the people of Queensland.

**Jamie Merrick**  
Acting Director-General  
Department of Science, Information Technology  
and Innovation

# Our achievements

DSITI continued its commitment throughout the year to deliver on the government's focus of creating jobs for Queenslanders, restoring services, building our economy and ensuring fairness, transparency and accountability.

Our strategic objectives contribute to our business direction in supporting the government's objectives for the community by providing better outcomes for Queenslanders through a variety of initiatives in science, innovation, information and communication technology (ICT), and frontline service delivery.

These strategic objectives align with the Queensland Government's objectives for the community:

- creating jobs and a diverse economy
- delivering quality frontline services
- protecting the environment
- building safe, caring and connected communities.

DSITI's policies, programs and services align with the Interim Queensland Government Response to *The Queensland Plan* (the Government Response). The Government Response supports the government's objectives for the community, and identifies the priorities and key initiatives that will contribute towards implementing Queenslanders' vision.

## **2014–15 strategic objective:**

**Customers first: Meeting our customer expectations through innovative service delivery options, easy and convenient access and reducing red tape**

In 2014–15, we:

- supported the safety of the Queensland community during the G20 Summit by delivering the GWN to police, emergency services, and Commonwealth and international security personnel. 768 police and emergency service vehicles were fitted with GWN equipment, and more than 6000 portable radios went to the frontline staff
- delivered on the government's commitment to provide simpler, clearer and faster services by completing phase one of the

One-Stop Shop plan in October 2014 on time and on budget, meaning Queenslanders:

- are now accessing services the way they want them—over 280 new online transactions are now available, with 36 per cent of customers using the new online transactions within three months. Over 5.7 million transactions involving these new online services have been completed
- are saving time and money—the new online transactions mean Queenslanders can access more services whenever and wherever they want.
- enabled download of 20,000 science datasets from Open Data and QSpatial
- committed \$10 million for 68 new mobile phone towers under the Australian Government's Mobile black spot programme
- recorded a 150 per cent increase in visits by regional Queenslanders to qld.gov.au. The increase was on top of last year's increase of 300 per cent.
- continued to deliver essential support for the *Reef 2050 long-term sustainability plan* through the innovative Paddock to reef integrated modelling, monitoring and reporting program and Reef water quality science program
- commenced a Paperlite pilot project at Queensland State Archives (QSA) to support the whole-of-government digital records transition. QSA business processes were streamlined and printing was reduced by 84 per cent in 10 months. QSA is now working to expand this program across government
- signed a 10-year agreement to continue support for the Australian Tropical Herbarium, the nation's largest tropical plant library located at the James Cook University in Townsville
- provided 4000 customers with advice about plants and plant identification, including vital information about poisonous plants
- continued to provide seasonal climate forecast information and applications direct to landholders, graziers and the

general community. An average of 47,000 page views per month were recorded in the 2014–15 financial year

- boosted the Maps online service to enhance the reporting packages available and provide a 'one stop shop' for access to information on environmental values
- promoted Queensland science to diverse audiences at 51 events
- supported the Electoral Commission of Queensland through the January 2015 state elections ensuring seamless ICT service delivery
- facilitated the delivery of the Science and Innovation Champions Program to recognise 'grass-roots' innovators and science champions across Queensland
- processed 1.75 million salary payments, totalling over \$5 billion, with 99.72 per cent accuracy

- partnered with the Chamber of Commerce and Industry Queensland to deliver QAssure, a streamlined online registration system that makes it quicker and easier for ICT suppliers to pre-qualify to sell to the Queensland Government.

#### **2014–15 strategic objective:**

**Value for money: Ensuring our service delivery is efficient and effective, providing optimal value for our customers**

In 2014–15, we:

- trialled new service delivery channels such as social media and 'Click to chat' and seamless options such as 'Tell us once' for customers to update their address once and have it changed across a number of agencies. Pilots such 'Tell us once' and the service outlets pilot in the Scenic Rim and Lockyer Valley are reducing duplication and improving productivity for customers and government

### case study

## Supporting Queenslanders through storm season

The department has had another busy year supporting Queenslanders and client agencies through the 2014–15 storm season.

At the front line, Smart Service Queensland handled over 25,000 State Emergency Service (SES) and 38,000 community recovery related calls, ensuring all SES and community recovery calls were answered quickly and professionally. Additional temporary staff were trained and mobilised to support increased community demand, and the online public information homepage, [qld.gov.au/alerts](http://qld.gov.au/alerts), recorded over 130,000 hits.

Science Division provided valuable data and support to the state's counter-disaster response. The Coastal Impact Unit deployed a baby ocean buoy into the path of Tropical Cyclone Nathan to collect data about local extreme wave conditions to assist emergency management, and to improve forecasting and

modelling of future events. DSITI scientists also provided services to help understand the environmental impact of severe weather events on water quality.

On the technology front, our Strategic ICT Division engaged with telecommunications providers to monitor network availability and service restoration. CITEC temporarily expanded internet bandwidth to compensate for increased data traffic, and our Shared Corporate Services Division managed increased volumes of financial and payroll transactions to help facilitate the recovery effort.

Thirty reservists from across the department were actively deployed to help the community respond to, and recover from, these overwhelming events, while the DSITI leadership team, supported by the risk and resilience team, orchestrated the department's preparation, response and recovery capabilities.

# Our achievements

- commenced an ongoing whole-of-government telecommunications initiative to improve billing of fixed line and mobile services, which has already reduced costs by more than \$2.6 million per year for the Queensland Government
- established a whole-of-government print and imaging as-a-service panel arrangement that enables cost reductions of up to 25 per cent for Queensland Government agencies, through rationalisation of hardware, reduction in printing consumables and improved printing practices. The reduction in printing consumables also allows for environmental improvements by encouraging lower consumption of both paper and power
- established a whole-of-government infrastructure as-a-service panel arrangement that provides highly competitive pricing and flexible service options for Queensland Government agencies
- facilitated the procurement of ICT infrastructure for the new 1 William Street building, securing cutting-edge technologies to equip a modern and flexible workforce
- established new arrangements between CITEC and several of its suppliers to enable more efficient service delivery and reduced costs to government agencies of more than \$12 million over the next three years
- established and promoted to Queensland Government agencies the new commercialisation panel, providing easy access to user-pays advice on commercialising Crown intellectual property
- delivered release two of the ICT dashboard, providing greater transparency and an improved user experience for Queenslanders.

## **2014–15 strategic objective:**

### **Innovation: Develop innovative and connected services through partnerships, co-creation with the community, business and across government**

In 2014–15, we:

- developed and launched, in partnership with scientists from the Department of Natural Resources and Mines, the Soils Globe. This free, interactive user-friendly tool lets users view and explore maps of Queensland soils on up-to-date satellite imagery and download technical reports and data to inform decision-making. The Soils Globe has generated over one million hits since its launch in December 2014
- delivered the tactical cybersecurity plan initiative, which greatly improved information security practices across government and resulted in an unprecedented cyber incident-free G20 event
- initiated a single point of contact for shared services customers through implementation of the ServiceNow software
- assisted 37 early stage businesses, to support the generation of 72 jobs and \$11.7 million in investments through the Innovation Centre Sunshine Coast and iLab, University of Queensland incubators during 2014
- delivered two rounds of the Innovation Hub pilot project to address eight challenges from across the Queensland Government. The pilot received interest from 122 solution providers to help solve problems, and trialled a new problem-solving approach involving expertise from a wide range of private sector experts
- delivered four innovation clinics that brought together industry stakeholders and expertise from business, research and government to collaboratively solve barriers and capitalise on opportunities through innovation

- established a new whole-of-government standing offer arrangement for the purchase of natural resource science and engineering-related services (21 services across 10 Queensland Government agencies)
- conducted a 12-month flexible work centre pilot at Southport and Redcliffe: 64 per cent of participants reported productivity improvements, 83 per cent reported significant improvements in wellbeing; and 80 per cent increased their use of digital technologies
- negotiated the provision of a whole-of-government enterprise version of Yammer with Microsoft, providing a platform for inter-agency communication and collaboration
- delivered Innovate to Collaborate events across regional Queensland, and assisted in the successful delivery of four Startup Weekends in Brisbane, Sunshine Coast, Toowoomba and Cairns
- provided funding assistance to over 13 Queensland startup organisations to deliver a range of events, including Startup Weekends, to build capability within the startup ecosystem
- awarded \$7.23 million through the *Accelerate* programs to support practical and applied research projects. 25 recipients leveraged an additional \$10.29 million, from Queensland universities and other project partners

### DSITI performance against the DSITI *Strategic plan 2014–18* key performance indicators

Key performance measures	Notes	2014–15 actuals
Customer satisfaction rate: <ul style="list-style-type: none"> <li>• Digital Productivity and Services</li> <li>• Science customers</li> <li>• Science clients</li> <li>• Shared Corporate Services</li> <li>• Strategic Policy and Innovation</li> </ul>	1	Actual result <ul style="list-style-type: none"> <li>• 92%</li> <li>• 92%</li> <li>• 89%</li> <li>• 48%</li> <li>• 87%</li> </ul>
Corporate staff as a percentage of total DSITI staff		• 11%
Staff engagement rate: <ul style="list-style-type: none"> <li>• agency engagement</li> <li>• job engagement and satisfaction</li> <li>• intention to leave</li> <li>• participation rate</li> </ul>	2	Actual result: <ul style="list-style-type: none"> <li>• 45%</li> <li>• 71%</li> <li>• 52%</li> <li>• 71%</li> </ul>
Percentage of business areas that measure their cost to serve	3	10%
Value for money—DSITI operates within a 2% variance of budget	4,5	–1%
Number of cross-portfolio initiatives		24
Number of transformational initiatives		40
Portfolio completion rate (on schedule)		100%

#### Notes:

1. DSITI conducts customer satisfaction surveys at various divisional and business unit levels. The results included in this list are a representation of the satisfaction rate across the department. Refer to Section 2—Our service performance for details of all the surveys conducted across the department.
2. Based on the Working for Queensland survey conducted in 2015.
3. 10% of the business areas that measure their cost to serve represent 47% of the departmental budget.
4. Value for money was demonstrated through our measure 'percentage of business units which have measured value for money through contestability'. This measure was concluded when the government entered caretaker mode in January 2015. In lieu of the discontinued measure, DSITI's financial stewardship can be demonstrated through the successful delivery of its services within the budget.
5. Budgeted expenses only include the major categories of employee expenses, supplies and services, and other expenses.

# Our achievements

- established Australia's first Chair in Digital Economy at Queensland University of Technology (QUT) with founding partners Brisbane Marketing, QUT and PricewaterhouseCoopers
- signed a further three-year agreement with the Smithsonian Institution in which the Queensland Government committed \$360,000 to support the Queensland-Smithsonian and Queensland-Cooper Hewitt Fellowships programs
- coordinated the Queensland Government's contribution to mobile network operator bids for funds under the Australian Government's Mobile black spot programme to improve mobile coverage
- conducted Queensland's first Startups in Parliament event in June 2015, attended by 72 startups and entrepreneurs.
- continued to work across departments to ensure the Queensland Government's science capacity and capability was maintained, contributing to the development of a knowledge economy in Queensland
- established divisional culture reference groups with members from all levels of the organisation to promote positive workplace culture
- facilitated a leadership development experience for chief information officers across government to enhance their skills in profiling and coaching
- designed a mentoring program to support staff development and rolled out a new program of learning and development offerings
- established an inter-agency Portfolio Management Community of Practice with over 60 members from across 20 agencies
- implemented a centre-led service-focussed procurement operating model supported by a principles-based procurement management framework
- ensured DSITI has consolidated and joined-up disaster recovery strategy, policies and processes
- developed and implemented performance reporting dashboards at an organisational and divisional level to enhance our evidence base and mature our performance measurement.

## *2014–15 strategic objective:*

### **Organisational transformation: Create an engaged and agile organisation which focuses on building capability, capacity and an evidence base to achieve our outcomes**

In 2014-15, we:

- created the online Policy Hub, a central resource to help staff develop policy to deliver the Queensland Government's objectives and programs
- conducted two Director-General Innovation Challenge Days with 115 staff from across DSITI to build capability in deliberative creative thinking, problem definition and solving

# 1. About the department

## Who we are

DSITI brings together science, information technology and innovation into one portfolio to deliver on the community objectives of the Queensland Government.

Within this portfolio, the department is supported by the following bodies to deliver our objectives:

- entities:
  - Queensland Government Chief Information Office
  - Office of the Queensland Chief Scientist
- statutory body:
  - State Library of Queensland (SLQ).

Under section 56 of the *Public Records Act 2002* (the Act), Queensland State Archives

(QSA) produces a separate annual report on the administration of the Act. Financial statements for QSA are consolidated into the DSITI financial statements and are included in this report.

SLQ also produces a separate annual report and financial statements on the administration of the *Libraries Act 1988*.

### *Machinery-of-government changes*

In February 2015, following the Queensland state election, the incoming government announced changes to the structure of portfolios and organisational units within the department. As a result of these changes, Arts Queensland and the Corporate Administration Agency (CAA) were transferred into the Department of the Premier and Cabinet.

## Our structure (as at 30 June 2015)

Office of the Queensland Chief Scientist <i>Queensland Chief Scientist</i>		Minister <i>The Honourable Leeanne Enoch MP</i>		State Library of Queensland <i>Chief Executive Officer and State Librarian</i>	
Queensland Government Chief Information Office <i>Queensland Government Chief Information Officer</i>		Director-General		Office of the Director-General   <i>Director</i>	Internal Audit <i>Director</i>
Strategic Policy and Innovation <i>Chief Strategic Policy and Innovation Officer</i>	Science <i>Assistant Director-General</i>	Digital Productivity and Services <i>Assistant Director-General</i>	Change and Operations <i>Chief Change and Operations Officer</i>	Shared Corporate Services <i>Assistant Director-General</i>	Strategic ICT <i>Assistant Director-General</i>
<ul style="list-style-type: none"> <li>• Commercialisation <i>Director</i></li> <li>• Innovation Policy and Programs <i>Director</i></li> <li>• Customer and Market Insights <i>Director</i></li> <li>• Strategic Policy <i>Director</i></li> </ul>	<ul style="list-style-type: none"> <li>• Science Delivery <i>Executive Director</i></li> <li>• Science Development <i>Executive Director</i></li> </ul>	<ul style="list-style-type: none"> <li>• Smart Service Queensland <i>Executive Director</i></li> <li>• One-Stop Shop Strategy and Implementation Office <i>General Manager</i></li> <li>• Digital Economy and Productivity <i>Executive Director</i></li> <li>• Queensland State Archives <i>Executive Director and State Archivist</i></li> </ul>	<ul style="list-style-type: none"> <li>• Chief Information Office <i>Chief Information Officer</i></li> <li>• Communications and Engagement <i>Director(s)</i></li> <li>• Strategic Transformation and Performance <i>Executive Director</i></li> <li>• Executive, Legal and Integrity Services <i>Manager</i></li> <li>• Finance, Procurement and Business Services <i>Chief Financial Officer</i></li> <li>• Human Resources <i>Chief Human Resources Officer</i></li> <li>• Service Delivery Renewal <i>Executive Director</i></li> <li>• DSITI Portfolio Office <i>Director</i></li> </ul>	<ul style="list-style-type: none"> <li>• Queensland Shared Services Client Services (Finance) <i>Executive Director</i></li> <li>• Queensland Shared Services Client Services (HR and Mail) <i>Executive Director</i></li> <li>• Queensland Shared Services Shared Systems <i>Executive Director</i></li> <li>• Queensland Shared Services Business Transformation <i>Executive Director</i></li> </ul>	<ul style="list-style-type: none"> <li>• CITEC ICT Services <i>General Manager</i></li> <li>• CITEC Information Brokerage <i>Executive Director</i></li> <li>• ICT Modernisation <i>Executive Director</i></li> <li>• ICT Strategic Sourcing <i>Executive Director</i></li> <li>• Strategic Programs <i>Director(s)</i></li> </ul>

# 1. About the department

## Our vision

In 2014–15, our vision was: *We enable a clever, creative and connected Queensland.*

## Our purpose

In 2014–15, our purpose was to:

- co-create value for Queenslanders by enabling ease of access to government services and information when and where you need it
- connect and empower communities to pursue and achieve better social, economic, cultural and environmental outcomes from science, ICT and innovation
- partner with government agencies to innovate and deliver value-for-money outcomes for Queenslanders
- co-create an environment that enables organisations to thrive as we re-energise the Queensland economy
- work together, across DSITI, in a creative, clever and connected way to put customers first and deliver excellent service.

## Our values

A workforce of engaged, connected and capable individuals who are motivated to deliver better outcomes for Queenslanders is critical to our success. We support a positive organisational culture of engaged employees through our values:



### Customers first

- We know our customers
- We deliver what matters
- We make decisions with empathy



### Ideas into action

- We challenge the norm and suggest solutions
- We encourage and embrace new ideas
- We work across boundaries



### Unleash potential

- We expect greatness
- We lead and set clear expectations
- We seek, provide and act on feedback



### Be courageous

- We own our actions, successes and mistakes
- We take calculated risks
- We act with transparency



### Empower people

- We lead, empower and trust
- We play to everyone's strengths
- We develop ourselves and those around us

## Our role

It is important for Queensland to diversify its economy to reduce unemployment and to create new jobs, now and in the future. For Queensland's economy to diversify and grow, we need to create jobs in new and emerging industries; build the capacity and sustainability of Queensland businesses; and ensure our young people gain the skills and knowledge they need to succeed in a future job market.

Enabling and providing the foundations for these are key areas of focus for DSITI. Through our policies and services, we help attract and retain the best and brightest minds for Queensland, and build our reputation as a knowledge economy that supports and drives research and innovation.

The department is a critical intersection in the knowledge economy between science, information technology and innovation, and will play a major role in encouraging

economic growth through scientific research and development, digital services, information technology, startups support, commercialisation and innovation.

The department:

- partners with tertiary institutions, research organisations, business and industry bodies to deliver services and develop strategies and policy
- delivers direct transactional and information services to the public, Queensland Government agencies, public sector entities and business
- drives the modernisation of ICT, customer-facing service delivery, digital technology and service delivery adoption, and delivery of shared services across government
- develops strategy and policy frameworks, and provides advice to government in the areas of digital economy, customer service delivery, ICT, science and innovation.



DSITI's key areas of responsibility include:

- delivering Advance Queensland to reinvigorate the state's science, research and innovation sectors and build a diverse, knowledge-based economy in Queensland
- delivering environment and natural resource scientific and technical advice and services to government agencies
- investing in the development of science capability and facilitating science partnerships and international collaborations
- driving the innovation agenda across government and with business
- working with business, tertiary institutions and other public sector entities to further develop science and innovation capability and boost commercialisation
- ensuring the Queensland Government's information is publicly available through open data
- developing the Queensland Government's ICT strategies and policy
- ensuring the government's ICT investments are focussed on value for money service delivery
- driving the ICT modernisation and digital government agenda across departments
- facilitating and enhancing ICT industry engagement with the Queensland Government
- negotiating and managing whole-of-government ICT purchasing arrangements
- providing public information on the progress of the government's ICT initiatives
- delivering whole-of-government and agency-specific ICT services
- delivering the majority of the government departments' finance and human resource systems and transactional processes, including payroll
- delivering integrated government services to the community through phone, internet, service outlet and contact centre channels
- maintaining and archiving Queensland Government's significant records.

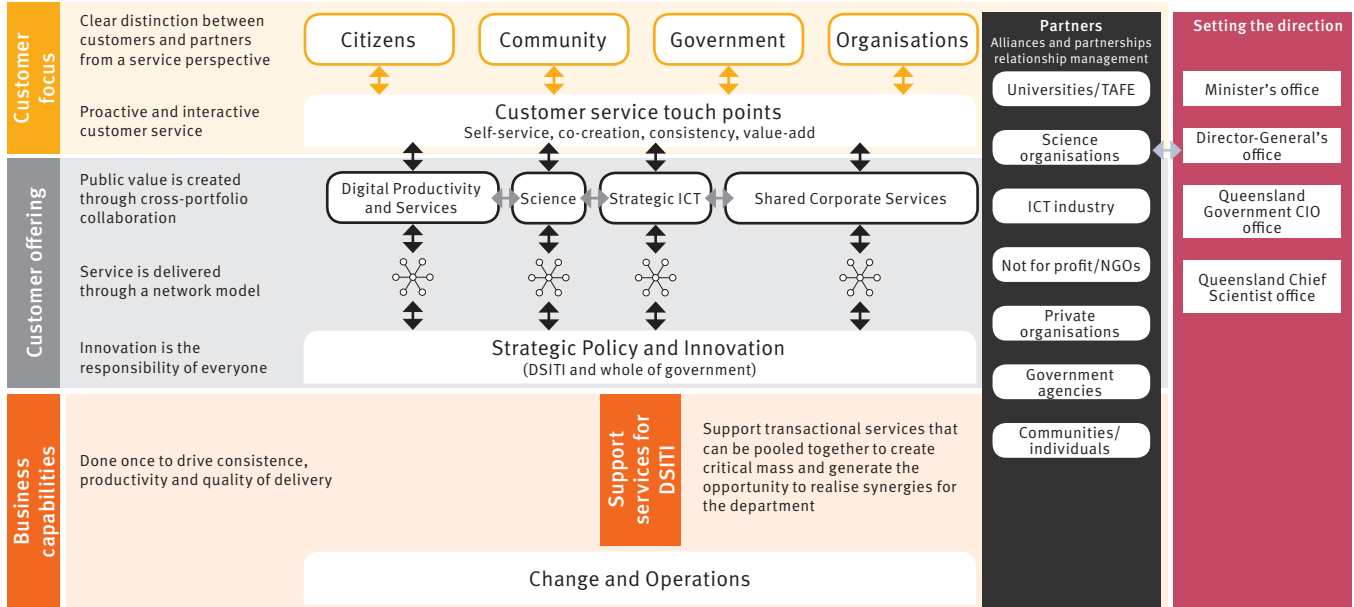
### *Our operating environment*

The department delivers its policy initiatives and programs within a complex operating environment that is influenced by a range of factors including:

- the rapid pace of technological change, particularly the exponential growth of digital technologies and digitally driven services
- creating the jobs of the future centred on knowledge intensive occupations and industries to contribute to the government's Working Queensland reform agenda
- addressing the digital divide—inconsistent ICT connectivity across Queensland's regions
- protecting Queensland's environment, including the Great Barrier Reef
- meeting citizen demand for access to digitally driven, innovative government services
- the impact of fiscal constraints on funding programs delivered by the federal government.

# 1. About the department

*The DSITI operating model*



DSITI's operating model is based on defined customer value propositions and a common management framework to drive a common language. The model delivers services, and connects and coordinates service offerings through:

- our key partners: universities and TAFEs, science organisations, the ICT industry, not for profit/non-government organisations (NGOs), private organisations, government agencies, communities and individuals

- four customer groupings: citizens, community, government and organisations
- four service delivery divisions: Science, Digital Productivity and Services, Strategic ICT, Shared Corporate Services
- two support functions: Strategic Policy and Innovation, and Change and Operations.

## 2. Our service performance

### Science

DSITI's Science Division provides scientific and technical advice and services to government agencies across the natural resources and environmental spectrum that underpin their decision-making and legislative responsibilities. The division, in close collaboration with the Queensland Chief Scientist, also provides strategic leadership for the government's investment in science and research, and develops Queensland Government science policy.

The Science Development business area of the division supports the investment in, and development of, science capability to maximise the impact and benefits of government investment in science by providing policy advice, administering science legislation and regulations, and facilitating science partnerships and international collaborations.

The Science Delivery business area of the division provides high-quality, timely, innovative scientific and technical services and advice in the priority areas of water, land and vegetation, climate variability, air quality and biodiversity. Core services also include the provision of foundation environmental and natural resource management data and models. The services provided by this area work to protect the environment and ensure the state's natural resources are responsibly managed and developed.

As part of the \$180 million Advance Queensland initiative, this division will deliver key funding programs to develop, attract and retain world-class scientific talent.

The division works in partnership with government agencies (state and federal), universities and other research groups, as well as natural resource management groups and industry.

### *Our operating environment*

Our scientific and technical services inform policy and regulatory decision-making across government. Importantly, we work to solve problems by generating and translating scientific knowledge and developing new methodologies.

This extensive program of work is overseen by the Science Delivery Board, comprising the directors-general or equivalent of partner departments. To ensure we remain the trusted source of science and technical services, a review has begun into the board's overall governance arrangements and delivery model for science services.

Over the next year, we will focus on delivering programs under the \$180 million Advance Queensland initiative to develop, attract and retain the best and brightest researchers for Queensland, and support collaborative research projects which will translate research into outcomes and develop new and exciting industries.

The Great Barrier Reef has also been identified as a priority area for research and protection by the Queensland Government. We will continue to help government to protect the natural wonders and unique biodiversity of our state by coordinating cross-agency scientific projects, and providing scientific and technical services and advice that ensure the state's natural resources are responsibly managed and developed.

The Paddock to reef integrated monitoring, modelling and reporting program is one of our most important projects, as it informs land management practices and enhances understanding of water quality impacts on the Great Barrier Reef.

## 2. Our service performance

### Performance review

The following service standards in the department's *Service delivery statements 2014–15* were used by the department and the government to assess the division's overall performance.

Service standards	Notes	2014–15 target/est.	2014–15 est. actual	2014–15 actual
Average time taken to upload quality checked air quality monitoring data to the DEHP website that shows the air quality conditions across the state	1	60 minutes	57 minutes	59.76 minutes
Percentage of clients from other government agencies satisfied with the natural resource and environmental science services and information provided	2	85%	89%	89%
Percentage of science funding recipients satisfied with contract management services provided for science related grant programs	3	85%	92%	92%
Percentage of clients (both government and non-government) satisfied that the various science engagement strategies (conferences, workshops, international delegations, web presence and programs) improve the profile and understanding of Queensland science and increase the opportunities for engagement, collaboration and investment	4	80%	80%	99%
Percentage of laboratory tests completed and made available within agreed timeframes and quality specifications to support <i>Reef plan 2013–2018</i> and the government's agricultural strategy	5	85%	92%	94%

#### Notes:

1. This measure has been discontinued for future service delivery statements and annual reports as it is not a true effectiveness measure.
2. This is the second annual survey for this measure. Result for 2014–15 of 89% is based on a survey conducted for services provided in 2013–14. The target of 85% will remain for 2015–16 and will be reviewed for 2016–17.
3. This is a new measure for Science Division. The first annual survey was conducted in 2014–15 and will be the baseline for reporting in subsequent years. Due to the relatively high result achieved in the baseline survey the target of 85% will remain for 2015–16 as more than one year of survey data is required in order to establish a robust and realistic target for this measure.
4. Attendees at the events surveyed (11 Talking Scientist Workshops and six other workshops) indicated they were extremely satisfied with the services provided. This measure has been discontinued for future service delivery statements and annual reports as a result of the review of the 'material services' for the division.
5. This is a new measure for Science Division. Due to the high result of 94% achieved during 2014–15 the target of 85% will remain for 2015–16 as more than one year of data is required in order to establish a robust and realistic target for this measure.

### Achievements

During 2014–15, Science:

- commenced the program and guideline design to deliver the Queensland Government's Advance Queensland initiative
- expanded the scope of the Water tracking and electronic reporting system (WaTERS) to cover the coal seam gas and other industries
- released Queensland-wide maps showing trends in woody vegetation density to better inform the long-term management of the state's natural resources
- commenced construction of the Australian Institute of Tropical Health and Medicine Townsville node to improve our understanding and treatment of tropical diseases
- awarded \$7.23 million in government support to 10 Accelerate partnerships, 14 Accelerate fellowships and one Accelerate ideas grant
- hosted the 2014 AusBiotech national conference on the Gold Coast (29–31 October) to support the ongoing development of biotechnology and the life sciences
- coordinated the network of wave monitoring sites and storm tide gauges to simultaneously gather wave, tide and atmospheric data associated with tropical cyclones to inform responses to extreme events
- provided advice, technical assessments and decision support tools for licensing and development approvals

- facilitated the provision of scientific monitoring and analysis of air, soil and water at Chinchilla to support the Department of Environment and Heritage Protection investigations into breaches of the *Environmental Protection Act 1999*
- delivered the Queensland talking scientist program
- profiled Queensland's capability in science to China through bilateral missions, forums and workshops facilitated by the department. A Hainan science delegation visited James Cook University (JCU) and the Australian Institute of Marine Science (AIMS) in Townsville in August 2014. Collaborative agreements were signed with Hainan research institutes, JCU and AIMS during the visit
- supported a successful Queensland BIO 2015 mission to Philadelphia, United States of America
- continued the review of the *Biodiscovery Act 2004* and the *Gene Technology Act 2001*.

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

During 2014–15 Science supported the following whole-of-government programs, plans and initiatives:

- Advance Queensland
- *Reef water quality protection plan*
- *State disaster management plan*
- *Science and innovation action plan*.

#### *Looking forward*

In 2015–16, Science will:

- coordinate the first round of funding for various research and academic programs under Advance Queensland, to drive opportunities in science and innovation that will grow the Queensland economy and create jobs
- coordinate cross-agency reef science projects to inform land management practices and understand water quality impacts on the Great Barrier Reef
- maintain the air quality monitoring network across locations in Queensland and continue to support environmental investigations
- deliver the 2012–14 *State-wide land and trees study report* that will include Queensland land clearing rates to support natural resource management and property planning
- redesign the Long Paddock website to continue to provide tailored climate advice for Queensland to enable landholders, graziers and the general community to sustainably manage their stock, crops and pastures
- complete groundwater dependent ecosystem mapping for 40 per cent of Queensland to provide baseline information to inform planning and development decision-making
- continue to provide scientific and technical services, information and advice to support disaster response, management and recovery.

#### *case study*

## Collaboration harvests lessons from the land

Mr Gerry Turpin, Mbabaram Traditional Owner and ethnobotanist with the department based in Cairns, is the leader of the Tropical Indigenous Ethnobotany Centre at the Australian Tropical Herbarium. Gerry works with Traditional Owners from Cape York to document their traditional ethnobotany knowledge, providing plant and ecological training, and supporting them in innovative educational and sustainable environmental projects. As an Aboriginal and Torres Strait Islander-driven initiative, the centre is the first of its kind in Australia to record and use the plant knowledge of Traditional Owners on-country.

Gerry is a member of the Indigenous Biocultural Knowledge (IBK) working group that is part of a nationwide effort to stem the tide of species and ecosystem extinction and decline in Australia. The group is a unique collaboration of traditional owners, scientists and land managers from a range of organisations from remote to urban Australia.

The IBK has collated documents and examples of living Aboriginal and Torres Strait Islander biocultural knowledge and promoted them through a one-stop shop website, [www.aibk.info](http://www.aibk.info). The IBK's work was acknowledged this year when it was awarded the prestigious 2014 Banksia Award for Indigenous Leadership for Sustainability.

## 2. Our service performance

### Digital Productivity and Services

The Digital Productivity and Services Division works together to revitalise Queensland Government services, increase Queensland's digital capability, preserve and provide access to Queensland's record-related information and enhance customer experience with the Queensland Government.

This division contributes to the Queensland Government's objectives for the community, and supports Advance Queensland to deliver quality frontline services and to create jobs and a diverse economy by:

- revitalising frontline services which make government services and information simpler, clearer and faster for the community to access online, by phone and in person
- driving a 'digital-first' delivery of government services and creating conditions for community and business participation in the digital economy
- driving the whole-of-government open data agenda by ensuring government information is publicly available and accessible through open data, which provides Queenslanders with the opportunity to use the data to stimulate innovation, research, and startups and improve government service delivery
- providing leadership of records-related information management across Queensland public authorities to ensure Queensland public records are made, kept, managed and preserved in a useable form for the benefit of present and future generations.

Digital Economy and Productivity is responsible for promoting the adoption and increased use of digital technologies, content and innovative services to deliver better economic and social outcomes for Queenslanders.

The One-Stop Shop Strategy and Implementation Office is transforming Queensland Government service delivery online (qld.gov.au), face-to-face and by phone (13 QGOV [13 74 68]).

A customer-centric approach to service design has allowed this effective business area to cut through agency and service silos to connect services, reduce duplication, and provide seamless and easy access to government services.

Smart Service Queensland (SSQ) is an award-winning service provider that delivers more than 260 services on behalf of government through two call centre sites, 78 Queensland Government Agent Program offices and three Queensland Government Service Centres. SSQ is working closely with the One-Stop Shop Strategy and Implementation Office to revitalise frontline services. SSQ is also the point of contact for government information and services in times of disaster recovery through the 13 2500 SES flood and storm lines.

QSA is the state's leading authority on records-related information management for over 500 public authorities, and is responsible for administering the *Public Records Act 2002*. This professional business is the custodian of the largest and most significant document heritage collection in Queensland. QSA not only has a role to preserve significant records of the state, but it also has the challenging task to make information accessible to future generations.

#### *Our operating environment*

We work in a fast-paced transformative environment that responds to a range of factors including:

- the rapid growth of digital technologies and digitally driven services
- meeting citizen demand for access to digitally driven, innovative government services from anywhere at any time.

## Performance review

The following service standards in the department's *Service delivery statements 2014–15* were used by the department and the government to assess the division's overall performance.

Service standards	Notes	2014–15 target/est.	2014–15 est. actual	2014–15 actual
Percentage of customers satisfied with the services provided by Smart Service Queensland on behalf of other government agencies	1	≥85%	92%	92%
Percentage of clients satisfied with the services provided by Smart Service Queensland on their behalf	2	≥80%	77.8%	77.8%
Proportion of stakeholders who are satisfied with digital economy and productivity services, consultative and engagement processes	3	85%	92%	92%
Customer satisfaction with Queensland State Archives' delivery of services to the public	4	≥93%	94%	94%

### Notes:

1. The overall satisfaction score for Smart Service Queensland increased by four percentage points in 2014–15 as compared to the previous year. The increase was predominantly due to an increase in the satisfaction rate for the phone channel.
2. The client satisfaction rating increased from 76% in 2013–14. The results highlighted further opportunity to improve communication with client agencies.
3. The 2014–15 actual result exceeded the target due to the successful implementation of a suite of programs under the Queensland Digital Economy Strategy, in addition to the ongoing success of Partners in Technology forums, which continue to be well-attended by industry representatives.
4. This is the result from the biennial customer satisfaction survey conducted for Queensland State Archives in March 2015. The next survey will be conducted in 2017.

## Achievements

During 2014–15, Digital Productivity and Services:

- enhanced services through digital and non-digital channels by implementing six new service outlet pilots in the Lockyer Valley and Scenic Rim
- continued to improve access to government services by ensuring all general Queensland Government service information is available online, and expanding the number of transaction services available online
- launched new whole-of-government digital capabilities such as online customer identity management and the ability for customers to update their address across a number of departments in one online process
- developed a whole-of-government customer experience framework to disseminate customer-first training and service design capability, including collecting meaningful insights about Queensland Government customers
- conducted the 12-month flexible work centre trial at Redcliffe and Southport. 47 Queensland Government employees teleworked at least one day a week. Trial results will inform an options paper regarding the viability of flexible work centres in South East Queensland and regional Queensland for government
- hosted four Partners in Technology briefings, which provided free and valued opportunities for the local ICT sector to be informed about the strategic environment, ICT architecture and future procurement processes of governments, universities and large, non-government organisations. 760 people attended the four briefings, with an overall satisfaction of 92 per cent achieved
- commissioned the Queensland Government Statisticians Office to undertake a digital industry survey in 2014, which provided a snapshot of the industry in areas such as location, structure, business activity areas of expertise, growth and future intentions
- supported delivery of the national Digital Careers Program in Queensland, reaching 20 career fairs across the state with over 75,000 students, parents and teachers attending. In regional Queensland, Digital Careers reached over 17,000 students, parents and teachers

## 2. Our service performance

- established a business collaboration group which comprises diverse business and industry peak bodies, the three tiers of government and regional development organisations.
- successfully managed the service delivery of more than 260 government services to the public, on behalf of Queensland Government agencies, handling more than 29 million customer interactions
- established a digital archiving project within QSA to deliver a digital archive for the state's historically significant digital public records. The first stage of this project focuses on developing and testing a detailed solution design. Solutions identified for archiving digital records transferred to QSA should also be accessible for public authorities that need to retain digital records long term
- responded to 25,895 SES and 38,782 disaster recovery calls during the 2014–15 disaster season through the SSQ contact centres
- administered and managed the delivery of over one million concession services to eligible Queenslanders
- transferred 3.5 kilometres of public records from government agencies, bringing the total size of the collection to over 55 linear kilometres
- continued to provide excellent services to the community. Smart Service Queensland's contact centre was recognised for its service delivery excellence by winning 10 awards in 2014: four international, two national and four state.

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

During 2014–15, Digital Productivity and Services was responsible for the following programs, plans and initiatives:

- commenced implementation of the *Queensland digital economy strategy and action plan*. This outlines the ways digital technology and services will be used to improve productivity and innovation in the Queensland Government, Queensland business and the community.
- continued implementation of the *One-stop shop plan 2013–18*. This plan aims to improve customer experience on all channels, including online, phone and face-to-face.

*case study*

### One-Stop Shop—services made simpler

Opened in January 2015, a range of new service delivery models, including the state's first two Queensland Government customer centres in Gatton and Beaudesert, have launched a new era for Queensland Government service delivery.

Unlike the existing government service centres, customers can now access a much wider range of government services, including the full suite of transport and Justice of the Peace services, with consistent opening hours, and a focus that clearly puts the customer first.

DSITI has been working with the community to understand how customers want to access government services. In response to this feedback, these one-stop customer centres

are staffed by uniformed and well-trained local teams from across government, with modern open environments and contemporary technology delivering customers simpler, clearer and faster access to services.

A key part of the success of the new customer centres has been the introduction of customer service guides greeting customers on entry and quickly addressing or directing enquiries to the right place, including helping customers complete their transactions online, in store.

The centres have received high praise from customers in these regions, with the findings of this pilot to be used to develop a plan to keep improving access to government services across the state.



- supported the Queensland Government First World War and Anzac centenary commemorations with a program of activities, including public seminars and workshops, publishing commissioned historical essays with interactive online exhibitions, adding digitised content from the archival holdings to the QSA website, initiating a First World War blog, and collaborating with other cultural institutions on joint events and activities such as the QANZAC 100 Heritage Leaders Workshop.

### *Looking forward*

In 2015–16, Digital Productivity and Services will:

- expand the single customer login, proof of ID and ‘My account’ concept; continue to optimise high-volume online services and improve online customer experience; and evaluate the results of the local service outlet pilots
- support the Advance Queensland initiative through stimulating digital innovation by:
  - supporting the PricewaterhouseCoopers Chair in Digital Economy to develop digital business capability and business model innovation for government and small to medium enterprises (SMEs)
  - launching the CSIRO-developed Digital Future Scenarios for Governments marketplace
  - launching the Community Digital Champions and Digital Thought Leaders programs
  - developing and releasing the Queensland Digital Industry Investment Prospectus
  - delivering expanded Partners in Technology and Partners in Digital Productivity programs
  - continuing to support the Digital Careers program with an increased focus on delivering careers expos and school visits in regional Queensland
- continuing to engage with stakeholders such as regional and rural councils to increase the digital awareness and capabilities of regional small businesses and community organisations
- continue to deliver service excellence and expand the range of services available via phone through 13 QGOV and in person at Queensland Government Agent Program locations and Queensland Government service centres
- grow SSQ’s service delivery channel options by integrating digital technologies within and across the contact centre and Queensland Government service centres. This includes further development of ‘AskQGov’, ‘Click to chat’ and ‘Web chat’
- complete the first stage of the Digital Archiving Project—Design, Test and Prove, by undertaking early market engagement with potential digital archive solution providers, and trialling and prototyping different technical solutions
- lead a review of the *Public Records Act 2002*
- undertake a review of the strategic direction of QSA to help shape its future in the digital age
- continue to help agencies prioritise the transfer of permanent paper records to QSA to ensure preservation of, and appropriate access to, those records, and support agencies wishing to progress their transition from paper to digital recordkeeping
- continue to grow QSA’s digital service delivery and explore opportunities to improve online access to archival holdings
- commence migration from SSQ’s current contact centre telephony platform to a new technology solution.

## 2. Our service performance

### Strategic Information and Communication Technology

The Strategic ICT Division supports, delivers, guides and advises on whole-of-government ICT initiatives.

The division uses specialist knowledge and expertise to:

- provide strategic procurement services, including the preparation, negotiation and management of whole-of-government contracts that make buying and selling ICT products and services easier and more efficient
- help the ICT industry, including SMEs, access the Queensland Government market
- lead the mega category for whole-of-government ICT procurement
- manage whole-of-government ICT infrastructure (including data centres and networks) that enable responsive and integrated government services
- deliver leading information brokerage services to commercial clients
- manage whole-of-government projects and programs including:
  - ICT modernisation to support a connected, integrated government that uses modern, innovative and cost-effective ICT
  - GWN to improve communications, safety and security for public safety agencies and emergency workers
  - the establishment of ICT infrastructure at the new 1 William Street government building to foster a productive and innovative workplace.

#### *Our operating environment*

The GWN program will transition into a business-as-usual contract management phase during 2015–16, representing an opportunity for the division to focus on new whole-of-government projects, including the implementation of findings from the Government Information Technology Contracting (GITC) review.

Continued momentum towards a category management approach to Queensland Government procurement provides an opportunity to further embed and enhance the mega category lead for ICT.

Procurement activities for ICT infrastructure at the new 1 William Street building will conclude during 2015–16 and the program will move into implementation phase.

The repositioning of ICT renewal to ICT modernisation has given the program more flexibility to adapt to government priorities while continuing to drive existing whole-of-government initiatives.

The decision that CITEC will remain a Queensland Government-owned ICT provider represents an opportunity to reshape its business model. In 2015–16, CITEC will consult with customers, employees and stakeholders to develop a new operating model that ensures it is efficient and sustainable, and provides excellent service.

## Performance review

The following service standards in the department's *Service delivery statements 2014–15* were used by the department and the government to assess the division's overall performance.

Strategic ICT service standards	Notes	2014–15 target/est.	2014–15 est. actual	2014–15 actual
Percentage of applications for valid Government Information Technology Contract (GITC) Head Agreements processed within five working days	1	≥80%	98.5%	98.1%
Percentage of accountable action items from the <i>Queensland Government ICT strategy 2013–17 action plan</i> completed on schedule	2	90%	100%	90%
CITEC service standards	Notes	2014–15 target/est.	2014–15 est. actual	2014–15 actual
Earnings before interest and tax less Depreciation and Amortisation (EBITDA)	3	\$2.67m	\$7.337m	\$7.937m
<b>Other measure:</b> Service availability	4	99.5%	N/A	99.99%

### Notes:

- Actual results exceeded the target due to reduced internal administrative processes as a result of the introduction of the online QAssure prequalification system. In addition, the number of suppliers wishing to negotiate additional clauses within the GITC framework has been lower than expected. This measure has been discontinued for future service delivery statements and annual reports.
- All outstanding actions from the *Queensland Government ICT strategy 2013–17 action plan* (published August 2013) were accounted for in the refresh of the plan in November 2014. The refreshed plan (*ICT Renewal Action Plan*), included 13 initiatives to conclude in 2014–15. 12 of these initiatives are either complete or considered on schedule. This measure has been discontinued for future service delivery statements and annual reports.
- Actual results exceeded the target primarily due to an improved revenue position than anticipated and a reduction in technology costs through the negotiation of new contracts.
- Measures the proportion of time that CITEC's services are available for use by customers within the agreed service time.

## Achievements

During 2014–15, Strategic ICT:

- supported the safety of the Queensland community during the G20 Summit by delivering the GWN to thousands of police, emergency services, and Commonwealth and international security personnel
- provided critical support and increased security to Queensland Government agencies during G20 to protect against potential cyberthreats
- supported Queensland Health and Shared Corporate Services during the upgrade to their SAP payroll systems, ensuring customers experienced uninterrupted service
- continued to design and develop the client identity management solution, making it easier for the Queensland community to securely access multiple government services using a single login within a single session
- commenced an ongoing whole-of-government telecommunications initiative to improve billing of fixed line and mobile services, which has already reduced unnecessary costs by more than \$2.6 million per year
- established a whole-of-government infrastructure as-a-service panel arrangement, which provides highly competitive pricing and flexible service options
- commenced ongoing sessions with procurement staff across government to promote the use of whole-of-government panel arrangements and help agencies save time and money when purchasing ICT

## 2. Our service performance

- established new arrangements between CITEC and several of its suppliers to enable more efficient service delivery, and reduced costs to government of more than \$12 million over the next three years
- negotiated the provision of a whole-of-government enterprise version of Yammer with Microsoft, providing a platform for inter-agency communication and collaboration
- enabled faster response times for customers using the Department of Transport and Main Roads Licensing and Registration System by taking an innovative approach that combined leveraging new software arrangements with upgrading the system's supporting hardware. This approach improved the customer experience and saved time and money during implementation
- received recognition of excellence through awards for outstanding ICT infrastructure; excellence in category management; and the GWN.

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

During 2014–15, Strategic ICT was responsible for the following whole-of-government programs, plans and initiatives:

- establishment of new whole-of-government ICT panel arrangements including:
  - print and imaging as-a-service
  - infrastructure as-a-service
- delivery of the refreshed *ICT action plan*, including initiatives to:
  - optimise ICT procurement, including the review of the GITC framework
  - identify emerging technologies for improved government services
  - remove the barriers to as-a-service adoption and information sharing
  - support agencies to develop customer-focused digital strategies
  - establish the innovation portal to help solve business problems with ICT-enabled solutions

### *case study*

## Secure communications enhance security

In the lead up to the G20, DSITI partnered with Telstra and Motorola to design and deliver a secure, fully integrated government radio communications network that provided mission critical field communication capability for Queensland's police and emergency services, as well as national and international security forces.

The GWN played a critical role in the success of the G20, the largest peacetime security operation in Australia, by maximising public safety agency response capability and setting a new benchmark in inter-agency interoperability, encryption and officer safety.

About 9,750 Queensland police, fire and ambulance personnel and 500 national and

international security specialists relied on the GWN capabilities to ensure the safety of 20 world leaders, 43 international diplomats, 4000 delegates and 3000 domestic and international media, as well as the Queensland community.

The G20 was a significant and high-profile first test for the GWN. Feedback on the performance of the network from Queensland and interstate users was overwhelmingly positive.

The network will be rolled out across South East Queensland in 2015–16. By June 2016, more than 17,500 police, fire and ambulance personnel will be trained and using the GWN for their day-to-day operations.

- negotiated for the procurement of ICT infrastructure for the new 1 William Street building
- continued progression of an integrated digital wireless network throughout South East Queensland including support of police and emergency services during the G20 Summit
- upgraded key ICT infrastructure including the IBM mainframe, EMC storage solution, SAP payroll system and T5 UNIX solution to support whole-of-government needs and provide more effective services for customers.
- continue to lead and embed ICT category management across the Queensland Government to ensure whole-of-government needs are met
- continue to deliver the Queensland Government ICT modernisation agenda to support a connected, integrated government that uses modern, innovative and cost-effective ICT
- continue to actively engage with the ICT industry and support SMEs to access the Queensland Government market, including implementing a co-designed *ICT industry engagement action plan*

### *Looking forward*

In 2015–16, to contribute to the Queensland Government's objectives for the community, and support Advance Queensland, Strategic ICT will:

- continue to lead the implementation of ICT infrastructure in 1 William Street
- continue to transition to the most appropriate business model for CITEC to ensure efficiency, sustainability and continued delivery of excellent services that meet the needs of agencies and clients
- implement the GWN throughout South East Queensland to increase network capability, functionality and security for public safety and emergency service agencies
- finalise the review of the GITC Framework and implement accepted recommendations to simplify ICT procurement for government and industry
- continue to develop the public sector ICT workforce to support a growing digital and knowledge economy
- refresh the ICT services panel to ensure the most current and innovative suppliers are available to the Queensland Government
- advance information management capability and work practices to improve the way information is shared with customers and across government.

## 2. Our service performance

### Shared Corporate Services

The Shared Corporate Services Division provides modern, value-for-money corporate services and trusted advice to customer agencies.

The division facilitates a range of corporate services to the rest-of-government cluster of departments (all departments with the exception of Queensland Health and the Department of Education and Training).

Shared Corporate Services delivers payroll and recruitment, workforce reporting, Senior Executive Service, workforce services, mail, accounts payable, accounts receivable, assets, taxation, general ledger and reporting, and telecommunications and technology services and solutions on a fee-for-service basis.

The division is further improving the quality of its services and growing into a modern, progressive business, underpinned by a philosophy of operational excellence.

### Our operating environment

We are currently undertaking a business transformation program to: improve the way we deliver products and services; modernise underpinning systems; and provide more streamlined and self-service opportunities for our people and customers. These will significantly improve productivity and efficiency.

Over the coming year we will continue to transition the remaining out-of-support payroll systems to a modern supported environment with standardised processes. This will enable further streamlining of payroll processes and offer greater self-service for employees and managers.

Finance transaction costs will also reduce with the introduction of more automation and e-forms, as a consequence of upgrading to in-support, modern systems.

### Performance review

The following service standards in the department's *Service delivery statements 2014–15* were used by the department and the government to assess the division's overall performance.

Service standards	Notes	2014–15 target/est.	2014–15 est. actual	2014–15 actual
Labour as a percentage of total QSS costs	1	56%	53%	52%
Overheads as a percentage of total QSS costs	2	<10%	9.5%	9%
Percentage of client services delivery within budget and within agreed timeframes (time and cost)	3	95%	98%	97%
Client satisfaction	4	≥80%	48%	48%

#### Notes:

1. Labour costs were lower than target due to reduced FTEs from increased efficiencies and natural attrition.
2. The result has met the target, as costs were well managed.
3. The result is slightly above the target, as services were delivered on budget and within Service Level Agreements.
4. The satisfaction result of 48% will be the baseline for reporting over subsequent years as the survey target audience was broadened this year to include all customer types: end users, managers, supervisors and team leaders as well as senior agency representatives (purchasers). 37% of customers were neither satisfied nor dissatisfied. While results identify areas for improvement, only 15% of customers indicated they were dissatisfied.

### *Achievements*

In 2014–15, Shared Corporate Services:

- transitioned all agencies on out-of-support SAP4.6C payroll systems to the fully supported Aurion Version 10 platform
- commenced the upgrade of agencies' finance systems to a standard SAP ECC5 environment
- implemented new forms and processes to automate financial processes and enhance self-service in payroll practices
- introduced tools and practices to improve productivity and performance
- commenced the Gov2Gov project to bring the services government agencies provide to each other together in one place so they are centrally searchable
- initiated a single point of contact for shared services customers through implementation of the ServiceNow software
- commenced a pilot to support the move to digital mail
- developed a new performance dashboard to monitor performance
- continued our investment in our people through rollout of our leadership program.

### *Looking forward*

In 2015–16, Shared Corporate Services will continue the business transformation agenda to:

- transition remaining out-of-support payroll systems to a modern supported environment with standardised processes
- automate payroll processes with greater self-service for employees and managers
- reduce transaction costs in the finance area with automation and e-forms
- complete finance system upgrades to achieve modern, in-support and standardised environments.

## 2. Our service performance

### Strategic Policy and Innovation

The Strategic Policy and Innovation Division drives consistency and connections across the department from a policy and customer perspective, and supports the innovation agenda within DSITI, across Queensland Government agencies, and the broader Queensland economy.

We are also responsible for the delivery of a number of programs in the \$180 million Advance Queensland initiative that encourage and support startups and build Queensland's innovation sector.

The Commercialisation team delivers a range of programs and funding assistance that encourages increased capability across the Queensland startup ecosystem. It supports activities promoting collaboration between research, business/industry and government sectors that lead to improved commercialisation rates. It also leverages the private sector to champion entrepreneurship in Queensland and actively support commercialisation skills development.

The Innovation Policy and Programs team leads the innovation agenda in DSITI and across government, and influences Queensland business to turn ideas into action. The team delivers initiatives across the Queensland Government that provide the information, skills and processes to enable innovative activity to deliver high-quality, efficient and responsive Queensland Government services. As innovation strongly relies on collaboration, the team also builds partnerships between

government agencies, business, research organisations, industry associations and third party providers to seize opportunities or address common challenges.

The Strategic Policy team provides policy coordination across the department and evidence-based policy advice that aligns with and delivers on government policies and priorities. It develops and delivers the department's integrated policy narrative.

The Customer and Market Insights team has a customer-centric, whole-of-department focus. It coordinates customer and market analysis for the department and assists in defining DSITI customer needs, including visioning to ensure customer's future needs are met. The team also coordinates and supports the department to meet its obligations under the Government's Open Data Strategy and the One-Stop Shop roadmap.

#### Our operating environment

We deliver our policy objectives within a complex operating environment. We play a major role in supporting economic growth through delivering support for startups, and driving commercialisation and innovation across government and industry.

We drive the innovation agenda across government. We lead an alternative way of problem-solving, including an open-innovation approach, and facilitate innovative solutions for government services and challenges.

### Performance review

The following service standards in the department's *Service delivery statements 2014–15* were used by the department and the government to assess the division's overall performance.

Service standards	Notes	2014–15 target/est.	2014–15 est. actual	2014–15 actual
Proportion of stakeholders who are satisfied with innovation and commercialisation, consultative and engagement processes.	1	85%	87%	87%

Notes:

1. A number of events and programs with a large number of stakeholder participants who rated their satisfaction level high contributed to an increased 2014–15 result.



## Innovation Hub

The Innovation Hub pilot project has attracted national interest with its groundbreaking problem-solving methodologies to tackle complex challenges facing the Queensland Government. Agencies identify challenges with no existing feasible solution, which are released to the market for innovators to solve in new and different ways.

Customer-centric problem-solving and innovative methodologies are used to involve multiple diverse stakeholder groups in problem-solving and solution development.

This whole-of-government project allows departments to identify, develop, pilot, procure and implement solutions that can provide a faster, better or cheaper way of solving problems. The project promotes innovation in businesses of all sizes, benefiting the economy from the associated potential employment opportunities.

The Office of the Inspector-General Emergency Management (IGEM) progressed the 'emergency data' challenge through round two of the Innovation Hub. The challenge to be addressed was a lack of a central database or repository of accurate and timely information relevant to disaster management situations. This challenge was released to the market, and IGEM selected CloudSherpas (a Google global enterprise partner) to develop its solution. Through the 12-week acceleration period, IGEM worked closely with CloudSherpas, which developed a cloud-based solution which enables multi-agency data sharing, data capture and data analysis.

Further development and refinement of the solution is continuing to support implementation.

### Achievements

In 2014–15, Strategic Policy and Innovation:

- delivered two rounds of the Innovation Hub pilot project to use innovative approaches to develop solutions to Queensland Government challenges
- provided specialist third party services to deliver four innovation clinics, 12 workshops, eight forums and 10 webinars to facilitate increased levels of collaboration and innovation, and information and advice to inventors, including 100 hours of consultation on commercialising new ideas
- provided early-stage, high-growth potential businesses across the Queensland startup ecosystem, including regional Queensland, with access to high-quality incubator services
- implemented Queensland Startup Working Group actions to support commercialisation, and supported engagement with early stage venture capital specialists
- facilitated a Thought Lab event in collaboration with Arts Queensland on building the business skills and capability of arts organisations in Queensland
- established a commercialisation panel to provide specialist advice on a user-pays basis to government agencies on commercialising their intellectual property
- delivered two Director-General Innovation Challenge Days to build staff capability in deliberative creative thinking and problem-solving
- delivered an online policy hub and toolkit, policy information sessions, and other initiatives enabling transfer of knowledge and skills development across DSITI
- coordinated the development of the *ICT industry engagement action plan* to improve the engagement between the Queensland Government and the ICT industry

## 2. Our service performance

- coordinated the development of the DSITI *Channel management strategy* to assist the department to better meet customer needs and improve service delivery efficiency
- coordinated delivery of 100 per cent of the departmental One-Stop Shop targets for migrating core information services to digital channels by September 2014.

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

During 2014–15, Strategic Policy and Innovation was responsible for the following whole-of-government programs, plans and initiatives:

- managing the whole-of-government statutory obligations in relation to government use of third-party copyright material under the *Copyright Act 1968* (not including educational use)
- implementing the recommendations of the 2013 Intellectual Property Audit for Queensland Government agencies and preparing for the 2015 audit of all state government agencies
- providing capability development to Queensland Government staff about Crown intellectual property through the provision of online training modules and face-to-face workshops.

### *Looking forward*

During 2015–16, Strategic Policy and Innovation will:

- develop and administer the \$8 million in funding available for Queensland business from the Knowledge Transfer Partnerships program as part of the Advance Queensland program
- conduct a knowledge economy study with other agencies to help build an evidence base to support the Queensland Government's knowledge-based jobs of the future agenda
- deliver the PhD Industry Placement Program to increase the flow of highly trained PhD students to industry and to improve industry competitiveness
- deliver investment readiness programs to grow the volume and scale of commercial outcomes in Queensland to support eligible high-growth potential ventures achieve investment readiness
- deliver a range of startup community events across Queensland including Startups in Parliament and Startup Weekends
- implement a program to attract interstate and international startups to relocate to Queensland, and to build bridges to international markets
- conduct a Crown intellectual property management audit across the Queensland Government
- assist DSITI divisions to implement the *DSITI Channel management strategy* and drive further enhancements to the customer experience and service delivery efficiencies.

## Queensland Government Chief Information Office

The Queensland Government Chief Information Office (QGCIO) provides unbiased, independent quality advice to the Director-General and Minister for Science and Innovation on ICT issues from a whole-of-government perspective.

Advice is informed by research on emerging technologies, determining business drivers for decisions and risk-based analysis on the performance of information technology and information systems across government.

The QGCIO also develops ICT strategy, policy and standards to support consistency of application across the Queensland Government.

The QGCIO provides:

- governance processes to support investment review and assurance of ICT-enabled initiatives
- architectures and long-term strategy for information technology and information systems (transformation)
- advice, analysis and intervention on emerging day-to-day issues
- cross-government program support through project assurance and supporting agency initiatives, for example, usage of cloud computing platforms to support cross-government collaboration and cooperation
- ICT profiling to provide evidence for future initiatives and to assist in monitoring of government's ICT, including at-risk systems
- enhanced workforce capability through the ICT Graduate Program, a conduit for positive relationships with other jurisdictions, industry and academic institutions.

QGCI0 business is driven by government's key objective of delivering quality frontline services for the community.

### *Our operating environment*

Queensland Government management of its ICT resources is a process focused on consistency, transparency and careful monitoring. Tools are now available that support improved and informed decision-making. It is these tools and processes that will enable modernisation of our

resources to provide better and more efficient services. The options for improving service delivery are many. QGCIO strives to support agencies by investigating these options and providing considered advice to aid decisions.

Specific actions underway include:

- continuation of cybersecurity improvement to increase the robustness of government service delivery and the safety of information held by government
- strengthening collaboration within government through multi-agency approaches to achieve improved services for citizens and better value for money
- providing strategic advice that informs key initiatives such as identity management and telecommunications.

QGCI0 will continue to work with agencies, other jurisdictions and the ICT industry to drive the change needed to better support service delivery.

### *Achievements*

In 2014–15, QGCIO:

- provided as-a-service expertise to major agency projects and procurement activities, e.g. Public Safety Business Agency system upgrade
- investigated government readiness and industry cloud brokerage capabilities with a view to developing a strategy for cloud brokerage for the Queensland Government
- conducted combined internal and external peer review of projects. ICT investment projects were put through a central gated review process; this process included Director-General overview to encourage a consistent approach to systems and applications across government
- reviewed the Queensland Government ICT strategy to confirm its alignment with current ICT trends and policy environments
- maintained the Queensland Government Enterprise Architecture (QGEA), the policy framework that underlies ICT investments and business decision-making

## 2. Our service performance

- continued to analyse existing and planned ICT investments to increase visibility, accessibility and transparency of information, reduce complexity and risk, and drive efficiency and productivity gains through improved levels of inter-agency collaboration.

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

During 2014–15, QGCIO was responsible for the following whole-of-government programs, plans and initiatives:

- provided subject matter expertise for the 1 William Street ICT procurement initiative
- supported the development and successful delivery of an across-government email broadcast facility
- provided strategic support to agencies in the treatment and remediation for Microsoft support of legacy software
- developed an identity management blueprint for the Queensland Government
- reviewed departmental ICT workforce transformation plans for whole-of-government synergies, and to establish priority capability requirements for the sector. This resulted in the creation of a development program for Chief Information Office and ICT executives to equip them

with the necessary business knowledge and acumen to support both the departmental goals and modernisation of government ICT.

### *Looking forward*

During 2015–16, QGCIO will:

- determine the future of cybersecurity support for the Queensland Government
- commit resources to research, investigate and trial emerging technology
- investigate the feasibility and effectiveness of Microsoft 365 for security classification of QGCIO email. QGCIO is developing a suggested approach with a view to whole-of-government implementation
- support government to progress federal initiatives for telecommunications improvements of mobile black spots in Queensland
- continue to analyse existing and planned ICT investments to increase visibility, accessibility and transparency of information, reduce complexity and risk, and drive efficiency and productivity gains through improved levels of inter-agency collaboration
- continue to populate and maintain the QGEA, the policy framework that underlies ICT investments and business decision-making.

*case study*

### Cybersecurity defeats cyberattacks

During G20 Summit preparations, the QGCIO Cyber Security team recognised the potential for damaging cyber attacks against Queensland Government ICT systems, as had been experienced by all countries hosting the G20 Summit in recent times.

The team created the Tactical Cyber Security Plan (TCSP) to ensure the most significant risks associated with the vulnerability of Queensland Government's ICT systems were addressed prior to the G20.

The QGCIO team worked closely with all departments and stakeholders to successfully

address the threat of major ICT disruption during G20. The work required coordination with four federal security agencies, all government departments, local authorities, and 11 power, water and transport utilities. As well as improving overall security capability, the services implemented successfully avoided several significant cyber attacks.

The TCSP made measurable improvements in the government's cybersecurity capability, and has positioned DSITI to drive further development.

## Queensland Chief Scientist

The Chief Scientist provides leadership in science policy development and implementation to optimise opportunities for science in Queensland. The Office of the Queensland Chief Scientist services include:

- strategically leading the development of, and providing input to, science policy, to help meet economic challenges and build our science capability
- overseeing strategic reviews of science capability and investment, which inform government investment in research and development
- advising government by performing targeted reviews of science, leadership and organisational transformation
- acting as Queensland's science ambassador, fostering collaboration between government, research, industry and community sectors.

### *Our operating environment*

In 2015, the Chief Scientist was appointed Chair of the Queensland Government Great Barrier Reef Water Science Taskforce. In this role, the Chief Scientist will lead 22 experts across a number of fields to advise the government on how to achieve its ambitious targets for the improvement and ongoing management of the reef's water quality, in close consultation with other key stakeholders.

The Office of the Queensland Chief Scientist also:

- initiated a review of the current Queensland Government position on scientific collections, in collaboration with Science, with the view to developing a whole-of-government policy
- requested a report on the implementation of recommendations from science capability audits from each department where science capability audits were conducted, to assess impact and progress
- continued to promote the recognition and celebration of Queenslanders' scientific achievements and impact.

### *Achievements*

In 2014–15, the Queensland Chief Scientist:

- contributed to the implementation of recommendations of the assessment of the state's investment in health and biomedical research
- facilitated development of a response to the recommendations of the whole-of-government water audit, including application of a risk management approach to reviewing priorities for action
- chaired the Science and Innovation Advisory Council which provided independent guidance, investment advice and review of progress against priorities for science and innovation development to the Minister
- promoted Queensland science to diverse audiences at 51 events
- developed a comprehensive strategy to improve science communication in Queensland.

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

During 2014–15, the Queensland Chief Scientist:

- revised the Queensland science and research priorities to ensure Queensland Government investments in science and research have impacted and are aligned with government targets and priorities
- published the *Queensland Government Research and Development Expenditure Report 2013–14*
- implemented relevant actions under the *Science and innovation action plan*.

### *Looking forward*

During 2015–16, the Queensland Chief Scientist will:

- chair the Queensland Government's Great Barrier Reef Water Science Taskforce, which will work closely with key stakeholders to deliver reef management recommendations supported by quality science

## 2. Our service performance

- perform the role of Deputy Chair of the Queensland Government's Advance Queensland Expert Panel, which will provide broad independent strategic advice to the government on science and innovation matters
- chair the Deputy Vice-Chancellors of Research Roundtable
- collect and analyse research and development data across the whole of government.

# 3. Our governance

## Our leaders

### Sue Rickerby Director-General

Commenced as Director-General in November 2013.

Under the *Financial Accountability Act 2009*, the Director-General is accountable to the Minister for Science and Innovation for the efficient, effective and financially responsible performance of the Department of Science, Information Technology and Innovation.

As Director-General, Sue provides stewardship of the department in the delivery of high-quality, customer-focused services and the development of effective and sustainable programs and policy to enable an innovative,

clever and connected Queensland.

Former positions:

- Deputy Director-General, Priority Projects, Department of the Premier and Cabinet
- executive roles within Brisbane City Council
- private sector.

Sue's private sector career ranged from roles in multinational companies to consulting and corporate roles in both goods and services. Sue was the first woman president, and is a life member, of the Public Relations Institute of New Zealand.

### Andrew Mills Queensland Government Chief Information Officer

*Bachelor of Science  
Master of Science  
(Electronic Systems)*

Commenced as Queensland Government Chief Information Officer in January 2014.

Andrew provides strategic advice to the Minister for Science and Innovation and to agencies on the best way for the government to use information and technology to deliver improved services to Queenslanders and drive efficiencies through new business models.

Andrew has supported the Minister, Director-General and a council of Directors-General to provide assurance and increased transparency over ICT investment; progressed several investigations that assess government and market readiness of new initiatives; explored

the adoption of emerging technologies that will improve the business of government; and significantly improved government information security.

Former position: Chief Information Officer for the South Australian Government.

Andrew has worked in the public sector for 39 years, and has held senior positions in both the Australian and South Australian governments. Andrew's professional background is in information management, information technology, telecommunications, ICT strategy policy, and improvement initiatives to build online service capability.

### Dr Geoff Garrett AO Queensland Chief Scientist

*Fellow of the  
Australian Academy  
of Technological  
Sciences*

*Professional  
Engineer*

*Doctor of  
Engineering*

Commenced as Queensland Chief Scientist in January 2011.

Dr Garrett is accountable for science policy, and for guiding the state government on the important role science, research and innovation play in achieving government goals.

Dr Garrett has lent his expertise to a number of reviews covering the science of floods, uranium mining, Hendra virus and coal seam gas. Dr Garrett is Chair of the Queensland Government's Great Barrier Reef Water Science Taskforce.

A Cambridge graduate in metallurgy and an academic for 13 years, Geoff led two of the world's major national research institutions: CSIR in South Africa (1995–2000) and CSIRO in Australia (2001–2008). He is a recipient of the Centenary Medal for service to Australian society through science, and has been appointed an Officer of the Order of Australia in the Queen's Birthday Honours List.

# 3. Our governance

## **Dr Christine Williams** Assistant Director- General, Science

*Bachelor of Arts  
(Honours) Economics*  
*Master of Philosophy  
(Economics)*

*Doctor of Philosophy*

Commenced as Assistant Director-General in April 2012.

Dr Williams leads the Science Division, which provides scientific and technical advice and services to government agencies to underpin their decision-making and legislative responsibilities.

The division, in close collaboration with the Chief Scientist, also informs Queensland Government's science policy, and provides strategic leadership for the government's investment in science.

Christine has steered the division towards a whole-of-government approach to the

provision of environmental, natural resource and climate science advice, driving synergies and efficiencies to ensure the division remains the trusted source of fit-for-purpose, evidence-based science for government decision-making.

Former positions:

- Assistant Director-General, Department of Environment and Resource Management
- Director, Economic Policy and Assistant Government Statistician (Economics), Queensland Treasury.
- senior executive in the Queensland public service for 15 years.

## **Andrew Spina** Deputy Director- General, Digital Productivity and Services

*Bachelor of Science  
(Computing)*

Commenced as Assistant Director-General in April 2012.

Andrew provides strategic leadership to the Digital Economy and Productivity Office, One-Stop Shop Strategy and Implementation Office, Smart Service Queensland and Queensland State Archives.

Former positions:

- Deputy Director-General, Government ICT in the former Department of Science, Information Technology, Innovation and the Arts

- Associate Director-General in the former Department of Public Works
- Chief Information Officer, Department of Communities.

With over 30 years of ICT service delivery experience within the Queensland Government, Andrew has had extensive experience in forming and leading ICT service organisations for multiple agencies, and directing significant business and technology transformation programs.

## **Dallas Stower** Assistant Director- General, Strategic ICT

*Bachelor of Business  
(Computing)*

*Graduate Certificate  
(Public Sector  
Management)*

*Graduate of the  
Australian Institute  
of Company Directors*

Commenced as Assistant Director-General in May 2014.

The position of Assistant Director-General, Strategic ICT leads the development and implementation of initiatives that strengthen Queensland's ICT service delivery.

The position is responsible for ICT Strategic Sourcing, CITEC, ICT Modernisation, Government Wireless Network and 1 William Street ICT procurement.

Dallas guides strategic policy, manages financial performance, connects key stakeholders and drives workforce excellence to achieve quality ICT outcomes across government.

Former positions:

- General Manager, CITEC
- Executive Director, Telecommunications and Digital Economy Coordination Office
- Chief Information Officer, Queensland Rail.

Dallas has more than 30 years' experience in the ICT industry. He previously undertook a number of senior ICT management roles within state government agencies, including Queensland Rail, particularly in the areas of information technology strategy development, ICT planning, enterprise architecture and technology implementation.



**Irene Violet**  
**A/Assistant**  
**Director-General,**  
**Shared Corporate**  
**Services**

*Bachelor of*  
*Psychology*

*Master of Business*  
*Administration*

*Fellow of the*  
*Australian Institute*  
*of Management*

*Graduate of the Australian Institute of Company Directors*

*Director of the Personal Injury Education Foundation and the Work Health and Safety Board of Queensland*

Commenced as Acting Assistant Director-General in May 2015.

Irene is responsible for overseeing the payroll, HR and finance processes and systems for Shared Corporate Services customers.

Former position: General Manager, Corporate Services, WorkCover Queensland.

Irene is an experienced executive manager, and has previously worked in the insurance and claim management sector for approximately 20 years. Irene has proven experience in driving continual improvements and leveraging technology advancements to deliver a more responsive service to customers.

**Dianne Jeans**  
**A/Chief Strategic**  
**Policy and**  
**Innovation Officer**

*Bachelor of Law*

*Bachelor of Commerce*

*Postgraduate Diploma*  
*in Law and Policy*

*Graduate Certificate*  
*in Management*

*Diploma in Company*  
*Directorship*

*Executive Fellow,*  
*ANZSOG*

Commenced as Acting Chief Strategic Policy and Innovation Officer in May 2015.

Dianne's responsibilities span strategic policy, customer and market insights, innovation and commercialisation policies and programs.

Former positions:

- Assistant Director-General, Shared Corporate Services
- General Manager, Smart Service Queensland
- public service career spanning more than 30 years in both Queensland and Victoria.

Dianne has worked across a number of government agencies covering criminal justice policy, human services policy and service delivery, economic development issues, community engagement and integrated service delivery.

Dianne maintains strong community connections and is a member of a number of business, networking, and community organisations. A key community role is chairing the Board of Directors for Australia's CEO Challenge, a not-for-profit company whose vision is to create a world without violence against women and children.

**Evan Hill**  
**Chief Change and**  
**Operations Officer**

*Executive*

*Master of Public*  
*Administration*

*(Australia and New*  
*Zealand School of*  
*Government)*

Commenced as Chief Change and Operations Officer in February 2014.

Evan drives the department's change agenda in service delivery, together with delivering the department's core corporate services. He has overseen the development of the department's strategic plan, the transformation road map for the department's ICT, including the rollout of Office365 in the public cloud, improvements in financial management and procurement transformation, and the establishment of the departmental performance dashboard.

Evan is the co-sponsor of the 'leadership driving culture' stream within the department's Culture Matters initiative.

Former positions:

- Acting Deputy Director-General, Arts Queensland
- Executive Director, Arts Corporate, Property and Services.

Evan is a highly experienced corporate services professional with a 26year career in the public sector, renowned for his commitment to building a customer-centric service culture and operational excellence.

# 3. Our governance

**Danny Short**  
**Chief Finance Officer**

*Certified Practising Accountant*  
*Bachelor of Commerce*

Commenced as Chief Finance Officer in March 2014.

Danny is responsible for financial strategy and resource management, procurement, statutory financial reporting and policy, as well as property and business management for the department.

Danny has over 21 years' experience in senior and executive management roles across a variety of corporate and strategic governance, financial management, performance and risk management positions.

Danny has undertaken roles across various Queensland Government organisations in water and energy, public works, housing and communities. Throughout his career, Danny has worked collaboratively with colleagues from across the public sector, and has implemented a range of governance measures, built frameworks to assist in assessing risk, and had significant involvement with many stakeholder committees and key central agencies.

**Gyl Stacey**  
**Chief Information Officer**

*Bachelor of Business*

Commenced as Chief Information Officer (CIO) in June 2014.

The position of CIO leads the transformation and operation of ICT across the department and provides leadership in the way that ICT services are sourced, managed and exploited.

Former positions:

- Director, Information Technology Services, Queensland Police Service
- Program Director, Fujitsu Services, United Kingdom (UK).

Gyl has a career spanning over 30 years, with extensive experience across all aspects of ICT in the commercial and government sectors, both in Australia and in the UK.

Over a period of more than 10 years with Queensland Police Service, Gyl built an award-winning capability that helped drive a transformation in the way police use IT to fight crime and protect public safety.

Before leaving the UK, Gyl was responsible for the transformation of IT and related business capabilities under the national Modernising Government initiative.

Gyl is committed to providing a clear direction and empowering people to deliver with a strong focus on well-managed, customer-focused service capabilities that not only enable business success, but drive opportunity for all stakeholders.

## Previous leaders

**Leigh Roach**  
**Chief Strategic Policy and Innovation Officer**

*Bachelor in Economics and Japanese*  
*Postgraduate Diploma (Securities Institute of Australia)*

Chief Strategic Policy and Innovation Officer for the period of February 2014 to May 2015.

As the Chief Strategic Policy and Innovation Officer, Leigh's responsibilities spanned strategic policy, customer and market insights, innovation, and commercialisation policies and programs. In this role, Leigh championed the increase of innovation activity across the public sector to improve policy and service delivery outcomes for Queenslanders.

Leigh has expertise in managing organisational change and has facilitated major change process in service delivery activity to business and across the public sector.

Leigh has worked in senior positions in both Australian and state governments and developed expertise in trade, industry, innovation, employment and consumer policy and programs. Leigh has led state-wide networks of service delivery to industry and business.

## Governance framework

The Board of Management (BoM) is the department's principal policy-setting and decision-making authority and supports the Director-General as the department's accountable officer, to ensure the department implements an appropriate governance framework.

Corporate governance arrangements are based on principles of best practice public sector governance, as outlined in the *Public sector governance better practice guide*, *Australian Public Service Commission building better governance guide* and by the Australian Audit Office.

Corporate governance arrangements are the principles, elements and mechanism used by the department to support a focus on effective governance through strong leadership, responsible and ethical decision-making, management and accountability, and performance improvement.

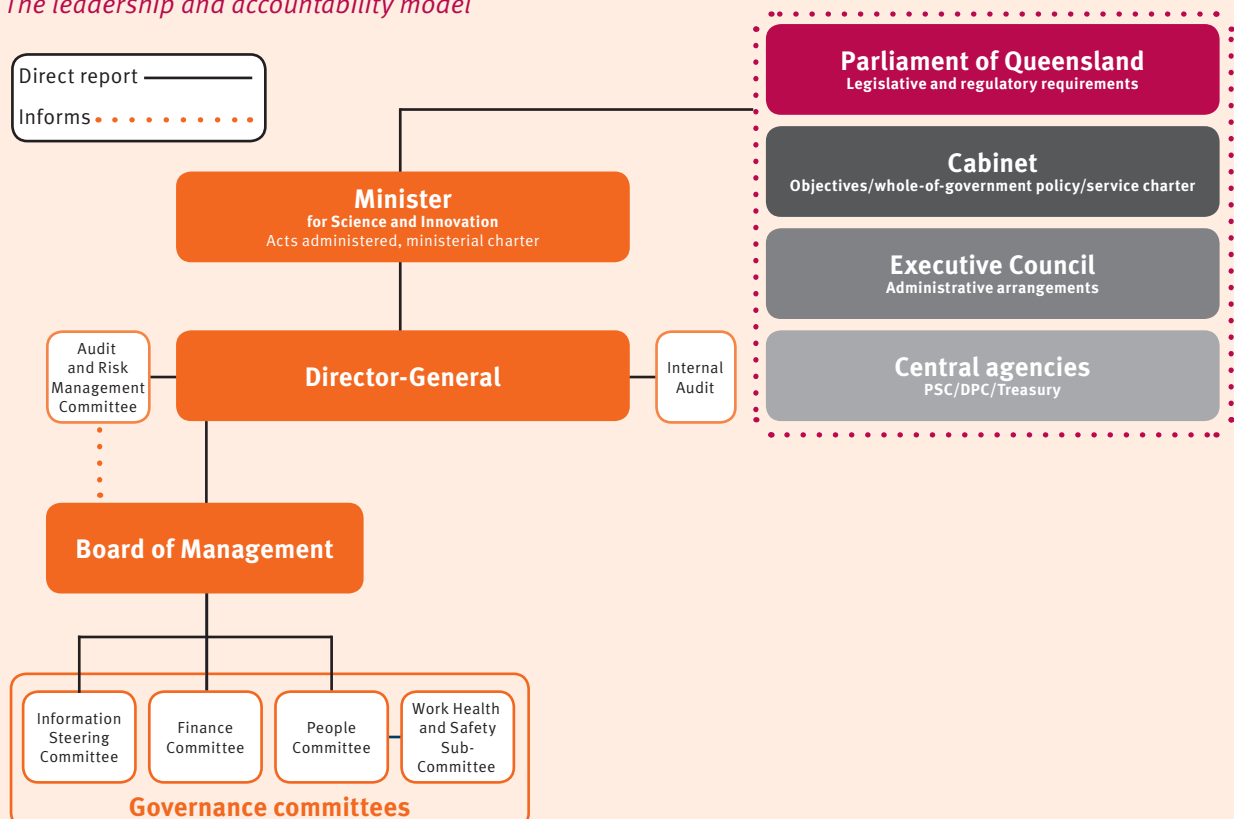
The leadership and accountability model forms part of the department's corporate governance framework and illustrates the accountability mechanisms in place to effectively control business activities.

BoM supports decision-making to:

- oversee the implementation of programs and policies
- monitor performance and reporting requirements
- review risk mitigation strategies
- review the implementation of recommendations from management and audit reports to improve business processes and work practices.

BoM, four governance committees and one subcommittee support the Director-General in the effective discharge of legislative accountabilities. The governance committees also provide opportunities for developing leaders to promote a performance culture and facilitate relationship building and communication.

### The leadership and accountability model



### 3. Our governance

Committee name	Members and purpose statement
Board of Management (BoM)	<ul style="list-style-type: none"> <li>• Director-General (Chair)</li> <li>• Chief Change and Operations Officer</li> <li>• Chief Strategic Policy and Innovation Officer</li> <li>• Queensland Government Chief Information Officer</li> <li>• Assistant Director-General, Science</li> <li>• Deputy Director-General, Digital Productivity and Services</li> <li>• Assistant Director-General, Strategic ICT</li> <li>• Assistant Director-General, Shared Corporate Services</li> <li>• Chief Finance Officer</li> <li>• Chief Information Officer</li> <li>• Director, Office of the Director-General.</li> </ul> <p>BoM meets weekly and is the primary governance body for DSITI.</p> <p>As well as decision-making responsibilities, BoM is informed about subcommittee outcomes in order to facilitate effective corporate governance.</p> <p>An organisational governance and performance meeting is held each quarter, with additional attendees:</p> <ul style="list-style-type: none"> <li>• Director, Internal Audit</li> <li>• Executive Director, Strategic Transformation and Performance</li> <li>• external representative.</li> </ul>
Audit and Risk Management Committee (independent of BoM)	<ul style="list-style-type: none"> <li>• Director-General</li> <li>• Chief Change and Operations Officer</li> <li>• Chief Strategic Policy and Innovation Officer</li> <li>• Assistant Director-General, Shared Corporate Services</li> <li>• Executive Director, Strategic Transformation and Performance.</li> </ul> <p>External members:</p> <ul style="list-style-type: none"> <li>• Partner, Risk Advisory Services, BDO (Qld) Pty Ltd (Chair)— paid as per agreed rates</li> <li>• Deputy Director-General, Corporate Services, Department of Communities, Child Safety and Disability Services.</li> </ul> <p>The Audit and Risk Management Committee is directly responsible to, and supports, the Director-General in the effective discharge of legislative accountabilities.</p> <p>The role of the committee is to provide independent assurance and assistance to the Director-General on:</p> <ul style="list-style-type: none"> <li>• the risk, control and compliance frameworks</li> <li>• the agency’s external accountability responsibilities as prescribed in the <i>Financial Accountability Act 2009</i> and the Financial and Performance Management Standard 2009.</li> </ul> <p>The committee does not replace or replicate established management responsibilities and delegations, the responsibilities of other executive management groups within DSITI, or the reporting lines and responsibilities of either internal audit or external audit functions.</p> <p>The committee meets a minimum of four times a year to provide advice about audit and risk management matters.</p>

Committee name	Members and purpose statement
Information Steering Committee (ISC)	<ul style="list-style-type: none"> <li>• Chief Change and Operations Officer (Chair)</li> <li>• Chief Strategic Policy and Innovation Officer</li> <li>• Assistant Director-General, Science</li> <li>• Deputy Director-General, Digital Productivity and Services</li> <li>• Assistant Director-General, Shared Corporate Services</li> <li>• Assistant Director-General, Strategic ICT</li> <li>• Chief Information Officer</li> <li>• Chief Finance Officer</li> <li>• Director, Internal Audit</li> <li>• Queensland Government Chief Technology Officer, QGCIO.</li> </ul> <p>External member:</p> <ul style="list-style-type: none"> <li>• VP Executive Partner, Executive Programs Asia Pacific, Gartner Inc.</li> </ul> <p>The committee meets every six weeks as a subcommittee of BoM. The primary functions of the ISC include:</p> <ul style="list-style-type: none"> <li>• providing strategic leadership and ongoing governance and oversight of the department's ISC portfolio investments</li> <li>• approval of the department's ICT strategy and objectives in support of the DSITI strategic plan</li> <li>• endorsing and monitoring departmental ICT and information management policies, standards and guidelines, including DSITI's enterprise architecture positioning statements</li> <li>• endorsing the technical quality and business value of ICT solutions selected to enable DSITI's project portfolio.</li> </ul>
Finance Committee	<ul style="list-style-type: none"> <li>• Chief Change and Operations Officer (Chair)</li> <li>• Chief Strategic Policy and Innovation Officer</li> <li>• Assistant Director-General, Science</li> <li>• Deputy Director-General, Digital Productivity and Services</li> <li>• Assistant Director-General, Strategic ICT</li> <li>• Assistant Director-General, Shared Corporate Services</li> <li>• Chief Finance Officer</li> <li>• Director, Budget Management and Reporting</li> <li>• Director, Financial Accounting, Policy, Governance and Statutory Reporting.</li> </ul> <p>The committee meets each month to provide assurance regarding the effective financial management of the department, which includes consideration of financial performance, financial policy development, savings initiatives, funding pressures and strategic procurement issues.</p>
People Committee	<ul style="list-style-type: none"> <li>• Assistant Director-General, Shared Corporate Services (Chair)</li> <li>• Chief Change and Operations Officer</li> <li>• Director-General (ex officio member)</li> <li>• Chief Strategic Policy and Innovation Officer</li> <li>• Queensland Government Chief Information Officer</li> <li>• Assistant Director-General, Science</li> <li>• Deputy Director-General, Digital Productivity and Services</li> <li>• Assistant Director-General, Strategic ICT</li> <li>• Chief Human Resources Officer</li> <li>• Director, Office of the Director-General.</li> </ul> <p>The People Committee meets monthly to advise the Director-General on human resources and work health and safety policy, strategies and practices.</p> <p>It is responsible for driving change and critically reviewing performance to ensure compliance with relevant legislation, directives and strategic objectives within the department.</p>

### 3. Our governance

Committee name	Members and purpose statement
Work Health and Safety (WHS) Sub-Committee	<ul style="list-style-type: none"> <li>• Chief Change and Operations Officer (Chair)</li> <li>• Chief Human Resources Officer</li> <li>• Manager, Business Services Group, Smart Service Queensland</li> <li>• Director, ICT Modernisation and Strategic Sourcing</li> <li>• Manager, Business Services, Science</li> <li>• Executive Director, Business Transformation, Queensland Shared Services</li> <li>• Principal Advisor, Queensland Government Chief Information Office</li> <li>• Business Manager, Finance, Procurement and Business Services</li> <li>• Senior HR Advisor, Human Resources.</li> </ul> <p>The WHS sub-committee meets every six weeks. The sub-committee reports to the People Committee, ensuring WHS policies and procedures are adequately designed to ensure workers health and safety while maintaining a strategic focus consistent with legislation, directives, and corporate direction.</p> <p>The sub-committee also monitors departmental WHS performance and identifies risks through report analysis, and offers recommendations to improve identified WHS issues, including increasing awareness, across the department.</p>
DSITI Renewal Portfolio Board	<ul style="list-style-type: none"> <li>• Director-General (Chair)</li> <li>• Queensland Government Chief Information Officer</li> <li>• Chief Strategic Policy and Innovation Officer</li> <li>• Chief Change and Operations Officer</li> <li>• Assistant Director-General, Science</li> <li>• Deputy Director-General, Digital Productivity and Services</li> <li>• Assistant Director-General, Strategic ICT</li> <li>• Assistant Director-General, Shared Corporate Services</li> <li>• Chief Finance Officer</li> <li>• external representative, Gartner.</li> </ul> <p>The DSITI Renewal Portfolio Board met monthly. Its primary role was to maintain oversight of the Renewal Portfolio, make investment and key resourcing allocation decisions, and determine which initiatives and activities were to be included in the Renewal Portfolio.</p> <p>The board was disbanded in April 2015, therefore is not represented in the leadership and accountability model.</p>
Resource Committee	<ul style="list-style-type: none"> <li>• Director-General (Chair)</li> <li>• Chief Change and Operations Officer</li> <li>• Executive Director, Strategic Transformation and Performance</li> <li>• Chief Finance Officer.</li> </ul> <p>The Resource Committee was established as a short-term arrangement to deliver fiscal outcomes and met every two weeks from July to November 2014, when the committee was disbanded.</p> <p>The committee was responsible for making recommendations to ensure establishment control and alignment with government objectives and priorities, and encouraging a whole-of-department approach to prioritisation and effective use of the department’s human and financial resources.</p>

## Audit arrangements

Internal Audit is an integral part of the corporate governance framework by which the department maintains effective systems of accountability and control.

The focus of Internal Audit is to continually assist the department in accomplishing its objectives. Internal Audit brings a systematic and disciplined approach to evaluate and improve the effectiveness of the department's risk management, control and governance processes.

Internal Audit operates in accordance with its charter, under the powers pursuant to section 61 of the *Financial Accountability Act 2009* and part two division five of the Financial and Performance Management Standard 2009, and with regard to the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

The Internal Audit function operates with due regard to Queensland Treasury's *Best practice Audit Committee guidelines—improving accountability and performance*, June 2012.

The department has established a co-sourced audit model of service delivery with an external provider. This arrangement provides the department with access to extensive expertise and specialist skills.

Internal Audit works in accordance with a strategic and annual audit plan endorsed by the Audit and Risk Management Committee and approved by the Director-General. The annual audit plan is developed with regard to the risk assessment for each area of operations, and provides an effective and regular risk-based review of all facets of the department's operations, having regard to the functions and duties of the Director-General.

Internal Audit has independent status, and to ensure this independence, the Head of Internal Audit is responsible to, and has direct access to, the Director-General and the Audit and Risk Management Committee.

During 2014–15, Internal Audit:

- prepared a comprehensive, risk-based annual audit plan and strategic audit plan
- delivered risk-based assurance audits and advisory reviews in accordance with the 2014–15 annual audit plan
- monitored the timely implementation of internal audit and the Queensland Audit Office (QAO) (external audit) audit recommendations
- provided professional and timely advice to management.

## Risk management

The DSITI risk management policy and framework, based on the international risk management standard *AS/NZS ISO 31000:2009* and Queensland Treasury's risk management guidelines, ensure risks are managed consistently across the department and are minimised through a robust system of internal controls.

Under the guidance of the Audit and Risk Management Committee, the risk management system continues to be strengthened, and the application of the risk management practices help manage risks to the integrity of the agency's financial information, leading to effective internal controls, improved financial reporting and general financial management.

As a result of the 2015 state election, the department's overall risk profile has decreased, with Arts Queensland and the CAA having transferred out through a machinery-of-government change. The election outcomes also prompted a revision of the department's strategic risks as part of its annual strategic planning.

Management recognises the importance of being a risk capable organisation, and embraces the government values that place emphasis on taking calculated risks to encourage a culture of innovation and creativity.

# 3. Our governance

## *Audit and Risk Management Committee*

The DSITI Audit and Risk Management Committee roles and responsibilities are set out in its charter, which has due regard to Queensland Treasury's *Best practice Audit Committee guidelines—improving accountability and performance*, June 2012.

The committee met five times and paid \$3042 remuneration to one external member in the 2014–15 financial year.

The committee has observed the terms of its charter, and achievements for the committee include:

- strong and effective oversight of the department's internal audit and risk management functions
- effective liaison and communication with external audit
- oversight of the implementation of accepted audit recommendations, both internal audit and external audit including performance audit recommendations
- independent review of the 2013–14 financial reports and recommended signing by the Chief Finance Officer and Director-General.

## External scrutiny

### *Audits*

In 2014–15, the department responded to the recommendations of three cross-sector audits reported to Queensland Parliament:

- *Auditor-General Report No 1 for 2014–15: Results of audit: Internal control systems—2013–14*—summarised the results of the evaluations of systems of financial controls and selective tests of controls within 21 government departments. The Queensland Shared Services control environment was considered effective, with 46 of the 49 internal control objectives having been achieved. A number of issues were raised, with many recommendations being resolved during the audit.

- *Auditor-General Report No 4: Results of audit: State public sector entities for 2013–15*—in the significant transactions and estimates section of this report (page 23), the GWN was mentioned in relation to its accounting treatment. The QAO agreed to the accounting treatment of a finance lease for the value of \$40 million in the department's financial statement.
- *Auditor-General Report No 7: Results of audit: Queensland state government financial statements 2013–14*—no issues were raised for the department.

## Reviews

### *Queensland Audit Office—Managing water quality in the Great Barrier Reef catchments*

This report assessed the Queensland Government's performance to improve the quality of water entering the Great Barrier Reef. The performance audit involved activities undertaken by the Department of the Premier and Cabinet, Department of Environment and Heritage Protection, Department of Natural Resources and Mines, and the Department of Agriculture and Fisheries, as well as DSITI. DSITI contributed to the whole-of-government response through the newly established Office of the Great Barrier Reef, and is continuing to support the implementation of the report's recommendations.

The report was released on 10 June 2015.

### *Audit of contract compliance conducted by IAB Services, NSW*

CITEC Information Brokerage is regularly audited by information providers for compliance against contracts and licences. In 2014–15, an audit was conducted by IAB Services for compliance against the New South Wales Land and Property Information's Land Information Services Agreement. The preliminary report of the auditor's findings has been released acknowledging full compliance.



### *National Association of Testing Authorities assessment*

The Science Division Chemistry Centre completed its assessment by the National Association of Testing Authorities on 17 and 18 June 2015. The laboratory passed the assessment, with some minor recommendations to be incorporated to further improve laboratory processes. A final report will be issued in the coming months.

### *Inquiry into Auditor-General's reports on internal control systems and fraud risk management*

In August 2014, the Finance and Administration Parliamentary Committee issued Report No.48 titled *Inquiry into Auditor-General's reports on internal control systems and fraud risk management*.

The committee stressed the need for departments to be proactive in their management of fraud, as this activity is a continually evolving process. The maintenance of internal controls is a substantial part of this process. The committee also considered threat testing of fraud and internal controls essential in ensuring that systems work as anticipated. It also considered that sharing of information will assist in both promoting awareness and ensuring that any lessons learned by one department are available to others.

The committee has made 13 recommendations aimed at assisting departments in combatting fraud activity, which have been responded to by the Queensland Government.

## Ethics and code of conduct

The *Code of conduct* for the Queensland Public Service (the code) is approved under the *Public Sector Ethics Act 1994* and came into effect on 1 January 2011.

The code sets out standards of behaviour, and expressly applies to all departmental employees and any volunteers, students, contractors or consultants who perform work in any capacity for the department.

In 2014–15, the department rolled out an updated face-to-face induction program which included a refreshed section on the code of conduct and the *Public Sector Ethics Act 1994*. An e-learning module has also been refreshed for all staff to access via the departmental intranet.

A module on bullying and harassment has also been developed and is being used as part of team development.

Administrative procedures and management practices within the department are consistent with the Act, and the ethics principles, values and standards of conduct expected of employees as set out in the code.

## Information systems and recordkeeping

A recordkeeping Centre of Excellence for the management of records across the department has been established in DSITI Chief Information Office. Staff provide a number of recordkeeping services, including the provision of advice and guidance to business units regarding appropriate recordkeeping practices and relevant legislation.

The DSITI Information Steering Committee forms part of the information management governance framework and endorses recordkeeping documents and associated initiatives.

A recordkeeping framework is being established that includes the development of policies and procedures, supported and communicated through a training and awareness program.

Recordkeeping responsibilities for the department are being defined, with specific positions assigned responsibilities to ensure records are managed efficiently and effectively throughout their life cycle.

Currently many of the department's records are paper based; however, a plan is being developed to reduce the number of hard copy records, where appropriate. DSITI is considering eDRMS as-a-service as part of its ICT as-a-service roadmap.

The department has an existing disposal program in place for records disposed of under the General Retention and Disposal Schedule.

# 4.

# Our people

## Workforce profile (active and paid as at fortnight ending 26 June 2015)

Division	FTE total
Office of the Director-General	4.00
Change and Operations	244.35
Digital Productivity and Services	522.57
Internal Audit	3.00
Office of the Queensland Chief Scientist	7.26
Queensland Government Chief Information Office	40.40
Science	368.50
Shared Corporate Services	1009.56
Strategic ICT	393.10
Strategic Policy and Innovation	39.02
<b>DSITI</b>	<b>2631.76</b>

## Diversity statistics

Category	%
Aboriginal and Torres Strait Islander	1.32
Disability	6.55
Non-English speaking	21.52
Females in the workforce	56.75
Females in senior management (CEO, SES, SO)	32.08
Females in management (AO8, AO7, AO6, PO6, PO5 and equivalent)	44.67

## Permanent separation rate

Full-time equivalent	
Permanent	2164.71
Permanent separated	152.06
Percentage	7.02%
Head count	
Permanent	2439
Permanent separated	168
Percentage	6.89%

## Early retirement, redundancy and retrenchment

During the period, 44 employees received redundancy packages at a cost of \$ 3,424,884 (severance and incentive payments only). Employees who did not accept an offer of a redundancy were offered case management for a set period of time.

During the period, all employees were placed and no retrenchment packages paid.

## Workforce planning, attraction and retention

In 2014, the People Committee endorsed the DSITI *2014–18 Strategic workforce plan* and the *ICT workforce transformation plan 2014–16*.

During 2014–15, the department focused on strategies to build workforce capability and capacity to deliver the required business outcomes and services to the Queensland community and other government agencies. Activities delivered to support this included:

- performance and development planning
- capability development
- service excellence training
- mobility of staff to effectively manage shifts in workloads
- formal and informal recognition programs.

## Workforce planning framework and key strategies

Over the past year, focus has been placed on understanding the capabilities and building the skills of the current DSITI workforce.

In early 2015, the DSITI Capability Framework was developed to define the capabilities required for employees to perform in their roles effectively. The DSITI capabilities are focused on:

- building relationships
- business enablers
- achieving results
- managing people
- personal attributes
- technical specific skills.

In the future, the framework will provide a common foundation for creating roles, recruiting, managing performance, capability development, career planning and workforce planning.

To build a positive organisational culture and engaged workforce, the DSITI Culture Matters framework was launched in 2015. Culture Matters consists of five streams:

1. leadership driving culture
2. bringing the values to life
3. investing in our team
4. being clever and creative
5. getting connected.

Each of the streams consists of a number of strategies and programs.

A refresh of the 2014–18 DSITI *Strategic workforce plan* will be completed in the first quarter of 2015–16. The new version will be in alignment with the government direction and workforce strategies identified in the *Queensland Government strategic workforce plan* developed by the Public Service Commission (PSC).

## Employee performance management

The DSITI Employee Performance Management framework reflects the whole-of-government requirement to include the balanced scorecard approach to senior officers and staff at A08/PO6 classification levels to ensure there is alignment with the Senior Executive Officer and Chief Executive Officer performance and development frameworks.

Supporting this framework is the DSITI *Performance and development planning policy*, which articulates the responsibility of managers and their employees to ensure that annual performance and development agreements are conducted.

# 4. Our people

The DSITI framework outlines six key components of employee performance management including:

1. employee induction/onboarding
2. probation
3. performance and development planning
4. rewards and recognition
5. management of unsatisfactory performance
6. discipline.

A set of tools and guidelines is provided to assist managers and staff to undertake performance planning, aligning with the relative strategic and business planning objectives.

A number of supporting programs have been implemented to equip managers and staff to effectively manage performance, including:

- a comprehensive DSITI induction program and onboarding tools
- workshops to assist in performance planning and effective performance conversations
- DSITI Capability Framework outlining the capabilities which are central to workforce performance.

## Work–life balance

The department continues to promote work–life balance and offers a variety of flexible working arrangements, including telecommuting, part-time employment, job-share, compressed hours, staggered start and finish times, accrued leave and purchased leave.

The department’s participation in the flexible work centre trial concluded on 30 March 2015 with the following results:

- 64 per cent of participants stated working from a flexible work centre increased their productivity with 36 per cent stating their productivity remained the same.
- Productivity gains came from the greater motivation and energy derived from less commuting and travel. Participants were often more productive at the flexible work centre than on the days they worked in the central office.
- 83 per cent of participants stated their health and wellbeing had improved through the use of the flexible work centre.

### Our streams for 2015—helping us deliver our best work

#### Leadership driving culture

- DSITI management and leadership framework rolled out
- Sponsored networks (e.g. women, SES, SO, AoS, Ao7)
- True colours to foster better communication within teams
- Open feedback encouraged to build trusted relationships
- Authentic leadership that walks the talk

#### Bringing the values to life

- Live the public service values
- Improve our customer experience (staff know, customers see, stakeholders impressed)
- Service excellence training
- Go/no-go framework
- Staff engagement, DG road shows and divisional-specific action plans

#### Investing in our team

- HR practice reform strategy
- Workforce capability reform
- Focus on performance and delivery
- Strong induction program
- Online training program available for all staff
- Coaching/mentoring
- Job shadowing and succession planning
- Wellness program, e.g. DSITI steps out/10K steps

#### Being clever and creative

- DiiG
- Annual DG innovation challenge
- Storytelling for leaders
- Talking Heads speaker series
- Embed creative problem-solving skills
- Reduce red tape/streamline reporting

#### Getting connected

- Yammer
- Showcase what we do (bi-lateral activities)
- Speed networking activities
- Community focus (e.g. CEO challenge, Indigenous knowledge centres, community contribution through team building)
- Celebration and recognition activities
- Have fun

### Get excited and get involved



### How will we know we made a difference?

Increased positive results in the Working for Queensland survey.

- This was due to:
  - reduced tiredness and fatigue
  - increased time with family
  - increased exercise and recreational activities
  - participation in community activities.
- Participants saved around \$30 per day—mostly in travel costs—and saved an average of 84 minutes per day in travel time.
- 80 per cent of trial participants increased their use of digital technologies as communications tools.

The research report recommended the continued use of flexible work centres by Queensland Government employees, and recommended extending the invitation to other departments and groups through broad promotion and education. DSITI continues to support the flexible work centre initiative.

The department continues to offer employees and their immediate family access to confidential, professional counselling to assist with the resolution of issues that may impact on their work or quality of life.

Staff also have access to a variety of informative resources and services around maintaining good health and wellbeing.

## Leadership and management development

The department is committed to supporting management and leadership development, both at the whole-of-government and agency level.

DSITI has sponsored and will continue to sponsor, participation in the PSC's endorsed programs including:

- Emerging Leaders' Development Program and Executive Seminar series
- Executive and Leadership Capability Assessment and Development
- Practical People Matters.

To recognise and build the skills of upcoming and potential leaders, the first DSITI Targeted Leadership Program was also launched.

The DSITI Management and Leadership framework was developed in 2014, and brings together packages of management and leadership competencies, skills and training for distinct classification groups.

Through face-to-face and e-learning, a number of programs were delivered to managers in 2014–15, including:

- service excellence
- leading and coping with change.

## Workplace health and safety

Workplace health and safety is a high priority for the department.

In 2014–15, DSITI:

- reviewed and modified the department's workplace health and safety related policies and procedures, ensuring that:
  - workplace health and safety remains a priority
  - injuries and hazards are managed through analysis of the data available through the use of the Safety Health and Environment program
- delivered a range of cultural change initiatives including:
  - mental health awareness sessions at senior management level, and commenced reviewing options for a further rollout across the department
  - development of a departmental domestic and family violence policy, and commenced the rollout of domestic violence awareness training
  - development of a departmental dignity and respect in the workplace charter to promote a positive workplace
- continued a range of support services including:
  - counselling and support services to all employees and their families across the department through a confidential and professional employee assistance service

## 4. Our people

- support and advice to employees and managers relating to injured or ill employees and other rehabilitation matters through the early intervention centre
- harassment referral contact officer network
- continued with a range of health and wellbeing initiatives, including:
  - free flu vaccination program (which had a 44 per cent take up across the department)
  - participation in the 2015 Corporate Games (resulting in fourth place in the overall medal tally)
  - DSITI Steps Out program (a monthly social, voluntary three kilometre walk/run)
  - promotion of the bulk billed after-hours home doctor service
  - promotion of corporate rates for health insurance memberships
  - promotion of the Healthier. Happier. Workplaces initiative
  - health and lifestyle online resources for mental health, men's health, women's health, cancer awareness, etc.

### Industrial and employee relations framework

The department's industrial and employee relations framework is based on the framework established by the PSC.

Currently the PSC is coordinating the public sector response to the Queensland Government's pre-election commitment of restoring fairness to government workers.

Essential aspects of this commitment include:

- reinstating employment conditions for government workers including employment security
- re-establishing the independence of the Queensland Industrial Relations Commission (QIRC) when determining wage cases
- returning the QIRC to a layperson's tribunal.

The department maintains effective relationships with key stakeholders, particularly the Together Union, through a proactive approach to consultation and conflict management at both industrial and workplace levels. This has resulted in minimal disputation and no days lost to industrial action.

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

A revision of the *2014–18 DSITI strategic workforce plan* will be completed in the first quarter of 2015–16. The revision will be in alignment with the government direction and workforce strategies identified in the *Queensland Government's Strategic workforce plan* developed by the PSC.

## Recognition of excellence

The departmental Recognition of Excellence Awards were celebrated on 17 June 2015.

Our Minister and Director-General formally recognised the outstanding achievements of individuals and teams across the department, focusing on how we are delivering better outcomes for Queenslanders.

These awards are held annually and recognise staff in five categories that align to the Queensland Public Service values.

The 2015 award winners in each category were:

1. Ideas into Action: Innovation Hub Pilot Project team
2. Unleash Potential: Water Planning Science Plan team
3. Be Courageous: Cyber Security team
4. Empower People: Dr. Melinda Laidlaw
5. Customers First:
  - Hopeland Investigation Support team
  - Serena Halliday.

The Director-General's Award for Outstanding Achievement was presented to the Innovation Hub pilot project team for their work identifying novel and superior ways of doing business.

The pilot project developed solutions for all challenges that were presented, with one solution purchased and four in contract negotiations with clients. As one example, the graffiti solution for the Department of Transport and Main Roads is anticipated to reduce graffiti incidence tracking time from 30 minutes to two minutes.

The Minister's Award for Outstanding Achievement was won by Serena Halliday from SSQ's Mt Gravatt Contact Centre team. Serena was recognised for excellent customer service, evidencing empathy in decision-making, an acute understanding of all her stakeholders, and a focus on delivering exemplary service.

Sadly, soon after winning this award, Serena unexpectedly passed away. The department wishes to recognise the contribution Serena made and the positive impact she had on the lives of many Queenslanders.

*Mick De Brenni MP, Member for Springwood, would like to place on the record his sincere thanks and appreciation to Homeless Persons Information Queensland (SSQ) employee Serena Halliday for some exemplary service she recently provided to Mr De Brenni's office.*

# 5. Other reporting

## Government bodies (statutory bodies and other entities)

Functions and responsibilities	Achievements during 2014–15	Financial reporting arrangements
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### BioPharmaceuticals Australia Pty Ltd (BPA)

Provide strategic advice, input into and assistance with obtaining additional investment in the purpose-built BPA biologics manufacturing facility (co-located with the Translational Research Institute, Princess Alexandra Hospital). Assist with maintaining a network of local complementary service providers to support the BPA facility, and oversee business development activities to secure a pipeline of potential clients for the facility in the future.

During 2014–15, BPA continued with its ongoing business and industry development objectives to:

- support the commercial partner, Patheon Biologics, through the facility startup phase (commercial operations commenced 1 July 2013)
- maintain effective management of key stakeholder relationships with partners
- foster growth of the biotherapeutics development industry in Queensland and Australia.

Key industry development activities included:

- ongoing management of the Biopharmaceuticals Development Fund (BDF), which provides financial support for access to the biologics facility using a grant system to part-fund the costs of the commercial partner’s services
- working with partners and other Queensland clinical development service providers to promote the biologics facility and the BDF through a series of interstate and international roadshows.

Under the current agreement between BPA and the state, BPA is to provide DSITI with regular (at least six-monthly) reports on the progress of the BPA activities, including the BDF. BPA is also required to provide documentation directly to the shareholding Minister, including board meeting documents.

### Tweed River Sand Bypassing Project (TRESBP) Advisory Committee—established under the *Tweed River Sand Bypassing Project Agreement Act 1998*

TRESBP is a joint agreement with, and coordinated by, the New South Wales Government (NSW). The advisory committee provides advice to the ministers relating to this project. It also provides the community with information about the project in an open forum through regular meetings.

The advisory committee held four formal meetings in 2014–15 on 29 July 2014; 13 October 2014; 16 February 2015; and 27 May 2015 at Tweed Heads NSW.

Regular agenda item briefings were provided on:

- sand bypassing operations
- beach and entrance conditions
- sand delivery and placement strategies
- environmental monitoring results.

The briefings were followed by discussion and feedback from advisory committee members and community stakeholder group observers.

Coordinated by NSW.



Functions and responsibilities	Achievements during 2014–15	Financial reporting arrangements
<p><b>Public Records Review Committee</b>—a statutory body established under the <i>Public Records Act 2002</i></p>		
<p>The aim of this committee is to further strengthen the management of public records in Queensland.</p> <p>The nine-member committee was established to ensure a consistent approach to administering and enforcing the Act across some 500 public authorities.</p> <p>The statutory functions of the Public Records Review Committee include:</p> <ul style="list-style-type: none"> <li>• advising both the Minister for Science, Information Technology and Innovation and the State Archivist on the administration and enforcement of the Act</li> <li>• reviewing the decisions of the State Archivist not to authorise the disposal of particular public records, resolving disputes between the State Archivist and a public authority about how a public record is classified with respect to setting a restricted access period for that record.</li> </ul>	<p>The committee held two meetings in 2014–15. The chairperson and five members attended two meetings and one member attended one meeting. One member did not attend any meetings and a vacant position is in process of being filled.</p> <p>The committee provided advice on QSA new approach to working with public authority customers, including new products and tools to deliver recordkeeping advice.</p> <p>The committee supported the planning and implementation of a Digital Archiving Program.</p> <p>The committee provide feedback and advice on a wide range of important matters, including the <i>Born digital, stay digital discussion paper</i> and QSA’s ongoing commemorations of the First World War.</p>	<p>Committee expenditure is reported as part of the consolidated DSITI financial statements as tabled in Parliament.</p>

## 5. Other reporting

### Ministerial responsibilities and legislation administered by the department

The department administers the following Acts.

Minister	Principal ministerial responsibilities	Acts administered	Administrative units	Responsible heads
Minister for Science and Innovation	Administration of Crown copyright and intellectual property CITEC ICT CITEC Information Brokerage Coastal management relating to the Tweed River Entrance Sand Bypassing Project Digital economy Environment, climate and natural resource sciences—research, development and advice Government Wireless Network contract directorate ICT modernisation Innovation policy, strategy and programs International collaborations One-Stop Shop Strategy and Implementation Office Queensland State Archives Science policy, strategy and investment Shared services provision (other than Queensland Health and the Department of Education, Training and Employment) Shared services systems Smart Service Queensland Strategic ICT Strategic ICT projects, including: <ul style="list-style-type: none"> <li>• Government Wireless Network implementation</li> <li>• 1 William Street ICT</li> <li>• Strategic sourcing including:               <ul style="list-style-type: none"> <li>—ICT mega category</li> <li>—government–industry liaison</li> <li>—government ICT contracting</li> <li>—SME policy and participation</li> </ul> </li> </ul>	<i>Biodiscovery Act 2004</i> <i>Gene Technology Act 2001</i> <i>Tweed River Entrance Sand Bypassing Project Agreement Act 1998</i> <i>Public Records Act 2002</i>	Department of Science, Information Technology and Innovation	Director-General
	Lead the development of science and innovation strategy across government Promote Queensland science Science and innovation stakeholder engagement		Department of Science, Information Technology and Innovation	Queensland Chief Scientist

Minister	Principal ministerial responsibilities	Acts administered	Administrative units	Responsible heads
	Government ICT policy and planning including: <ul style="list-style-type: none"> <li>• cross-jurisdictional liaison and coordination</li> <li>• ICT-enabled transformation</li> <li>• ICT governance, accountability and transparency</li> <li>• ICT investment assurance</li> <li>• ICT policy and standards (including shared services)</li> <li>• ICT workforce development</li> <li>• information systems and ICT strategy</li> <li>• profiling of government's ICT</li> <li>• Queensland Government Enterprise Architecture</li> </ul>		Department of Science, Information Technology and Innovation	Queensland Government Chief Information Officer
	State Library of Queensland	<i>Libraries Act 1988</i>	Department of Science, Information Technology and Innovation	State Librarian

## 6. Our locations

The department's head office is located at 80 George Street, Brisbane. Service areas are located in a number of sites in the Brisbane CBD and greater Brisbane area, and in major regional centres across Queensland, including Cairns, Townsville, Rockhampton, Maroochydore, Robina and Toowoomba.

CITEC has two locations interstate.

These services are complemented by the existing Queensland Government Agency Program (QGAP) which supports multi-agency service delivery in regional and rural areas across the state.

Division	Address
<b>Brisbane</b>	
CITEC	Brisbane, Edward Street Railway 1C Brisbane, Edward Street Railway 1D Ipswich, Springfield DATA Centre I (Polaris)
Queensland State Archives	Runcorn, 435 Compton Road
Shared Corporate Services	Brisbane, 160 Mary Street Woolloongabba, 411 Vulture Street Woolloongabba, 897 Main Street
Smart Service Queensland (call centres)	Mt Gravatt, Garden Square Block B, Kessels Road Zillmere, Pineapple Street
Smart Service Queensland	Brisbane, 127 Creek Street
Science Division	Dutton Park, Ecosciences Precinct, 41 Boggo Road Toowong, Queensland Herbarium, Mount Coot-tha Road Deagon, Coastal Sciences, 27 Quinlan Street Smithfield, Australian Tropical Herbarium, JCU Cairns Campus, McGregor Road
Strategic Policy and Innovation	Brisbane, 100 George Street
Queensland Government Service Centre	Brisbane, 33 Charlotte Street
Strategic ICT	Brisbane, 111 George Street
Office of the Queensland Chief Scientist	Brisbane, 111 George Street
Queensland Government Chief Information Office	Brisbane, 111 George Street
Change and Operations	Brisbane, 80 George Street Brisbane, 111 George Street Brisbane, 160 Mary Street
Office of the Director-General	Brisbane, 80 George Street
<b>Regions</b>	
Shared Corporate Services	Cairns, 65–67 Spence Street Gympie, corner Louisa Street and Cartwright Road Maroochydore, 12 First Avenue Robina, corner Christine Avenue and Scottsdale Street Rockhampton, 80–82 Denham Street Toowoomba, 532 Ruthven Street Townsville, 187 Stanley Street
Queensland Government Service Centre	Cairns, 5B Sheridan Street Maroochydore, 12 First Avenue
Digital Economy and Productivity	Townsville, 445 Flinders Street
<b>Interstate</b>	
CITEC	Melbourne, 256 Queen Street Sydney, 60 Margaret Street

## Queensland Government Agent Program offices

Smart Service QGAP offices are located in regional centres:

Agnes Water	Croydon	Maleny	Ravenshoe
Aramac	Cunnamulla	Mary Valley	Richmond
Augathella	Dirranbandi	Middlemount	Sarina
Babinda	Eidsvold	Miles	Springsure
Barcardine	Gaydah	Mirani	St George
Beauesert	Georgetown	Mitchell	Stanthorpe
Bedourie	Goombungee	Monto	Surat
Biloela	Herberton	Moranbah	Tara
Birdsville	Hughenden	Mossman	Taroom
Blackall	Inglewood	Mount Garnet	Texas
Blackbutt	Injune	Mount Morgan	Thargomindah
Boonah	Isisford	Moura	Toogoolawah
Boulia	Jandowae	Mundubbera	Tully
Camooweal	Julia Creek	Murgon	Wandoan
Cannonvale	Jundah	Nanango	Weipa
Childers	Kalbar	Normanton	Windorah
Clermont	Kilkivan	North Stradbroke Island	Winton
Collinsville	Laidley	Pittsworth	Yarrabah
Cooktown	Lowood	Quilpie	Yeppoon
Crows Nest	Malanda		

# 7. Our financial performance

## Statement by Chief Finance Officer

In accordance with the requirements of the *Financial Accountability Act 2009*, the Chief Finance Officer has provided the Director-General with a statement confirming the financial internal controls of the department are operating efficiently, effectively and economically in conformance with section 57 of the *Financial and Performance Management Standard 2009*.

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

## Summary of financial performance

This financial summary provides an overview of the department's financial performance for the period 1 July 2014 to 30 June 2015. A more detailed view of the department's financial performance is provided in the Financial Statements included in Part B of the annual report.

As at 30 June 2015, the economic entity consists of six major departmental services, a commercialised business unit and one shared service provider. Refer to Note 2 within the Financial Statements for further information in relation to the department's economic entity.

The department has reported an operating deficit of \$8.7 million for the year ended 30 June 2015, mainly relating to write off of work in progress from a previous financial year, timing of science-related grant expenditure and

impacts of the early repayment of science research infrastructure loan.

Total appropriated services revenue for the period was \$318.6 million appropriation revenue and the department operated within its appropriated budget during this period. Total user charges received for the period was \$341.4 million, primarily derived through ICT services by CITEC, services by SSQ and Corporate Services (including finance and payroll support) by the department's shared service provider, Queensland Shared Services (QSS).

The department's net assets reduced to \$155 million due to the machinery-of-government transfer of Arts Queensland and the CAA to the Department of the Premier and Cabinet. The net book value of plant and equipment for the department is \$143 million.

All liabilities recognised by the department are funded, and no significant contingent liabilities exist as at 30 June 2015 in respect to the department's activities.

All administered activities operated within budget and administered assets were administered consistent with departmental objectives.

With the exception of the operating result, all other financials have been significantly impacted by the machinery-of-government change that took financial effect from 1 March 2015.

Income from continuing operations has reduced by \$71 million in comparison to the prior financial year mainly due to:

- a \$24 million reduction in appropriation due to the transfer of Arts Queensland offset by increases in funding in relation to the GWN

### Comparison of actual results for 2014–15 and 2013–14

Financial results	2015	2014	Variance
Income from continuing operations	\$685 million	\$756 million	(\$71 million)
Expenses from continuing operations and income tax	\$694 million	\$747 million	(\$53 million)
Operating surplus/(deficit)	(\$9 million)	\$9 million	(\$18 million)
Total assets	\$289 million	\$1.020 billion	(\$731 million)
Total liabilities	\$133 million	\$120 million	\$13 million
Equity	\$155 million	\$901 million	(\$746 million)

- a \$39 million decrease in user charges due to falling demand, and reduction in revenues associated with the department's commercialised business unit, CITEC, of \$18 million and shared service provider, QSS of \$14 million.

Expenses from continuing operations have reduced by \$53 million in comparison to the prior financial year mainly due to:

- the transfer of Arts Queensland during the financial year
- a reduction in 'once-off' IT-related costs that occurred in the 2013–14 financial year
- offset by an increase in the costs associated with the GWN.

The operating result has decreased by \$18 million to a \$9 million operating deficit due to a number of factors including:

- \$4 million reduction in the operating result for QSS compared to 2013–14 due to reduced pricing to clients
- \$3.5 million reduction in the operating result for CITEC due to a contraction in client demand for services during 2014–15
- \$3.8 million impact in relation to the early repayment of science infrastructure loans due to a combination of forgone interest and early repayment discounts
- \$3 million operating deficit due to the delivery of projects funded by grants recognised in prior periods

- \$3.4 million write off of work in progress by Arts Queensland in relation to Queensland Theatre Company building which had been recognised by the Department of Housing and Public Works.

The value of assets decreased by \$731 million to \$289 million in comparison to the prior financial year mainly due to:

- the transfer of Arts Queensland during the financial year, specifically property, plant and equipment assets associated with the cultural precinct of \$672 million
- additional GWN finance lease assets acquired as part of the South East Queensland (SEQ) phase of the program of \$30 million
- the de-recognition of the department's concessional loan facilities related to science infrastructure of \$35 million following the early repayment of these loans in January 2015.

The department's liabilities increased by \$13 million to \$133 million in comparison to the prior financial year mainly due to:

- the GWN finance lease liability of \$32 million following the rollout and commercial acceptance of the exclusive use state assets acquired under the SEQ stage of the GWN program
- offset by a reduction in loan facilities due to the transfer of Arts Queensland (\$6 million) and a reduction in CITEC's loan facilities of \$6.5 million.

# 7.

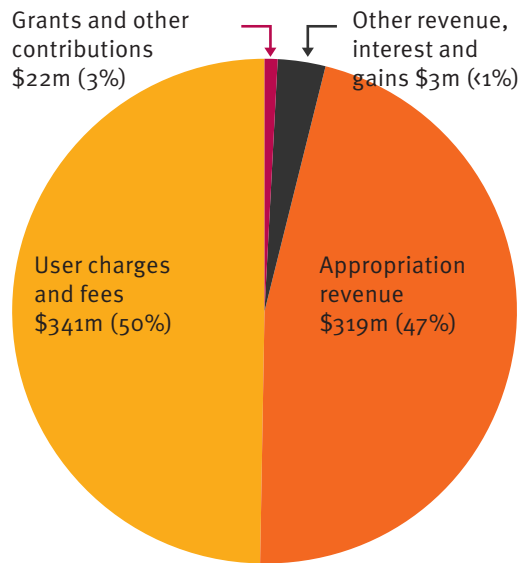
## Our financial performance

### Our income—where the funds come from

Income for the department totalled \$685 million for 2014–15, a decrease of \$71 million on the prior financial year, mainly due to the transfer of Arts Queensland and CAA to the Department of the Premier and Cabinet during the period.

User charges and fees are the main source of income for the department at 50%, and are generated from a variety of activities, with the main client being other Queensland Government departments.

Appropriation revenue accounted for 47% of the department’s income in 2014–15.

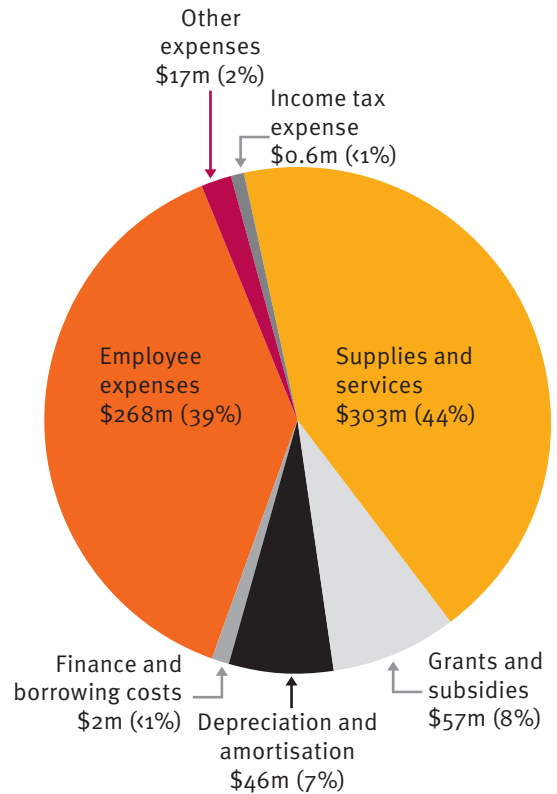


### Our expenses—how funds are spent

Expenses for the department totalled \$694 million for 2014–15, a decrease of \$50 million on the prior financial year mainly due to the transfer of Arts Queensland and CAA to the Department of the Premier and Cabinet during the period.

Supplies and services are the department’s major expense component at 44%, closely followed by employee expenses at 39%.

Supplies and services include service delivery expenses relating to ICT (including the GWN) and shared service providers.

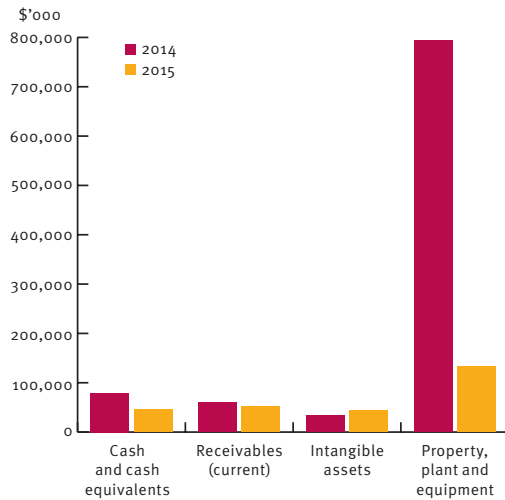




## Our assets—what we own

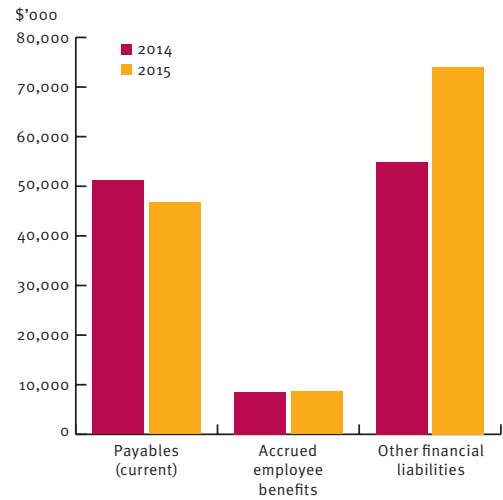
As at 30 June 2015, the department held assets totalling \$289 million, with \$177 million relating to property, plant and equipment and intangible assets.

Assets totalling \$678 million were transferred to the Department of Premier and Cabinet in relation to Arts Queensland and CAA. Non-current receivables reduced by \$36 million in comparison with last financial year, mainly due to the early repayment of science infrastructure loans.



## Our liabilities—what we owe

As at 30 June 2015, the department held liabilities totalling \$133 million, with \$72 million relating to interest-bearing liabilities which relate to the finance lease for the GWN.



## 8. Glossary of terms

AskQGov	Queensland Government customer service via Facebook
AS/NZS	Australia/New Zealand Standard
AO	Administration Officer
AusBiotech	Australia' Biotechnology Organisation
BPA	BioPharmaceuticals Australia Pty Ltd
CloudSherpas	Global cloud advisory and technology firm.
e-forms	Electronic forms
FTE	Full-time equivalent
ICT mega category	A holistic approach that covers the entire life cycle of ICT procurement.
G20 Summit	The Group of 20 summit
Go/no-go	Pass/fail framework
Gov2Gov	Queensland Government website for Queensland Government employees
One-shop stop	A one-stop shop approach for service deliver focus on delivering better, more consistent customer experience for Queenslanders
Paperlite	Reduction of paper usage initiative
QANZAC	Queensland Government First World War Centenary
QAssure	Online registration system
QSpatial	Queensland Spatial Catalogue database
SAP	System Applications Products
ServiceNow	Enterprise software company
T5 UNIX	An upgrade to the servers on which the Solaris UNIX solutions reside.

### Acronyms list

ANZSOG	Australia and New Zealand School of Government
AIMS	Australian Institute of Marine Science
BDF	Biopharmaceuticals Development Fund
BoM	Board of Management
CAA	Corporate Administration Agency
CBD	Central business district
CEO	Chief Executive Officer
CFO	Chief Finance Officer
CITEC	Centre for Information Technology and Communication
CSIR	Council of Scientific and Industrial Research
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DEHP	Department of Environment and Heritage Protection
DSITI	Department of Science, Information Technology and Innovation
EMC	Data storage solution provided by EMC Corporation
GITC	Government Information Technology Contracting
GWN	Government Wireless Network
HR	Human Resources
IAB	Internal Audit Bureau NSW
IBK	Indigenous Bicultural Knowledge
IGEM	Inspector-General Emergency Management
ISO	International Standard Organisation
ICT	Information and communication technology
ISC	Information Steering Committee

JCU	James Cook University
NGO	Non-government organisation
PO	Professional Officer
PSC	Public Service Commission
QAO	Queensland Audit Office
QGAP	Queensland Government Agency Program
QGCI0	Queensland Government Chief Information Office
QGEA	Queensland Government Enterprise Architecture
QIRC	Queensland Industrial Relations Commission
QSA	Queensland State Archives
QSS	Queensland Shared Services
QUT	Queensland University of Technology
SES	Senior executive service
SES	State Emergency Service
SME	Small to medium enterprise
SO	Senior officer
SSQ	Smart Service Queensland
TCSP	Tactical Cyber Security Plan
TRESBP	Tweed River Sand Bypassing Project
WHS	Workplace health and safety

## 9. Compliance checklist

Summary of requirement	Basis for requirement	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs—section 8 Letter to Minister Enoch p iii
Accessibility	Table of contents	ARRs—section 10.1 pp iv–v
	Glossary	Glossary of terms pp 60–61
	Public availability	ARRs—section 10.2 About our annual report p 1
	Interpreter service statement	Queensland Government <i>Language services policy</i> ARRs—section 10.3 p ii
	Copyright notice	<i>Copyright Act 1968</i> ARRs—section 10.4 p ii
Information licensing	QGEA— <i>Information licensing</i> ARRs—section 10.5 p ii	
General information	Introductory Information	ARRs—section 11.1 From the Director-General p 3 Our achievements pp 4–8
	Agency role and main functions	ARRs—section 11.2 About the department pp 9–12 Legislation administered by the department pp 52–53 Our locations pp 54–55
	Operating environment	ARRs—section 11.3 Our operating environment pp 11–12
	Machinery-of-government changes	ARRs—section 11.4 Machinery-of-government changes p 9
Non-financial performance	Government’s objectives for the community	ARRs—section 12.1 From the Director-General, p 3 Our achievements pp 4–8
	Other whole-of-government plans / specific initiatives	ARRs—section 12.2 Other whole-of-government plans/specific initiatives pp 15, 18, 22, 28, 30, 31, 48
	Agency objectives and performance indicators	ARRs—section 12.3 Our achievements pp 4–8 DSITI key performance indicators p 7
	Agency service areas and service standards	ARRs—section 12.4 Our service performance pp 13–32
Financial performance	Summary of financial performance	ARRs—section 13.1 Our financial performance pp 56–59
Governance—management and structure	Organisational structure	ARRs—section 14.1 Our structure p 9
	Executive management	ARRs—section 14.2 Our governance pp 33–43
	Government bodies (statutory bodies and other entities)	ARRs—section 14.3 Government bodies (statutory bodies and other entities) pp 50–51 Additional information available at <a href="http://data.qld.gov.au">data.qld.gov.au</a>
	<i>Public Sector Ethics Act 1994</i>	<i>Public Sector Ethics Act 1994</i> ARRs—section 14.4 Ethics and code of conduct p 43

Summary of requirement		Basis for requirement	Annual report reference
Governance—risk management and accountability	Risk management	ARRs – section 15.1	Risk management and Audit and Risk Management Committee pp 41–42
	External scrutiny	ARRs—section 15.2	External scrutiny pp 42–43
	Audit committee	ARRs—section 15.3	Audit and Risk Management Committee pp 38, 42
	Internal audit	ARRs—section 15.4	Audit arrangements p 41
	Information systems and recordkeeping	ARRs—section 15.5	Information systems and recordkeeping p 43
Governance—human resources	Workforce planning and performance	ARRs—section 16.1	Our people pp 44–48
	Early retirement, redundancy and retrenchment	Directive No.11/12 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs—section 16.2	Early retirement, redundancy and retrenchment p 45
Open Data	Consultancies	ARRs—section 17 ARRs—section 34.1	Open data p 1 <a href="http://data.qld.gov.au">data.qld.gov.au</a>
	Overseas travel	ARRs—section 17 ARRs—section 34.2	Open data p 1 <a href="http://data.qld.gov.au">data.qld.gov.au</a>
	Queensland Language Services Policy	ARRs—section 17 ARRs—section 34.3	Open data p 1 <a href="http://data.qld.gov.au">data.qld.gov.au</a>
	Government bodies	ARRs—section 17 ARRs—section 34.4	Open data p 1 <a href="http://data.qld.gov.au">data.qld.gov.au</a>
Financial statements	Certification of financial statements	FAA—section 62 FPMS—sections 42, 43, 50 ARRs—section 18.1	Financial statements Part B p 59
	Independent Auditors Report	FAA—section 62 FPMS—section 50 ARRs—section 18.2	Financial statements Part B pp 60–61
	Remuneration disclosures	<i>Financial reporting requirements for Queensland Government agencies</i> ARRs—section 18.3	Financial statements Part B pp 19–22

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2009*

ARRs *Annual report requirement for Queensland Government agencies*



2014

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**ANNUAL  
REPORT**

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2015

*Part B*  
*Financial statements*



**Queensland  
Government**

# The Department of Science, Information Technology and Innovation

## Financial Statements

### Understanding our financial statements

The financial statements enable readers to assess the department's financial results and cash flows for the 2014-15 financial year and its position as at the end of the financial year.

These financial statements cover the Department of Science, Information Technology and Innovation and its controlled and other entities. The Department of Science, Information Technology and Innovation is a Queensland Government Department established under the *Public Service Act 2008*.

The department is controlled by the State of Queensland which is the ultimate parent.

Contents	Page No
<i>Statement of Comprehensive Income</i>	3
This statement shows revenues and expenses and the results of operations for the financial year, as well as other comprehensive income including asset revaluation adjustments.	
<i>Statement of Financial Position</i>	4
This statement provides information concerning assets, liabilities and the department's equity at the end of the financial year. Assets shown as current are reasonably expected to be converted to cash, sold or consumed in the operations of the department in the next financial year. Similarly, current liabilities are expected to consume cash in the next financial year.	
<i>Statement of Changes in Equity</i>	5
This statement provides information on the movement of equity during the financial year.	
<i>Statement of Cash Flows</i>	6
This statement provides information concerning sources and uses of cash during the financial year and available cash at the end of the financial year.	
<i>Statement of Comprehensive Income by Major Departmental Services, CBUs and SSPs</i>	7
This statement provides information on revenues and expenses by each departmental service, CBU and SSP.	
<i>Statement of Assets and Liabilities by Major Departmental Services, CBUs and SSPs</i>	9
This statement provides information on assets and liabilities by each departmental service, CBU and SSP.	
<i>Notes to and forming part of the financial statements</i>	11
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### General information

The head office and principal place of business of the department is:

Level 7A  
80 George 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 [webfeedback@dsiti.qld.gov.au](mailto:webfeedback@dsiti.qld.gov.au) or visit the departmental website [www.qld.gov.au/dsiti](http://www.qld.gov.au/dsiti).



# Statement of Comprehensive Income

for the year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
<b>Income from continuing operations</b>			
Appropriation revenue	4	318,628	342,338
User charges and fees	5	341,389	380,926
Grants and other contributions	6	21,773	29,030
Interest		1,293	2,272
Other revenue	7	1,971	1,931
Total revenue		685,054	756,497
Gains on disposal of assets		6	23
<b>Total income from continuing operations</b>		<b>685,060</b>	<b>756,520</b>
<b>Expenses from continuing operations</b>			
Employee expenses	8	268,077	288,464
Supplies and services	10	303,108	268,137
Grants and subsidies	11	56,649	77,237
Depreciation and amortisation	17/18	46,046	63,097
Impairment losses		56	4,252
Finance/borrowing costs	12	2,359	899
Other expenses	13	16,856	43,791
<b>Total expenses from continuing operations</b>		<b>693,151</b>	<b>745,877</b>
<b>Operating result from continuing operations before income tax</b>		<b>(8,091)</b>	<b>10,643</b>
Income tax expense	28	(606)	(1,537)
<b>Operating result from continuing operations after income tax</b>		<b>(8,697)</b>	<b>9,106</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to operating result:			
Increase in asset revaluation surplus	18	9,632	26,852
<b>Total other comprehensive income</b>		<b>9,632</b>	<b>26,852</b>
<b>Total comprehensive income</b>		<b>935</b>	<b>35,958</b>

The accompanying notes form part of these statements.

# Statement of Financial Position

as at 30 June 2015

	Notes	2015 \$'000	2014 \$'000
<b>Current assets</b>			
Cash and cash equivalents	14	45,954	79,175
Loans and receivables	15	51,477	60,487
Inventories		-	6
Current tax assets	28	-	8
Other current assets	16	13,351	16,292
<b>Total current assets</b>		<b>110,782</b>	<b>155,968</b>
<b>Non-current assets</b>			
Loans and receivables	15	-	35,716
Intangible assets	17	33,535	34,031
Property, plant and equipment	18	143,431	793,172
Other non-current assets	16	790	1,599
<b>Total non-current assets</b>		<b>177,756</b>	<b>864,518</b>
<b>Total assets</b>		<b>288,538</b>	<b>1,020,486</b>
<b>Current liabilities</b>			
Payables	19	46,715	51,184
Interest-bearing liabilities	20	5,416	14,840
Accrued employee benefits	21	8,604	8,559
Other current liabilities	22	1,880	3,015
<b>Total current liabilities</b>		<b>62,615</b>	<b>77,598</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	20	68,603	40,095
Deferred tax liabilities	28	1,532	934
Other non-current liabilities	22	431	901
<b>Total non-current liabilities</b>		<b>70,566</b>	<b>41,930</b>
<b>Total liabilities</b>		<b>133,181</b>	<b>119,528</b>
<b>Net assets</b>		<b>155,357</b>	<b>900,958</b>
<b>Equity</b>			
Contributed equity		170,572	917,108
Accumulated surplus/(deficit)		(61,849)	(53,152)
Asset revaluation surplus	18	46,634	37,002
<b>Total equity</b>		<b>155,357</b>	<b>900,958</b>

The accompanying notes form part of these statements.

# Statement of Changes in Equity

for the year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
<b>Contributed equity</b>			
<b>Balance as at 1 July</b>		917,108	959,319
<i>Transactions with owners as owners:</i>			
Appropriated equity injections	4	5,200	2,653
Appropriated equity withdrawals	4	(26,021)	(43,567)
Non-appropriated equity injections		5,266	5,149
Non-appropriated equity withdrawals		(66,353)	(6,650)
Assets transferred from other Queensland Government entities	17	5,366	204
Net transfers to other Queensland Government entities – machinery of government changes	2/32	(669,994)	-
<b>Balance as at 30 June</b>		<b>170,572</b>	<b>917,108</b>
<b>Accumulated surplus/(deficit)</b>			
<b>Balance as at 1 July</b>		(53,152)	(62,258)
Operating result from continuing operations after income tax		(8,697)	9,106
<b>Balance as at 30 June</b>		<b>(61,849)</b>	<b>(53,152)</b>
<b>Asset revaluation surplus</b>			
<b>Balance as at 1 July</b>		37,002	10,150
<i>Other comprehensive income</i>			
Increase on revaluation of:			
Land	18	9,605	19,719
Buildings	18	-	6,192
Infrastructure	18	-	904
Heritage and cultural	18	27	37
<b>Balance as at 30 June</b>		<b>46,634</b>	<b>37,002</b>
<b>Total equity as at 30 June</b>		<b>155,357</b>	<b>900,958</b>

The accompanying notes form part of these statements.

# Statement of Cash Flows

for the year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
<b>Cash flows from operating activities</b>			
<i>Inflows:</i>			
Service appropriation receipts	4	326,457	369,085
User charges and fees		345,991	392,705
Grants and other contributions		21,448	27,029
GST collected from customers		32,595	33,525
GST input tax credits from ATO		36,674	36,555
Interest receipts		427	453
Other		1,734	1,917
<i>Outflows:</i>			
Employee expenses		(268,250)	(287,957)
Supplies and services		(312,354)	(314,321)
Grants and subsidies		(53,279)	(77,136)
Finance/borrowing costs		(1,954)	(764)
Insurance premiums		(620)	(615)
GST paid to suppliers		(32,805)	(31,822)
GST remitted to ATO		(39,002)	(39,179)
Other		(3,034)	(43,762)
<b>Net cash provided by/(used in) operating activities</b>	23	<b>54,028</b>	<b>65,713</b>
<b>Cash flows from investing activities</b>			
<i>Inflows:</i>			
Sales of property, plant and equipment		4	179
Loans and advances redeemed		38,912	7,873
<i>Outflows:</i>			
Payments for property, plant and equipment		(5,669)	(6,021)
Loans and advances made		(1,120)	(8,837)
Payments for intangible assets		(2,519)	(2,739)
<b>Net cash provided by/(used in) investing activities</b>		<b>29,608</b>	<b>(9,545)</b>
<b>Cash flows from financing activities</b>			
<i>Inflows:</i>			
Borrowings		1,120	7,837
Equity injections		7,153	8,625
<i>Outflows:</i>			
Borrowing redemptions		(11,841)	(14,621)
Finance lease payments		(2,036)	-
Equity withdrawals		(99,893)	(47,711)
<b>Net cash provided by/(used in) financing activities</b>		<b>(105,497)</b>	<b>(45,870)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(21,861)</b>	<b>10,298</b>
Increase/(decrease) in cash and cash equivalents from restructuring	32	(11,360)	-
Cash and cash equivalents at beginning of financial year		79,175	68,877
<b>Cash and cash equivalents at end of financial year</b>	14	<b>45,954</b>	<b>79,175</b>

The accompanying notes form part of these statements.

# Statement of Comprehensive Income by Major Departmental Services, CBU's and SSPs

for the year ended 30 June 2015

	Corporate Administration Agency*		Arts Queensland*		CITEC		Queensland Government Information Office		Office of the Queensland Chief Scientist		Science/Strategic Policy and Innovation	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Income from continuing operations</b>												
Appropriation revenue	-	-	59,767	98,813	-	-	8,756	8,652	1,277	1,288	74,986	95,150
User charges and fees	6,711	10,295	13,180	20,158	160,228	178,420	63	-	-	-	1,187	1,844
Grants and other contributions	83	83	133	3,460	-	-	-	-	-	80	15,800	17,661
Interest	-	-	52	180	327	287	-	-	-	-	914	1,805
Other revenue	11	3	132	177	8	233	2	55	37	2	925	206
Total revenue	6,805	10,381	73,264	122,788	160,563	178,940	8,821	8,707	1,314	1,370	93,812	116,666
Gains on disposal of assets	-	-	-	-	-	4	-	-	-	-	5	19
<b>Total income from continuing operations</b>	<b>6,805</b>	<b>10,381</b>	<b>73,264</b>	<b>122,788</b>	<b>160,563</b>	<b>178,944</b>	<b>8,821</b>	<b>8,707</b>	<b>1,314</b>	<b>1,370</b>	<b>93,817</b>	<b>116,685</b>
<b>Expenses from continuing operations</b>												
Employee expenses	4,422	7,061	7,795	13,092	42,611	44,720	5,181	5,884	1,127	1,096	40,966	43,302
Supplies and services	2,007	3,081	18,332	36,551	108,892	117,605	3,507	2,210	177	319	24,548	23,740
Grants and subsidies	-	-	25,368	35,150	-	-	75	57	-	-	28,743	40,331
Depreciation and amortisation	98	183	21,245	35,292	8,928	11,449	40	157	-	2	5,112	5,507
Impairment losses	-	-	-	8	48	464	-	-	-	-	-	17
Finance/borrowing costs	-	-	52	181	309	584	-	-	-	-	-	-
Other expenses	109	265	3,810	501	741	636	18	399	11	-	387	893
<b>Total expenses from continuing operations</b>	<b>6,636</b>	<b>10,590</b>	<b>76,602</b>	<b>120,775</b>	<b>161,529</b>	<b>175,458</b>	<b>8,821</b>	<b>8,707</b>	<b>1,315</b>	<b>1,417</b>	<b>99,156</b>	<b>113,790</b>
<b>Operating result from continuing operations before income tax</b>	<b>169</b>	<b>(209)</b>	<b>(3,338)</b>	<b>2,013</b>	<b>(966)</b>	<b>3,486</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>(47)</b>	<b>(5,339)</b>	<b>2,895</b>
Income tax expense	-	-	-	-	(606)	(1,537)	-	-	-	-	-	-
<b>Operating result from continuing operations after income tax</b>	<b>169</b>	<b>(209)</b>	<b>(3,338)</b>	<b>2,013</b>	<b>(1,572)</b>	<b>1,949</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>(47)</b>	<b>(5,339)</b>	<b>2,895</b>
<b>Other comprehensive income</b>												
Items that will not be reclassified subsequently to operating result:												
Increase in asset revaluation surplus	-	-	9,632	34,337	-	-	-	-	-	-	-	(7,484)
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>9,632</b>	<b>34,337</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,484)</b>
<b>Total comprehensive income</b>	<b>169</b>	<b>(209)</b>	<b>6,294</b>	<b>36,350</b>	<b>(1,572)</b>	<b>1,949</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>(47)</b>	<b>(5,339)</b>	<b>(4,589)</b>

\* Refer note 2.

# Statement of Comprehensive Income by Major Departmental Services, CBUs and SSPs

for the year ended 30 June 2015

	Digital Productivity and Services		Queensland Shared Services		Strategic ICT		General – Not attributed		Inter-departmental Eliminations		Total*	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Income from continuing operations</b>												
Appropriation revenue	60,624	57,458	-	-	93,094	76,860	20,124	4,117	-	-	318,628	342,338
User charges and fees	27,983	25,662	156,908	170,936	260	1,532	15,001	15,179	(40,132)	(43,100)	341,389	380,926
Grants and other contributions	-	-	5,858	7,911	-	-	(18)	18	(83)	(183)	21,773	29,030
Interest	-	-	-	-	-	-	-	-	-	-	1,293	2,272
Other revenue	63	5	1,782	886	(14)	368	21,148	22,602	(22,123)	(22,606)	1,971	1,931
Total revenue	88,670	83,125	164,548	179,733	93,340	78,760	56,255	41,916	(62,338)	(65,889)	685,054	756,497
Gains on disposal of assets	1	-	-	-	-	-	-	-	-	-	6	23
<b>Total income from continuing operations</b>	<b>88,671</b>	<b>83,125</b>	<b>164,548</b>	<b>179,733</b>	<b>93,340</b>	<b>78,760</b>	<b>56,255</b>	<b>41,916</b>	<b>(62,338)</b>	<b>(65,889)</b>	<b>685,060</b>	<b>756,520</b>
<b>Expenses from continuing operations</b>												
Employee expenses	45,954	46,393	86,258	94,415	6,876	6,226	27,511	26,278	(24)	(3)	268,077	288,464
Supplies and services	36,705	32,993	71,518	70,331	81,379	31,269	18,281	15,468	(62,238)	(65,430)	303,108	268,137
Grants and subsidies	2,093	1,338	-	-	-	-	370	361	-	-	56,649	77,237
Depreciation and amortisation	3,802	4,921	3,720	4,905	3,067	648	34	33	-	-	46,046	63,097
Impairment losses	3	(2)	4	3,739	-	-	1	26	-	-	56	4,252
Finance/borrowing costs	-	-	-	-	1,997	133	-	-	-	-	2,359	899
Other expenses	114	85	1,260	428	20	40,980	10,465	61	(76)	(456)	16,856	43,791
<b>Total expenses from continuing operations</b>	<b>88,671</b>	<b>85,728</b>	<b>162,760</b>	<b>173,818</b>	<b>93,339</b>	<b>79,256</b>	<b>56,662</b>	<b>42,227</b>	<b>(62,338)</b>	<b>(65,889)</b>	<b>693,151</b>	<b>745,877</b>
<b>Operating result from continuing operations before income tax</b>	<b>-</b>	<b>(2,603)</b>	<b>1,788</b>	<b>5,915</b>	<b>1</b>	<b>(496)</b>	<b>(407)</b>	<b>(311)</b>	<b>-</b>	<b>-</b>	<b>(8,091)</b>	<b>10,643</b>
Income tax expense	-	-	-	-	-	-	-	-	-	-	(606)	(1,537)
<b>Operating result from continuing operations after income tax</b>	<b>-</b>	<b>(2,603)</b>	<b>1,788</b>	<b>5,915</b>	<b>1</b>	<b>(496)</b>	<b>(407)</b>	<b>(311)</b>	<b>-</b>	<b>-</b>	<b>(8,697)</b>	<b>9,106</b>
<b>Other comprehensive income</b>												
Items that will not be reclassified subsequently to operating result:												
Increase in asset revaluation surplus	-	-	-	-	-	-	-	-	-	-	9,632	26,852
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,632</b>	<b>26,852</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>(2,603)</b>	<b>1,788</b>	<b>5,915</b>	<b>1</b>	<b>(496)</b>	<b>(407)</b>	<b>(311)</b>	<b>-</b>	<b>-</b>	<b>935</b>	<b>35,958</b>

\*Refer note 2.

# Statement of Assets and Liabilities by Major Departmental Services, CBU's and SSPs

as at 30 June 2015

	Corporate Administration Agency*		Arts Queensland*		CITEC		Queensland Government Information Office*		Office of the Queensland Chief Scientist*		Science/Strategic Policy and Innovation	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Current assets</b>												
Cash and cash equivalents	-	3,588	-	2,862	17,533	12,200	-	1,608	-	96	1	1
Loans and receivables	-	1,120	-	8,221	15,366	20,048	-	375	-	48	4,018	11,609
Inventories	-	-	-	6	-	-	-	-	-	-	-	-
Current tax assets	-	-	-	-	-	8	-	-	-	-	-	-
Other current assets	-	413	-	1,082	3,361	4,576	-	96	-	-	87	-
<b>Total current assets</b>	-	<b>5,121</b>	-	<b>12,171</b>	<b>36,260</b>	<b>36,832</b>	-	<b>2,079</b>	-	<b>144</b>	<b>4,106</b>	<b>11,610</b>
<b>Non-current assets</b>												
Loans and receivables	-	-	-	130	-	-	-	-	-	-	-	35,586
Intangible assets	-	-	-	-	5,354	7,061	-	147	-	-	1,025	1,454
Property, plant and equipment	-	437	-	672,863	14,428	20,368	-	11	-	-	49,906	51,756
Other non-current assets	-	-	-	-	359	698	-	-	-	-	-	-
<b>Total non-current assets</b>	-	<b>437</b>	-	<b>672,993</b>	<b>20,141</b>	<b>28,127</b>	-	<b>158</b>	-	-	<b>50,931</b>	<b>88,796</b>
<b>Total assets</b>	-	<b>5,558</b>	-	<b>685,164</b>	<b>56,401</b>	<b>64,959</b>	-	<b>2,237</b>	-	<b>144</b>	<b>55,037</b>	<b>100,406</b>
<b>Current liabilities</b>												
Payables	-	681	-	1,951	7,697	10,678	-	808	-	108	5,034	13,175
Interest-bearing liabilities	-	-	-	6,265	1,332	6,566	-	-	-	-	-	-
Accrued employee benefits	-	255	-	328	1,440	1,521	-	86	-	24	1,429	1,213
Other current liabilities	-	223	-	-	1,480	1,806	-	-	-	-	21	28
<b>Total current liabilities</b>	-	<b>1,159</b>	-	<b>8,544</b>	<b>11,949</b>	<b>20,571</b>	-	<b>894</b>	-	<b>132</b>	<b>6,484</b>	<b>14,416</b>
<b>Non-current liabilities</b>												
Interest-bearing liabilities	-	-	-	104	578	1,910	-	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	1,532	934	-	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total non-current liabilities</b>	-	-	-	<b>104</b>	<b>2,110</b>	<b>2,844</b>	-	-	-	-	-	-
<b>Total liabilities</b>	-	<b>1,159</b>	-	<b>8,648</b>	<b>14,059</b>	<b>23,415</b>	-	<b>894</b>	-	<b>132</b>	<b>6,484</b>	<b>14,416</b>
<b>Net assets</b>	-	<b>4,399</b>	-	<b>676,516</b>	<b>42,341</b>	<b>41,544</b>	-	<b>1,343</b>	-	<b>12</b>	<b>48,553</b>	<b>85,990</b>

\*Refer note 2.

Please note the department has systems in place to allocate assets and liabilities by major departmental services, SSPs and CBU's.

# Statement of Assets and Liabilities by Major Departmental Services, CBU's and SSPs

as at 30 June 2015

	Digital Productivity and Services		Queensland Shared Services		Strategic ICT		General – Not attributed		Inter-departmental Eliminations		Total*	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Current assets</b>												
Cash and cash equivalents	2,817	297	22,452	56,332	-	-	3,151	2,191	-	-	45,954	79,175
Loans and receivables	7,747	6,245	19,085	15,865	5,761	1,742	3,698	15,590	(4,198)	(20,376)	51,477	60,487
Inventories	-	-	-	-	-	-	-	-	-	-	-	6
Current tax assets	-	-	-	-	-	-	-	-	-	-	-	8
Other current assets	1,040	1,334	670	1,249	7,300	7,424	893	118	-	-	13,351	16,292
<b>Total current assets</b>	<b>11,604</b>	<b>7,876</b>	<b>42,207</b>	<b>73,446</b>	<b>13,061</b>	<b>9,166</b>	<b>7,742</b>	<b>17,899</b>	<b>(4,198)</b>	<b>(20,376)</b>	<b>110,782</b>	<b>155,968</b>
<b>Non-current assets</b>												
Loans and receivables	-	-	-	-	-	-	-	-	-	-	-	35,716
Intangible assets	6,676	8,061	20,369	17,308	111	-	-	-	-	-	33,535	34,031
Property, plant and equipment	5,741	5,502	1,954	2,504	71,324	39,682	78	49	-	-	143,431	793,172
Other non-current assets	431	901	-	-	-	-	-	-	-	-	790	1,599
<b>Total non-current assets</b>	<b>12,848</b>	<b>14,464</b>	<b>22,323</b>	<b>19,812</b>	<b>71,435</b>	<b>39,682</b>	<b>78</b>	<b>49</b>	<b>-</b>	<b>-</b>	<b>177,756</b>	<b>864,518</b>
<b>Total assets</b>	<b>24,452</b>	<b>22,340</b>	<b>64,530</b>	<b>93,258</b>	<b>84,496</b>	<b>48,848</b>	<b>7,820</b>	<b>17,948</b>	<b>(4,198)</b>	<b>(20,376)</b>	<b>288,538</b>	<b>1,020,486</b>
<b>Current liabilities</b>												
Payables	6,971	6,798	5,117	18,249	20,702	13,549	5,392	5,563	(4,198)	(20,376)	46,715	51,184
Interest-bearing liabilities	-	-	-	-	4,084	2,009	-	-	-	-	5,416	14,840
Accrued employee benefits	1,476	1,425	2,907	2,761	402	156	950	790	-	-	8,604	8,559
Other current liabilities	337	294	29	184	1	480	12	-	-	-	1,880	3,015
<b>Total current liabilities</b>	<b>8,784</b>	<b>8,517</b>	<b>8,053</b>	<b>21,194</b>	<b>25,189</b>	<b>16,194</b>	<b>6,354</b>	<b>6,353</b>	<b>(4,198)</b>	<b>(20,376)</b>	<b>62,615</b>	<b>77,598</b>
<b>Non-current liabilities</b>												
Interest-bearing liabilities	-	-	-	-	68,026	38,080	-	-	-	-	68,603	40,095
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	1,532	934
Other non-current liabilities	431	901	-	-	-	-	-	-	-	-	431	901
<b>Total non-current liabilities</b>	<b>431</b>	<b>901</b>	<b>-</b>	<b>-</b>	<b>68,026</b>	<b>38,080</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,566</b>	<b>41,930</b>
<b>Total liabilities</b>	<b>9,215</b>	<b>9,418</b>	<b>8,053</b>	<b>21,194</b>	<b>93,215</b>	<b>54,274</b>	<b>6,354</b>	<b>6,353</b>	<b>(4,198)</b>	<b>(20,376)</b>	<b>133,181</b>	<b>119,528</b>
<b>Net assets</b>	<b>15,237</b>	<b>12,922</b>	<b>56,477</b>	<b>72,064</b>	<b>(8,719)</b>	<b>(5,426)</b>	<b>1,466</b>	<b>11,595</b>	<b>-</b>	<b>-</b>	<b>155,357</b>	<b>900,958</b>

\*Refer note 2.

Please note the department has systems in place to allocate assets and liabilities by major departmental services, SSPs and CBU's.



## Notes to and forming part of the financial statements 2014–15

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### Objectives and principal activities of the department

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### Objectives and principal activities of the department

The Department of Science, Information Technology and Innovation (the “department”) brings together science, information and technology and innovation into one portfolio to create the jobs of the future and to deliver on the community objectives of the Queensland Government.

Based on the 2014-18 Strategic plan the department’s vision is to enable a clever, creative and connected Queensland which is supported by developing and implementing strategies, plans and activities that deliver four main objectives:

- Customers first – meeting our customers expectations through innovative service delivery options, easy and convenient access and reducing red tape.
- Value for money – ensuring our service delivery is efficient and effective, providing optimal value for our customers.
- Innovation – develop innovative and connected services through partnerships, co-creation with the community, business and across government.
- Organisational transformation – create an engaged and agile organisation which focuses on building capability, capacity and an evidence base to achieve our outcomes.

The department is supported by the Queensland Chief Scientist, who provides strategic advice and services to the Minister, including implementation of government priorities.

The department is funded for the departmental services it delivers principally by parliamentary appropriations with further significant funding sourced through the generation of user charges from the following services:

- Information, Communication and Technology services by CITEC.
- Financial, Procurement, Human Resource Management, Facilities Management, Mail Support Services and Information Systems Support services by Queensland Shared Services.

### 1. Statement of compliance

The department has prepared these financial statements in compliance with section 42 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury’s Minimum Reporting Requirements for the year ended 30 June 2015, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, the department has applied those requirements applicable to not-for-profit entities, as the department is a not-for-profit department. Except where stated, the historical cost convention is used.

Companies disclosed in the financial statements comply with Australian Accounting Standards, including Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

### 2. The reporting entity

The financial statements include the value of all revenues, expenses, assets, liabilities and equity of the department and the entities that it controls, where these entities are material. Biopharmaceuticals Australia (Network) Pty Ltd (“BPA”) is the department’s only controlled entity as at 30 June 2015 and, as it is not material, it is not consolidated. Full details of this controlled entity, along with other entities which were controlled by the department during the year are disclosed in note 26.

## 2. The reporting entity (continued)

During 2014-15, the department consisted of the parent entity incorporating major departmental services, a commercialised business unit (CBU) and shared service providers (SSPs).

### Major departmental services:

Science  
Strategic Policy and Innovation  
Queensland Government Chief Information Office  
Office of the Queensland Chief Scientist  
Arts Queensland  
Digital Productivity and Services  
Strategic ICT

In the Statement of Assets and Liabilities by Major Departmental Services, CBUs and SSPs for 2014-15, the balances attributed to the Queensland Government Chief Information Office and the Office of the Queensland Chief Scientist were included in the disclosures of the major departmental service, Strategic ICT and Strategic Policy and Innovation/Science respectively, as balances attributable to the Queensland Government Chief Information Office and the Office of the Queensland Chief Scientist were not material.

### Commercialised business unit:

CITEC

### Shared service providers:

Corporate Administration Agency  
Queensland Shared Services

Details of the department's major departmental services, the commercialised business unit and shared service providers are disclosed in note 3.

### Machinery-of-government changes

In accordance with the machinery-of-government changes that were specified in the *Public Service Departmental Arrangements Notice (No. 1) 2015*, the functions of Arts Queensland and the Corporate Administration Agency transferred to the Department of the Premier and Cabinet, with an effective date of 1 March 2015. As a result of these changes, control of the following entities also transferred to the Department of the Premier and Cabinet with an effective date of 1 March 2015.

- Aboriginal Centre for the Performing Arts Pty Ltd
- Queensland Music Festival Pty Ltd
- Major Brisbane Festival Pty Ltd
- Screen Queensland Pty Ltd

As a result of the machinery-of-government change, net assets attributed to Arts Queensland and the Corporate Administration Agency, to the value of \$669.994 million, primarily associated with land and buildings located in the Southbank Cultural Precinct, were transferred to the Department of the Premier and Cabinet. The decrease in assets has been accounted for as a decrease in contributed equity as disclosed in the Statement of Changes in Equity. Refer note 32 for further information.

Expenses and revenues reliably attributed to Arts Queensland and the Corporate Administration Agency, reported in the Statement of Comprehensive Income by Major Departmental Services, CBUs and SSPs relate to the period 1 July 2014 to 28 February 2015. The expenses and revenues attributed to those controlled and other entities transferred were not reported as they were not considered material.

### 3. Major departmental services, CBUs and SSPs of the department

The identity and purpose of the major departmental services, CBUs and SSPs as at 30 June 2015 are as follows:

#### Science

The Science division provides scientific and technical services and advice to government agencies that underpins decision making and legislative responsibilities. The division, in close collaboration with the Chief Scientist, also develops the Queensland Government's science policy and provides strategic leadership for the government's investment in science. The division works in partnership with government agencies, universities and other research groups, as well as natural resource management groups and industry.

#### Strategic Policy and Innovation

The Strategic Policy and Innovation division (SPI) aims to drive Queensland's productivity and build a more resilient and diversified economy by fostering an innovative private and public sector, and boosting commercialisation outcomes and entrepreneurial success. It leads the innovation and entrepreneurship agenda, with a primary focus on increasing levels of innovation in business, and supporting the commercialisation of ideas in research organisations, startups and Small to Medium Enterprises (SMEs). SPI also supports innovation across government to facilitate innovative thinking for government services and challenges.

#### Strategic ICT (including CITEC)

The Strategic ICT division supports Queensland Government service delivery by managing whole-of-government ICT initiatives, providing agencies with specialist ICT advice and procurement services and making it easier for the ICT industry, including SMEs, to engage with the Queensland Government. The division provides strategic advice on ICT programs and projects. This is supported through ICT strategic sourcing and procurement arrangements, facilitation of engagement between the ICT industry and government, management of whole-of-government infrastructure and information brokerage. Activities conducted by Strategic ICT play an integral role in the transformation envisaged in the *Queensland Government ICT strategy 2013-17* including whole-of-government initiatives such as the SME policy. Through CITEC, it delivers a consolidated data centre, network and infrastructure services, including solutions integration and aggregation services for the whole-of-government, in addition to delivering information brokerage services.

#### Digital Productivity and Services

The Digital Productivity and Services division aims to revitalise Queensland Government services, increase Queensland's digital capability, preserve Queensland public records and enhance the whole-of-government customer experience. The division comprises the Digital Economy and Productivity Office, Queensland State Archives, One-Stop Shop and Smart Service Queensland. Key services include: provision, expansion and improvement of customer access to a wide range of government information and services, collaborative projects and events to promote the adoption of digitally enabled technologies and services across Queensland, and management, preservation and facilitation of access to Queensland's permanent archival public records.

#### Shared Corporate Services (including Queensland Shared Services)

The Shared Corporate Services division supports government agencies to get on with their business by ensuring they have access to modern, value for money corporate services and trusted advice. The division delivers a range of corporate support services including transactional activities, consultancy and advice, service integration and co-ordination, knowledge brokerage and quality assurance on a fee for service basis. Through its current business transformation program the division is growing into a modern, progressive business, underpinned by a philosophy of operational excellence.

The **Queensland Government Chief Information Office** sets the government's policy and frameworks for ICT governance and assurance. The office also provides governance and independent quality advice to government ministers, directors-general and agencies on ICT management and investment issues.

The **Office of the Queensland Chief Scientist** supports the Queensland Chief Scientist in leading the development of science and innovation policy across government and engaging with science and innovation stakeholders. The Queensland Chief Scientist provides high level strategic advice to the Queensland Government on the role of science, research and innovation in achieving the government's priorities.

4. Reconciliation of payments from consolidated fund to appropriation revenue recognised in Statement of Comprehensive Income

	2015 \$'000	2014 \$'000
Budgeted appropriation revenue	362,789	277,881
Unforeseen expenditure	-	84,400
Treasurer's transfers – transfers from equity adjustments	527	6,804
Transfers to other departments – redistribution of public business	(36,859)	-
<b>Total appropriation receipts (cash)</b>	<b>326,457</b>	<b>369,085</b>
Less: Opening balance of appropriation revenue receivable	(7,829)	(34,576)
Plus: Closing balance of appropriation revenue receivable	-	7,829
Less: Closing balance of deferred appropriation payable to consolidated fund	(10,367)	-
<b>Net appropriation revenue</b>	<b>308,261</b>	<b>342,338</b>
Plus: Deferred appropriation payable to consolidated fund (expense)	10,367	-
<b>Appropriation revenue recognised in Statement of Comprehensive Income</b>	<b>318,628</b>	<b>342,338</b>

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

Budgeted equity adjustment appropriation	(43,362)	(43,491)
Unforeseen expenditure	-	5,906
Treasurer's transfers – transfers to appropriation revenue	(527)	-
Lapsed equity adjustments	(9,448)	-
Transfer to other departments – redistribution of public business	21,684	-
<b>Equity adjustment receipts (payments)</b>	<b>(31,653)</b>	<b>(37,585)</b>
Less: Opening balance of equity adjustment receivable	-	(646)
Plus: Closing balance of equity adjustment receivable	8,165	-
Plus: Opening balance of equity adjustment payable	2,683	-
Less: Closing balance of equity adjustment payable	(16)	(2,683)
<b>Equity adjustment recognised in contributed equity</b>	<b>(20,821)</b>	<b>(40,914)</b>

**Accounting Policy**

Appropriations provided under the Appropriation Act 2014 are recognised as revenue or equity when received or when a service rendered is recognised after approval from Queensland Treasury.

Amounts appropriated to the department for transfer to other entities in accordance with legislative or other requirements are reported as 'administered' item appropriations. Refer to note 29.

## Notes to and forming part of the financial statements 2014–15

5. User charges and fees	2015 \$'000	2014 \$'000
Information, communication and technology services	168,531	182,651
Services rendered by shared service providers	158,090	174,982
Other	14,768	23,293
<b>Total</b>	<b>341,389</b>	<b>380,926</b>

### Accounting Policy

User charges and fees controlled by the department are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. This involves either invoicing for related goods/services and/or the recognition of accrued revenue. User charges and fees are controlled by the department where they can be deployed for the achievement of departmental objectives.

User charges and fees collected, but not controlled, by the department are reported as administered revenue. Refer to note 29.

## 6. Grants and other contributions

Queensland Government grants and contributions*	16,092	20,821
Commonwealth grants and contributions*	1,504	4,083
Industry grants and contributions*	3,821	2,126
Assets received at below fair value	206	2,000
Services received at below fair value	150	-
<b>Total</b>	<b>21,773</b>	<b>29,030</b>

\*Included in grants and contributions are non-reciprocal grants funded by the Commonwealth and Queensland Government, and other external bodies for a range of grant purposes. As at 30 June 2015, \$11.098 million (30 June 2014: \$14.861 million) of all grants and contribution funding received by the department in the current and prior financial years remained unspent, although the department expects to fully comply with the conditions of the grant or contribution agreement, and so does not expect to recognise a payable in the future.

### Accounting Policy

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which the department obtains control over them (control is generally obtained at time of receipt). Where grants are received that are reciprocal in nature, revenue is progressively recognised as it is earned, according to the terms of the funding agreements.

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

## 7. Other revenue

Procurement commissions	-	205
Insurance compensation from loss of property	138	-
Reversal of impairment loss	14	230
Recognition of prior period assets	-	68
Miscellaneous revenue	1,819	1,428
<b>Total</b>	<b>1,971</b>	<b>1,931</b>

## Notes to and forming part of the financial statements 2014–15

8. Employee expenses	2015 \$'000	2014 \$'000
<b>Employee benefits</b>		
Wages and salaries	205,517	213,624
Annual leave levy	21,961	21,854
Employer superannuation contributions	27,090	28,583
Long service leave levy	4,638	4,800
Termination benefits	3,104	3,176
Other employee benefits	-	9
<b>Total employee benefits</b>	<b>262,310</b>	<b>272,046</b>
<b>Employee related expenses</b>		
Workers' compensation premium	731	1,102
Payroll tax	2,023	12,578
Other employee related expenses	3,013	2,738
<b>Total employee related expenses</b>	<b>5,767</b>	<b>16,418</b>
<b>Total employee expenses</b>	<b>268,077</b>	<b>288,464</b>

The number of employees as at 30 June 2015, including both full-time employees and part-time employees, measured on a full-time equivalent basis (reflecting Minimum Obligatory Human Resource Information (MOHRI)) is 2,629 (2014: 2,913).

### Accounting Policy

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

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

#### *Wages, salaries 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 after the relevant services have been provided, the liabilities are recognised at undiscounted amounts. History indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.*

#### *Annual Leave*

*The Queensland Government's Annual Leave Central Scheme (ALCS) became operational on 30 June 2008 for departments, commercialised business units and shared service providers. Under this scheme, a levy is made on the department to cover the cost of employees' annual leave (including leave loading and on-costs). The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave are claimed from the scheme quarterly in arrears. No provision for annual leave is recognised in the department's financial statements; the liability is held on a whole-of-government basis and reported in the financial statements pursuant to AASB 1049 Whole of Government and General Government Sector Financial Reporting.*

#### *Long service leave*

*Under the Queensland Government's Long Service Leave Scheme, a levy is made on the department to cover the cost of employees' long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears. No provision for long service leave is recognised in the department's financial statements, the liability being held on a whole-of-government basis and reported in the financial statements pursuant to AASB 1049 Whole of Government and General Government Sector Financial Reporting.*

#### *Superannuation*

*Employer superannuation contributions are paid to QSuper, the superannuation plan for Queensland Government employees, at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable. The department's obligation is limited to its contribution to QSuper. The QSuper scheme has defined benefit and defined contribution categories. 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.*

9. Key management personnel and remuneration expenses

a) Key management personnel

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2014-15. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Responsibilities	Current Incumbents	
		Contract classification and appointment authority	Date initially appointed to position
Director-General	The efficient, effective and economic administration of the department.	CEO4.2 Chief Executive Contract ( <i>s92 Public Service Act 2008</i> )	25 November 2013
Queensland Government Chief Information Officer	Driving the Queensland Government ICT strategy, including the ongoing development and implementation of contemporary ICT policy to ensure best use of digital and other technologies to deliver improved services and information to government, Queensland businesses and the Queensland community.	CEO4.5 Section 122 Contract ( <i>s119 Public Service Act 2008</i> )	6 January 2014
Queensland Chief Scientist	Providing high-level, strategic advice to the Queensland Government on the role of science, research and innovation in achieving the government's priorities.	CEO2.3 Section 122 Contract ( <i>s119 Public Service Act 2008</i> )	17 January 2014
Deputy Director-General, Digital Productivity and Services	Leading the whole-of-government frontline customer service experience by co-delivering government information and services through digital and non-digital channels, and to influence the emergence of digital innovation across the department, government and Queensland.	SES4.2 Section 122 Contract ( <i>s119 Public Service Act 2008</i> )	3 April 2012 – 14 December 2014
		SES4.2 Senior Executive Contract ( <i>s110 Public Service Act 2008</i> )	15 December 2014
Assistant Director-General, Shared Corporate Services	Ensuring high quality, integrated service delivery to government for a range of services including transactional activities, consultancy and advice, service integration and coordination, knowledge brokerage and quality assurance.	SES3.3 Senior Executive Contract ( <i>s115 Public Service Act 2008</i> )	3 February 2014 – 15 May 2015
		Acting ( <i>s112 Public Service Act 2008</i> )	Acting from 20 May 2015
Assistant Director-General, Science	Developing the science sector in Queensland, translating research into outcomes for Queensland, and for improving the use of science to inform policy and decision-making both within the department and elsewhere in government and the community.	SES3.3 Senior Executive Contract ( <i>s110 Public Service Act 2008</i> )	3 February 2014
Chief Strategic Policy and Innovation Officer, Strategic Policy and Innovation	Leading the co-ordination of the department's strategic policy activity including cross-division, whole-of-government collaboration, monitoring the effectiveness of policy implementation and facilitating the development of corrective actions as well as performing customer and market analysis and disseminating meaningful insights to improve policy impact and service delivery.	SES3.3 Senior Executive Contract ( <i>s110 Public Service Act 2008</i> )	3 February 2014 – 15 May 2015
		SES3.3 ( <i>s112 Public Service Act 2008</i> )	Acting from 18 May 2015



a) Key management personnel (continued)

Position	Responsibilities	Current Incumbents	
		Contract classification and appointment authority	Date initially appointed to position
Deputy Director-General, Arts Queensland*	Maximising return on investment in great arts and culture, strengthening commercial and entrepreneurial capacity, growing public value of arts and culture, and strengthening cultural tourism.	SES3.4 Senior Executive Contract (s110 <i>Public Service Act 2008</i> )	12 August 2013 – 2 November 2014
		SES4.1 Senior Executive Contract (s110 <i>Public Service Act 2008</i> )	3 November 2014 – 27 February 2015
Chief Finance Officer	Providing overall stewardship of the department's finances and assuring tight financial integration and accountability to enable the department to meet corporate governance and statutory compliance requirements.	SES2.3 Senior Executive Contract (s110 <i>Public Service Act 2008</i> )	10 March 2014
Assistant Director-General, Strategic ICT	Connecting government business needs with the best ICT solutions, managing third parties to deliver the required ICT infrastructure and assets, and to create and maintain a network of partners that collaborate to create value for customers.	SES3.3 Senior Executive Contract (s110 <i>Public Service Act 2008</i> )	12 May 2014
Chief Change and Operations Officer, Change and Operations	Delivery of corporate services across the department including finance and property management, procurement, information management and technology, communications and engagement, performance and planning, human resources, and legal and integrity services.	SES4.1 (s112 <i>Public Service Act 2008</i> )	Acting 3 February 2014 – 5 October 2014
		SES4.1 Senior Executive Contract (s110 <i>Public Service Act 2008</i> )	6 October 2014

\*The position of Deputy Director-General, Arts Queensland transferred to the Department of the Premier and Cabinet in accordance with machinery-of-government changes effective 1 March 2015.

b) Remuneration expenses

Remuneration policy for the department's key management personnel is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*. The remuneration and other terms of employment (including motor vehicle entitlements) for the key management personnel are specified in employment contracts. The Director-General's contract under the previous Government also provided for an At Risk Component payment.

For the 2014-15 year, remuneration packages of key management personnel increased by 2.2% in accordance with government policy.

The following disclosures focus on the expenses incurred by the department during the respective reporting periods, that is attributable to key management positions. Therefore, the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income.

## Notes to and forming part of the financial statements 2014–15

### b) Remuneration expenses (continued)

Remuneration expenses for key management personnel comprise the following components:

- Short term employee expenses which include:
  - Salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied the specified position.
  - Performance payments recognised as an expense during the year.
  - 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 are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

1 July 2014 to 30 June 2015	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
Position	Monetary Expenses \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Director-General	404	3	7	41	-	455
Queensland Government Chief Information Officer	336	7	7	32	-	382
Queensland Chief Scientist	313	-	6	31	-	350
Deputy Director-General, Digital Productivity and Services	266	15	5	26	-	312
Assistant Director-General, Shared Corporate Services	231	8	4	22	-	265
Assistant Director-General, Science	208	-	4	22	-	234
Chief Strategic Policy and Innovation Officer, Strategic Policy and Innovation	231	14	4	22	-	271
Deputy Director-General, Arts Queensland*	161	-	3	16	-	180
Chief Finance Officer	197	-	4	19	-	220
Assistant Director-General, Strategic ICT	232	9	4	22	-	267
Chief Change and Operations Officer, Change and Operations	246	14	5	21	-	286
<b>Total remuneration</b>	<b>2,825</b>	<b>70</b>	<b>53</b>	<b>274</b>	<b>-</b>	<b>3,222</b>

\*The position of Deputy Director-General, Arts Queensland transferred to the Department of the Premier and Cabinet in accordance with machinery-of-government changes effective 1 March 2015, accordingly amounts displayed for this position reflect only the costs borne by the department for the period 1 July 2014 to 28 February 2015.

Notes to and forming part of the financial statements 2014–15

b) Remuneration expenses (continued)

1 July 2013 to 30 June 2014	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
Position (date resigned if applicable)	Monetary Expenses \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Director-General (1) (resigned 24 November 2013)	168	-	3	18	-	189
Director-General (2) (appointed 25 November 2013)	206	-	4	24	-	234
Queensland Government Chief Information Officer (appointed 6 January 2014)	163	1	3	17	-	184
Queensland Chief Scientist	310	-	7	34	-	351
Assistant Director-General, Digital Productivity and Services	206	27	4	26	-	263
Assistant Director-General, Shared Services (acting 1 January 2013 to 14 February 2014)	137	17	3	15	203	375
Assistant Director-General, Shared Corporate Services (appointed 3 February 2014)	80	6	2	9	-	97
Assistant Director-General, Science	181	-	4	19	-	204
Deputy Director-General Innovation and Science Development (resigned 2 February 2014)	127	-	3	14	-	144
Chief Strategic Policy and Innovation Officer, Strategic Policy and Innovation (appointed 3 February 2014)	83	-	2	9	-	94
Deputy Director-General, Arts Queensland (1) (acting 6 May 2013 to 9 August 2013)	26	5	-	2	-	33
Deputy Director-General, Arts Queensland (2) (appointed 12 August 2013)	196	-	4	20	-	220
Chief Finance Officer (1) (acting 1 July 2012 to 31 December 2013)	84	13	2	10	-	109
Chief Finance Officer (2) (acting 7 January 2014 to 7 March 2014)	31	-	-	3	-	34
Chief Finance Officer (3) (appointed 10 March 2014)	54	-	1	6	-	61
Assistant Director-General, Strategic ICT (1) (resigned 5 May 2014)	15	-	-	1	15	31
Assistant Director-General, Strategic ICT (2) (appointed 12 May 2014)	32	11	1	3	-	47
Chief Change and Operations Officer, Change and Operations (acting 3 February 2014)	95	-	2	8	-	105
<b>Total remuneration</b>	<b>2,194</b>	<b>80</b>	<b>45</b>	<b>238</b>	<b>218</b>	<b>2,775</b>

## Notes to and forming part of the financial statements 2014–15

### c) Performance payments

The remuneration package for the Director-General under the previous Government included a potential At Risk Component payment up to a maximum of \$34,825. Eligibility for such a performance payment in respect of 2013-14 was conditional on the achievement of objectives that are documented in the position's performance agreement.

The total remuneration package for the Director-General included a portion that was "at risk" and paid only if they met or exceeded the agreed performance standards. The performance evaluation process comprised:

- reporting on end of year achievement and self-assessment by the Director-General against their performance agreement/intended outcomes;
- a rigorous, independent and objective assessment of Director-General's performance at the end of the financial year culminating in recommendations to the Premier; and
- the Premier's ultimate discretion regarding whether the Director-General was paid an At Risk Component payment and, if so, how much.

No At Risk Component payment was made for 2014-15 in accordance with the Government's commitment to discontinue such payments.

The basis for performance payments expensed during 2014-15 in respect to the 2013-14 performance evaluation process is set out below:

Position	Basis for payment	Date paid	Amount
Director-General	Consistent with the above mentioned timeframe and process, this payment relates to the achievement of performance criteria during 2013-14. The payment made was determined in accordance with the terms of the performance agreement for this position.	17 October 2014	\$5,804

### **Accounting Policy**

Key management personnel and remuneration disclosures are made in accordance with section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury. In respect to the department's controlled and other entities, no executives are employed under the Public Service Act 2008.

	2015 \$'000	2014 \$'000
<b>10. Supplies and services</b>		
Accommodation and property related expenses	69,143	86,595
Travel	1,192	1,403
Contractors and consultants	32,084	27,415
Information, communication and technology expenses	186,918	141,103
Bank fees and charges	481	531
Other	13,290	11,090
<b>Total</b>	<b>303,108</b>	<b>268,137</b>

### **11. Grants and subsidies**

Arts and culture	25,367	35,151
Science and innovation	28,743	39,732
Information, communication and technology	2,169	1,395
Other grants	370	361
Loan - fair value adjustment	-	598
<b>Total</b>	<b>56,649</b>	<b>77,237</b>

## Notes to and forming part of the financial statements 2014–15

	2015 \$'000	2014 \$'000
<b>12. Finance/borrowing costs</b>		
Interest expense	353	741
Finance charges relating to finance leases	1,998	134
Administration charges	8	24
<b>Total</b>	<b>2,359</b>	<b>899</b>

Interest expense and finance charges relate to the department's borrowings and finance lease facilities refer note 20.

### **Accounting Policy**

*Finance costs are recognised as an expense in the period in which they are incurred. Finance costs include:*

*Interest on bank overdrafts and short-term and long-term borrowings;  
Finance lease charges;  
Amortisation of discounts or premiums relating to borrowings; and  
Ancillary administration charges.*

*No finance/borrowing costs are capitalised into qualifying assets.*

### **13. Other expenses**

Insurance premiums - QGIF	819	793
Insurance premiums - Other	373	459
External audit fees*	1,579	1,497
Losses from disposal of non-current assets	3,559	620
Special payments - Gifts	44	3
Special payments - Ex gratia payments	6	-
Deferred appropriation payable to consolidated fund	10,367	-
Other	109	40,419
<b>Total</b>	<b>16,856</b>	<b>43,791</b>

\*Total audit fees paid to the Queensland Audit Office relating to the 2014-15 audit are estimated to be \$1,514,500 (2014: \$1,705,700). This balance is inclusive of \$1,019,500 relating to the engagement to provide assurance on controls for the department in its capacity as a service organisation for Queensland Government departments. There are no non-audit services included in this amount.

### **Accounting Policy**

*Special payments include ex gratia expenditure and other expenditure that the department is not contractually or legally obligated to make to other parties. In compliance with the Financial and Performance Management Standard 2009, the department maintains a register setting out the details of all special payments greater than \$5,000. The total of all special payments (including those of \$5,000 or less) is disclosed separately within other expenses. However, descriptions of the nature of special payments are only provided for special payments greater than \$5,000.*

## Notes to and forming part of the financial statements 2014–15

	2015 \$'000	2014 \$'000
<b>14. Cash and cash equivalents</b>		
Imprest accounts	9	38
Cash at bank	45,945	79,137
<b>Total</b>	<b>45,954</b>	<b>79,175</b>

The department, through the CITEC commercialised business unit, continues to earn interest on its deposits with the Commonwealth Bank. Interest earned on cash held with the Commonwealth Bank earned between 1.19% to 1.75% during 2014-15 (1.56% to 1.81% during 2013-14).

All other departmental bank accounts are grouped within the whole-of-Government set-off arrangement with the Queensland Treasury Corporation (QTC) and do not earn interest on surplus funds. Interest earned on the aggregate set-off arrangement balance accrues to the Consolidated Fund.

### **Accounting Policy**

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

## 15. Loans and receivables

### *Current*

Trade debtors	28,469	28,054
Less: Allowance for impairment loss*	(27)	(105)
<b>Net trade debtors</b>	<b>28,442</b>	<b>27,949</b>

Advances	40	207
Less: Allowance for impairment loss*	-	(200)
<b>Net advances</b>	<b>40</b>	<b>7</b>

GST receivable	3,286	5,363
GST payable	(2,497)	(3,955)
<b>Net GST</b>	<b>789</b>	<b>1,408</b>

Annual leave reimbursements	4,146	5,221
Long service leave reimbursements	1,244	1,222
Departmental equity injection receivable	8,165	-
Appropriation revenue receivable	-	7,829
Accrued revenue	8,331	9,576
Interest receivable	41	89
Loans receivable	-	6,290
Other	279	896
<b>Total</b>	<b>51,477</b>	<b>60,487</b>

### *Non-current*

Loans receivable**	-	35,716
<b>Total</b>	<b>-</b>	<b>35,716</b>

\*Refer to note 27(c) Financial instruments (Credit risk exposure) for an analysis of movements in the allowance for impairment loss.

\*\*Concessional loans provided to universities and research institutions under the Innovation Building Fund were terminated under an early repayment agreement with recipients, and all loans issued were repaid by January 2015.

## Notes to and forming part of the financial statements 2014–15

### 15. Loans and receivables (continued)

#### Accounting Policy

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

The collectability of receivables is assessed periodically with provision being made for impairment. All known bad debts were written-off as at 30 June. Increases in the allowance for impairment are based on loss events as disclosed in note 27(c).

Other debtors generally arise from transactions outside the usual operating activities of the department and are recognised at their assessed values. No interest is charged and no security is obtained.

16. Other current and non-current assets	2015 \$'000	2014 \$'000
<i>Current</i>		
Prepayments	13,116	15,998
Lease incentives	235	294
<b>Total</b>	<b>13,351</b>	<b>16,292</b>
<i>Non-current</i>		
Prepayments	359	698
Lease incentives	431	901
<b>Total</b>	<b>790</b>	<b>1,599</b>

### 17. Intangible assets

Reconciliations of the carrying amount for each class of intangible assets are set out below:

	Software Purchased		Software internally generated		Intangible assets under development		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Carrying value at 1 July	1,015	1,512	33,016	42,092	-	2,249	34,031	45,853
Acquisitions	177	-	1,011	2,113	1,300	714	2,488	2,827
Transfers in from other Queensland Government entities	-	-	5,366	445	-	-	5,366	445
Disposals	-	(9)	-	(485)	-	-	-	(494)
Impairment losses recognised in operating surplus/(deficit)*	-	-	-	(3,748)	-	(109)	-	(3,857)
Impairment losses reversed in operating surplus/(deficit)*	-	-	-	230	-	-	-	230
Transfers between classes	-	-	567	2,192	(567)	(2,416)	-	(224)
Amortisation**	(412)	(488)	(7,938)	(9,823)	-	-	(8,350)	(10,311)
Other	-	-	-	-	-	(438)	-	(438)
<b>Total</b>	<b>780</b>	<b>1,015</b>	<b>32,022</b>	<b>33,016</b>	<b>733</b>	<b>-</b>	<b>33,535</b>	<b>34,031</b>
	At cost	At cost	At cost	At cost	At cost	At cost	At cost	At cost
Gross	63,272	63,269	189,172	183,606	733	109	253,177	246,984
Less: Accumulated amortisation	(62,492)	(62,134)	(108,004)	(101,444)	-	-	(170,496)	(163,578)
Less: Accumulated impairment losses	-	(120)	(49,146)	(49,146)	-	(109)	(49,146)	(49,375)
<b>Total</b>	<b>780</b>	<b>1,015</b>	<b>32,022</b>	<b>33,016</b>	<b>733</b>	<b>-</b>	<b>33,535</b>	<b>34,031</b>

## Notes to and forming part of the financial statements 2014–15

### 17. Intangible assets (continued)

\*Impairment losses are shown as separate line items in the Statement of Comprehensive Income.

\*\*Amortisation of intangible assets is included in the line item “Depreciation and Amortisation” in the Statement of Comprehensive Income.

The original cost of fully amortised intangible assets still in use with a written down value of nil is \$127.5 million. The majority of these assets relate to legacy computer software held by Queensland Shared Services pending review or replacement.

On 1 July 2014, the Department of Transport and Main Roads transferred to the department the SAP ECC6 Financial System Software asset at a net book value of \$5.366 million. The transfer was designated as a contributions by owners for the recipient and has been adjusted against contributed equity.

Refer to note 34 (h) to (o) for the department’s intangible assets accounting policies.

### 18. Property, plant and equipment

Reconciliations of the carrying amount for each class of property, plant and equipment are set out below:

	Land		Building		Leased assets		Heritage and cultural assets	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Carrying value at 1 July	234,614	212,895	442,509	471,756	39,631	-	135	98
Acquisitions	-	16,500	-	-	34,642	40,253	-	-
Transfers in/(out) from other Queensland Government entities	(241,698)	2,000	(413,847)	-	-	-	(125)	-
Disposals	-	(16,500)	-	-	-	-	-	-
Revaluation increments/(decrements)	9,605	19,719	-	6,191	-	-	27	37
Transfers between classes*	-	-	-	252	-	-	-	-
Depreciation	-	-	(21,595)	(35,690)	(3,047)	(622)	-	-
<b>Total</b>	<b>2,520</b>	<b>234,614</b>	<b>7,067</b>	<b>442,509</b>	<b>71,226</b>	<b>39,631</b>	<b>37</b>	<b>135</b>
	At fair value	At fair value	At fair value	At fair value	At fair value	At fair value	At fair value	At fair value
Gross	2,520	234,614	17,305	933,744	74,895	40,253	37	135
Less: Accumulated Amortisation	-	-	(10,238)	(491,235)	(3,669)	(622)	-	-
Less: Accumulated impairment losses	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,520</b>	<b>234,614</b>	<b>7,067</b>	<b>442,509</b>	<b>71,226</b>	<b>39,631</b>	<b>37</b>	<b>135</b>
<b>Opening balance of asset revaluation surplus by class</b>	<b>29,638</b>	<b>9,919</b>	<b>6,297</b>	<b>106</b>	-	-	<b>37</b>	-
Revaluation increment/(decrement)	9,605	19,719	-	6,191	-	-	27	37
<b>Closing balance of asset revaluation surplus by class</b>	<b>39,243</b>	<b>29,638</b>	<b>6,297</b>	<b>6,297</b>	-	-	<b>64</b>	<b>37</b>



## 18. Property, plant and equipment (continued)

	Infrastructure		Plant and equipment		Capital works in progress		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Carrying value at 1 July	10,050	9,439	61,776	70,875	4,457	6,560	793,172	771,623
Acquisitions	-	-	3,724	6,727	1,952	1,127	40,318	64,607
Transfers in/(out) from other Queensland Government entities	-	-	(2,115)	100	(651)	(2,515)	(658,436)	(415)
Disposals	-	-	(122)	(138)	(3,436)	-	(3,558)	(16,638)
Revaluation increments/(decrements)	-	904	-	-	-	-	9,631	26,851
Impairment losses recognised in operating surplus/(deficit)*	-	-	-	(342)	-	-	-	(342)
Transfers between classes	-	-	1,837	687	(1,837)	(715)	-	224
Depreciation**	(321)	(293)	(12,733)	(16,181)	-	-	(37,696)	(52,786)
Other	-	-	-	48	-	-	-	48
<b>Total</b>	<b>9,729</b>	<b>10,050</b>	<b>52,367</b>	<b>61,776</b>	<b>485</b>	<b>4,457</b>	<b>143,431</b>	<b>793,172</b>
	At fair value	At fair value	At cost	At cost	At cost	At cost	Total	Total
Gross	14,821	14,821	144,594	166,320	485	4,457	254,657	1,394,344
Less: Accumulated depreciation	(5,092)	(4,771)	(92,213)	(104,188)	-	-	(111,212)	(600,816)
Less: Accumulated impairment losses	-	-	(14)	(356)	-	-	(14)	(356)
<b>Total</b>	<b>9,729</b>	<b>10,050</b>	<b>52,367</b>	<b>61,776</b>	<b>485</b>	<b>4,457</b>	<b>143,431</b>	<b>793,172</b>
<b>Opening balance of asset revaluation surplus by class</b>	<b>1,030</b>	<b>126</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,002</b>	<b>10,150</b>
Revaluation increment/(decrement)	-	904	-	-	-	-	9,632	26,852
<b>Closing balance of asset revaluation surplus by class</b>	<b>1,030</b>	<b>1,030</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46,634</b>	<b>37,002</b>

\*Impairment losses are shown as separate line items in the Statement of Comprehensive Income.

\*\*Depreciation of property, plant and equipment is included in the line item "Depreciation and Amortisation" in the Statement of Comprehensive Income.

Refer to note 34 (h) to (o) for the department's property, plant and equipment accounting policies.

## Categorisation of fair values recognised as at 30 June 2015

	Level 2 \$'000		Level 3 \$'000		Total \$'000	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Land	2,520	234,614	-	-	2,520	234,614
Buildings	-	-	7,067	442,509	7,067	442,509
Heritage & Cultural Assets	-	-	37	135	37	135
Infrastructure	-	-	9,729	10,050	9,729	10,050

There were no movements between levels during the 2014-15 financial year. Changes in balances reported relate to those assets held at fair value transferred under machinery-of-government changes, to the Department of the Premier and Cabinet, refer note 32.

18. Property, plant and equipment (continued)

Level 3 significant valuation inputs and relationship to fair value

Description	Fair value at 30 June 2015 \$'000	Type and amount for significant level 3 inputs	Possible alternative amounts for significant level 3 inputs	Impact of alternative amounts for significant level 3 inputs
Buildings	7,067	Depreciation rates	2% to 20%	Increase/decrease in depreciation rates would increase/decrease the fair value.
		Building price index	1.19% to 5.52% (potential movement of +/- 2.0%)	As a comprehensive revaluation was undertaken in 2013-14, a building price index increase of more than 5% in 2014-15 would result in indexation being applied.
Infrastructure	9,729	Depreciation rates	2% to 7%	Increase/decrease in depreciation rates would increase/decrease the fair value.
		Building price index	1.19% to 5.52% (potential movement of +/- 2.0%)	As a comprehensive revaluation was undertaken in 2013-14, a building price index increase of more than 5% in 2014-15 would result in indexation being applied.

Usage of alternative level 3 inputs (as per the above table) that are reasonable in the circumstances as at the revaluation date would not result in material changes in the reported fair value. There are no significant inter-relationships between unobservable inputs that materially impact fair value.

Land

As a result of the machinery-of-government changes effective 1 March 2015, Arts Queensland controlled land transferred to the Department of the Premier and Cabinet.

Arts Queensland controls land at the Cultural Precinct at South Brisbane and in Fortitude Valley. The fair value of the land transferred as at 28 February 2015, totalled to \$241.7 million. This land was subject to comprehensive independent valuation by the State Valuation Service as at the effective date of 28 February 2015.

The fair value of the land was based on publicly available data on sales of land, which have similar attributes such as location, development potential, access to facilities and other community amenities, overall size and any significant restrictions. The valuation took into account the heritage application lodged over the Cultural Precinct in August 2014 and the associated impact upon development potential of the land. The Cultural Precinct site was subsequently heritage listed in June 2015.

As a result of the revaluation, a net revaluation increment of \$9.6 million was recorded on the Arts Queensland controlled land, which was recorded as an increment to the department's asset revaluation surplus.

Science controls land at Deagon and at Deception Bay with a total fair value as at 30 June 2015 of \$2.5 million. This land was subject to an independent market valuation by State Valuation Service as at the effective date of valuation of 30 June 2015.

### 18. Property, plant and equipment (continued)

The fair value of the land was based on publicly available data on sales of similar land in nearby localities. In determining the values, adjustment was made to the sales data to take into account the location of the land, its size, street/road frontage and access, the nature of the buildings on the land, development potential and any significant restrictions.

Management has assessed from the results of the revaluation that there was no significant change to the valuation of the Deagon land between 30 June 2014 and 30 June 2015. The fair value of the land at Deception Bay, which is considerably smaller in size, also remained unchanged.

#### *Buildings*

As a result of the machinery-of-government changes effective 1 March 2015, Arts Queensland controlled buildings transferred to the Department of the Premier and Cabinet.

Buildings consist of non-residential properties (commercial properties). The fair value of the buildings that transferred as at 28 February 2015 totalled \$413.8 million.

Buildings controlled by Arts Queensland were previously subject to a comprehensive independent valuation by the Australian Valuation Office in 2011-12 financial year. The fair value in 2011-12 financial year was determined using a depreciated replacement cost approach. The buildings in 2013-14 were subject to indexation.

During the 2014-15 financial year, Arts Queensland engaged Gray Robinson & Cottrell Quantity Surveyors (GRC) to provide indexation of the previously comprehensively valued building assets.

The building price index effective on 28 February 2015 represented an increase of 2.76 percent. The movement in the indexation rate was not considered material by Arts Queensland management to warrant an update to the fair value of the building assets using indexation.

Science controls buildings situated at Deagon and at the Brisbane Herbarium, Mt Coot-tha Road, Toowong. These assets were subject to specific appraisal by the State Valuation Service during the 2013-14 financial year.

During 2014-15 financial year State Valuation Service was engaged to provide indices for the previously comprehensively revalued building assets. The basis of derivation of these indices is consistent with the underlying data inputs adopted for the last specific appraisal.

Management has assessed that the movement in the indexation rate (an increase of 3.15 percent in the building price index) is not material and accordingly have not updated the fair values of the building assets using indexation.

#### *Infrastructure*

Infrastructure assets in this asset class are controlled by Science and largely comprise the State of Queensland's proportionate share (25%) of the Tweed River Entrance Sand Bypassing Project (TRESBP) infrastructure assets.

During 2014-15 financial year State Valuation Service was engaged to provide indices for the previously comprehensively revalued infrastructure assets. The basis of derivation of these indices is consistent with the underlying data inputs adopted for the last specific appraisal.

Management has assessed that the movement in the indexation rate (an increase of 3.15 percent in the infrastructure price index) is not material and accordingly have not updated the fair values of the infrastructure assets using indexation.

These assets were subject to an independent valuation in June 2014 by New South Wales Public Works for the Crown Lands Division of the NSW Trade and Investment.

### 18. Property, plant and equipment (continued)

#### *Heritage and Cultural assets*

The fair value of the heritage and cultural assets transferred to Department of the Premier and Cabinet as at 28 February 2015 totalled \$0.125 million.

The heritage and cultural assets controlled by Arts Queensland were subject to a specific appraisal during the 2014-15 financial year. As a result of the revaluation, a net revaluation increment of \$27,036 was recorded.

Heritage and cultural assets controlled by Science were subject to specific appraisal by MacAulay Partners as at the effective valuation date of 30 June 2015. The valuation methodology included inspection of artworks. The valuation was based on sales prices achieved for artworks of similar quality by the artist, or where there are no recent sales for a particular artist, by an artist of equivalent stature.

Management has assessed from the results of the revaluation that there was no significant change to the valuation of the Science controlled heritage and cultural assets between 30 June 2014 and 30 June 2015.

#### *Plant and Equipment*

The department has plant and equipment with an original cost of \$29.7 million and a written down value of nil still being used in the provision of services. The majority of these assets relate to computer hardware held by Queensland Shared Services and CITEC and scientific and related equipment held by Science.

#### *Leased assets*

The State of Queensland (through the department) has entered into a service agreement with a telecommunication service provider in September 2013 to have provisioned, operated and maintained a digital radio network known as the Government Wireless Network (GWN). Under the agreement the State will gain progressive control over infrastructure and equipment during various roll-out stages of the GWN between June 2014 and December 2015. As each roll-out stage is commercially accepted the State will gain control over the GWN equipment acquired, through the State's exclusive "right to use" under the GWN agreement.

The State gained control over an additional \$23.8 million in exclusive "right to use" assets in June 2015 following commercial acceptance of the first phase of the South East Queensland (SEQ) Stage of the GWN facility. The gross carrying value of the leased assets was determined using valuation techniques, specifically the present value of future payments under the service agreement attributable to these assets and comparisons to the fair value of the assets in reference to representations made by the telecommunication service provider in June 2015, being date of commercial acceptance of the first phase of the SEQ Stage of the GWN facility. Refer also note 20.

The department, at commercial acceptance in accordance with the GWN agreement will gain a "right to receive" replaced equipment over the life of the agreement. This "right to receive" replacement of exclusive assets has been recognised as a leased asset. The acquisition value of \$10.8 million was determined using a valuation technique, specifically the present value of all future payments under the service agreement attributable to the "right to receive" these replaced assets.

#### *Change in useful lives*

The approximate increase/(decrease) in depreciation and amortisation expense as a result of the re-assessment of the useful lives of depreciable assets during the reporting period was:

	2015 \$'000	2014 \$'000
Intangible assets	(657)	(66)
Plant and equipment	(403)	72

## Notes to and forming part of the financial statements 2014–15

	2015 \$'000	2014 \$'000
<b>19. Payables</b>		
Trade creditors and accruals	36,142	44,546
Equity withdrawal	16	2,683
Deferred appropriation payable to consolidated fund	10,367	-
Grants and subsidies payable	-	163
Payroll tax	129	1,261
Other	61	2,531
<b>Total</b>	<b>46,715</b>	<b>51,184</b>

### Accounting Policy

Trade creditors are recognised upon receipt of the goods or services ordered and are initially measured at fair value, equating to the nominal amount, i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are settled on 30 days terms or as otherwise agreed with the vendor.

## 20. Interest-bearing liabilities

### *Current*

Finance lease liability (see note 24)	4,084	2,009
Queensland Treasury Corporation borrowings	1,332	12,831
<b>Total</b>	<b>5,416</b>	<b>14,840</b>

### *Non-Current*

Finance lease liability (see note 24)	68,026	38,080
Queensland Treasury Corporation borrowings	577	2,015
<b>Total</b>	<b>68,603</b>	<b>40,095</b>

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default. Interest on finance leases is recognised as an expense as it accrues. The department's finance lease term is 15 years and the implicit interest rate is 3.343%. Refer also notes 18, 24 and 27.

No assets have been pledged as security for the borrowings.

All borrowings are in \$AUD denominated amounts and no interest has been capitalised during the current or comparative reporting period. Expected final repayment date of the Queensland Treasury Corporation borrowings is 16 November 2016. The interest rate on Queensland Treasury Corporation borrowings during the year was 5.36%. There have been no defaults or breaches of the loan agreement during the period.

CITEC has an overdraft facility with the Queensland Treasury Corporation with an approved credit limit of \$5 million. The facility remains undrawn as at 30 June 2015 and is available for use in the next reporting period. The current overdraft rate is 5.19% (2014: 5.65%).

## 21. Accrued employee benefits

Annual leave levy payable	5,694	6,205
Long service leave levy payable	1,119	1,357
Salaries, wages and other related expenses outstanding	1,787	958
Other	4	39
	<b>8,604</b>	<b>8,559</b>

## Notes to and forming part of the financial statements 2014–15

22. Other current and non-current liabilities	2015 \$'000	2014 \$'000
<i>Current</i>		
Unearned revenue	1,037	2,075
Lease incentives	235	294
Prepaid deposits	608	646
<b>Total</b>	<b>1,880</b>	<b>3,015</b>
<i>Non-Current</i>		
Lease incentives	431	901
<b>Total</b>	<b>431</b>	<b>901</b>

## 23. Reconciliation of operating result to net cash from operating activities

Operating result from continuing operations before income tax	<b>(8,091)</b>	<b>10,643</b>
Less: Income tax benefit/(expense)	(606)	(1,537)
Operating result from continuing operations after income tax	<b>(8,697)</b>	<b>9,106</b>
<i>Non-cash items:</i>		
Depreciation and amortisation expense	46,046	63,097
Recognition of prior period assets	-	(68)
Doubtful debts written off or provided for	(29)	50
Loss on sale or disposal of non-current assets	3,559	620
Gains on sale or disposal of non-current assets	(5)	(23)
Debt forgiveness on loans	-	333
Fair value and notional interest adjustment on loans	1,973	(1,207)
Assets and liabilities assumed/relinquished	(205)	(2,000)
Assets transferred to expense	-	438
Impairment loss reversal	(12)	-
Impairment losses	-	3,968
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in net receivables	8,976	43,746
(Increase)/decrease in inventory	7	33
(Increase)/decrease in interest receivable	48	(14)
(Increase)/decrease in prepayments	1,951	(2,927)
(Increase)/decrease in deferred tax assets	8	675
(Increase)/decrease in other assets	498	29
Increase/(decrease) in unearned revenue	8,675	(6,283)
Increase/(decrease) in accrued employee benefits	666	672
Increase/(decrease) in accounts payable	(8,814)	(43,745)
Increase/(decrease) in other liabilities	126	(664)
Increase/(decrease) in tax liabilities	598	862
Increase/(decrease) in GST input tax credits receivable	(449)	(356)
Increase/(decrease) in GST payable	(892)	(629)
<b>Net cash from operating activities</b>	<b>54,028</b>	<b>65,713</b>

## Notes to and forming part of the financial statements 2014–15

	2015 \$'000	2014 \$'000
24. Commitments for expenditure		
a) Finance lease liabilities		
Lease liabilities recognised in the Statement of Financial Position		
Current	4,084	2,009
Non-current	68,026	38,080
<b>Total</b>	<b>72,110</b>	<b>40,089</b>

Commitments under finance leases at reporting date are inclusive of anticipated GST and are payable as follows:

Not later than one year	7,412	3,938
Later than one year and not later than five years	37,053	15,752
Later than five years	57,431	39,049
	<u>101,896</u>	<u>58,739</u>
Less: Anticipated input tax credits	(9,263)	(5,340)
Less: Future finance charges	(20,523)	(13,310)
<b>Total present value of minimum lease payments</b>	<b>72,110</b>	<b>40,089</b>

### b) Non-cancellable operating lease commitments

Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows:

Not later than one year	58,217	42,712
Later than one year and not later than five years	44,478	41,271
<b>Total</b>	<b>102,695</b>	<b>83,983</b>

The department has entered into a finance lease with a telecommunication service provider as a means of funding the acquisition and replacement of information and communications equipment, in support of the establishment of a Government Wireless Network. Lease payments are fixed. The department has options to purchase this equipment at the expiry of the lease period. Capitalised leased assets are depreciated over the estimated useful life of the asset. The department has used valuation techniques, based on data provided by the telecommunication service provider, to dis-aggregate total payments made to the telecommunication service provider between those payments attributable to repayment of the finance lease and those payments relating to operational services which will be expensed. Refer also notes 18 and 27.

Operating leases have been entered into primarily as a means of acquiring access to office accommodation and storage facilities. Rental payments are usually able to be varied based on CPI, or conditions detailed in the lease, on which contingent rentals are determined. Most leases contain renewal clauses, but no purchase options exist in relation to operating leases and no leases contain restrictions on financing, or other leasing activities. Where such renewal options exist, they are all exercisable at market prices. No leases have escalation clauses other than in the event of payment default.

### c) Capital expenditure commitments

Material classes of capital expenditure commitments inclusive of anticipated GST, contracted for at reporting date, but not recognised in the accounts as payable are as follows:

#### Buildings

Payable:		
Not later than one year	-	18,598
Later than one year and not later than five years	-	6,566
<b>Total</b>	<b>-</b>	<b>25,164</b>

## Notes to and forming part of the financial statements 2014–15

24. Commitments for expenditure (continued)	2015 \$'000	2014 \$'000
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### Plant and equipment

Payable:		
Not later than one year	20	722
<b>Total</b>	<b>20</b>	<b>722</b>

### d) Grants and subsidies commitments

Grants and subsidies commitments inclusive of anticipated GST, committed to provide at reporting date, but not recognised in the accounts as payable are as follows:

Payable:		
Not later than one year	44,185	28,533
Later than one year and not later than five years	9,361	34,684
<b>Total</b>	<b>53,546</b>	<b>63,217</b>

### e) Other expenditure commitments

Other expenditure commitments inclusive of anticipated GST, committed to provide at reporting date, but not recognised in the accounts as payable are as follows:

Payable:		
Not later than one year	37,053	37,560
Later than one year and not later than five years	10,565	20,734
Later than five years	-	3
<b>Total</b>	<b>47,618</b>	<b>58,297</b>

## 25. Contingencies

### a) Financial guarantees

CITEC has arranged bank guarantees in relation to business opportunities pursued as follows:

Australian Securities and Investment Commission	550	550
State of Victoria	600	600
State of New South Wales	790	830
State of Western Australia	300	300
Insolvency and Trustee Service Australia	127	127
<b>Total</b>	<b>2,367</b>	<b>2,407</b>

The State of Queensland, acting through the department, has provided a guarantee to Translational Research Institute Pty Ltd with respect to the performance of the tenant, Patheon Biologics, (formerly DSM Biologics (Australia) Pty Ltd) under the sublease of the Biopharmaceutical Australia Research facility.

The maximum liability under this guarantee is \$13.648 million over the remaining 13 year term of the sublease. The liability is mitigated by the guarantee that the parent company of Patheon Biologics, DPx Holdings B.V (formerly Konininklijke N.V) has provided to the State of Queensland, guaranteeing the performance of Patheon Biologics as tenant of the facility. No defaults have occurred and the department does not expect that the guarantees will be called upon. The guarantees are not recognised on the Statement of Financial Position, as the probability of default is remote.

As financial guarantee contracts are measured in accordance with *AASB 137 Provisions, Contingent Liabilities and Contingent Assets*, the department has disclosed the details of the guarantee in this note, in addition to note 27, for full transparency purposes.



## 25. Contingencies (continued)

### b) Litigation in progress

As at 30 June 2015 no claims against the department have been filed in the courts.

The department, on establishment, joined the Queensland Government Insurance Fund (QGIF). Under the QGIF, the department would be able to claim back, less a \$10,000 deductible, the amount paid to successful litigants. This includes any cases that existed as at the date of the establishment of the department and cases that have arisen since that date.

CITEC has separate insurance arrangements. Under these arrangements, the department would be able to claim back, less a \$5,000 deductible, the amount paid to successful litigants up to \$50,000,000.

### c) Contingent assets

An amount of \$6 million is being held in trust with an Information, Communication and Technology (ICT) service provider for the Queensland Government (through the department) to purchase telecommunication products over the next 2 years. As the funds are held in trust by the provider, the department has no control over the assets, and as such, the assets have not been recognised in the financial statements as the assets do not meet the asset recognition criteria. As at 30 June 2015, the Queensland Government has not made a claim against this facility.

## 26. Interests in other entities

The following entities were 100 per cent controlled by the department during the 2014-15 financial year:

Name of Controlled Entity	Audit arrangements
Aboriginal Centre for the Performing Arts Pty Ltd	Auditor-General of Queensland
Queensland Music Festival Pty Ltd	External Independent Auditor
Screen Queensland Pty Ltd	Auditor-General of Queensland
Biopharmaceuticals Australia (Network) Pty Ltd	Auditor-General of Queensland

The department had interests in the following associates during the 2014-15 financial year:

Name of Associate	Audit arrangements
Major Brisbane Festival Pty Ltd	External Independent Auditor

In accordance with the machinery-of-government changes that were specified in the *Public Service Departmental Arrangements Notice (No.1) 2015*, all controlled and associated entities of the department, (with the exception of Biopharmaceuticals Australia (Network) Pty Ltd) transferred to the Department of the Premier and Cabinet, effective 1 March 2015.

### Biopharmaceuticals Australia (Network) Pty Ltd

Biopharmaceuticals Australia (Network) Pty Ltd (BPA) was established and incorporated in the State of Queensland to oversee the staged development of a contract biopharmaceutical manufacturing facility and to undertake business development activities to support the operations of the facility. It forms part of the Queensland Government's 10 year Biotechnology Strategic Plan, creating synergy with Australia's world-class biomedical research activity.

The assets, liabilities, revenues and expenses of BPA have not been consolidated in the financial statements as they would not materially affect the reported financial position and operating result of the economic entity.

The share capital of BPA consists of one fully paid share to the value of \$1 and is held by the State of Queensland.

## Notes to and forming part of the financial statements 2014–15

27. Financial instruments	Notes	2015 \$'000	2014 \$'000
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### a) Categorisation of financial instruments

The department has the following categories of financial assets and financial liabilities.

#### Financial assets

Cash and cash equivalents	14	45,954	79,175
Loans and receivables	15	51,477	96,203
<b>Total</b>		<b>97,431</b>	<b>175,378</b>

#### Financial liabilities

Financial liabilities measured at amortised cost:

Payables	19	46,715	51,184
Interest bearing liabilities – Finance lease liability	20	72,110	40,089
Interest bearing liabilities – QTC borrowings	20	1,909	14,846
<b>Total</b>		<b>120,734</b>	<b>106,119</b>

### b) Financial risk management

The department's activities expose it to a variety of financial risks - interest rate risk, credit risk, liquidity risk and market risk.

Financial risk management is implemented pursuant to 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.

Financial risk is managed by the Finance, Procurement and Business Services unit and the Risk and Resilience unit of the department under policies approved by the department. The department provides written principles for overall risk management, as well as policies covering specific areas.

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

Risk exposure:	Measurement method:
Credit risk	Ageing analysis, earnings at risk
Liquidity risk	Sensitivity analysis
Market risk	Interest rate sensitivity analysis

### c) Credit risk exposure

Credit risk exposure refers to the situation where, the department may incur financial loss, as a result of another party to a financial instrument failing to discharge their obligation.

The maximum exposure to credit risk at balance date, in relation to each class of recognised financial assets, is the gross carrying amount of those assets, inclusive of any provisions for impairment. The maximum exposure to credit risk in relation to guarantees is disclosed in note 25(a).

The carrying amount of loans and receivables represents the maximum exposure to credit risk.

No collateral is held as security and no credit enhancements relate to financial assets held by the department. 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.

## Notes to and forming part of the financial statements 2014–15

### c) Credit risk exposure (continued)

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

The allowance for impairment reflects the occurrence of loss events. The most readily identifiable loss event is where a debtor is overdue in paying a debt to the department according to the due date (normally terms of 30 days). Economic changes impacting the department's debtors, and relevant industry data, also form part of the department's documented risk analysis.

If no loss events have arisen in respect of a particular debtor or group of debtors, no allowance for impairment is made in respect of that debtor/group of debtors. If the department determines that an amount owing by such a debtor does become uncollectible (after an appropriate range of debt recovery actions), that amount is recognised as a bad debt expense and written-off directly against receivables. In other cases where a debt becomes uncollectible but the uncollectible amount exceeds the amount already allowed for impairment of that debt, the excess is recognised directly as a bad debt expense and written-off directly against receivables. No financial assets have had their terms re-negotiated so as to prevent them from being past due, or impaired, and are stated at the carrying amounts as indicated.

Ageing of past due but not impaired, as well as impaired financial assets, are disclosed in the following tables:

<b>Financial assets past due but not impaired</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Receivables		
Less than 30 days	3,337	2,007
Overdue 30-60 days	1,112	873
Overdue 61-90 days	991	1,038
Overdue more than 90 days	3,293	508
<b>Total</b>	<b>8,733</b>	<b>4,426</b>

### Individually impaired financial assets

Receivables (gross)		
Less than 30 days	-	-
Less: Allowance for impairment	-	-
Carrying amount	-	-
30-60 days	-	1
Less: Allowance for impairment	-	(1)
Carrying amount	-	-
61-90 days	-	1
Less: Allowance for impairment	-	(1)
Carrying amount	-	-
More than 90 days	27	304
Less: Allowance for impairment	(27)	(304)
Carrying amount	-	-
<b>Total carrying amount</b>	<b>-</b>	<b>-</b>

### Movements in the allowance for impairment loss

Balance at 1 July	(306)	(327)
Amounts written off during the year	63	6
Amounts transferred due to machinery-of-government change	238	-
Amounts recovered during the year	14	13
(Increase)/decrease in allowance recognised in the operating result	(36)	2
<b>Balance at 30 June</b>	<b>(27)</b>	<b>(306)</b>

## Notes to and forming part of the financial statements 2014–15

### c) Credit risk exposure (continued)

#### Financial liabilities

The guarantees given by the department, referred to in note 25, meet the definition of a financial guarantee contract under AASB 139. The maximum credit risk exposure to the department, in relation to these guarantees, is \$16.015 million (2014: \$14.257 million).

The department assesses, on an annual basis, the fair value of the financial guarantees as at 30 June. It has been determined that the fair value is nil at 30 June, due to the probability of default being remote, with respect to the financial guarantees held by the department. Accordingly, the fair value of the guarantees have not been recognised on the Statement of Financial Position.

### d) Liquidity risk

Liquidity risk refers to the situation where, the department may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash, or another financial asset.

The department is exposed to liquidity risk in respect of its payables and borrowings from Queensland Treasury Corporation, in relation to departmental service delivery. The borrowings are based on the Queensland Government's gazetted floating rate.

The department manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the department has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts, so as to match the expected duration of the various employee and supplier 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 may differ from the amounts included in the Statement of Financial Position that are based on discounted cash flows.

Financial Liabilities	Notes	2015 \$'000	2014 \$'000
<b>Payables</b>	19		
Less than 1 year		46,715	51,184
<b>Total</b>		<b>46,715</b>	<b>51,184</b>
<b>Queensland Treasury Corporation Borrowings</b>	20		
Less than 1 year		1,332	12,831
1 to 5 years		577	2,015
<b>Total</b>		<b>1,909</b>	<b>14,846</b>
<b>Lease liability</b>	20		
Less than 1 year		4,084	2,009
1 to 5 years		22,877	8,884
Later than 5 years		45,149	29,196
<b>Total</b>		<b>72,110</b>	<b>40,089</b>
<b>Total financial liabilities</b>			
Less than 1 year		52,131	66,024
1 to 5 years		23,454	10,899
Later than 5 years		45,149	29,196
<b>Total</b>		<b>120,734</b>	<b>106,119</b>

## Notes to and forming part of the financial statements 2014–15

### g) Market Risk

The department is exposed to interest rate risk through its borrowings from Queensland Treasury Corporation and cash deposited in interest bearing accounts.

### f) Fair value

The department does not recognise any financial assets or financial liabilities at fair value.

The fair value of trade receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment. The fair value of loans and borrowings is notified by the Queensland Treasury Corporation. It is calculated using discounted cash flow analysis and the effective interest rate and is disclosed below:

	2015		2014	
	Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000
<b>Financial assets</b>				
Financial assets at amortised cost – Loans receivable	-	-	42,006	46,321
<b>Total</b>	<b>-</b>	<b>-</b>	<b>42,006</b>	<b>46,321</b>
<b>Financial liabilities</b>				
Financial liabilities at amortised cost - QTC borrowings	1,909	1,957	14,846	15,013
<b>Total</b>	<b>1,909</b>	<b>1,957</b>	<b>14,846</b>	<b>15,013</b>

### Accounting Policy

#### *Recognition*

*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.*

#### *Classification*

*Financial instruments are classified and measured as follows:*

*Cash and cash equivalents – held at fair value through profit or loss*

*Loans and receivables – held at amortised cost*

*Payables – held at amortised cost*

*Borrowings – held at amortised cost*

*Finance leases – held at fair value*

*Borrowings are initially recognised at fair value, plus any transaction costs directly attributable to the borrowings, then subsequently held at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument (or, when appropriate, a shorter period) to the net carrying amount of that instrument.*

*Any borrowing costs are added to the carrying amount of the borrowing to the extent they are not settled in the period in which they arise. Borrowings are classified as non-current liabilities to the extent that the department has an unconditional right to defer settlement until at least 12 months after reporting date.*

*The department does not enter into transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents, the department holds no financial assets classified at fair value through profit or loss.*

## 28. Taxation equivalents

Information in respect of income tax equivalent expense incurred by those activities of CITEC, subject to the substantive model of the Tax Equivalents Regime (TER):

<b>Balance sheet approach</b>	2015 \$'000	2014 \$'000
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Major components of income tax equivalent expense for the period ended 30 June 2015:

### Income tax expense

#### *Deferred income tax*

Decrease/(increase) in deferred tax asset (refer AA below)	8	677
(Decrease)/increase in deferred tax liability (refer BB below)	598	860
<b>Income tax equivalent expense reported in the Statement of Comprehensive Income</b>	<b>606</b>	<b>1,537</b>

### Reconciliation of income tax equivalent expense to prima facie tax payable for the year ended 30 June 2015 is as follows:

Operating result from continuing operations before income tax of CITEC subject to Tax Equivalents Regime:	(966)	3,485
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### Indicative tax equivalent expense at 30%

#### *Tax effect of amounts which are not deductible/(assessable) in calculating taxable income:*

Previously unrecognised temporary differences now recognised	-	1,475
Effect of unused tax losses and deductible temporary differences not recognised	896	-
De-recognition of prior year tax losses	-	-
Previously unrecognised tax losses now recouped to reduce current tax expense	-	(984)
<b>Income tax equivalent expense reported in the Statement of Comprehensive Income</b>	<b>606</b>	<b>1,537</b>

### AA – Deferred tax asset

*The balance comprises temporary differences attributable to:*

*Amounts recognised in the Statement of Comprehensive Income*

Accrued employee benefits	-	8
<b>Deferred tax assets taken to account</b>	<b>-</b>	<b>8</b>

## Notes to and forming part of the financial statements 2014–15

### 28. Taxation equivalents (continued)

<b>BB – Deferred tax liabilities</b>	2015 \$'000	2014 \$'000
<i>The balance comprises temporary differences attributable to: Amounts recognised in the Statement of Comprehensive Income</i>		
Interest receivable	12	27
Assets and other	1,520	907
<b>Deferred tax liabilities taken to account</b>	<b>1,532</b>	<b>934</b>
<b>Deferred tax assets/(deferred tax liabilities) not recognised</b>		
Income tax losses	26,201	25,353
Accrued employee benefits & payables	48	-
<b>Total</b>	<b>26,249</b>	<b>25,353</b>

A review of CITEC's budget estimates for the future years indicate that sufficient taxable profit will not be available, following the reversal of both the existing taxable temporary differences for the current year tax, and deductible temporary differences to be utilised in future periods.

Accordingly, the current year tax loss and the deductible temporary differences (tax effect totalling to \$898,500) have not been recognised as deferred tax assets.

The unrecognised income tax losses will be brought to account when it is probable that further tax profits will arise, to enable these tax losses to be utilised.

#### **Accounting Policy**

*The department is a State body as defined under the Income Tax Assessment Act 1997 and is exempt from all forms of Commonwealth taxation except Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the department. GST credits receivable from, and GST payable to the Australian Taxation Office are recognised and accrued (refer note 15).*

*Agreements have been reached with Queensland Treasury for CITEC to pay an income tax equivalent, in accordance with the requirements of the National Tax Equivalents Regime.*

*The income tax equivalent expense for CITEC is calculated based on the Balance Sheet approach under which temporary differences are identified for each asset and liability. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is recognised in the Statement of Financial Position as a tax asset or a tax liability.*

*Tax assets are not brought to account unless realisation of the asset is probable. Tax assets relating to CITEC's tax losses are only brought to account to the extent that future profits are probable. Recovery of deferred tax assets is primarily based on projected operational results outlined in the forecasting budgets provided to Queensland Treasury.*

*The controlled and other entities of the department are exempt from income tax under Section 50 of the Income Tax Assessment Act 1997.*

*From 1 July 2014, Queensland government departments (excluding commercialised business units) will no longer be liable for Queensland payroll tax. Therefore, from this date, the department (excluding its commercialised business unit, CITEC and the department's controlled and other entities) will be exempt from Queensland payroll tax.*

## Notes to and forming part of the financial statements 2014–15

	2015 \$'000	2014 \$'000
29. Schedule of administered items		
<b>Administered revenues</b>		
Appropriation revenue	122,739	147,511
Interest	1,612	3,202
<b>Total administered revenues</b>	<b>124,351</b>	<b>150,713</b>
<b>Administered expenses</b>		
Supplies and services	2,567	12,160
Grants and subsidies	121,135	135,825
Finance/borrowing costs	-	45
Deferred administered appropriation payable to consolidated fund	248	-
<b>Total administered expenses</b>	<b>123,950</b>	<b>148,030</b>
<b>Operating surplus</b>	<b>401</b>	<b>2,683</b>
<b>Administered current assets</b>		
Cash and cash equivalents	6,784	1,734
Loans and receivables	550	4,200
<b>Total administered current assets</b>	<b>7,334</b>	<b>5,934</b>
<b>Administered non-current assets</b>		
Loans and receivables*	1,650	58,925
<b>Total administered non-current assets</b>	<b>1,650</b>	<b>58,925</b>
<b>Total administered assets</b>	<b>8,984</b>	<b>64,859</b>
<b>Administered current liabilities</b>		
Payables	191	139
Revenue payable to government	248	-
<b>Total administered current liabilities</b>	<b>439</b>	<b>139</b>
<b>Net administered assets</b>	<b>8,545</b>	<b>64,720</b>
Contributed equity	-	54,858
Accumulated surplus	8,545	9,862
<b>Total administered equity</b>	<b>8,545</b>	<b>64,720</b>
<b>Administered grants and subsidies</b>		
Queensland Art Gallery	21,548	31,462
Queensland Museum	16,291	21,407
State Library of Queensland	61,088	55,023
Queensland Performing Arts Trust	6,165	9,111
Queensland Theatre Company	1,950	2,600
Screen Queensland	7,352	9,802
University of Queensland Brain Institute	194	-
Queensland Shared Services	5,530	6,420
Smart State Research Facility Fund	1,017	-
<b>Total</b>	<b>121,135</b>	<b>135,825</b>
<b>Administered loans and receivables</b>		
University of Queensland Brain Institute*	-	5,240
Smart State Research Facility Fund*	-	50,935
Queensland Centre for Advanced Technologies	2,200	2,750
<b>Total</b>	<b>2,200</b>	<b>58,925</b>

\*Concessional loans provided to universities and research institutions were terminated under an early repayment agreement with recipients, and all loans issued were repaid by January 2015.



29. Schedule of administered items (continued)

**Accounting Policy**

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

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

The principal expense which the department administers relates to grant payments made to statutory authorities and other commercial entities, relating to investments in the Arts sector.

30. Reconciliation of payments from consolidated fund to administered revenue

	2015 \$'000	2014 \$'000
Budgeted administered appropriation	149,687	147,145
Transfers to other departments – redistribution of public business	(17,745)	-
Lapsed administered appropriation	(9,203)	-
<b>Total administered appropriation receipts (cash)</b>	<b>122,739</b>	<b>147,145</b>
Less: Closing balance of deferred administered appropriation payable to consolidated fund	(248)	-
Plus: Opening balance of administered appropriation revenue receivable	-	366
<b>Net administered appropriation revenue</b>	<b>122,491</b>	<b>147,511</b>
Plus: Deferred administered appropriation payable to consolidated fund (expense)	248	-
<b>Administered appropriation revenue recognised in note 29</b>	<b>122,739</b>	<b>147,511</b>

31. Agency transactions and balances

The department acts as an agent for collection and payment processing services, and undertakes certain transactions on behalf of Queensland Government agencies and its clients.

	2015 \$'000	2014 \$'000
<b>a) CITEC</b>		
Balance at 1 July	19,778	19,423
Collections during the period	1,580,648	2,280,370
Distributions according to clients instructions during the period	(1,600,426)	(2,280,015)
<b>Balance at 30 June*</b>	<b>-</b>	<b>19,778</b>
*CITEC discontinued payment processing services in April 2015.		
<b>b) Smart Service Queensland</b>		
Balance at 1 July	732	650
Collections during the period	84,093	79,204
Distributions according to clients instructions during the period	(84,473)	(79,122)
<b>Balance at 30 June</b>	<b>352</b>	<b>732</b>

## Notes to and forming part of the financial statements 2014–15

31. Agency transactions and balances (continued)	2015 \$'000	2014 \$'000
<b>c) Corporate Administration Agency</b>		
Balance at 1 July	340	3
Collections during the period	123,477	198,350
Distributions according to clients instructions during the period	(123,817)	(198,013)
<b>Balance at 28 February**</b>	<b>-</b>	<b>340</b>

\*\*refer note 2.

Fees received for the provision of these services are included in user charges.

All agency transactions and balances are subject to audit by the Queensland Audit Office.

### **Accounting Policy**

*The department, through the CITEC commercialised business unit and the Corporate Administration Agency shared service provider, has commercial arrangements with various Queensland Government agencies to perform certain transactions on their behalf.*

*The department, through Smart Service Queensland, acts in an agency capacity by processing payments in respect to Queensland Government services and information.*

*The transactions and balances related to these agency arrangements are not included in these financial statements, because the department acts only in a custodial role. Applicable audit arrangements are also shown.*

### 32. Machinery-of-government transfers

As a result of the *Public Service Departmental Arrangements Notice (No. 1) 2015*, dated 16 March 2015 with financial effect from 1 March 2015, the responsibility for Arts Queensland and the Corporate Administration Agency were transferred from the department to the Department of the Premier and Cabinet.

#### Schedule of assets and liabilities transferred

	Arts Queensland	Corporate Administration Agency
	\$'000	\$'000
<b>Assets</b>		
<b>Current assets</b>		
Cash	8,507	2,853
Loans and receivable	4,714	2,136
Other assets	598	92
<b>Non-current assets</b>		
Property, plant and equipment	658,300	343
Loan and receivables	130	-
<b>Total assets</b>	<b>672,249</b>	<b>5,424</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Payables	4,222	427
Other financial liabilities	2,110	-
Accrued employee benefits	387	268
Other liabilities	-	160
<b>Non-current liabilities</b>		
Borrowings	105	-
<b>Total liabilities</b>	<b>6,824</b>	<b>855</b>
<b>Net assets transferred</b>	<b>665,425</b>	<b>4,569</b>

The subsidiary entities of Arts Queensland likewise transferred to the Department of the Premier and Cabinet, refer note 26. Assets and liabilities of these entities were minimal and would not materially affect the reported financial position and operating result of the department, refer note 2.

## 33. Budget vs actual comparison

## Statement of Comprehensive Income

	Variance notes	Adjusted Budget 2015 \$'000	Actual 2015 \$'000	Variance \$'000	Variance % of budget
<b>Income from continuing operations</b>					
Appropriation revenue		326,000	318,628	7,372	2%
User charges and fees		338,082	341,389	(3,307)	(1%)
Grants and other contributions	1	28,217	21,773	6,444	23%
Interest		2,195	1,293	902	41%
Other revenue		1,138	1,971	(833)	(73%)
Total revenue		695,632	685,054	10,578	2%
Gains on disposal of assets		-	6	(6)	(100%)
<b>Total income from continuing operations</b>		<b>695,632</b>	<b>685,060</b>	<b>10,572</b>	<b>2%</b>
<b>Expenses from continuing operations</b>					
Employee expenses		267,023	268,077	(1,054)	0%
Supplies and services	2	321,523	303,108	18,415	6%
Grants and subsidies	3	62,717	56,649	6,068	10%
Depreciation and amortisation		44,449	46,046	(1,597)	(4%)
Impairment losses		-	56	(56)	(100%)
Finance/borrowing costs	4	338	2,359	(2,021)	(598%)
Other expenses	5	3,436	16,856	(13,420)	(391%)
<b>Total expenses from continuing operations</b>		<b>699,486</b>	<b>693,151</b>	<b>6,335</b>	<b>1%</b>
<b>Operating result from continuing operations before income tax</b>		<b>(3,854)</b>	<b>(8,091)</b>	<b>4,237</b>	<b>(110%)</b>
Income tax benefit/(expense)		1,786	(606)	2,392	134%
<b>Operating result from continuing operations after income tax</b>		<b>(2,068)</b>	<b>(8,697)</b>	<b>6,629</b>	<b>(321%)</b>
<b>Other comprehensive income</b>					
Items that will not be reclassified subsequently to operating result:					
Increase in asset revaluation surplus	6	-	9,632	(9,632)	(100%)
<b>Total other comprehensive income</b>		<b>-</b>	<b>9,632</b>	<b>(9,632)</b>	<b>(100%)</b>
<b>Total comprehensive income</b>		<b>(2,068)</b>	<b>935</b>	<b>(3,003)</b>	<b>145%</b>

## 33. Budget vs actual comparison (continued)

## Statement of Financial Position

	Variance notes	Adjusted Budget 2015 \$'000	Actual 2015 \$'000	Variance \$'000	Variance % of budget
<b>Current assets</b>					
Cash and cash equivalents	7	57,982	45,954	12,028	21%
Loans and receivables	8	36,791	51,477	(14,686)	(40%)
Inventories		13	-	13	100%
Other current assets		12,775	13,351	(576)	(5%)
<b>Total current assets</b>		<b>107,561</b>	<b>110,782</b>	<b>(3,221)</b>	<b>(3%)</b>
<b>Non-current assets</b>					
Loans and receivables	9	36,752	-	36,752	100%
Deferred tax assets		2,204	-	2,204	100%
Intangible assets	10	45,308	33,535	11,773	26%
Property, plant and equipment	11	76,488	143,431	(66,943)	(88%)
Other non-current assets		1,252	790	462	37%
<b>Total non-current assets</b>		<b>162,004</b>	<b>177,756</b>	<b>(15,572)</b>	<b>(10%)</b>
<b>Total assets</b>		<b>269,565</b>	<b>288,538</b>	<b>(18,973)</b>	<b>(7%)</b>
<b>Current liabilities</b>					
Payables	12	34,622	46,715	(12,093)	(35%)
Interest-bearing liabilities	13	1,356	5,416	(4,060)	(299%)
Accrued employee benefits		8,201	8,604	(403)	(5%)
Other current liabilities		2,635	1,880	755	29%
<b>Total current liabilities</b>		<b>46,814</b>	<b>62,615</b>	<b>(15,801)</b>	<b>(34%)</b>
<b>Non-current liabilities</b>					
Interest-bearing liabilities	14	545	68,603	(68,058)	(12488%)
Deferred tax liabilities		73	1,532	(1,459)	(1999%)
Other non-current liabilities		-	431	(431)	(100%)
<b>Total non-current liabilities</b>		<b>618</b>	<b>70,566</b>	<b>(69,948)</b>	<b>(11318%)</b>
<b>Total liabilities</b>		<b>47,432</b>	<b>133,181</b>	<b>(85,749)</b>	<b>(181%)</b>
<b>Net assets</b>		<b>222,133</b>	<b>155,357</b>	<b>66,776</b>	<b>34%</b>
<b>Equity</b>					
Contributed equity		319,784	170,572	149,212	47%
Accumulated surplus/(deficit)		(146,049)	(61,849)	(84,200)	58%
Asset revaluation surplus		48,398	46,634	1,764	4%
<b>Total equity</b>	15	<b>222,133</b>	<b>155,357</b>	<b>(66,776)</b>	<b>(30%)</b>

Notes to and forming part of the financial statements 2014–15

33. Budget vs actual comparison (continued)

Statement of Cash Flows

	Variance notes	Adjusted Budget 2015 \$'000	Actual 2015 \$'000	Variance \$'000	Variance % of budget
<b>Cash flows from operating activities</b>					
<i>Inflows:</i>					
Service appropriation receipts		326,000	326,457	(457)	-
User charges and fees		338,475	345,991	(7,516)	(2%)
Grants and other contributions	16	28,217	21,448	6,769	24%
GST collected from customers		32,921	32,595	326	1%
GST input tax credits from ATO	17	17,114	36,674	(19,560)	(114%)
Interest receipts		261	427	(166)	(64%)
Other		1,073	1,734	(661)	(62%)
<i>Outflows:</i>					
Employee expenses		(266,204)	(268,250)	2,046	(1%)
Supplies and services		(319,422)	(312,354)	(7,068)	2%
Grants and subsidies	18	(62,880)	(53,279)	(9,601)	15%
Finance/borrowing costs		(288)	(1,954)	1,666	(578%)
Insurance premiums		(575)	(620)	45	(8%)
GST paid to suppliers	19	(16,813)	(32,805)	15,992	(95%)
GST remitted to ATO		(34,046)	(39,002)	4,956	(15%)
Other		(2,503)	(3,034)	531	(21%)
<b>Net cash provided by/(used in) operating activities</b>		<b>41,330</b>	<b>54,028</b>	<b>(12,698)</b>	<b>(31%)</b>
<b>Cash flows from investing activities</b>					
<i>Inflows:</i>					
Sales of property, plant and equipment		17	4	13	76%
Loans and advances redeemed	20	5,300	38,912	(33,612)	(634%)
<i>Outflows:</i>					
Payments for property, plant and equipment	21	(6,014)	(5,669)	(345)	6%
Payments for intangible assets	21	(5,077)	(2,519)	(2,558)	(50%)
Loans and advances made		(1,068)	(1,120)	52	(5%)
<b>Net cash provided by/(used in) investing activities</b>		<b>(6,842)</b>	<b>29,608</b>	<b>(36,450)</b>	<b>533%</b>
<b>Cash flows from financing activities</b>					
<i>Inflows:</i>					
Borrowings		1,068	1,120	(52)	(5%)
Equity injections	22	8,533	7,153	1,380	16%
<i>Outflows:</i>					
Borrowing redemptions		(11,848)	(11,841)	(7)	-
Finance lease payments	23	-	(2,036)	2,036	100%
Equity withdrawals	24	(27,273)	(99,893)	72,620	(266%)
<b>Net cash provided by/(used in) financing activities</b>		<b>(29,520)</b>	<b>(105,497)</b>	<b>75,977</b>	<b>(257%)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>4,968</b>	<b>(21,861)</b>	<b>26,829</b>	<b>540%</b>
Increase/(decrease) in cash and cash equivalents from restructuring		(11,726)	(11,360)	(366)	3%
Cash and cash equivalents at beginning of financial year		64,740	79,175	(14,435)	(22%)
<b>Cash and cash equivalents at end of financial year</b>		<b>57,982</b>	<b>45,954</b>	<b>12,028</b>	<b>21%</b>

Notes to and forming part of the financial statements 2014–15

33. Budget vs actual comparison (continued)

Schedule of administered items

	Variance notes	Adjusted Budget 2015 \$'000	Actual 2015 \$'000	Variance \$'000	Variance % of budget
<b>Administered revenues</b>					
Appropriation revenue		131,942	122,739	9,203	7%
Interest	25	3,421	1,612	1,809	53%
<b>Total administered revenues</b>		<b>135,363</b>	<b>124,351</b>	<b>11,012</b>	<b>8%</b>
<b>Administered expenses</b>					
Supplies and services	26	5,631	2,567	3,064	54%
Grants and subsidies		126,311	121,135	5,176	4%
Other		-	248	(248)	(100%)
<b>Total administered expenses</b>		<b>131,942</b>	<b>123,950</b>	<b>7,992</b>	<b>6%</b>
<b>Operating surplus</b>		<b>3,421</b>	<b>401</b>	<b>3,020</b>	<b>88%</b>
<b>Administered current assets</b>					
Cash and cash equivalents		4,003	6,784	(2,781)	(69%)
Loans and receivables		-	550	(550)	(100%)
<b>Total administered current assets</b>		<b>4,003</b>	<b>7,334</b>	<b>(3,331)</b>	<b>(83%)</b>
<b>Administered non-current assets</b>					
Loans and receivables	27	64,463	1,650	62,813	97%
<b>Total administered non-current assets</b>		<b>64,463</b>	<b>1,650</b>	<b>62,813</b>	<b>97%</b>
<b>Total administered assets</b>		<b>68,466</b>	<b>8,984</b>	<b>59,482</b>	<b>87%</b>
<b>Administered current liabilities</b>					
Payables		-	439	(439)	(100%)
<b>Total administered current liabilities</b>		<b>-</b>	<b>439</b>	<b>(439)</b>	<b>(100%)</b>
<b>Net administered assets</b>		<b>68,466</b>	<b>8,545</b>	<b>59,921</b>	<b>88%</b>

### 33. Budget vs actual comparison (continued)

#### Explanations of major variances

##### Statement of comprehensive income

1. The variance mainly reflects lower than anticipated activity in relation to Queensland Shared Services business capability and capacity projects and shared system reform program of work activities of \$11.7 million; offset by unexpected grant funding received for science projects of \$5.2 million.
2. The variance relates to higher than expected internal trading eliminations of \$10.6 million due to higher than forecast internal activity and internally funded project contributions not being included in the original budget, a reduction in technology related costs within CITEC and a reduction in supplies and services mainly due to the deferral of capability and capacity project funding by QSS.
3. The variance is mainly due to the deferral of science related grant expenditure of approximately \$9 million (which includes grant payments relating to the Australian Institute of Tropical Health and Medicine of \$6.5 million) to reflect revised contractual commitments and funding requirements, offset by additional expenditure of \$2.9 million relating to the early repayment of science infrastructure loans.
4. The variance mainly reflects interest expense related to the finance lease for the Government Wireless Network (\$2 million). The expense has arisen on earlier than expected implementation of stage 1 of the South East Queensland roll out reaching commercial acceptance in June 2015.
5. The variance relates to unanticipated \$3.4 million work in progress write off of a Queensland Theatre Company building fitout together with an appropriation expense payable of \$10.3 million to Consolidated Fund. The appropriation payable included end of year funding adjustments mainly related to changes in whole-of-government (specifically One-Stop Shop and Government Wireless Network) and Science initiatives.
6. The variance relates to the revaluation of the Arts Cultural Precinct. The Arts Cultural Precinct has now been transferred to the Department of Premier and Cabinet in a machinery-of-government change effective 1 March 2015.

##### Statement of financial position

7. This relates to the remittance of \$30 million Queensland Shared Services to Consolidated Fund offset by better than anticipated cash balances for Queensland Shared Services and CITEC as a result of better than expected operating results.
8. The variance is due to an increase in appropriation equity receivable of \$8.2 million mainly relating to end of year depreciation adjustments together with \$7.2 million in outstanding Queensland Shared Services technology charges.
9. The variance reflects early repayment of science infrastructure loans.
10. The variance is attributable to a lower actual opening balance, compared to what was estimated in the budget, mainly due to asset impairment and amortisation in the prior year.
11. Increase reflects recognition of the Government Wireless Network finance lease asset valued at \$60.5 million. The asset has been recognised earlier than anticipated due to the implementation of stage 1 of South East Queensland roll out of GWN reaching commercial acceptance in June 2015 ahead of the originally anticipated December 2015.
12. The variance mainly reflects an increase in appropriation payable of \$10.3 million relating to end of year funding adjustments including changes in whole-of-government (specifically One-Stop Shop and Government Wireless Network) and Science initiatives.
13. The variance reflects recognition of the Government Wireless Network current finance lease liability of \$4.1 million. The current lease liability has been recognised earlier than anticipated due to the implementation of stage 1 of South East Queensland roll out of GWN reaching commercial acceptance in June 2015 ahead of the originally anticipated December 2015.
14. The variance reflects the Government Wireless Network non-current finance lease liability of \$68.5 million. The non-current lease liability has been recognised earlier than anticipated due to the implementation of stage 1 of South East Queensland roll out of GWN reaching commercial acceptance in June 2015 ahead of the originally anticipated December 2015.
15. The movement in equity mainly due to the early repayment of science infrastructure loans of \$37 million together with remittance of \$30 million from Queensland Shared Services to the Consolidated Fund.



### 33. Budget vs actual comparison (continued)

#### Statement of cash flows

16. Refer to note 1.
17. GST input tax credits received from the Australian Tax Office were higher than originally forecast reflecting actual levels of expenditure.
18. The variance is mainly due to deferral of science related grant expenditure to reflect revised contractual commitments and funding requirements, including grant payments relating to the Australian Institute of Tropical Health and Medicine of \$6.5 million.
19. GST paid to suppliers was higher than originally forecast.
20. Variance mainly reflects early repayment of science infrastructure loans.
21. The total variance for payments for property, plant and equipment and intangible assets is \$2.9 million and is mainly due to the deferral of capital funding in relation to the Government Wireless Network implementation of \$1.1 million and a capital to operating funding swap of \$1 million.
22. The variance reflects lower than expected capital expenditure. Refer to note 21.
23. The variance reflects payments in relation to the Government Wireless Network finance lease. The current lease liability has been recognised earlier than anticipated due to the implementation of stage 1 of South East Queensland roll out of GWN reaching commercial acceptance in June 2015 ahead of the originally anticipated December 2015.
24. The variance is mainly due to the early repayment of science infrastructure loans (\$37 million) together with remittance of \$30 million from Queensland Shared Services to the Consolidated Fund.

#### Administered items

25. The variance reflects a reduction in notional interest due to the early repayment of science infrastructure loans.
26. The variance is mainly due to the transfer of funding to the controlled entity of \$2.3 million.
27. The variance reflects early repayment of science infrastructure loans.

## 34. Summary of other accounting policies

### **a) Leases**

A distinction is made in the financial statements between finance leases that effectively transfer from the lessor to the lessee substantially all risks and benefits incidental to ownership, and operating leases, under which the lessor retains substantially all risks and benefits.

Leases of non-current assets where the department, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term liabilities. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the department as lessee are classified as operating leases.

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expenses in the periods in which they are incurred.

Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of the liability.

Lease income from operating leases where the department is a lessor is recognised in income on a straight-line basis over the lease term.

### **b) Insurance**

With the exception of non-current physical assets held by CITEC and the department's controlled and other entities, which are commercially insured, the department's non-current physical assets and other risks, including those relating to business interruption following natural disasters, are insured through the Queensland Government Insurance Fund. Premiums are paid on a risk assessment basis. In addition, the department pays premiums to Workcover Queensland in respect of its obligations for employee compensation.

### **c) Contributed equity**

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities as a result of machinery-of-government changes are adjusted to Contributed Equity in accordance with Interpretation 1038 Contributions by Owners Made to Wholly Owned Public Sector Entities. Appropriations for equity adjustments are similarly designated.

### **d) Issuance of financial statements**

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

### **e) Accounting estimates and judgements**

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions with the most significant effect are outlined in the following financial statement notes:

- Valuation of property, plant and equipment - note 18
- Financial instruments - note 27
- Finance leases - notes 20
- Contingencies - note 25
- Loans and receivables - note 15
- Impairment - notes 27

Further, the matters covered in each of those notes (except for Depreciation and amortisation) necessarily involve estimation uncertainty, with the potential to materially impact on the carrying amount of the department's assets and liabilities in the next reporting period. Reference should be made to the respective notes for more information.

### 34. Summary of other accounting policies (continued)

#### **f) Currency, rounding and comparatives**

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

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period. In particular, note 10 refers to Supplies and services where individual line items have been disclosed by nature as opposed to their categorisation previously by function. Accordingly, the comparatives have been restated.

#### **g) Donated/transferred assets**

Assets and liabilities received or donated/transferred by the department and recognised as revenues and expenses as a result of non-reciprocal transfers are recognised in note 6.

#### **h) Work-in-progress**

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

The department does not capitalise finance and borrowing costs.

#### **i) Acquisition of assets**

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

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

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland Government entity, are recognised at their fair value at date of acquisition in accordance with AASB 116 Property, Plant and Equipment.

#### **j) Property, plant and equipment**

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

Building	\$10,000	Infrastructure	\$10,000
Heritage and cultural	\$5,000	Plant and equipment	\$5,000
Leased assets	\$5,000	Land	\$1

Items with a lesser value are expensed in the year of acquisition. Subsequent expenditure that increases the originally assessed service potential of an asset is capitalised to the value of that asset. Land improvements undertaken by the department are included with buildings.

#### **k) Revaluations of non-current physical and intangible assets**

Land, buildings, infrastructure and heritage and cultural assets are measured at fair value in accordance with AASB 116 Property, Plant and Equipment, AASB 13 Fair Value Measurement and Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector.

Leased assets are measured at fair value in accordance with AASB 117 Leases.

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 (refer also to an explanation later in this note regarding the impact of different methods of accounting for accumulated depreciation and accumulated impairment losses in conjunction with revaluations).

### 34. Summary of other accounting policies (continued)

*In respect of the abovementioned asset classes, the cost of items acquired during the financial year has been judged by the management of the department to materially represent their fair value at the end of the reporting period.*

*Plant and equipment, (that is not classified as major plant and equipment), is measured at cost in accordance with the Non-Current Asset Policies. The carrying amounts for such plant and equipment at cost should not materially differ from their fair value.*

*Separately identified components of assets are measured on the same basis as the assets to which they relate.*

*Intangible assets are measured at their historical cost, unless there is an active market for the assets concerned (in which case they are measured at fair value).*

*Property, plant and equipment classes measured at fair value (refer above) are revalued on an annual basis either by appraisals undertaken by an independent professional valuer or internal expert, or by the use of appropriate and relevant indices. For financial reporting purposes, the revaluation process is managed by a team in the department's Finance, Procurement and Business Services unit, who determine the specific revaluation practices and procedures. The department undertakes annual reviews of the revaluation practices (after each year's revaluation process), and reports to the department's Finance Committee (of which the department's Chief Finance Officer is a member) regarding the outcomes of, and recommendations arising from, each annual review.*

*Revaluations using an independent professional valuer or internal expert appraisals 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. This is arranged by the department's Finance, Procurement and Business Services unit after consultation with the Finance Committee.*

*Materiality concepts (according to the Framework for the Preparation and Presentation of Financial Statements) are considered in determining whether the difference between the carrying amount and the fair value of an asset is material (in which case revaluation is warranted).*

*The fair values reported by the department are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs, and minimise the use of unobservable inputs.*

*Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up-to-date via the application of relevant indices. The department ensures that the application of such indices results in a valid estimation of the assets' fair values at reporting date.*

*The State Valuation Service (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 also 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 or internal expert, and analysing the trend of changes 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.*

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

*for assets revalued using a cost valuation approach (e.g. depreciated 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"; and*

*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".*

### 34. Summary of other accounting policies (continued)

In previous years, Queensland Treasury's Non-current Asset Policies for the Queensland Public Sector (NCAPs) mandated the gross method of revaluation for all revaluations. However, from 1 July 2014, the NCAPs now require either the gross or net method to be used, according to the valuation approach adopted for individual assets (as explained above). In accordance with the above policies, this means a reported asset class may contain assets, for which revaluations are accounted for, using either method. While this does not impact on carrying amounts (i.e. fair values) reported, it does make a significant difference to the figures displayed for gross, accumulated depreciation and accumulated impairment losses (refer also to note 18 Property, plant and equipment for a comparison to figures reported for 2013-14).

#### **l) Fair value measurement**

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 assets/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 assets/liabilities, internal records of recent construction costs (and/or estimates of such costs) for assets' characteristics/functionality and, assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset at its highest and best use.

All assets and liabilities of the department, for which fair value is measured or disclosed in the financial statements, are 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 and liabilities;

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 or liabilities are eligible for categorisation into level 1 of the fair value hierarchy. There were no transfers of assets between fair value hierarchy levels during the period.

More specific fair value information about the department's Property, Plant and Equipment is outlined in note 18.

#### **m) Intangible assets**

Intangible assets with a cost or other value greater than, or equal to \$100,000, are recognised in the financial statements. Items with a lesser value are expensed. Each intangible asset, less any anticipated residual value, is amortised over its estimated useful life to the department. The residual value is zero for all the department's intangible assets.

It has been determined that there is not an active market for any of the department's intangible assets. As such, the assets are recognised and carried at cost, less accumulated amortisation and accumulated impairment losses.

No intangible assets have been classified as held for sale, or form part of a disposal group held for sale.

#### **Purchased software**

The purchase cost of software has been capitalised and is amortised on a straight-line basis over the period of the expected benefit to the department, generally five years. However, where appropriate, the useful lives of certain assets have been determined on an individual basis.

34. Summary of other accounting policies (continued)

*Internally generated software*

Expenditure on research activities relating to internally-generated intangible assets is recognised as an expense in the period in which it is incurred.

Costs associated with the development of computer software have been capitalised and are amortised on a straight-line basis over the period of the expected benefit to the department, generally five years. However, where appropriate, the useful lives of certain assets have been determined on an individual basis.

**n) Amortisation and depreciation of intangible assets and property, plant and equipment**

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

All intangible assets of the department have finite useful lives and are amortised on a straight-line basis.

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 its estimate residual value, progressively over its estimate useful life to the department.

All heritage and cultural assets of the department are not depreciated as the service potential of the assets are not expected to diminish over time.

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

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives, distinct from the asset to which they relate, and are depreciated accordingly.

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

Major spares purchased specifically for particular assets are capitalised and depreciated on the same basis as the asset to which they relate.

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

Plant and equipment subject to a finance lease is amortised on a straight-line basis over the term of the lease or, where it is likely that the department will obtain ownership of the asset, the expected useful life of the asset to the department.

Items comprising the department's technical library are expensed on acquisition.

For each class of depreciable asset the following depreciation and amortisation rates are used:

Class	Rates	Class	Rates
Buildings:	2% to 7%	Leasehold improvements:	2.5% to 46%
Infrastructure:	2% to 14%	Computer equipment:	5% to 40%
Financed leased assets:	7%	Scientific equipment:	5% to 33%
Other equipment:	4% to 33%	Software internally generated:	7% to 40%
Software purchased:	4% to 27%		

Where appropriate, the depreciation and amortisation rates applied to assets are determined on an individual basis.

### 34. Summary of other accounting policies (continued)

#### **o) Impairment of non-current assets**

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the department determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell, depreciated replacement cost, or net cash inflows generated through use of the asset.

An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

When an asset is revalued using either a market or income valuation approach, any accumulated impairment losses at that date are eliminated against the gross amount of the asset prior to restating for the revaluation.

#### **p) New and revised accounting standards**

The department did not voluntarily change any of its accounting policies during 2014-15. The only Australian Accounting Standard applicable for the first time as from 2014-15 that had the most significant impact on the department's financial statements is AASB 1055 Budgetary Reporting.

AASB 1055 became effective from reporting periods beginning on, or after, 1 July 2014. In response to this new standard, the department has included in these financial statements a comprehensive new note, 'Budget vs Actual Comparison' (note 33). This note discloses the department's original published budgeted figures for 2014-15 compared to actual results, with explanations of major variances, in respect of the department's Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows. Note 33 also includes a comparison between the original published budgeted figures for 2014-15 compared to actual results, and explanations of major variances, in respect of the department's major classes of administered income, expenses, assets and liabilities.

Other than AASB 1055, new and revised standards which became applicable as from reporting periods beginning on or after 1 January 2014 are not expected, based upon current circumstances, to have a material impact on the department's financial statements.

The department is not permitted to early adopt a new or amended accounting standard ahead of a specified commencement date, unless approval is obtained from Queensland Treasury. Consequently, the department has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. The department applies standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards with future commencement dates are as set out below.

From reporting periods beginning on or after 1 July 2016, the department will need to comply with the requirements of AASB 124 Related Party Disclosures. That accounting standard requires a range of disclosures about the remuneration of key management personnel, transactions with related parties/entities, and relationships between parent and controlled entities. The department already discloses information about the remuneration expenses for key management personnel (refer to note 9) in compliance with requirements from Queensland Treasury. Therefore, the most significant implications of AASB 124 for the department's financial statements will be the disclosures to be made about transactions with related parties, including transactions with key management personnel or, close members of their families.

## 34. Summary of other accounting policies (continued)

*AASB 15 Revenue from Contracts with Customers will become effective from reporting periods beginning on or after 1 January 2017. This standard contains much more detailed requirements for the accounting of certain types of revenue from customers. Depending on the specific contractual terms, the new requirements may potentially result in a change to the timing of revenue from sales of the department's goods and services, such that some revenue may need to be deferred to a later reporting period, to the extent that the department has received cash but has not met its associated obligations (such amounts would be reported as an unearned revenue liability in the meantime). The department is yet to complete its analysis of current arrangements for sale of its goods and services, but at this stage does not expect a significant impact on its present accounting practices.*

*AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) will become effective from reporting periods beginning on, or after, 1 January 2018. The main impacts of these standards on the department are that they will change the requirements for the classification, measurement, impairment and disclosures associated with the department's financial assets. AASB 9 will introduce different criteria for whether financial assets can be measured at either amortised cost or fair value.*

*The department has commenced reviewing the measurement of its financial assets against the new AASB 9 classification and measurement requirements. However, as the classification of financial assets at the date of initial application of AASB 9 will depend on the facts and circumstances existing at that date, the department's conclusions will not be confirmed until closer to that time. At this stage, and assuming no change in the types of transactions the department enters into, all of the department's financial assets are expected to be required to be measured at fair value (instead of the measurement classifications presently used in note 27). In the case of the department's current receivables, as they are short-term in nature, the carrying amount is expected to be a reasonable approximation of fair value. Changes in the fair value of those assets will be reflected in the department's operating result.*

*Another impact of AASB 9 relates to calculating impairment losses for the department's receivables. Assuming no substantial change in the nature of the department's receivables, as they don't include a significant financing component, impairment losses will be determined according to the amount of lifetime expected credit losses. On initial adoption of AASB 9, the department will need to determine the expected credit losses for its receivables by comparing the credit risk at that time, to the credit risk that existed when those receivables were initially recognised.*

*The department will not need to restate comparative figures for financial instruments on adopting AASB 9 as from 2018-19. However, changed disclosures requirements will apply from that time. A number of one-off disclosures will be required in the 2018-19 financial statements to explain the impact of adopting AASB 9. Assuming no change in the types of financial instruments that the department enters into, the most likely ongoing disclosure impacts are expected to relate to the credit risk of financial assets subject to impairment.*

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

## 35. Events occurring after balance date

There were no material events subsequent to the reporting date but prior to the signing of these accounts of which management was aware.



## Certificate of the Department of Science, Information Technology and Innovation

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 42 of the *Financial and Performance Management Standard 2009* 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 Science, Information Technology and Innovation for the financial year ended 30 June 2015 and of the financial position of the department at the end of that year; and
- (c) these assertions are based upon an appropriate system of internal controls and risk management processes being effective, in all material aspects, with respect to financial reporting throughout the reporting period.



Danny Short  
B Comm CPA  
Chief Finance Officer



Jamie Merrick  
Acting Director-General

27 August 2015

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## **INDEPENDENT AUDITOR'S REPORT**

To the Accountable Officer of the Department of Science, Information Technology and Innovation.

### **Report on the Financial Report**

I have audited the accompanying financial report of the Department of Science, Information Technology and Innovation, which comprises the statement of financial position and statement of assets and liabilities by major departmental services, CBUs and SSPs as at 30 June 2015, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental services, CBUs and SSPs for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certificates given by the Acting Director-General and Chief Finance Officer.

#### *The Accountable Officer's Responsibility 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 prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Accountable Officer's responsibility also includes such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Accountable Officer, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

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

## *Independence*

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.


## *Opinion*

In accordance with s.40 of the *Auditor-General Act 2009*:

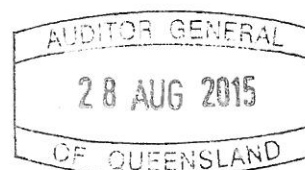
- (a) I have received all the information and explanations which I have required
- (b) in my opinion:
  - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects
  - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Department of Science, Information Technology and Innovation for the financial year 1 July 2014 to 30 June 2015 and of the financial position as at the end of that year.

## **Other Matters - Electronic Presentation of the Audited Financial Report**

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



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Auditor-General of Queensland



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