



Department of the Premier and Cabinet
Financial Statements
for the year ended 30 June 2022

**Department of the Premier and Cabinet
Financial Statements
for the year ended 30 June 2022**

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**Department of the Premier and Cabinet
Statement of Comprehensive Income
for the year ended 30 June 2022**

	Notes	Economic Entity		Parent Entity	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Operating results					
Income from continuing operations					
Appropriation revenue	B1-1	91,508	94,905	91,508	94,905
User charges and fees	B1-2	3,707	4,662	3,334	3,784
Grants and other contributions	B1-3	40,672	48,849	3,602	267
Other revenue	B1-4	8,067	9,862	6,552	7,797
Total income		143,954	158,278	104,996	106,753
Expenses from continuing operations					
Employee expenses	B2-1	62,210	61,262	58,457	58,260
Supplies and services	B2-2	33,220	35,155	31,164	33,769
Grants and subsidies	B2-3	22,995	23,635	11,752	10,776
Depreciation and amortisation	B2-4	4,234	2,829	317	370
Finance/borrowing costs		131	198	50	145
Other expenses	B2-5	3,323	3,490	3,256	3,433
Total expenses		126,113	126,569	104,996	106,753
Operating result for the year		17,841	31,709	-	-
Total comprehensive income		17,841	31,709	-	-

The accompanying notes form part of these financial statements.

An explanation of major variances to budget is included in Note E2.

Department of the Premier and Cabinet
Statement of Financial Position
as at 30 June 2022

	Notes	Economic Entity		Parent Entity	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	C1	82,331	51,620	17,316	13,491
Receivables and loans receivable	C2	17,045	29,325	2,519	8,524
Other current assets	C3	1,735	1,594	1,640	1,533
Total current assets		101,111	82,539	21,475	23,548
Non-current assets					
Loans receivable	C2	5,787	4,900	5,816	4,909
Intangible assets	C4	2,003	2,250	2,003	2,250
Plant and equipment	C5	1,970	3,312	58	42
Right-of-use-assets	C6	5,442	4,409	-	-
Total non-current assets		15,202	14,871	7,877	7,201
Total assets		116,313	97,410	29,352	30,749
Current liabilities					
Payables	C7	16,893	12,034	16,650	12,693
Borrowings	C8	-	6,084	-	6,084
Accrued employee benefits	C9	2,054	2,011	1,820	1,801
Other current liabilities		415	620	415	612
Lease liabilities	C10	2,511	1,734	-	-
Total current liabilities		21,873	22,483	18,885	21,190
Non-current liabilities					
Borrowings	C8	5,816	4,909	5,816	4,909
Accrued employee benefits	C9	-	30	-	-
Other non-current liabilities		131	130	131	130
Lease liabilities	C10	3,406	2,612	-	-
Total non-current liabilities		9,353	7,681	5,947	5,039
Total liabilities		31,226	30,164	24,832	26,229
Net assets		85,087	67,246	4,520	4,520
Equity					
Accumulated surplus		85,087	67,246	4,520	4,520
Total equity		85,087	67,246	4,520	4,520

The accompanying notes form part of these financial statements.

An explanation of major variances to budget is included in Note E2.

**Department of the Premier and Cabinet
Statement of Changes in Equity
for the year ended 30 June 2022**

	Economic Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Accumulated surplus				
Balance as at 1 July	67,246	35,537	4,520	4,520
Operating result	17,841	31,709	-	-
Balance as at 30 June	85,087	67,246	4,520	4,520

The accompanying notes form part of these financial statements.

**Department of the Premier and Cabinet
Statement of Cash Flows
for the year ended 30 June 2022**

	Notes	Economic Entity		Parent Entity	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
<i>Inflows:</i>					
Service appropriation receipts	B1-1	100,354	78,335	100,354	78,335
User charges and fees		5,103	6,688	3,588	3,729
Grants and other contributions		47,258	27,214	3,602	762
Interest receipts		310	324	50	145
GST input tax credits from ATO		5,337	6,774	3,092	4,277
GST collected from customers		599	448	408	274
Other		4,191	6,036	4,291	6,112
<i>Outflows:</i>					
Employee expenses		(60,770)	(60,320)	(57,019)	(57,146)
Supplies and services		(34,273)	(33,545)	(32,278)	(32,092)
Grants and subsidies		(26,145)	(21,397)	(14,835)	(8,649)
Finance/borrowing costs		(50)	(145)	(50)	(145)
GST paid to suppliers		(5,193)	(5,827)	(3,679)	(4,010)
GST remitted to ATO		(568)	(379)	(371)	(209)
Other		(3,244)	(2,929)	(3,244)	(2,928)
Net cash provided by operating activities		32,909	1,277	3,910	(11,545)
Cash flows from investing activities					
<i>Inflows:</i>					
Loans and advances redeemed		6,103	2,945	6,114	3,691
<i>Outflows:</i>					
Payments for plant and equipment		(311)	(2,043)	(55)	-
Payments for intangibles		(30)	(102)	(30)	(102)
Loans and advances made		(887)	(909)	(887)	(909)
Net cash used in investing activities		4,875	(108)	5,143	2,681
Cash flows from financing activities					
<i>Inflows:</i>					
Proceeds from borrowings		887	909	887	909
<i>Outflows:</i>					
Borrowing redemptions		(6,114)	(3,691)	(6,114)	(3,691)
Lease repayments		(1,845)	(1,766)	-	-
Net cash provided by financing activities		(7,073)	(4,549)	(5,227)	(2,783)
Net increase/(decrease) in cash and cash equivalents		30,711	(3,380)	3,825	(11,647)
Cash and cash equivalents - opening balance		51,620	55,000	13,491	25,138
Cash and cash equivalents - closing balance	C1	82,331	51,620	17,316	13,491

The accompanying notes form part of these financial statements.

An explanation of major variances to budget is included in Note E2.

**Department of the Premier and Cabinet
Notes to the Statement of Cash Flows
for the year ended 30 June 2022**

Reconciliation of operating result to net cash provided by operating activities

	Notes	Economic Entity		Parent Entity	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Operating surplus/(deficit)		17,841	31,709	-	-
Non-cash items included in operating results:					
Depreciation and amortisation expense	B2-4	4,234	2,829	317	370
Interest capitalised to borrowings		20	145	-	-
Other non-cash items		70	(62)	-	-
Work in progress write-off		-	358	-	358
Change in assets and liabilities:					
Increase/(decrease) in deferred appropriation payable to Consolidated Fund		8,846	(16,570)	8,846	(16,570)
(Increase)/decrease in trade debtors		5,780	(19,119)	141	857
(Increase)/decrease in other receivable		(10)	(9)	17	(20)
(Increase)/decrease in GST receivable		775	770	41	133
(Increase)/decrease in long service leave reimbursement receivables		(211)	(18)	(211)	(18)
(Increase)/decrease in annual leave reimbursement receivables		(67)	(527)	(67)	(527)
(Increase)/decrease in other current assets		(141)	731	(107)	723
Increase/(decrease) in GST payable		(39)	41	-	-
Increase/(decrease) in payable		(3,992)	1,337	(4,890)	3,417
Increase/(decrease) in accrued employee benefits		7	(183)	19	(168)
Increase/(decrease) in other liabilities		(204)	(154)	(196)	(100)
Net cash provided by operating activities		32,909	1,277	3,910	(11,545)

Department of the Premier and Cabinet
Notes to the Statement of Cash Flows
for the year ended 30 June 2022

Changes in liabilities arising from financing activities

	\$'000		\$'000	\$'000	\$'000	\$'000	\$'000
		Non-cash changes			Cash flows		
Economic Entity 2022	Opening balance	Transfers to/(from) other Queensland Government entities	New leases acquired	Other	Cash received	Cash repayments	Closing balance
Lease liabilities	4,346	-	3,335	81	-	(1,845)	5,917
Borrowings	10,993	-	-	50	887	(6,114)	5,816
Parent Entity 2022							-
Borrowings	10,993	-	-	50	887	(6,114)	5,816
Economic Entity 2021							
Lease liabilities	6,121	-	-	(9)	-	(1,767)	4,346
Borrowings	13,631	-	-	145	909	(3,691)	10,993
Parent Entity 2021							
Borrowings	13,631	-	-	145	909	(3,691)	10,993

Department of the Premier and Cabinet
Statement of Comprehensive Income by Major Departmental Services
for the year ended 30 June 2022

	Policy Advice, Coordination and Cabinet Support		Engagement and Events Support		Governance Support and Advisory Services		Legislative Drafting and e-Publishing		Brisbane 2032 Taskforce		Inter-departmental Services eliminations		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income														
Appropriation revenue	34,814	29,203	23,169	20,731	18,447	32,306	12,214	11,899	2,098	-	766	766	91,508	94,905
User charges and fees	173	326	565	645	1,571	1,831	124	58	2	-	899	924	3,334	3,784
Grants and other contributions	2,927	-	525	60	-	207	-	-	150	-	-	-	3,602	267
Other revenue	4,116	5,219	810	670	153	1,707	185	201	1,288	-	-	-	6,552	7,797
Total income	42,030	34,748	25,069	22,106	20,171	36,051	12,523	12,158	3,538	-	1,665	1,690	104,996	106,753
Expenses														
Employee expenses	26,549	26,262	12,042	12,424	7,763	10,317	9,119	8,491	2,218	-	766	766	58,457	58,260
Supplies and services	13,852	7,904	6,751	6,274	5,921	15,320	3,174	3,347	567	-	899	924	31,164	33,769
Grants and subsidies	1,451	134	3,165	378	6,378	10,251	5	13	753	-	-	-	11,752	10,776
Depreciation and amortisation	73	96	28	33	13	16	203	225	-	-	-	-	317	370
Finance/borrowing costs	50	145	-	-	-	-	-	-	-	-	-	-	50	145
Other expenses	55	207	3,083	2,997	96	147	22	82	-	-	-	-	3,256	3,433
Total expenses	42,030	34,748	25,069	22,106	20,171	36,051	12,523	12,158	3,538	-	1,665	1,690	104,996	106,753
Operating result for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-

The departmental services reflect the department's management structure as at 30 June 2022 and reflects the transition of some of its functions between service areas effective from 1 November 2021.

Department of the Premier and Cabinet
Statement of Assets and Liabilities by Major Departmental Services
as at 30 June 2022

	Policy Advice, Coordination and Cabinet Support		Engagement and Events Support		Governance Support and Advisory Services		Legislative Drafting and e-Publishing		Brisbane 2032 Taskforce		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets												
Cash and cash equivalents	3,990	380	1,360	1,117	8,277	10,094	1,844	1,900	1,845	-	17,316	13,491
Receivables and loans receivable	947	7,216	411	395	842	746	238	167	81	-	2,519	8,524
Other current assets	407	764	2	155	1,027	442	204	172	-	-	1,640	1,533
Total current assets	5,344	8,360	1,773	1,667	10,146	11,282	2,286	2,239	1,926	-	21,475	23,548
Non-current assets												
Loans receivable	5,816	4,909	-	-	-	-	-	-	-	-	5,816	4,909
Intangible assets	185	220	60	61	52	105	1,698	1,864	8	-	2,003	2,250
Plant and equipment	-	-	23	14	35	-	-	28	-	-	58	42
Total non-current assets	6,001	5,129	83	75	87	105	1,698	1,892	8	-	7,877	7,201
Total assets	11,345	13,489	1,856	1,742	10,233	11,387	3,984	4,131	1,934	-	29,352	30,749
Current liabilities												
Payables	4,061	763	1,442	1,226	9,242	10,470	207	234	1,698	-	16,650	12,693
Borrowings	-	6,084	-	-	-	-	-	-	-	-	-	6,084
Accrued employee benefits	805	578	331	302	440	720	225	202	19	-	1,820	1,801
Other current liabilities	415	612	-	-	-	-	-	-	-	-	415	612
Total current liabilities	5,281	8,037	1,773	1,528	9,682	11,190	432	436	1,717	-	18,885	21,190
Non-current liabilities												
Borrowings	5,816	4,909	-	-	-	-	-	-	-	-	5,816	4,909
Other non-current liabilities	131	130	-	-	-	-	-	-	-	-	131	130
Total non-current liabilities	5,947	5,039	-	-	-	-	-	-	-	-	5,947	5,039
Total liabilities	11,228	13,076	1,773	1,528	9,682	11,190	432	436	1,717	-	24,832	26,229

The departmental services reflect the department's management structure as at 30 June 2022 and reflects the transition of some of its functions between service areas effective from 1 November 2021.

Section A: Notes about the Department and this Financial Report

A1: Basis of Financial Statement Preparation

A1-1: General Information

The Department of the Premier and Cabinet (DPC) 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. The head office and principal place of business of the department is 1 William Street, Brisbane QLD 4000. These financial statements cover the Department of the Premier and Cabinet and its controlled entity.

A1-2: Compliance with the Prescribed Requirements

The Department of the Premier and Cabinet has prepared these financial statements:

- in compliance with section 38 of the *Financial and Performance Management Standard 2019*
- in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities requirements
- in accordance with the minimum reporting requirements mentioned in the Financial Reporting Requirements for Queensland Government entities for reporting periods beginning on or after 1 July 2021
- on an accrual basis (except for the statement of cash flows which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

A1-3: Presentation

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

Comparative information reflects the audited 2020-21 financial statements.

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

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

A1-4: Authorisation of Financial Statements for issue

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

A1-5: The Reporting Entity

The consolidated financial statements include all income, expenses, assets, liabilities and equity of the 'economic entity' comprising the department controlled balances and the balances of the entity it controls. All transactions and balances internal to the economic entity have been eliminated in full.

The Parent Entity financial statements (Department of the Premier and Cabinet) include all income, expenses, assets, liabilities and equity of the department only.

A1-6: Accounting Estimates and Judgement

Reference should be made to the respective notes for more information on critical judgements, estimates and assumptions about the estimated uncertainty and the potential this could have to materially impact on the carrying amount of the department's assets and liabilities in the next reporting period. These are as follows:

- Note C4: Intangible assets. Amortisation expense and impairment
- Note C5: Plant and equipment. Depreciation expense and impairment
- Note C6: Right-of-use assets
- Note C9: Accrued employee benefits
- Note C10: Lease liabilities
- Note D3: Financial risk disclosures/impairment of loans

The value of goods and services received free or below fair value have been reflected in the department's financial results if the value of the goods and services can be reliably determined and the goods and services would have been purchased if not donated.

**Department of the Premier and Cabinet
Notes to the Financial Statements
for the year ended 30 June 2022**

A1-7: Basis of Measurement

Historical cost is used as the measurement basis in these financial statements, unless otherwise stated.

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

A2: Objectives and Principal Activities of the Department

DPC is responsive, effective and accountable in serving the Premier and Cabinet and the people of Queensland. The department's vision is 'a thriving, inclusive Queensland envied for our lifestyle'.

To achieve this vision, the department's strategic objectives are:

- Policy leadership: lead agile, collaborative and effective policy outcomes for Queenslanders.
- Strong, accountable government: ensure a strong and accountable system of government.
- Communication and engagement leadership: lead collaborative communication and engagement to achieve effective outcomes for Queenslanders.
- Brisbane 2032 Taskforce: lead Brisbane 2032 Olympic and Paralympic Games (Brisbane 2032) portfolio planning and integration activities.
- A high-performing workforce: enables a workforce that embodies the DPC principles to deliver on what is important for Queenslanders.

Through our strategic objectives, DPC contributes to the Government's objectives for the community which are: Safeguarding our health; Supporting jobs; Backing small business; Making it for Queensland; Building Queensland; Growing our regions; Investing in skills; Backing our frontline services; and Protecting the environment.

The major services delivered by the department are as follows:

- **Policy Advice and Coordination, and Cabinet Support** – leads the public sector to achieve strong policy outcomes, including in intergovernmental forums, and provide advice and support, across government and directly to the Premier and Cabinet.
- **Governance Support and Advisory Services** – ensures strong accountable government through providing high level constitutional, legal and public administration and protocol support across government, and to the Premier.
- **Engagement and Events Support** – leads collaborative communication and engagement outcomes across government and with the community, businesses, and stakeholders across the State. The service area also provides a central point of contact for veterans' matters.
- **Brisbane 2032 Taskforce** – leads Brisbane 2032 Olympic and Paralympic Games (Brisbane 2032) whole-of-government portfolio planning and integration activities.
- **Legislative Drafting and e-Publishing (LDeP)** – drafts and provides access to Queensland Legislation of the highest standard.

Administered items

Administered activities are those undertaken by departments on behalf of the government.

DPC administers funds on behalf of the State which includes Ministerial Offices and the Office of the Leader of the Opposition.

The key clients are Ministers, Assistant Ministers, the Leader of the Opposition and their respective staff. The services provided are:

- support for Ministers to assist in undertaking their responsibilities as Ministers of the State
- management of advisory, secretarial and administrative staff and associated resources for all Ministerial offices
- maintenance of procedures to ensure the financial accountability of these offices is in accordance with the Queensland Ministerial Handbook
- corporate support for the Office of the Leader of the Opposition.

The accounting, purchasing, information technology, telecommunications, asset management and personnel requirements for these administered areas are supplied by Ministerial Services within the Governance Support and Advisory Services area of the department.

DPC also administers funding for Trade and Investment Queensland (up to 31 October 2021) and Screen Queensland Pty Ltd (SQ).

Financial statements and variance explanations in relation to administered items appear in the notes to Departmental Financial Statements (refer to section F: Notes about Administered Activities).

Further information can be obtained by referring to the Public Reports of office expenses tabled twice-yearly in Parliament.

**Department of the Premier and Cabinet
Notes to the Financial Statements
for the year ended 30 June 2022**

A3: Machinery-of-Government Changes

Transfers out – Administered Activities

Details of transfer: Trade and Investment Queensland (TIQ) transferred to Queensland Treasury
Basis of transfer: Public Service Department Arrangements Notice (No. 2) 2021 dated 7 October 2021
Date of transfer: Effective from 1 November 2021

There were no material assets or liabilities transferred as a result of this change.

A4: Controlled Entities

Screen Queensland Pty Ltd (SQ) is a controlled entity of the department and forms part of the economic entity. SQ is incorporated in the State of Queensland and is limited by shares held beneficially by the State of Queensland. Its principal activities during the course of the year were the facilitation of the development, promotion and enhancement of the film production industry, and film culture and presentation of film and film-related events in Queensland. The share capital of SQ consists of one fully paid share to the value of \$10 and is held by the department on behalf of the State of Queensland.

The auditor for the department and SQ is the Auditor-General of Queensland.

SQ is a reporting entity in its own right and the audited financial statements are included in their annual report. A summary of the audited financial information is as follows.

	2022	2021
	\$'000	\$'000
Total income	39,109	52,743
Total expenses	21,268	21,034
Total comprehensive income	17,841	31,709
Total assets	92,778	78,652
Total liabilities	12,212	15,927
Net assets	80,566	62,725

Department of the Premier and Cabinet
Notes to the Financial Statements
for the year ended 30 June 2022

Section B: Notes about our Financial Performance

B1: Revenue

B1-1: Appropriation Revenue

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

	Economic Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Original budgeted appropriation revenue	99,816	87,757	99,816	87,757
Transfer from/(to) other headings	538	-	538	-
Lapsed departmental services appropriation	-	(9,422)	-	(9,422)
Total appropriation received (cash)	100,354	78,335	100,354	78,335
Less: Opening balance of appropriation revenue receivable	-	-	-	-
Plus: Effect of adoption of new accounting standards	-	-	-	-
Plus: Opening balance of deferred appropriation payable to Consolidated Fund	3,048	19,618	3,048	19,618
Less: Closing balance of deferred appropriation payable to Consolidated Fund	(11,894)	(3,048)	(11,894)	(3,048)
Appropriation revenue recognised in the statement of comprehensive income	91,508	94,905	91,508	94,905

Appropriations provided under the *Appropriation Act 2021* are recognised as revenue when received. Where the department has an obligation to return unspent (or unapplied) appropriation receipts to Consolidated Fund at year end (a deferred appropriation repayable to Consolidated Fund), a liability is recognised with a corresponding reduction to appropriation revenue, reflecting the net appropriation revenue position with Consolidated Fund for the reporting period.

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 section F: Notes about our Administered Activities).

	Economic Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
B1-2: User Charges and Fees				
Corporate services partnership agreements	2,777	3,273	2,777	3,273
Sales of goods/services	479	511	479	511
Other	451	878	78	-
Total	3,707	4,662	3,334	3,784

User charges and fees controlled by the department are recognised as revenue when the department and SQ transfers control over a good or service to the customer and as each performance obligation is satisfied. This usually occurs upon the delivery of the goods or completion of the requested services to the customer at which time the invoice is raised.

Accrued user charges are recognised if the revenue has been earned but not yet invoiced.

User charges includes transactions of \$0.711M (2020-21: \$0.852M) with related parties represented by other Queensland Government entities, none of which are considered individually material and primarily represent the recovery of corporate costs provided by the department.

**Department of the Premier and Cabinet
Notes to the Financial Statements
for the year ended 30 June 2022**

B1-3: Grants and Other Contributions

	Economic Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Commonwealth contributions	2,827	150	2,827	150
Contributions from Queensland Government Departments	37,845	48,699	775	117
Total	40,672	48,849	3,602	267

Contributions revenue arise from non-exchange transactions where the department does not directly give approximately equal value to the grantor.

The department has not received any grants and contributions to be recognised under AASB 15 *Revenue from contracts with customers*. Revenue is recognised upon receipt of the grant funding under AASB 1058 *Income of Not-for-Profit Entities*.

The department has not received any special purpose capital grants.

Contributions from Queensland Government departments are related party transactions.

B1-4: Other Revenue

	Economic Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Graduate program ⁽¹⁾	3,340	4,555	3,340	4,555
Interest receipts	393	418	50	145
Sponsorships	337	327	437	402
Goods/Services received below fair value ⁽²⁾	2,343	2,296	2,343	2,296
Other	1,654	2,266	382	399
Total	8,067	9,862	6,552	7,797

⁽¹⁾ The department receives payment for the whole-of-government policy graduates' program for graduates recruited under a two year program. Revenue from the program is recognised when control has been transferred (when graduates are made available to participating agencies) and as each performance obligation is satisfied.

⁽²⁾ The department recognises goods/services received below fair value only if the services would have been purchased if they had not been donated and their value can be measured reliably. Where this is the case, an equal amount is recognised as revenue with a corresponding expense.

The Brisbane 2032 Taskforce is leading Brisbane 2032 Olympic and Paralympic Games related activities across the Queensland Government. The department received in-kind contributions of \$1.244M (2020-21: \$0.695M) towards the Brisbane 2032 Taskforce from other Queensland Government Agencies. Refer to note B2-1.

The department also received in-kind contributions from other Queensland Government Agencies of \$0.314M (2020-21: \$0.288M) towards the Public Sector Reform Office. The Public Sector Reform Office was established to implement public sector reforms, including overseeing the Government's response to the Bridgman Review.

In-kind contributions received toward the Brisbane 2032 Taskforce and Public Sector Reform Office predominantly relates to the operations, salaries and wages met by other government agencies.

**Department of the Premier and Cabinet
Notes to the Financial Statements
for the year ended 30 June 2022**

B2: Expenses

B2-1: Employee Expenses

	Economic Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Employee benefits				
Wages and salaries	46,995	47,318	43,844	44,680
Employer superannuation contributions	6,090	6,008	5,786	5,766
Annual leave levy	4,812	4,414	4,818	4,424
Long service leave levy	1,095	1,084	1,095	1,084
Termination benefits	127	95	127	95
Other employee benefits	899	569	788	550
Employee related expenses				
Workers' compensation premium	51	46	42	37
Other employee related expenses	583	219	399	115
Goods and services received below fair value ⁽¹⁾	1,558	1,509	1,558	1,509
Total	62,210	61,262	58,457	58,260
Number of employees				
Paid Full time equivalent (FTE) employees	470	430	442	405
Employees' services received below fair value ⁽¹⁾	10	12	10	12
Total employees	480	442	452	417

⁽¹⁾ This relates to officers working in the department from other Queensland Government agencies who continue to be paid by their home agency payroll system (refer to note B1-4).

Wages and salaries are recognised based on the period where service has been received. The payments due but unpaid at reporting date are recognised at current salary rates. The department expects such liabilities to be settled within 12 months of reporting date.

Sick leave taken each reporting period is generally less than the entitlement accrued. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements has been recognised. As sick leave is non-vesting, an expense is recognised as it is taken.

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

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

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

Under the Queensland Government's Annual Leave Central Scheme (ALCS) and Long Service Leave Central Scheme (LSLCS), the levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave and long service leave are claimed quarterly in arrears. These schemes are administered by Queensland Treasury which is a related party.

The department's controlled entity, SQ, does not participate in the centralised leave schemes. For SQ employees annual leave and long service leave are recognised in accordance with AASB 119 *Employee Benefits* with the liability split between current and non-current components.

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

The department undertakes a whole of government policy futures graduate program which employed 49 graduates as at 30 June 2022 (2020-21: 46). The graduate FTE numbers are included in the department totals stated. Key management personnel and remuneration disclosures are detailed in note G1.

**Department of the Premier and Cabinet
Notes to the Financial Statements
for the year ended 30 June 2022**

B2-2: Supplies and Services	Economic Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Building services ⁽¹⁾	10,339	9,961	10,306	9,962
Professional services	1,540	2,326	1,365	2,222
Consultants and contractors	3,973	2,104	3,973	2,104
Advertising and communications	8,068	12,071	7,940	11,962
Information technology bureau services	4,145	4,242	3,920	4,044
Outsourced corporate support	1,442	1,433	1,442	1,433
Hospitality and official functions	363	261	346	249
Travel	332	293	256	271
Venue hire	233	158	233	158
Telephone and communications support	309	272	275	242
Lease expenses	405	369	-	-
Other	2,071	1,665	1,108	1,122
Total	33,220	35,155	31,164	33,769

For a transaction to be classified as supplies and services, the value of the goods and services received by the department must be approximately equal to the value of the consideration exchanged for those goods or services. Where this is not the substance of the arrangement, the transactions are classified as grants and subsidies in note B2-3.

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

⁽¹⁾ Payments for non-specialised commercial office accommodation under the Queensland Government Accommodation Office (QGAO) framework and residential accommodation properties under the Government Employee Housing (GEH) program arise from non-lease arrangements with the Department of Energy and Public Works, which has substantive substitution rights over the assets used within these schemes. Payments are expensed as incurred and categorised within building services.

Supplies and services for the economic entity include transactions of \$13.625M (2020-21: \$14.518M) with related parties represented by other Queensland Government entities. Included in this amount is \$9.821M (2020-21: \$9.881M) for property rent at market rate charged by the Department of Energy and Public Works for the year ended 30 June 2022.

**Department of the Premier and Cabinet
Notes to the Financial Statements
for the year ended 30 June 2022**

B2-3: Grants and Subsidies	Economic Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Recurrent				
Grants to private sector entities	11,490	14,128	247	270
Grants to government entities and not-for-profit entities	4,090	1,482	4,090	1,482
Total recurrent	15,580	15,610	4,337	1,752
Capital				
Grants to not-for-profit and other entities	423	-	423	-
Total capital	423	-	423	-
Subsidies				
Contributions	3,746	5,310	3,746	6,309
Donations and gifts made	3,246	2,715	3,246	2,715
Total subsidies	6,992	8,025	6,992	9,024
Total	22,995	23,635	11,752	10,776

Grants occur when a payment or contribution is made to an organisation or person in return for performance of a certain objective in compliance with certain terms and conditions, and which does not directly give approximately equal value in return to the department. A subsidy is a payment or contribution made to an organisation or person which is in essence, a form of financial assistance to reduce all or part of the costs of a recipient in meeting its own objectives.

Grants and subsidies are recognised when the obligation for a transfer of resources arises according to the terms of the funding agreement. Grants and subsidies for the economic entity include transactions of \$5.392M (2020-21: \$5.976M) with related parties represented by other Queensland Government entities.

B2-4: Depreciation and Amortisation	Economic Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Depreciation and amortisation	1,932	1,310	317	370
Depreciation - Right-of-use asset	2,302	1,519	-	-
Total	4,234	2,829	317	370

B2-5: Other Expenses	Economic Entity		Parent Entity	
Sponsorships	3,127	2,958	3,127	2,958
External audit fees ⁽¹⁾	143	127	103	92
Insurance premiums - QGIF ⁽²⁾	43	38	26	23
Other	10	367	-	360
Total	3,323	3,490	3,256	3,433

⁽¹⁾ Total audit fee quoted by the Queensland Audit Office (QAO) relating to the 2021-22 financial statements was \$231,500 (2020-21: \$219,000). This fee includes an internal allocation of \$92,000 (2020-21: \$92,000) for audit services to the Ministerial Services and \$7,500 for ANZAC Day Trust. There are no non-audit services included in the amount.

⁽²⁾ The Queensland Government Insurance Fund (QGIF) is an internal Queensland Treasury managed fund to oversee the State Government's self-insurance scheme. Queensland Treasury is a related party.

**Department of the Premier and Cabinet
Notes to the Financial Statements
for the year ended 30 June 2022**

Section C: Notes about our Financial Position

C1: Cash and Cash Equivalents

	Economic Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Imprest accounts	1	1	1	1
Cash at bank and on hand	82,330	51,619	17,315	13,490
Total	82,331	51,620	17,316	13,491

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques received but not banked at 30 June 2022 as well as deposits at call with financial institutions.

The majority of cash funds of SQ are held with Queensland Treasury Corporation (QTC).

C2: Receivables and Loans Receivable

	Economic Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current				
Trade debtors	15,149	20,929	762	903
GST input tax credits receivable	508	1,283	404	445
GST payable	(3)	(42)	-	-
Net GST receivable	505	1,241	404	445
Loans receivable	-	6,052	-	6,084
Annual leave reimbursements	988	921	988	921
Long service leave reimbursements	358	147	358	147
Other receivables	45	35	7	24
Total current receivables and loans receivable	17,045	29,325	2,519	8,524
Non-current				
Loans receivable	5,787	4,900	5,816	4,909
Total non-current receivables and loans receivable	5,787	4,900	5,816	4,909

All current receivables and loans receivable plus any transaction costs relating to loans receivable are recognised at cost.

Settlement of trade debtors is generally required within 30 days from the invoice date for the department and 14 days from the invoice date for SQ. Refer to note D3 for further disclosure on financial risks of the department.

Loan receivables are represented solely by the Revolving Film Finance Fund (RFFF). The RFFF provides secured loans to cash flow film and television productions and for infrastructure projects that will benefit the film and television industry. The loans are administered by SQ on behalf of the Government. All funds are drawn from QTC which is a related party. Applicants apply for the loan through SQ and once approved, the department recognises a loan receivable from SQ and payable to QTC with interest (determined by applying the simple interest method of calculating interest charge) passed onto SQ, (refer to note C8). This means that all costs incurred by the department in managing the RFFF are passed onto SQ.

The loans between SQ and the production companies have fixed periods and are subject to an interest rate of 50% of the 90 day Bank Bill Swap Rate.

Annual Leave and Long Service Leave reimbursements represent the amounts recoverable from the whole-of-government ALCS and LSLCS that are claimed quarterly in arrears (refer to note B2-1).

**Department of the Premier and Cabinet
Notes to the Financial Statements
for the year ended 30 June 2022**

C3: Other Current Assets

	Economic Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Prepayments and other	937	1,059	842	998
Contract assets	798	535	798	535
Total	1,735	1,594	1,640	1,533

Contract assets arise from contracts with customers and are transferred to receivables when the department and SQ's right to payment becomes unconditional. This usually occurs when the invoice is issued to the customer.

C4: Intangibles and Amortisation Expense

	Economic Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Software internally generated				
At cost	5,668	5,655	5,668	5,655
Less: Accumulated amortisation	(3,759)	(3,482)	(3,759)	(3,482)
Carrying amount at 30 June	1,909	2,173	1,909	2,173
Software work in progress				
At cost	94	77	94	77
Carrying amount at 30 June	94	77	94	77
Total	2,003	2,250	2,003	2,250

**Department of the Premier and Cabinet
Notes to the Financial Statements
for the year ended 30 June 2022**

C5-2: Recognition and Measurement

Items of plant and equipment with a historical cost or other value equal to or exceeding the \$5,000 threshold in the year of acquisition are reported as plant and equipment.

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

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

C5-3: Depreciation Expense and Impairment

Depreciation expense

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

Key judgement: Straight-line depreciation is used reflecting the progressive, even consumption of future economic benefits over their useful life to the department and economic entity.

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

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. Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed.

Key estimate: Plant and equipment is depreciated on a straight-line basis between 10-47% (2020-21: 10-47%). The estimation of useful life and resulting depreciation rates are based on a number of factors including the department's past experience, the planned replacement program and expected usage, wear and tear, obsolescence and fiscal capacity. Useful lives are reviewed on an annual basis.

Impairment

Plant and equipment is assessed annually for impairment using a combination of external and internal impairment indicators.

An impairment loss is recognised immediately in the Statement of Comprehensive Income. 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. The department and SQ assets are not carried at revalued amounts.

Key judgement: Impairment assessment is performed and if an indicator of possible impairment exists, management determine the asset's recoverable amount.

No items of plant and equipment were impaired at 30 June 2022.

C6: Right-of-use Assets

	Economic Entity	
	2022	2021
	\$'000	\$'000
Office accommodation		
Right-of-use assets		
Opening balance at 1 July	4,409	5,989
Additions	3,335	-
Disposals/ derecognition	-	(61)
Depreciation charge	(2,302)	(1,519)
Closing balance at 30 June	5,442	4,409

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

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

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

**Department of the Premier and Cabinet
Notes to the Financial Statements
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C6: Right-of-use Assets (cont'd)

The carrying amount of right-of-use assets are adjusted for any remeasurement of the lease liability in the financial year following a change in discount rate, a reduction in lease payments payable, changes in variable lease payments that depend upon variable indices/rates or a change in lease term.

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

Refer to note C10 for disclosure on lease liabilities.

C7: Payables

	Economic Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current				
Deferred appropriation payable to Consolidated Fund	11,894	3,048	11,894	3,048
Trade creditors and accruals	3,679	8,146	3,507	9,063
Grants and subsidies payable	1,033	354	1,033	354
Other	287	486	216	228
Total	16,893	12,034	16,650	12,693

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the purchase contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are recognised as a current liability. The amounts are normally paid within 30 days of recognition of the liability.

C8: Borrowings

QTC borrowings disclosed in the statements are on behalf of SQ for the RFFF facility (refer to note C2). The department has an approved facility of \$30M as at 30 June 2022.

QTC is a related party. These borrowings are established initially at a fixed interest rate. The interest rates on borrowings ranged from 0.79% to 2.19% as at 30 June 2022. There have been no defaults or breaches of the loan agreements during the period.

Payment dates of the two loans outstanding as at 30 June 2022 is sixteen months. The maturity profile is disclosed in note D3. Loans are initially established as fixed rate loans. Where an extension of the original term is requested, the department has an option to refinance the loan as a variable rate loan. This option was adopted in 2020-21.

All QTC loans plus any borrowing costs are recognised at cost. The borrowing costs are added to the carrying amount of the loans to the extent they are not settled in the period in which they arise.

Borrowings are split between current and non-current liabilities using the principles set out under the basis of financial statement preparation section of this financial report.

The fair value of interest-bearing liabilities is set out in note D3-4.

Disclosures about Sensitivity to Interest Rate Movements

The following interest rate sensitivity analysis depicts the outcome on net income if interest rates would change by +/-1% from the year end rates as applied to the department's variable rate borrowings from QTC for 2021-22.

Department of the Premier and Cabinet
Notes to the Financial Statements
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C8: Borrowings (cont'd)

Financial Year	Financial Liability	Carrying amount \$'000	Interest Rate Risk			
			-1%		+1%	
			Operating Result \$'000	Equity \$'000	Operating Result \$'000	Equity \$'000
2022	QTC Borrowings	4,925	(49)	(49)	49	49
	Potential impact on		(49)	(49)	49	49
2021	QTC Borrowings	6,797	(68)	(68)	68	68
	Potential impact on		(68)	(68)	68	68

The impact of these interest rate movements is mitigated through loan receivable agreements made between the department and SQ.

C9: Accrued Employee Benefits

	Economic Entity		Parent Entity	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current				
Long service leave levy payable	379	269	379	269
Annual leave levy payable	1,356	1,127	1,356	1,127
Accrued long service leave	76	55		
Accrued annual leave	158	155		
Accrued salaries and wages	85	405	85	405
Total current	2,054	2,011	1,820	1,801
Non-current				
Accrued long service leave	-	30	-	-
Total non-current	-	30	-	-

The Parent Entity's financial statements do not contain a provision for annual leave or long service leave as the liability is held on a whole of government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. The economic entity includes SQ which does not participate in whole of government central leave schemes. As such, the economic entity reflects provisions for leave associated with SQ.

Accrued salary and wages represent due but unpaid wages and salaries. They are recognised at current salary rates as it is expected these liabilities will be settled within 12 months of year end.

C10: Lease Liabilities - Leases as Lessee

Office accommodation	Economic Entity	
	2022 \$'000	2021 \$'000
Lease liabilities		
Current	2,511	1,734
Non-current	3,406	2,612
Total	5,917	4,346

**Department of the Premier and Cabinet
Notes to the Financial Statements
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C10: Lease Liabilities – Leases as Lessee (Cont'd)

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

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

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

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

Disclosures – Leases as lessee

(i) Details of leasing arrangements as lessee

SQ enters into lease arrangements for the following office accommodations:

Leasing Arrangements	Details of Leasing Arrangements as Lessee
Level 2, 130 Commercial Road, Teneriffe	6 year lease, commencing 1 February 2020 to 31 January 2026. There are 2 x 3 year options in the agreement. Monthly lease payments are fixed with a 3.5 percent annual rent review.
Screen Queensland Studios, 45 Gosport Street, Hemmant	5 year lease commencing 11 July 2018 to 10 July 2023. There are 2 x 3 year options in the agreement. Monthly lease payments are fixed with a 3 percent annual rent review.
98-1,4 Fearnley Street, Cairns, Queensland	5 year lease commencing 11 November 2021 to 14 November 2026. There are 2 x 3 year options in the agreement. Monthly lease payments are fixed with a 2 percent annual rent review.

(ii) Office accommodation and motor vehicles

The Department of Energy and Public Works (DEPW) provides the department with access to office accommodation and motor vehicles under government-wide frameworks. These arrangements are categorised as procurement of services rather than as leases because DEPW has substantive substitution rights over the assets. The related service expenses are included in note B2-2.

	Economic Entity		Parent Entity	
	2022	2021	2022	2021
<i>(iii) Interest recognised in profit or loss</i>	\$'000	\$'000	\$'000	\$'000
Interest expense on lease liabilities	81	53		-
<i>(iv) Total cash outflow for leases</i>	1845	1,766		-

**Department of the Premier and Cabinet
Notes to the Financial Statements
for the year ended 30 June 2022**

Section D: Notes about our Risk and Other Accounting Uncertainties

D1: Financial Contingencies

Effective 1 July 2001, the Department of the Premier and Cabinet 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 1 July 2001 and cases that have arisen since that date.

There are no litigation matters that may result in a future contingent liability for the department.

D2: Financial Commitments

	Economic Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
D2-1: Capital expenditure commitments				
Not later than one year	145	-	145	-
Total capital expenditure commitments	145	-	145	-
D2-2: Future Screen commitments ⁽¹⁾				
Not later than one year	17,406	4,764	-	-
Later than one year and not later than five years	33,930	16,660	-	-
Total Future Screen commitments	51,336	21,424	-	-

⁽¹⁾ SQ enters into contracts with practitioners from the screen industry for the provision of grant funding. A commitment has been recognised when a contract has been entered into by the entity. Amounts are transferred from a commitment to a liability when the terms, conditions and deliverables as per the contract have been fulfilled by the industry practitioner.

D3: Financial Risk Disclosures

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. No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position. The department has the following categories of financial assets and financial liabilities:

D3-1: Financial Instrument Categories

	Note	Economic Entity		Parent Entity	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash and cash equivalents	C1	82,331	51,620	17,316	13,491
Receivables and loans receivable at amortised cost	C2	22,832	34,225	8,335	13,433
Total		105,163	85,845	25,651	26,924
Financial liabilities at amortised cost					
Payables	C7	16,893	12,034	16,650	12,693
Financial liabilities	C8	5,816	10,993	5,816	10,993
Lease liabilities	C10	5,917	4,346	-	-
Total		28,626	27,373	22,466	23,686

**Department of the Premier and Cabinet
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D3-2: Financial Risk Management

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.

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

Credit risk

Credit risk is the risk that the department may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.

The department has credit risk exposure through the RFFF loan facility. If a default on a film assistance loan occurs there is potential for the loan to become non-recoverable to SQ and ultimately to the department.

This credit risk is mitigated through the use of a credit management strategy. The strategy involves the SQ board approving all new loan arrangements after a comprehensive application process and an ongoing monitoring process. All loan arrangements are initially on a secured, fixed term, interest bearing basis (refer to note C8).

The security is a fixed and floating charge over the assets of the borrower held by SQ.

SQ has individually assessed each loan for impairment. No loans were impaired for 2020-21 and 2021-22.

There is minimal credit risk exposure for all other financial assets. 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 provisions for impairment.

Liquidity risk

Liquidity risk is the risk that the department may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets.

The department is exposed to liquidity risk of its payables and borrowings from QTC. 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 employee and supplier liabilities.

The following tables set out the liquidity risk of financial liabilities held by the department and SQ. They represent the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date. The undiscounted cash flows in these tables differ from the amounts included in the statement of financial position based on discounted cash flows.

Economic Entity	2022				2021	Contractual Maturity			
	Total	< 1 Year	1-5 Years	> 5 Years		Total	< 1 Year	1-5 Years	> 5 Years
	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	\$'000
Payables	3,679	3,679	-	-	8,146	8,146	-	-	
QTC borrowings	5,973	-	5,973	-	11,055	6,108	4,948	-	
Lease liabilities	6,213	2,632	3,581	-	4,593	1,815	2,778	-	
Total	15,865	6,311	9,554	-	23,794	16,069	7,726	-	

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

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D3-2: Financial Risk Management (cont'd)

The department does not trade in foreign currency and is not materially exposed to commodity price changes or other market prices.

The department is exposed to interest rate risk through its borrowings from QTC (refer to note C8). Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

D3-3: Financial Assets

The collectability of receivables is assessed periodically with an allowance for impairment being made where receivables are impaired. No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired and are stated at the carrying amounts. Settlement of trade debtors is generally required within 30 days from the invoice date and any debts not paid within this settlement period are treated as overdue debts.

The department has not adopted the simplified approach under AASB 9 *Financial Instruments* and measures lifetime expected credit losses on all trade receivables and contract assets using a provision matrix approach as a practical expedient to measure the impairment provision.

The department has assessed each debtor individually for impairment. No debtors were impaired for 2021-22 (2020-21: nil).

D3-4: Fair Value Disclosures

	Economic Entity				Parent Entity			
	2022		2021		2022		2021	
	Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000
Financial assets								
Loans receivable	5,787	5,787	10,952	10,952	5,816	5,805	10,993	11,010
Total	5,787	5,787	10,952	10,952	5,816	5,805	10,993	11,010
Financial liabilities								
QTC borrowings	5,816	5,805	10,993	11,010	5,816	5,805	10,993	11,010
Total	5,816	5,805	10,993	11,010	5,816	5,805	10,993	11,010

The fair value of borrowings is notified by QTC and is calculated using discounted cash flow analysis and the effective interest rate.

Loan receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Refer to note C2 with respect to existing loan arrangements between the department and SQ.

D4: Events Occurring after Balance Date

There are no matters of significance to the financial statements which occurred after 30 June 2022.

Section E: Notes about our Performance Compared to Budget and Significant Financial Impacts from COVID-19

E1: Financial Impact of COVID-19

There were no significant impacts of COVID-19 on the department and SQ for the year. Therefore, no adjustments were required for the financial statements.

The COVID-19 Response and Recovery Taskforce continued to support the response and recovery to COVID-19 for Queensland during 2021-22. The taskforce received a contribution of \$100,000 (2020-21: \$0.056M) from Queensland Health and \$6.337M (2020-21: \$10.894M) approved by the Cabinet Budget Review Committee for communication and engagement activities. The taskforce did not receive any in-kind contributions from other agencies in 2021-22 (2020-21: \$0.562M).

E2: Explanation of Major Variances

This section contains explanations of major variances between the department's actual 2021-22 financial results and the original budget presented to Parliament.

E2-1: Budget to Actual Comparison – Statement of Comprehensive Income

		Budget	Actual	Variance
	Variance	2022	2022	2022
	Notes	\$'000	\$'000	\$'000
Income from continuing operations				
Appropriation revenue	1	99,816	91,508	(8,308)
User charges and fees		3,479	3,334	(145)
Grants and other contributions	2	1,242	3,602	2,360
Other revenue	3	4,627	6,552	1,925
Total income from continuing operations		109,164	104,996	(4,168)
Expenses from continuing operations				
Employee expenses	4	61,803	58,457	(3,346)
Supplies and services	5	26,003	31,164	5,161
Grants and subsidies	6	18,828	11,752	(7,076)
Depreciation and amortisation		409	317	(92)
Finance/Borrowing costs		55	50	(5)
Other expenses	7	2,066	3,256	1,190
Total expenses from continuing operations		109,164	104,996	(4,168)
Total comprehensive income		-	-	-

Variance notes:

- The decrease in appropriation revenue is primarily due to:
 - deferral of funding to 2022-23 and across the forward estimates to realign anticipated project milestones for limited life programs and departmental initiatives (\$17.710M);
 - return of funding to consolidated fund (\$0.509M); and
 - contribution to support the administration of the National Redress Scheme (\$0.150M).

This was offset by additional funding received for:

- expenditure for the COVID-19 Response and Recovery Taskforce (\$6.337M);
- employee cost increases including the impact of enterprise bargaining arrangements (\$1.344M);
- Tradies in Paradise initiative (\$1.280M);

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E2-1: Budget to Actual Comparison – Statement of Comprehensive Income (cont'd)

- the establishment of the Commission of Inquiry to examine Queensland Police Service responses relating to domestic and family violence (\$0.786M);
- Commission of Inquiry into Forensic and Scientific Services and Queensland Police Services forensic DNA collection, testing and analysis (\$0.207M); and
- Floods Class Action expense (\$0.156M).

2. The increase is primarily due to:

- grant received from the Federal Government to support the State Service Delivery to Norfolk Island (\$2.827M); and
- contributions received from other State Government Agencies to support the Brisbane 2032 Taskforce (\$0.150M) and the COVID-19 Response and Recovery Taskforce (\$0.100M).

This was offset by published budget category alignment for Goods and Services received in-kind to Grants and other Contributions, with actual revenue recognised as Other Revenue (\$0.709M).

3. The increase is primarily due to:

- staffing resources received in-kind from other State Government Agencies to work in the Brisbane 2032 Taskforce (\$1.244M) and Public Sector Reform Office (\$0.314M);
- published budget category alignment for Goods and Services received in-kind to Grants and other Contributions category, with actual revenue recognised as Other Revenue (\$0.709M);
- additional sponsorship and other revenue received for events held in 2021-22 (\$0.536M);
- proceeds from the disposal of ICT devices (\$0.159M);
- increased archive storage facilities received in-kind (\$0.076M); and
- reimbursements received from the International Olympic Committee for expenses incurred in travelling to the Tokyo Olympics for the announcement of the 2032 Olympic and Paralympic Games (\$0.039M).

This was offset by lower revenue received for the Policy Futures Graduate Program due to reduced 2020 and 2021 cohorts (\$1.164M).

4. The decrease in employee expenses is primarily due to:

- short term vacancies during 2021-22 (\$4.503M);
- reduced 2020 and 2021 cohort for the Policy Futures Graduate Programs (\$1.161M); and
- lower professional development and training costs (\$0.147M).

This was offset by:

- staffing resources received in-kind from other State Government Agencies to work in the Brisbane 2032 Taskforce (\$1.244M) and the Public Sector Reform Office (\$0.314M);
- establishment of the Norfolk Island Taskforce (\$0.440M), Commission of Inquiry to examine Queensland Police Service responses relating to domestic and family violence (\$0.122M) and Commission of Inquiry into DNA Testing Conducted by Queensland Health Forensic and Scientific Services (\$0.019M); and
- increased other employee expenses during 2021-22 for recruitment costs (\$0.190M) and severance payments (\$0.126M).

5. The increase in supplies and services is primarily due to:

- increased expenditure on advertising and communication (\$5.962M) largely in response to the COVID-19 pandemic, contractors and consulting expenses (\$1.018M); and
- the establishment of the Commission of Inquiry to examine Queensland Police Service responses relating to domestic and family violence (\$0.297M), Commission of Inquiry into DNA Testing Conducted by Queensland Health Forensic and Scientific Services (\$0.188M) and Norfolk Island Taskforce (\$0.183M).

This was offset by:

- deferral of Alcohol Fuelled Violence programs (\$0.500M); and
- decreases in travel related expenditure (\$0.607M), expenditure on Information Technology Bureau Services (\$0.520M), hospitality and venue hire expenses (\$0.410M) and other office related expenditure (\$0.450M).

6. The decrease is primarily due to:

- lower contributions to Department of Tourism, Innovation and Sport (DTIS) for expenditure relating to the Brisbane 2032 Candidature bid, due to Federal funding received (\$3.284M);
- internal transfers of funding from Director General's Reserve to support COVID-19 Response and Recovery Taskforce urgent communication campaigns (\$2.668M) and establishment of Brisbane 2032 Taskforce (\$1.200M); and
- deferral of funding for grant programs to align with milestone timelines including restoration works for the Anzac Square Undercroft Galleries (\$1.914M).

This was offset by contributions paid to other Queensland Government Agencies for the State Service Delivery to Norfolk Island (\$1.430M) and increased grants paid for Queensland Government Strategy for Veterans programs (\$0.601M) and Veterans Grants Program (\$0.090M) due to milestones met within 2021-22.

7. The variance is primarily due to timing of sponsorship commitments for the Events Sponsorship Fund (\$1.094M) and increase in sponsorship paid for events held in 2021-22 (\$0.103M).

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E2-2: Budget to Actual Comparison – Statement of Financial Position

	Variance	Budget	Actual	Variance
	Notes	2022	2022	2022
		\$'000	\$'000	\$'000
Current assets				
Cash and cash equivalents	8	4,892	17,316	12,424
Receivables and loans receivable	9	4,468	2,519	(1,949)
Other current assets	10	866	1,640	774
Total current assets		10,226	21,475	11,249
Non-current assets				
Receivables and loans receivable	11	8,328	5,816	(2,512)
Intangible assets	12	2,577	2,003	(574)
Plant and equipment		231	58	(173)
Total non-current assets		11,136	7,877	(3,259)
Total assets		21,362	29,352	7,990
Current liabilities				
Payables	13	4,521	16,650	12,129
Borrowings	9	1,693	-	(1,693)
Accrued employee benefits		1,500	1,820	320
Other liabilities		800	415	(385)
Total current liabilities		8,514	18,885	10,371
Non-current liabilities				
Borrowings	11	8,328	5,816	(2,512)
Other liabilities		-	131	131
Total non-current liabilities		8,328	5,947	(2,381)
Total liabilities		16,842	24,832	7,990
Net assets		4,520	4,520	-

Variance notes:

8. Refer to Budget to Actual comparison in the Statement of Cash Flows E2-3.
9. The decrease is primarily due to:
- the repayment of Revolving Film Finance Fund loans as per loan terms (\$1.693M);
 - published budget category alignment for accrued revenue accounted for with Current Receivables, and actuals recognised as Other Current Assets as per AASB 15 *Revenue* Standard (\$0.798M); and
 - lower than budgeted trade debtors closing balance (\$0.240M).

This was offset by higher than budgeted ALCS and LSLCS receivables (\$0.816M).

10. Variance is due to published budget category alignment for accrued revenue accounted for with current receivables, and actuals recognised as Other Current Assets as per AASB 15 *Revenue* Standard.

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E2-2: Budget to Actual Comparison – Statement of Financial Position (cont'd)

11. The decrease is primarily due to lower than anticipated new Revolving Film Finance Fund loans (\$2.512M).
12. The decrease is primarily due to timing of completion of IT systems development projects (\$0.574M).
13. The increase is primarily due to the appropriation payable for funding deferrals to 2022-23 (\$11.894M).

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E2-3: Budget to Actual Comparison – Statement of Cash Flows

	Variance	Budget	Actual	Variance
	Notes	2022	2022	2022
		\$'000	\$'000	\$'000
Cash flows from operating activities				
<i>Inflows:</i>				
Service appropriation receipts		99,816	100,354	538
User charges and fees		3,475	3,588	113
Grants and other contributions	14	533	3,602	3,069
Interest receipts		55	50	(5)
GST input tax credits from ATO	15	3,000	3,092	92
GST collected from customers		170	408	238
Other	16	8,049	4,291	(3,758)
<i>Outflows:</i>				
Employee expenses	17	(61,631)	(57,019)	4,612
Supplies and services	18	(26,009)	(32,278)	(6,269)
Grants and subsidies	19	(18,828)	(14,835)	3,993
Finance/borrowing costs		(55)	(50)	5
GST paid to suppliers		(5,635)	(3,679)	1,956
GST remitted to ATO		(243)	(371)	(128)
Other	20	(2,059)	(3,244)	(1,185)
Net cash provided by operating activities		638	3,910	3,272
Cash flows from investing activities				
<i>Inflows:</i>				
Loans and advances redeemed		6,223	6,114	(109)
<i>Outflows:</i>				
Payments for plant and equipment	21	(251)	(55)	196
Payments for intangibles	22	(309)	(30)	279
Loans and advances made	23	(5,000)	(887)	4,113
Net cash used in investing activities		663	5,143	4,480
Cash flows from financing activities				
<i>Inflows:</i>				
Proceeds from borrowings		5,000	887	(4,113)
<i>Outflows:</i>				
Borrowing redemptions		(6,223)	(6,114)	109
Net cash provided by financing activities		(1,223)	(5,227)	(4,004)
Net increase/(decrease) in cash and cash equivalents		78	3,825	3,747
Cash and cash equivalents at beginning of financial year		13,491	13,491	-
Cash and cash equivalents at end of financial year		13,569	17,316	3,747

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E2-3: Budget to Actual Comparison – Statement of Cash Flows (cont'd)

Variance notes:

14. The increase in grants and other contributions is primarily due to grant received from the Federal Government to support the State Service Delivery to Norfolk Island (\$2.827M), and contributions received from other State Government Agencies to the Brisbane 2032 Taskforce (\$0.150M) and to COVID-19 Response and Recovery Taskforce (\$0.100M).

15. An increase in GST input tax credit inflows is due to the timing of claiming GST input tax credits from payments in prior year accruals and the timing of GST paid to suppliers.

16. The decrease in other inflows is primarily due to lower than budgeted movement in trade debtors (\$3.343M) and less revenue received due to reduced 2020 and 2021 cohorts for the Policy Futures Graduate Program (\$1.164M).

This is offset by increases in sponsorship and other revenue received for events held in 2021-22 (\$0.536M), revenue received for disposal of ICT devices (\$0.159M) and reimbursement received from International Olympic Committee for expenses incurred in travelling to the Tokyo Olympics for announcement of 2032 Olympic and Paralympic Games host (\$0.039M).

17. The variance in employee expenses is primarily due to:
- short term vacancies during 2021-22 (\$4.503M);
- reduced 2020 and 2021 cohort for the Policy Future Graduate Programs (\$1.161M); and
- lower professional development and training costs (\$0.147M).

This is offset by:

- higher than budgeted accrued employee benefits;
- establishment of Norfolk Island Taskforce (\$0.440M), Commission of Inquiry to examine Queensland Police Service responses relating to domestic and family violence (\$0.122M) and Commission of Inquiry into DNA Testing Conducted by Queensland Health Forensic and Scientific Services (\$0.020M); and
- increased other employee expenses during 2021-22 for recruitment costs (\$0.190M) and severance payments (\$0.126M).

18. The increase in supplies and services is primarily due to additional expenditure for the COVID-19 Response and Recovery Taskforce (\$6.337M).

19. The decrease in grants and subsidies outflows is primarily due to:
- support for urgent COVID-19 Response and Recovery Taskforce communication campaigns (\$2.668M);
- establishment of the Brisbane 2032 Taskforce (\$1.200M);
- lower contributions to Department of Tourism, Innovation and Sport (DTIS) for expenditure relating to the Brisbane 2032 Candidature bid, due to Federal funding received (\$0.934M); and
- deferral of funding for grant programs to align with anticipated project timelines, including restoration works for the Anzac Square Undercroft Galleries (\$1.654M).

This is offset by contributions paid to other Queensland Government Agencies for the State Service Delivery to Norfolk Island (\$1.430M) and higher than budgeted grants payable closing balance (\$1.033M).

20. The increase in other outflows is primarily due to the timing of sponsorship commitments for the Events Sponsorship Fund (\$1.094M) and increase in sponsorship paid for events managed by the department in 2021-22 (\$0.103M).

21. The decrease in plant and equipment outflows is primarily due to lower than budgeted capital expenditure on fit out of Secure Communication Room project (\$0.195M).

22. The decrease in intangible outflows is primarily due to timing of IT systems development projects (\$0.279M).

23. The variance in investing and financing activities is primarily due to lower than budgeted drawdown of Revolving Film Finance Fund loans (\$4.113M).

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Section F: Notes about our Administered Activities and Trust Transactions

F1: Schedule of Administered Income, Expenses, Assets and Liabilities

F1-1: 2021-22 Financial Information

	Ministerial Offices and Office of the Leader of the Opposition	Queensland Veterans Council	Trade and Investment Queensland	Screen Queensland	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Administered revenues					
Appropriation revenue (Note F1-4) ⁽¹⁾	51,712	-	26,726	37,070	115,508
Other revenue	40	-	-	-	40
Total administered revenues	51,752	-	26,726	37,070	115,548
Administered expenses					
Employee expenses	35,442	-	-	-	35,442
Supplies and services	15,968	-	-	-	15,968
Grants and subsidies (Note F1-3)	-	-	26,726	37,070	63,796
Depreciation and amortisation	232	-	-	-	232
Other expenses	110	-	-	-	110
Total administered expenses	51,752	-	26,726	37,070	115,548
Operating surplus/(deficit)	-	-	-	-	-
Administered assets					
Current					
Cash and cash equivalents	15,047	318	-	24,539	39,904
Receivables	1,174	-	-	-	1,174
Other current assets	456	-	-	-	456
Total current assets	16,677	318	-	24,539	41,534
Non-current					
Receivables	-	-	-	-	-
Plant and equipment/Intangibles	113	-	-	-	113
Total non-current assets	113	-	-	-	113
Total assets	16,790	318	-	24,539	41,647
Administered liabilities					
Current					
Payables	4,331	318	-	24,374	29,023
Accrued employee benefits	1,186	-	-	-	1,186
Total current liabilities	5,517	318	-	24,374	30,209
Non-current					
Payables	-	-	-	-	-
Accrued employee benefits	6,444	-	-	-	6,444
Total non-current liabilities	6,444	-	-	-	6,444
Total liabilities	11,961	318	-	24,374	36,653
Net administered assets/liabilities	4,829	-	-	165	4,994

⁽¹⁾ This appropriation revenue is provided in cash via Queensland Treasury and funds activities/expenses that the department administers on behalf of the government.

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F1-2: 2020-21 Financial Information

	Ministerial Offices and Office of the Leader of the Opposition	Former Governor's Pension	Queensland Veterans Council	Trade and Investment Queensland	Screen Queensland	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered revenues						
Appropriation revenue (Note F1-4)	50,027	-	-	45,935	48,582	144,544
Other revenue	154	-	-	-	-	154
Total administered revenues	50,181	-	-	45,935	48,582	144,698
Administered expenses						
Employee expenses	33,077	-	-	-	-	33,077
Supplies and services	16,716	-	-	-	-	16,716
Grants and subsidies (Note F1-3)	-	-	-	45,935	48,582	94,517
Depreciation and amortisation	228	-	-	-	-	228
Other expenses	160	-	-	-	-	160
Total administered expenses	50,181	-	-	45,935	48,582	144,698
Operating surplus/(reficit)	-	-	-	-	-	-
Administered assets						
Current						
Cash and cash equivalents	12,855	315	318	-	20,920	34,408
Receivables	843	-	-	214	-	1,057
Other current assets	290	-	-	-	-	290
Total current assets	13,988	315	318	214	20,920	35,755
Non-current						
Receivables	-	-	-	-	-	-
Plant and equipment/Intangibles	324	-	-	-	-	324
Total non-current assets	324	-	-	-	-	324
Total assets	14,312	315	318	214	20,920	36,079
Administered liabilities						
Current						
Payables	2,322	151	318	214	20,920	23,925
Accrued employee benefits	1,250	-	-	-	-	1,250
Total current liabilities	3,572	151	318	214	20,920	25,175
Non-current						
Payables	-	-	-	-	-	-
Accrued employee benefits	5,912	-	-	-	-	5,912
Total non-current liabilities	5,912	-	-	-	-	5,912
Total liabilities	9,484	151	318	214	20,920	31,087
Net administered assets/liabilities	4,828	164	-	-	-	4,992

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F1-3: Grants and Subsidies were Paid to the Following Entities:

	2022	2021
	\$'000	\$'000
Trade Investment Queensland	26,726	45,935
Screen Queensland	37,070	48,582
Total	63,796	94,517

F1-4: Reconciliation of Payments from Consolidated Fund to Administered Revenue

Budgeted appropriation	167,549	146,812
Transfers from/to other departments - redistribution of public business	(26,724)	-
Transfer from/(to) other headings	(538)	-
Lapsed appropriation	(13,908)	(8,742)
Total administered receipts	126,379	138,070
Plus: Opening balance of deferred appropriation payable	2,818	9,292
Plus: Transfer of appropriation receivable MOG	214	
Less: Closing balance of deferred appropriation payable	(13,903)	(2,818)
Appropriation revenue recognised in the statement of comprehensive income	115,508	144,544

F1-5: Significant Accounting Policy

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

Relevant significant accounting policies for Administered activities are in line with those stated under the Reporting Entity's notes to the Financial Statements (refer to note A1).

Queensland Ministerial Handbook includes requirements for the financial accountability of Ministerial Offices and the Office of Leader of Opposition (refer to note A2).

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F2: Budget to Actual Comparison – Administered Activities

This section contains explanations of major variances between the department's actual 2021-22 financial results and the adjusted budget for note F2-2 and original budget for note F2-2.

F2-1: Income and Expenses		Adjusted Budget	Actual	Variance
	Variance	2022	2022	2022
	Notes	\$'000	\$'000	\$'000
Administered revenues				
Appropriation revenue ⁽¹⁾	1	140,825	115,508	(25,317)
Other revenue		-	40	40
Total administered revenues		140,825	115,548	(25,277)
Administered expenses				
Employee expenses		36,099	35,442	(657)
Supplies and services	2	20,047	15,968	(4,079)
Grants and subsidies	3	84,261	63,796	(20,465)
Depreciation and amortisation		281	232	(49)
Other expenses		137	110	(27)
Total administered expenses		140,825	115,548	(25,277)
Operating surplus/(deficit)		-	-	-

⁽¹⁾ Administered 2021-22 Adjusted Budget reflects the machinery-of-government changes resulting in Trade and Investment Queensland transferring from the Premier's portfolio from 1 November 2021.

Variance notes:

1. A decrease in appropriation revenue primarily due to the deferral in funding for Screen Queensland from 2021-22 for the Far North Queensland Film Studio (\$5.9M), Gold Coast Production Hub (\$4.5M), Production Attraction Strategy Grant Program (\$9.2M) and the Post Digital and Visual Grant Program (\$0.6M). Also, a decrease in appropriation revenue for Ministerial Offices and Office of the Leader of the Opposition due to deferral of funding for high priority ICT projects and device replacements (\$4.8M) to be completed in 2022-23 and a lapse of funding (\$1.1M) for the current financial year. This is offset by an increase in funding for employee costs for pay increases due in line with public sector award pay rises (\$0.6M).
2. The decrease in supplies and services is primarily due to lower ICT project costs (\$1.4M) due to deferral of projects to 2022-23, a reduction in domestic and international travel (\$1.2M) as a result of ongoing Covid19 impacts along with lower building service costs (\$0.516M) for Ministerial Offices and Office of the Leader of the Opposition and other office support costs such as telecommunications (\$0.224M).
3. A decrease in grants and subsidies due to the deferral of grants paid to Screen Queensland (\$20.146M) as per variance note 1 above, along with the deferral of grant payments for the Queensland Veteran's Council (\$0.318M) due to commencement of the Council in 2022-23.

**Department of the Premier and Cabinet
Notes to the Financial Statements
for the year ended 30 June 2022**

F2-2: Assets and Liabilities		Budget	Actual	Variance
	Variance	2022	2022	2022
	Notes	\$'000	\$'000	\$'000
Administered assets				
Current				
Cash and cash equivalents	4	11,980	39,904	27,924
Receivables	5	2,578	1,174	(1,404)
Other current assets		425	456	31
Total current assets		14,983	41,534	26,551
Non-current				
Plant and equipment/Intangibles		324	113	(211)
Total non-current assets		324	113	(211)
Total assets		15,307	41,647	26,340
Administered liabilities				
Current				
Payables	6	1,584	29,023	27,439
Accrued employee benefits	7	3,841	1,186	(2,655)
Total current liabilities		5,425	30,209	24,784
Non-current				
Payables		-	-	-
Accrued employee benefits	7	4,886	6,444	1,558
Total non-current liabilities		4,886	6,444	1,558
Total liabilities		10,311	36,653	26,342
Net administered assets		4,996	4,994	(2)
Total administered equity		4,996	4,994	(2)

Variance notes:

- An increase in cash as a result of the receipt of funds for Screen Queensland (SQ) that is yet to be paid, made up of deferred appropriation (see note 1 - F2-1: Income and Expenses) and payables (see note 6) below.
- A decrease in receivables compared to budget is primarily due to decreases in the balance of ALCS and LSLCS receivables.
- An increase in payables compared to budget is largely due to grants payable at year end to SQ (\$14.349M) along with deferred appropriation payable due to funds carried forward to 2022-23 for SQ (\$10.015M) and Ministerial Offices and the Office of the Leader of the Opposition (\$2.847M, including the net deferred appropriation payable due to funds carried forward to 2022-23 inclusive of a lapse of funding for 2021-22).
- The variance in accrued employee benefits to budget is predominately due to the reduced number of staff eligible for severance benefits (\$2.655M) as a result of staff turnover.

**Department of the Premier and Cabinet
Notes to the Financial Statements
for the year ended 30 June 2022**

F3: Trust Transactions and Balances

The Anzac Day Trust was established in 1964 to give financial support to those institutions, organisations and associations which provide financial assistance to ex-service personnel and their dependants. As the department performs only a custodial role in respect of these transactions and balances, they are not recognised in the financial statements but are disclosed in these notes below for the information of users.

The audit fee payable to the Queensland Audit Office to perform an audit of the department's trust transactions for 2021-22 is quoted to be \$7,500 (2020-21: \$7,175). There are no non-audit services included in this amount.

Trust revenue and expenses

	2022	2021
	\$'000	\$'000
<i>Revenue</i>		
Grants and other contributions	2,183	1,551
Other revenue	4	2
Total revenue	2,187	1,553

Expenses

Grants and subsidies	2,102	1,494
Other expenses	88	60
Total expenses	2,190	1,554

Trust asset and liabilities

Current assets

Cash and cash equivalents	1	5
Total	1	5

**Department of the Premier and Cabinet
Notes to the Financial Statements
for the year ended 30 June 2022**

Section G: Other Information

G1: Key Management Personnel (KMP)

G1-1: Details of Key Management Personnel

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

During 2021, the department undertook a review of its functions to take a stronger leadership and strategic role across the sector. The outcome of the review resulted in a new operating model, functional mapping and updated organisational structure effective from 1 November 2021. DPC's key Executive Leadership Team, led by the Director-General, are the key decision makers and reflected in their position responsibilities below.

The following details for non-ministerial KMP include those positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2021-22 and 2020-21. Further information on these positions can be found in the body of the Annual Report.

Position	Responsibilities
Director-General	The Director-General leads the efficient, effective, and economic administration of the Department of the Premier and Cabinet.
Associate Director-General, The Cabinet Office - (Formerly the Deputy Director-General, Policy)	The Associate Director-General, The Cabinet Office provides policy advice to the Premier and the Cabinet and Cabinet Committees, leads intergovernmental relations, supports the Premier's attendance at National Cabinet and advises the Premier on key social, economic, law and justice, environment and planning policy issues and drives major reform initiatives along with whole-of-government performance management and reporting.
Associate Director-General, Governance and Engagement - (Formerly the Deputy Director-General, Corporate and Government Services)	The Associate Director-General, Governance and Engagement plays a key role in providing policy and operational advice and support to the Premier in relation to constitutional, executive government and machinery-of-government matters, protocol and international engagement activities and programs and the administration of business before Executive Council. Additionally, it leads whole of government strategic communication and engagement to communicate with all Queenslanders and provides support for veterans through the Office for Veterans and leads engagement with Queensland's regions through the Office for Rural and Regional Queensland.
Associate Director-General, 2032 Taskforce - (Formerly the Deputy Director-General, Taskforce 2032, COVID Response and Recovery Taskforce)	The Associate Director-General, 2032 Taskforce provides strategic advice, insight and services to the Director-General and the Premier in relation to the management and coordination of all Queensland government responsibilities for the Brisbane 2032 Olympic and Paralympic Games (Brisbane 2032).
Queensland Parliamentary Counsel	The Queensland Parliamentary Counsel leads the efficient, effective and economic administration of the Office of the Queensland Parliamentary Counsel.
Executive Director, Office of the Director-General - (Formerly the Executive Director, Departmental and Customer Liaison Officer)	The Executive Director, Office of the Director-General manages the Office of the Director-General.
Cabinet Secretary (Ceased as KMP 31 Oct 2021)	The Cabinet Secretary provides support to the Premier and Cabinet, including managing and coordinating all procedural and operational services for Cabinet and its related functions.

**Department of the Premier and Cabinet
Notes to the Financial Statements
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G1-2: Related Party Transactions

Transactions with people/entities related to KMP

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. These transactions have not been separately disclosed in this note.

Transactions with related parties of the entity have occurred within normal customer or supplier relationships on terms and conditions no more favourable than those which it is reasonable to expect the entity would have entered into on an arm's-length basis. No KMP related party transactions were entered into during the financial year.

Transactions with other Queensland Government controlled entities

The department's primary ongoing sources of funding from Government for its services are appropriation revenue (note B1-1) which is provided in cash via Queensland Treasury.

The entity transacts with other Queensland Government controlled entities consistent with normal day-to-day business operations provided under normal terms and conditions. Where transactions with other Queensland Government controlled entities are considered individually significant or material, these have been disclosed as related party transactions in the relevant notes as follows:

Note B1-2: User Charges and Fees
Note B2-2: Supplies and Services
Note B2-3: Grants and Subsidies
Note C2: Receivables and Loans Receivable
Note C8: Borrowings

G1-3: KMP Remuneration Policies

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

Remuneration for the department's other KMP is set by the Queensland Public Service Commission as provided under the *Public Service Act 2008*. Individual remuneration and other terms of employment are specified in employment contracts.

Remuneration expenses for KMP comprise the following components:

1. 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 a KMP position;
 - non-monetary benefits - consisting of provision of minor benefits together with fringe benefits tax applicable to the benefit.
2. Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.
3. Post-employment expenses include amounts expensed in respect of employer superannuation obligations.

There were no termination benefits in 2021-22 (nil in 2020-21).

The remuneration package for the Director-General or other KMP does not provide for any performance or bonus payments.

G1-4: Non-Ministerial KMP Performance Remuneration Expense

Disclosures provided focus on the net expenses incurred by the department attributable to non-Ministerial KMP during the respective reporting periods. The amounts disclosed reflect expenses recognised in the statement of comprehensive income.

**Department of the Premier and Cabinet
Notes to the Financial Statements
for the year ended 30 June 2022**

Position 1 July 2021 to 30 June 2022	Employee Expenses				
	Short Term		Long Term	Post	Total
	Monetary Expenses	Non-Monetary Benefits			
	\$'000	\$'000	\$'000	\$'000	\$'000
Director-General	661	11	16	83	771
Acting Associate Director-General, the Cabinet Office ⁽¹⁾ (since 2 May 2022)	66	2	2	7	77
Associate Director-General, the Cabinet Office (1 July 2021 to 28 April 2022)	319	9	8	31	367
Associate Director-General, Governance and Engagement ⁽²⁾	285	11	7	30	333
Associate Director General, 2032 Taskforce	275	11	7	30	323
Queensland Parliamentary Counsel	313	12	7	40	372
Executive Director, Office of the Director-General	197	11	5	21	234
Cabinet Secretary (1 July to 31 October 2021)	81	4	2	9	96
Total Remuneration	2,197	71	54	251	2,573

⁽¹⁾ formerly Deputy Director-General Policy until (1 November 2021)

⁽²⁾ formerly Deputy Director-General, Corporate and Government Services (until 1 November 2021)

Position (Classification) (1 July 2020 - 30 June 2021)	Short Term				
	Monetary Expenses	Non-Monetary Benefits	Long Term	Post	Total
	\$'000	\$'000			
	\$'000	\$'000	\$'000	\$'000	\$'000
Director-General (from 8 May 2021 to 30 June 2021)	103	1	2	12	118
Director-General (from 1 July 2020 to 7 May 2021)	533	7	13	69	622
Acting Director-General (from 6 April 2021 to 9 May 2021)	60	1	2	6	69
Deputy Director-General, Policy (from 1 July 2020 to 5 April 2021 and 10 May 2021 to 30 June 2021)	333	8	7	31	379
Acting Deputy Director-General, Policy (from 1 April 2021 to 6 May 2021)	33	1	-	2	36
Deputy Director-General, Corporate and Government Services (from 1 July 2020 to 30 June 2021)	269	10	6	30	315
Acting Deputy Director-General, Strategy and Engagement (from 1 July 2020 to 30 October 2020)	85	3	2	10	100
Acting Deputy Director-General, Strategy and Engagement (from 1 November 2020 to 15 March 2021)	105	4	2	11	122
Queensland Parliamentary Counsel (from 1 July 2020 to 30 June 2021)	283	11	7	39	340
Cabinet Secretary (from 1 July 2020 to 30 June 2021)	244	10	5	26	285
Executive Director, Departmental and Customer Liaison Office (from 1 July 2020 to 19 July 2020 and from 10 October 2020 to 30 June 2021)	148	8	3	16	175
Acting Executive Director, Departmental and Customer Liaison Office (from 20 July 2020 to 9 October 2020)	49	2	1	4	56
Total Remuneration	2,245	66	50	256	2,617

G2: First Year Application of New Accounting Standards or Change in Accounting Policy

The department and its controlled entity did not voluntarily change any of its accounting policies during 2021-22.

Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2021-22 by the department and its controlled entity.

Accounting standards applied for the first time

AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* was applied for the first time by the controlled entity in 2021-22. The effects of adopting this new standard are detailed below in note G2-1.

Following the issuance of International Financial Reporting Interpretations Committee's (IFRIC) agenda decision on *Configuration or Customisation Costs in a Cloud Computing Arrangement* in April 2021, the department has changed its accounting policy for certain cloud computing and software-as-a-service (SaaS) costs. This is detailed in note G2-2 below, however, there has been no change as a result.

No other accounting standards or interpretations were applied to the department for the first time in 2021-22.

G2-1: Simplified Disclosures for For-Profit and Not-For-Profit Tier 2 Entities

The application of AASB 1060 resulted in additional disclosures for the following which are reflected in the financial statements of the controlled entity.

- Statement of Comprehensive Income
- More disclosure on employee termination benefit expenses
- Maturity analysis for leases

G2-2: Software-as-a-Service (SaaS) arrangements

1. Accounting policy changes

Following the issuance of IFRIC agenda decision on *Configuration or Customisation Costs in a Cloud Computing Arrangement* in April 2021, the department has reviewed its accounting policy for relevant cloud computing and Software-as-a-Service (SaaS) costs.

The current policy has been to historically capitalise all costs that meet the definition of and recognition criteria for an intangible asset in accordance with AASB 138 *Intangible Assets*. Where it can be demonstrated that the entity can derive future economic benefits and restrict access to those benefits and the cost can be reliably measured then the entity will continue with the current policy of the capitalisation of those costs.

Configuration or customisation costs that do not qualify for recognition as an intangible asset are further assessed as to the appropriate timing of expense recognition, using the following criteria:

- where the configuration or customisation is considered a distinct (i.e. separately identifiable) service from the subsequent access to the cloud software, the costs are expensed when the configuration or customisation services are received. This is typically the case when configuration and customisation services are undertaken in-house or by a third party vendor different from the vendor providing the SaaS arrangement.
- where the configuration or customisation is not a distinct service from the department's right to access the software, the costs are expensed over the period of access on a straight-line basis. A prepayment asset is recognised when the payment is made up front. This is usually the case when the SaaS vendor is providing both the configuration or customisation services and the access to the cloud software.

Any software that qualifies as an intangible asset is recognised and accounted for in accordance with the department's existing accounting policies on software assets in Note C4, which have not changed.

2. Impact of Changes

The department assessed the impact of the new policy on its current capitalised software in response to the IFRIC agenda decision and has determined there is no impact on the Intangible Assets as at 30 June 2022.

The accounting policy change has not had any impact on the department's financial statements for 2021-22 or earlier periods.

**Department of the Premier and Cabinet
Notes to the Financial Statements
for the year ended 30 June 2022**

G3: Taxation

The department and the controlled entity are exempt from income tax under the *Income Tax Assessment Act 1936* and are exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the department and the controlled entity. Any GST credits receivable from, or GST payable to the ATO, are recognised in the statement of financial position, refer to note C2.

The department (excluding controlled entity) is exempted from Queensland payroll tax. This exemption applies to Queensland Government Departments (excluding commercialised business units) effective from 1 July 2014. Screen Queensland is not exempt from Queensland payroll tax.

G4: Climate Risk Disclosure

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

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

Certificate of the Department of the Premier and Cabinet

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


- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Department of the Premier and Cabinet for the financial year ended 30 June 2022 and of the financial position of the department at the end of that year.

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



Rachel Hunter
Director-General

29 August 2022



Michael Phillips
Chief Finance Officer

29 August 2022

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Department of the Premier and Cabinet

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Department of the Premier and Cabinet (the parent) and its controlled entity (the group).

In my opinion, the financial report:

- a) gives a true and fair view of the parent's and group's financial position as at 30 June 2022, and their financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statements of financial position and statements of assets and liabilities by major departmental services as at 30 June 2022, the statements of comprehensive income, statements of changes in equity, statements of cash flows and statements of comprehensive income by major departmental services for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

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

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

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

Key audit matters

I have determined that there are no key audit matters to communicate in our report.

Responsibilities of the accountable officer for the financial report

The accountable officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the accountable officer determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The accountable officer is also responsible for assessing the parent's and group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the parent or group or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of expressing an opinion on the effectiveness of the department's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the group.
- Conclude on the appropriateness of the parent's and group's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent's or group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the parent or group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the group. I remain solely responsible for my audit opinion.

I communicate with the Accountable officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2022:

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

Prescribed requirements scope

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

30 August 2022



Brendan Worrall
Auditor-General

Queensland Audit Office
Brisbane