

ANNUAL REPORT 2022–23



The Department of State Development, Infrastructure, Local Government and Planning works to think ahead and act now to secure responsible economic development and liveable communities. We share in opportunity through diversity and investment in key industries, and enable well-planned communities where people want to live, work and play.

Copyright

This publication is protected by the *Copyright Act 1968*.

Creative Commons licence

You are free to copy, communicate and adapt this publication as long as you attribute it as follows:

© State of Queensland, the Department of State Development, Infrastructure, Local Government and Planning, September 2023.

Third party material that is not licensed under a Creative Commons licence is referenced within this document. All content not licensed under a Creative Commons licence is all rights reserved. Please contact the Department of State Development, Infrastructure, Local Government and Planning or the copyright owner if you wish to use this material.

Translating and interpreting service



If you have difficulty understanding a document and need an interpreter, we provide access to a translating and interpreting service. You will not be charged for this service. To contact the Translating and Interpreting Service, call 131 450 and ask them to call the Department of State Development, Infrastructure, Local Government and Planning on +61 7 3328 4811.

Disclaimer

While every care has been taken in preparing this publication, to the extent permitted by law, the State of Queensland accepts no responsibility and disclaims all liability (including without limitation, liability in negligence) for all expenses, losses (including direct and indirect loss), damages and costs incurred because of decisions or actions taken as a result of any data, information, statement or advice, expressed or implied, contained within. To the best of our knowledge, the content was correct at the time of publishing.

Any references to legislation are not an interpretation of the law. They are to be used as a guide only. The information in this publication is general and does not account for individual circumstances or situations. Where appropriate, independent legal advice should be sought.

Copies of this publication are available on our website at statedevelopment.qld.gov.au and further copies are available upon request.

A number of annual reporting requirements are also addressed through publication of information on the Queensland Open Data website at data.qld.gov.au

Acknowledgement of Country

The department acknowledges the First Nations peoples in Queensland: Aboriginal and Torres Strait Islander peoples and their connections to the lands, winds and waters we now share. We pay our respect to Elders, past, present and emerging. We also acknowledge the continuous living cultures of First Nations Queenslanders – their diverse languages, customs and traditions, knowledges and systems. We acknowledge the deep relationship, connection and responsibility to land, sea, sky and Country as an integral element of First Nations identity and culture.

Country is sacred. Everything on the land has meaning and all people are one with it. We acknowledge First Nations peoples' sacred connection as central to culture and being. We acknowledge the stories, traditions and living cultures of First Nations peoples and commit to shaping our state's future together. The department recognises the contribution of First Nations peoples and communities to the State of Queensland and how this continues to enrich our society more broadly.

Contact us

☎ +61 7 3328 4811 or 13 QGOV (13 74 68)

@ info@dsgilgp.qld.gov.au

🌐 statedevelopment.qld.gov.au

✉ PO Box 15009, City East, Queensland 4002

🏠 1 William Street, Brisbane 4000

ISSN: 2206-6012

Table of Contents

Letter of Compliance	4
Message from the Director-General.....	5
Part 01 About us	7
Vision and purpose.....	8
Organisational structure	8
Executive leadership.....	9
Operating environment	11
People and culture.....	12
Guiding Principles	12
Public service values	12
Machinery-of-government	12
Part 02 Year in review	13
Overview	14
Economic prosperity	15
Liveable communities.....	23
High-performing department.....	28
Looking ahead.....	30
Part 03 Financial performance.....	31
Statement by the Chief Finance Officer	32
Summary of financial performance	32
Open data reporting 2022–23	33
Part 04 Governance	34
Governance framework	35
Risk management and accountability	36
Committees.....	36
Audit and Risk Management Committee.....	36
Executive Leadership Team	37
DSDILGP Board	37
Finance and Procurement Committee.....	37

Information Steering Committee	38
People and Culture Committee	38
Strategic Policy Committee.....	38
Investment Committee	38
Public sector ethics	38
Human rights.....	39
Internal Audit	39
External scrutiny.....	39
Information systems and recordkeeping	41
ISMS attestation	41
Part 05 Workforce	42
Our workforce.....	43
Workforce profile.....	43
Strategic workforce planning.....	44
Planning for the future	44
Employee performance strategies and policies.....	45
Leadership capability and staff development.....	45
Employee health and wellbeing.....	45
Industrial and employee relations	46
Early retirement, redundancy, and retrenchment	46
Part 06 Appendices	47
Appendix 1: Service performance.....	48
Appendix 2: Boards and committees	52
Appendix 3: Compliance checklist.....	62
Part 07 Financial statements	64

Letter of Compliance

19 September 2023

The Honourable Steven Miles MP
Deputy Premier and Minister for State Development, Infrastructure,
Local Government and Planning
Minister Assisting the Premier on Olympic and Paralympic Games Infrastructure
1 William Street
BRISBANE QLD 4000

Dear Deputy Premier

I am pleased to submit for presentation to the Parliament, the Annual Report 2022–23 and financial statements for the Department of State Development, Infrastructure, Local Government and Planning.

I certify that this annual report complies with:

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

A checklist outlining the Queensland Government’s annual reporting requirements is included in Appendix 3 of this report or can be accessed at statedevelopment.qld.gov.au.

Yours sincerely



Mike Kaiser
Director-General
Department of State Development, Infrastructure,
Local Government and Planning

Message from the Director-General

We are clear on our purpose to think ahead and act now, to secure responsible economic development and liveable communities.

We deliver coordinated strategic land-use and infrastructure planning, develop new industries, enable investment, and support existing industry and our colleagues in local government with the ultimate goal of shaping Queensland's future economic prosperity.

Our broad scope of roles and responsibilities includes the state's commercial development arm, Economic Development Queensland, and the Office of the Coordinator-General.

We have had a solid 2022–23.

Through its project approval process, the Office of the Coordinator-General helped to advance the CopperString 2032 project which will prove critical to the rollout of the Energy and Jobs Plan.

In May 2023, we released the 'Queensland new-industry development strategy' which recognises that the state is on the cusp of a new wave of economic growth. This growth is emerging from opportunities presented by global shifts in demand for cleaner, greener and more responsibly sourced products.

The strategy identifies that the emerging industries which have the most potential to drive our economy forward are those that use Queensland's traditional strengths to capitalise on these global trends. It also commits to helping our existing industries to transition to decarbonised businesses ensuring their sustainability in an international environment increasingly concerned about environmental, social and governance credentials.

During the year, we also tackled one of the state's most pressing concerns which is how to manage the continued high population growth.

We have begun developing regionally specific integrated infrastructure and land use plans aligned with the economic and social aspirations of each region. The creation of these plans will complement the work of a newly established Local Economic Opportunities network, which will work with local communities to assist with economic diversification and to prepare place-based regional transformation strategies.

We also turned our attention to the Brisbane 2032 Olympic and Paralympic Games and the legacy this world-class event will leave for Queenslanders.

In February 2023, the Intergovernmental Agreement was signed between the Queensland and Australian governments. Key features included state government funding of \$2.7 billion for the Gabba, federal funding of up to \$2.5 billion for the Brisbane Arena and a commitment to co-fund the Minor Venues Program to a value of \$1.8 billion.

The updated development scheme was also finalised for the Northshore Hamilton Priority Development Area (PDA) to help transition the development of the Brisbane 2032 athlete village into a world-class riverfront precinct with an estimated 14,000 dwellings to house more than 24,000 residents.

Other highlights from 2022–23 include:

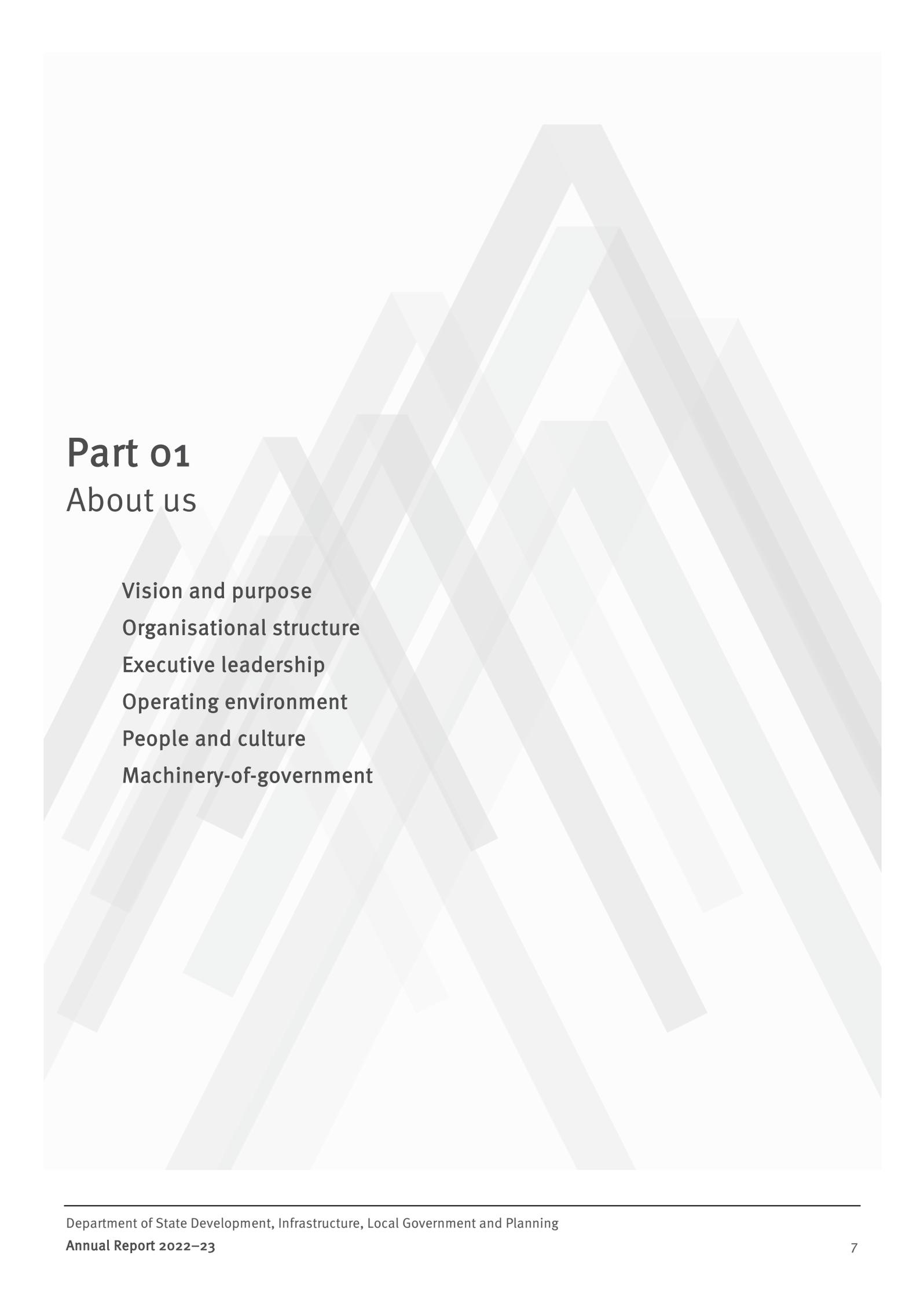
- » attracting the \$280 million Sanofi mRNA Translational Science Hub, a first-of-its-kind collaboration, connecting researchers in Queensland with Sanofi scientists from the mRNA Centre of Excellence in France and the USA with the aim of improving mRNA technology and developing vaccines for infectious diseases
- » approval for the Caboolture West Interim Structure Plan which will facilitate the development of 13,000 new homes across 600 ha of residential land over the next 15 years
- » the launch of the revised North West Queensland Economic Diversification Strategy Implementation 2022–2025
- » continued support for economic development projects across Queensland with \$1.5 million in funding over 2 years for the Remote Area Boards
- » announcing projects identified under the Resource Recovery Industries Roadmap which will divert more than 1.17 million tonnes of waste from landfill
- » facilitating completion of the new Vaxxas research and manufacturing facility within the Northshore Hamilton PDA.

Overall, it has been a very busy and productive year, showcasing our effective and collaborative stakeholder relationships, including with the Australian Government, universities, local government, economic development agencies and industry and research organisations, to help deliver excellent outcomes for all Queenslanders.

We look forward to continuing to work closely with industry, the community and all levels of government to help create responsible economic growth as well as prosperous and liveable communities across the state.

A handwritten signature in black ink that reads "Mike Kaiser". The signature is written in a cursive style with a period at the end.

Mike Kaiser
Director-General
Department of State Development, Infrastructure,
Local Government and Planning



Part 01

About us

Vision and purpose

Organisational structure

Executive leadership

Operating environment

People and culture

Machinery-of-government

Vision and purpose

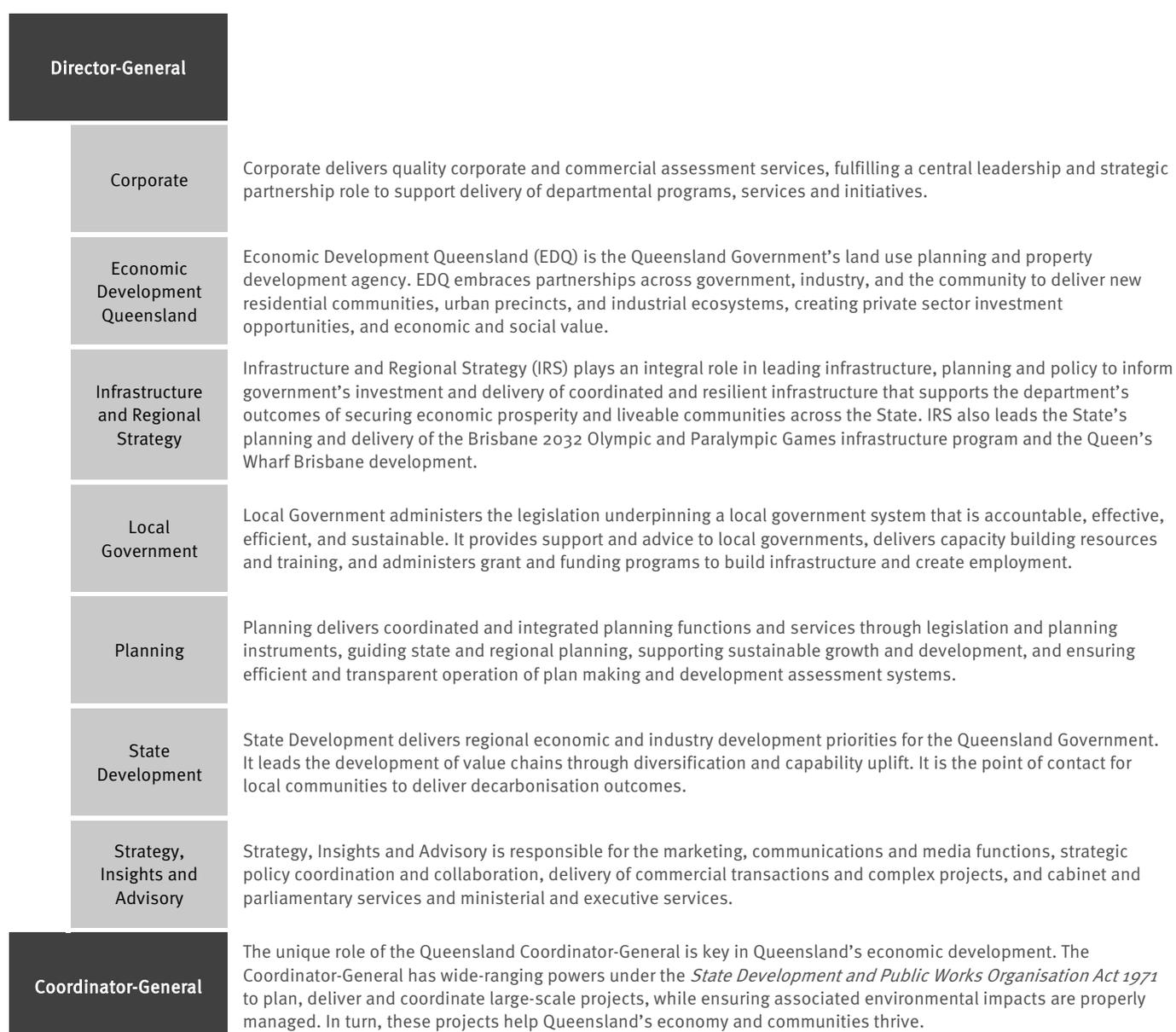
Our vision is to be an influential department that delivers for Queenslanders. We are the state shapers and our purpose is clear – to think ahead and act now to secure responsible economic development and liveable communities. We are setting up Queensland for a better tomorrow.

We are the department that senses the future. Queenslanders rely on us to scan and make sense of the economic road ahead. We are the economic development department, relied upon to work with industry, the community and researchers to bring about and sequence the big economic shifts. We live in a community, not just an economy. Securing our liveability while we develop our economy is challenging, but essential.

Organisational structure

Our organisational structure aligns with key functions and with our vision, purpose, strategic objectives, and strategies outlined in the 2022–26 Strategic Plan. The structure encompasses a broad range of functions vital to the state’s economic development enabling us to deliver on whole-of-government priorities while also focusing on both existing and growth industries, on local governments and the aspirations of diverse communities across Queensland.

Figure 1. DSDILGP organisational structure – June 2023



Executive leadership

Led by the Director-General, our executive leaders drive, manage, and oversee the activities and functions undertaken across the department. Below is our executive leadership as at 30 June 2023.

Group head	Biography
Mike Kaiser Director-General and Coordinator-General	<p>Mike has been the Director-General of the department since April 2022 moving from the Department of Resources. Mike is also the Coordinator-General, having been appointed to the role on 7 February 2023. Mike brings more than 30 years' experience to the role, having built a successful career in both private and public sector leadership and consultancy roles. Prior to his appointment, Mike was a partner of KPMG and contributed to the Queensland COVID-19 Economic Recovery Plan in that capacity. Other public sector experience includes working as chief of staff to premiers in both Queensland and New South Wales. Mike completed his academic qualifications at The University of Queensland, earning a bachelor's degree in electrical engineering and economics. He is a member of several boards including the Australia and New Zealand School of Government.</p> <p>Toni Power also held the role of Coordinator-General during 2022–23.</p>
Michael McKee Deputy Director-General Corporate	<p>Michael is responsible for leading the internal operations of the department and supporting the Executive Leadership Team (ELT) to ensure resources and governance align to strategy. Michael has been in similar roles within the Queensland public sector for nearly 20 years, drawing upon experience with local governments, statutory bodies and departments, as well as some time with a large, chartered accounting firm. Michael's extensive public sector corporate experience is often sought for governance committees across the sector, including audit, risk, procurement and financial management.</p>
Debbie McNamara General Manager, Economic Development Queensland	<p>With more than 25 years' experience, Debbie has held a range of executive leadership roles across urban regeneration, social infrastructure, and economic development activities across the private and public sector in Australia and the UK. As General Manager of Economic Development Queensland, Debbie oversees a wide portfolio of urban renewal and industrial projects that create and invest in sustainable places for Queensland to prosper. Debbie is also leading Economic Development Queensland's response in key government priorities as the state's land-based development agency.</p>
Leah Kelly Deputy Director-General, Infrastructure and Regional Strategy	<p>Leah is responsible for a broad range of infrastructure planning and delivery initiatives that draw on her private and public sector experience in policy development, transactions, commercial advisory, economic analysis, business case development and infrastructure project procurement and delivery. Leah held senior executive roles in Queensland Treasury, Building Queensland, Aurecon and at the University of Queensland.</p> <p>Graeme Garrett, former Executive Director, Infrastructure Planning and Advisory, also performed the role of A/Deputy Director-General, Infrastructure and Regional Strategy during 2022–23.</p>
Jae Lancaster A/Deputy Director- General, Local Government	<p>Jae has worked in the public sector for more than 25 years including 15 years within various iterations of this department. During this time, Jae has worked with Regional Organisation of Councils, Local Government Association of Queensland (LGAQ), Remote Area Boards and various regional economic development organisations. This work has been dedicated to delivering infrastructure and regional economic development strategies and economic recovery plans.</p> <p>Joshua Hannan was appointed to the role of Deputy Director-General, Local Government and commenced in July 2023.</p>

<p>Tess Pickering Deputy Director-General, Planning</p>	<p>Tess is a proud planner having worked on projects like the Queensland <i>Planning Act 2016</i>, the Southeast Queensland Regional Plan 2017 and Victoria’s new Precinct Structure Planning Guidelines 2021. In Victoria, Tess was responsible for maintaining a pipeline of 15 years’ supply of zoned land for new communities across Melbourne. Tess also led the introduction of new standards for greenfields planning that focus on creating walkable 20-minute neighbourhoods with greener and cooler streets and more diverse housing – which we want to see more of here in Queensland.</p> <p>Christopher Aston, Executive Director, Policy and Statutory Planning, also performed the role of A/Deputy Director-General, Planning during 2022–23.</p>
<p>Michele Bauer Deputy Director-General, State Development</p>	<p>Michele has extensive experience in economic development portfolios with a focus on industry development, investment attraction and regional infrastructure programs. Michele’s career has included whole-of-government infrastructure planning for mineral processing and industrial development in North-West and North Queensland. Throughout her various roles, Michele promotes stakeholder relationships and has extensive networks across regional Queensland and within government agencies. Prior to her current role, Michele held senior positions in the Office of the Coordinator-General including Assistant Coordinator-General, Coordinated Project Delivery.</p>
<p>Natalie Wilde Deputy Director-General, Strategy, Insights and Advisory</p>	<p>Natalie coordinates key matters across the Deputy Premier’s portfolio responsibilities and supports all touch points between the Deputy Premier’s Office and the department. Natalie is responsible for leading the portfolio work of the Director-General’s Office, commercial transactions, strategic and economic policy relating to government priorities, strategic communications, and major projects such as South Bank. Natalie has more than 20 years’ experience in the public service at both state and local government levels. During this time, Natalie has specialised in leading policy and legislation in the areas of local government, planning, building, infrastructure and property. Natalie has qualifications in public health and business and has completed the Australian Institute of Company Directors course.</p>
<p>David Stolz Assistant Coordinator- General, Planning and Services</p>	<p>David’s career spans more than 30 years in private and government sectors, and across diverse areas including resources, telecommunications, banking and insurance. His employment with the Queensland Government includes roles focused on economic development, policy and industry development. As Assistant Coordinator-General since 2014, he has led development approval assessment for complex projects, many of which are in regional Queensland. A key component of this work has been the strategic development of Queensland’s 12 state development areas (SDA), including leading the declaration and growth of 4 of these areas. David also leads the management of the Coordinator-General’s industrial land holdings including land in Gladstone, Abbot Point and Townsville.</p>
<p>Kerry Smeltzer Assistant Coordinator- General, Project Evaluation and Facilitation</p>	<p>Kerry has more than 21 years’ working in the public sector, with a strong focus on economic development. As the Assistant Coordinator-General, Kerry works closely with private and public sector proponents to progress major projects for Queensland. Kerry is responsible for leading complex assessment, compliance, and facilitation of major projects, requiring timely and strategic outcomes. Prior to commencing in the public sector, Kerry obtained experience in banking and finance, property, and commercial transactions. Kerry delivers the priorities of the Government through contributing to the development of an agile, flexible, mobile workforce to meet strategic objectives.</p>

Operating environment

Unique in its regional diversity, its decentralised population and economy, Queensland is home to more than 5 million people with approximately half of these living outside the greater metropolitan area of Brisbane.

Queensland operates in a global economy that faces increased uncertainty and volatility. Global inflation and geopolitical tensions remain the biggest risks to the global outlook. Continuing disruptions to supply chains in critical sectors could prolong global inflation, weaken global growth potential, and may negatively impact Queensland's mineral and energy exports.¹

While Queensland is not immune to these global economic challenges, it is well-placed to navigate them.

Queensland's labour market remains remarkably strong and tight, with the unemployment rate at decade lows, the job vacancy rate near its historic high and the employment-to-population ratio around its highest level in more than a decade.²

Queensland's population growth over the year ending December 2022 increased by 116,600 persons or 2.2%. The major contributor to this increase was net overseas migration, with a growth of 58,078 persons. Additionally, Queensland continues to be a substantial net recipient of interstate migrants, particularly from New South Wales and Victoria. During the same period, net interstate migration accounted for 34,565 persons of Queensland's overall population growth.³ While due in some part to the impact of COVID-19 in southern states, major contributing factors were increasing job opportunities, relative housing affordability and the attractions of a kind, temperate climate.

With Queensland returning to normalcy following the pandemic, we are focusing on our core services around infrastructure, new industry development to accelerate decarbonisation, employment and delivery of local government services and planning as well as addressing housing affordability issues.

Within this changing and dynamic operating environment, we embraced our strategic opportunities and managed our risks by:

- » responding to changing global economic conditions and geopolitical dynamics – such as trade agreements, commodity prices and international demand – with strategies such as diversifying the economy and improving sovereign capability
- » preparing for and strengthening resilience to increased climate change variability, major disasters and emergency events
- » understanding the challenges of Queensland's vast geography, diversity of infrastructure (including digital infrastructure), access to skilled labour, urban migration and population demographics, and leveraging our regional presence to tailor programs to support local economies and regional economic resilience
- » fostering a workforce that is engaged, capable and diverse with a strong and ethical culture
- » leveraging private sector investment to create jobs for Queenslanders and encourage growth in emerging and existing industries
- » harnessing our productive and collaborative stakeholder relationships, including with the Australian Government, universities, local government, economic development agencies, industry and research organisations, to deliver outcomes
- » planning communities that are liveable and environmentally and socially sustainable to ensure prosperity and quality of life for future generations.

¹ Queensland Budget 2023-24: Budget Strategy and Outlook (p. 52)

² Queensland Budget 2023-24: Budget Strategy and Outlook (p. 42)

³ Australian Bureau of Statistics: National, state and territory population, Dec 2022.

People and culture

A positive workplace culture of collective responsibility for delivering on state and departmental priorities underpins the work and achievements delivered during the past year. Dedicated and passionate leadership drives our focus on outcomes for industry, the economy and lifestyle in communities across the state.

We have enthusiastic employees making a difference across the state, in cities and small towns, by the coast and in the outback. We live by the public service values and our Guiding Principles and channel our passion for our work into real benefits. We recognise the enormous privilege of living in Queensland, working for Queenslanders.

Guiding Principles

Our Guiding Principles describe us at our best. They are the behaviours we strive for and how we do our best work for the people of Queensland.

Figure 2. DSDILGP Guiding Principles



Public service values

The Queensland Public Service values are designed to guide all Queensland Government employees in our behaviour and decision-making.

Figure 3. Public service values



Machinery-of-government

Following machinery-of-government (MoG) changes effective from 18 May 2023, the Housing Supply Expert Panel moved from the Department of State Development, Infrastructure, Local Government and Planning (DSDILGP) to the Department of Housing under the portfolio of the Minister for Housing.

Outgoing functions

The following table outlines the function that left the department due to MoG changes on 18 May 2023, and the related annual reports where the financial statements can be located for the 2022–23 reporting period.

Left the department	Date of transfer	Related annual report*
Housing Supply Expert Panel	18 May 2023	Department of Housing

*Financial statements for the period 1 July 2022 to 30 May 2023 can be found in the DSDILGP annual report. Financial statements for the period 1 June 2023 to 30 June 2023 can be found in the Department of Housing annual report.



Part 02

Year in review

Overview

Economic prosperity

Liveable communities

High-performing department

Looking ahead

Overview

Throughout 2022–23, there has been a strong focus on leading, facilitating and driving a more resilient, competitive and strong economy, which meant department-initiated projects were designed to:

- » facilitate private sector investment, resilient infrastructure and growth of diverse industries that also promoted job creation for Queenslanders
- » streamline planning and development opportunities that enable effective use of land, facilitate economic growth, housing supply and affordability and places where people want to live, work and play
- » improve stakeholder satisfaction through effective funding programs; advice and support to local governments; and consultation, advice and support for infrastructure and regional strategy, policy and planning through our united leadership team and capable people.

In achieving goals and delivering on key priorities, we have also contributed the following to the Queensland Government's objectives for the community:



GOOD JOBS: Good, secure jobs in our traditional and emerging industries

- » **SUPPORTING JOBS** through projects and investments that the department leads, supports or oversees.
- » **BACKING SMALL BUSINESS** by providing scalable opportunities in priority sectors and catalyst infrastructure.
- » **MAKING IT FOR QUEENSLAND** by maintaining, enhancing and attracting industry investment.
- » **INVESTING IN SKILLS** by building capability and enhancing supply chain opportunities and connections.



BETTER SERVICES: Deliver even better services right across Queensland

- » **CONNECTING QUEENSLAND** by supporting the development of digital infrastructure in communities and industry digital capability.



GREAT LIFESTYLE: Protect and enhance our Queensland lifestyle as we grow

- » **PROTECTING THE ENVIRONMENT** through state and regional planning that balances economic, social and environmental outcomes.
- » **GROWING OUR REGIONS** through state and regional planning, supporting local government infrastructure, regional economic diversification and business and industry investment.
- » **BUILDING QUEENSLAND** by driving the largest infrastructure program in over a decade.
- » **HONOURING AND EMBRACING OUR RICH AND ANCIENT CULTURAL HISTORY** through increasing the participation and contribution of Aboriginal and Torres Strait Islander communities and peoples to Queensland's economic prosperity.

The year is seen through the lens of achievements and benefits realised against the objectives of our 2022–26 strategic plan:

- » **Economic prosperity** – sharing in opportunity through diversity and investment in key industries.
- » **Liveable communities** – well-planned communities where people want to live, work and play.
- » **High-performing department** – be the employer of choice with empowered and engaged people.

Economic prosperity



Sharing in opportunity through diversity and investment in key industries is the result of successful facilitation of private sector investment, growth in diverse industries, coordinating resilient infrastructure and appropriate planning for the delivery of the Brisbane 2032 Olympic and Paralympic Games infrastructure program.

Actions and achievements

- » Dedicated to leading, planning and delivering the Brisbane 2032 Olympic and Paralympic Games infrastructure program, we achieved the following in the 2022–23 reporting year:
 - We signed the Intergovernmental Agreement (IGA) on the Brisbane 2032 Olympic and Paralympic Games with the Commonwealth of Australia in February 2023. The IGA includes the governance arrangements for the delivery of the Brisbane 2032 venues. The key features include: the Queensland Government will fully fund the \$2.7 billion Gabba redevelopment, the Australian Government will provide up to \$2.5 billion for the Brisbane Arena, and both levels of government will co-fund the \$1.8 billion Minor Venues Program.
 - We commenced 9 Project Validation Reports (PVR), as well as the Joint Business Case with the Australian Government for the Brisbane Arena. A total of 12 PVRs will have commenced by December 2023. The PVRs and Joint Business Case look at a range of planning and delivery aspects, including the optimal way to deliver the project and reference design. Upon completion of PVRs, government is then able to make an investment decision and commence procurement.
 - We commenced the registration of the Brisbane 2032 Olympic and Paralympic Games infrastructure program with the Green Building Council of Australia to achieve our goal of 6-Star Green Star Buildings ratings for all new and significantly upgraded venues and villages, where relevant. Capital programs will also target zero net waste and 100% renewable electricity and fuel use for construction and operational phases. Existing venues will be audited for energy efficiency and on-site renewable energy retrofit.
 - We finalised the updated development scheme and Development Charges Offset Plan (DCOP) for the Northshore Hamilton PDA to help transition the development into a world-class riverfront precinct with an estimated 14,000 dwellings to more than 24,000 residents. The precinct will be home to the Brisbane Athletes Village for the Brisbane 2032 Olympic and Paralympic Games.
 - We released the concept plan for the Breakfast Creek Sports precinct which provides the preferred location for a major Brisbane 2032 Games venue. The plan seeks to establish a legacy for the Breakfast Creek Sports precinct as one that will be publicly accessible with quality green space and contributes to addressing Queensland’s housing crisis. Community consultation on the concept plan is underway.
- » To ensure the future growth and prosperity of regional Queensland, we achieved the following in the 2022–23 reporting year:
 - Through our commitment to the implementation of the Regional Growth Framework we:
 - released the Central and Western Queensland Regional Infrastructure Plan in March 2023: the first region chosen to lead a state-wide roll-out of the place-based infrastructure plans to drive regional economic transformation and liveable communities over the next 20 years
 - started a review of the Far North Queensland Regional Plan to ensure regional policy facilitates economic development that is sustainably balanced and positively influences the ability to deliver contemporary outcomes. Key focus areas for the review include economic growth, coordination of land use and infrastructure, agricultural productivity and establishing settlement patterns for growth management
 - commenced a review of the Cape York Regional Plan. Key focus areas for the review include economic growth, coordination of land use and infrastructure, agricultural productivity and environmental protection

- commenced the development of the draft Far North Queensland Infrastructure Plan (FNQIP) with a series of regional stakeholder engagement throughout 2022–23 to identify strategic regional priorities and associated enabling infrastructure priorities. The FNQIP will inform the Cape York and Far North Queensland Regional Plan
 - undertook public consultation on the draft Wide Bay Burnett Regional Plan (to be finalised later in 2023) to ensure regional policies address challenges in growing the region’s population and capitalise on opportunities to build the economic future of the region. Key focus areas for the review included increasing the participation and capacity of the working age population in the region and building the region’s existing economic strengths while growing emerging industries
 - commenced development of the draft Wide Bay Burnett Infrastructure Supplement (WBBIS) to support the Wide Bay Burnett Regional Plan. The WBBIS is a more narrowly scoped version of a full regional infrastructure plan drawing on the regional priorities and objectives that have been determined in the Wide Bay Burnett Regional Plan review and consultation.
- We developed and launched the revised North West Queensland Economic Diversification Strategy Implementation Plan 2022–2025. On top of the committed \$33.3 million in the former implementation plan, a further \$20 million has been committed to support continued momentum of the achievements under the first diversification strategy.
 - Our Remote Area Boards (RAB) continued to support economic development projects across remote Queensland. Funding of \$1.5 million over 2 financial years has provided certainty for RABs to underpin economic planning and help secure projects, services and activities, regardless of their location or limited ratepayer base. A key focus for RABs has been delivering projects in remote communities that support the Queensland Government’s commitment to decarbonisation.
- » By leveraging our partnerships to ‘find a way to done’, we created jobs and economic prosperity, achieving the following in the 2022–23 reporting year:
- We continued facilitation of the Waterfront Brisbane project: a \$2.5 billion commercial development of the Eagle Street Pier site. The project includes 2 office towers, riverfront dining, a new and upgraded public realm and a new riverwalk. It is projected that over the next 40 years, the project will provide a \$10 billion boost to gross state product and will provide for 3,200 construction jobs and 1,620 ongoing jobs upon completion. Work commenced January 2023, with demolition underway and several agreements for lease confirmed for the new tower.
 - We finalised the development scheme and DCOP for Boggo Road Cross River Rail PDA, establishing the state’s land use planning and infrastructure frameworks to enable growth in the world-class innovation precinct. Supporting more jobs in health, science and education, the PDA will also feature a network of high-quality open space and new active transport connections with improved amenity and convenience.
- » Through steering the way and going further together, we pursued and secured new private sector projects in priority industries, achieving the following in the 2022–23 reporting year:
- The Industry Partnership Program continues as the flagship industry development program under the Queensland Jobs Fund to boost the state’s industry footprint, create jobs and strengthen the economy and local supply chains. Key projects supported under the program include:
 - Vecco Group’s Townsville vanadium battery electrolyte manufacturing facility
 - Alpha HPA’s construction of a commercial plant for high purity alumina nitrate aluminium sulphate for use in lithium-ion batteries for electric vehicles and LED lighting
 - a Translational Manufacturing facility at the Translational Research Institute to provide hands-on training and advanced manufacturing capabilities to build Queensland’s biomedical workforce
 - Fortescue Future Industries’ green hydrogen facility near Gladstone
 - Queensland University of Technology’s upgrade of the Mackay renewable bio-commodities pilot plant
 - Visy Industries’ upgrade to its Gibson Island material recovery facility.

- Renewable energy projects:
 - The Coordinator-General’s coordinated project process streamlined approval for the CopperString 2032 project. In November 2022, the Australian Government granted the project conditional approval, pending 61 conditions and recommendations in response to the project’s complex environmental, social and economic impacts. Critical to the production of renewable energy technology, works on the CopperString 2032 project are expected to commence in 2024.
 - A 32-year lease was signed with Diamantina Power Station (Part of APA Group) to facilitate the Dugald River Farm’s 88-MW solar farm which supplies renewable electricity to 2 resource sector customers in Mount Isa and wider North West Minerals Region.
 - The Coordinator-General worked with Fortescue Future Industries to ensure a streamlined development assessment and approval process that was integrated with a land and infrastructure delivery package by EDQ, which enabled construction of the Gladstone Green Energy Manufacturing (GEM) facility in the Gladstone SDA to be completed. The GEM facility is the world’s largest electrolyser production facility and will make the Gladstone area a centre for new jobs, training and opportunities.
 - We worked closely with energy proponents, industry, local government and other Queensland Government departments to develop a strong and agile renewable energy supply chain. This included identifying and supporting investment opportunities, undertaking supply chain mapping, a feasibility study on port expansions (in particular, Port of Bundaberg, Port of Gladstone and Port of Brisbane around transport requirements and opportunities for oversize, over-mass components for renewable energy projects), and industry education opportunities.
 - We declared the \$1.3 billion Big-T Pumped Hydropower Energy Storage project (near Toowoomba) and the \$3.34 billion Mt Rawdon Pumped Hydro project (near Bundaberg) Pumped Hydro Energy Storage (PHES) as coordinated projects, providing a pathway for streamlined environmental assessment.
 - The Office of the Coordinator-General has begun pre-lodgement discussions with Queensland Hydro for the Borumba and Pioneer-Burdekin PHES projects including seeking a regulation that will allow some early works to commence in 2024. Both are critical components identified in the Queensland Energy and Jobs Plan and will play an important part in reaching the government’s net zero target by 2050.
 - Our Wind Farm team worked hard with private sector energy providers to support the government’s commitment to growing Queensland’s renewable energy and achieving the 50% renewable energy target by 2030. The team received 5 applications and 3 minor change applications and approved 4 wind farms and 2 change applications. Pre-lodgement advice was provided to prospective applications 17 times.
 - We declared the Kidston Wind Farm as a prescribed project in January 2023. The clean energy hub will provide large-scale solar, pumped hydro storage and wind energy at a single location, further strengthening the reliability of the North Queensland energy grid.
 - Under the Resource Recovery Industries Roadmap we have supported 46 projects to bring forward new technologies and divert more than 1.17 million tonnes of waste from landfill.
- Critical Mineral projects:
 - Activities delivered through the Queensland Mining Equipment, Technology and Services 10-year road map included: Delivery of the 2023 QuantumTX Accelerator Program – a program which facilitates cross-sector exchange of knowledge, innovation, capability and technology to develop global companies – to commercialise high potential innovative products and services; Sponsorship of the 2023 World Mining Congress which provided a unique opportunity for international representatives of the world’s leading resource economies to make new connections, discuss current challenges, and share the latest research, technology and best practice; and refresh of the roadmap and action plan.
 - We supported the Wide Bay Burnett Resource Group (formed in 2012) to deliver on its strategic plan, including formation of an interagency advisory committee chaired by the Deputy Director-General, State Development. New common use infrastructure at the Port of Bundaberg makes the region attractive for investors. The resource group aims to activate the Wide Bay Burnett minerals region, which boasts a range of critical minerals and presents significant regional opportunities.

- We started developing a Queensland Battery Industry Strategy to help shape priorities and collaborative action with industry, universities and the Australian Government. The strategy will provide a framework to build on Queensland’s mining and manufacturing strengths and to attract investment and job growth. This builds on our collaboration with the Australian Government during 2021–22 which committed an investment of up to \$100 million to establish an Australian-made battery precinct in Queensland. Once established, the precinct will bring together the expertise of the industry and research institutions to commercialise battery technologies.
- Domestic hydrogen projects are progressively being developed, and further investment in large-scale export projects is being attracted, including for these projects facilitated through the Queensland Hydrogen Industry Strategy 2019–2024:
 - Queensland’s first public hydrogen refuelling station, fuelling 5 QFleet Fuel Cell Electric Vehicles used by the Queensland Government.
 - ENEOS opening their methylcyclohexane demonstration plant at Bulwer Island, as a scale up of the proof-of-concept research project to mass produce green hydrogen from renewable energy.
 - An Australian-first Horizon Hydrogen Grand Prix, with high school teams from across Queensland competing in Gladstone racing-scale model hydrogen-powered cars.
- The Coordinator-General released the final terms of reference for an Environmental Impact Statement for the \$4.7 billion Hydrogen Utility™ Pty Ltd project in February 2023. The project proposes to develop an industrial-scale green hydrogen and ammonia production precinct in the Gladstone SDA. At full production, the project would have a capacity of up to 3 GW in electrolysis plant and up to 5,000 t per day of green ammonia production capacity. The project is to be delivered in 2 stages and is anticipated to create up to 350 full-time equivalent (FTE) construction jobs and 140 FTE operational jobs.
- Projects to secure the future of biomedical research and breakthroughs for Queensland:
 - We facilitated completion of the new 4,000 m² research and manufacturing facility for Vaxxas, which was officially opened in June 2023. The new facility, within the Northshore Hamilton PDA, will enable Vaxxas to produce its needle-free vaccine technology. Supporting Queensland’s biomedical and biotechnology industry, this facility will provide 139 new high-value jobs and allow Vaxxas to manufacture up to 300 million vaccines per annum.
 - Development of the RDX Lumina project continued at the Gold Coast Health and Knowledge precinct. The RDX building is a \$154 million, 6-Star Green Star Research and Development Centre of Excellence. It will focus on life science, research and health and medical technology innovation. RDX will support more than 440 construction jobs and an estimated 1,000 ongoing jobs once the facility is complete.
 - In December 2022, we announced the \$280 million Sanofi mRNA Translational Science Hub in partnership with the Queensland Government, University of Queensland and Griffith University. A first-of-its-kind collaboration, it connects researchers in Queensland with Sanofi scientists from the mRNA Centre of Excellence in France and the USA. The aim of the hub is to improve mRNA technology and develop vaccines for infectious diseases including the first vaccine for chlamydia.
 - In June 2023, we led a delegation of around 50 Queensland companies, universities and research institutions to the BIO International Convention in Boston. The convention attracted more than 14,000 industry figures from across the globe and provided an excellent opportunity to showcase Queensland’s biomedical industry and encourage international investment.
 - We approved 2 major developments applications within the Parklands PDA on the Gold Coast. The land sales for these sites will catalyse more than \$100 million in private sector investment and support more than 280 construction jobs and an estimated 700 new high-value jobs once opened. These developments will facilitate the treatment of a variety of health conditions and development of new technologies across a range of health sectors.

- Biofuels projects:
 - We declared the Ampol Future Fuels Gasoline Desulfurisation project as a prescribed project and critical infrastructure project. The project involves a \$320 million upgrade to the Lytton Refinery at the Port of Brisbane to meet stringent fuel standards by the end of 2024. The project will improve fuel security and efficiency nationally, deliver environmental and social benefits from better quality and lower emissions fuel, create approximately 300 construction jobs and safeguard the ongoing jobs of approximately 450 employees and 400 contractors.
 - The Biofutures 10-year Roadmap and Action Plan continues to support the decarbonisation of industry and diversify regional economies. Key efforts in 2022–23 included bringing together feedstock providers, technology developers, airlines, airports and refiners to catalyse Queensland’s Sustainable Aviation Fuel industry with cutting edge trials, new partnerships and investment attraction, and accelerating development of a new fermented Future Foods industry in the Mackay region.
- We promoted the development of Recycling Enterprise Precincts by developing guidelines and location strategies with key industry players, local governments and peak bodies closely involved. The development of precincts is identified in the Resource Recovery Industries Roadmap as a way to provide suitable areas for some hard-to-locate industrial processes, while capitalising on co-location benefits. Precincts respond to an industry need to expand and evolve, creating new products, industries and jobs.
- » Our initiatives to strengthen supply chain infrastructure and support expansion of the defence and aerospace industries in the 2022–23 reporting year included the following:
 - We provided targeted financial help to small and medium-sized enterprises (SME) across the state through the \$1.5 million Defence and Aerospace Industry Development Fund. The fund supports SMEs to obtain internationally-recognised certification, so they can compete more strongly in Australian and global defence, aerospace and space supply chains. Sharing in more than \$420,000 in co-contribution funding from Round 3 were 24 businesses, including 2 Indigenous-owned businesses.
 - We delivered 34 defence and aerospace capability uplift workshops with participation by more than 790 individuals. The workshops covered topics such as Introduction to Defence, Marketing to Defence, Tendering for Defence, and Cyber Security and Defence Industry Security Program. Delivered both online and face-to-face across Queensland, the workshops support Queensland businesses access and grow their participation in defence and aerospace supply chains.
 - Through industry engagement and supply chain mapping activities, our Defence Industry Hubs in Ipswich and Townsville connect Queensland Defence and aerospace businesses with major supply chain opportunities. Hubs help major contractors achieve 90% or more local industry participation rates and in the reporting year, included facilitation of the Defence Base Services Transformation Roadshow reaching more than 200 attendees across 3 events state-wide to hear about the annual \$1.8 billion program of works, and to engage with major contractors in more than 200 business-to-business (B2B) connections.
 - We sponsored the Land Forces 2022 Queensland stand. The event welcomed more than 10,000 attendees, with 138 participating Queensland companies showcasing capability. The Queensland stand, which hosted 34 organisations, partnered with industry to facilitate 167 B2B meetings between SMEs, and prime contractors.
 - We sponsored the Avalon Australian International Airshow and Aerospace & Defence Exposition Queensland stand. The stand hosted 22 Queensland aerospace businesses. Queensland businesses signed more than \$31 million of supply contracts at the event and generated 224 leads with an estimated value of \$195.8 million.
 - The Queensland stand at MRO Asia-Pacific 2022 in Singapore hosted 10 Queensland aerospace businesses. Collectively, delegates indicated they had signed contracts for \$1.1 million and generated 63 leads with the potential to generate more than \$4.6 million in sales.
 - Queensland’s space industry is predicted to be able to create up to 6,000 high-value jobs by 2036. To facilitate this, we completed a study mapping the supply chain against local industry to identify existing supply chain gaps, determine local contestability, and support sovereign capability development. The study identified more than 1,000 Queensland companies that could diversify into the space industry in the supply of components, flight controls, satellite systems and launch activities.

- Pre-construction testing and other preliminary work is underway on the \$360 million Cairns Marine precinct Common User Facility project, a co-investment with the Commonwealth of Australia. The facility will house larger defence, commercial and private vessels for repair in Cairns. In addition, we are investing an additional \$39 million to improve access to the facility and help fast-track upgrades to major shipyards.
- In partnership with Trusted Autonomous Systems – Defence Cooperative Research Centre (TAS-DCRC), we supported projects in defence and aerospace:
 - Ethics and Law Activity including development of the Responsible AI in Defence toolkit.
 - Robotics and Autonomous Systems Gateway delivered under the Assurance of Autonomy Activity to assist industry navigate regulatory frameworks.
 - Queensland SME Revolution Aerospace’s Detect and Avoid trials and a high-altitude balloon flight test (part of the TAS-DCRC HAPS Challenge) at the Queensland Flight Test Range.
 - Four Research Fellowships.
- » Initiatives we facilitated to strengthen supply chain infrastructure and support expansion of the maritime industry in Queensland included the following:
 - We established a Marine Academy on the Gold Coast in January 2023 in collaboration with the Boating Industry Alliance, Gold Coast City Council and 9 local private sector businesses. The Academy is designed to attract and educate high school students for a career in the boating and maritime industries. With 19 school-based students attending the academy, a further intake will occur in 2023–24.
 - We established the Maritime Employment, Skills and Training Office (MESTO) in collaboration with Superyacht Australia, addressing skill shortfalls in the maritime sector. MESTO has met with more than 200 companies and more than 50 schools across Queensland to assist in finding skilled staff for businesses and marketing a career in maritime to school students.
 - We sponsored ASMEX 2023, Asia Pacific’s Premier Superyacht Conference and hosted the International Business Lounge at Sanctuary Cove International Boat Show 2023, in the interest of connecting industry and government. The focus included collaboration, connections and discussion of key developments and challenges facing the Australian and global industry, including environmental pressures involved with working towards a zero-emissions future.
- » Through strategic alliances we facilitated private sector investment and job creation:
 - We provided a \$5.91 million catalyst loan to Stockland to accelerate delivery of critical transport infrastructure and unlock 5,600 lots for housing supply in the Ripley Valley. The loan is part of an initial \$40 million in catalyst funding, for the delivery of essential infrastructure within the Ripley Valley PDA.
 - We approved the first developments within the Cleveland Bay Industrial Park in the Townsville State Development Area, facilitating \$25 million in private investment and enabling local businesses to expand operations. There is strong market interest with proponents submitting proposals for assessment, bringing forward economic development for North Queensland.
 - We continued development of the Master plan for Wop-pa (Great Keppel Island). The Master plan is informed by a community-based project reference group which has worked to develop a shared vision, key supporting principles, a concept map and common user infrastructure priorities to realise future opportunities for Great Keppel Island. Local community consultation occurred in November 2022 and the draft Master plan will be released for broad public consultation prior to finalisation. The Master plan forms a key part of the commitment to revitalise tourism and includes a \$30 million commitment towards common-user infrastructure.
 - We entered in a Development Deed with Gordon Corporation Pty Ltd – the successful proponent for the Village Centre South project as part of the continued implementation of The Spit Master Plan. Gordon Corporation Pty Ltd received development approval for Mantaray Marina and Residences – a \$300 million, mixed-used development comprising 30 luxury units, 67 marina berths and retail space. It is estimated the project will support more than 990 jobs during construction and more than 100 jobs when fully operational.

- We commenced construction of stage 2 of the Sunshine Coast Industrial Park which supports industry growth in the region by providing 25.5 hectares (more than 41 lots) of essential industrial land. The industrial park facilitates long-term job generation and economic development, supporting 100 local jobs during construction to make the land development-ready and up to 1,390 ongoing jobs are anticipated once stage 2 is completed.
- » The Coordinator-General has wide-ranging powers to plan, assess and coordinate large-scale projects in a diverse range of industry sectors including minerals and energy, tourism, agriculture, and infrastructure. In 2022–23, the Coordinator-General achieved the following:
 - We actively managed the State and Commonwealth environmental assessments for 14 coordinated projects, with a capital value of \$19 billion and potential to create 4,433 construction jobs and 4,547 operational jobs. Examples include the significant progress made in assessment and resolution of 4 sections of the Inland Rail project and the \$3.3 billion Mt Rawson Pumped Hydro Project.
 - We continued to facilitate 8 declared prescribed projects with a total capital value of around \$5.2 billion. Declaration as a prescribed project triggers the Coordinator-General’s powers to ensure timely decision-making. These projects have the potential to create 2,500 construction jobs and 2,500 operational jobs. Examples include emerging hydrogen facilities in Gladstone, Townsville and Abbot Point.
 - We facilitated integrated opportunities for through delivery of social impact assessments (SIA) to ensure communities benefit from the large resource projects in their region and developed draft technical guidance material to support the SIA Guideline.
 - We continued assessment of metallurgical coal mine operations for the \$1 billion Blackwater South Coking Coal project and the \$2 billion Peak Downs Mine Continuation Project. The operations are necessary for steelmaking and through the *Strong and Sustainable Resource Communities Act 2017*, we are ensuring a better outcome for the industry by including carbon emissions reduction requirements in the terms of reference for an environmental impact statement as well as strategies to support transition of Queensland’s workforce.
- » Committed to providing coordinated and resilient infrastructure for Queensland we continued to facilitate delivery of the Queen’s Wharf Brisbane integrated resort development. Towers 2 and 3 have reached structural completion enabling the installation of the iconic Sky Deck. Public Realm works and internal fit outs throughout the podium, towers and some heritage buildings were well progressed and the Neville Bonner Pedestrian Bridge was substantially completed. Queen’s Wharf Brisbane continues to generate thousands of jobs during construction and is estimated to create 8,000 jobs once fully operational.
- » In the reporting year, we rolled out industry capability programs that support digital transformation, cyber security, tendering and environmental, social and governance (ESG) pathways:
 - In March 2023, the first interactive Queensland Government Infrastructure Pipeline (QGIP) was released. QGIP consists of the government’s delivery and planning infrastructure pipelines, providing industry and suppliers with better access to information so that they can better plan, prepare and participate in the delivery of Queensland’s significant infrastructure program.
 - The state-wide Industry Capability Development Working Group delivered:
 - 3 Information Security webinars to 1,285 registered attendees with a satisfaction rate of 99.5%
 - a new Supplying into Major Projects workshop to 143 attendees with a 100% satisfaction rate
 - a research report into impacts of ESG on supply chain partners (providing better oversight, control and understanding of supply chains)
 - continued established supplier capability development workshops and web series with 1,358 views.
- » Other initiatives we supported to increase Queensland content in the supply chains of major projects and job initiatives included the following:
 - Our supply chain development services have helped local suppliers to win approximately \$1.31 billion worth of contracts on major projects. These services involve working directly with project proponents and their main contractors to increase the visibility of capable local suppliers and manufacturers and improve local content outcomes arising from major project activity in the state.

- The Queensland Charter for Local Content was applied to 108 new eligible major projects to give capable local suppliers the opportunity to participate in the tender process, resulting in \$214.53 million worth of contracts won by local suppliers and manufacturers. This represents 85% of the value of the work reported won by businesses with a Queensland presence.
- We delivered the Townsville Industry Breakfast series. The series promotes regional supply chain opportunities for major projects and provides networking and connection opportunities to support business growth and capability in the North Queensland region. In total, 4 events were held in Townsville over the year, attracting 858 industry and business representatives.

Key performance indicator	Results
<i>Value of new capital investment and jobs supported</i>	\$8 billion worth of new capital investment and 6,783 jobs were enabled through the department's project facilitation.
<i>Value of private sector investment and jobs supported by economic and community development projects</i>	\$557.5 million worth of private sector investment and 1,420 jobs were supported by economic and community development projects.
<i>Percentage of local content achieved in major projects</i>	84.7% of local content was achieved in major projects.
<i>Delivery of infrastructure project and program milestones</i>	Infrastructure milestones were delivered for the following ongoing projects: <ul style="list-style-type: none"> » Brisbane Arena » The Gabba » Breakfast Creek Indoor Sports Centre » Logan Indoor Sports Centre » Brisbane Aquatic Centre » Chandler Indoor Sports Centre » Redlands Whitewater Centre » Moreton Bay Indoor Sports Centre » Wyaralong Flatwater Centre and Precinct » Sunshine Coast Mountain Bike Centre » Sunshine Coast Stadium » Sunshine Coast Indoor Sports Centre » Barlow Park multi-sports facility Cairns » Toowoomba Sports Ground

Liveable communities



Well-planned communities where people want to live, work and play is the result of strategic land use delivery, facilitation of housing supply, affordability and diversity and the promotion of effective local government.

Actions and achievements

- » Going further together and steering the way, we continued to provide a coordinated, whole-of-government approach to assessing development applications. In 2022–23 we achieved the following:
 - We made 72 Ministerial Infrastructure Designations (MID) for a range of infrastructure including educational facilities, social or affordable housing, hospitals and health care services, sporting facilities and emergency services facilities. A MID allows for the delivery of essential community infrastructure by providing a streamlined, considered, whole-of-government response on requests for community-supporting infrastructure.
 - The State Assessment and Referral Agency (SARA) managed a large volume of work handling 2,472 lodgement applications, receiving 1,221 pre-lodgement requests, and finalising 2,446 applications. SARA coordinates the state’s assessment and decision-making role in the development process, ensuring sound development outcomes with appropriate safeguards including consideration of heritage values, transport infrastructure and the environment.
- » City Deals are cooperative partnerships between the federal, state and local governments, and the community, working towards a shared vision for productive and liveable cities. In 2022–23 we achieved the following:
 - We continued to work with partners on the \$1.8 billion South East Queensland (SEQ) City Deal to deliver 29 commitments across 4 themed objectives: jobs, connectivity, liveability and thriving communities. This generated long-lasting benefits to the community.
 - The 15-year Townsville City Deal continued with partners, with more than \$1 billion invested, ensuring a prosperous economic future for Townsville as a vibrant, liveable, and innovative city.
 - In further support of the Townsville City Deal, we declared the Lansdown Eco-Industrial precinct as a prescribed project, which will fast track approvals to deliver the enabling infrastructure required for the precinct. Jointly with the Commonwealth Government, a combined further \$74 million has been committed to this precinct. The project, which is being developed by Townsville City Council over the next 20 years, has the potential to support more than 15,000 jobs.
- » ShapingSEQ provides a framework that seeks to manage and respond to growth of SEQ, including the immediate housing and growth management needs of the region. In 2022–23 we achieved the following:
 - We continued ShapingSEQ implementation, with a focus on assisting local government to improve their strategic land use planning and development assessment processes. Enhanced collaboration with the SEQ Regional Planning Committee and ongoing monitoring through the Growth Monitoring Program provided contemporary data and information for local governments to evaluate their progression with ShapingSEQ implementation, relating to industrial and residential land supply, housing diversity and affordability, biodiversity, and employment in key industries.
 - In response to recommendations from the 2022 Housing Summit, we are developing a South East Queensland Infrastructure Supplement (SEQIS) aligned to the ShapingSEQ Regional Plan review while also considering the Brisbane 2032 Olympic and Paralympic Games infrastructure program. SEQIS will map the alignment of the Queensland Government capital pipeline to projected growth including identification of long-term opportunities and processes for coordinated infrastructure, planning and delivery, with finalisation due by the end of 2023.

- We evaluated the effectiveness of ShapingSEQ implementation since 2017, with key findings informing the ShapingSEQ Review including investigating new policy directions, a framework for implementation and monitoring tools.
- We prepared the draft ShapingSEQ 2023 Update which provides a plan to unlock more housing supply to meet the current and future needs of a changing population over the next 25 years.
- » Passionate about the provision of housing supply, affordability and diversity, in 2022–23 we achieved the following:
 - We commenced work at Parkside Yeronga with more than \$15 million in construction underway for EDQ to deliver the Yeronga Community Centre and civil works to facilitate the delivery of 281 dwellings, including 75 social and affordable units, 169 retirement apartments and 37 town homes. This is expected to generate more than \$180 million in private sector investment, supporting around 500 construction jobs. The Yeronga Community Centre is due to be completed in late 2023 and the civil works are due to be completed by early 2024.
 - Through the Building Acceleration Fund’s interest free loans, we provided co-investment with councils, developers, and utility providers to accelerate economic recovery through investment in infrastructure. Examples in the reporting period included:
 - \$15 million co-invested with Cairns Regional Council to deliver water and sewer infrastructure to unlock 446 residential lots and enable the delivery of more housing at Mount Peter
 - \$25.5 million co-invested with UnityWater to accelerate delivery of water and sewer infrastructure to help unlock land for new homes at Caboolture West
 - essential road infrastructure at Yarrabilba and Bahrs Scrub, unlocking a combined 3,780 lots of residential development and paving the way for the site of Yarrabilba Primary School.
 - Preparation began of the Redland Housing Supply and Diversity Strategy to work towards diverse, accessible and affordable housing options in the Redlands area. Redland residents were encouraged to provide input into the draft Strategy through engagement activities that took place in May/June 2023.
 - We gained approval on the Caboolture West Interim Structure Plan, bringing it into effect. The Plan facilitates the development of 13,000 new homes across 600 hectares of residential land over the next 15 years, delivering a broad range of affordable and diverse housing types, including social and community housing options.
 - We undertook a state interest review of the proposed amendment to the Brisbane City Council’s Bridgeman Downs Neighbourhood Plan, which was approved on 13 June 2023. The approval assures future development and coordinated land use and infrastructure over the next 10-year period and beyond, contingent on Council’s removal of multiple dwellings restrictions in the emerging community zone within the Roghan Road South precinct.
 - Work progressed to facilitate future development of Beerwah East in consultation with other departments and state government agencies, following endorsement of the Beerwah East Major Development Area Preliminary Evaluation in October 2022. The area has potential to deliver up to 21,000 new lots.
 - We facilitated delivery of 39 net zero energy emission terrace homes within Carseldine Village – Queensland’s first multi-staged residential development to deliver 100% net zero energy emission terrace homes. Dwellings come with cutting edge technology and high-performance design, including implementation of 100% solar and battery to keep running costs low. The terrace homes are finalists in the Property Council Australia Innovation and Excellence Awards – Development Innovation – 2023.
- » We undertook an audit of the government’s land and buildings looking for sites suitable for residential use and worked with local governments and non-government organisations to identify similar opportunities with their land and buildings. As part of this audit:
 - we reviewed more than 2,000 parcels of government land and shortlisted a total of 27 large sites across 9 local government areas, that could be progressed to more detailed investigations
 - EDQ completed initial investigations on 17 of the 27 sites and made recommendations about which could be progressed through to the next stages of planning

- we received more than 870 submissions of land ranging in size from 100 m² to 70 hectares from 39 local governments across Queensland, with 171 shortlisted for further analysis. We commenced consultation with local governments on the shortlisted sites as part of the Local Housing Action Plan consultation process with a view to identify local strategies to be prioritised for increasing housing supply, including sites that would be supported for specific types of housing such as employee, worker and tourist accommodation
- 887 trustee holders of government land were invited to identify possible housing opportunities on their trust land. We received and reviewed 17 responses. Of these proposals, 5 were considered suitable for further investigation.
- » We amended the Planning Regulation 2022 to:
 - extend the expiry date for the economic support instrument provisions, enabling local governments who opted in to continue streamlining approvals for low-risk development until 31 December 2023
 - allow state and local government to deliver emergency housing in response to an event (per *Disaster Management Act 2003*) without seeking a material change of use approval through the development assessment process, approved October 2022. This also allows the use of the infrastructure designation pathway for development of social and affordable housing by a community housing provider or under a State-funded program
 - provide consistency across the state in relation to the types of housing that can be expected in residential zones, by refining the regulation of small-scale rooming accommodation and dwelling houses in lower density residential zones
 - cease the need for a planning approval for small-scale rural workers' accommodation and introduced the Rural Workers' Accommodation Initiative, supporting repurposing existing underutilised facilities as an interim solution for rural workers' accommodation
 - update local planning instruments to facilitate increased housing supply and diversity, as well as aligning them with changes to the planning framework in response to particular housing needs. These updated local planning instruments have undergone state interest review, public consultation or been adopted in local governments including Gold Coast, Ipswich, Lockyer Valley, Logan, Rockhampton and Toowoomba
 - remove restrictions on who can live in secondary dwellings, enabling homeowners to rent out secondary dwellings, such as granny flats, to anyone
 - allow the Department of Education to provide relocatable classrooms at state schools without planning approval, where they meet the minimum requirements, to enable facilitation of enrolment requirements.
- » In finding 'a way to done', we unlocked surplus, underutilised and fragmented land for development in all sectors within PDAs:
 - Carseldine Village – we:
 - facilitated the \$4 million relocation and development of a 98-place childcare centre which is now complete
 - facilitated the delivery of 39 terrace homes, with an additional 81 terrace homes under construction and a further 62 terrace homes to commence construction later in 2023
 - commenced \$3 million civil works to create the final 25 terrace home lots.
 - Songbird Oxley – we facilitated:
 - the relocation of an existing 85-place childcare centre to a flood-free site and developed a new \$3.2 million childcare centre
 - construction of 5 homes with a further 21 new homes under construction and delivered the final \$8.7 million civil works to create a further 48 residential lots, road upgrades and rehabilitation works.
 - Caloundra South PDA – we finalised the boundary adjustment which will include an additional 13.5 hectares of land in the PDA to enable development of 180 new dwellings.
 - Woolloongabba PDA – we commenced the process to expand the PDA to encompass more of Woolloongabba, including the Stanley Street precinct, to deliver more housing, shopping and dining precincts. The expanded PDA will see the redeveloped Gabba Stadium, Cross River Rail and the Brisbane Metro connected to South Bank and Brisbane CBD via a walkable, active travel corridor to South Bank and Brisbane City Council's new green bridge.

- » We facilitated construction on community infrastructure projects:
 - We completed 9 out of 12 construction projects under the \$8 million Community Infrastructure Investment Partnership (CIIP) program, with the final 3 projects well under way. Participating organisations are now able to offer increased capacity across a range of services in both regional and metropolitan areas that address social isolation, drug and alcohol dependence, mental health, children’s health and family and youth issues. We also finalised a funding agreement with SSI to contribute towards the construction of the Economic Hub in Logan through the CIIP program.
 - We coordinated ‘lessons learnt’ from The Buzz at Yarrabilba – a community hub with an innovative, integrated social infrastructure design and service delivery model, which promotes the benefits of cross-sector partnerships and collaboration to achieve place-based community outcomes focusing on youth, learning, community, and neighbourhood services. The partnership is between Logan City Council, Queensland Government, Brisbane Catholic Education and Lendlease.
- » Passionate enablers in finding ways to get things done, we provided strategic land-use planning and effective development assessment:
 - We approved the Guragunbah Flood Plan TLPI No. 10 for the City of Gold Coast to preserve the city’s flood resilience and ensure development in the flood plain is not exposed to an inappropriate level of flood hazard.
 - We approved the Temporary Local Planning Instrument (TLPI) No. 1 of 2022 (Quandamooka Land Aspirations Area) for the Redland City Council local government area to facilitate development on land in accordance with the zones identified in the TLPI and ensure development within the area has regard to and considers natural hazards and risk, including the risk of bushfire.
 - Recommendations progressed in accordance with the Land Supply and Development Monitoring Peer Review Implementation Strategy (2022–24). In the reporting year, achievements included delivery of a sophisticated and nation-leading approach of integrated land use and transport modelling in partnership with the Department of Transport and Main Roads as well as improvements in end-to-end data workflow automation towards a new cloud-based data analytics and reporting platform on the department’s website. We are on track to implement all 41 recommendations by 2024.
 - We coordinated amendments to the Mirage Port Douglas approved scheme to ensure the state’s interests were addressed. The proposed amendment varied the boundaries of the 26.4 hectare portion, to increase the amount of beachfront development for the resort and reduce the amount of land in the residential precinct within the erosion prone area, to ensure safer development outcomes.
- » Improvements to the planning framework enabling delivery of more efficient and streamlined assessment outcomes for local governments included the following:
 - Public consultation was undertaken during April and May 2023 on proposed changes to the Minister’s Guidelines and Rules to support disaster recovery efforts following the 2021–22 floods. The proposed amendments will enable council to rezone land as a ‘minor amendment’ where the land has been purchased through an acquisition scheme, including the Queensland Reconstruction Authority’s voluntary home buy-back program. The proposed change will significantly reduce the regulatory burden on councils in delivering actions required under the Queensland and Australian Government’s Resilient Homes Fund program – a \$761.6 million fund to help Queenslanders across 39 local government areas whose homes were impacted by the 2021–22 floods.
 - Several new and amended local planning instruments that improve natural hazard mapping and assessment benchmarks have been facilitated and progressed. The changes will improve community awareness, safety and resilience to natural hazards such as flood, bushfire and coastal inundation. Improved natural hazard provisions have been adopted or are undergoing public consultation in local government areas including Barcaldine, Burdekin, Ipswich and Rockhampton.
- » We also administer local government legislation which covers the state’s 77 local governments serving their communities. Working with local governments and the community to build councils’ capability, improve sustainability, and progress understanding of planning and development, we:
 - developed a Sustainability Framework which came into effect from 1 July 2023. The framework focuses on 5 influencers of local government sustainability: operating environment, finances, asset management, governance and compliance. It will provide councils and our department with greater insight into the sector’s challenges and will support development of more tailored solutions for councils.

- developed, through comprehensive consultation with the public and Queensland councillors and mayors, an electoral expenditure cap scheme for local government elections. The *Local Government Electoral and Other Legislation (Expenditure Caps) Amendment Act 2023* was passed by Parliament on 18 April 2023, and received assent on 2 May 2023. The scheme will ensure a fair opportunity for all participants and will first apply at the 2024 local government quadrennial elections.
- We delivered 49 capability building training sessions to more than 600 people across a range of topics, including Code of Conduct, Conflict of Interest, Integrity Training, Roles and Responsibilities and Councillor Inductions, along with technical updates for councils’ finance staff. We also delivered 30 specialised financial and business training workshops to 345 attendees. Our online digital portal LG Central had more than 950 accounts activated for councillors and council staff. As at 30 June 2023, our stakeholder satisfaction with training we delivered was 4.5 out of 5.
- Committed to going further together, we worked with local governments to strengthen the efficiency and effectiveness of the Councillor Complaints Framework, which resulted from the Inquiry into the Independent Assessor and Councillor Conduct Complaints System.
- In early 2023, we consulted with local governments, LGAQ, and the Council of Mayors South East Queensland to better understand the results from monitoring local government online publication of infrastructure charging and spending information. This included the reasons behind the varying degrees of reporting; their views on the workability of the reporting requirements under the Planning Regulation 2017; and opportunities for improvement. We will continue to work with stakeholders to strengthen the publication and accessibility to infrastructure charging and spending information.
- » We commenced a project focused on identifying and reviewing opportunities to support Aboriginal and Torres Strait Islander local governments in responding to the growing challenge of ensuring long-term sustainability and capability. Consultation with Aboriginal and Torres Strait Islander councils commenced in June 2023 through co-design workshops and target consultation groups.
- » Under the 2022–24 Local Government Grants and Subsidies Program, we provided funding assistance to councils to deliver priority infrastructure and essential services that meet the identified needs of their communities. The 2022–24 program budget totals almost \$86 million and commenced on 1 July 2022. This round included eligibility for planning projects to help councils develop business cases and undertake project planning for future investment. Councils have until 30 June 2024 to complete projects.

Key performance indicator	Results
<i>Hectares of enterprise lots released to market within PDAs or through Economic Development Queensland projects</i>	38 hectares of enterprise lots were released to market during 2022–23.
<i>Years of approved land supply for South East Queensland</i>	As at November 2022, the SEQ region as a whole was assessed to have 4.8 years of approved supply of uncompleted lots. This supply is not evenly distributed however, with short-term land supply in a number of key coastal Local Government Areas extremely tight. (Note there is a 4-to-6-month time lag with data inputs relevant to this indicator. Land supply analysis that informs this indicator is currently performed annually.)
<i>Number of new residential lots and multi-unit dwellings approved in PDAs and Growth Areas</i>	3,240 new residential lots and multi-unit dwellings were approved.
<i>Financial position of rural and remote councils</i>	43% of rural and remote councils have low or moderate risk levels based on 2022 Queensland Audit Office results released in June 2023.

High-performing department



Being the employer of choice with empowered and engaged people is the result of improving stakeholder satisfaction, building united leaders and developing capable people.

Actions and achievements

- » We are committed to developing capable people and this year we introduced our Guiding Principles providing a reset of how we work and function as well as how we interact and engage internally and externally. In the first half of 2023, we conducted workshops across the state to engage our employees into fully living the Guiding Principles and exploring what being ‘at our best’ looks like.
- » Through our commitment to building authentic relationships with Aboriginal people and Torres Strait Islander people we:
 - reviewed the Yhurri Gurri Participation Plan 2021–2024 to focus on driving better outcomes. The plan is part of the Yhurri Gurri Framework 2021–2024 which was endorsed by the ELT in August 2021. The framework and participation plan details our commitment to Aboriginal people and Torres Strait Islander people and communities. It puts forward 7 initiatives to achieve successful outcomes: Being adaptive and responsive, First Nations workforce, Procurement and grants, Cultural growth, Governance, Language and communication, and Structural reform.
 - commenced consultation and collaboration between the Yhurri Gurri Program Board – who provide strategic oversight of the Yhurri Gurri framework implementation; Mari Dhiyaan (which means Aboriginal family in Gamilaraay language from south-western Queensland) – a network of Aboriginal and Torres Strait Islander employees within our department who help us drive momentum of the Yhurri Gurri framework implementation; and the ELT, to start our journey of cultural reform through reconciliation, truth telling and healing. We will also focus on supporting and driving economic development initiatives that promote employment and business opportunities for Aboriginal people and Torres Strait Islander people. The Yhurri Gurri framework will be our response to the Queensland Government’s commitment to Path to Treaty.
- » To promote how we work to prospective candidates and ensure a working environment that supports retention, we developed our value proposition as an employer around 3 key areas:
 - Opportunities for employees to make a big difference in Queensland.
 - Joining a group of passionate people that are genuinely committed and work together.
 - A way of work that sets us apart – supporting people with flexibility, providing opportunities to lean into strengths and grow accordingly, and being inclusive.
- » Our Grads Growing Queensland Program is investing in Queensland’s future generations. Focusing on high achieving graduates emerging from university, opportunities in engineering, ethics, economic development, planning, policy, project management, business support, information technology and data have been offered. This year, we accepted 13 graduates into the program. This program was complemented by additional investment in traineeships for Aboriginal people and Torres Strait Islander people, providing a pathway into employment with us as an employer of choice.
- » To build united leaders, we engaged a key cohort of senior leaders in The Step Ahead leadership development program, consisting of workshops on topical issues, work simulations and individual coaching.
- » We are dedicated to being responsive to stakeholders and meeting their needs. In 2022–23:
 - research was commissioned to gauge the success of the decisions made to improve performance and ultimately achieve better outcomes for the community we serve. The report shows that stakeholders view the department positively overall, with several areas identified as opportunities for improvement

- our interactive web-based platform PlaceConnect went live, enabling cross-sector stakeholders to access relevant information, as well as connect and interact with peers to collaboratively plan and invest in place-based social infrastructure and more widely
- procurement processes were simplified by:
 - creating an environment where Aboriginal and Torres Strait Islander business can thrive through better procurement outcomes and partnerships with us. We ran targeted workshops increasing First Nations market knowledge across our business units, building partnerships with Aboriginal and Torres Strait Islander business at industry events and providing pathways through which Aboriginal and Torres Strait Islander business can ‘do business’ with us. In 2022–23, 28 contracts were awarded to Aboriginal and Torres Strait Islander businesses with a value of more than \$5 million across our supply chain. This is an increase of more than 50% compared to the previous 12 months
 - streamlining engagement processes for Aboriginal and Torres Strait Islander businesses across a range of spend categories. We have pre-qualified a number of Aboriginal and Torres Strait Islander businesses by putting in place Service Agreements that eliminate red-tape and bureaucracy and make it easier for us to do business with Aboriginal and Torres Strait Islander businesses who already have demonstrated capability in delivering value across a range of departmental programs.

Key performance indicator	Results
<i>Improved Working for Queensland survey results</i>	We saw improved Working for Queensland survey results in 2022. Focal areas identified for improvement from the 2021 survey received increased favourable scores in 2022, such as employee engagement (+9%), perceptions of employee wellbeing being valued (+19%), and flexible work (+17%). Additionally, questions relating to leadership were 12% to 17% above the sector average. As per previous years, the department has identified focal areas in 2022 with the objective of achieving improved results in 2023.
<i>Level of stakeholder satisfaction with the department for:</i> <ul style="list-style-type: none"> » <i>the administration of local government funding programs</i> » <i>advice, services and support to local government</i> » <i>the accessibility and transparency of the requirements of the planning system</i> » <i>consultation, advice and support for infrastructure and regional strategy, policy and planning</i> 	Stakeholder satisfaction was: <ul style="list-style-type: none"> » 89% for the administration of local government funding programs » 87% for advice, service and support to local government » 75.5% for the accessibility and transparency of the requirements of the planning system » 84% for consultation, advice and support for infrastructure and regional strategy, policy and planning.

Looking ahead

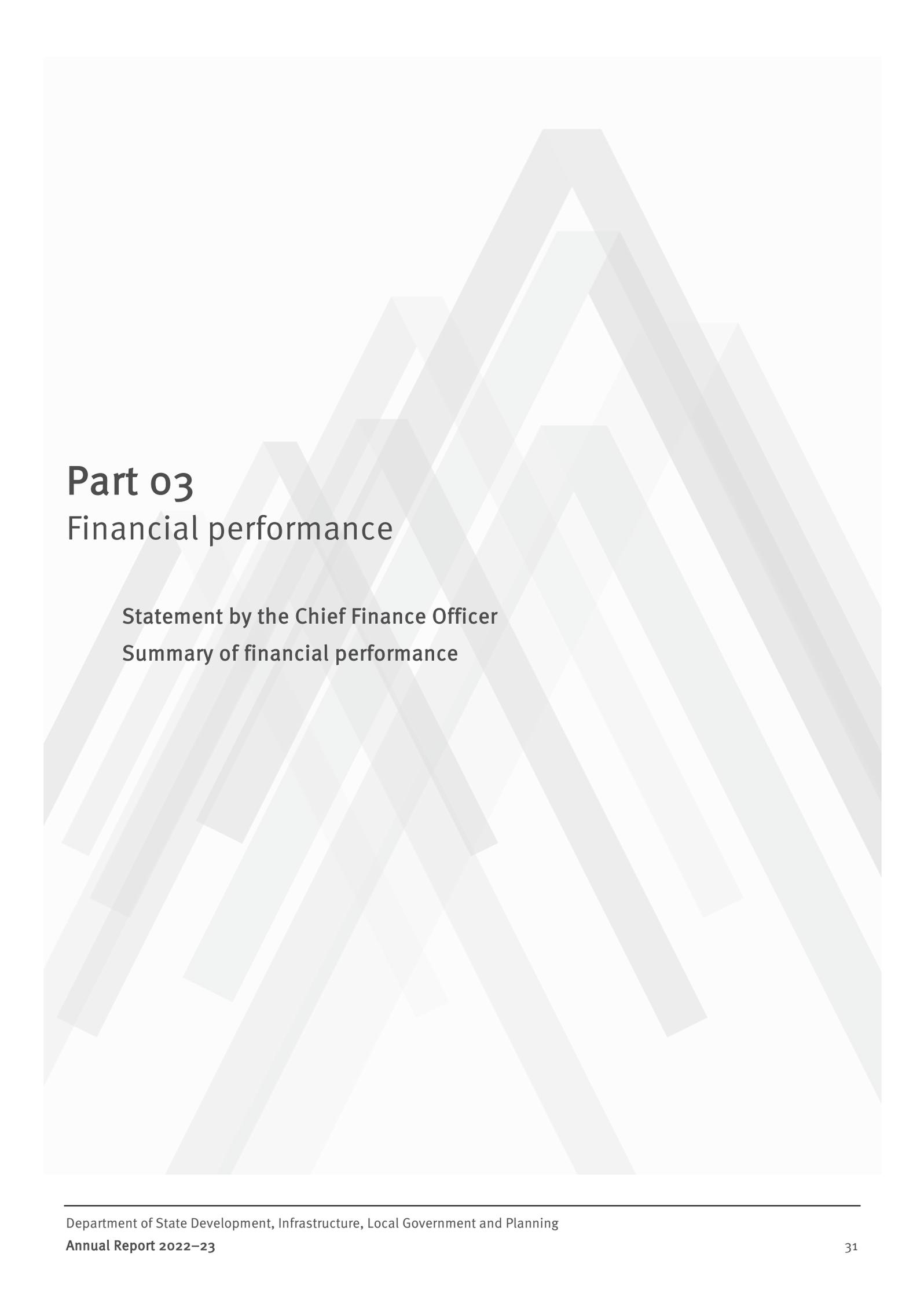
Continuing the momentum we built during 2022–23, our capable and engaged people are working to fulfill our obligations to Queenslanders. That is, to make a difference through our purpose to think ahead and act now, securing responsible economic development and liveable communities.

Partnerships with our customers and stakeholders are important to us as we work to deliver policies, programs and services that support industry while reflecting the needs of the broader community. We are coming together in a connected manner to leverage on our capabilities across the whole spectrum of what we do.

Looking ahead, we will deliver on our purpose through key priorities such as:

- » delivery of the Regional Growth Framework – a program of coordinated regional economic development, land use and infrastructure planning focusing on regions’ social and economic priorities to create future-ready regions
- » working to meet the current and future needs of Queensland’s changing population through the ShapingSEQ Update
- » implementing the ‘Local government sustainability framework’ to support our local councils to remain financially sustainable and creating a holistic approach to monitoring council sustainability
- » helping Queensland to retool its economy with the ‘Queensland new-industries development strategy’ to use green energy to pursue emerging industries
- » leading the coordination and planning of the Brisbane 2032 Olympic and Paralympic Games infrastructure program to bring this global event to showcase our region
- » continuing our truth-telling journey as part of our commitment towards delivering on our responsibilities in Reframing the Relationship to work toward Path to Treaty with Aboriginal peoples and Torres Strait Islander peoples.

Our priorities will make sure that good jobs, better services and a great lifestyle can be delivered now and into the future across Queensland.



Part 03

Financial performance

Statement by the Chief Finance Officer
Summary of financial performance

Statement by the Chief Finance Officer

In accordance with the requirements of section 77(2)(b) of the *Financial Accountability Act 2009*, the Chief Finance Officer has provided the Director-General with a statement confirming the department's financial internal controls are operating efficiently, effectively and economically in compliance with section 54 of the Financial and Performance Management Standard 2019.

The Chief Finance Officer has therefore fulfilled the responsibilities set out in section 77(1)(b) of the *Financial Accountability Act 2009*.

Summary of financial performance

This section provides an overview of our financial performance and position for the 2022–23 financial year. The audited financial statements can be found in Part 7 of this report.

Understanding the financial statements

The following comparisons of the 2022–23 financial year results against the 2021–22 financial year results were considered and accepted by the department's Audit and Risk Management Committee at the 24 August 2023 meeting.

Table 1. Financial snapshot

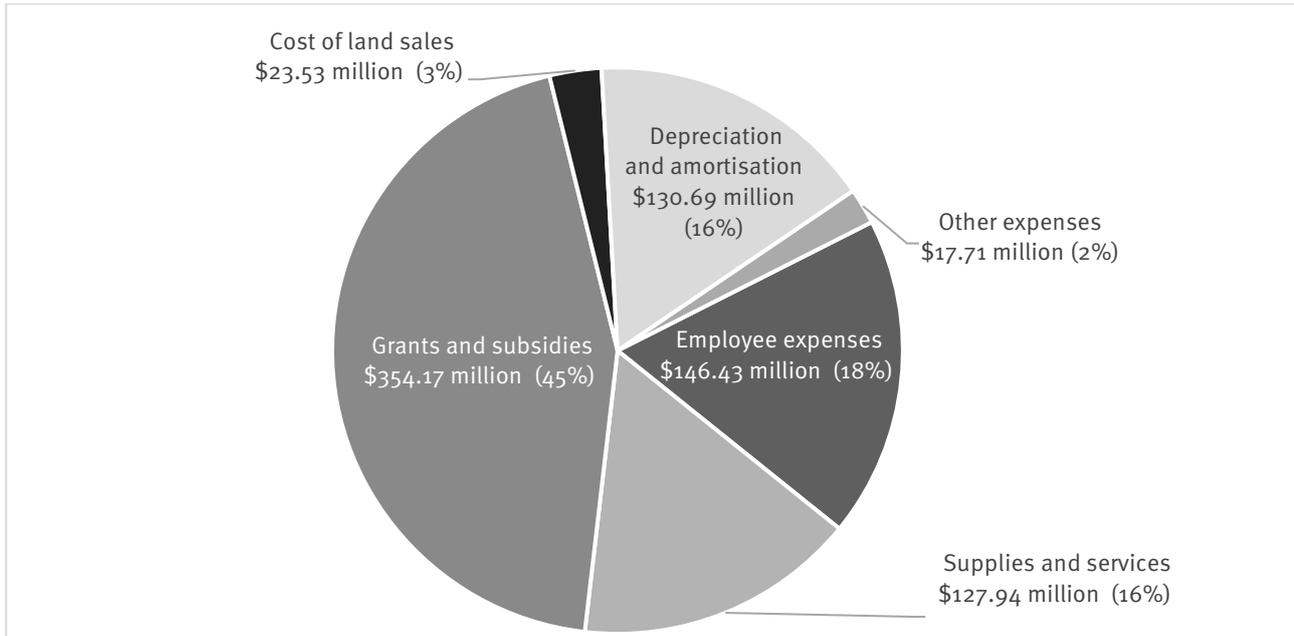
	2023		2022	
	\$'000		\$'000	
Controlled income	726,491		960,040	
Controlled expenses	(800,475)		(814,782)	
Operating results for the year	(73,984)		145,258	
Income tax equivalents	25,819		(26,611)	
Increase/(decrease) in asset revaluation surplus	(6,293)		46,324	
Operating result after income tax equivalents	(48,165)		118,647	
Total assets	1,487,092		1,642,860	
Total liabilities	(384,544)		(438,547)	
Net assets	1,102,548		1,204,313	

Income and expenses

Total income for the 2022–23 financial year is \$726 million, a decrease of \$234 million compared to the 2021–22 financial year. The decrease is mainly due to gains recognised during the 2021–22 financial year associated with the revaluation of land held for investment of \$137 million and a decrease in land sales of \$64 million during the 2022–23 financial year compared to the 2021–22 financial year due to softer market conditions.

Overall, the department's total expenses did not significantly change between the 2022–23 financial year and the 2021–22 financial year.

Figure 4. Total Expenses



Operating result after income tax equivalents

The 2022–23 financial year operating result is mainly due to operating losses generated by EDQ associated with industry attraction grants of \$70 million.

Assets and liabilities

Total assets and liabilities as at 30 June 2023 were \$1.487 billion and \$385 million respectively. Net assets as at 30 June 2023 were \$1.103 billion, a reduction of \$102 million compared to 30 June 2022. Net assets were higher during the 2021–22 financial year mainly due to net assets held in connection with the Queensland Regional Accommodation Centre (QRAC) as at 30 June 2022 of \$96 million. QRAC was operated as a public health response for the COVID-19 pandemic and the lease for these assets ended in April 2023.

Comparison of actual financial results with budget

Commentary of budget variances is disclosed in note 23 of the department’s financial statements. This commentary provides transparency to users of the financial statements when reviewing the financial results with comparison to the original budget published in the State Budget Papers 2022–23 Service Delivery Statements (SDS).

Open data reporting 2022–23

The data set for overseas travel expenditure for the 2022–23 reporting year is published through the Open Data Portal at data.qld.gov.au

The department did not engage consultants or use interpreters during the 2022–23 reporting year. Therefore, data sets for expenditure on consultancies and use of interpreters were not required.



Part 04

Governance

Governance framework

Risk management and accountability

Committees

Public sector ethics

Human rights

Complaints

Internal Audit

External scrutiny

Information systems and recordkeeping

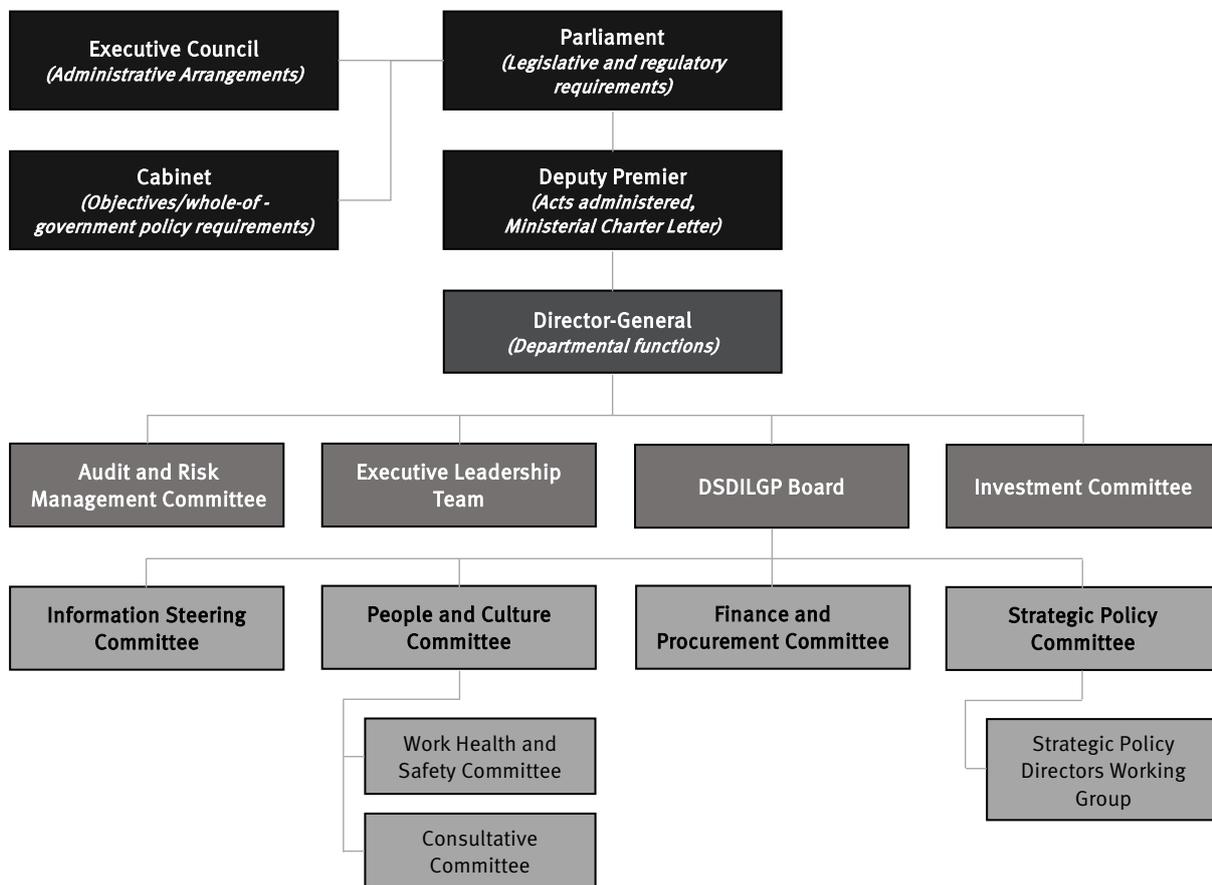
Governance framework

Our corporate governance framework outlines our commitment to the fundamental principles of good governance, performance and accountability, which guide us in achieving our strategic goals and operational objectives effectively, efficiently and ethically. Our governance practices ensure we conform to applicable legislative, compliance and best-practice management standards, providing confidence in the delivery and integrity of our services.

Our approach to corporate governance is to provide a balance between performance and accountability. We have clear organisational and governance committee structures to ensure we use resources effectively and efficiently, act ethically and with integrity in the best interests of Queensland and make evidence-based decisions that are supported by transparent and clear roles, responsibilities, policies and procedures.

Our governance structure as at 30 June 2023 is described in Figure 5 below.

Figure 5. DSDILGP Governance Framework



Risk management and accountability

We take an integrated risk management approach in accordance with the obligations set out in the *Financial Accountability Act 2009* (FAA) and the Financial and Performance Management Standard 2019 (FPMS). Our risk management practices are aligned with AS/NZS ISO 31000:2018 Risk management – Guidelines, and the Queensland Government’s A Guide to Risk Management.

The DSDILGP Board considers strategic risks that may affect our ability to meet our strategic objectives of economic prosperity, liveable communities and a high-performing department. We undertake operational planning activities each year and identify risks and opportunities that may impact business objectives.

Our risk registers include strategic, operational, fraud and corruption risks, and program/project risks. Risks are regularly reviewed to ensure alignment with risk appetite, and that significant risks are escalated to the appropriate decision maker.

The Audit and Risk Management Committee provides the Director-General with independent advice and assistance regarding our framework for risk management as well as the effectiveness of our culture regarding risk.

Committees

The DSDILGP Board (the Board) and associated governance committees are established in accordance with the FAA and the FPMS to ensure the Director-General can deliver departmental services in an efficient, effective and economical manner. The Board and committees also support the leadership direction of the Director-General and executive leadership in effective decision-making and to ensure our goals and objectives are met.

Audit and Risk Management Committee

The Audit and Risk Management Committee (ARMC) provides independent assurance and assistance to the Director-General on our:

- » risk management, control and compliance frameworks
- » external accountability responsibilities as prescribed in legislation and standards.

In discharging its responsibilities, the ARMC has the authority to:

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

The ARMC met on 5 occasions. Membership and remuneration details from 1 July 2022 to 30 June 2023 are as follows:

- » Mr Peter Dowling, External Chair, appointed 15 February 2021, resigned 13 December 2022. Remuneration: \$7,200.00 (GST excluded). Attended 3 meetings.
- » Ms Karen Smith-Pomeroy, External Chair appointed 23 February 2023, formerly an external member from 15 February 2021. Remuneration: \$11,278.00 (GST excluded). Attended 5 meetings.
- » Mr Ian Rodin, External Member, appointed 15 February 2021. Remuneration: \$10,940.00 (GST excluded). Attended 5 meetings.
- » Ms Karen Prentis, External Member, appointed 23 February 2023. Remuneration \$6,000.00 (GST excluded). Attended one meeting.
- » Mr Jason Camden, Executive Director, Business Operations, Economic Development Queensland, Internal Member, appointed 19 October 2022. Attended 2 meetings.
- » Mr Graeme Garrett, A/Deputy Director-General, Infrastructure and Regional Strategy, DSDILGP, Internal Member, appointed 3 March 2023, resigned 9 June 2023. Attended one meeting.

- » Ms Maree Parker, Deputy Director-General, Infrastructure and Regional Strategy, DSDILGP, Internal Member, appointed 15 February 2021, resigned 21 February 2023. Attended one meeting with leave of absence granted following the August 2022 meeting, prior to resigning.
- » Ms Michele Bauer, Deputy Director-General, State Development, DSDILGP, Internal Member, appointed 15 February 2021, resigned 14 October 2022. Attended one meeting.

Key achievements of the ARMC in 2022–23 included:

- » reviewing and endorsing the department’s annual report for the year ended 30 June 2022
- » reviewing and endorsing the department’s financial statements for the year ended 30 June 2022
- » reviewing and endorsing the department’s Internal Audit Strategic Plan 2022–25 including the Agile Audit Plan 2022–23
- » endorsing the ARMC Charter, June 2022 and the Internal Audit Charter, June 2022
- » receiving reports on Internal Audit activities, including audits and reviews completed as part of the Internal Audit Annual Audit Plan
- » reviewing and considering the Queensland Audit Office Forward Work Plan 2022–25 and linkages for the department
- » receiving reports on the implementation status of internal and external audit recommendations
- » receiving trend and statistical reports on issues arising relating to ethics, and any fraud and corruption matters.

Executive Leadership Team

The ELT is a decision-making governance committee established by, and reporting directly to, the Director-General. The ELT supports the Director-General in managing the day-to-day operations of the department by focusing on operational and tactical issues.

Comprised of the Director-General, group heads, the Assistant Coordinators-General and Executive Director, Strategic Communication, the ELT has a rotating Chair and meets weekly.

DSDILGP Board

The Board is a decision-making governance committee focused on strategic issues and the overall performance and corporate governance of the department. This includes strategic priorities, policy and performance development and reporting, as well as governance, financial management, and organisational capability.

Board agendas are designed to ensure the Board is kept informed of departmental performance and include opportunities to hear from external speakers on major issues that may influence the department’s strategy.

Chaired by the Director-General, the Board is comprised of group heads and meets every second month (unless otherwise determined by the Board Chair). The Board is supported by 4 governance committees – the Finance and Procurement Committee, Information Steering Committee, People and Culture Committee and Strategic Policy Committee.

Finance and Procurement Committee

Reporting to the Board, the Finance and Procurement Committee (FPC) focuses on strategic resource decisions including budget development, financial management and controls, procurement planning and strategy, and emerging risks to funding, reporting, assets or resourcing.

Chaired by Deputy Director-General, Corporate and comprised of Executive Director representatives from across the department’s groups, the FPC meets every 2 months.

Information Steering Committee

Reporting to the Board, the Information Steering Committee (ISC) is a governance committee focusing on strategic management of information and technology resources to ensure that new investments support the department's strategic plan, and security oversight.

The Information Security Policy (IS18:2018) requires that all agencies implement an Information Security Management System (ISMS) to help address legislative and regulatory security requirements such as those contained in the *Information Privacy Act 2009* and the Code of Conduct for the Queensland Public Service. The governance component of the ISMS requires an Agency Security Executive and an Information Security Committee function within each agency. The Information Security Committee function is fulfilled by the ISC.

Chaired by the Deputy Director-General, Strategy, Insights and Advisory, and comprised of Executive Director representatives from across the department's groups, the ISC meets every 2 months.

People and Culture Committee

Reporting to the Board, the People and Culture Committee (PCC) is a governance committee focusing on workforce matters, compliance with legislation relevant to the corporate governance of the department (non-administered legislation), ethics, integrity and risk. The PCC is supported by 2 sub-committees comprising the Consultative Committee and the Workplace Health and Safety Committee.

Chaired by the Deputy Director-General, State Development, and comprising Executive Director representatives from across the department's groups, the PCC meets every 2 months.

Strategic Policy Committee

Reporting to the Board, the Strategic Policy Committee (SPC) is a governance committee that assists the Director-General and Coordinator-General by assessing policy and legislative proposals and projects, and encourages policy collaboration internally and externally to the State Development, Infrastructure, Local Government and Planning portfolio.

The SPC is supported by the Strategic Policy Working Group which brings together leadership representatives to facilitate policy and research collaboration and linkages across the department. The Working Group supports the SPC to identify emerging policy issues, prioritise the forward policy agenda and encourage best practice policy development, economic analysis and implementation.

Chaired by the Deputy Director-General, Strategy, Insights and Advisory, the SPC meets as needed.

Investment Committee

The Investment Committee makes resourcing allocation decisions to ensure the department's funding and people are aligned with departmental priorities.

Chaired by the Director-General, the Investment Committee meets as required.

Public sector ethics

We have a values-based culture in which we foster inclusiveness, harness diversity, act with integrity and support the health and wellbeing of our employees. The Code of Conduct for the Queensland Public Service 2011 guides our conduct and decision-making, and ensures we uphold the highest standards of integrity and accountability.

Education and training in public sector ethics and the code of conduct occurs at induction and on an annual basis for all employees through online learning modules. Additionally, specialised and tailored training and awareness initiatives, including face-to-face and virtual sessions, publications on our intranet, and targeted email delivery of material on ethics topics occur throughout the year in accordance with the ethics training and awareness plan.

Additional mandatory online training on public interest disclosures, conflict of interest, and information management and security are included in the suite of learning modules.

Development and review of corporate policies and procedures ensures the principles and values of the *Public Sector Ethics Act 1994*, and the code of conduct are reflected in the policy framework.

Human rights

We are committed to respecting, protecting and promoting human rights in our actions and decision-making. Our employees have access to resources and training to ensure they are aware of their obligations under the *Human Rights Act 2019* (HR Act) in undertaking their functions and decision-making.

To further the objects of the HR Act during 2022–23, we:

- » continued implementation of our human rights assessment framework focusing on a range of practice reviews
- » continued to incorporate consideration of human rights when developing new policy and legislation
- » developed guidance for human rights assessments of decisions made under the *Public Sector Act 2022*.

Human rights complaints

No human rights complaints were received during 2022–23. The one human rights complaint reported during 2021–22 as still under investigation was later assessed as not being a human rights complaint. Therefore, no outcome is reported for 2022–23.

Internal Audit

Through its assurance activities, Internal Audit aids the Director-General in the discharge of their functions and duties under the relevant provisions of the FAA and the FPMS.

Internal Audit provides independent, objective, and risk-based advice, assurance and insight through collaboration, designed to enhance and protect the value of DSDILGP. It brings a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management, controls and processes for the department.

The scope of Internal Audit coverage for 2022–23 was set out in the approved Internal Audit Strategic Plan 2022–25 and Agile Audit Plan 2022–23. The Audit Plan followed a risk-based agile methodology, balancing emerging issues against core business reviews and transactional processes. Auditable areas were identified based on consultation, knowledge of the department’s purpose, strategic priorities and governance and control environment, and assurance mapping relative to risk.

For 2022–23, Internal Audit delivered 11 scheduled reviews and 3 agile assurance reviews, across a broad range of risk areas including governance arrangements, financial internal controls, grant administration, ISMS implementation and selected program and project management controls. Internal Audit provides risk-based, pragmatic internal audit recommendations for controls effectiveness and improvement audits.

External scrutiny

Independent scrutiny of government performance is an important aspect of governance, helps to promote accountability and transparency in work undertaken by government, and builds public confidence. Reports can be undertaken by various agencies including for example, the Auditor-General, the Ombudsman and the Coroner.

Queensland Audit Office

In addition to an annual financial audit of the department's financial statements, the Auditor-General conducted performance and whole-of-government audits in accordance with the Queensland Audit Office's (QAO) Forward Work Plan.

The following reports issued by the Auditor-General in 2022–23 are relevant for the department:

- » Report 2: Improving Grants Management
- » Report 3: Managing Queensland's COVID-19 economic response and recovery
- » Report 4: 2022 status of Auditor-General's recommendations
- » Report 6: Managing workforce agility in the Queensland Public Sector
- » Report 7: Major projects 2022
- » Report 11: State entities 2022
- » Report 15: Local government 2022
- » Report 18: Queensland Regional Accommodation Centre (Wellcamp)

Reports 2, 3, 11 and 15 refer to the department amongst other entities and contain recommendations applicable to the department's objectives and processes. Report 18 refers to the department amongst other entities. The findings raised in these reports align with our current practice of process improvement and ongoing review and do not necessitate significant departures from this continuous improvement approach.

All relevant recommendations in QAO performance reports are recorded in a register maintained by Internal Audit to enable tracking of management's response actions. QAO officers attend ARMC meetings and receive ARMC meeting papers.

Parliamentary committees

Parliamentary committees are comprised of Members of Parliament who are tasked with investigating specific issues and reporting back to Parliament. The State Development and Regional Industries Committee relates to our portfolio.

The committee has a range of responsibilities including reviewing legislation, examining the estimates of DSDILGP and investigating specific issues. The committee also has a general oversight function in relation to the Independent Assessor.

During 2022–23, the committee completed the 'Inquiry into the Independent Assessor and councillor conduct complaints system'. The Inquiry tabled 40 recommendations for a more effective operation of the local government councillor complaints system, of which we support 22 recommendations and support in-principle a further 18 recommendations. Further stakeholder engagement has occurred, and the actions resulting from this are expected to commence prior to the 2024 local government quadrennial elections.

Office of the Information Commissioner

The Information Commissioner conducts performance monitoring, auditing, and reporting in accordance with s131 of the *Right to Information Act 2009* (Qld).

The Office of the Information Commissioner Report 3 'Publishing OFFICIAL information assets : Supporting the push model through proactive disclosure : *Right to Information Act 2009* (Qld)' was tabled in Parliament in March 2023.

The report:

- » outlines how 3 Queensland government departments, including DSDILGP, identify and classify their OFFICIAL information assets and how they support the push model through maximum disclosure of these information assets
- » included findings and recommendations for DSDILGP, and a management action plan has been put in place to implement all changes required.

Information systems and recordkeeping

We comply with the *Public Records Act 2002*, the *Public Sector Act 2022* and the Queensland State Archives Records Governance Policy through promoting a positive, innovative and collaborative recordkeeping culture. We use established records management practices to ensure complete and reliable records are created to support our activities and provide transparency for business decisions and actions.

We continue to increase our digital recordkeeping presence with records and approvals captured electronically within an agency-wide electronic document and records management system (eDRMS) as well as other business information systems and platforms.

Our eDRMS and other critical business systems are periodically security assessed in accordance with our ISMS framework and risk appetite. Appropriate security access controls are assigned in accordance with information security classification policy and procedures to ensure the confidentiality, integrity and availability of information.

We continue to reduce our paper-based footprint by embracing electronic business processes, electronic internal approvals, sending and receiving electronic records and utilising the electronic capabilities available within the eDRMS and other electronic platforms.

Recordkeeping and information security responsibilities are assigned and shared across the department. Advice and guidance are provided by appropriately skilled staff, with annual mandatory training modules for all staff.

Archive management processes and disposal approvals are established to ensure our:

- » permanent, high-value and high-risk records and information are managed and kept as complete and reliable records
- » low-value records are assessed and approved for disposal in accordance with authorised retention and disposal schedules
- » legacy paper records are managed in a secure controlled environment and periodically reviewed for retention and disposal.

ISMS attestation

During the mandatory annual information security reporting process, the Director-General attested to the appropriateness of the information security risk management within the department to the Queensland Government Chief Information Security Officer, noting that appropriate assurance activities have been undertaken to inform this opinion and the department's information security risk position.



Part 05

Workforce

Workforce profile

Strategic workforce planning

Employee health and wellbeing

Industrial and employee relations

Early retirement, redundancy and retrenchment

Our workforce

We recognise that our people are what make our organisation successful. In offices across the state, they demonstrate a commitment to Queensland public service values, enable delivery of our vision and purpose, and work to achieve our strategic objectives.

Workforce profile

We have a workforce of 1,054.53 FTE employees.⁴ We are committed to equal opportunity and to having a diverse and inclusive workforce reflective of the Queensland community. To be at our best, we need a workplace that deeply understands the Queensland community and Queenslanders, and where our people feel included, valued and connected.

We have continued to strive for a workplace that holds equity and fairness at its core and is representative of the people of Queensland. While progress has been made in recent years, we acknowledge that target group members remain under-represented in many areas.

In working to address this, during early 2023 we conducted an equity and diversity audit, guided by the Office of the Special Commissioner, Equity and Diversity, Queensland Public Sector Commission. The audit's purpose was to assess the presence of barriers within the department for different target groups, with a focus on achieving greater equality. The audit's findings informed the development of our Equity and Diversity Plan 2023–25, which was published in July 2023.

Workforce representation by target groups is shown in the below tables.

Table 2. Gender

Gender	Number (headcount)	Percentage of total workforce (calculated on headcount)
Woman	725	64.91%
Man	391	35.00%
Non-binary	<5 ¹	0.09%

Notes:

1. To ensure privacy, in tables where there are less than 5 respondents in a category, specific numbers will be replaced with <5.

⁴ Based on Minimum Obligatory Human Resource Information (MOHRI) FTE data for the fortnight ending 30 June 2023.

Table 3. Diversity target group data

Diversity Groups	Number (headcount)	Percentage of total workforce (calculated on headcount)	Target
Women	725	64.91%	N/A
Aboriginal peoples and Torres Strait Islander peoples	13	1.16%	4%
People with disability	37	3.31%	12%
Culturally and Linguistically Diverse – Speak a language at home other than English ¹	45	4.03%	12%

Notes:

1. This includes Aboriginal and Torres Strait Islander languages or Australian South Sea Islander languages spoken at home.

Table 4. Target group data for women in leadership roles

	Women (headcount)	Percentage of total leadership cohort (calculated on headcount)	Target
Senior Officers (Classified and s122 equivalent combined)	139	58.27%	50%
Senior Executive Service and Chief Executives (Classified and s122 equivalent combined)	27	42.19%	50%

Strategic workforce planning

We undertake workforce planning to ensure we have the capacity and capability in the right place and the right time to continue to deliver our priorities. In 2022–23, we reviewed our workforce plan and its tenets as part of an annual cycle to refresh the plan.

Our approach to workforce planning considers future strategic aspirations and flow-on requirements for the workforce. This provides a frame of reference throughout the human resource system including, but not limited to, aspects of attraction and retention, employee performance management, diversity and inclusion, leadership capability and staff development, employee health and wellbeing, and employee relations.

Planning for the future

Our workforce planning process in 2022–23 included:

- » scanning and profiling internal and external factors that will influence the workforce and workforce-related priorities
- » the alignment of these factors, as well as likely future requirements, to the state of the current workforce to consider potential gaps and opportunities for uplift
- » the planning of targeted initiatives aimed at addressing gaps and identified opportunities.

Throughout the planning process, we drew on desktop research, engagement with the senior executive body, the People and Culture Committee and analysis and insights available from departmental and external data sources. This included the Working for Queensland Survey, recruitment outcomes, turnover and risks around state and national skills shortages and demand forecasts.

In January 2023, we also commenced the first annual Grads Growing QLD program. This standalone graduate program seeks to bring excellent graduates emerging from university, having completed studies in key fields of interest, into the department. In delivering the graduate program, we are positioning the department as an employer of new knowledge and expertise.

The graduate program is complimented by additional investment in traineeships for Aboriginal peoples and Torres Strait Islander peoples to provide a pathway into employment with the public sector. This will also contribute to positioning the department as an employer of choice for Aboriginal peoples and Torres Strait Islander peoples.

Employee performance strategies and policies

The 'Performance and development agreement' framework aligns with our strategic outcomes and business objectives. High standards of performance, clear behavioural expectations and understanding of job requirements align with the Queensland public service values and are communicated to all employees through our policies, procedures and online mandatory training.

This year, we reviewed our positive performance management principles and practices in response to feedback received from employees in the Working for Queensland survey. The framework has been further informed by our Guiding Principles and commitment to embedding a strengths-based performance management approach. A strengths-based approach creates a happier, healthier, more productive and motivated workforce and supports employees to perform at their best. The framework values culture over compliance yet enables measures that will inform improvements in job design and psychosocial safety.

Leadership capability and staff development

Leadership development continues to be a priority. Investment in leadership development activities increased in 2022–23 with 2 new programs being introduced.

The first was the strengths-based leadership program. This program sought to build on learnings from the Working for Queensland Survey and contemporary organisational approaches in performance management by focusing positively on strengths individual employees may bring to work and their job role.

The second program, the 'Step Ahead' program, engages a key cohort of senior leaders in a number of workshops concerning different topical issues, work simulations and individual coaching.

These programs continue to be complemented by standard leadership and staff development offerings. These included direct funding to business groups to support professional development for local and individually determined learning needs, the availability of webinars and other sessions through partners such as the Australia and New Zealand School of Government, Institute of Public Administration Australia and the Queensland Public Sector Commission.

In addition, we offer a range of on-demand learning and development activities through an online learning management system and a partnership via the State Library of Queensland with LinkedIn Learning.

Employee health and wellbeing

Health, safety and wellbeing is a key priority and is informed by the Public Service Commission's 'Be healthy, be safe, be well' framework. Employee health and wellbeing has continued to be an important part of our employee value proposition and is supported through actions to achieve our Strategic Workforce Plan outcomes for an inclusive diverse, ethical and healthy workforce that is high-performing, accountable and capable.

We have continued our ongoing commitment to employee safety and wellbeing by reviewing, maturing and enhancing the work health and safety (WHS) framework around mental health and psychosocial safety. Aligned with this, the implementation of an overarching WHS Action Plan 2022–25 has driven delivery of outcomes as follows:

- » Implementing the online Mental Health and Wellbeing Hub to create awareness, and provide information and resources to employees.
- » Offering employees and their immediate family members professional, confidential, and independent counselling support through the Employee Assistance Program.

- » Mental health awareness campaigns and promotion of mental health and wellbeing online education modules.
- » Promotion of key health and wellbeing community events.
- » Flu vaccinations.
- » Partnering with Fitness Passport to provide physical fitness options and low-cost access to facilities for employees.
- » Prevention of domestic and family violence education and awareness events.
- » Review of the performance management framework with a focus on strength-based performance management and conversations, including uplift in the capability of our people leaders to create and maintain psychologically safe workplaces.

Industrial and employee relations

We support the Employment Security and Union Encouragement policies and have applied the principles and practices of these policies in managing our workforce.

Our Consultative Committee meets on a periodical basis to promote meaningful consultation between our management and the union. The committee deals with matters related to the State Government Entities Certified Agreement 2019, as well as matters that impact on our workforce, including organisational change.

Early retirement, redundancy, and retrenchment

During 2022–23, 2 employees received redundancy packages at a cost of \$201,930.07. No early retirement or retrenchment packages were paid during the period.



Part 06

Appendices

Appendix 1: Service performance (SDS)

Appendix 2: Boards and committees (government bodies)

Appendix 3: Compliance checklist

Appendix 1: Service performance

These are the DSDILGP service areas:

- » Develop the economy
- » Infrastructure and regional strategy, policy and planning
- » Local Government governance support and administration of funding programs
- » Office of the Independent Assessor
- » Better planning for Queensland
- » Business and economic growth

The tables below report the actual result for the service standards for the 2022–23 financial year. These may vary from the estimated actuals reported in the SDS, which were calculated prior to the State budget handed down in June 2023.

Develop the economy

The objective of this service area is to attract and facilitate investment opportunities and industry development to provide enduring economic benefits for Queenslanders.

Develop the economy	2022–2023 Target/Est	2022–2023 Actual
<i>Effectiveness measure</i>		
Value of capital investment enabled through project facilitation ¹	\$3.2 billion	\$8 billion
Estimated number of jobs enabled through project facilitation ²	6,281	6,783
<i>Efficiency measure</i>		
Project facilitation costs per \$1,000 of capital investment enabled ³	<\$2.50	\$0.90

Notes:

1. This service standard is a measure of the capital investment generated from private sector companies, government-owned corporations and government agencies/entities that is enabled through a range of investment and project facilitation initiatives and activities undertaken in the department. The information reported in this measure is based on projects where the proponent/s have made a delivery commitment during the reporting period, regardless of the expected year/s of project delivery and are only reported in the year the commitment is made. The 2022–23 Actual is higher than the 2022–23 Target/Estimate due to a high value capital project, CopperString 2.0, reaching financial investment decision during the year.
2. This service standard calculates the estimated number of jobs enabled through projects that have been facilitated and supported through the department's activities. The number of jobs reported here is the number of jobs expected to be enabled by all in-scope projects over the life of the project, even where these jobs will occur over several financial years.
3. This service standard measures the efficiency of the resources utilised to facilitate capital investment being developed or delivered through the department's investment and project facilitation functions including support services by the department; post approval monitoring of projects that require multiple regulatory approvals; cross agency project coordination that is complex and sensitive; and rapid response to emerging recognised regional need or government priorities. The variance between the 2022–23 Actual and the 2022–23 Target/Estimate is due to a high value capital project, CopperString 2.0, reaching financial investment decision during the year.

Infrastructure and regional strategy, policy and planning

The objective of this service area is to deliver a coordinated and future-focused infrastructure program for Queensland.

Infrastructure and regional strategy, policy and planning	2022–2023 Target/Est	2022–2023 Actual
<i>Effectiveness measure</i> Overall stakeholder satisfaction with consultation, advice and/or support ¹	80%	84%
<i>Efficiency measure</i> Administration costs per \$1,000 of infrastructure investment coordinated through the service area ²	<\$5.00	\$1.37

Notes:

1. This service standard measures the components of timeliness, effectiveness and overall satisfaction of key stakeholders' experience with actions and activities undertaken by Infrastructure and Regional Strategy group in the department. The stakeholders surveyed comprise a cross section of industry experts, state and local government representatives and academia.
2. Administration costs comprise the operating expenditure of the Infrastructure Planning and Advisory function (that is, FTE salaries and on-costs, supplies and services). The measure is based on total administration costs per \$1,000 of the projected infrastructure investment in the state's infrastructure program as published in *Budget Paper 3 – Capital Statement*.

Local government governance support and administration of funding programs

The objective of this service area is to provide stronger local governance in the local government system through capacity building and administration of funding programs.

Local government governance support and administration of funding programs	2022–2023 Target/Est	2022–2023 Actual
Service: Administration of the local government system		
<i>Effectiveness measure</i> Level of satisfaction of local governments (mayors and CEOs) with the effectiveness, timeliness and quality of advice, services and support provided by the department ¹	85%	87%
<i>Efficiency measure</i> Cost of capacity building per local government ²	\$64,700	\$55,200
Service: Administration of funding programs		
<i>Effectiveness measure</i> Level of satisfaction of local governments (mayors and CEOs) with the administration of local government funding programs ³	85%	89%
<i>Efficiency measure</i> Administration costs per \$1,000 of local government funding distributed ⁴	<\$6.50	\$3.48

Notes:

1. This service standard measures the level of satisfaction of the mayors and CEOs of the 77 local governments in Queensland with the effectiveness, timeliness, quality and overall satisfaction with advice, services and support provided by the local government function in the department.
2. Total costs include labour and related costs of developing online resources, publications and delivering training programs, and are averaged across the 77 local governments. The 2022–23 Actual is lower than the 2022–23 Target/Estimate due to the deferral of funds into the 2023–24 financial year with training now targeted at post-2024 local government elections.

- This service standard measures the level of satisfaction of the mayors and CEOs of the 77 local governments in Queensland with the effectiveness, timeliness, quality and overall satisfaction of the administration of local government funding programs.
- Total administration costs include labour and related costs and are expressed as an amount per \$1,000 of the total value of local government funding programs distributed. The variance between the 2022–23 Target/Estimate and the 2022–23 Actual is as a result of 2023–24 Financial Assistance Grant funding by the Australian Government being brought forward into the 2022–23 financial year.

Office of the Independent Assessor

The objective of this service area is to enhance the integrity of local governments as part of the councillor conduct complaints system.

Office of the Independent Assessor	2022–2023 Target/Est	2022–2023 Actual
<i>Effectiveness measure</i> Complaint clearance rate ¹	90%	96%
<i>Efficiency measures</i> Average cost per assessment of complaint ²	\$597	\$534
Average cost per investigation ³	\$2,870	\$4,444

Notes:

- This service standard monitors the effectiveness of the complaint management process by measuring the complaint clearance rate across the financial year.
- This efficiency measure calculates the average cost of the assessment of complaints received by the Independent Assessor in a financial year. The 2022–23 Estimated Actual reported in the 2023–24 Service Delivery Statement of \$350 is lower than the 2022–23 Actual as there was an expectation of a higher number of complaints at time of reporting for the SDS than actually occurred by year end.
- This service standard measures the average cost per complaint investigation undertaken by the Independent Assessor during the financial year. The purpose is to monitor the efficiency of the investigation process and expenditure on investigations finalised in the financial year. The variance between the 2022–23 Target/Estimate and 2022–23 Actual is a result of fewer investigations being undertaken during this period.

Better planning for Queensland

The objective of this service area is to drive an effective and efficient planning system underpinned by a responsive framework and accessible and transparent planning requirements.

Better planning for Queensland	2022–2023 Target/Est	2022–2023 Actual
<i>Effectiveness measure</i> Level of stakeholder satisfaction with accessibility and transparency of the requirements of the planning system ¹	75%	75.45%
<i>Efficiency measure</i> Average administration costs per decision made by the State Assessment and Referral Agency ²	\$4,738	\$5,178

Notes:

- This service standard measures the effectiveness of the service area based on the extent to which the instruments and supporting material delivered by the department under the *Planning Act 2016* can be easily accessed and understood by system users (the stakeholders). The stakeholders surveyed comprise of a cross section of industry experts, state and local government, and community groups.
- This measure demonstrates the efficiency in delivery of state interests in development assessment decision-making and is calculated by dividing the total cost of administering and delivering development assessment services and decisions within the State Assessment Referral Agency by the number of decisions made. The variance between the 2022–23 Target/Estimate and the 2022–23 Actual is as a result of the higher than anticipated cost of appeals.

Commercialised Business Unit

Economic Development Queensland

Business and economic growth

The objective of this service area is to drive business and economic growth in Queensland.

Business and economic growth	2022–2023 Target/Est	2022–2023 Actual
<i>Effectiveness measure</i> Value of private sector investment generated through the facilitation of economic and community development projects ¹	\$701 million	\$557.5 million
Estimated number of jobs created or supported through the facilitation of economic and community development projects ²	1,963	1,420
<i>Efficiency measure</i> Facilitation costs per \$1,000 of private sector investment generated for economic and community development projects ³	\$25.20	\$24.98

Notes:

1. This measure is the value of private sector capital investment generated through the facilitation of economic and community development projects in Economic Development Queensland (EDQ), including the value of land sales for which EDQ is responsible. The variance between the 2022–23 Target/Estimate and the 2022–23 Actual is due to lower than anticipated private sector investment for facilitated projects and delayed land sales for EDQ projects.
2. This measure calculates the estimated number of jobs created or supported through facilitation of economic and community development projects by EDQ. The variance between the 2022–23 Target/Estimate and the 2022–23 Actual is due to lower than anticipated private sector investment for facilitated projects and delayed land sales for EDQ projects.
3. Facilitation costs include employee expenses, sales and marketing costs, and an allocation for operating expenses which relate to the delivery of development projects. These are expressed as an amount per \$1,000 of the value of private sector investment generated for economic and community development projects.

Appendix 2: Boards and committees

Councillor Conduct Tribunal					
Act or instrument	<i>Local Government Act 2009</i>				
Functions	The purpose of the Tribunal is: <ul style="list-style-type: none"> » to hear and decide complaints of misconduct and connected inappropriate conduct referred by the Office of the Independent Assessor » to investigate the suspected inappropriate conduct of a Councillor referred to the local government by the assessor and to be dealt with by the local government » to make recommendations to the local government about dealing with the inappropriate conduct. 				
Achievements	In 2022–23, the Tribunal: <ul style="list-style-type: none"> » conducted 17 misconduct hearings (see section 150AL of the <i>Local Government Act 2009</i>) » delivered 16 final reports and reasons for decisions about misconduct applications and allegations (see section 150AS of the <i>Local Government Act 2009</i>) » finalised 7 inappropriate conduct investigations referred by local governments (see section 150DL of the <i>Local Government Act 2009</i>) 				
Financial reporting	Transactions of the entity are accounted for in the DSDILGP financial statements.				
Remuneration					
Position	Name	Meetings/sessions attendance Matters (includes hearings, misconduct reports and reasons/inappropriate conduct investigations)	Approved annual, sessional or daily fee ¹ Where a casual member acts as Chair they are remunerated at the President's rate	Approved sub-committee fees if applicable	Actual fees received
President	June Anstee	11	\$325 (1/07/2022 to 10/11/2022) \$520 (from 11/11/2022) per 4-hour block or part thereof	N/A	Matters: \$39,325 Other sessional attendances/admin: \$68,965
Casual Member	Brendan Walker-Munro	13	\$250 (1/07/2022 to 10/11/2022) \$400 (from 11/11/2022) per 4-hour block or part thereof	N/A	Matters: \$48,665 Other sessional attendances/admin: \$3,775
Casual Member	Troy Newman	10	per 4-hour block or part thereof	N/A	Matters \$27,915 Other sessional attendances/admin: \$900
Casual Member	Gabe Bednarek	8		N/A	Matters \$23,850 Other sessional attendances/admin: \$1,700
Casual Member	Peter Black	8		N/A	Matters: \$18,667 Other sessional attendances/admin: \$250
Casual Member	Carolyn Ashcroft	5		N/A	Matters: \$11,000 Other sessional attendances/admin: \$1,950
Casual Member	Russell Faulkner	2 (3 – 1 withdrew)		N/A	Matters: \$2,900

					Other sessional attendances/admin: \$1,050
Casual Member	Jane Bishop (resigned 4/1/2023)	2		N/A	Matters: \$2,250 Other sessional attendances/admin: \$500
Casual Member	Jane Stuckey (resigned 24/1/2023)	0		N/A	
Casual Member	Oliver Simon (resigned 20/9/2022)	0		N/A	
Casual Member	Claire O'Connor (resigned 28/11/2022)	0		N/A	
Casual Member	Sally Rob (resigned 2/2/2023)	0		N/A	
Expedited matters	5 misconduct applications were filed by the Office of the Independent Assessor to be dealt with on an expedited basis in accordance with the Tribunal's Practice Direction # 1 of 2023 – General Hearing Protocol – Expedited misconduct applications.				
No. scheduled meetings/sessions	<p>17 misconduct hearings were conducted and 16 reports finalised. Of those 17 misconduct hearings, 5 were expedited matters with 1 report yet to be finalised.</p> <p>7 inappropriate conduct investigations were finalised.</p> <p>Matters include:</p> <ul style="list-style-type: none"> » conducting misconduct hearings of varying levels of complexity, which may involve the consideration of multiple allegations, complaints and complainants » undertaking inappropriate conduct investigations which also may include multiple allegations and complainants. <p>Actual fees received are fees paid in the 2022–23 financial year and may relate to attendances in the previous financial year. Matters are allocated to casual members based on their availability.</p> <p>* In addition to conducting misconduct hearings and conducting inappropriate conduct investigations, fees paid to:</p> <ul style="list-style-type: none"> » the President and Casual Tribunal members include time spent on preliminary hearings, preparation/reading, research, writing decisions, responding to court proceedings » the President includes time providing training and a learning framework to casual members, ensuring the practice and procedure of the Tribunal is implemented in accordance with the Act, allocation of Tribunal panels, mentoring casual members re conduct of hearings, decision writing and the provision of template guides/practice directions and other documents/attendances at meetings with the Tri-Partite Forum and other meetings with departmental officers as required. 				
Total out of pocket expenses	<p>\$315.71</p> <p>Out of pocket expenses are outlined in the Remuneration Procedures for part-time Chairs and members of Queensland Government bodies.</p>				

Notes:

- The Tribunal remuneration from 1 July 2022 to 10 November 2022 was at the Adjudication and Determination category, level 3 of the Queensland Government's Remuneration Procedures for Part-time Chairs and Members of Queensland Government Bodies, comprising sessional/meeting fees (4 hours or less) of \$325 for the President and \$250 for casual members. From 11 November 2022, the remuneration level was amended to Level 2 of the Remuneration Procedures, comprising \$520 for the President and \$400 for casual members. Where a member acts as Chair, they are remunerated at the President's remuneration rate.

Economic Development Board					
Act or instrument	<i>Economic Development Act 2012</i>				
Functions	<p>The functions of the Economic Development Board are to:</p> <ul style="list-style-type: none"> » advise and make recommendations to the Minister for Economic Development Queensland (MEDQ) about how MEDQ can effect to the main purpose of the <i>Economic Development Act 2012</i> (ED Act) » monitor and report to MEDQ about the performance of MEDQ's functions or exercise of MEDQ's powers by entities (including the board) to whom the functions or powers are delegated » ensure MEDQ adopts best practice corporate governance and financial management and accountability arrangements » perform the functions and exercising the powers of MEDQ delegated under the ED Act. 				
Achievements	<p>Achievements included:</p> <ul style="list-style-type: none"> » regular review of the performance of EDQ's industrial and urban development portfolios to ensure optimum financial and community outcomes » regular review of EDQ's financial position » provide strategic input into the delivery of development projects including Currumbin Parklands Gladstone State Development Area, Parkside Yeronga, Northshore Hamilton, Sunshine Coast Industrial Project, Gold Coast Health and Knowledge precinct (Lumina), Yeerongpilly Green, Coolool Eco Industrial Estate, and Social and Affordable Housing Projects and Site Investigations Program » guide the development of infrastructure plans and projects for greenfield Priority Development Areas » monitor the financial sustainability of infrastructure provision for Priority Development Areas » monitor the program status of Catalyst Infrastructure Fund and Building Acceleration Fund » review project proposals for development projects » six-monthly review of the strategic risk register » monitor and review Work, Health and Safety obligations and incidents » guidance on EDQ Corporate Structure and Operating Model. 				
Financial reporting	EDQ's annual financial performance data is incorporated into the DSDILGP audited annual financial statements.				
Remuneration (members are not remunerated and sitting fees are not paid)					
Position	Name	Meetings/sessions attendance	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chair	Mike Kaiser	6 as DG, DSDILGP	N/A	N/A	N/A
Member	Debbie McNamara	1 as proxy for DG, DSDILGP			
Member	Michael Carey	4 as proxy for DG, DPC			
Member	Justin Carpenter	2 as proxy for DG, DPC			
Member	Leon Allen	2 as UT, QT			
Member	Maryanne Kelly	1 as A/UT, QT			
Member	Leah Kelly	1 as proxy for UT, QT			
Member	Sarah Amos	1 as proxy for UT, QT			
Member	Clare O'Connor	3 as DG, DCHDE			
Member	Mary-Anne Curtis	2 as proxy for DG, DCHDE			
Member	Leah Lang	6 as QGA			
Member	Peter Nelson	1 as proxy for QGA			
No. scheduled meetings/sessions	7 board meetings were scheduled				
Total out of pocket expenses	Nil				

Notes:

DG – Director-General
DPC – Department of the Premier and Cabinet
UT – Under Treasurer
QGA – Queensland Government Architect
QT – Queensland Treasury

Local Government Remuneration Commission					
Act or instrument	<i>Local Government Act 2009</i>				
Functions	<p>The Commission is an independent body responsible for making decisions about mayor, deputy mayor and councillor remuneration.</p> <p>The Commission's role relates to all Queensland councils except for Brisbane City Council. The Commission can also make recommendations to the Minister regarding the prescription of a local government and councillor advisors.</p>				
Achievements	<p>In 2022–23, the Commission:</p> <ul style="list-style-type: none"> » confirmed council categorisation and maximum remuneration determination of councillors and mayors for 2023–24 » commenced council category review including stakeholder engagement. 				
Financial reporting	Transactions of the Commission are accounted for in the DSDILGP financial statements.				
Remuneration					
Position	Name	Meetings/sessions attendance	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chair	Robert (Bob) Abbot OAM	15	\$325 sessional fee (4 hours or less)	Nil	\$4,595.50
Casual member	Andrea Ranson	15	\$250 sessional fee (4 hours or less)	Nil	\$35.36 ¹
Casual member	Reimen Hii	15	\$250 sessional fee (4 hours or less)	Nil	\$0 ¹
No. scheduled meetings/sessions	15				
Total out of pocket expenses	\$1,758				

Notes:

1. Remuneration for the casual members was not paid during 2022–23. These fees will be reported in the 2023–24 reporting period.

Office of the Independent Assessor					
Act or instrument	<i>Local Government Act 2009</i>				
Functions	<p>The functions of the Office of the Independent Assessor (OIA) are:</p> <ul style="list-style-type: none"> » to undertake the initial assessment of all complaints about councillor conduct in Queensland » to investigate misconduct complaints against mayors and councillors and, where appropriate, refer those complaints in the Councillor Conduct Tribunal (CCT) to decide » to refer potential inappropriate conduct back to councils to deal with » to refer suspected corrupt conduct to the Crime and Corruption Commission (CCC) » to prosecute offences against the conduct provisions in the Magistrates Court. 				
Achievements	<p>In 2022–23:</p> <ul style="list-style-type: none"> » 897 complaints received with 958 separate allegations about the conduct of Queensland councillors. » 94% of all complaints were assessed within 21 working days of lodgement. » 24 complaints relating to corrupt conduct were referred to the CCC. » 57 inappropriate conduct complaints were referred to 27 councils to investigate and resolve. » 207 misconduct investigations were completed, with 27 active misconduct investigations as at 30 June 2023. » 81 complaint matters underwent a natural justice process prior to referral to the CCT or dismissal. » 34 misconduct applications were referred to the CCT involving 58 complaint matters with 61 allegations against 28 councillors. » 18 misconduct applications were decided by the CCT involving 24 complaint matters with 50 allegations of misconduct against 18 former or current councillors. Since establishment, 76% of applications have been wholly or partly sustained. » 12 reviews before the Queensland Civil and Administrative Tribunal involving 12 former and current councillors with 16 complaints and 52 allegations as at 30 June 2023. » Investigation timeframes have reduced to an average of 2 months. » Natural justice process has reduced to an average of just over 4 months with responses from other parties a key driver for delay. 				
Financial reporting	The financial performance of the OIA is consolidated within the DSDILGP financial statements.				
Remuneration					
Position	Name	Meetings/sessions attendance	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Independent Assessor	Kathleen Florian	N/A	N/A	N/A	\$380,526

Queensland Deputy Premier's Advisory Council on Defence Industry and Jobs					
Act or instrument	Cabinet. Terms of Reference established.				
Functions	To provide high-level policy and strategic advice to the Queensland Government on defence industry development and investment attraction, to capitalise on Queensland's defence industry capabilities and drive sustainable economic and employment growth outcomes for the state.				
Achievements	<p>The Queensland Deputy Premier's Advisory Council on Defence Industry and Jobs provided expert advice on key defence matters including:</p> <ul style="list-style-type: none"> » Queensland's strategic positioning regarding the Defence Strategic Review » Queensland's industrial positioning to the Pacific » recruitment of international citizens and visa sponsorship » promotion of Queensland's capabilities to the Advanced Strategic Capabilities Accelerator (ASCA) » securing Queensland's talent pipeline for critical priorities such as advanced munitions manufacturing, autonomous systems and decarbonisation. 				
Financial reporting	The operating and administrative costs associated with the board are paid by the department, which reports its financial statements annually.				
<p>Remuneration The chair and members of the board are remunerated in accordance with the Government's <i>Remuneration Procedures for Part-time Chairs and Members of Queensland Government Bodies</i> at Regulation, Administration and Advice, Level 3. All necessary and reasonable out-of-pocket expenses associated with meeting attendance are borne by the department</p>					
Position	Name	Meetings/sessions attendance	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chair	Deputy Premier, Minister for State Development, Infrastructure, Local Government and Planning and Minister Assisting the Premier on Olympic and Paralympic Games Infrastructure	2	N/A	N/A	N/A
Ex-officio members	Departmental Representatives	2	N/A	N/A	N/A
Member	Deanne Barnett	1	\$300 daily	N/A	Nil
Member	Scott Cependale	2	\$300 daily	N/A	Nil
Member	Ranee Crosby	2	\$0	N/A	Nil
Member	Sarah Earey	1	\$300 daily	N/A	Nil
Member	Emily Frizell	2	\$300 daily	N/A	\$300
Member	Olav Groot	2	\$300 daily	N/A	Nil
Member	Mark Horn	1	\$300 daily	N/A	Nil
Member	Sue Keay	2	\$300 daily	N/A	Nil
Member	Karen Stanton	2	\$300 daily	N/A	\$300
Member	Carl Quarterman	2	\$300 daily	\$34	\$334
Member	Gary Stewart	1	\$300 daily	N/A	Nil
No. scheduled meetings/sessions	2 (25 August 2022 and 31 May 2023)				
Total out of pocket expenses	\$934 ¹				

Notes:

1. No claims received for meeting held on 31 May 2023. Any claims will be reported in 2023–24.

Queensland Local Government Grants Commission					
Act or instrument	Sections 228 to 233 of the <i>Local Government Act 2009</i> ; Sections 308 to 311 Local Government Regulation 2012				
Functions	The Local Government Grants Commission provides recommendations to the Minister responsible for local government in Queensland on the distribution of the Commonwealth Government's Financial Assistance Grant to all 77 local governing bodies within the state. This must be done in accordance with the requirements of the Commonwealth <i>Local Government (Financial Assistance) Act 1995</i> and the National Principles prescribed under the Act.				
Achievements	<p>In 2022–23, the Commission:</p> <ul style="list-style-type: none"> » made recommendations to the Minister for Local Government about the 2022–23 Financial Assistance Grant » implemented the review of the allocation methodology for the Financial Assistance Grant in Queensland, the first such review in a decade. The allocations resulting from the review are being staged in over a 3-year period, commencing with the 2022–23 Financial Assistance Grant » consulted with the Local Government sector, both as part of the above review process and under its statutory obligations to hold public hearing with councils. 				
Financial reporting	Under the Commonwealth <i>Local Government (Financial Assistance) Act 1995</i> section 15(b), the state Treasurer must provide the Commonwealth Minister with a schedule of Financial Assistance Grant payments (amounts and dates) that has been certified by the state Auditor-General. This is to be provided as soon as practicable after 30 June each year. Funding for the operations of the Commission, including secretariat staff, is provided by the department.				
Remuneration					
Position	Name	Meetings/sessions attendance	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chair	Paul Bell AM	4 formal meetings 18 dedicated meetings with councils including LGAQ Conference	\$10,000 per annum	Nil	\$12,500 ¹
Deputy Chair	Natalie Wilde	3 formal meetings	Nil	Nil	Nil
Member	Deirdre Comerford	4 formal meetings 2 meetings with councils	\$6,000	Nil	\$7,500 ¹
Member	Janelle Menzies	4 formal meetings	Nil	Nil	Nil
Member	Cr Kurt Rehbein	4 formal meetings 16 dedicated meetings with councils including LGAQ Conference	\$6,000	Nil	\$7,500 ¹
No. scheduled meetings/sessions	22 meetings inclusive of the LGAQ Conference, 18 dedicated council meetings.				
Total out of pocket expenses	\$2,228				

Notes:

1. Payments over the approved annual fee do not represent additional remuneration. Rather, they represent payments relating to prior or upcoming financial years.

South Bank Corporation					
Act or instrument	<i>South Bank Corporation Act 1989</i>				
Functions	<p>The purpose of the Corporation is to:</p> <ul style="list-style-type: none"> » promote, facilitate, carry out and control the development, disposal and management of land and other property within the Corporation area » achieve an appropriate balance between the Corporation's commercial and non-commercial functions » ensure the Corporation area complements, rather than duplicates, other public use sites in the inner-city Brisbane area » provide for a diverse range of recreational, cultural and educational pursuits for local, regional and international visitors » accommodate public events and entertainment that benefit the general community » achieve excellence and innovation in the management of open space and park areas. 				
Achievements	<p>Key achievements were:</p> <ul style="list-style-type: none"> » growth of cultural capability and capacity – the focus this year has been on elevating First Nations arts and culture in our precinct and workplace » integrated precinct management of South Bank's diverse portfolio of offerings » review of systems and operational capacity with continual monitoring of existing infrastructure to ensure the Corporation remains fit for purpose and positioned for future opportunities » working with the manager of its major asset, the Brisbane Convention and Exhibition Centre to continue to navigate the impact and recovery from the COVID-19 pandemic, while contributing to visitation within the precinct » significant progress on essential capital projects, the introduction of new and enhanced retail and commercial experiences, and the commencement of design investigations for a bi-directional bikeway and new public realm on Grey Street. 				
Financial reporting	<p>Not exempted from audit by the Auditor-General.</p> <p>Transactions of the entity are accounted for in the financial statements of South Bank Corporation.</p>				
Remuneration					
Position	Name	Meetings/sessions attendance	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chair of the Board	Under Treasurer (Leon Allen to 02/2023) (Maryanne Kelly 02/2023 onwards)	6	Nil	N/A	Nil
Board Member	Director-General, Department of State Development, Infrastructure, Local Government and Planning (Mike Kaiser)	5	Nil	N/A	Nil
Board Member	Richard Kirk (term ended 31/12/2023)	2	\$15,000 per annum	N/A	\$7,500
Board Member	Kyl Murphy (term ended 31/12/2023)	4	\$15,000 per annum	N/A	\$7,500
Board Member	Mick Power (term ended 31/12/2023)	3	\$15,000 per annum	N/A	\$7,500
Board Member	Tim Quinn (term ended 31/12/2023)	4	\$15,000 per annum	N/A	\$7,500
Board Member	Marina Vit (term ended 31/12/2023)	2	\$15,000 per annum	N/A	\$7,500
Board Member	Stephanie Wyeth (term ended 31/12/2023)	4	\$15,000 per annum	N/A	\$7,500

Board Member	Director General, Department of the Premier and Cabinet (Rachel Hunter appointed 1/01/2023)	2	Nil	N/A	Nil
Board Member	Chief Executive, Brisbane City Council (Colin Jensen appointed 25/01/2023)	1	Nil	N/A	Nil
Board Member	Divisional Manager, City Administration and Governance of Brisbane City Council (Tim Wright appointed 25/01/2023)	2	Nil	N/A	Nil
Deputy Member (alternate for Director-General of administering agency)	Deputy Director-General, Strategy Insights and Advisory (Natalie Wilde)	1	Nil	N/A	Nil
No. scheduled meetings/sessions	6 board meetings were held during the year.				
Total out of pocket expenses	Nil				

Local Government Change Commission

Title	Description
Act or instrument	<i>Local Government Act 2009</i>
Annual report arrangements	Details of the Local Government Change Commission are reported in the Electoral Commission of Queensland's Annual Report 2022–23

Queensland Reconstruction Board

Title	Description
Act or instrument	<i>Queensland Reconstruction Authority Act 2011</i>
Annual report arrangements	Details of the Queensland Reconstruction Board are reported in the Queensland Reconstruction Authority's Annual Report 2022–23

Appendix 3: Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7	Page 4
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1	Page 2 Glossary not required – all terms explained in full on first mention and in new sections as required
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2	Page 1
	<ul style="list-style-type: none"> Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	Page 1
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 9.4	Page 1
	<ul style="list-style-type: none"> Information Licensing 	<i>QGEA – Information Licensing</i> ARRs – section 9.5	Page 1
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10	Pages 8–12
Non-financial performance	<ul style="list-style-type: none"> Government’s objectives for the community and whole-of-government plans/specific initiatives 	ARRs – section 11.1	Page 14
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.2	Page 15–29
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.3	Appendix 1
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	Page 32–33
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1	Page 8
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2	Page 9–10
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3	Appendix 2
	<ul style="list-style-type: none"> Public Sector Ethics 	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	Page 38–39
	<ul style="list-style-type: none"> Human Rights 	<i>Human Rights Act 2019</i> ARRs – section 13.5	Page 39
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.6	Page 12
Governance – risk management and accountability	<ul style="list-style-type: none"> Risk management 	ARRs – section 14.1	Page 36
	<ul style="list-style-type: none"> Audit committee 	ARRs – section 14.2	Page 36–37
	<ul style="list-style-type: none"> Internal audit 	ARRs – section 14.3	Page 39
	<ul style="list-style-type: none"> External scrutiny 	ARRs – section 14.4	Page 39–40

Summary of requirement		Basis for requirement	Annual report reference
	<ul style="list-style-type: none"> Information systems and recordkeeping 	ARRs – section 14.5	Page 41
	<ul style="list-style-type: none"> Information Security attestation 	ARRs – section 14.6	Page 41
Governance – human resources	<ul style="list-style-type: none"> Strategic workforce planning and performance 	ARRs – section 15.1	Page 44
	<ul style="list-style-type: none"> Early retirement, redundancy and retrenchment 	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	Page 46
Open data	<ul style="list-style-type: none"> Statement advising publication of information 	ARRs – section 16	Page 1
	<ul style="list-style-type: none"> Consultancies 	ARRs – section 31.1	Page 33
	<ul style="list-style-type: none"> Overseas travel 	ARRs – section 31.2	Page 33
	<ul style="list-style-type: none"> Queensland Language Services Policy 	ARRs – section 31.3	Page 33
Financial statements	<ul style="list-style-type: none"> Certification of financial statements 	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	Part 07 – Page 36
	<ul style="list-style-type: none"> Independent Auditor's Report 	FAA – section 62 FPMS – section 46 ARRs – section 17.2	Part 07 – Page 37–41

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*



Part 07

Financial statements

Department of State Development,
Infrastructure, Local Government and Planning

Financial Statements for the year ended 30 June 2023

Department of State Development, Infrastructure, Local Government and Planning

Financial Statements for the year ended 30 June 2023

Contents

Statement of Comprehensive Income	
Statement of Comprehensive Income by Major Departmental Services and Commercialised Business Unit	
Statement of Financial Position	
Statement of Assets and Liabilities by Major Departmental Services and Commercialised Business Unit	
Statement of Changes in Equity	
Statement of Cash Flows (including Notes to the Statement of Cash Flows)	

About the Department and this Financial Report

1. Basis of financial statement preparation	12
---------------------------------------------	----

Notes about Financial Performance

2. Appropriation receipts	13
3. User charges and fees	13
4. Grants and other contributions	14
5. Gains on disposal and remeasurement of assets	14
6. Employee expenses	14
7. Supplies and services	15
8. Grants and subsidies	15
9. Other expenses	16

Notes about Financial Position

10. Receivables	16
11. Land inventories	18
12. Land and buildings held for sale	18
13. Property, plant and equipment and depreciation expense	19
14. Investment property	22
15. Taxation	23
16. Payables	24
17. Provisions	25
18. Other liabilities	25
19. Leases	26

Notes about Risks and Other Accounting Uncertainties

20. Financial instruments	27
21. Commitments	29
22. Contingencies	29

Other Information

23. Budgetary reporting disclosures	29
24. Key management personnel (KMP) disclosures	30
25. Related party transactions	32
26. Agency transactions and balances	32
27. Schedule of administered items	33
28. Climate risk disclosure	35

Management Certificate	36
------------------------	----

Department of State Development, Infrastructure, Local Government and Planning

Statement of Comprehensive Income for the year ended 30 June 2023

		2023	2023		2022
		Actual	Original budget	Budget variance*	Actual
	Note	\$'000	\$'000	\$'000	\$'000
OPERATING RESULT					
Income					
Appropriation revenue	2	600,503	793,829	(193,326)	667,548
User charges and fees	3	24,664	25,750	(1,086)	21,765
Grants and other contributions	4	51,125	-	51,125	24,714
Land sales		29,943	119,485	(89,542)	93,735
Interest		17,812	10,554	7,258	9,415
Other revenue		2,275	38	2,237	5,759
Total revenue		726,322	949,656	(223,334)	822,936
Gains on disposal and remeasurement of assets	5	169	-	169	137,105
Total income		726,491	949,656	(223,165)	960,040
Expenses					
Employee expenses	6	146,431	151,201	(4,770)	130,657
Supplies and services	7	127,943	176,919	(48,976)	120,615
Grants and subsidies	8	354,174	442,854	(88,680)	413,609
Cost of land sales	11	23,529	93,771	(70,242)	66,567
Depreciation and amortisation		130,693	126,739	3,954	50,146
Land inventory impairment	11	1,372	-	1,372	20,159
Finance/borrowing costs		4,119	2,948	1,171	3,205
Other expenses	9	12,214	7,781	4,433	9,824
Total expenses		800,475	1,002,213	(201,738)	814,782
Operating result before income tax equivalents		(73,984)	(52,557)	(21,427)	145,258
Income tax equivalents	15	25,819	2,033	23,786	(26,611)
Operating result after income tax equivalents		(48,165)	(50,524)	2,359	118,647
OTHER COMPREHENSIVE INCOME					
<i>Items that will not be reclassified to operating result</i>					
Increase/(decrease) in asset revaluation surplus	13	(6,293)	-	(6,293)	46,324
TOTAL OTHER COMPREHENSIVE INCOME		(6,293)	-	(6,293)	46,324
TOTAL COMPREHENSIVE INCOME		(54,458)	(50,524)	(3,934)	164,971

* An explanation of major variances is included in Note 23.

The accompanying notes form part of these financial statements.

Statement of Comprehensive Income by Major Departmental Services and Commercialised Business Unit for the year ended 30 June 2023

	Develop the economy		Economic Development Queensland		Infrastructure and regional strategy, policy and planning		Better planning for Queensland	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income								
Appropriation revenue	164,174	140,455	-	-	183,156	112,256	49,419	43,168
User charges and fees	4,238	3,740	15,868	13,731	727	398	5,777	5,676
Grants and other contributions	26,228	24,265	4,453	2,739	23,229	201	-	-
Land sales	-	-	29,943	93,735	-	-	-	-
Interest	1,336	264	14,644	8,817	407	57	913	181
Other revenue	179	533	1,499	4,585	324	115	105	375
Total revenue	196,155	169,257	66,407	123,606	207,843	113,028	56,214	49,400
Gains on disposal and remeasurement of assets	19	783	150	136,321	-	-	-	-
Total income	196,174	170,041	66,557	259,927	207,843	113,028	56,214	49,400
Expenses								
Employee expenses	53,323	49,272	18,476	14,845	17,131	14,864	37,344	33,319
Supplies and services	26,468	27,970	23,207	26,656	53,981	46,684	18,345	14,956
Grants and subsidies	100,105	40,744	74,231	23,677	7,040	5,185	-	-
Cost of land sales	-	-	23,529	66,567	-	-	-	-
Depreciation and amortisation	1,350	1,398	412	415	128,230	47,595	286	406
Land inventory impairment	-	-	1,372	20,159	-	-	-	-
Finance/borrowing costs	-	-	4,119	3,205	-	-	-	-
Other expenses	1,510	1,242	8,521	7,898	1,769	261	239	246
Total expenses	182,756	120,626	153,867	163,422	208,151	114,591	56,214	48,927
Operating result before income tax equivalents	13,418	49,415	(87,310)	96,505	(308)	(1,563)	-	473
Income tax equivalents	-	-	25,819	(26,611)	-	-	-	-
Operating result after income tax equivalents	13,418	49,415	(61,491)	69,894	(308)	(1,563)	-	473
OTHER COMPREHENSIVE INCOME								
<i>Items that will not be reclassified to operating result</i>								
Increase/(decrease) in asset revaluation surplus	(5,951)	53,750	(342)	(7,426)	-	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME	(5,951)	53,750	(342)	(7,426)	-	-	-	-
TOTAL COMPREHENSIVE INCOME	7,467	103,164	(61,833)	62,469	(308)	(1,563)	-	473

Department of State Development, Infrastructure, Local Government and Planning

Statement of Comprehensive Income by Major Departmental Services and Commercialised Business Unit for the year ended 30 June 2023

	Local Government governance support and administration of funding programs		Office of the Independent Assessor		Inter-service/unit eliminations		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income								
Appropriation revenue	198,410	366,680	5,344	4,989	-	-	600,503	667,548
User charges and fees	800	541	175	128	(2,921)	(2,450)	24,664	21,765
Grants and other contributions	1,668	248	-	-	(4,453)	(2,739)	51,125	24,714
Land sales	-	-	-	-	-	-	29,943	93,735
Interest	414	78	98	18	-	-	17,812	9,415
Other revenue	156	745	12	37	-	(631)	2,275	5,759
Total revenue	201,448	368,291	5,629	5,173	(7,374)	(5,820)	726,322	822,936
Gains on disposal and remeasurement of assets	-	-	-	-	-	-	169	137,105
Total income	201,448	368,291	5,629	5,173	(7,374)	(5,820)	726,491	960,040
Expenses								
Employee expenses	16,048	14,447	4,109	3,909	-	-	146,431	130,657
Supplies and services	7,391	6,213	1,472	1,218	(2,921)	(3,081)	127,943	120,615
Grants and subsidies	177,251	346,742	-	-	(4,453)	(2,739)	354,174	413,609
Cost of land sales	-	-	-	-	-	-	23,529	66,567
Depreciation and amortisation	384	304	31	27	-	-	130,693	50,146
Land inventory impairment	-	-	-	-	-	-	1,372	20,159
Finance/borrowing costs	-	-	-	-	-	-	4,119	3,205
Other expenses	158	157	17	19	-	-	12,214	9,824
Total expenses	201,232	367,864	5,629	5,173	(7,374)	(5,820)	800,475	814,782
Operating result before income tax equivalents	216	428	-	-	-	-	(73,984)	145,258
Income tax equivalents	-	-	-	-	-	-	25,819	(26,611)
Operating result after income tax equivalents	216	428	-	-	-	-	(48,165)	118,647
OTHER COMPREHENSIVE INCOME								
<i>Items that will not be reclassified to operating result</i>								
Increase/(decrease) in asset revaluation surplus	-	-	-	-	-	-	(6,293)	46,324
TOTAL OTHER COMPREHENSIVE INCOME	-	-	-	-	-	-	(6,293)	46,324
TOTAL COMPREHENSIVE INCOME	216	428	-	-	-	-	(54,458)	164,971

Department of State Development, Infrastructure, Local Government and Planning

Statement of Financial Position as at 30 June 2023

		2023	2023		2022
	Note	Actual	Original	Budget	Actual
		\$'000	budget	variance*	\$'000
			\$'000	\$'000	
Current assets					
Cash and cash equivalents	SOCF-1	256,190	226,707	29,483	319,888
Receivables	10	36,400	51,270	(14,870)	44,348
Right-of-use assets	19	-	-	-	83,108
Land inventories	11	54,795	80,380	(25,585)	80,493
Other assets		1,928	2,761	(833)	2,186
Land and buildings held for sale	12	22,000	26,464	(4,464)	29,805
Total current assets		371,313	387,582	(16,269)	559,828
Non-current assets					
Receivables	10	139,724	254,961	(115,237)	135,169
Land inventories	11	327,051	291,946	35,105	206,889
Property, plant and equipment	13	297,684	262,042	35,642	345,218
Right-of-use assets	19	1,685	1,685	-	1,685
Investment property	14	339,485	261,535	77,950	382,049
Intangible assets		10,150	11,285	(1,135)	12,022
Total non-current assets		1,115,779	1,083,454	32,325	1,083,032
Total assets		1,487,092	1,471,036	16,056	1,642,860
Current liabilities					
Payables	16	58,791	63,492	(4,701)	40,643
Borrowings	SOCF-1	14,066	43,298	(29,232)	23,851
Leases	19	59	67	(8)	31,682
Accrued employee benefits		4,519	4,295	224	4,196
Provisions	17	73,060	33,211	39,849	60,146
Other liabilities	18	21,427	11,623	9,804	24,277
Total current liabilities		171,922	155,986	15,936	184,795
Non-current liabilities					
Payables	16	-	43,948	(43,948)	-
Borrowings	SOCF-1	76,910	107,312	(30,402)	107,136
Leases	19	147	-	147	205
Provisions	17	80,400	56,373	24,027	64,427
Deferred tax equivalent liability	15	51,265	39,855	11,410	77,084
Other liabilities	18	3,900	-	3,900	4,900
Total non-current liabilities		212,622	247,488	(34,866)	253,752
Total liabilities		384,544	403,474	(18,930)	438,547
Net assets		1,102,548	1,067,562	34,986	1,204,313
Equity					
Contributed equity		1,047,281			1,094,588
Accumulated surplus		13,238			61,403
Asset revaluation surplus		42,029			48,322
Total equity		1,102,548	1,067,562	34,986	1,204,313

* An explanation of major variances is included in Note 23.

The accompanying notes form part of these financial statements.

Department of State Development, Infrastructure, Local Government and Planning

Statement of Assets and Liabilities by Major Departmental Services and Commercialised Business Unit as at 30 June 2023

	Develop the economy		Economic Development Queensland		Infrastructure and regional strategy, policy and planning		Better planning for Queensland	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets								
Cash and cash equivalents	59,682	58,497	114,659	187,466	18,204	12,642	40,786	40,027
Receivables	8,729	13,756	22,073	23,440	3,586	1,092	867	3,225
Right-of-use assets	-	-	-	-	-	83,108	-	-
Land inventories	-	-	54,795	80,493	-	-	-	-
Other assets	559	840	760	301	162	206	268	507
Land and buildings held for sale	22,000	29,805	-	-	-	-	-	-
Total current assets	90,970	102,898	192,287	291,700	21,952	97,048	41,921	43,758
Non-current assets								
Receivables	-	-	137,787	132,815	-	-	19,524	19,524
Land inventories	-	-	327,051	206,889	-	-	-	-
Property, plant and equipment	134,012	145,048	155,454	155,152	2,642	44,753	3,531	173
Right-of-use assets	-	-	1,685	1,685	-	-	-	-
Investment property	-	-	339,485	382,049	-	-	-	-
Intangible assets	9,423	10,695	-	-	185	274	-	187
Total non-current assets	143,435	155,743	961,462	878,590	2,827	45,027	23,055	19,884
Total assets	234,405	258,641	1,153,749	1,170,290	24,779	142,075	64,976	63,642
Current liabilities								
Payables	14,419	20,659	36,321	14,591	3,576	615	2,376	704
Borrowings	-	-	14,066	23,851	-	-	-	-
Leases	-	-	59	62	-	31,619	-	-
Accrued employee benefits	1,632	1,655	616	438	484	461	1,179	1,065
Provisions	8,503	6,482	64,557	47,434	-	6,230	-	-
Other liabilities	15,976	16,121	4,197	5,244	-	-	1,104	1,149
Total current liabilities	40,530	44,917	119,816	91,620	4,060	38,925	4,659	2,918
Non-current liabilities								
Payables	-	-	19,524	19,524	-	-	-	-
Borrowings	-	-	76,910	107,136	-	-	-	-
Leases	-	-	147	205	-	-	-	-
Provisions	6,278	3,703	74,122	60,725	-	-	-	-
Deferred tax equivalent liability	-	-	51,265	77,084	-	-	-	-
Other liabilities	-	-	3,900	4,900	-	-	-	-
Total non-current liabilities	6,278	3,703	225,868	269,573	-	-	-	-
Total liabilities	46,808	48,621	345,684	361,193	4,060	38,925	4,659	2,918

Statement of Assets and Liabilities by Major Departmental Services and Commercialised Business Unit as at 30 June 2023

	Local Government governance support and administration of funding programs						Office of the Independent Assessor		Inter-service/unit eliminations		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Current assets												
Cash and cash equivalents	18,481	17,185	4,378	4,071	-	-	256,190		319,888			
Receivables	1,058	2,510	87	326	-	-	36,400		44,348			
Right-of-use assets	-	-	-	-	-	-	-		83,108			
Land inventories	-	-	-	-	-	-	54,795		80,493			
Other assets	145	228	34	105	-	-	1,928		2,186			
Land and buildings held for sale	-	-	-	-	-	-	22,000		29,805			
Total current assets	19,684	19,922	4,499	4,502	-	-	371,313		559,828			
Non-current assets												
Receivables	1,937	2,353	-	-	(19,524)	(19,524)	139,724		135,169			
Land inventories	-	-	-	-	-	-	327,051		206,889			
Property, plant and equipment	1,666	74	379	18	-	-	297,684		345,218			
Right-of-use assets	-	-	-	-	-	-	1,685		1,685			
Investment property	-	-	-	-	-	-	339,485		382,049			
Intangible assets	542	848	-	19	-	-	10,150		12,022			
Total non-current assets	4,145	3,276	379	37	(19,524)	(19,524)	1,115,779		1,083,032			
Total assets	23,829	23,198	4,878	4,539	(19,524)	(19,524)	1,487,092		1,642,860			
Current liabilities												
Payables	2,097	4,075	2	-	-	-	58,791		40,643			
Borrowings	-	-	-	-	-	-	14,066		23,851			
Leases	-	-	-	-	-	-	59		31,682			
Accrued employee benefits	488	449	120	127	-	-	4,519		4,196			
Provisions	-	-	-	-	-	-	73,060		60,146			
Other liabilities	150	1,764	-	-	-	-	21,427		24,277			
Total current liabilities	2,735	6,288	122	127	-	-	171,922		184,795			
Non-current liabilities												
Payables	-	-	-	-	(19,524)	(19,524)	-		-			
Borrowings	-	-	-	-	-	-	76,910		107,136			
Leases	-	-	-	-	-	-	147		205			
Provisions	-	-	-	-	-	-	80,400		64,427			
Deferred tax equivalent liability	-	-	-	-	-	-	51,265		77,084			
Other liabilities	-	-	-	-	-	-	3,900		4,900			
Total non-current liabilities	-	-	-	-	(19,524)	(19,524)	212,622		253,752			
Total liabilities	2,735	6,288	122	127	(19,524)	(19,524)	384,544		438,547			

Department of State Development, Infrastructure, Local Government and Planning

Statement of Changes in Equity for the year ended 30 June 2023

	Note	Contributed equity \$'000	Accumulated surplus \$'000	Revaluation surplus \$'000	Total \$'000
Balance as at 1 July 2021		926,005	(57,244)	1,998	870,759
Operating result					
Operating result from continuing operations		-	118,647	-	118,647
Other comprehensive income					
Increase in asset revaluation surplus		-	-	46,324	46,324
Total comprehensive income for the year		-	118,647	46,324	164,971
Transactions with owners as owners					
Appropriated equity injections	2	189,040	-	-	189,040
Appropriated equity withdrawals	2	(49,014)	-	-	(49,014)
Net transfers to other Queensland Government entities		(5,896)	-	-	(5,896)
Balance transferred in through MoG change		37,453	-	-	37,453
Non-appropriated equity withdrawals		(3,000)	-	-	(3,000)
Net transactions with owners as owners		168,583	-	-	168,584
Balance as at 30 June 2022		1,094,588	61,403	48,322	1,204,313
Balance as at 1 July 2022		1,094,588	61,403	48,322	1,204,313
Operating result					
Operating result from continuing operations		-	(48,165)	-	(48,165)
Other comprehensive income					
Decrease in asset revaluation surplus		-	-	(6,293)	(6,293)
Total comprehensive income for the year		-	(48,165)	(6,293)	(54,458)
Transactions with owners as owners					
Appropriated equity injections	2	100,497	-	-	100,497
Appropriated equity withdrawals	2	(139,893)	-	-	(139,893)
Net transfers to other Queensland Government entities		(4,527)	-	-	(4,527)
Non-appropriated equity withdrawals		(3,384)	-	-	(3,384)
Net transactions with owners as owners		(47,307)	-	-	(47,307)
Balance as at 30 June 2023		1,047,281	13,238	42,029	1,102,548

The accompanying notes form part of these financial statements.

Department of State Development, Infrastructure, Local Government and Planning

Statement of Cash Flows for the year ended 30 June 2023

		2023	2023		2022
	Note	Actual	Original budget	Budget variance*	Actual
		\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
<i>Inflows:</i>					
Appropriation receipts	2	598,037	793,829	(195,792)	646,685
User charges and fees		25,710	25,922	(212)	23,607
Grants and other contributions		44,390	-	44,390	24,284
Land sales		29,943	119,485	(89,542)	92,629
Interest receipts		9,502	4,999	4,503	2,861
GST input tax credits from ATO		35,305	-	35,305	34,748
GST collected from customers		5,132	-	5,132	13,136
Infrastructure charges		9,408	-	9,408	13,042
Other inflows		1,889	38	1,851	5,755
<i>Outflows:</i>					
Employee expenses		(145,732)	(151,201)	5,469	(131,295)
Supplies and services		(105,750)	(161,171)	55,421	(133,313)
Grants and subsidies		(311,205)	(442,854)	131,649	(392,433)
Payment for land inventories		(71,688)	(127,755)	56,067	(33,935)
Finance/borrowing costs		(4,715)	(2,948)	(1,767)	(3,893)
GST paid to suppliers		(29,784)	-	(29,784)	(36,574)
GST remitted to ATO		(7,111)	-	(7,111)	(13,069)
Income tax equivalents		-	(7,746)	7,746	(493)
Other outflows		(9,471)	(5,542)	(3,929)	(10,223)
Net cash provided by operating activities	SOCF-1	73,860	45,056	28,804	101,519
CASH FLOWS FROM INVESTING ACTIVITIES					
<i>Inflows:</i>					
Sales of property, plant and equipment		9,875	5,470	4,405	23,022
Loans and advances redeemed		19,810	20,096	(286)	20,757
<i>Outflows:</i>					
Payments for property, plant and equipment		(21,303)	(28,666)	7,363	(73,814)
Payments for right-of-use assets		(6,230)	-	(6,230)	(56,561)
Payments for investments		(5,330)	-	(5,330)	(19,637)
Loans and advances made		(21,440)	(83,323)	61,883	(13,947)
Net cash used in investing activities		(24,618)	(86,423)	61,805	(120,180)
CASH FLOWS FROM FINANCING ACTIVITIES					
<i>Inflows:</i>					
Proceeds from borrowings		373	4,114	(3,741)	6,531
Equity injections - appropriated		101,473	154,370	(52,897)	189,224
<i>Outflows:</i>					
Equity withdrawals - appropriated		(138,800)	(128,752)	(10,048)	(50,107)
Equity withdrawals - non-appropriated		(3,384)	(4,956)	1,572	(3,000)
Borrowing redemptions		(40,921)	(4,878)	(36,043)	(25,855)
Lease payments		(31,681)	(34,688)	3,007	(17,898)
Net cash provided by/(used in) financing activities		(112,940)	(14,790)	(98,150)	98,895
Net increase/(decrease) in cash and cash equivalents		(63,698)	(56,157)	(7,541)	80,236
Increase in cash and cash equivalents from restructuring		-	-	-	4,294
Cash and cash equivalents - opening balance		319,888	282,864	37,024	235,358
Cash and cash equivalents - closing balance		256,190	226,707	29,483	319,888

* An explanation of major variances is included in Note 23.

The accompanying notes form part of these financial statements.

Department of State Development, Infrastructure, Local Government and Planning

Statement of Cash Flows for the year ended 30 June 2023

SOCF-1 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

	2023	2022
	\$'000	\$'000
Operating result surplus/(deficit)	(48,165)	118,647
<i>Non-cash items included in operating result:</i>		
Depreciation and amortisation	130,693	50,146
Net losses on disposal of property, plant and equipment	979	391
Gain on disposal of property, plant and equipment	(169)	-
Gain on revaluation of investment property	-	(136,321)
Notional interest	(8,373)	(6,582)
Loss on discounted loans advanced at concessional rates	2,525	23,290
Granting of improved land to industry	41,491	-
Grant received of land	(3,677)	-
Other non-cash items	-	(305)
<i>Change in assets and liabilities</i>		
(Increase)/decrease in receivables	5,392	(2,067)
(Increase)/decrease in land inventories	(46,787)	52,950
(Increase)/decrease in other assets	255	509
Increase/(decrease) in accounts payable	21,537	(11,837)
Increase/(decrease) in deferred tax	(25,860)	26,119
Increase/(decrease) in accrued employee benefits	323	(99)
Increase/(decrease) in other liabilities	(3,809)	(1,215)
Increase/(decrease) in provisions	9,408	8,756
Increase/(decrease) in deferred appropriation payable to consolidated fund	(1,903)	(20,863)
Net cash provided by operating activities	73,860	101,519

Accounting policy

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 Department of State Development, Infrastructure, Local Government and Planning (the department) has been granted a specific approval by Queensland Treasury (QT) to operate a departmental financial institution account in overdraft with an approved limit of \$80.0 million (2022: \$80.0 million). The operational cash at bank accounts, except for the Resources Community Infrastructure Fund (RCIF) account and Economic Development Queensland (EDQ) operational bank are grouped within the whole-of-government set-off arrangement with QT where interest earned on the aggregate set-off arrangement balance accrues to the Consolidated Fund.

Interest earned on Queensland Treasury Corporation (QTC) deposits at call of \$103.2 million (2022: \$123.9 million) is remitted to the proponents to which the balance relates, as the interest is earned, except for EDQ's QTC account where interest is retained by EDQ.

Department of State Development, Infrastructure, Local Government and Planning

Statement of Cash Flows for the year ended 30 June 2023

SOCF-1 Notes to the Statement of Cash Flows for the year ended 30 June 2023 (continued)

Changes in liabilities arising from financing activities

2023	Non-cash changes			Cash flows		Closing balance
	Opening balance	New leases acquired	Other	Cash received	Cash repayments	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Lease liabilities	31,887	-	-	-	(31,681)	206
QTC borrowings	130,987	-	537	373	(40,921)	90,976
Total	162,874	-	537	373	(72,602)	91,182

2022	Non-cash changes			Cash flows		Closing balance
	Opening balance	New leases acquired	Other	Cash received	Cash repayments	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Lease liabilities	333	49,518	(66)	-	(17,898)	31,887
QTC borrowings	149,289	-	1,021	6,531	(25,854)	130,987
Total	149,622	49,518	955	6,531	(43,752)	162,874

Non-cash investing and financing activities

Assets and liabilities received or donated/transferred by the department are recognised as revenues (refer Note 4) or expenses (refer Note 8) as applicable.

Borrowings

All borrowings by the department are from QTC. Final repayment dates vary from August 2024 to June 2038, with variable interest rates and a fixed interest rate range of 2.50% to 3.87% per annum. There have been no defaults or breaches of the loan agreement during the current financial year. No assets have been pledged as security for any borrowings. The undrawn facility limit at 30 June 2023 is \$103.3 million (2022: \$101.2 million).

EDQ utilises debt facilities to manage cash flow and facilitate development works for residential and Catalyst Infrastructure Fund (CIF) projects. A drawdown from the QTC loan occurs when development costs are incurred.

Accounting policy

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

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

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

Department of State Development, Infrastructure, Local Government and Planning

Notes to the Financial Statements for the year ended 30 June 2023

1. Basis of financial statement preparation

General information

The Department of State Development, Infrastructure, Local Government and Planning (the department) is a Queensland Government department established per the *Public Sector Act 2022* (formerly the *Public Service Act 2008*) and controlled by the State of Queensland, which is the ultimate parent.

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

Departmental objectives

The objectives of the department are outlined in the 'Overview' section of the Annual Report.

The department is funded for the departmental services it delivers principally by parliamentary appropriations and revenue generated by its Commercialised Business Unit (CBU) Economic Development Queensland (EDQ).

The reporting entity

The financial statements include all income, expenses, assets, liabilities and equity of the economic entity. All transactions and balances internal to the economic entity have been eliminated in full.

Compliance with prescribed requirements and authorisation of financial statements for issue

The department has prepared these financial statements in compliance with section 38 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2022.

The department is a not-for-profit entity and these general purpose financial statements are prepared on an accrual basis (except for the Statement of Cash Flows which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

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

Currency, rounding and comparatives

Amounts included in the financial statements are in Australian dollars and rounded to the nearest \$1,000 or, where the amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required. Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.

Comparative information reflects the audited 2021-22 financial statements except where restated as necessary to be consistent with disclosures in the current reporting period.

Current/Non-current classification

Assets and liabilities are classified as either 'current' or 'non-current' in the statement of financial position and associated notes. Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the department does not have an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

Basis of measurement

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

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

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

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

The department classifies inputs to fair value into three levels prescribed under AASB 13 *Fair Value Measurement*:

Level 1 – represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets;

Level 2 – represents fair value measurements that are substantially derived from inputs that are observable, either directly or indirectly; and

Level 3 – represents fair value measurements that are substantially derived from unobservable inputs.

Present value represents the present discounted value of the future net cash inflows that the item is expected to generate (in respect of assets) or the present discounted value of the future net cash outflows expected to settle (in respect of liabilities) in the normal course of business.

Net realisable value represents the amount of cash or cash equivalents that could currently be obtained by selling an asset in an orderly disposal.

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

No Australian Accounting Standards have been applied for the first time in 2022-23.

Accounting standards early adopted

No Australian Accounting Standards have been early adopted in 2022-23.

Department of State Development, Infrastructure, Local Government and Planning

Notes to the Financial Statements for the year ended 30 June 2023

2. Appropriation receipts

	Note	2023 \$'000	2022 \$'000
Reconciliation of payments from Consolidated Fund to appropriated revenue recognised in operating result			
Original budgeted appropriation receipts*		793,829	727,035
<i>Supplementary amounts:</i>			
Treasurer's transfers		-	(80,963)
Transfers from other departments		-	613
Lapsed appropriation		(195,792)	-
Total appropriation receipts (cash)		598,037	646,685
Plus: Opening balance of deferred appropriation payable to consolidated fund		12,633	33,496
Less: Closing balance of deferred appropriation payable to consolidated fund	16	(10,167)	(12,633)
Appropriation revenue recognised in statement of comprehensive income		600,503	667,548
Reconciliation of payments from Consolidated Fund to equity adjustment			
Original budgeted equity adjustment appropriation		25,618	(4,295)
<i>Supplementary amounts:</i>			
Treasurer's transfers**		-	80,963
Transfers to other departments		-	(71)
Lapsed equity adjustment		(62,945)	-
Unforeseen expenditure**		-	62,520
Total equity adjustment receipts (payments)		(37,327)	139,117
Less: Opening balance of equity adjustment receivable	10	(1,506)	(597)
Less: Closing balance of equity adjustment payable	16	(563)	-
Plus: Closing balance of equity adjustment receivable	10	-	1,506
Equity adjustment recognised in contributed equity		(39,396)	140,026

* Adjusted budgeted appropriation receipts figure was adopted for 2021-22 due to a machinery-of-government (MoG) change.

** Additional equity adjustments in 2021-22 were primarily due to funding for the Queensland Regional Accommodation Centre (QRAC), additional funding for the Building Acceleration Fund (BAF), investment in a vaccine manufacturing facility and the reclassification of the Currumbin Eco-Parkland from operating funding to equity.

Accounting policy

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 payable to Consolidated Fund), a liability is recognised with a corresponding reduction to appropriation revenue, reflecting the net appropriation revenue position with Consolidated Fund for the reporting period. Capital appropriations are recognised as adjustments to equity.

3. User charges and fees

	2023 \$'000	2022 \$'000
Revenue from contracts with customers		
Sale of services	601	575
Statutory fees and charges	9,555	10,491
Other user charges and fees		
Property rental	12,725	10,088
Other fees	1,783	611
Total user charges and fees	24,664	21,765

Accounting policy

Revenue from contracts with customers

Revenue from contracts with customers is recognised as performance obligations are met and the department transfers control over a good or service to the customer.

Type of good or service	Nature and timing of satisfaction of performance obligations	Revenue recognition policies
Provision of services to other government entities through service level agreements	The department provides corporate services and other support to other government entities under service level agreements. The performance obligation is the delivery of the agreed services over the agreed period.	Revenue is recognised when the services are delivered.
Statutory fees and charges	Statutory fees and charges primarily arise from services provided under various legislation. Revenue is recognised when the legislated fees are charged for the service provided.	Revenue is recognised upfront at the time of receiving the application under the applicable legislation.

Other user charges and fees

Revenue from other user charges and fees are mostly recognised upfront and not deferred. Property rental is mainly from EDQ's industrial land and investment properties and is recognised as income on a straight-line basis over the lease term on a monthly basis as per contractual agreements.

Department of State Development, Infrastructure, Local Government and Planning

Notes to the Financial Statements for the year ended 30 June 2023

4. Grants and other contributions

	2023	2022
	\$'000	\$'000
Commonwealth grants	1,668	247
State government grants	24,991	45
Industry grants	22,540	23,992
Goods and services received below fair value	1,926	430
Total grants and other contributions	51,125	24,714

Accounting policy

Grant revenue agreements are not enforceable and/or not sufficiently specific and do not qualify for deferral. They are recognised as revenue as soon as cash is controlled.

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

Type of good or service	Nature and timing of satisfaction of performance obligations	Revenue recognition policies
Grant received under RCIF agreement	The department received \$22.3 million (2022: \$23.9 million) from industry participants. The RCIF is a three-year voluntary partnership between the Queensland Government and a representative of participating resource industry parties. The Queensland Government and industry parties jointly contribute to the fund and determine initiatives to fund via an advisory committee.	Revenue is recognised upon receipt of funds as no specific performance obligations are placed on the department when the contribution is received.
Grant received for the construction of Brisbane 2032 Olympic and Paralympic Games (Brisbane 2032) infrastructure	The Department of the Premier and Cabinet (DPC) provided \$21.5 million (2022: Nil) in funding to the department for the construction of infrastructure projects for Brisbane 2032.	Revenue is recognised upon receipt of funds as no specific performance obligations are placed on the department. A receivable is recognised when the department incurred expense in advance.

5. Gains on disposal and remeasurement of assets

	Note	2023	2022
		\$'000	\$'000
Gain on sale of property, plant and equipment		169	784
Gain on revaluation of investment property	14	-	136,321
Total gains on disposal and remeasurement of assets		169	137,105

Accounting policy

Gains arising from changes in the fair value of investment property and sale of property, plant and equipment are included in the operating result for the period in which they arise.

6. Employee expenses

	2023	2022
	\$'000	\$'000
Employee benefits		
Salaries and wages	107,260	95,852
Employer superannuation contributions	15,434	13,422
Annual leave levy	12,302	11,038
Sick leave	3,851	3,417
Long service leave levy	2,952	2,462
Termination benefits	450	511
Other employee benefits	1,227	1,391
	143,476	128,093
Employee related expenses		
Payroll tax	859	677
Workers' compensation premium	106	112
Other employee related expenses	1,990	1,776
Total employee expenses	146,431	130,657
Full-time equivalent employees	1,055	944

Department of State Development, Infrastructure, Local Government and Planning

Notes to the Financial Statements for the year ended 30 June 2023

6. Employee expenses (continued)

Accounting policy

Salaries and wages

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

Annual leave and long service leave

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

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

Superannuation

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's defined benefit plan (the former QSuper defined benefit categories now administered by the Government Division of the Australian Retirement Trust) as determined by the employee's conditions of employment.

Defined contribution plan - 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.

7. Supplies and services

	2023	2022
	\$'000	\$'000
Contractors and consultants*	60,908	38,606
COVID-19 quarantine management costs**	24,477	41,680
Property and building expenses	22,035	20,781
Information technology and computer equipment	9,720	9,720
Shared service provider fee	3,087	3,204
Travel and hospitality	1,765	921
Transport	1,345	1,056
Marketing and public relations expenses	2,496	2,310
Other	2,110	2,337
Total supplies and services	127,943	120,615

* The increase in the department's contractors and consultants expenditure during 2022-23 is mainly attributable to planning and design activities for infrastructure required under the Brisbane 2032 Master Plan.

** The department managed the quarantine management facility and hotel quarantine arrangements in 2021-22. Both programs were completed in 2022-23.

Accounting policy

Distinction between grants and procurement

For a transaction to be classified as supplies and services, the value of goods or services received must be of approximately equal value to the value of the consideration exchanged for those goods or services. Where this is not the case, the transaction is classified as a grant in Note 8.

Property and building expenses

Payments for non-specialised commercial office accommodation under the Queensland Government Accommodation Office framework arise from non-lease arrangements with the Department of Energy and Public Works (DEPW), that have substantive substitution rights over the assets used within this scheme. Payments are expensed as incurred and categorised within property and building expenses.

8. Grants and subsidies

	2023	2022
	\$'000	\$'000
Local government authorities	251,243	366,125
Industry attraction*	86,374	14,800
Concessional loan discount	2,525	23,290
Other	14,032	9,395
Total grants and subsidies	354,174	413,609

* To attract industry investment the department has granted land and building assets to industry partners. A grant has been made with a value of \$28.9 million representing investment property (refer Note 14). A further grant of improved land assets has been made with a value of \$41.5 million and is recognised as a provision (refer Note 17)

Accounting policy

Grants and subsidies are recognised in accordance with the relevant funding agreement between the department and the recipient and are non-reciprocal. Grants are treated as an expense when the recipient can control the use of the resources or when the department's obligation for a transfer arises.

Department of State Development, Infrastructure, Local Government and Planning

Notes to the Financial Statements for the year ended 30 June 2023

9. Other expenses

	2023	2022
	\$'000	\$'000
Land tax, rates and stamp duty	5,935	7,063
Demolition expenses	2,007	143
Goods and services received below fair value	1,926	430
Sponsorships	291	406
External audit fee*	202	311
Insurance premiums - Queensland Government Insurance Fund	244	225
Insurance premiums - other	399	255
Losses from disposal of property, plant and equipment	979	953
Other	231	37
Total other expenses	12,214	9,824

* Total audit fees quoted by the Queensland Audit Office relating to the 2022-23 financial statements is \$357,000 (2021-22: \$348,500). There are no non-audit services included in these amounts.

10. Receivables

	2023	2022
	\$'000	\$'000
Current		
Trade debtors	9,086	9,695
Loans and advances receivable - amortised cost*	13,816	15,204
Finance lease debtors	271	241
Operating lease debtors	1,314	419
Less: Loss allowance	(188)	(52)
	24,299	25,507
GST receivable	3,117	8,639
GST payable	(271)	(2,251)
	2,846	6,388
Reimbursements	5,456	7,460
Equity adjustment receivable	-	1,506
Annual leave reimbursements	2,912	2,593
Long service leave reimbursements	850	880
Other	37	14
Total current receivables	36,400	44,348
Non-current		
Loans and advances receivable - amortised cost*	137,531	132,638
Finance lease debtors	2,193	2,531
Total non-current receivables	139,724	135,169

* \$9.7 million (2022: \$11.0 million) of the current loans and advances and \$93.3 million (2022: \$97.3 million) of the non-current loans and advances receivable is associated with loans to facilitate CIF that are partially funded through borrowings with QTC.

Accounting policy

Receivables

Trade debtors, loans and advances receivable and operating lease debtors are measured at amortised cost which approximates their fair value at reporting date.

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

Where loans and advances are provided at concessional interest rates, they are considered to have a fair value less than the actual amount lent. Any additional amounts lent above the fair value is initially recognised as a loss in the statement of comprehensive income as grants and subsidies expense (Note 8). The additional amount lent above the fair value on initial recognition is \$2.5 million (2022: \$23.3 million). The notional interest income of \$4.7 million (2022: \$3.9 million) is recognised over the term of the loan in the statement of comprehensive income.

Department of State Development, Infrastructure, Local Government and Planning

Notes to the Financial Statements for the year ended 30 June 2023

10. Receivables (continued)

Impairment of receivables

The loss allowance for trade debtors reflects lifetime expected credit losses. Other receivables reflect 12-month expected credit losses unless credit risk has increased significantly since initial recognition in which case lifetime expected credit losses will be assessed. The loss allowance assessment incorporates reasonable and supportable forward-looking information, including forecast economic changes expected to impact the department's debtors, along with relevant industry and statistical data where applicable.

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

All known bad debts were written off as at 30 June 2023.

Credit risk management practices

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

All financial assets with Queensland and Australian Government agencies are considered to have low credit risk as the department has no prior experience of default from these counterparties. The department assumes that credit risk has not materially changed for these low credit risk assets.

The department typically considers a financial asset to be in default when it becomes 90 days past due. However, a financial asset can be in default before that point if information indicates that the department is unlikely to receive the outstanding amounts in full. The department's assessment of default does not take into account any collateral or other credit enhancements.

Credit risk exposure of receivables

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets. No collateral is held as security and there are no other credit enhancements relating to the department's receivables. The department's credit risk exposure for receivables measured at amortised cost is determined as outlined below:

Category	Assessment of expected credit losses	Information used
Trade debtors	The department used individual assessment to measure the expected credit losses. No impairment loss was recognised on trade debtors.	Review of individual debtor based upon relevant supporting documentation.
Loans and advances receivables	12-month expected credit losses are assessed on an individual basis. The department's debt management policy and procedure outlines the consideration and action to take based on the days the amounts are outstanding. Individual loans are assigned with a risk level and probability of failure in the next 12 months based on external credit analysis reports. The risk levels assigned as at 30 June 2023 were between very low risk to moderate risk. The probability of failure in the next 12 months was assessed between 0.02% to 1.23%. Loss allowance of \$0.2 million was recognised based on this assessment as at 30 June 2023 (2022: Nil).	Review of external credit reports, historical loan draw-down and repayment patterns and management assessment of the performance of the projects.

Set out below is the credit risk exposure on the department's receivables. These were assessed individually and excluded Queensland government trade debtors.

Credit risk exposure	2023		2022	
	Gross receivables \$'000	Expected credit losses \$'000	Gross receivables \$'000	Expected credit losses \$'000
Trade receivables	5,644	-	8,408	17
Operating lease receivables	1,314	-	419	35
Finance lease receivables	2,464	-	2,773	-
Loans and advances receivables	151,347	188	147,841	-
	160,769	188	159,441	52

Disclosure - Movement in loss allowance	2023 \$'000	2022 \$'000
Loss allowance as at 1 July	52	52
Increase in allowance recognised in operating result	136	-
Loss allowance as at 30 June	188	52

The movement in loss allowance relates to receivables assessed using lifetime expected credit losses methodology. There was \$0.1 million (2022: Nil) increase to the credit risk of loans and advances receivable since initial recognition and no movement to credit risk of finance lease receivables.

11. Land inventories

	2023	2022
	\$'000	\$'000
Land inventories reconciliation		
Carrying amount at 1 July	287,382	340,333
Acquisition and development costs	71,688	33,935
Cost of land sales	(23,529)	(66,567)
Transfer from/(to) other asset classes	47,677	(160)
Land inventory impairment	(1,372)	(20,159)
Carrying amount at 30 June	<u>381,846</u>	<u>287,382</u>

The department holds land inventories to facilitate development of industrial and residential projects.

Accounting policy
Land inventories

Land held for the purpose of sale is recognised at the lower of cost and net realisable value (NRV) in accordance with AASB 102 *Inventories*. Land inventory costs include the costs of acquisition and development costs that bring the land to a ready-for-sale condition.

Land inventories are subject to an annual impairment review in accordance with AASB 102 *Inventories*. If the NRV of land inventory is lower than the current carrying value, the land inventory is written down to the NRV and impairment loss is recognised in the statement of comprehensive income.

NRV for industrial land inventory is determined by independent external certified valuers on an annual basis. NRV for other land inventories (EDQ's residential and urban renewal projects) is estimated by management using discounted project cashflows.

Land sales

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

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

Key estimate and judgement - Land sales

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

Cost of land sales

Cost of land sales is recognised in the operating result at the settlement of sale contracts.

Key estimate and judgement - Cost of land sales

Where practical residential land inventory sales apply a cost of goods sold methodology that allocates a cost value to the land sold based on an estimated gross profit percentage for the life of the project. This involves judgement in determining the future sales revenue, future development costs and timing of future cash flows for the project. Key inputs used for these forecasts are validated by management using relevant industry experts and/or observable market information.

Where it is identified that the forecast value of a project is below the current carrying value of inventory a reduction is recognised against the carrying value and as a cost of land sales expense in the statement of comprehensive income.

12. Land and buildings held for sale

	2023	2022
	\$'000	\$'000
Land*	22,000	28,983
Buildings	-	822
Total land and buildings held for sale	<u>22,000</u>	<u>29,805</u>

* Current year balance relates to a land parcel in Brisbane inner city with a commercial contract in place.

Accounting policy

Non-current assets held for sale consist of those assets that management has determined are available for immediate sale in their present condition, for which their sale is highly probable within the next twelve months.

Under AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, when an asset is classified as held for sale, its value is measured at the lower of the asset's carrying amount and fair value less costs to sell. Any restatement of the asset's value to fair value less costs to sell is a non-recurring valuation. Such assets are no longer depreciated upon being classified as held for sale.

Department of State Development, Infrastructure, Local Government and Planning

Notes to the Financial Statements for the year ended 30 June 2023

13. Property, plant and equipment and depreciation expense

Closing balances and reconciliation of carrying amount

30 June 2023

	Land	Buildings	Plant and equipment	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Gross	271,712	22,563	4,494	7,385	306,154
Less: Accumulated depreciation	-	(5,522)	(2,948)	-	(8,470)
Carrying amount at 30 June	271,712	17,041	1,546	7,385	297,684

Represented by movements in carrying amounts:

Carrying amount at 1 July	274,508	61,075	1,173	8,460	345,218
Acquisitions	15,933	60	1,414	28,711	46,116
Disposals	(17,059)	(98)	(20)	-	(17,177)
Transfers in/(out) from/(to) other Queensland Government entities	6,596	-	(528)	-	6,068
Transfers between asset classes	-	895	-	(895)	-
Transfers from inventory	-	217	-	-	217
Transfers to investment property	-	-	-	(28,891)	(28,891)
Donations made	(750)	(112)	-	-	(862)
Net revaluation increments/(decrements) recognised in revaluation surplus	(7,516)	1,223	-	-	(6,293)
Depreciation expense	-	(46,219)	(493)	-	(46,712)
Carrying amount at 30 June	271,712	17,041	1,546	7,385	297,684
Asset revaluation surplus balance	39,801	2,228	-	-	42,029

30 June 2022

	Land	Buildings	Plant and equipment	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Gross	274,508	84,148	3,614	8,460	370,730
Less: Accumulated depreciation	-	(23,072)	(2,440)	-	(25,512)
Carrying amount at 30 June	274,508	61,076	1,174	8,460	345,218

Represented by movements in carrying amounts:

Carrying amount at 1 July	235,327	13,623	1,102	8,391	258,443
Acquisitions	16,581	63,140	397	6,181	86,299
Transfers through MoG changes	1,850	4,852	-	-	6,702
Disposals	(20,865)	(1,181)	(62)	(377)	(22,485)
Assets reclassified as held for sale	(4,400)	(23)	-	-	(4,423)
Transfers out to other Queensland Government entities	(160)	(5,736)	-	-	(5,896)
Transfers between asset classes	-	5,736	-	(5,736)	-
Transfers from inventory	160	-	-	-	160
Net revaluation increments recognised in revaluation surplus	46,017	307	-	-	46,324
Depreciation expense	-	(19,643)	(264)	-	(19,907)
Carrying amount at 30 June	274,508	61,075	1,173	8,460	345,218
Asset revaluation surplus balance	47,317	1,005	-	-	48,322

13. Property, plant and equipment and depreciation expense (continued)

Categorisation of assets measured at fair value

2023	Level 2	Level 3	Total
Recurring fair value measurements	\$'000	\$'000	\$'000
Land	271,712	-	271,712
Buildings	-	17,041	17,041
Total recurring	271,712	17,041	288,753

2022	Level 2	Level 3	Total
Recurring fair value measurements	\$'000	\$'000	\$'000
Land	274,508	-	274,508
Buildings	113	60,963	61,076
Total recurring	274,621	60,963	335,584

	2023	2022
	\$'000	\$'000
Building level 3 fair value measurement - reconciliations		
Carrying amount at 1 July	60,963	12,754
Acquisitions	60	63,141
Acquisitions through MoG changes	-	4,852
Disposals	(98)	(15)
Transfers to other Queensland Government entities	-	(5,736)
Transfers between asset classes	895	5,736
Transfers from inventory	217	-
Revaluation increments/(decrements) recognised in revaluation surplus	1,223	(136)
Depreciation expense	(46,219)	(19,633)
Carrying amount as at 30 June	17,041	60,963

None of the department's valuation of assets are eligible for categorisation into Level 1 of the fair value hierarchy.

Transfers between levels

There were no transfers between levels within the same class during the reporting period (2022: Nil).

Accounting policy

Capitalisation and recognition threshold

Items of property, plant and equipment with a historical cost or other value equal to or exceeding the following thresholds and with a useful life of more than one year are recognised for financial reporting purposes in the year of acquisition.

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

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

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

Acquisition of assets

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

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

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

Depreciation of property, plant and equipment

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less any estimated residual value, progressively over its estimated useful life to the department. Land is not depreciated as it has an unlimited useful life.

Key judgement

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

Any expenditure that 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.

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

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

13. Property, plant and equipment and depreciation expense (continued)

Key estimate

Useful lives for each class of depreciable asset are as follows:

Asset class	2023 Useful life
Buildings	5.3 – 70 years
Plant and equipment	3 – 25 years

Measurement of property, plant and equipment

Land and buildings are measured at fair value in accordance with Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector (NCAP). These assets are reported at their revalued amounts, being the fair value at the date of validation less any subsequent accumulated depreciation.

The cost of assets acquired during the financial year has been judged by management to materially represent their fair value at the end of the reporting period.

Plant and equipment are measured at historical cost in accordance with NCAPs. The carrying amounts for such plant and equipment assets are not materially different from their fair value.

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

Fair value measurement

Fair value is derived from observable inputs or estimated using another valuation technique. Observable inputs are publicly available data such as published sales data for buildings. Unobservable inputs are data, assumptions and judgements that are not available publicly.

Significant unobservable inputs used by the department include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the department's assets, internal records of recent construction costs (and/or estimates of such costs), asset's characteristics/functionality, and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets.

Revaluation of property plant and equipment measured at fair value

Property, plant and equipment classes measured at fair value are revalued on an annual basis either by appraisals undertaken by an independent qualified valuer or by use of appropriate and relevant indices. The department has an asset valuation working group (AVWG) (of which the department's chief finance officer is a member) that oversees the revaluation process on an annual basis. That working group undertakes annual reviews of the revaluation practices (after each year's revaluation exercise), and reports via management to the department's Audit and Risk Management Committee (ARMC) regarding the outcomes of, and recommendations arising from, each annual review.

Revaluations using an independent qualified valuer have historically been performed on a four-year rolling basis. However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practical, regardless of the timing of the last specific appraisal.

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

Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up to date via the application of relevant indices. The department ensures that the application of such indices results in a valid estimation of the assets' fair values at reporting date. A qualified valuer supplies the indices which are either publicly available or are derived from market information available. Management through the AVWG test the indices used for reasonableness by comparing the results to similar assets that have been comprehensively valued. Through this process, management assesses and confirms the relevance and suitability of indices.

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense to the extent it exceeds the balance in the revaluation surplus. For assets revalued using a cost valuation approach (e.g. current replacement cost), accumulated depreciation is adjusted to equal the difference between the gross amount and carrying amount, after taking into account accumulated impairment losses. This is generally referred to as the 'gross method'.

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

Land

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

For all land assets, the department has engaged Acumentis Brisbane Pty Ltd (Acumentis) to provide indexation to the asset portfolio with an effective date of 30 June 2023. This follows comprehensive valuations undertaken by Acumentis and State Valuation Service in 2021-22. Any assets not comprehensively valued in 2021-22 have been comprehensively valued in 2022-23.

Land held within a State Development Area (SDA) at reporting date is reviewed to identify the highest and best use in consultation with the SDA team who administer the *State Development and Public Works Organisation Act 1971*. Values supplied by the qualified valuer are tested for reasonableness.

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

In accordance with AASB 13 *Fair Value Measurement*, the department's land assets are categorised as Level 2.

Buildings

Buildings were revalued using either current replacement cost or income approach depending on their highest and best use. Buildings comprehensively valued have an effective date of 30 June 2023.

The department has engaged Acumentis and Jacobs Group (Australia) Pty Ltd to perform the comprehensive valuations under current replacement cost. The key assumption in determining the current replacement cost for the valuation of buildings is determining a replacement cost of a modern-day equivalent. The methodology takes into account the cost estimates of construction, on-costs for preliminaries, professional fees and risk. A further adjustment is made to the total estimated life taking into consideration physical and technical obsolescence impacting on the remaining useful life to arrive at a current replacement cost via straight-line depreciation.

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

13. Property, plant and equipment and depreciation expense (continued)

Impairment of non-current assets

All property, plant and equipment assets are assessed for indicators of impairment on an annual basis or, where the asset is measured at fair value, for indicators of a change in fair value/service potential since the last valuation was completed. Where indicators of a material change in fair value or service potential since the last valuation arise, the asset is revalued at the reporting date under AASB 13 *Fair Value Measurement*. If an indicator of possible impairment exists, the department determines the asset's recoverable amount under AASB 136 *Impairment of Assets*. Recoverable amount is equal to the higher of the fair value less costs of disposal and the asset's value in use subject to the following:

- As a not-for-profit entity, certain property, plant and equipment of the department is held for the continuing use of its service capacity and not for the generation of cash flows. Such assets are typically specialised in nature. In accordance with AASB 136, where such assets measured at fair value under AASB 13, that fair value (with no adjustment for disposal costs) is effectively deemed to be the recoverable amount. As a consequence, AASB 136 does not apply to such assets unless they are measured at cost.
- For other non-specialised property, plant and equipment measured at fair value, where indicators of impairment exist, the only difference between the asset's fair value and its fair value less costs of disposal is the incremental costs attributable to the disposal of the asset. Consequently, the fair value of the asset determined under AASB 13 will materially approximate its recoverable amount where the disposal costs attributable to the asset are negligible. After the revaluation requirements of AASB 13 are first applied to these assets, applicable disposal costs are assessed and, in the circumstances where such costs are not negligible, further adjustments to the recoverable amount are made in accordance with AASB 136.

For all other remaining assets measured at cost, and assets within the economic entity held for the generation of cash flows, recoverable amount is equal to the higher of the fair value less costs of disposal and the asset's value in use.

Value in use is equal to the present value of the future cash flows expected to be derived from the asset, or where the department no longer uses an asset and has made a formal decision not to reuse or replace the asset, the value in use is the present value of net disposal proceeds.

Recognising impairment losses

For assets measured at fair value, the impairment loss is treated as a revaluation decrease and offset against the revaluation surplus of the relevant class to the extent available. Where no revaluation surplus is available in respect of the class of asset, the loss is expensed in the statement of comprehensive income as a revaluation decrement.

For assets measured at cost, an impairment loss is recognised immediately in the statement of comprehensive income.

Reversal of impairment losses

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

For assets measured at fair value, to the extent the original decrease was expensed through the statement of comprehensive income, the reversal is recognised in income, otherwise the reversal is treated as a revaluation increase for the class of asset through revaluation surplus.

For assets measured at cost, impairment losses are reversed through income.

14. Investment property

	Note	2023 \$'000	2022 \$'000
Land - at fair value		339,071	381,635
Buildings - at fair value		414	414
Total investment property		339,485	382,049
Reconciliation of movement in investment property			
Carrying amount at 1 July		382,049	226,091
Acquisitions		5,330	19,637
Transfer to land inventory		(47,894)	-
Transfer from property, plant and equipment		28,891	-
Net revaluation increments recognised in operating result	5	-	136,321
Granting of improved building to industry	8	(28,891)	-
Carrying amount at 30 June		339,485	382,049

Rental income from investment property is recognised as income on a periodic straight-line basis over the term of the lease. Rental income recognised in the operating result is \$3.5 million (2022: \$2.5 million).

Direct operating expenses primarily for council rates, electricity and water charges that generated rental income for the period were \$2.6 million (2022: \$2.2 million). There were no direct operating expenses on property that did not generate rental income.

The department leases assets which represent \$1.6 million (2022: \$1.6 million) in the accounts. Proceeds on the disposal of these land lots will not flow through to the department. There are no other restrictions on the realisability of investment property and the remittance of income and proceeds of disposal.

Accounting policy

Investment property is initially recognised at cost including development costs. Where investment property is acquired at no or minimal cost, it is recognised at fair value. Investment property is subsequently carried at fair value, being subject to comprehensive valuations on an annual basis where significant market movements have occurred. Fair value is based on selling prices in an active property market adjusted, if necessary, to reflect the nature, location or condition of the specific investment property.

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

Gains or losses arising from changes in the fair value of investment property are included in the operating result for the period in which they arise.

Investment property land and buildings with a term lease are valued using the income approach.

Investment building assets are categorised as level 3 in accordance with the fair value hierarchy.

14. Investment Property (continued)

Key judgement

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

- the highest and best use given the legal and zoning restrictions and any other restrictions outside the control of the department;
- the probability of any of the restrictions being changed in the future; and
- the comprehensive valuations of investment property assets with a perpetual lease have been significantly discounted. The discount is applied due to the inability to freehold and restrictions on use.

Categorisation of investment properties measured at fair value

2023	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land	337,501	1,570	339,071
Buildings	-	414	414
Total	337,501	1,984	339,485

2022	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land	380,065	1,570	381,635
Buildings	-	414	414
Total	380,065	1,984	382,049

	2023 \$'000	2022 \$'000
Level 3 fair value measurement - reconciliations		
Carrying amount at 1 July	1,984	10,607
Acquisitions	-	1,462
Transfers between asset classes	28,891	-
Granting of improved building to industry	(28,891)	-
Revaluation decrements recognised in operating result	-	(10,085)
Carrying amount as at 30 June	1,984	1,984

None of the department's investment property is eligible for categorisation into Level 1 of the fair value hierarchy.

There were no transfers between levels within the same class during the reporting period (2022: Nil).

15. Taxation

	2023 \$'000	2022 \$'000
(a) Income tax equivalents		
Current tax	-	(203)
Deferred tax	(26,193)	29,250
Under/(over) provision in previous years	477	(2,437)
Revaluation	(103)	-
Balance as at 30 June	(25,819)	26,611

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

(Profit)/loss before tax - EDQ	87,310	(96,505)
Tax expense/(benefit) at the Australian tax rate of 30%	(26,193)	28,952
Tax effect of amounts which are not deductible (assessable) in calculating taxable income:		
Prior year adjustments	477	(2,437)
Deductible lease payments	-	(20)
Non-deductible donation	-	116
Revaluation	(103)	-
Income tax equivalent expense/(benefit)	(25,819)	26,611

15. Taxation (continued)

	2023	2022
	\$'000	\$'000
(c) Current liabilities - Income tax payable/(receivable)		
Balance at the beginning of the year	(5)	2,912
Income tax equivalent paid	-	(475)
Tax file number credit	(41)	(5)
Under/(over) provision in previous years	5	(2,437)
Balance as at 30 June	(41)	(5)
(d) Non-current liabilities - deferred tax equivalents liabilities		
The balance comprises temporary differences attributable to:		
Land revaluations	31,718	32,600
Inventories	(1,592)	1,908
Investment properties	70,751	79,440
Right-of-use asset	506	-
Revenue recognised in advance	924	924
Annual Leave	(152)	(108)
Long Service Leave	(33)	(23)
Allowance for doubtful debts	-	(15)
Written down value of other capitalised expenses	-	(7)
Buildings	(4,745)	(4,903)
Concessional loan discount	(13,035)	(13,683)
Granting of improved land to industry	(12,447)	-
Lease liabilities	(62)	-
Other	(403)	-
Current tax losses carried forward	(20,165)	(19,049)
Balance as at 30 June	51,265	77,084

Accounting policy

The department is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Australian Government taxation except Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). As such, input tax credits receivable from and GST payable to the Australian Taxation Office are recognised in Note 10. From 1 July 2014 all Queensland Government departments were exempted from payroll tax. This exemption is not extended to EDQ.

Pursuant to the National Tax Equivalents Regime, EDQ is required to make payments to the Queensland Government equivalent to the amount of any Australian Government income tax for which an exemption is not received.

The income tax equivalent benefit for the period is the tax payable on the current period's taxable income based on the national tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

AASB 112 *Income Taxes* uses a 'balance sheet approach' to calculate income tax balances. This approach recognises the difference between the carrying value of an asset or liability and its tax base. The differences are recognised at the tax rate expected to be applied when the assets are recovered or liabilities settled.

If applicable, deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

16. Payables

	2023	2022
Note	\$'000	\$'000
Current		
Trade creditors	39,804	16,479
Taxes - land, rates and stamp duty payable	6,012	7,142
Grants and subsidies payable	1,334	2,381
Interest payable	855	1,957
Deferred appropriation payable to Consolidated Fund	2 10,730	12,633
Other	56	51
Total current payables	58,791	40,643

Accounting policy

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount (that is, agreed purchase/contract price), gross of applicable trade and other discounts. Amounts owing are unsecured.

EDQ is required under QT's *Commercialisation of Government Business Activities in Queensland* policy framework to recognise tax equivalents payments and payments in lieu of stamp duty, land tax and local government rates. Calculation and recognition of tax equivalents ensures EDQ is not advantaged relative to its private sector counterparts. Payments are required to be made to the Queensland Government's Consolidated Fund and are determined on a self-assessment basis giving proper regard to current rates and charges applicable.

17. Provisions

	Note	2023 \$'000	2022 \$'000	
Current				
Land acquisition claims		8,503	18,967	
Infrastructure development		12,732	13,684	
Loan discounts		10,334	21,265	
Other provisions	8	41,491	6,230	
Total current provisions		73,060	60,146	
Non-current				
Land acquisition claims		6,278	3,703	
Infrastructure development		69,093	58,733	
Loan discounts		5,029	1,991	
Total non-current provisions		80,400	64,427	
Movements in provisions				
2023	Land acquisition claims	Infrastructure development	Loan discounts	Other provision
Balance at 1 July	22,670	72,417	23,256	6,230
Additional provision made	4,596	14,894	5,554	41,491
Reversal of provision	-	-	(3,029)	-
Provision utilised through payments	(12,485)	(5,486)	(10,418)	(6,230)
Balance as at 30 June	14,781	81,825	15,363	41,491

Accounting policy

Provisions are recorded when the department has a present obligation, either legal or constructive, as a result of a past event and an economic outflow is probable and can be reliably measured. They are recognised at the amount expected at reporting date for which the obligation will be settled in a future period.

Key estimates

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

The department collects infrastructure charges from developers in Priority Development Areas (PDAs) under the *Economic Development Act 2012*. Charges are payable based on projected growth and network modelling undertaken for water, sewer, transport, parks, community facilities and stormwater networks. Under the Act all infrastructure charges collected must be spent on infrastructure delivery.

Loan discounts relate to concessional loans issued under various funding initiatives and represents the fair value discount on the undrawn balance.

The nature of other provisions varies due to business requirements. In 2022-23 the balance of \$41.5 million relates to land and development works the department will contribute to industry to facilitate economic activity.

18. Other liabilities

	2023 \$'000	2022 \$'000
Current		
Deposits held	15,309	15,540
Security deposits	1,820	1,254
Contract liabilities	1,913	2,087
Unearned revenue	1,322	3,871
Other	1,063	1,525
Total current other liabilities	21,427	24,277
Non-current		
Security deposits	3,900	4,900
Total non-current other liabilities	3,900	4,900

Deposits held are largely for land resumptions. The department acquires land through compulsory acquisition in accordance with the *Acquisition of Land Act 1967* using the Coordinator-General's powers as contained in the *State Development and Public Works Organisation Act 1971*.

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

Unearned revenue arises from transactions that are not contracts with customers. Contract liabilities arise from contracts with customers where funds have been received for performance obligations not yet satisfied.

19. Leases

	2023	2022
	\$'000	\$'000
Leases as lessee		
Right-of-use assets		
Land - non-current	1,685	1,685
Buildings - current	-	83,108
Total right-of-use assets	1,685	84,793
Reconciliation of movement in right-of-use assets		
Opening balance at 1 July	84,793	1,685
Acquisitions	-	112,309
Depreciation charge	(83,108)	(29,201)
Carrying amount at 30 June	1,685	84,793
Lease liabilities		
Lease liabilities - current	59	31,682
Lease liabilities - non-current	147	205
Total lease liabilities	206	31,887

Accounting policy

Right-of-use assets

Right-of-use assets are recognised at cost, consisting of the initial amount of the associated lease liability less any lease incentives received plus any restoration costs. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The department has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases and leases of low value assets. An asset is considered low value where it is expected to cost less than \$10,000 when new.

Where a contract contains both a lease and material non-lease components such as asset maintenance services, the department allocates the contractual payments to each component on the basis of their stand-alone prices.

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 reduction in lease payments payable for change in lease term.

Lease liabilities

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

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

Details of significant leasing arrangements as lessee

Categories / Class of lease	Description arrangement
Buildings	The department entered into agreements in 2021-22 to lease facilities providing accommodation services under the <i>Public Health Act 2005</i> . The lease was for 15 months and ended in April 2023. Under this agreement the lessor also provides service and maintenance on the accommodation buildings. The amounts paid for these services are not included in the value of the lease. Total 2022-23 cash outflow is \$54.8 million (2022: \$143.7 million). No interest expense has been incurred in relation to this arrangement due to the short lease term.

Office accommodation and motor vehicles

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 as supplies and services in Note 7.

Leases as lessor

The leases currently recognised are predominantly held over industrial land and investment properties. The majority of the leases are administered by the Department of Resources (DoR) under the *Land Act of 1994* on behalf of EDQ. Refer to Note 14 for additional disclosures about investment properties.

Finance leases: Lessees are required to pay the principal, being the fair value of the land at the commencement of the finance lease, and an interest component calculated on the remaining balance payable.

Operating leases: The parties leasing these properties can terminate the lease with 28 days' notice or make an application to purchase the land. The amount payable to purchase the land is the market value of the land. The leases are granted on terms of between 1 year and in perpetuity.

Department of State Development, Infrastructure, Local Government and Planning

Notes to the Financial Statements for the year ended 30 June 2023

19. Leases (continued)

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

	Operating leases		Finance leases	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Less than 1 year	7,023	5,207	446	433
1 to 2 years	6,292	5,544	403	434
2 to 3 years	6,514	5,495	403	433
3 to 4 years	6,484	5,507	403	374
4 to 5 years	6,880	5,427	403	374
More than 5 years	35,365	30,264	1,782	1,965
Total	68,558	57,444	3,840	4,013

Accounting policies - Leases as lessor

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

Key Judgement

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

20. Financial instruments

Financial instrument categories

Financial assets and financial liabilities are recognised in the statement of financial position when the department becomes party to the contractual provisions of the financial instrument. The department's financial assets are classified at initial recognition and subsequently measured at amortised cost or fair value through profit or loss.

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

	Note	2023 \$'000	2022 \$'000
Financial assets			
Cash and cash equivalents	SOCF-1	256,190	319,888
Financial assets at amortised cost - comprising:			
Receivables	10	176,124	179,517
Total financial assets		432,314	499,405
Financial liabilities			
Payables	16	58,791	40,643
Borrowings	SOCF-1	90,976	130,987
Other liabilities*	18	21,029	21,694
Lease liabilities	19	206	31,887
Total financial liabilities		171,002	225,211

* Other liabilities only include deposits held and security deposits.

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

Financial risk management

(a) Risk exposure

Financial risk management is implemented pursuant to Queensland Government and the 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's activities expose it to a variety of financial risks as set out in the following table:

Risk exposure	Definition	Exposure
Credit risk	The risk that the department may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.	The department is exposed to credit risk in respect of its receivables in Note 10.
Liquidity risk	The risk that the department may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	The department is exposed to liquidity risk in respect of its payables in Note 16 and borrowings from QTC.
Market risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.	The department is not materially exposed to changes in commodity prices, foreign currency or other market prices risk. The market risk is immaterial in relation to finance lease receivables due to the immaterial balance. The department is exposed to interest rate risk through its borrowings from QTC, cash deposited in interest bearing accounts and interest bearing loans and advances.

Department of State Development, Infrastructure, Local Government and Planning

Notes to the Financial Statements for the year ended 30 June 2023

20. Financial Instruments (continued)

(b) Risk measurement and management strategies

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

Risk exposure	Measurement method	Risk management strategies
Credit risk	Ageing analysis	The department manages credit risk through policies articulated in the department's integrated risk management policy. This policy aims to reduce the exposure to credit default by assessing whether the customer has the ability and willingness to pay amounts owing to the department in an approved timeframe. The department monitors all funds owed on a monthly basis. Exposure to credit risk is monitored on an ongoing basis.
Liquidity risk	Sensitivity analysis	The department manages liquidity risk through the use of a Queensland Treasury approved overdraft limit on the department's controlled bank account. This overdraft limit reduces the exposure to liquidity risk by ensuring the department has sufficient funds available to meet employee and supplier obligations as they fall due.
Market risk	Interest rate sensitivity analysis	The department does not undertake any hedging in relation to interest rate risk and manages its risk through the use of fixed interest loans.

Liquidity risk - Contractual maturity of financial liabilities

The following table sets out the liquidity risk of financial liabilities held by the department. It represents the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at the reporting date. The undiscounted cash flows in these tables differ from the amounts included in the statement of financial position that is based on discounted cash flows.

Financial Liabilities	2023 payable in			
	< 1 Year \$'000	1 - 5 Years \$'000	> 5 Years \$'000	Total \$'000
2023				
Payables	58,791	-	-	58,791
Borrowings	5,976	45,247	75,255	126,478
Other liabilities	17,129	3,900	-	21,029
Lease liabilities	81	230	-	311
Total	81,977	49,377	75,255	206,609

Financial Liabilities	2022 payable in			
	< 1 Year \$'000	1 - 5 Years \$'000	> 5 Years \$'000	Total \$'000
2022				
Payables	40,643	-	-	40,643
Borrowings	5,032	26,927	122,856	154,816
Other liabilities	16,794	4,900	-	21,694
Lease liabilities	31,700	311	-	32,011
Total	94,169	32,138	122,856	249,164

Fair value measurement

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

Fair value disclosures for financial liabilities measured at amortised cost

With the exception of QTC borrowings, the carrying amount of financial liabilities measured at amortised cost approximates their fair value at reporting date.

The fair value of borrowings is notified by QTC and is calculated using discounted cash flow analysis and the effective interest rate. They are categorised as level 3 fair values within the fair value hierarchy.

	2023		2022	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Financial liabilities at amortised cost:				
QTC borrowings	90,976	89,525	130,987	129,799
Total	90,976	89,525	130,987	129,799

Market risk

The department is not exposed to material cash flow interest rate risk.

Department of State Development, Infrastructure, Local Government and Planning

Notes to the Financial Statements for the year ended 30 June 2023

21. Commitments

	2023	2022
	\$'000	\$'000
Capital expenditure commitments		
Commitments for capital expenditure at reporting date (inclusive of non-recoverable GST input tax credits):		
Not later than 1 year	54,286	98,062
Later than 1 year and not later than 5 years	30,812	24,149
Later than 5 years	-	141
Total capital expenditure commitments	85,098	122,352

22. Contingencies

Guarantees and undertakings

At 30 June 2023, the department holds the following bank guarantees:

- \$79.0 million (2022: \$79.0 million) in cash as security under the *State Development and Public Works Organisation Act 1971*, to ensure liability to the State is minimised should proponents fail to perform their contractual obligations. Interest is accrued on cash balances held and will be paid out when the security deposit is returned. At reporting date, it is not possible to determine the extent or timing of any potential financial effect of this responsibility.
- \$132.6 million (2022: \$104.0 million) in other bank guarantees and bonds held for financial support provided on projects across the department.
- \$150.2 million (2022: \$109.8 million) in bank guarantees and bonds held by EDQ in relation to development projects for financial security against non-conformance of contracts.

EDQ provided financial guarantees of \$5.4 million (2022: \$0.1 million) for security over infrastructure construction and maintenance.

In response to the Queensland Government's COVID-19 Industry Support Package (ISP), the department and QTC jointly administer the loan facilities for each entity selected by the government to receive a loan under the ISP. As QTC will undertake the role of lender for these loans, the department is requested by the State to provide an indemnity to QTC in relation to claims arising out of the loan facilities.

The department received claims in relation to COVID-19 hotel quarantine arrangements. These claims are subject to independent assessments and outcomes may result in potential liability. The department is not contractually bound, and any settlement will be made in good faith of those arrangements. The financial impact was unable to be estimated at the reporting date.

The department signed a contract in 2021-22 financial year granting the counterparty an option to purchase a parcel of land with a surplus building. The option expires in 2023-24. If it is not exercised, the department will be liable for the demolition cost capped at \$4.0 million.

The State through the department entered deeds of indemnity for the former non-government board members and the former Chief Executive Officer (CEO) of Building Queensland (BQ) to replace indemnities that existed before its abolition.

The department received claims in relation to compulsory land acquisition. Where there is disagreement on the amount, claims are subject of independent assessments and outcomes may result in potential liability. At reporting date, the financial impact was unable to be estimated.

EDQ understands that the Commissioner of State Revenue may reassess duty payable in relation to a past commercial transaction. The outcome of a re-assessment may result in a potential liability under the contractual agreement between the Minister for EDQ and the third party. At reporting date, the financial impact was estimated at up to \$79.2 million.

Litigation in progress

At 30 June 2023, there are zero applications (2022: one) filed in the Courts naming the department as respondent.

Native title claims over departmental land

At 30 June 2023, native title continues to exist over certain land parcels owned by the department. Native title determination applications have been registered in the Federal Court of Australia but not all applications have been determined by the Court. At reporting date, it is not possible to make an estimate of any probable outcome of these claims or any financial effect.

23. Budgetary reporting disclosures

This section discloses the department's original budget figures for 2022-23 compared to actual results with explanations of major variances in respect of the department's Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows.

Explanations of major variances - Statement of Comprehensive Income

Appropriation revenue

The variance of \$193.3 million is mainly attributable to changes in delivery schedules and the timing of funding requirements for a range of local government and non-government capital programs funded through appropriation revenue. Delays in program delivery are impacted by factors such as supply chain challenges, contractor availability and inclement weather events. Included specifically are deferred grants for local government projects of \$76.9 million and various state development programs of \$55.4 million which will be delivered in future financial years in accordance with milestones agreed with delivery partners.

Grants and other contributions

The variance of \$51.1 million is due to receipt of funding later than originally budgeted during 2021-22 associated with Resource Community Infrastructure Fund (RCIF) contributions from industry participants of \$22.3 million to match project funding requirements. Contributions from DPC of \$21.5 million to resource the activity of the Brisbane 2032 Olympic and Paralympic Infrastructure Office were agreed as part of new governance arrangements established post 2022-23 budget.

Supplies and services

The variance of \$49.0 million is mainly attributable to savings from QRAC of \$25.0 million returned to QT following completion of the program as well as less than anticipated expenditure for National Battery Testing Centre of \$6.9 million following further negotiation amongst funding partners and subsequent deferral of funding to future financial years.

Grants and subsidies

The variance of \$88.7 million is mainly attributable to deferral of grant payments to future financial years attributable to local government programs of \$70.7 million, state development programs of \$37.3 million and the RCIF projects of \$32.1 million. Delays in program delivery are impacted by factors such as supply chain challenges, contractor availability and inclement weather events along with revised project milestones informed by delivery partners. This is offset by additional industry attraction grants administered through EDQ of \$70.4 million responding to emerging industry opportunities.

Land sales/Cost of land sales

The variance of \$89.5 million and \$70.2 million respectively is due to delayed land sales as a result of changing market conditions including the timing of development approvals across a range of residential and industrial land development projects.

23. Budgetary reporting disclosures (continued)

Operating result after income tax equivalents

The variance of \$2.4 million is largely made up by operating losses generated by EDQ associated with industry attraction grants of \$70.4 million offset by the income tax impact (benefit) of operating losses of \$23.8 million compared to budget. The EDQ operating loss is offset by departmental surpluses generated by delays in grants paid associated with the RCIF of \$57.4 million compared to budget.

Explanations of major variances - Statement of Financial Position

Cash and cash equivalents

The variance of \$29.4 million is mainly attributable to higher cash reserves held in respect to RCIF offset by lower than anticipated sales revenue generated by EDQ.

Current and Non-current receivables

The variance in current and non-current receivables of \$14.9 million and \$115.2 million respectively are mainly due to the deferrals of EDQ funded industry development projects reducing the associated funding requirements facilitated through loan drawdowns. The funding requirements are expected to be settled in future financial years.

Current and Non-current land inventories

The net variance of \$9.5 million is due to delayed land settlement across multiple projects within EDQ due to the current market conditions. This is partially offset by reclassifications from investment property (compared to original budget) due to reconfiguration of lots ready for market sale.

Property plant and equipment

The variance of \$35.6 million mainly reflects the impact of land revaluations which were not reflected in the 2022-23 original budget.

Investment property

The variance of \$78.0 million is due to increased land values after revaluation of holdings across the Northshore Hamilton Priority Development Area which was not reflected in the 2022-23 original budget. This is partially offset by investment property reclassified to land inventories.

Current and Non-current borrowings

The variance of \$29.2 million and \$30.4 million respectively is due to lower loan drawdowns associated with CIF loans by developers reducing the need for the department to fund these arrangements through borrowing facilities and higher repayments than originally budgeted.

Current and Non-current provisions

The variance of \$39.8 million and \$24.0 million respectively is due to obligations to industry partners recognised in provisions higher than originally budgeted including commitments to grant land to industry of \$41.5 million.

Explanations of major variances - Statement of Cash Flows

Net cash provided by operating activities

Material variances associated with these line items are explained by their respective Statement of Comprehensive Income notes above.

Net cash used in investing activities

The variance of \$61.8 million is mainly due to the deferrals of EDQ funded projects reducing the associated funding requirements and loan drawdowns as referred to above.

Net cash used in financing activities – Borrowing redemptions

The variance of \$36.0 million is attributed to higher repayments of QTC borrowings compared to original budget to reduce interest expense exposure.

Net cash provided by/(used in) financing activities - Equity injections

The variance in appropriated equity injection of \$52.9 million is primarily due to the timing of funding requirements for CIF of \$35.5 million and BAF of \$12.7 million. Funding for these initiatives will be deferred into the future financial years aligned with revised project milestones.

24. Key management personnel (KMP) disclosures

Details of KMP

The department's responsible Minister is identified as part of the department's KMP, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. The Minister is the Minister for State Development, Infrastructure, Local Government and Planning and Minister Assisting the Premier on Olympic and Paralympic Games Infrastructure.

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

The remuneration policy for the department's other KMP is set by the Queensland Public Sector Commission as provided for under the *Public Sector Act 2022* (formerly the *Public Service Act 2008*). Individual remuneration and other terms of employment (including motor vehicle entitlements) are specified in employment contracts.

Remuneration expenses for KMP comprise the following components:

- Short-term employee expenses 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,
- Long-term employee expenses include amounts expensed in respect of long service leave entitlements earned; and
- Post-employment expenses include amounts expensed in respect of employer superannuation obligations.

No KMP remuneration packages provide for performance or bonus payments.

The following details for non-ministerial KMP reflect those departmental positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2022-23 and 2021-22. Further information about these positions can be found in the body of the Annual Report under the section relating to Governance.

The department's KMP has changed from the comparative reporting period with the positions of Assistant Coordinator-General and Commissioner, Quarantine Management Taskforce no longer designated as KMP. This reflects the department's revised Governance arrangements and the abolishment on 31 August 2022 of the role of the Commissioner, Quarantine Management Taskforce following completion of the Taskforce's responsibilities.

Department of State Development, Infrastructure, Local Government and Planning

Notes to the Financial Statements for the year ended 30 June 2023

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

Position	Position responsibility
Director-General	The accountable officer is responsible for directing the overall efficient, effective and economical administration of the department and is responsible for the performance of the department.
Coordinator-General	Operating within the statutory frameworks of the <i>State Development and Public Works Organisation Act 1971</i> and the <i>Strong and Sustainable Resource Communities Act 2017</i> , responsible for planning, delivering and coordinating large-scale infrastructure projects which are of economic significance to the State and for ensuring environmental impacts are properly managed.
Deputy Director-General, Strategy, Insights and Advisory	Responsible for coordinating all key matters across the Deputy Premier's portfolio responsibilities and supporting all touch points between the Deputy Premier's Office, the department and portfolio entities, and management of the Queensland Government's administrative responsibilities under the <i>South Bank Corporation Act 1989</i> .
Deputy Director-General, State Development	Responsible for implementing the regional and industry elements of the economic strategy, driving the execution of the Queensland Government's priority industry roadmaps and strategies, and leading the department's network of regional based offices.
Deputy Director-General, Corporate	Responsible for enabling a high-performing department by providing systems, advice and governance to enable delivery and manage risk, opportunities, people and resources.
Deputy Director-General, Local Government	Responsible for the development and implementation of strategies, policies and programs that support a sustainable local government system.
General Manager, Economic Development Queensland (EDQ)	Responsible for identifying, planning, facilitating and delivering property development and infrastructure projects across Queensland and creating opportunities for industry to invest in industrial and renewal projects.
Deputy Director-General, Planning (formerly State Planner)	Responsible for the coordinated and integrated delivery of planning functions and services for the State of Queensland.
Deputy Director-General, Infrastructure and Regional Strategy	Responsible for driving the infrastructure agenda for Queensland with a focus on achieving robust capital planning, quality investment decisions and regional economic development.

KMP remuneration expenses

The following disclosures focus on the expenses incurred by the department attributable to non-Ministerial KMP during the respective reporting periods. The amounts disclosed are determined on the same basis as expenses recognised in the statement of comprehensive income. Acting arrangements less than 3 months are not reported due to the short duration.

2022-23

Position	Short-term employee expenses \$'000		Long-term employee expenses \$'000	Post- employment expenses \$'000	Total expenses \$'000
	Monetary expenses \$'000	Non-monetary benefits \$'000			
Director-General (and acting Coordinator-General from 7 February)	471	5	12	57	546
Coordinator-General (to 6 February)	226	4	5	29	264
Deputy Director-General, Strategy, Insights and Advisory (from 15 July)	209	5	7	28	249
Deputy Director-General, State Development	268	3	7	30	308
Deputy Director-General, Corporate	268	3	7	30	308
Deputy Director-General, Local Government (from 18 July to 16 June)	239	4	6	25	274
General Manager, EDQ	278	5	7	31	321
Acting State Planner (to 24 February)	160	3	4	18	185
Deputy Director-General, Planning (from 23 January)	133	2	3	14	152
Deputy Director-General, Infrastructure and Regional Strategy (from 14 September to 6 December)	64	2	2	7	75
Acting Deputy Director-General, Infrastructure and Regional Strategy (1 July to 26 September and 12 December to 19 May)	161	1	4	17	183
Deputy Director-General, Infrastructure and Regional Strategy (from 15 May)	44	1	1	4	50

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

2021-22

Position	Short-term employee expenses \$'000		Long-term employee expenses \$'000	Post- employment expenses \$'000	Total expenses \$'000
	Monetary expenses \$'000	Non-monetary benefits \$'000			
Director-General (to 2 May 2022)	367	5	9	34	414
Director-General (from 3 May 2022)	93	1	1	7	102
Coordinator-General	364	6	9	46	424
Assistant Director-General, Policy, Portfolio and Government Services (to 24 January 2022)	145	-	3	15	163
Acting Assistant Director-General, Policy, Portfolio and Government Services (from 14 February 2022)	107	2	2	9	121
Deputy Director-General, State Development	233	3	6	26	268
Deputy Director-General, Corporate	258	3	6	29	296
Deputy Director-General, Local Government (to 13 February 2022)	141	4	4	17	165
General Manager, EDQ (from 23 August 2021)	238	6	5	24	273
State Planner, Planning Group (to 6 March 2022)	184	4	4	20	212
Acting State Planner, Planning Group (from 7 March 2022)	89	2	2	7	100
Deputy Director-General, Infrastructure and Regional Strategy (to 3 January 2022)	132	3	3	14	153
Acting Deputy Director-General, Infrastructure and Regional Strategy (from 4 January 2022)	133	3	3	11	149
Commissioner, Quarantine Management Taskforce (from 4 January 2022)	150	2	2	9	164
Assistant Coordinator-General, Project Evaluation and Facilitation	231	6	6	25	268
Assistant Coordinator-General, Planning and Services	230	6	6	26	267

25. Related party transactions

Transactions with other Queensland Government-controlled entities

The department's primary ongoing sources of funding from the government for services is appropriation revenue and equity injections, both of which are provided in cash via QT and are disclosed in Note 2.

The department has borrowings from and deposits with QTC. These are disclosed in the Statement of Cash Flows and associated note.

The department has leases with DEPW for commercial office accommodation, storage facilities and car park spaces. Property and building expenses incurred are disclosed in Note 7.

The department engages Queensland Shared Services under a service level agreement who provides corporate business services and technology solutions to support finance and human resource transactions.

The department holds deposits from the Department of Transport and Main Roads (DTMR) for the Townsville Eastern Access Rail Corridor project. Deposits are disclosed in Note 18.

EDQ has an agreement with DTMR to facilitate development in priority development areas by providing funding for key infrastructure projects as per Note 17. DoR manages leases on behalf of EDQ and transfers the payments from the lessees to EDQ.

The department had significant transactions with other government departments and statutory bodies for supplies and services expenditure and grants programs as disclosed in Note 7 and Note 8.

The department manages the Brisbane 2032 Olympic and Paralympic Games inter-departmental funding agreement relating to venue planning and construction. The department received grants from the DPC as disclosed in Note 4, and supplies and services payments were made to DEPW as disclosed in Note 7.

The department received parcels of land from DoR and DTMR. These are disclosed in Note 13.

The department transferred land held for sale to DTMR, this is disclosed in Note 11.

Transactions with people and entities related to KMP

The department had no transactions with people and entities related to its key management personnel during the financial year.

26. Agency transactions and balances

At 30 June 2023 a total of \$82.9 million (2022: \$80.3 million) of third-party deposits was held by the department in an agency capacity under the *State Development and Public Works Organisation Act 1971*. These funds are received and held on behalf of proponents, with the department having no discretion over these funds. Consequently, these balances are not recognised in the financial statements but are disclosed for information purposes.

The total value of land taken by the Coordinator-General pursuant to the *State Development and Public Works Organisation Act 1971* is \$34.9 million (2022: \$34.9million). The land is currently held by the Coordinator-General and licensed to the proponent for construction of the project. Upon completion of construction, the land will be surveyed and will be utilised by the proponent for the activities under the project. Consequently, these land assets are not recognised in the financial statements but are disclosed for information purposes.

The department has a Memorandum of Understanding in place with the Department of Environment and Science (DES), acting as an agent administering the Local Government Levy Ready Grant Program and the Flying Fox Roost Management Grant Program. A total of \$2.9 million (2022: \$0.8 million) funding from DES was held by the department as at 30 June 2023. As the department acts as an intermediary agent between DES and grant recipients with no discretion over the funds, the relevant amount is not recognised in the financial statements and disclosed only for information purposes.

27. Schedule of administered items

	Note	Queensland Reconstruction Authority					
		(QRA)		Roma Street and Southbank Parkland		Local Government	
		2023	2022	2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income							
Appropriation revenue*	(a)	1,289,141	854,008	36,067	33,126	776,354	689,624
Grants and other contributions (Commonwealth)		-	-	-	-	776,053	689,435
User charges and fees		-	-	-	-	301	189
Other revenue		-	-	15,425	11,848	-	150
Total administered income		1,289,141	854,008	51,492	44,974	1,552,708	1,379,398
Administered expenses							
Grants and subsidies	(b)	1,289,141	854,008	36,067	33,126	776,354	689,624
Transfers of administered income to government**		-	-	15,425	11,848	776,354	689,774
Total administered expenses		1,289,141	854,008	51,492	44,974	1,552,708	1,379,398
Operating surplus/(deficit)		-	-	-	-	-	-
Administered assets							
Current							
Cash***		-	-	(2,166)	3,754	420	141
Receivables		-	-	3,454	(21)	620,161	4
Total current assets		-	-	1,288	3,733	620,581	145
Administered liabilities							
Current							
Payables		-	-	1,288	3,733	620,581	145
Total current liabilities		-	-	1,288	3,733	620,581	145
Net administered assets		-	-	-	-	-	-
Administered equity							
Appropriated equity injection		-	-	3,085	-	-	-
Appropriated equity withdrawal		-	-	(3,085)	-	-	-
Total administered equity		-	-	-	-	-	-

27. Schedule of administered items (continued)

	Note	State Assessment and Referral				Original budget	Budget variance
		Agency (SARA)		Total			
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000		
Administered income							
Appropriation revenue*	(a)	-	-	2,101,562	1,576,758	1,684,594	416,968
Grants and other contributions (Commonwealth)		-	-	776,053	689,435	146,172	629,881
User charges and fees		4,531	5,056	4,832	5,245	4,919	(87)
Other revenue		-	-	15,425	11,998	14,110	1,315
Total administered income		4,531	5,056	2,897,872	2,283,437	1,849,795	1,048,077
Administered expenses							
Grants and subsidies	(b)	-	-	2,101,562	1,576,758	1,684,594	416,968
Transfers of administered income to government**		4,531	5,056	796,310	706,679	165,201	631,109
Total administered expenses		4,531	5,056	2,897,872	2,283,437	1,849,795	1,048,077
Operating surplus/(deficit)		-	-	-	-	-	-
Administered assets							
Current							
Cash***		-	-	(1,746)	3,895	232	(1,978)
Receivables		-	-	623,615	(17)	(160)	623,775
Total current assets		-	-	621,869	3,878	72	621,797
Administered liabilities							
Current							
Payables		-	-	621,869	3,878	72	621,797
Total current liabilities		-	-	621,869	3,878	72	621,797
Net administered assets		-	-	-	-	-	-
Administered equity							
Appropriated equity injection		-	-	3,085	-	-	-
Appropriated equity withdrawal		-	-	(3,085)	-	-	-
Total administered equity		-	-	-	-	-	-

* This appropriation revenue is provided in cash via QT and funds activities/expenses that the department administers on behalf of the government.

** The department periodically transfers to Queensland Government the amount of all cash collected in respect of administered revenue itemised under "administered income" (excluding appropriation revenue).

*** The cash overdraft reflects a short-term timing difference for the settlement of transactions between the department and South Bank Corporation.

Department of State Development, Infrastructure, Local Government and Planning

Notes to the Financial Statements for the year ended 30 June 2023

27. Schedule of administered items (continued)

	2023	2022
	\$'000	\$'000
(a) Reconciliation of payments from Consolidated Fund to administered income		
Budgeted appropriation	1,684,594	1,069,112
Lapses	(205,144)	-
Unforeseen expenditure	-	511,176
Total administered receipts	1,479,450	1,580,288
Plus: Opening balance of appropriation revenue payable to consolidated fund	3,706	176
Plus: Closing balance of deferred appropriation receivable	618,406	-
Less: Closing balance of deferred appropriation payable	-	(3,706)
Administered income recognised	2,101,562	1,576,758
Reconciliation of payments from Consolidated Fund to administered equity		
Original budgeted equity adjustment appropriation	3,085	-
Total equity adjustment receipts	3,085	-
(b) Grants and subsidies		
Administered grants and subsidies were made to the following entities:		
Queensland Reconstruction Authority	1,289,141	854,008
Roma Street and Southbank Parkland	36,067	33,126
Local governments	776,354	689,624
Total grants and subsidies	2,101,562	1,576,758

Explanation of major budget to actual variances

The variance in appropriation revenue and grants and subsidies expense of \$416.9 million is mainly due to Commonwealth funding for the 2023-24 Financial Assistance Grants to local governments brought forward to 2022-23 of \$629.9 million partially offset by timing adjustments related to Queensland Reconstruction Authority grant programs of \$210.0 million. The variance associated with the acquittal of these funds is reflected in grants and other contributions and transfer of administered income to government with a corresponding variance in receivables and payables as the funding will be acquitted during 2023-24.

The variance in cash predominantly relates to funding outstanding at 30 June 2023 for Roma Street and Southbank Parkland which will be acquitted in 2023-24.

Accounting policy

The department administers, but does not control, certain activities on behalf of the Queensland Government. In doing so, it has responsibility for administering those activities (and related transactions and balances) efficiently and effectively, but does not have the discretion to deploy those resources for the achievement of the department's own objectives. Accounting policies applicable to administered items are consistent with the equivalent policies for controlled items, unless stated otherwise.

Major administered revenue includes appropriations and grants received from the Australian and the Queensland Government that are forwarded onto other Queensland Government bodies.

28. Climate risk disclosure

The department considers specific financial impacts relating to climate related risks by identifying and monitoring material accounting judgements and estimates used in preparing the financial report. This includes the potential for changes in asset useful lives, changes in the fair value of assets, provisions or contingent liabilities and changes in expenses and revenue.

Climate Change

Climate change is a long-term change in the average weather patterns, such as temperature and rainfall, that have come to define local, regional and global climates. In 2021-22 the department engaged environmental risk management consultancy, Marsh Pty Ltd (Marsh) to conduct a natural hazards risk assessment over its land assets. This report assessed potential risks such as drought, fire, river flooding, heat stress and sea rise. The climate change scenarios were benchmarked against three potential climate change scenarios, warming at the end of the 21st century of less than 2%, greater than 2% and more than 4%. The risk to the department's asset portfolio were noted as river flooding and precipitation stress, this is mainly due to their proximity to the coast and/ or rivers.

Land

Acumentis considered the climate change risks not to materially affect the land values at 30 June 2023. The sales values used in this valuation program would reflect any effect of climate change that a market participant would consider at this time, so no adjustment to the adopted land values at 30 June 2023 was required. For flood prone land Acumentis used sales evidence reflecting the physical characteristics of the land. Where historically sites have been affected by flooding, comparable market evidence was considered with similar constraints to reflect these limitations.

Buildings

Asset vulnerability to climate change is partially defined by exposure; that is, the extent to which the location experiences the disruptor. Coastal locations are usually highly exposed to sea-level rise, whereas inland locations are not. Changes in average and extreme temperatures, precipitation and the other climate elements vary according to global and regional scale climate systems as well as geography. Exposure to climate change impacts can therefore vary on a local scale. As part of the 2022-23 rolling valuation program for buildings, the Marsh natural hazards risk assessment has been used to identify land risks that any buildings occupy, none directly impacted the 2022-23 comprehensive asset valuations.

Useful Life of Building Assets

Climate change will not affect the remaining useful lives currently, however the materials used, and construction technology of the modern equivalent asset is reflected in the total lives adopted.

Operational costs relating to buildings

For those assets situated within coastal and river locations the department expects operational costs to increase in future years for such things as general maintenance, increased frequency of costs to repair following weather events and costs relating to insurance. No directly quantifiable impact has been noted for the 2022-23.

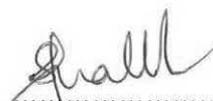
The department has not identified any material or current climate related risks relevant to the financial report at the reporting date. The department continues to monitor emerging risks.

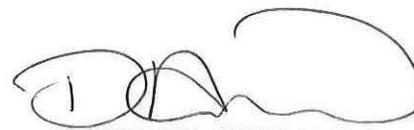
Management Certificate

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;
- (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 for the financial year ended 30 June 2023 and of the financial position of the department at the end of that year; and

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


.....
Scott Walker FCPA
Chief Finance Officer
Date: 25/08/2023


.....
Debbie McNamara
A/Director-General
Date: 25/8/2023.

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Department of State Development, Infrastructure, Local Government and Planning

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Department of State Development, Local Government, Infrastructure and Planning.

In my opinion, the financial report:

- a) gives a true and fair view of the department's financial position as at 30 June 2023, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position and statement of assets and liabilities by major departmental services and commercialised business unit as at 30 June 2023, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental services and commercialised business unit for the year then ended, notes to the financial statements including 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 department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Key audit matters

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

Carrying value of land inventories (\$381.85 million)

Refer to note 11 in the financial report

Key Audit Matter	How my audit addressed the key audit matter
<p>Significant judgement is required by management in the determination of the carrying value of land inventories.</p> <p>The significant judgements and key assumptions used in the model to estimate the future cash flows for the development project include:</p> <ul style="list-style-type: none"> • sales rates • land pricing • expected date of completion • future development costs • discount rates. 	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • obtaining an understanding of the model, and assessing its design, integrity and appropriateness, with reference to common industry practices • assessing the competence, capability and objectivity of the experts used by the department to value industrial land • evaluating the methodology for allocating costs against the land inventory balance • assessing the reasonableness of estimated future sales revenue and project costs of residential land used in the model to appropriate supporting documentation • testing a sample of project land sales transactions to assess the accuracy of cost allocation calculations between the cost of sales and land inventory.

Responsibilities of the department for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

From the matters communicated with the Accountable Officer, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Statement

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

Jacques Coetzee

28 August 2023

Jacques Coetzee
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

