



Queensland
Government

Department of the Premier and Cabinet
Financial Statements
for the year ended 30 June 2023

Department of the Premier and Cabinet
 Financial Statements
 for the year ended 30 June 2023

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Department of the Premier and Cabinet
Statement of Comprehensive Income
for the year ended 30 June 2023

	Notes	Economic Entity		Parent Entity	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Operating result					
Income					
Appropriation revenue	B1-1	124,618	91,508	124,618	91,508
User charges and fees	B1-2	4,273	3,707	3,601	3,334
Grants and other contributions	B1-3	72,414	40,672	7,356	3,602
Other revenue	B1-4	9,228	8,067	6,030	6,552
Total income		210,533	143,954	141,605	104,996
Expenses					
Employee expenses	B2-1	75,379	62,215	71,074	58,457
Supplies and services	B2-2	34,467	33,215	32,659	31,164
Grants and subsidies	B2-3	50,771	22,995	33,200	11,752
Depreciation and amortisation		3,909	4,234	364	317
Finance/borrowing costs		313	131	188	50
Other expenses	B2-4	4,186	3,323	4,120	3,256
Total expenses		169,025	126,113	141,605	104,996
Operating result for the year		41,508	17,841	-	-
Total comprehensive income		41,508	17,841	-	-

The accompanying notes form part of these financial statements.

An explanation of major variances to budget is included in Note E1.

Department of the Premier and Cabinet
Statement of Financial Position
as at 30 June 2023

	Notes	Economic Entity		Parent Entity	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	C1	116,848	82,331	24,811	17,316
Other financial assets	C2	7,489	-	7,706	-
Receivables	C3	29,831	17,045	2,533	2,519
Other current assets	C4	3,374	1,735	3,042	1,640
Total current assets		157,542	101,111	38,092	21,475
Non-current assets					
Other financial assets	C2	-	5,787	-	5,816
Intangible assets	C5	1,808	2,003	1,808	2,003
Property, Plant and equipment	C6	6,309	1,970	38	58
Right-of-use-assets	C7	7,703	5,442	-	-
Total non-current assets		15,820	15,202	1,846	7,877
Total assets		173,362	116,313	39,938	29,352
Current liabilities					
Payables	C8	25,972	16,893	23,180	16,650
Borrowings	C9	7,706	-	7,706	-
Accrued employee benefits	C10	2,752	2,054	2,531	1,820
Other current liabilities		400	415	380	415
Lease liabilities	C7	2,496	2,511	-	-
Total current liabilities		39,326	21,873	33,797	18,885
Non-current liabilities					
Borrowings	C9	-	5,816	-	5,816
Accrued employee benefits	C10	42	-	-	-
Other non-current liabilities		121	131	121	131
Lease liabilities	C7	5,616	3,406	-	-
Total non-current liabilities		5,779	9,353	121	5,947
Total liabilities		45,105	31,226	33,918	24,832
Net assets		128,257	85,087	6,020	4,520
Equity					
Contributed equity	C11	1,500	-	1,500	-
Accumulated surplus		126,757	85,087	4,520	4,520
Total equity		128,257	85,087	6,020	4,520

The accompanying notes form part of these financial statements.

An explanation of major variances to budget is included in Note E1.

Department of the Premier and Cabinet
Statement of Changes in Equity
for the year ended 30 June 2023

	Notes	Economic Entity		Parent Entity	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Transactions with owners as owners:					
Contributed equity					
Appropriated equity injections	C-11	1,500	-	1,500	-
Net transactions with owners as owners as at 30 June		1,500	-	1,500	-
Accumulated surplus					
Balance as at 1 July		85,087	67,246	4,520	4,520
Operating result		41,508	17,841	-	-
Adjustment for recognition of lease liabilities		162	-	-	-
Balance as at 30 June		126,757	85,087	4,520	4,520
Total equity		128,257	85,087	6,020	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 2023

	Notes	Economic Entity		Parent Entity	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
<i>Inflows:</i>					
Service appropriation receipts	B1-1	127,772	100,354	127,772	100,354
User charges and fees		4,419	5,103	3,218	3,588
Grants and other contributions		60,721	47,258	7,201	3,602
Interest receipts		2,393	310	-	50
GST input tax credits from ATO		5,585	5,337	3,652	3,092
GST collected from customers		1,060	599	941	408
Other		4,482	4,191	4,482	4,291
<i>Outflows:</i>					
Employee expenses		(74,283)	(60,770)	(70,677)	(57,019)
Supplies and services		(34,548)	(34,273)	(32,052)	(32,278)
Grants and subsidies		(47,907)	(26,145)	(30,339)	(14,835)
Finance/borrowing costs		-	(50)	-	(50)
GST paid to suppliers		(5,515)	(5,193)	(3,387)	(3,679)
GST remitted to ATO		(478)	(568)	(397)	(371)
Other		(4,270)	(3,244)	(4,270)	(3,244)
Net cash provided by operating activities		39,431	32,909	6,143	3,910
Cash flows from investing activities					
<i>Inflows:</i>					
Loans and advances redeemed		-	6,103	-	6,114
<i>Outflows:</i>					
Payments for plant and equipment		(3,634)	(311)	-	(55)
Payments for intangibles		(149)	(30)	(149)	(30)
Loans and advances made		(1,702)	(887)	(1,702)	(887)
Net cash used in investing activities		(5,485)	4,875	(1,851)	5,143
Cash flows from financing activities					
<i>Inflows:</i>					
Equity injections		1,500	-	1,500	-
Proceeds from borrowings		1,702	887	1,702	887
<i>Outflows:</i>					
Borrowing redemptions		-	(6,114)	-	(6,114)
Lease payments		(2,632)	(1,845)	-	-
Net cash provided by financing activities		571	(7,073)	3,202	(5,227)
Net increase/(decrease) in cash and cash equivalents		34,517	30,711	7,495	3,825
Cash and cash equivalents - opening balance		82,331	51,620	17,316	13,491
Cash and cash equivalents - closing balance	C1	116,848	82,331	24,811	17,316

The accompanying notes form part of these financial statements.

An explanation of major variances to budget is included in Note E1.

Department of the Premier and Cabinet
Notes to the Statement of Cash Flows
for the year ended 30 June 2023

Reconciliation of operating result to net cash provided by operating activities

	Notes	Economic Entity		Parent Entity	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Operating surplus/(deficit)		41,508	17,841	-	-
Non-cash items included in operating results:					
Depreciation and amortisation expense		3,909	4,234	364	317
Interest capitalised RFFF Loans		188	20	-	-
Other non-cash items		125	70	-	-
Change in assets and liabilities:					
Increase/(decrease) in deferred appropriation payable to Consolidated Fund		3,154	8,846	3,154	8,846
(Increase)/decrease in trade debtors		(12,171)	5,780	(13)	141
(Increase)/decrease in other receivable		(264)	(10)	3	17
(Increase)/decrease in GST receivable		3	775	350	41
(Increase)/decrease in long service leave reimbursement receivables		115	(211)	115	(211)
(Increase)/decrease in annual leave reimbursement receivables		(468)	(67)	(468)	(67)
(Increase)/decrease in other current assets		(1,639)	(141)	(1,402)	(107)
Increase/(decrease) in GST payable		(3)	(39)	-	-
Increase/(decrease) in payable		5,924	(3,992)	3,374	(4,890)
Increase/(decrease) in accrued employee benefits		740	7	711	19
Increase/(decrease) in other liabilities		(25)	(204)	(45)	(196)
Increase/(decrease) in payables, property, plant and equipment		(1,665)	-	-	-
Net cash provided by operating activities		39,431	32,909	6,143	3,910

Department of the Premier and Cabinet
Notes to the Statement of Cash Flows
for the year ended 30 June 2023

Changes in liabilities arising from financing activities

	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		Non-cash changes			Cash flows		
	Opening balance	Transfers to/(from) other Queensland Government entities	New leases acquired	Other	Cash received	Cash repayments	Closing balance
Economic Entity 2023							
Lease liabilities	5,917	-	4,864	(37)	-	(2,632)	8,112
Borrowings	5,816	-	-	188	1,702	-	7,706
Total	11,733	-	4,864	151	1,702	(2,632)	15,818
Parent Entity 2023							
Borrowings	5,816	-	-	188	1,702	-	7,706
Total	5,816	-	-	188	1,702	-	7,706
Economic Entity 2022							
Lease liabilities	4,346	-	3,335	81	-	(1,845)	5,917
Borrowings	10,993	-	-	50	887	(6,114)	5,816
Total	15,339	-	3,335	131	887	(7,959)	11,733
Parent Entity 2022							
Borrowings	10,993	-	-	50	887	(6,114)	5,816
Total	10,993	-	-	50	887	(6,114)	5,816

Department of the Premier and Cabinet
Statement of Comprehensive Income by Major Departmental Services
for the year ended 30 June 2023

	Policy Advice, Coordination and Cabinet Support		Engagement and Events Support		Governance Support and Advisory Services		Legislative Drafting and e-Publishing		Brisbane 2032 Coordination Office ⁽¹⁾		Inter-departmental Services eliminations		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income														
Appropriation revenue	36,757	34,814	26,425	23,169	14,684	18,447	12,506	12,214	33,480	2,098	766	766	124,618	91,508
User charges and fees	213	173	633	565	1,475	1,571	98	124	32	2	1,150	899	3,601	3,334
Grants and other contributions	6,252	2,927	880	525	-	-	-	-	224	150	-	-	7,356	3,602
Other revenue	4,558	4,116	857	810	167	153	160	185	288	1,288	-	-	6,030	6,552
Total income	47,780	42,030	28,795	25,069	16,326	20,171	12,764	12,523	34,024	3,538	1,916	1,665	141,605	104,996
Expenses														
Employee expenses	33,239	26,549	12,622	12,042	8,831	7,763	9,461	9,119	6,155	2,218	766	766	71,074	58,457
Supplies and services	13,810	13,852	7,338	6,751	3,465	5,921	3,094	3,174	3,802	567	1,150	899	32,659	31,164
Grants and subsidies	389	1,451	4,888	3,165	3,884	6,378	1	5	24,038	753	-	-	33,200	11,752
Depreciation and amortisation	100	73	40	28	23	13	186	203	15	-	-	-	364	317
Finance/borrowing costs	188	50	-	-	-	-	-	-	-	-	-	-	188	50
Other expenses	54	55	3,907	3,083	123	96	22	22	14	-	-	-	4,120	3,256
Total expenses	47,780	42,030	28,795	25,069	16,326	20,171	12,764	12,523	34,024	3,538	1,916	1,665	141,605	104,996
Operating result for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-

The departmental services reflect the department's management structure as at 30 June 2023.

⁽¹⁾ The name of this service area has changed from the 2022–2023 *Service Delivery Statements* and was previously Brisbane 2032 Taskforce. The name has changed to reflect the approved Brisbane 2032 governance arrangements, including the establishment of the Brisbane 2032 Coordination Office announced by the Premier and Minister for the Olympic and Paralympic Games on 14 March 2023.

Department of the Premier and Cabinet
Statement of Assets and Liabilities by Major Departmental Services
as at 30 June 2023

	Policy Advice, Coordination and Cabinet Support		Engagement and Events Support		Governance Support and Advisory Services		Legislative Drafting and e-Publishing		Brisbane 2032 Coordination Office ⁽¹⁾		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets												
Cash and cash equivalents	7,621	3,990	1,799	1,360	13,935	8,277	3,614	1,844	(2,158)	1,845	24,811	17,316
Other financial assets	7,706	-	-	-	-	-	-	-	-	-	7,706	-
Receivables	1,236	947	306	411	730	842	197	238	64	81	2,533	2,519
Other current assets	716	407	2	2	1,957	1,027	367	204	-	-	3,042	1,640
Total current assets	17,279	5,344	2,107	1,773	16,622	10,146	4,178	2,286	(2,094)	1,926	38,092	21,475
Non-current assets												
Other financial assets	-	5,816	-	-	-	-	-	-	-	-	-	5,816
Intangible assets	133	185	52	60	33	52	1,527	1,698	62	8	1,808	2,003
Property, Plant and equipment	-	-	15	23	23	35	-	-	-	-	38	58
Total non-current assets	133	6,001	67	83	56	87	1,527	1,698	62	8	1,846	7,877
Total assets	17,412	11,345	2,174	1,856	16,678	10,233	5,705	3,984	(2,032)	1,934	39,938	29,352
Current liabilities												
Payables	827	4,061	635	1,442	21,346	9,242	105	207	267	1,698	23,180	16,650
Borrowings	7,706	-	-	-	-	-	-	-	-	-	7,706	-
Accrued employee benefits	1,015	805	393	331	766	440	268	225	89	19	2,531	1,820
Other current liabilities	380	415	-	-	-	-	-	-	-	-	380	415
Total current liabilities	9,928	5,281	1,028	1,773	22,112	9,682	373	432	356	1,717	33,797	18,885
Non-current liabilities												
Borrowings	-	5,816	-	-	-	-	-	-	-	-	-	5,816
Other non-current liabilities	121	131	-	-	-	-	-	-	-	-	121	131
Total non-current liabilities	121	5,947	-	-	-	-	-	-	-	-	121	5,947
Total liabilities	10,049	11,228	1,028	1,773	22,112	9,682	373	432	356	1,717	33,918	24,832

The departmental services reflect the department's management structure as at 30 June 2023.

⁽¹⁾ The name of this service area has changed from the 2022–2023 *Service Delivery Statements* and was previously Brisbane 2032 Taskforce. The name has changed to reflect the approved Brisbane 2032 governance arrangements, including the establishment of the Brisbane 2032 Coordination Office announced by the Premier and Minister for the Olympic and Paralympic Games on 14 March 2023.

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 Sector Act 2022*. 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 (refer to note A3).

A1-2: Compliance with the Prescribed Requirements

The Department of the Premier and Cabinet has prepared these general-purpose 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 2022 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 2021-22 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's controlled balances and the balances of the entity it controls (refer to note A3). All transactions and balances internal to the economic entity have been eliminated in full.

The Parent Entity financial statements (DPC) 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 C5: Intangible assets. Amortisation expense and impairment
- Note C6: Property, plant, and equipment. Depreciation expense and impairment
- Note C7: Right-of-use assets and Lease liabilities
- Note C10: Accrued employee benefits
- 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 2023**

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 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 and innovative communication and engagement to achieve effective outcomes for Queenslanders.
- Lead Brisbane 2032 Olympic and Paralympic Games: lead the coordination and integration of government planning and delivery responsibilities for the Brisbane 2032 Olympic and Paralympic Games (Brisbane 2032) portfolio management and integration activities, in partnership with key state agencies and Games Partners.
- A high-performing workforce: enable a workforce that embodies the DPC principles to deliver on what is important for Queenslanders.

Through DPC's strategic objectives the department contributes to the implementation of Government's objectives for the community:

- Good jobs: Good, secure jobs in our traditional and emerging industries.
- Better services: Deliver even better services right across Queensland.
- Great lifestyle: Protect and enhance our Queensland lifestyle as we grow.

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.
- **Brisbane 2032 Coordination Office** – leads Brisbane 2032 Olympic and Paralympic Games (Brisbane 2032), whole-of-government portfolio planning and integration activities.
- **Legislative Drafting and e-Publishing (Led)** – 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.

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

DPC also administers funding for Screen Queensland Pty Ltd and for the Queensland Veterans Council established on 4 November 2022.

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).

**Department of the Premier and Cabinet
Notes to the Financial Statements
for the year ended 30 June 2023**

A3: Controlled Entities

Screen Queensland (SQ) is incorporated in the State of Queensland and is limited by shares held beneficially by the State of 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.

SQ is a controlled entity of the department and forms part of the economic entity. 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 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.

	2023	2022
	\$'000	\$'000
Total income	69,116	39,109
Total expenses	27,609	21,268
Total comprehensive income	41,507	17,841
Total assets	141,130	92,778
Total liabilities	18,895	12,212
Net assets	122,235	80,566

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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Original budgeted appropriation revenue	131,627	99,816	131,627	99,816
Transfer from/(to) other headings	-	538	-	538
Lapsed departmental services appropriation	(3,855)	-	(3,855)	-
Total appropriation received (cash)	127,772	100,354	127,772	100,354
Plus: Opening balance of deferred appropriation payable to Consolidated Fund	11,894	3,048	11,894	3,048
Less: Closing balance of deferred appropriation payable to Consolidated Fund (expense)	(15,048)	(11,894)	(15,048)	(11,894)
Appropriation revenue recognised in the statement of comprehensive income	124,618	91,508	124,618	91,508

Appropriations provided under the *Appropriation Act 2022* 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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
B1-2: User Charges and Fees				
Revenue from contracts with customers				
Sales of goods/services	537	479	537	479
Corporate services partnership agreements	2,989	2,777	2,989	2,777
Other	747	451	75	78
Total	4,273	3,707	3,601	3,334

User charges and fees controlled by the department are recognised as revenue when the department 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 \$0.652M (2021-22: \$0.711M) with related parties represented by other Queensland Government entities, none of which are considered individually material and primarily represent the recovery of corporate services costs provided by the department to agencies within the portfolio.

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B1-3: Grants and Other Contributions	Economic Entity		Parent Entity	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Commonwealth contributions	6,252	2,827	6,252	2,827
Contributions from Queensland Government Departments	65,937	37,845	879	775
Contributions from Local Government	225	-	225	-
Total	72,414	40,672	7,356	3,602

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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Graduate program ⁽¹⁾	3,783	3,340	3,783	3,340
Interest receipts	2,753	393	188	50
Sponsorships	688	337	688	437
Goods/Services received below fair value ⁽²⁾	1,316	2,343	1,316	2,343
Other	688	1,654	55	382
Total	9,228	8,067	6,030	6,552

⁽¹⁾ The department receives payment for the whole-of-government policy futures graduate 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 department received in-kind contributions from other Queensland Government Agencies towards Brisbane 2032 Coordination Office \$0.209M (2021-22: \$1.244M Brisbane 2032 Taskforce), Public Sector Reform Office \$0.108M (2021-22: \$0.314M), Future Economy Taskforce \$0.165M (2021-22: nil). Future Economy Taskforce commenced during 2022-23 is responsible in coordinating work programs on matters such as emissions targets.

In-kind contributions received towards the Brisbane 2032 Coordination Office, Public Sector Reform Office and Future Economy Taskforce predominantly relate to the operations, salaries and wages met by other government agencies.

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B2: Expenses

B2-1: Employee Expenses

	Economic Entity		Parent Entity	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Employee benefits				
Wages and salaries	58,395	46,995	54,955	43,844
Employer superannuation contributions	7,455	6,090	7,100	5,786
Annual leave levy	5,851	4,812	5,822	4,818
Long service leave levy	1,421	1,095	1,421	1,095
Termination benefits	133	127	0	127
Other employee benefits	961	907	873	788
Employee related expenses				
Workers' compensation premium	62	51	50	42
Other employee related expenses	619	580	371	399
Goods and services received below fair value ⁽¹⁾	482	1,558	482	1,558
Total	75,379	62,215	71,074	58,457
Number of employees				
Full time equivalent (FTE) employees ⁽²⁾	509	470	477	442
Employees' services received below fair value ⁽¹⁾	6	10	6	10
Total employees	515	480	483	452

⁽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).

⁽²⁾ This includes 5 FTE (4 in 2021- 22) funded through contributions from the Commonwealth Government to support the state service delivery to Norfolk Island.

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 sick leave 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.

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B2-1: Employee expenses (cont'd)

The department undertakes a whole of government policy futures graduate program which employed 51 graduates as at 30 June 2023 (2021-22: 49). The graduate FTE numbers are included in the department totals stated. Key management personnel and remuneration disclosures are detailed in note G1.

B2-2: Supplies and Services	Economic Entity		Parent Entity	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Lease expenses and other building services ⁽¹⁾	11,399	10,744	11,048	10,306
Professional services	3,539	1,540	3,361	1,365
Consultants and contractors	6,157	3,973	6,157	3,973
Advertising and communications	2,166	8,068	2,043	7,940
Information technology bureau services	5,229	4,138	4,970	3,920
Outsourced corporate support	1,768	1,442	1,768	1,442
Hospitality and official functions	635	363	616	346
Travel	809	349	635	256
Venue hire	490	233	490	233
Telephone and communications support	231	309	215	275
Other	2,044	2,056	1,356	1,108
Total	34,467	33,215	32,659	31,164

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 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 \$14.287M (2021-22: \$13.625M) with related parties represented by other Queensland Government entities. Included in this amount is \$10.563M (2021-22: \$9.821M) for office accommodation at market rate charged by the Department of Energy and Public Works for the year ended 30 June 2023.

Department of the Premier and Cabinet
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B2-3: Grants and Subsidies	Economic Entity		Parent Entity	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Recurrent				
Grants to private sector entities	17,571	11,490	-	247
Grants to government entities and not-for-profit entities	3,412	4,090	3,412	4,090
Total recurrent	20,983	15,580	3,412	4,337
Capital				
Grants to government entities and not-for-profit entities	1,445	423	1,445	423
Total capital	1,445	423	1,445	423
Subsidies				
Contributions	25,784	3,746	25,784	3,746
Donations and gifts made	2,559	3,246	2,559	3,246
Total subsidies	28,343	6,992	28,343	6,992
Total	50,771	22,995	33,200	11,752

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 \$27.227M (2021-22: \$5.392M) with related parties represented by other Queensland Government entities.

B2-4: Other Expenses	Economic Entity		Parent Entity	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Sponsorships	3,977	3,127	3,977	3,127
External audit fees ⁽¹⁾	148	143	107	103
Insurance premiums - QGIF ⁽²⁾	51	43	26	26
Other	10	10	10	-
Total	4,186	3,323	4,120	3,256

⁽¹⁾ Total audit fee quoted by the Queensland Audit Office (QAO) relating to the 2022-23 financial statements was \$238,600 (2021-22: \$231,500). This fee includes an internal allocation of \$94,300 (2021-22: \$92,000) for audit services to the Ministerial Services and \$9,200 for former 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
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Section C: Notes about our Financial Position

C1: Cash and Cash Equivalents

	Economic Entity		Parent Entity	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Imprest accounts	4	1	1	1
Cash at bank and on hand	116,844	82,330	24,810	17,315
Total	116,848	82,331	24,811	17,316

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 2023 as well as deposits at call with financial institutions.

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

C2: Other Financial Assets

Other financial assets represent loans receivable from SQ. All current and non-current loans receivable plus any transaction costs relating to loans receivable are recognised at cost.

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 C9). 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.

C3: Receivables

	Economic Entity		Parent Entity	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current				
Trade debtors	27,318	15,149	776	762
GST input tax credits receivable	505	508	54	404
GST payable	-	(3)	-	-
Net GST receivable	505	505	54	404
Annual leave reimbursements	1,456	988	1,456	988
Long service leave reimbursements	243	358	243	358
Other receivables	309	45	4	7
Total current receivables	29,831	17,045	2,533	2,519

All current receivables are recognised at cost.

Settlement of trade debtors is generally required within 30 days (20 days for small businesses) from the invoice date for the department and 10 days from the invoice date for SQ. Refer to note D3 for further disclosure on financial risks of the department.

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
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C4: Other Current Assets

	Economic Entity		Parent Entity	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Prepayments and other	952	937	620	842
Contract assets	2,422	798	2,422	798
Total	3,374	1,735	3,042	1,640

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.

C5: Intangibles and Amortisation Expense

	Economic Entity		Parent Entity	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Software internally generated				
At cost	5,841	5,668	5,841	5,668
Less: Accumulated amortisation	(4,102)	(3,759)	(4,102)	(3,759)
Carrying amount at 30 June	1,739	1,909	1,739	1,909
Software work in progress				
At cost	69	94	69	94
Carrying amount at 30 June	69	94	69	94
Total	1,808	2,003	1,808	2,003

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C5: Intangibles and Amortisation Expense (cont'd)

Intangible assets reconciliation

Represented by movements in carrying amount	Software Internally Generated		Software work in progress		Total	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Economic Entity						
Carrying amount at 1 July	1,909	2,173	93	77	2,003	2,250
Acquisitions	-	-	149	30	149	30
Transfers between classes	173	14	(173)	(14)	-	-
Amortisation	(344)	(278)	-	-	(344)	(278)
Carrying amount at 30 June	1,739	1,909	68	93	1,808	2,003
Parent Entity						
Carrying amount at 1 July	1,909	2,173	93	77	2,003	2,250
Acquisitions	-	-	149	30	149	30
Transfers between classes	173	14	(173)	(14)	-	-
Amortisation	(344)	(278)	-	-	(344)	(278)
Carrying amount at 30 June	1,739	1,909	68	93	1,808	2,003

C5-1: Recognition and Measurement

Intangible assets with a historical cost equal to, or greater than, \$100,000 are recognised in the financial statements. Items with a lesser value are expensed. Any preliminary research, planning phase costs, administration and training costs are expensed in the period in which it is incurred.

The department continues to recognise SaaS or cloud computing arrangements as assets that enhances, modifies, or creates additional capability to the existing owned software. This software is used to connect with the SaaS arrangement cloud-based application. Judgement has been applied in determining whether the change to the owned software meets the definition of and recognition criteria for an intangible asset in accordance with AASB 138 *Intangible Assets*.

There is no active market for any of the department's intangible assets. As such, intangible assets are recognised and carried at historical cost less accumulated amortisation and accumulated impairment losses. Costs associated with the internal development of computer software are capitalised and amortised under the amortisation policy below.

C5-2: Amortisation Expense and Impairment

Amortisation expense

All intangible assets of the department have finite useful lives and are amortised on a straight-line basis over their estimated useful life.

Key judgement: Straight-line amortisation reflects the progressive, even consumption of future economic benefits over the assets' useful life to the department and economic entity.

The residual value of intangible assets has been determined to be zero reflecting the estimated amount to be received on disposal at the end of their useful life.

Key estimate: Intangible assets are amortised on a straight-line basis between 5-33% (2021-22: 5-33%). The estimation of useful life and resulting amortisation rates are based on a number of factors including the department's past experience, the planned replacement program and expected usage, obsolescence and fiscal capacity. Useful lives are reviewed on an annual basis.

Impairment

Intangible assets are assessed annually for impairment using a combination of external and internal impairment indicators. Intangible assets are principally assessed for impairment by reference to the actual and expected continuing use of the asset by the department. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and its value-in-use. An impairment loss is recognised immediately in the Statement of Comprehensive Income.

Key judgement: If an indicator of possible impairment exists, management determine the asset's recoverable amount. No intangible assets were impaired at 30 June 2023.

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C6: Property, Plant and Equipment and Depreciation Expenses

	Economic Entity		Parent Entity	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Plant and equipment				
At cost	587	587	537	537
Less: Accumulated depreciation	(549)	(518)	(499)	(479)
Carrying amount at 30 June	38	69	38	58
Leasehold improvements				
At cost	5,586	5,207	-	-
Less: Accumulated depreciation	(4,493)	(3,562)	-	-
Carrying amount at 30 June	1,093	1,645	-	-
Work in progress				
At cost	5,178	256	-	-
Carrying amount at 30 June	5,178	256	-	-
Total	6,309	1,970	38	58

C6-1: Property, Plant and Equipment Reconciliation

Represented by movements in carrying amount

Economic Entity	Plant and Equipment		Leasehold Improvements		Work in progress		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	69	64	1,645	3,249	256	-	1,970	3,313
Acquisitions	-	55	379	-	4,922	256	5,301	311
Depreciation	(31)	(50)	(931)	(1,604)	-	-	(962)	(1,654)
Carrying amount at 30 June	38	69	1,093	1,645	5,178	256	6,309	1,970

Parent Entity	Plant and Equipment		Leasehold Improvements		Work in progress		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	58	42	-	-	-	-	58	42
Acquisitions	-	55	-	-	-	-	-	55
Depreciation	(20)	(39)	-	-	-	-	(20)	(39)
Carrying amount at 30 June	38	58	-	-	-	-	38	58

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C6-2: Recognition and Measurement

Items of plant and equipment with a historical cost exceeding \$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.

C6-3: 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 10-33% (2021-22: 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 2023.

C7: Leases - Leases as Lessee

Right-of-Use Assets

	Economic Entity	
	2023	2022
	\$'000	\$'000
Office accommodation		
Right-of-use assets		
Opening balance at 1 July	5,442	4,409
Additions	4,864	3,335
Depreciation charge	(2,603)	(2,302)
Closing balance at 30 June	<u>7,703</u>	<u>5,442</u>

	2023	2022
	\$'000	\$'000
Office accommodation		
Lease Liabilities		
Current	2,496	2,511
Non-current	5,616	3,406
Total	<u>8,112</u>	<u>5,917</u>

**Department of the Premier and Cabinet
Notes to the Financial Statements
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C7: Leases - Leases as Lessee (cont'd)

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.

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 economic entity 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.

Lease Liabilities

Lease liabilities are initially recognised at the present value of lease payments over the lease term. 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 were 2 x 3 year options in the agreement. SQ have exercised a 3 year extension from 11 July 2023. 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.

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C7: Leases - Leases as Lessee (cont'd)

(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	
	2023	2022
	\$'000	\$'000
<i>(iii) Interest recognised in profit or loss</i>		
Interest expense on lease liabilities	125	81
<i>(iv) Total cash outflow for leases</i>	2,632	1,845

C8: Payables

	Economic Entity		Parent Entity	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current				
Deferred appropriation payable to Consolidated Fund	15,048	11,894	15,048	11,894
Trade creditors and accruals	5,815	3,679	3,549	3,507
Grants and subsidies payable	4,287	1,033	3,887	1,033
Other	822	287	696	216
Total	25,972	16,893	23,180	16,650

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.

C9: 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 2023.

QTC is a related party. These borrowings are established initially at a fixed interest rate. The interest rates on borrowings ranged from 2.19% to 3.87% as at 30 June 2023. There have been no defaults or breaches of the loan agreements during the period.

Payment dates of the loans outstanding as at 30 June 2023 is 4 to 8 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 first 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 2022-23.

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C9: 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
2023	QTC Borrowings	5,076	(51)	(51)	51	51
	Potential impact on		(51)	(51)	51	51
2022	QTC Borrowings	4,925	(49)	(49)	49	49
	Potential impact on		(49)	(49)	49	49

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

C10: Accrued Employee Benefits

	Economic Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current				
Long service leave levy payable	412	379	412	379
Annual leave levy payable	1,923	1,356	1,923	1,356
Accrued long service leave	50	76	-	-
Accrued annual leave	171	158	-	-
Accrued superannuation	96	-	96	-
Accrued salaries and wages	100	85	100	85
Total current	2,752	2,054	2,531	1,820
Non-current				
Accrued long service leave	42	-	-	-
Total non-current	42	-	-	-

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.

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C11: Appropriations Recognised in Equity

Reconciliation of payments from consolidated fund to equity adjustment	Economic Entity		Parent Entity	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Original budgeted equity adjustment appropriation	1,500	-	1,500	-
Equity adjustment receipts (payments)	1,500	-	1,500	-
Equity adjustment recognised in contributed equity	1,500	-	1,500	-

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 deduction, 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	
	2023	2022	2023	2022
	\$'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	31,873	17,406	-	-
Later than one year and not later than five years	28,809	33,930	-	-
Total Future screen commitments	60,682	51,336	-	-

⁽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	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash and cash equivalents	C1	116,848	82,331	24,811	17,316
Receivables and other financial assets at amortised cost	C2-3	37,320	22,832	10,239	8,335
Total		154,168	105,163	35,050	25,651
Financial liabilities at amortised cost					
Payables	C8	25,972	16,893	23,180	16,650
Financial liabilities	C9	7,706	5,816	7,706	5,816
Lease liabilities	C7	8,112	5,917	-	-
Total		41,790	28,626	30,886	22,466

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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 C9).

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 2021-22 and 2022-23.

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	2023	Contractual Maturity			2022	Contractual Maturity		
	Total \$'000	< 1 Year \$'000	1-5 Years \$'000	> 5 Years \$'000	Total \$'000	< 1 Year \$'000	1-5 Years \$'000	> 5 Years \$'000
Payables	5,815	5,815	-	-	3,679	3,679	-	-
QTC borrowings	7,826	7,826	-	-	5,973	-	5,973	-
Lease liabilities	8,496	2,706	5,790	-	6,213	2,632	3,581	-
Total	22,137	16,347	5,790	-	15,865	6,311	9,554	-

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 C9). 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 (20 days for small businesses) 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 2022-23 (2021-22: nil).

D3-4: Fair Value Disclosures

	Economic Entity				Parent Entity			
	2023		2022		2023		2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Loans receivable	7,489	7,489	5,787	5,787	7,706	7,825	5,816	5,805
Total	7,489	7,489	5,787	5,787	7,706	7,825	5,816	5,805
Financial liabilities								
QTC borrowings	7,706	7,825	5,816	5,805	7,706	7,825	5,816	5,805
Total	7,706	7,825	5,816	5,805	7,706	7,825	5,816	5,805

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 2023.

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Section E: Notes about our Performance Compared to Budget

E1: Explanation of Major Variances

This section contains explanations of major variances between the department's actual 2022-23 financial results and the original budget presented to Parliament.

E1.1: Budget to Actual Comparison – Statement of Comprehensive Income

		Budget	Actual	Variance
	Variance	2023	2023	2023
	Notes	\$'000	\$'000	\$'000
Income from continuing operations				
Appropriation revenue	1	131,627	124,618	(7,009)
User charges and fees		3,257	3,601	344
Grants and other contributions	2	6,084	7,356	1,272
Other revenue	3	3,976	6,030	2,054
Total income from continuing operations		144,944	141,605	(3,339)
Expenses from continuing operations				
Employee expenses	4	72,572	71,074	(1,498)
Supplies and services	5	46,592	32,659	(13,933)
Grants and subsidies	6	21,649	33,200	11,551
Depreciation and amortisation		363	364	1
Finance/Borrowing costs		60	188	128
Other expenses	7	3,708	4,120	412
Total expenses from continuing operations		144,944	141,605	(3,339)
Total comprehensive income		-	-	-

Variance notes:

1. A decrease in appropriation revenue is primarily due to:
- deferral of funding to 2023-24 and across the forward estimates to realign anticipated project milestones for limited life programs and departmental initiatives (\$12.455M).

This was offset by additional funding received for:

- Commission of Inquiry into DNA Testing conducted by Queensland Health Forensic and Scientific Services (\$4.438M);
- Queensland Government Taskforces (\$0.604M); and
- Integrity Reform Taskforce (\$0.870M).

2. The increase is primarily due to grants received from the Federal Government to support the State Service Delivery to Norfolk Island.

3. The increase is primarily due to:

- staffing resources received in-kind from other State Government Agencies to work in the Brisbane 2032 Coordination Office (\$0.209M), Future Economy Taskforce (\$0.165M), Public Sector Reform Office (\$0.108M), and archive storage facilities received in-kind (\$0.835M); and
- additional sponsorship and other revenue received for events held during 2022-23 (\$0.633M), and an increase in revenue received for the Policy Futures Graduate Program (\$0.133M).

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Notes to the Financial Statements
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E1.1: Budget to Actual Comparison – Statement of Comprehensive Income (Cont'd)

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

- timing of recruitment for the Brisbane 2032 Coordination Office (\$1.203M); and
- short term vacancies during 2022-23 (\$3.752M).

This was offset by:

- establishment of the Integrity Reform Taskforce (\$1.559M), Future Economy Taskforce (\$0.597M), Commission of Inquiry into DNA Testing conducted by Queensland Health Forensic and Scientific Services (\$0.974M); and
- expenditure related to the Commission of Inquiry to examine Queensland Police Service responses relating to domestic and family violence (\$0.378M).

5. A decrease in supplies and services is primarily due to:

- reclassification to contributions to agencies partnering with the Brisbane 2032 Coordination Office (\$17.642M).

This was offset by:

- increased expenditure for the Commission of Inquiry into DNA Testing conducted by Queensland Health Forensic and Scientific Services (\$3.242M); and
- the establishment of the Integrity Reform Taskforce (\$0.411M).

6. The increase is primarily due to:

- additional funding and reclassification from supplies and services for agencies partnering with the Brisbane 2032 Coordination Office (\$22.786M).

This was offset by:

- movements in funding from Director-General's Reserve to support various programs and initiatives and to provide whole-of-government contributions to charitable organisations, community groups and disaster appeals (\$5.619M);
- contributions paid to other Queensland Government Agencies to provide state service delivery to Norfolk Island (\$3.207M); and
- deferral of funding for grant programs to align with milestone timelines including restoration works for the Anzac Square precinct (\$2.049M), and Veteran Homelessness Support Service (\$0.5M).

7. The increase is primarily due to timing of sponsorship commitments for the Events Sponsorship Fund (\$0.194M), increase in sponsorship paid for events held during 2022-23 (\$0.114M) and increased borrowing costs for the Revolving Film Finance Fund (\$0.128M).

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E1.2: Budget to Actual Comparison – Statement of Financial Position

	Variance	Budget	Actual	Variance
	Notes	2023	2023	2023
		\$'000	\$'000	\$'000
Current assets				
Cash and cash equivalents	8	11,330	24,811	13,481
Other financial assets	9	3,366	7,706	4,340
Receivables	10	2,920	2,533	(387)
Other current assets	11	570	3,042	2,472
Total current assets		18,186	38,092	19,906
Non-current assets				
Other financial assets	12	2,003	-	(2,003)
Intangible assets		1,857	1,808	(49)
Property Plant and equipment		-	38	38
Total non-current assets		3,860	1,846	(2,014)
Total assets		22,046	39,938	17,892
Current liabilities				
Payables	13	9,652	23,180	13,528
Borrowings	9	3,366	7,706	4,340
Accrued employee benefits		1,763	2,531	768
Other current liabilities		742	380	(362)
Total current liabilities		15,523	33,797	18,274
Non-current liabilities				
Borrowings	12	2,003	-	(2,003)
Other non-current liabilities		-	121	121
Total non-current liabilities		2,003	121	(1,882)
Total liabilities		17,526	33,918	16,392
Net assets		4,520	6,020	1,500
Equity				
Contributed equity	14	-	1,500	1,500
Accumulated surplus		4,520	4,520	-
Total equity		4,520	6,020	1,500

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E1.2: Budget to Actual Comparison – Statement of Financial Position (Cont'd)

Variance notes:

8. Refer to Budget to Actual comparison in the Statement of Cash Flows E1-3.
9. The increase is due to new loans provided for the Revolving Film Finance Fund and re-classification of non-current loans as current as at year end.
10. The decrease is due to lower GST receivable due to lower expenses (\$0.330M) and timing of receipts in trade debtors (\$0.665M), offset by higher ALCS and LSLCS receivables (\$0.610M).
11. The variance is due to an increase in other debtors (\$2.422M) primarily due to the department supporting the Organising Committee for the Olympic and Paralympic Games (OCOG) (\$0.903M) and the Public Sector Commission (\$0.850M).
12. The decrease is due to re-classification of non-current loans as current as at year end.
13. The increase is primarily due to the appropriation payable for funding deferrals to 2023-24 (\$15.048M).
14. The variance is due to the deferral to 2023-24 of an equity transfer to align with the completion of school sports infrastructure by the Department of Education through the Pathways to Participation program.

Department of the Premier and Cabinet
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E1.3: Budget to Actual Comparison – Statement of Cash Flows

	Variance	Budget	Actual	Variance
	Notes	2023	2023	2023
		\$'000	\$'000	\$'000
Cash flows from operating activities				
<i>Inflows:</i>				
Service appropriation receipts		131,627	127,772	(3,855)
User charges and fees		3,257	3,218	(39)
Grants and other contributions	15	5,375	7,201	1,826
Interest receipts		60	-	(60)
GST input tax credits from ATO	16	3,000	3,652	652
GST collected from customers		170	941	771
Other	17	7,333	4,482	(2,851)
<i>Outflows:</i>				
Employee expenses	18	(72,365)	(70,677)	1,688
Supplies and services	19	(46,577)	(32,052)	14,525
Grants and subsidies	20	(21,649)	(30,339)	(8,690)
Finance/borrowing costs		(60)	-	60
GST paid to suppliers		(5,635)	(3,387)	2,248
GST remitted to ATO		(243)	(397)	(154)
Other	21	(3,708)	(4,270)	(562)
Net cash provided by operating activities		585	6,143	5,558
Cash flows from investing activities				
<i>Inflows:</i>				
Loans and advances redeemed	22	5,023	-	(5,023)
<i>Outflows:</i>				
Payments for intangibles		(300)	(149)	151
Loans and advances made	23	(4,000)	(1,702)	2,298
Net cash used in investing activities		723	(1,851)	(2,574)
Cash flows from financing activities				
<i>Inflows:</i>				
Proceeds from borrowings	23	4,000	1,702	(2,298)
Equity injections		1,500	1,500	-
<i>Outflows:</i>				
Borrowing redemptions	22	(5,023)	-	5,023
Equity withdrawals		(1,500)	-	1,500
Net cash provided by financing activities		(1,023)	3,202	4,225
Net increase/(decrease) in cash and cash equivalents		285	7,495	7,210
Cash and cash equivalents at beginning of financial year		11,045	17,316	6,271
Cash and cash equivalents at end of financial year		11,330	24,811	13,481

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E1.3: Budget to Actual Comparison – Statement of Cash Flows (Cont'd)

Variance notes:

15. The increase is primarily due to grants received from the Federal Government to support the state service delivery to Norfolk Island.
16. The 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.
17. A decrease in other inflows is primarily due to timing of receipts in trade debtors (\$3.462M), and is offset by increases in sponsorship and other revenue received for events held during 2022-23 (\$0.633M).
18. The variance in employee expenses is primarily due to:
 - timing of recruitment for the Brisbane 2032 Coordination Office (\$1.203M);
 - short term vacancies during 2022-23 (\$3.752M); and
 - reduced cohort expenditure for the Policy Futures Graduate Programs (\$0.677M).

This was offset by:

 - establishment of the Integrity Reform Taskforce (\$1.559M), Future Economy Taskforce (\$0.597M), Commission of Inquiry into DNA Testing conducted by Queensland Health Forensic and Scientific Services (\$0.974M); and
 - expenditure related to the Commission of Inquiry to examine Queensland Police Service responses relating to domestic and family violence (\$0.378M).
19. The decrease in supplies and services is primarily due to the reclassification to contributions to agencies partnering with The Brisbane 2032 Coordination Office (\$17.642M).
20. The increase is primarily due to:
 - additional funding and reclassification from supplies and services for agencies partnering with Brisbane 2032 Coordination Office (\$22.786M).

This was offset by:

 - contributions paid to other Queensland Government Agencies to provide state service delivery to Norfolk Island (\$3.207M); and
 - deferral of funding for grant programs to align with milestone timelines including restoration works for the Anzac Square precinct (\$2.049M), and Veteran Homelessness Support Service (\$0.5M).
21. The increase in other outflows is primarily due to the timing of sponsorship commitments for the Events Sponsorship Fund (\$0.194M), increase in sponsorship paid for events held during 2022-23 (\$0.114M) and increased borrowing costs for the Revolving Film Finance Fund (\$0.128M).
22. The decrease in investing and financing activities is primarily due to lower loan repayments of the Revolving Film Finance Fund.
23. The decrease in investing and financing activities is primarily due to lower loan drawdown of the Revolving Film Finance Fund (\$2.298M).

Section F: Notes about our Administered Activities and Trust Transactions

F1 Schedule of Administered Income, Expenses, Assets and Liabilities

F1-1: 2022-23 Financial Information

	Ministerial Offices and Office of the Leader of the Opposition	Queensland Veterans Council	Screen Queensland	Total
	\$'000	\$'000	\$'000	\$'000
Administered revenues				
Appropriation revenue (Note F1-4) ⁽¹⁾	59,082	136	65,058	124,276
Other revenue	55	-	-	55
Total administered revenues	59,137	136	65,058	124,331
Administered expenses				
Employee expenses	40,848	-	-	40,848
Supplies and services	18,161	-	-	18,161
Grants and subsidies (Note F1-3)	-	136	65,058	65,194
Depreciation and amortisation	19	-	-	19
Other expenses	108	-	-	108
Total administered expenses	59,137	136	65,058	124,331
Operating surplus/(deficit)	-	-	-	-
Administered assets				
Current				
Cash and cash equivalents	16,811	500	26,382	43,693
Receivables	1,183	-	-	1,183
Other current assets	750	-	-	750
Total current assets	18,744	500	26,382	45,626
Non-current				
Receivables	-	-	-	-
Plant and equipment/Intangibles	107	-	-	107
Total non-current assets	107	-	-	107
Total assets	18,851	500	26,382	45,733
Administered liabilities				
Current				
Payables	4,510	500	26,217	31,227
Accrued employee benefits	1,836	-	-	1,836
Total current liabilities	6,346	500	26,217	33,063
Non-current				
Payables	-	-	-	-
Accrued employee benefits	7,676	-	-	7,676
Total non-current liabilities	7,676	-	-	7,676
Total liabilities	14,022	500	26,217	40,739
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: 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)	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

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

	2023	2022
	\$'000	\$'000
Screen Queensland	65,058	37,070
Queensland Veterans Council	136	-
Trade Investment Queensland	-	26,726
Total	65,194	63,796

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

	2023	2022
	\$'000	\$'000
Budgeted appropriation	127,314	167,549
Transfers from/to other departments - redistribution of public business		(26,724)
Transfer from/(to) other headings		(538)
Lapsed appropriation	(13,229)	(13,908)
Total administered receipts	114,085	126,379
Plus: Opening balance of deferred appropriation payable	13,903	2,818
Plus: Transfer of appropriation receivable MOG		214
Less: Closing balance of deferred appropriation payable	(3,712)	(13,903)
Appropriation revenue recognised in the statement of comprehensive income	124,276	115,508

F1-5: Significant Accounting Policy

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).

Department of the Premier and Cabinet
Notes to the Financial Statements
for the year ended 30 June 2023

F2: Budget to Actual Comparison – Administered Activities

This section contains explanations of major variances between the department's actual 2022-23 financial results and the original budget presented to Parliament.

F2-1: Income and Expenses	Variance Notes	Budget	Actual	Variance
		2023	2023	2023
		\$'000	\$'000	\$'000
Administered revenues				
Appropriation revenue	1	126,352	124,276	(2,076)
Other revenue		-	55	55
Total administered revenues		126,352	124,331	(2,021)
Administered expenses				
Employee expenses	2	39,100	40,848	1,748
Supplies and services	3	20,621	18,161	(2,460)
Grants and subsidies		66,423	65,194	(1,229)
Depreciation and amortisation		95	19	(76)
Other expenses		113	108	(5)
Total administered expenses		126,352	124,331	(2,021)
Operating surplus/(deficit)		-	-	-

Variance notes:

- The decrease in appropriation revenue is due to:
 - the deferral in funding for Screen Queensland from 2022-23 for the Screen Queensland Studios Cairns (\$7.2 M), Gold Coast Production Hub (\$2.5 M), the Post Digital and Visual Effects Grant Program (\$0.52 M), offset by an increase due to funds deferred from 2021- 22 for the Production Attraction Strategy Grant Program (\$9.2M).
 - deferrals for funding for high priority ICT projects and training (\$1.098M) to be completed in 2023-24, along with the additional cost of travel and charging facilities for electric vehicles (\$2.056M) and a lapse of appropriation (\$1.070M) offset by an increase in funding for employee costs for integrity governance roles (\$2.8M) along with changes to superannuation payable (\$0.578M) for Ministerial Offices and Office of the Leader of the Opposition; and
 - a deferral of funds for the Queensland Veterans' Council (\$0.182M) from 2022-23 to 2023-24.
- The increase is primarily due to additional staff costs for Ministerial Offices and Office of the Leader of the Opposition to support the Government objectives for the community (\$1.748 M).
- The decrease of \$2.459M is primarily related to lower ICT project costs (\$1.523M) principally due to deferral of projects to 2023-24, a reduction in other administrative expenses (\$1.4M) offset by additional domestic and international travel costs (\$0.465M).

Department of the Premier and Cabinet
Notes to the Financial Statements
for the year ended 30 June 2023

F2-2: Assets and Liabilities		Budget	Actual	Variance
	Variance	2023	2023	2023
	Notes	\$'000	\$'000	\$'000
Administered assets				
Current				
Cash and cash equivalents	4	33,305	43,693	10,388
Receivables	5	963	1,183	220
Other current assets	6	224	750	526
Total current assets		34,492	45,626	11,134
Non-current				
Plant and equipment/intangibles	7	668	107	(561)
Total non-current assets		668	107	(561)
Total assets		35,160	45,733	10,573
Administered liabilities				
Current				
Payables	8	21,041	31,227	10,186
Accrued employee benefits	9	1,213	1,836	623
Total current liabilities		22,254	33,063	10,809
Non-current				
Payables		-	-	-
Accrued employee benefits		7,910	7,676	(234)
Total non-current liabilities		7,910	7,676	(234)
Total liabilities		30,164	40,739	10,575
Net administered assets		4,996	4,994	(2)
Total administered equity		4,996	4,994	(2)

Variance notes:

4. An increase in Cash as a result of the receipt of funds for Screen Queensland (SQ) that is yet to be transferred, made up of deferred appropriation (see note 1 - F2-1: Income and Expenses) and payables (see note 8) below.
5. An increase in receivables compared to budget is primarily due to decreases in the balance of ALCS and LSLCS receivables.
6. Increase in other current assets compared to budget is largely due to additional prepaid IT licences for the Ministerial Offices and Office of the Leader of the Opposition.
7. Lower than budgeted plant and equipment/intangibles due to extended timeframes for the implementation of IT projects until 2023-24.
8. An increase in payables compared to budget is largely due to the increase in grants payable at year end to SQ (\$11.948M) along with deferred appropriation payable due to funds carried forward to 2023-24 Ministerial Offices and the Office of the Leader of the Opposition (\$0.278M) and the Queensland Veterans' Council (\$0.182M).
9. The variance in accrued employee benefits is largely as a result of superannuation payable at 30 June 2023 for Ministerial Offices and Office of the Leader of the Opposition that was not budgeted.

Department of the Premier and Cabinet
Notes to the Financial Statements
for the year ended 30 June 2023

F3: Trust Transactions and Balances

The Anzac Day Trust (Trust) was established in 1964 to give financial support to those institutions and associations which provide financial assistance to ex-service personnel and their dependants.

On 14 April 2023 section 34 of the *Anzac Day Act 1995* came into effect and the Trust was abolished along with the former Board. The functions of the former Trust under the *Anzac Day Act 1995* are, from this date, carried out by the Queensland Veterans' Council (the council) through the Anzac Day Trust Fund (the Fund). As a consequence, the assets and liabilities of the former Trust became the assets and liabilities of the council.

As a result of the abolishment of the Trust, it is no longer a going concern. The assets and liabilities are to be maintained by the State and held by the council, at the value recorded in the books of the Trust immediately before abolishment.

The audit fee payable to the Queensland Audit Office to perform an audit of the department's trust transactions for 2022-23 is quoted to be \$9,200 (2021-22: \$7,500). There are no non-audit services included in this amount.

Final Trust revenue and expenses

	1 July 2022 to 14 April 2023	1 July 2021 to 30 June 2022
As at 14 April 2023		
<i>Revenue</i>	\$'000	\$'000
Grants and other contributions	1,715	2,183
Other revenue	14	4
Total revenue	<u>1,729</u>	<u>2,187</u>
<i>Expenses</i>		
Grants and subsidies	1,641	2,102
Other expenses	75	88
Total expenses	<u>1,716</u>	<u>2,190</u>
Trust asset and liabilities		
<i>Current assets</i>		
Cash and cash equivalents	14	1
Total	<u>14</u>	<u>1</u>

**Department of the Premier and Cabinet
Notes to the Financial Statements
for the year ended 30 June 2023**

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 and Paralympic Games.

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 2022-23 and 2021-22. 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	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	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, they lead 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.
Chief Executive Officer, Brisbane 2032 Coordination Office (Formerly the Associate Director-General, 2032 Taskforce)	The Chief Executive Officer, Brisbane 2032 Coordination office 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	The Executive Director, Office of the Director-General manages the Office of the Director-General.

Department of the Premier and Cabinet
Notes to the Financial Statements
for the year ended 30 June 2023

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 : Other Financial Assets
Note C9 : 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 Sector Commission as provided under the *Public Sector Act 2022*. 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 2022-23 (nil in 2021-22).

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

G1-4: Remuneration Expense

The following disclosures 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 2023

G1-4: Non-Ministerial KMP Performance Remuneration Expense (cont'd)

Position (Classification) 1 July 2022 to 30 June 2023	Employee Expenses				
	Short Term		Long Term	Post	Total
	Monetary Expenses	Non-Monetary Benefits			
	\$'000	\$'000	\$'000	\$'000	\$'000
Director-General	663	11	18	86	778
Associate Director General, the Cabinet Office	327	11	8	39	385
Associate Director General, Governance and Engagement	316	11	8	34	369
Chief Executive Officer, Brisbane 2032 Coordination Office (since 27 March 2023)	96	4	2	11	113
Associate Director General, 2032 Taskforce (1 July to 3 October 2022)	76	4	2	9	91
Acting Associate Director General, 2032 Taskforce (4 October 2022 to 24 March 2023)	150	6	4	15	175
Queensland Parliamentary Counsel (22 December 2022 to 30 June 2023)	183	7	5	22	217
Acting Queensland Parliamentary Counsel (18 July to 18 December 2022)	139	6	4	14	163
Executive Director, Office of the Director General (1 July 2022 to 27 February 2023)	133	7	4	15	159
Acting Executive Director, Office of the Director General (27 February to 30 June 2023)	72	0	2	7	81
Total Remuneration	2,155	67	57	252	2,531

Position (Classification) (1 July 2021 to 30 June 2022)	Short Term		Long Term	Post	Total
	Monetary Expenses	Non-Monetary Benefits			
		\$'000	\$'000	\$'000	\$'000
Director-General	661	11	16	83	771
Acting Associate Director-General, the Cabinet Office (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	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

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 2022-23.

Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2022-23 by the department and its controlled entity.

Accounting standards applied for the first time

No Australian accounting standards or interpretations were applied to the department for the first time in 2022-23.

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 C3.

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

Whole-of Government Climate Reporting

The State of Queensland, as the ultimate parent of the department, has published a wide range of information and resources on climate change including the following whole-of-Government publications in relation to climate risk, strategy and action:

- Climate Adaptation Strategy
- Climate Transition Strategy
- Climate Action Plan 2030
- Queensland Sustainability Report

Climate Risk Assessment

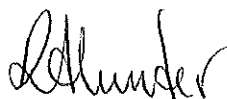
The department and its controlled entity have not identified any material climate related risks relevant to the financial report at the reporting date, however, constantly monitor the emergence of such risks under the Queensland Government's Climate Transition Strategy.

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 2023 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

19 August 2023



Michael Phillips
Chief Finance Officer

29 August 2023

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of 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 2023, 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 2023, 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 material accounting policy 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 forming an opinion on the effectiveness of the department's internal controls, but allows me to form an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of material accounting policy information 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.

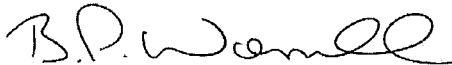
Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2023:

- 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.



Brendan Worrall
Auditor-General

29 August 2023

Queensland Audit Office
Brisbane