

2019–2020 ANNUAL REPORT



17 September 2020

The Honourable Cameron Dick MP
Treasurer, Minister for Infrastructure and Planning

1 William Street
Brisbane Qld 4000

Dear Treasurer

I am pleased to submit for presentation to the Parliament the Annual Report 2019–20 and financial statements for Queensland Treasury.

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*, and
- + the detailed requirements set out in the *Annual Report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements is provided at page 102 of this annual report.

Yours sincerely



Rachel Hunter
Under Treasurer

Translating and interpreting assistance



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About our annual report

The Queensland Treasury Annual Report 2019–20 is an integral part of our corporate governance framework and one of the main tools we use to ensure we are accountable to the Queensland Parliament and the community about our activities. This report details our achievements, performance and financial position for the 2019–20 financial year. It aligns with the Queensland Government's *Our Future State: Advancing Queensland's Priorities*, the Queensland Treasury Strategic Plan 2019–2023 and our Service Delivery Statement 2019–20. It also provides information on our future direction, people management and corporate governance processes.

Find our report online

This report is available at
treasury.qld.gov.au/publications-resources/

For enquiries about this annual report, contact the Manager, Corporate Performance on (07) 303 51923 or via communications@treasury.qld.gov.au.

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Under Treasurer's report

I am honoured to deliver my first Annual Report as Under Treasurer for Queensland Treasury.

2019–20 was a year like no other in public administration in Queensland. Although our state is no stranger to the impacts of natural disasters and global phenomena, the impact of COVID-19 on the economy and Queensland's social fabric was unprecedented.

As the necessary public health response began to impact on Queensland's economy, our organisation responded immediately, playing a lead role in developing and implementing the government's response and recovery agenda. Central to this agenda was the need to protect and support Queensland jobs and business, deliver vital infrastructure, and continue to provide essential frontline services for Queenslanders.

Queensland Treasury has been centrally involved in delivering Queensland's Economic Recovery Strategy, *Unite and Recover for Queensland Jobs plan*, which has included:

- + investing more than \$7 billion in total towards COVID-19 support initiatives including measures for impacted businesses, workers, households, communities and the health sector

- + working with Queensland Rural and Industry Development Authority to approve nearly \$1 billion in Job Support loans to businesses state-wide
- + paying more than \$458.3 million in payroll tax refunds and holidays directly into the bank accounts of Queensland businesses, as well as \$545.3 million in payroll tax deferrals including annual returns
- + providing 25% rebates of land tax liability and more than \$91 million in land tax relief to landowners.

Other measures to support Queensland businesses and individuals led by Queensland Treasury included:

- + changes to planning and licensing legislation to allow businesses to operate more effectively during COVID-19
- + temporary suspension of enforcement actions for people with penalty debt.

A range of economic indicators have been negatively impacted by COVID-19, including employment, household consumption, trade, dwelling investment, and Queensland's share of GST revenue. The state's tourism industry was significantly impacted, as flight cancellations, domestic travel restrictions and social distancing flowed into Queensland's normally thriving hotels and resorts, tours and theme parks. With ongoing volatility in the economy, producing reliable economic forecasts for Queensland's Budget has been extremely challenging. Treasury has focused on preparing a COVID-19 Fiscal and Economic Review, which will reveal the impact COVID-19 has had on Queensland.

In the coming months we will continue our work with all government agencies to identify \$3 billion in savings to support economic recovery and we will implement the government's Queensland Future Fund to maximise the return on government-owned assets.

Partnerships with agencies, stakeholders and other bodies are key to our success as a treasury. Our networks were further enhanced in May 2020, when we welcomed the planning and economic and infrastructure strategy functions of the former Department of State Development, Manufacturing, Infrastructure and Planning. This strengthened our respective fields of expertise, and positioned a strengthened Treasury to lead the Queensland Government's economic response to COVID-19.

Despite the significant negative impacts brought by COVID-19, there is reason for optimism. Queensland's relative success in containing COVID-19 allows us to confidently forecast a recovery in economic output in 2021. Still, the need for vigilance will remain for some time to come.

That we were able to respond so effectively during this challenging year can be attributed in large part to the agility, resilience and talent of our workforce, whom I commend to government. We will draw heavily on these qualities over the coming year, as we maintain our commitment to 'unite and recover for Queensland jobs'.



Rachel Hunter
Under Treasurer

Our performance

Budget and financial management¹

Service standards Fiscal coordination and budget strategy development ²	2019–20 Target/estimate	2019–20 End of financial year actual
<i>Effectiveness measures</i>		
Target ongoing reductions in Queensland's relative debt burden, as measured by the General Government debt to revenue ratio ³	64%	77%
Target net operating surpluses that ensure any new capital investment in the General Government Sector is funded primarily through recurrent revenues rather than borrowing (as measured by the General Government net operating cashflows as a proportion of purchases of net investments in non-financial assets) ³	60%	..
The capital program will be managed to ensure a consistent flow of works to support jobs and the economy and reduce the risk of backlogs emerging ³	\$13,709 million ⁴	\$12,428 million ⁴
Maintain competitive taxation by ensuring that General Government Sector own-source revenue remains at or below 8.5% of nominal gross state product, on average, across the forward estimates ³	8.5%	8.2% (for 2019–20)
Target full funding of long-term liabilities such as superannuation and WorkCover in accordance with actuarial advice	Full funding	Met
Maintain a sustainable public service by ensuring that overall growth in full-time equivalent (FTE) employees, on average over the forward estimates, does not exceed population growth ³	1.68%	2.2% (two year average growth to 2020–21)
<i>Efficiency measure</i>		
Average cost per hour of advice and support output ⁵	\$131.18	\$119.63
Service standards Financial Provisioning Scheme ⁶	2019–20 Target/estimate	2019–20 End of financial year actual
<i>Effectiveness measure</i>		
Overall stakeholder experience in using processes associated with the Financial Provisioning Scheme ⁵	Report actuals	100%
<i>Efficiency measure</i>		
Administrative costs as a percentage of Fund revenue	Report actuals	4.20%

Notes:

1. This is a new service area with services previously presented in the Economic and fiscal coordination and Commercial services areas in the 2019–20 SDS. The new service area, Budget and financial management, reflects the implementation of the new Treasury operating model.
2. This service was previously presented under the Economic and fiscal coordination service area in the 2019–20 SDS. The service name has been changed to reflect the implementation of the new Treasury operating model.
3. These measures are based on Government's Fiscal Principles and typically reported on an Estimated Actual basis published as part of the annual State Budget. A 2019–20 Estimated Actual along with an update on the performance against the Fiscal Principles is published as part of the Treasurer's COVID-19 Fiscal and Economic Review.
4. The capital program measure reflects the inclusion of capital grants. The 2019–20 target is restated to include capital grants.
5. The decrease between actual and budget is due to the impact of the government's wage policy, less than expected direct recoverable charges associated with 1 William Street office accommodation and the reduction in corporate support costs, mainly relating to corporate staffing costs as a result of the government's wage policy and the department's FTE management strategies.
6. This service was previously presented under the Commercial Services service area in the 2019–20 SDS. The change occurred to reflect the implementation of the new Treasury operating model.

Our performance

Economics and policy¹

Service standards Economic and revenue policy, analysis and forecasting²	2019–20 Target/estimate	2019–20 End of financial year actual
<i>Effectiveness measures</i>		
Stakeholder and customer satisfaction with Economic Strategy outputs ³	80%	n/a
<i>Efficiency measure</i>		
Average cost per hour of advice and support output ⁴	\$112.60	\$101.80
Service standards Policy and partnerships: line agencies⁵	2019–20 Target/estimate	2019–20 End of financial year actual
<i>Effectiveness measure</i>		
Overall customer satisfaction with policy and performance advice provided ³	75%	n/a
<i>Efficiency measure</i>		
Average cost per hour of advice and support output ⁴	\$107.27	\$97.18
Service standards Statistical services and data analytics⁶	2019–20 Target/estimate	2019–20 End of financial year actual
<i>Effectiveness measure</i>		
Stakeholder and customer satisfaction with Queensland Government Statistician outputs (rated satisfied or very satisfied)	95%	100%
<i>Efficiency measure</i>		
Average cost per hour of advice and support output ⁴	\$102.17	\$95.00

Notes:

1. This is a new service area with services previously presented in the Economic and fiscal coordination or Agency performance service areas in the 2019–20 SDS. The new service area, Economics and policy, reflects the implementation of the new Treasury operating model.
2. This service was previously presented under the Economic and fiscal coordination service area in the 2019–20 SDS. The service name has been changed to reflect the implementation of the new Treasury operating model.
3. This service standard measures overall client satisfaction derived from an annual survey of key clients and stakeholders. The 2019–20 actual result is not available as the survey was not conducted due to COVID-19.
4. The decrease between actual and budget is due to the impact of the Government's wage policy, less than expected direct recoverable charges associated with 1 William Street office accommodation and the reduction in corporate support costs, mainly relating to corporate staffing costs as a result of the Government's wage policy and the department's FTE management strategies.
5. This service was previously presented under the Agency performance service area in the 2019–20 SDS. The change occurred to reflect the implementation of the new Treasury operating model.
6. This service was previously presented under the Economic and fiscal coordination service area in the 2019–20 SDS. The service name has been changed to reflect the implementation of the new Treasury operating model.

Commercial services

Service standards Commercial projects	2019–20 Target/estimate	2019–20 End of financial year actual
<i>Effectiveness measures</i>		
Overall customer satisfaction with advice and support provided ¹	80%	n/a
<i>Efficiency measure</i>		
Average cost per hour of project services ²	\$123.92	\$114.79
Service standards Shareholder services	2019–20 Target/estimate	2019–20 End of financial year
<i>Effectiveness measure</i>		
Overall customer satisfaction with advice and support provided ¹	80%	n/a
<i>Efficiency measure</i>		
Average cost per hour of advice and support output ²	\$111.88	\$103.89

Notes:

1. This service standard measures overall client satisfaction derived from an annual survey of key clients and stakeholders. The 2019–20 actual result is not available as the survey was not conducted due to COVID-19.
2. The decrease between actual and budget is due to the impact of the Government's wage policy, less than expected direct recoverable charges associated with 1 William Street office accommodation and the reduction in corporate support costs, mainly relating to corporate staffing costs as a result of the Government's wage policy and the department's FTE management strategies.

Revenue management

Service standards Revenue services	2019–20 Target/estimate	2019–20 End of financial year actual
<i>Effectiveness measures</i>		
Customer satisfaction with services provided	75%	75%
Average overdue debt as a percentage of total revenue collected	2%	1.7%
Total revenue dollars administered per dollar expended – accrual ¹	\$210	\$203
<i>Efficiency measure</i>		
Average compliance revenue assessed per dollar cost of delivering a compliance program ²	0.096	0.090
Service standards Penalty debt services	2019–20 Target/estimate	2019–20 End of financial year actual
<i>Effectiveness measure</i>		
SPER clearance rate (finalisations/lodgements) ³	85%	104%
<i>Efficiency measure</i>		
Average cost per \$100 collected	\$9.30	\$9.68

Notes:

1. The decrease between the 2019–20 target/estimate and actual is due to the reduction of revenue as a result of the economic impacts of COVID-19, coupled with the reprofiling of expenses associated with the OSR Transformation Program.
2. This service standard represents a ratio of outputs to inputs (in dollar terms). The output is the compliance revenue assessed under a compliance program, divided by the input being the full-time equivalent cost in delivering a compliance program. The cost of compliance is based on employee related expenses; the higher the ratio the greater the efficiency.
3. Finalisation rate for 2019–20 is 104%, well above the target rate of 85%. This is due to lower lodgements from referring agencies from March 2020 to June 2020 as a result of COVID-19 compared to the number of debts finalised over the same period.

Our performance

Better planning for Queensland¹

Service standards	2019–20 Target/estimate	2019–20 End of financial year actual
<i>Effectiveness measures</i>		
Level of stakeholder satisfaction with accessibility and transparency of the requirements of the planning system	70%	83%
<i>Efficiency measure</i>		
Average administrative costs per decision made by the State Assessment and Referral Agency ²	\$4,070	\$4,522

Notes:

1. This service was transferred as part of the machinery-of-government change to Treasury from the former Department of State Development, Manufacturing, Infrastructure and Planning.
2. The variance is due to the ongoing unpredictable nature of appeals and the costs associated with managing involvement in these appeals to ensure that the State's interests are appropriately protected through the appeal process. There were also escalation costs such as the enterprise bargaining increase of 3%, plus the enterprise bargaining bonus of \$1,250 per FTE in March 2020.

Infrastructure and economic resilience strategy, policy and planning¹

Service standards	2019–20 Target/estimate	2019–20 End of financial year actual
<i>Effectiveness measures</i>		
Level of satisfaction of key stakeholders with timeliness and effectiveness of consultation undertaken relating to infrastructure and economic resilience strategy, policy and planning	75%	81%
<i>Efficiency measure</i>		
Administration costs as a percentage of infrastructure investment coordinated through the service area	<0.5%	0.09%

Notes:

1. This service was transferred as part of the machinery-of-government change to Treasury from the former Department of State Development, Manufacturing, Infrastructure and Planning.

Discontinued measures

Revenue management		
Service standards Revenue services	2019–20 Target/estimate	2019–20 Estimated actual
<i>Efficiency measure</i>		
Cost of delivering a compliance program as a ratio of the compliance revenue assessed ¹	0.096	0.079

Notes:

1. This measure has been discontinued and replaced by a new efficiency measure 'Average compliance revenue assessed per dollar cost of delivering a compliance program'. This new measure better reflects the efficiency of delivering the revenue services.

About us

“Our vision is for inclusive economic recovery in Queensland, which delivers increased productivity, regional growth and resilience, and community well-being.”

Values

Treasury's strength in fulfilling our vision is drawn from the public service values of:

- + customers first
- + ideas into action
- + unleash potential
- + be courageous
- + empower people.

These values are the foundation for Treasury's business of providing trusted, impartial and influential advice for the economy and state finances.

Services

As a central agency established in 1859, Treasury leverages a government-wide perspective to provide advice and services to clients, and partners with agencies for better outcomes in the economy and state finances, revenue, commercial services, planning, infrastructure and economic resilience.

Read more about Treasury's services in the service reports on pages 14 to 17.

Statutory and other bodies

Treasury's work is complemented by the following bodies:

- + Queensland Productivity Commission
- + Queensland Competition Authority
- + Motor Accident Insurance Commission
- + Nominal Defendant
- + National Injury Insurance Agency (Queensland)
- + Queensland Treasury Corporation
- + Building Queensland
- + Queensland Reconstruction Authority
- + South Bank Corporation

These organisations produce their own annual reports.

Information and records management

Treasury continues its commitment to quality information and records management within an embedded information security management system to mitigate Treasury's cyber security risk profile. Treasury strives to meet the challenge of evolving technologies, the rise of large, complex data sets and its obligations under the *Public Records Act 2002*, the Financial and Performance Management Standard 2019 and the whole-of-government record governance policy and guidelines.

Machinery of government changes

On 11 May 2020, the Planning and Economic and Infrastructure Strategy functions of the former Department of State Development, Manufacturing, Infrastructure and Planning were transferred to Queensland Treasury. With the combined skills and expertise of the new Treasury portfolio, Treasury is well positioned to lead the Queensland Government's economic response to COVID-19.

Managing our organisation

The government's fiscal strategy

The government's ability to support the economy to recover and grow, and to improve the wellbeing of Queenslanders is supported by a prudent fiscal strategy.

The State's finances are managed in line with the government's fiscal principles set out in the Charter of Fiscal Responsibility. A number of these measures are based on the fiscal principles that in turn rely on measurement against key fiscal aggregates. The unprecedented domestic and global economic downturn and the emergency response required to mitigate COVID-19's impacts are significantly affecting the State's key aggregates.

In 2020, owing to the extraordinary economic conditions caused by COVID-19, the 2020-21 Budget was deferred. This approach is consistent with that adopted by the Australian Government and other state and territory governments. A COVID-19 Fiscal and Economic Review (C19-FER), will be published in September 2020.

Unite and recover for Queensland jobs

Queensland is on the road to economic recovery from the impacts of the COVID-19 pandemic. *Our Future State: Advancing Queensland's Priorities* remain the Queensland Government's objectives for the community.

The government's recent goals have been to protect Queenslanders and save lives, and 'unite and recover' for Queensland jobs. The Queensland Economic Recovery Strategy – Unite and Recover for Queensland Jobs recognises the importance of building vital infrastructure, strengthening Queensland's industries and enabling future growth. It is the first phase in the government's economic recovery plan which responds to the unique challenges and opportunities presented by the pandemic. At its core it is about saving and creating Queensland jobs.

Our leaders

Rachel Hunter Under Treasurer

In May 2020, Rachel was appointed to the role of Under Treasurer, Queensland Treasury. Rachel is a former Director-General of three Queensland Government departments – the Department of Justice and Attorney-General, the Department of Education, Training and the Arts and the Department of State Development, Manufacturing, Infrastructure and Planning. She also served as Queensland Public Service Commissioner from 2000 to 2003. Rachel also holds the position of Deputy Chancellor of Griffith University.

Leon Allen

Deputy Under Treasurer, Economics, Fiscal and Commercial

Leon was appointed Deputy Under Treasurer, Queensland Treasury in May 2020 with responsibility for economic, fiscal and commercial policy. Leon's appointment came after 13 years with the Institutional Banking and Markets division of the Commonwealth Bank of Australia where he held senior leadership positions both domestically and internationally.

Graham Fraine

Deputy Under Treasurer, Policy, Performance and Corporate

Graham was appointed to the Deputy Under Treasurer role in December 2019. In this role, Graham is responsible for leading the delivery of a range of Queensland Treasury functions. Graham has more than 25 years' experience in public policy and social science research, specialising in transportation, program development and evaluation, policy reform, and service delivery.

Mark Jackson

Commissioner of State Revenue and Registrar of the State Penalties Enforcement Registry

Mark began his public service career in Townsville in 1981 and has held a number of executive roles within the Commonwealth public service, including Deputy Commissioner of Taxation. Mark was appointed Commissioner of State Revenue in January 2020.

Kerry Doss
State Planner

Kerry has more than 32 years of senior leadership and professional experience in a diverse range of roles in state and local government and the private sector. Kerry is a Registered Planner and Fellow of the Planning Institute of Australia, a Griffith University Adjunct Industry Fellow and a deputy member of the South Bank Corporation Board.

Maree Parker
**Deputy Under Treasurer,
Infrastructure and Economic
Resilience**

Maree has worked in regional and economic development for the past 15 years across a number of Queensland Government agencies. Maree is currently responsible for development of the statewide COVID-19 Economic Recovery Plan.

**Audit and Risk
Management Committee**

The Audit and Risk Management Committee (ARMC) supports Treasury's accountable officer – the Under Treasurer – to meet the responsibilities under the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019* and other prescribed requirements. These relate to Treasury's risk and control frameworks and external accountability responsibilities as prescribed in the relevant legislation and standards.

ARMC also provides oversight for select Treasury-related entities that sit within Treasury's broader portfolio (but prepare independent financial statements) which in 2019–20 included the Motor Accident Insurance Commission (MAIC) and Nominal Defendant.

Key achievements for 2019–20

In 2019–20, ARMC met five times and fulfilled its responsibilities in accordance with its charter and an approved work plan. Key achievements included:

- + endorsing the 2019–20 Financial Statements
- + endorsing the three-year strategic Internal Audit Plan and monitoring 2019–20 internal audit activity
- + monitoring progress of the implementation status of internal audit recommendations
- + considering issues raised by Queensland Audit Office (QAO).

Composition and membership**Chair:**

Head of Corporate

Members:

Head of Budget and Financial Management
Insurance Commissioner
Commissioner, State Revenue
Independent member and finance expert

The Under Treasurer, Chief Finance Officer, QAO and Internal Audit (including Head of Internal Audit) have standing invitations as observers to attend ARMC meetings. Treasury officers are invited to attend as required.

Risk management

In accordance with the *Financial Accountability Act 2009*, the Under Treasurer has established appropriate systems of internal control and risk management. This has been achieved through the maintenance of a risk management framework and oversight by ARMC.

Treasury's Risk Management Framework aligns with the International Standard ISO 31000:2018 on risk management principles and guidelines and includes appropriate governance arrangements and risk reporting and analysis.

Internal Audit

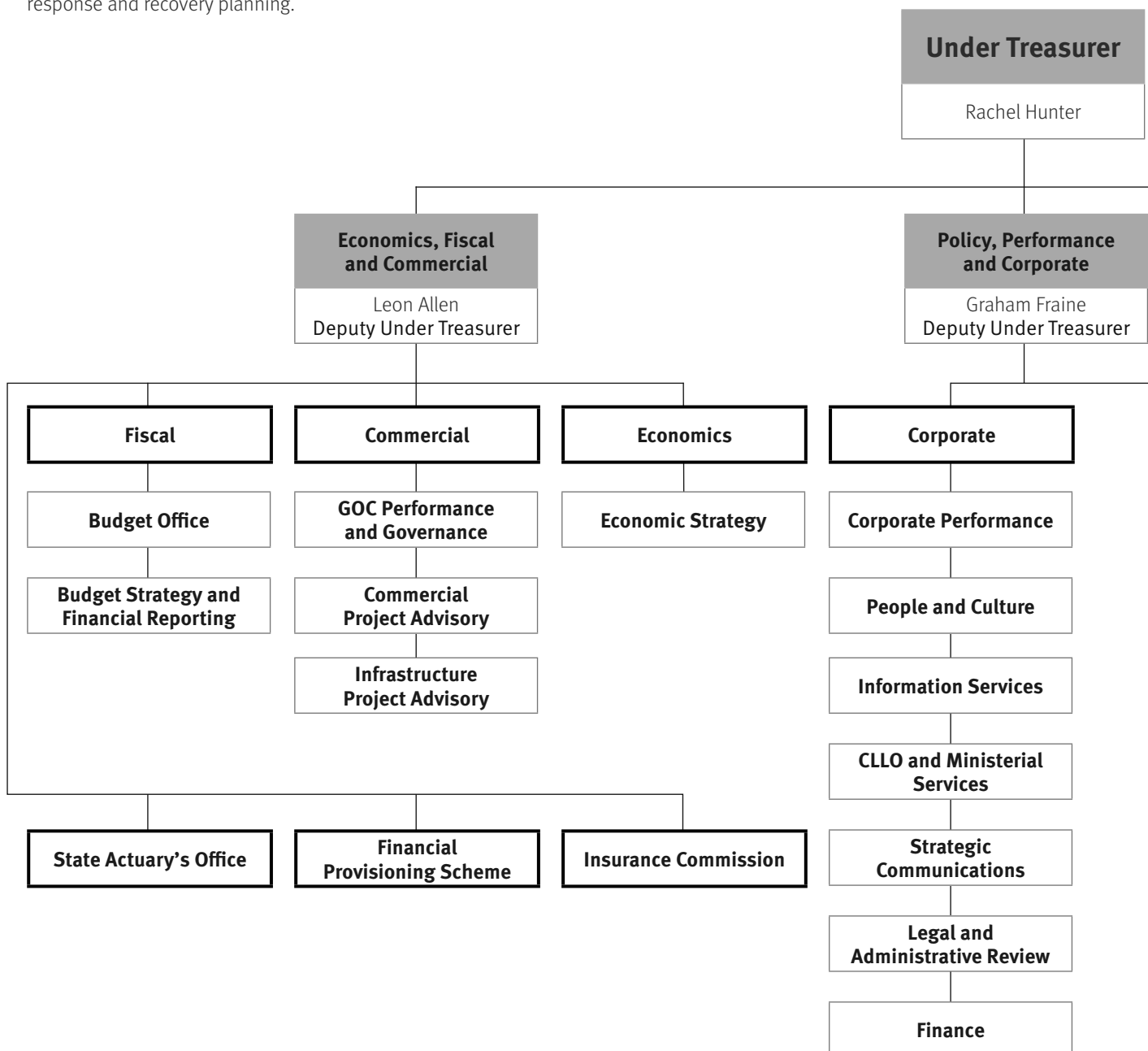
Internal Audit is an integral part of the corporate governance framework by which Treasury maintains effective systems of accountability and control at all levels. Internal Audit provides assurance to the Under Treasurer that the entity's financial and operational controls are operating in an efficient, effective, economical and ethical manner and assists management in improving Treasury's business performance.

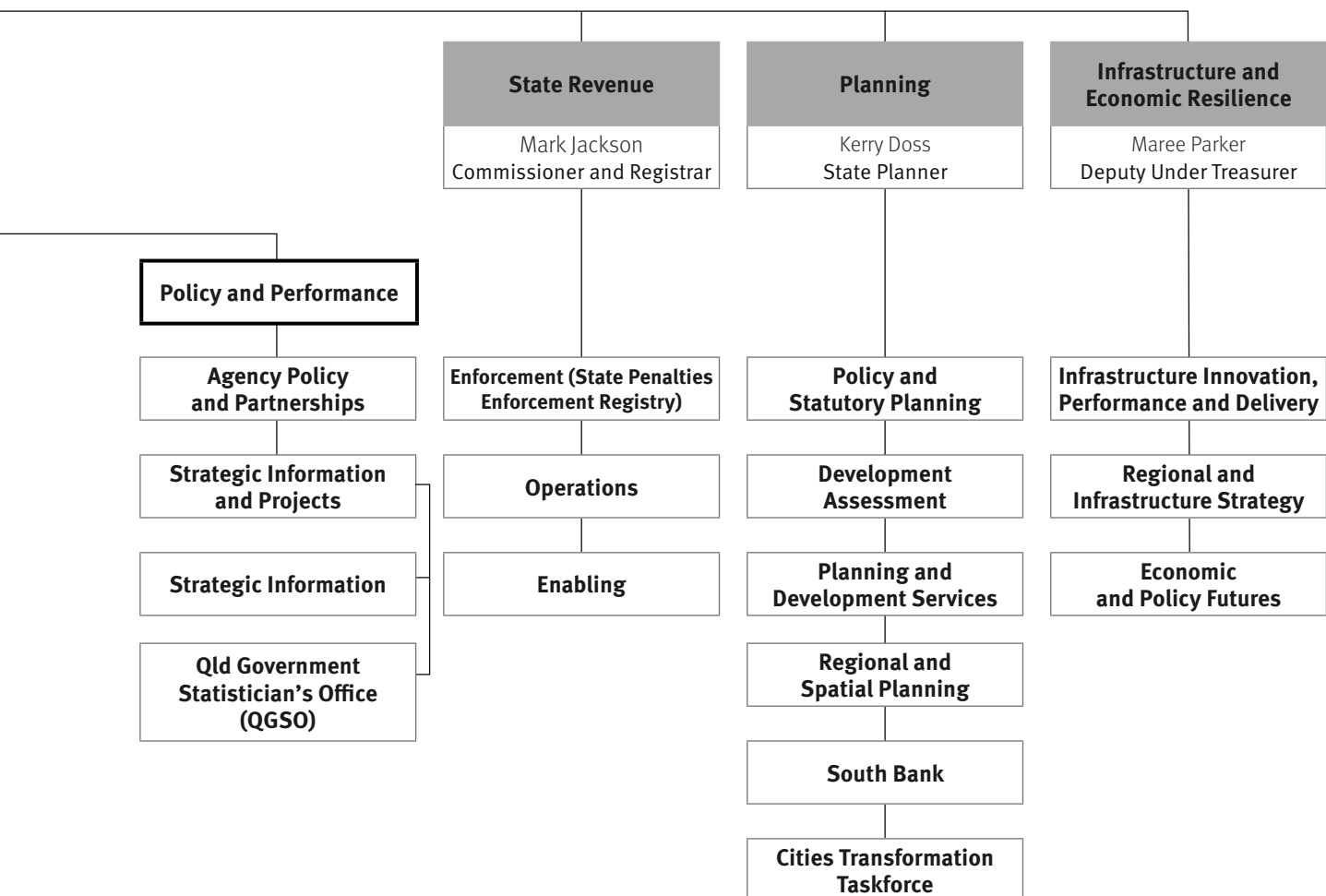
Managing our organisation

Leading Treasury

As at 30 June 2020

In June 2020, Treasury undertook a detailed analysis of its structure to ensure that its service delivery was aligned with the priorities of government and achieved budget sustainability. The following organisational structure, as at 30 June 2020, positions Treasury to lead whole-of-government economic response and recovery planning.





Our people

Supporting employees through COVID-19

With employee health, safety, wellbeing and human rights as a key priority, Treasury took a proactive and supportive approach in response to COVID-19. The department was quickly able to implement a Remote Workforce Strategy to support employees to work effectively from home. This approach also informed the department's Return to Office Plan.

Workforce planning and performance

In response to the 10 Year Capital Outlook and Human Capital strategic roadmap in 2019–20, Treasury began developing a contemporary workforce strategy.

Treasury also developed a remote workforce strategy in response to COVID-19 and the need to adapt quickly to full-time remote work.

Diversity and inclusion

Treasury has a strong commitment to building a diverse workforce that reflects Queensland's communities.

The Treasury Diversity and Inclusion Steering Committee is chaired by the Under Treasurer and supported by an employee network.

During 2019–20, Treasury formally committed to its Statement of Commitment *Inclusion Matters*.

A key people priority for Treasury during 2019–20 was employment pathways for Aboriginal peoples and Torres Strait Islander peoples. Treasury has since almost doubled its employment of people who identify as Aboriginal or Torres Strait Islander, from 0.78% to 1.23%.

Ending domestic and family violence

Treasury is in its third year as a White Ribbon workplace. To continue this commitment, during 2019–20 Treasury continued specialist training for all employees on how to 'recognise, respond and refer' to domestic and family violence.

Leadership development and people management

Treasury adopted the Leadership Competencies for Queensland framework in early 2020. By empowering leadership at all levels, the framework enables a high performing public sector which can deliver economic recovery support for Queensland.

Support for mental and physical wellbeing

Treasury continued its longstanding commitment to employee safety and wellbeing by delivering services aligned to the government's Be healthy, be safe, be well strategy. Treasury employees had access to specialist advice, counselling and support through an Employee Assistance Program.

Programs provided includes personal counselling, manager hotline services, resilience programs, physical health and wellbeing coaching, and monthly webinars.

Industrial relations

Treasury and the Together Union meet quarterly in a Consultative Committee to discuss industrial relations matters.

Ethics and values

Treasury values, actively supports and promotes an ethical workplace. The Code of Conduct for the Queensland Public Service guides how Treasury undertakes its business as a public sector agency. It is based on the principles outlined in the *Public Sector Ethics Act 1994*.

Human rights

Queensland's *Human Rights Act 2019*, commits all government agencies to respect, protect and promote the inherent dignity and worth of all human beings, including:

- + undertaking a comprehensive review of all legislation
- + progressing a review of all decision-making frameworks
- + undertaking the Queensland Human Rights Commission's (QHRC) 'Introduction to Human Rights Act' training
- + providing 'Human Rights in our Work' training for decision-making and frontline employees.

Treasury began preparing to implement the Act well in advance of its commencement.

Our workforce

At the end of the year, Treasury's workforce comprised of a total of 1,053 people¹ including:

+ 997.65 full-time equivalent employees¹

+ 161 part-time employees

No redundancy, early retirement or retrenchment packages were paid during the period.

¹ Includes Treasury employees providing services to Motor Accident Insurance Commission and Nominal Defendant. To align with MOHRI reporting, the total excludes employees transferred from Planning and Economic and Infrastructure Strategy functions from the former Department of State Development, Manufacturing, Infrastructure and Planning.

Workforce composition	Number	% of workforce ²
Men	456	43%
Women	597	57%
Aboriginal peoples and Torres Strait Islander peoples	13	1.23%
People from non-English speaking backgrounds	151	14.34%
People with disability	32	3.04%
Women in middle and upper management (AO7–AO8) ³	142	55.04%
Women in senior officer and senior executive service positions (SO–CEO equiv) ⁴	53	41.73%
Women in senior executive service positions (SES–CEO equiv) ⁵	20	33.90%
Average annual earnings by men (nominal salary) ⁶	\$110,008	
Average annual earnings by women (nominal salary) ⁶	\$99,334	
Permanent separation rate ⁷	49	5.11%

² Percentage of total workforce or demographic cohort

³ Represents 13.49 per cent of total workforce

⁴ Represents 5.03 per cent of total workforce

⁵ Includes SES, S122 and CEO equivalent roles

⁶ Nominal salary based on full-time earnings for each gender – correct at 19 June 2020

⁷ Based on MOHRI definition

Total staff by gender classification	Males	Females
Administration (Trainee to AO3)	37	102
Officers (AO4- AO6)	228	300
Professional (PO2-PO4)	1	0
Middle Management (AO7-AO8) (PO5 – PO6)	116	142
Senior Management (SO-CEO)	74	53

Service reports

Budget and financial management

Treasury drives the long-term sustainability of Queensland's fiscal position by promoting effective statewide balance sheet and operating statement management, financial risk management and accountability through providing expert advice, policy development and disclosure of whole-of-state budget and financial statements. It does this by:

- + preparing the Queensland Budget
- + preparation of whole-of-government financial reports and accounts
- + balance sheet management and oversight of the State's interests
- + managing the State's financial risks.

Since the release of the Mid-Year Fiscal and Economic Review (MYFER) in late 2019, COVID-19 has presented a significant fiscal and economic challenge, substantially impacting the state's budget position.

In April 2020, Treasury developed the *Appropriation (COVID-19) Act 2020* to obtain funding approval from Parliament for the government's relief measures, including the economic relief package announced on 24 March 2020.

Treasury has been working with other departments to identify savings measures to mitigate the impact of the crisis on borrowing requirements.

This process aims to identify savings that are achievable and will have no impact on economic recovery and the government's ability to provide essential services.

Objective

Enable sustainable growth that supports current and future government objectives

Queensland's Budget

Consistent with the approach adopted by the Australian Government, and other state and territory governments, preparations for Queensland's 2020–21 Budget were suspended.

Treasury will prepare a COVID-19 Fiscal and Economic Review (C19-FER) to be published by the government in September 2020.

As the budget cycle continues throughout 2020–21, Treasury will coordinate the development of the Report on State Finances 2019–20 and Queensland Budget 2020–21.

Financial Provisioning Scheme

The Financial Provisioning Scheme has completed its first full financial year of operation.

The scheme delivers an integrated process for small miners and resource sector holders of an environmental authority to manage the State's associated financial risk.

Economics and policy

This service ensures Treasury's forecasts and advice to government are preeminent in the government's decision making and economic and fiscal policy formulation, and complement the specialist knowledge within line agencies.

Key functions in this service include:

- + development of policy, and monitoring performance and expenditure
- + providing economic advice
- + providing definitive economic and revenue forecasts
- + coordinating Treasury's intergovernmental interactions.

COVID-19 and the associated national emergency health response have led to unprecedented sharp contractions in a range of sectors, including services, trade and household spending. It is clear that economies across the globe will contract sharply in 2020.

However, Queensland's success in containing the outbreak means that June quarter 2020 is likely to be the low point in the cycle. Recovery in economic output is anticipated in 2021.

Objective

Partner proactively to facilitate better outcomes for the community

Treasury provided sound economic leadership, including through analysis, modelling and policy advice to inform the government's interaction with industry on COVID-19, and to develop economic responses.

Partnerships with agencies

2019–20 provided a range of opportunities to partner with agencies:

- + the Department of Agriculture and Fisheries to develop the COVID-19 Business Support Loans scheme
- + justice agencies and the Department of the Premier and Cabinet to support reform for Queensland's criminal justice system

- + the Department of Education on the agreement with the Australian Government for funding for Queensland schools from 2019 to 2023
- + Queensland Health on a new agreement with the Australian Government for funding for health services from 2020–21 to 2024–25
- + the Department of Transport and Main Roads to accelerate priority capital projects, public transport delivery and heavy vehicle road reform
- + implementing a framework to settle native title compensation claims by negotiation
- + provided advice to agencies on the application of *The Queensland Government Guide to Better Regulation*.

In 2019–20, Treasury released the *Crime report, Queensland, 2018–19* and the *Justice report, Queensland, 2018–19* to inform policy development and service delivery in the criminal justice sector.

The Queensland Government Statistician's Office (QGSO) continued to conduct official surveys to inform policy and government services.

Objective

Enable sustainable growth that supports current and future government objectives

The department represented the state's interests at intergovernmental forums in negotiating and planning national responses to provide coordinated assistance to individuals, businesses and industries.

Treasury also strongly advocated for the state's fair share of Commonwealth funding.

Commercial services

Treasury supports economic recovery and growth through robust financial and commercial advice to the Queensland Government on infrastructure, commercial and prudential issues.

Objective

Partner proactively to facilitate better outcomes for the community

Treasury worked with agencies in the delivery of major infrastructure investment projects, including those with significant private financing.

Assistance on these and future projects for *Unite and Recover for Queensland Jobs economic recovery strategy* will continue into 2020–21.

- + Treasury is leading the government's transition to 50% renewable energy by 2030. Treasury led the restructure of government-owned corporations to establish Queensland's new GOC: clean energy generator CleanCo.
- + Treasury played a central role in developing and delivering the lowest average power prices of any mainland state. In 2020–21, electricity prices in Queensland are set to fall for the third consecutive financial year.

- + Treasury makes a key contribution to securing resources investments through the Resources Regional Development Framework.

The Queensland Competition Authority (QCA) is the state's independent economic regulator.

In 2019–20, the QCA's Declaration Reviews examined:

- + rail transport services on Queensland Rail's intrastate freight and passenger network
- + rail transport services on the Central Queensland Coal Network
- + the coal handling services at Dalrymple Bay Coal Terminal.

QCA also delivered to the government its *Final Report: Rural irrigation price review 2020–24*.

Treasury and the Department of Transport and Main Roads worked with the ports to support business and industry through the impacts of COVID-19.

Revenue management

Treasury administers a revenue base of around \$16 billion by delivering simple, efficient and equitable revenue management services for state taxes and royalty revenue. Additional responsibilities include revenue compliance, grant schemes and debt recovery and enforcement activities for Queensland.

Service reports

Objective

Enable sustainable growth that supports current and future government objectives

In early 2020, as part of its response to COVID-19, the government introduced measures designed to alleviate the economic burden on business.

This included significant savings for Queensland businesses in the form of payroll tax and land tax relief, which Treasury administered through its State Revenue business.

In June 2020, the government announced the establishment of the \$5,000 Queensland Regional Building Boost Grant.

In June 2020, the Australian Government announced the introduction of the \$25,000 Home Builder Grant.

In the 2019–20 Queensland Budget, the government announced a review of the design of Queensland's petroleum royalty regime.

The review recommended that a volume-based model for calculating petroleum royalty replace the current regime.

The government accepted the review recommendations, and the new volume-based model will commence from 1 October 2020.

Objective

Partner proactively to facilitate better outcomes for the community

At 30 June 2020, the amount of unpaid debt in the State Penalties Enforcement Registry (SPER) debt pool was \$1.291 billion, an increase of \$21.8 million since 30 June 2019. This reflects growth of just 1.7% in 2019–20, compared with 18.7% in 2014–15. A total of \$269.4 million of debt was collected in 2019–20.

At 30 June 2020, SPER's debt clearance (finalisation) rate was 104%, above the target rate of 85%.

Objective

Ensure our services are tailored, fit for purpose and easy to access

In 2019–20, Treasury expanded its process automation across revenue management systems, enabling them to work more efficiently.

Treasury also implemented more than 20 digital and data initiatives, as part of State Revenue's Transformation Program.

Planning

Through the Planning Group, Treasury provides leadership and a contemporary planning framework that:

- + supports the rational allocation of land uses
- + connects communities
- + balances development with long-term environmental sustainability
- + encourages active lifestyles and economic development.

Treasury's key strategies in this service include:

- + developing and administering sustainable state and regional planning policies and frameworks
- + providing planning leadership advice
- + integrating land use, transport and infrastructure planning
- + ensuring adequate land supply

In 2020–21, Treasury will be ready to fast-track changes to the planning framework to support economic recovery.

Objective

Enable sustainable growth that supports current and future government objectives

Responding to COVID-19

In March 2020, urgent amendments to Queensland's planning legislation were made to:

- + allow the Planning Minister to decide when an essential business or use should be able to operate
- + provide for any person to seek relief from existing development application conditions
- + introduce flexibility for the Minister to suspend or extend statutory timeframes.

North Queensland Regional Plan

In March 2020, the first-ever North Queensland Regional Plan came into effect.

Wide Bay Burnett Regional Plan review

In November 2019, work commenced on a new regional plan for the Wide Bay Burnett region to boost economic opportunities and create jobs.

ShapingSEQ

Work to investigate, implement and report on key principles and actions outlined in *ShapingSEQ*, the regional plan for South East Queensland (SEQ), continued during 2019–20.

Coordinated planning to protect communities

In 2019–20, the Planning Minister introduced two Ministers' temporary local planning instruments (TLPIs) to provide urgent planning provisions to protect the area.

- + A TLPI in the Mareeba Shire
- + A TLPI in the Ipswich local government area.

Healthy and active communities

The model code for neighbourhood design was released in July 2019 to encourage healthier and more active communities.

Transparency in council spending of infrastructure charges revenue

Queenslanders were provided with more information about how their local councils collect and spend developer infrastructure charges.

Supporting Aboriginal and Torres Strait Islander culture

The Planning Minister released new guidance material to assist Queensland councils in supporting cultural awareness through their local planning schemes.

Ministerial Infrastructure Designations

The Planning Minister made 82 designations worth \$2.1 billion in capital expenditure, including 51 schools, 16 emergency services facilities and two hospitals.

Development assessments

Through the State Assessment and Referral Agency (SARA), 2,335 decisions were issued.

A significant part of SARA's role is pre-lodgement advice to applicants before a development application is lodged. During 2019–20, SARA issued 1,119 pre-lodgement advices.

Infrastructure and economic resilience

Through Infrastructure and Economic Resilience (IER), Treasury leads a coordinated, collaborative and strategic approach to the economic and social prosperity of Queenslanders. It does this through leading economic recovery, providing a clear vision for infrastructure, and building sustainable economic resilience at regional and state levels.

Objective

Create well-planned Queensland communities that are prosperous, resilient and sustainable

In response to the early impacts of COVID-19, IER advised on the development of the government's February 2020 \$27.25 million

Immediate Industry Recovery Package to support affected industries followed by further work on the \$3 billion COVID-19 support package to assist industry and business.

Economic Functional Recovery Group

Treasury has lead responsibility for this group, which advises the government and stakeholders on the economic impacts of disaster events and recovery actions. Membership is typically drawn from relevant government agencies, mayors and affected peak industry groups and businesses.

Binna Burra bushfire recovery and rebuild

Binna Burra Lodge anticipates reopening limited operations and facilities in the second half of 2020.

Regional Economic Development Approach (REDA)

REDA is a place-based regional economic development approach designed to deliver innovative and coordinated solutions to economic development priorities of regions. In 2019, REDA was implemented in parallel with the regional land use planning framework in North Queensland and Wide Bay Burnett.

North Queensland Regional Plan

The North Queensland Regional Plan will guide land-use policy and drive economic growth in the region, and the plan's implementation will support North Queensland's economic recovery.

Our financial position explained

Queensland Treasury's financial statements fall into two categories

- + Administered – the funds it administers on behalf of the government
- + Controlled – the revenue, expenses, assets and liabilities it uses to conduct its business as a department

Analysis

In 2019–20, Queensland Treasury administered \$34.446 billion of revenue and \$6.533 billion of expenses on behalf of the state. This excludes administered item revenue which is appropriation revenue received from the Consolidated Fund to meet administered expenses.

The largest single source of administered revenue was grants and other contributions of \$17.834 billion, followed by state taxes of \$11.549 billion.

The main component of Commonwealth grant revenue was Queensland's share of GST. Other Commonwealth revenue includes funding for National Partnership Payments and Specific Purpose Payments.

In response to the Queensland Government's measures to support Queenslanders' health, jobs and businesses in response to COVID-19, Treasury implemented payroll tax, land tax, gaming tax and Regional Home Builder Grant boost relief measures.

Treasury also administered the Queensland First Home Owners' Grant on behalf of the state in 2019–20.

Treasury's controlled revenue consists principally of Parliamentary appropriations. In 2019–20, appropriation revenue allocated to services was \$252.325 million (compared with \$241.390 million in 2018–19).

Administered

Queensland Government Insurance Fund

The Queensland Government Insurance Fund (QGIF), administered by Treasury, is a self-insurance arrangement which commenced on 1 July 2001. Government agencies pay premiums intended to meet the cost of claims arising from incidents occurring in the premium year, with the claims to premium ratio at 96% since commencement. QGIF also meets the cost of claims arising from incidents occurring prior to 1 July 2001.

Claims are paid out of Queensland Treasury's Administered accounts, while the provision for outstanding claims is held at the whole of Government level.

The estimated outstanding claims liability as at 30 June 2020 was \$2,624 million, compared to \$1,764 million at 30 June 2019. The significant increase is largely driven by the recognition of a provision for historical serious physical child abuse claims following the removal of the limitation period, an increase in the provision for historical child sexual abuse claims following greater than expected claim experience, and business interruption claim costs arising from COVID-19. Investments intended to meet the government's outstanding claims liabilities are held by Queensland Treasury Corporation within its long-term assets. The fund reinsurance program has been in place since 1 November 2011 and is subject to annual renewal.

QGIF's outstanding claims liability and associated investments are reported in the government's annual Report on State Finances.

QGIF financial summary	30 June 2020 \$M	30 June 2019 \$M
Assets under investment	1,450.9	1,638.8
Provision for future liabilities	\$2,623.8	1,764.2
Premiums collected	204.0	191.2
Net claims paid	310.6	145.7
Fund operating expenses	5.6	5.4
Reinsurance expense	27.6	25.6

Queensland Treasury administered revenue

	2019–20 Actual \$B	2018–19 Actual \$B
Commonwealth payment	\$17.834	\$19.28
State taxes, royalties and other state revenue	\$16.613	\$17.30

State taxes, royalties and other state revenue 2019–20

- + Duties \$4.62B
- + Gaming taxes and other taxes \$1.18B
- + Other State Revenue \$0.36B
- + Payroll tax \$4.25B
- + Royalties \$4.49B
- + Land tax \$1.41B
- + Fees, levies and fines \$0.29B

Total administered expenses by category 2019–20

- + Superannuation benefit payments \$1.75B
- + Annual Leave Central Scheme \$1.96B
- + Long service leave reimbursements \$0.48B
- + Finance costs \$1.20B
- + Grants and subsidies \$0.62B
- + Supplies and services \$0.14B
- + All other expense \$0.40B

Queensland Treasury Administered statement of comprehensive income for the year ended 30 June 2020

	Treasury Department Actual 2018–19 \$'000	Treasury Department Actual 2019–20 \$'000
Income from continuing operations		
Revenue		
Grants and other contributions	19,280,473	17,833,696
Taxes	11,617,135	11,548,671
Royalties	5,183,244	4,493,630
Appropriation revenue	5,827,870	6,512,602
Interest revenue	33,299	23,495
User charges and fees	50,482	44,049
Other revenue	419,138	502,665
Total income from continuing operations	42,411,641	40,958,808
Expenses		
Supplies and services	126,222	138,340
Losses on receivables	25,959	50,677
Finance/borrowing costs	1,306,549	1,200,380
Grants and subsidies	157,040	619,350
Superannuation benefit payments	1,747,067	1,746,946
Long service leave reimbursements	450,651	476,437
Annual Leave Central Scheme claims paid	1,829,207	1,955,604
Other expenses	195,266	345,008
Total expenses from continuing operations	5,837,962	6,532,742
Operating result for the year before transfers to government	36,573,679	34,426,066
Transfers of administered revenue to government	36,573,679	34,426,066
Total administered comprehensive income	–	–

Decrease largely attributable to Queensland's decreased share in GST revenue in 2019–20. Based on Commonwealth Grants Commission's recommended GST sharing relativities and changes in Queensland's population. Further decrease due to National Partnership Payments for recurrent projects primarily from expiration of remote Indigenous housing agreement and pay equity for the social and community services sector. Variances also exist due to timing of payments. Partially offset by increase in Specific Purpose Payments particularly in disability services payments, due to new funding agreement relating to the DisabilityCare Australia Fund. Growth also reflects indexation of Quality Schools funding arrangement. Further increase due to National Partnership Payments for capital projects as result of large payments for road investment compared to same period last year. Infrastructure payments from month to month are volatile and variances between years are also largely result of timing of payments.

Decrease mainly relates to transfer duties partially offset by increase in insurance duties in line with population growth, premium growth and coverage. Further decrease in gaming machine tax reflects COVID-19 venue closures. Partially offset by increases in land tax reflecting increases in annual land valuations that land tax is applied to, payroll tax reflecting the increases in employment and wage conditions in key industries such as mining, manufacturing and retail and betting tax reflecting 2019–20 revenue for complete reporting period. Legislation on betting tax commenced on 1 October 2018.

Decrease mainly relates to coal royalties largely from decrease in prices for all types of coal and decrease in coal export volumes. This is partially offset by increases in mining royalties, royalty penalty and fees. Also contributing is increases in petroleum and LNG royalties, which largely reflects petroleum royalty rate increase of wellhead value announced in 2019–20 Budget, higher volumes and lower exchange rate, partially offset by reduced prices.

Increase in line with increase in administered expenses. Administered appropriation revenue is received from Consolidated Fund to fund administered expenses.

Increase reflects competitive neutrality fees paid by Government-owned corporations, partially offset by decrease in SPER fines.

Increase mainly due to impairment expense recognised for taxes and reduction in level of impairment reversals for SPER receivables. Partially offset by decrease in taxes and SPER debt write-offs.

Increase is mainly due to interest on the government debt pools and advances from government-owned corporations.

Increase predominantly relates to payroll and land tax refund as part of the state's COVID-19 tax relief measures. Partially offset by decrease in First Home Owners Grant payments.

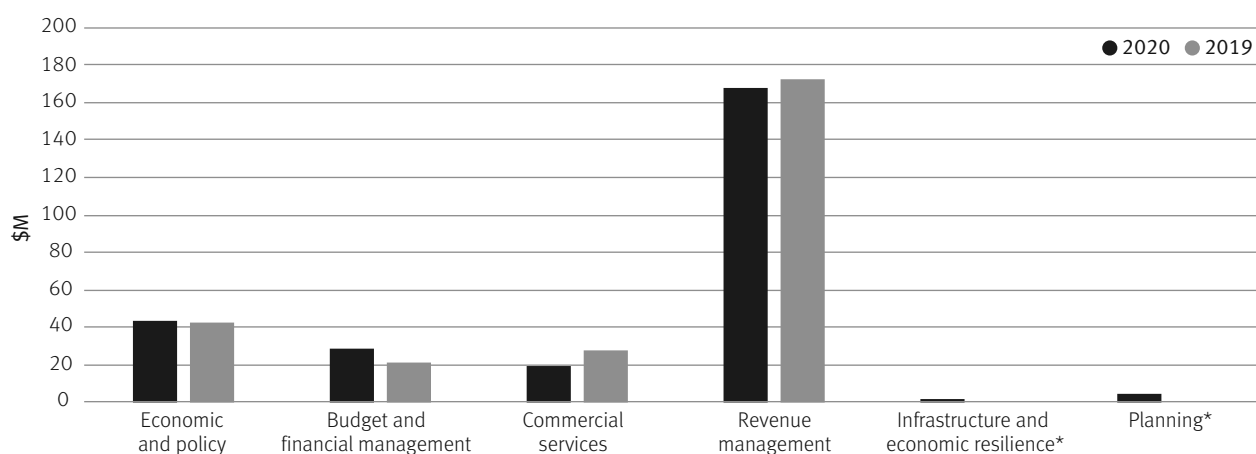
Represents revenues collected on behalf of Queensland Government which are transferred to the Consolidated Fund. Material variances in administered revenue are outlined above.

Controlled

Total expenses by category 2019–20

- + Employee expenses \$120.81M
- + Supplies and services \$125.16M
- + Grants and subsidies \$11.59M
- + Depreciation and amortisation \$4.47M
- + Other expenses \$3.86M

Total expenses by service 2019–20



*Effective 1 June 2020 transferred into Queensland Treasury as result of machinery of government changes

Queensland Treasury controlled key financial performance indicators

	2019–20 Actual \$M	2018–19 Actual \$M
Net cost of services funded by appropriation	252.33	241.39
State funding as percentage of total revenue	88%	91%
Fixed and intangible assets employed	23.49	23.33
Net asset	148.04	81.21

Queensland Treasury and controlled entity statement of comprehensive income for the year ended 30 June 2020

	Treasury Department Actual 2018-19 \$'000	Treasury Department Actual 2019-20 \$'000
Income from continuing operations		
Revenue		
Appropriation revenue	241,390	252,325
User charges and fees	9,518	31,790
Interest Revenue	205	659
Other revenue	4,031	7,813
Gains		
Gain/(loss) on sale/disposal of property, plant and equipment	9,958	(4,354)
Total income from continuing operations	265,102	288,233
Expenses from continuing operations		
Employee expenses	110,675	120,814
Supplies and services	111,570	125,160
Grants and subsidies	7,548	11,594
Depreciation and amortisation	3,548	4,465
Other expenses	31,536	3,859
Total expenses from continuing operations	264,877	265,892
Operating result from continuing operations	225	22,341
Operating result for the year	225	22,341
Total comprehensive income	225	22,341

Increase predominantly for Additional Compliance Program in the Office of State Revenue (OSR), OSR Transformation Program, and Service Priority Review Office. Also MOG transfer of Planning and Infrastructure and Economic Resilience functions. Partially offset by decrease in funding associated with SPER ICT Program and finalisation of CleanCo Implementation Taskforce in 2018-19.

Increase mainly relates to Financial Provisioning Scheme (FPS) fund contributions and assessment fees. FPS became effective 1 April 2019 but issuing of notices of assessments began in July 2019.

Increase mainly relates to interest on FPS cash balances.

Increase mainly relates to FPS surety redemption. Partially offset by Department of Natural Resources, Mines and Energy portion of proceeds from the sale of Property Exchange Australia Limited (PEXA) shares in 2018-19.

Decrease mainly due to gain on sale of Treasury portion of PEXA shares in 2018-19.

Increase mainly relates to State Wage case, a one-off special payment to eligible employees, severance payments and MOG transfer of Planning and Infrastructure and Economic Resilience functions. Also additional OSR compliance officers, full year impact of the transfer of Native Title Compensation Project Management Office and the establishment of Service Priority Review Office.

Increase mainly relates to expenses associated with OSR Transformation Program, FPS, Service Priority Review Office and COVID-19 Assistance Package Response. Partially offset by decrease in costs associated with SPER ICT Program.

Increase mainly relates to:

- FPS grants to Department of Environment and Science and DNRME
- contribution to Queensland Police Service for introduction of multi-agency groups to reduce youth crime
- grants for maturing the Infrastructure Pipeline Program
- contribution to COVID-19 Charity Continuity Funding for Legacy Brisbane
- contribution to infrastructure for Woodford Folk Festival
- additional emergency funding to support DVConnect.

Partially offset by the grant payment to CleanCo Queensland in 2018-19.

Increase relates to Treasury's finance system, Financial Assurance Information Register and OSR Transformation Program intangible asset.

Decrease mainly due to change in accounting policy effective 1/7/19 where deferred appropriation payable is recognised with corresponding reduction to appropriation revenue.

Increase mainly relates to FPS, which receives contributions and fees from mining companies and incurs expenses to manage FPS. FPS will also fund research and rehabilitation grants once it has grown over coming years. The FPS is established to operate in surplus to mitigate risk to the State in contributing to rehabilitation.

Queensland Treasury and controlled entity statement of financial position for the year ended 30 June 2020

	Treasury Department Actual 2018-19 \$'000	Treasury Department Actual 2019-20 \$'000
Assets		
Cash	101,297	143,133
Receivables	5,751	27,521
Other assets	5,289	5,507
Other financial assets	56,638	76,284
Property, plant and equipment	63	104
Intangible assets	23,265	23,386
Total assets	192,303	275,935
Liabilities		
Payables	106,380	120,910
Accrued employee benefits	4,717	6,985
Total liabilities	111,097	127,895
Net assets	81,206	148,040
Total equity	81,206	148,040

Increase predominantly relates to increased Financial Provisioning Scheme (FPS) Fund cash balance and FPS Cash Surety held. Also increase in payables and accrued employee benefits.

Increase is mainly due to receivables associated with land parcel under development as result of MOG transfer of Planning function to Treasury effective 1 June 2020. Also outstanding FPS annual contributions and assessment fees receivables.

Increase predominantly reflects additional Business Development Fund investment and investment in CARP Pharmaceuticals, partially offset by fair value decrease relating to Business Development Fund investments.

Increase mainly relates to payables to environmental authority holders for FPS Cash Surety held, an interdepartmental payable relating to MOG transfer of Planning and Infrastructure and Economic Resilience functions and increased operational payables. Partially offset by decreased lease payables from cessation of straight-line methodology on recognition of 2019-20 lease expenses under new accounting standard AASB 16 Leases.

Increase mainly relates to MOG transfer of Planning and Infrastructure and Economic Resilience functions. Also an increase in accrued salary and wages reflecting number of working days remaining after last pay for financial year.

Increase mainly due to equity injections for additional investment in Business Development Fund and investment into CARP Pharmaceuticals and 2019-20 operating surplus. Also contributing is MOG transfer of Planning and Infrastructure and Economic Resilience functions. Partly offset by equity to output swap for Business Development Fund fair value adjustment and equity withdrawals of amortisation funding.

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Foreword

Queensland Treasury's Financial Statements are general purpose financial statements prepared in accordance with prescribed requirements including *Australian Accounting Standards* and the *Financial Reporting Requirements* issued by the Treasurer.

The Financial Statements comprise the following components:

- Statements of Comprehensive Income
- Statements of Financial Position
- Statements of Changes in Equity
- Statements of Cash Flows
- Statements of Comprehensive Income by Major Departmental Services
- Statements of Assets and Liabilities by Major Departmental Services
- Notes to the Financial Statements.

In addition, Queensland Treasury (Treasury) administers transactions and balances in a trust or fiduciary capacity. These are identified in notes 43–46.

Treasury and Queensland Treasury Holdings Pty Ltd (QTH) are controlled by the State of Queensland which is the ultimate parent entity.

The head office and principal place of business of Treasury is:

1 William St
BRISBANE QLD 4000

	Notes	Consolidated Entity		Parent Entity			
		2020	2019	2020	2020	2020	2019
		Actual	Actual	Actual	Original Budget	Budget Variance*	Actual
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from operations							
Appropriation revenue	3	252,325	241,390	252,325	257,585	(5,260)	241,390
User charges and fees	4	31,790	9,518	31,790	33,045	(1,255)	9,518
Interest revenue	5	10,056	11,097	659	750	(91)	205
Dividends received		14,336	13,457	..	..	..	..
Other revenue		8,208	6,380	7,813	1,073	6,740	4,031
Total revenue		316,715	281,842	292,587	292,453	134	255,144
Gain/(loss) on sale/fair value movement of investments	6	(50,612)	77,679	(4,354)	..	(4,354)	9,958
Total income from operations		266,103	359,521	288,233	292,453	(4,220)	265,102
Expenses from operations							
Employee expenses	7	120,814	110,675	120,814	127,726	(6,912)	110,675
Supplies and services	8	125,160	111,570	125,160	133,583	(8,423)	111,570
Grants and subsidies	9	11,594	7,548	11,594	4,700	6,894	7,548
Depreciation and amortisation		4,465	3,548	4,465	4,156	309	3,548
Interest expense		5,276	5,683	..	..	..	..
Other expenses	10	4,968	32,625	3,859	3,885	(26)	31,536
Total expenses from operations before tax		272,277	271,649	265,892	274,050	(8,158)	264,877
Operating result from operations before income tax expense		(6,174)	87,872	22,341	18,403	3,938	225
Income tax expense/(benefit)	11	(11,608)	28,089	..	..	..	..
Operating result for the year		5,434	59,783	22,341	18,403	3,938	225
Total comprehensive income		5,434	59,783	22,341	18,403	3,938	225

* An explanation of major variances is included at Note 24.
The accompanying notes form part of these statements.

		Consolidated Entity		Parent Entity			
		2020	2019	2020	2020	2020	2019
		Actual	Actual	Actual	Original Budget	Budget Variance*	Actual
Notes		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets							
Cash and cash equivalents	12	237,594	194,887	143,133	82,420	60,713	101,297
Receivables	13	16,264	20,613	7,997	7,018	979	5,751
Other financial assets	14	270,236	296,601	..	..	..	..
Other assets		5,724	5,580	5,507	3,113	2,394	5,289
Total current assets		529,818	517,681	156,637	92,551	64,086	112,337
Non-current assets							
Receivables	13	156,318	142,556	19,524	..	19,524	..
Other financial assets	14	133,224	133,471	76,284	79,630	(3,346)	56,638
Property, plant and equipment		104	63	104	53	51	63
Intangibles	15	23,386	23,265	23,386	19,790	3,596	23,265
Total non-current assets		313,032	299,355	119,298	99,473	19,825	79,966
Total assets		842,850	817,036	275,935	192,024	83,911	192,303
Current liabilities							
Payables	16	121,715	102,777	120,910	60,835	60,075	98,867
Accrued employee benefits		6,985	4,717	6,985	4,798	2,187	4,717
Interest bearing liabilities	18	1,493	8,570	..	..	..	..
Total current liabilities		130,193	116,064	127,895	65,633	62,262	103,584
Non-current liabilities							
Payables	16	1,341	9,207	..	4,975	(4,975)	7,513
Deferred tax liabilities	17	19,925	33,808	..	..	..	..
Interest bearing liabilities	18	102,898	104,391	..	..	..	..
Total non-current liabilities		124,164	147,406	..	4,975	(4,975)	7,513
Total liabilities		254,357	263,470	127,895	70,608	57,287	111,097
Net assets		588,493	553,566	148,040	121,416	26,624	81,206
Equity							
Accumulated surplus		435,455	437,508	89,415	82,441	6,974	59,561
Contributed equity		153,038	116,058	58,625	38,975	19,650	21,645
Total equity		588,493	553,566	148,040	121,416	26,624	81,206

* An explanation of major variances is included at Note 24.
The accompanying notes form part of these statements.

	Notes	Consolidated Entity		Parent Entity	
		2020	2019	2020	2019
		Actual	Actual	Actual	Actual
		\$'000	\$'000	\$'000	\$'000
Accumulated surplus					
Balance 1 July		437,508	333,704	59,561	18,521
Adjustment to opening balance*		7,513	55,984	7,513	40,815
Operating result from continuing operations		5,434	59,784	22,341	225
Dividend paid – Type A shareholders		(15,000)	(11,964)	..	..
Balance 30 June		435,455	437,508	89,415	59,561
Contributed equity					
Balance 1 July		116,058	140,046	21,645	45,633
Transactions with owners as owners:					
Appropriated equity injections	3	24,456	51,644	24,456	51,644
Appropriated equity withdrawals	3	(9,117)	(4,425)	(9,117)	(4,425)
Non-appropriated equity withdrawal		(1,140)	(71,207)	(1,140)	(71,207)
Net assets transferred in/(out) - Machinery of Government	2 (d)	22,781		22,781	..
Balance 30 June		153,038	116,058	58,625	21,645
Total equity					
		588,493	553,566	148,040	81,206

* Adjustments to opening balance for 2020 relates to derecognition of straight-lining of leases under AASB 16 *Leases* (\$7.513M) and for 2019 relates to the adoption of AASB 9 *Financial Instruments* (\$40.815M). Refer to note 1 (h).
The accompanying notes form part of these statements.

	Consolidated Entity		Parent Entity			
	2020	2019	2020	2020	2020	2019
	Actual	Actual	Actual	Original Budget	Budget Variance*	Actual
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities						
Inflows						
Appropriation receipts	254,276	222,692	254,276	255,353	(1,077)	222,692
Surety receipts from Financial Provisioning Scheme	6,112	52,548	6,112	..	6,112	52,548
User charges and fees	33,056	11,250	33,007	37,868	(4,861)	10,484
GST input tax credits from Australian Taxation Office (ATO)	12,897	14,245	12,168	..	12,168	13,327
GST collected from customers	739	..	739	..	739	718
Dividends received	14,336	13,457	..	..	..	..
Interest received	7,448	8,089	690	750	(60)	134
Other	7,682	3,892	7,682	7,277	405	3,892
Outflows						
Employee expenses	(115,810)	(110,983)	(115,810)	(127,726)	11,916	(110,983)
Supplies and services	(120,870)	(131,141)	(119,796)	(137,621)	17,825	(117,222)
Grants and subsidies	(10,249)	(7,548)	(10,249)	(4,700)	(5,549)	(7,548)
GST remitted to ATO	(1,658)	(1,436)	(732)	..	(732)	(713)
GST paid to suppliers	(12,377)	..	(12,377)	..	(12,377)	(12,860)
Interest paid	(5,276)	(5,683)	..	..	..	..
Income tax paid	(3,118)	(2,453)	..	..	..	..
Other	(3,693)	(3,391)	(3,693)	(8,708)	5,015	(3,391)
Net cash provided by/(used in) operating activities	63,495	63,538	52,017	22,493	29,524	51,078
Cash flows from investing activities						
Inflows						
Proceeds from sale of land	..	23,036	..	..	..	..
Lease payments received	1,410	1,351	..	..	..	..
Proceeds from investments	6,500	66,597	..	..	..	60,597
Novation payments received	7,160	7,314	..	..	..	..
Outflows						
Payments for property, plant and equipment	(73)	..	(73)	..	(73)	..
Payments for non-financial assets	..	..	..	(561)	561	..
Payment for partial surrender of long-term lease	(2,107)	(18,965)	..	..	..	..
Payments for investments	(24,000)	(20,000)	(24,000)	(20,000)	(4,000)	(20,000)
Payments for intangibles	(1,297)	(7,002)	(1,297)	..	(1,297)	(7,002)
Net cash provided by/(used in) investing activities	(12,407)	52,331	(25,370)	(20,561)	(4,809)	33,595
Cash flows from financing activities						
Inflows						
Equity injections	24,456	51,644	24,456	20,561	3,895	51,644
Outflows						
Repayment of borrowings	(8,570)	(8,665)	..	..	..	..
Dividend paid	(15,000)	(11,964)	..	..	..	..
Equity withdrawals	(9,268)	(72,267)	(9,268)	(4,661)	(4,607)	(72,267)
Net cash provided by/(used in) financing activities	(8,382)	(41,252)	15,188	15,900	(712)	(20,623)
Net increase/(decrease) in cash and cash equivalents	42,707	74,617	41,836	17,832	24,004	64,050
Cash and cash equivalents at beginning of financial year	194,887	120,270	101,297	64,588	36,709	37,247
Cash and cash equivalents at end of financial year	237,594	194,887	143,133	82,420	60,713	101,297

* An explanation of major variances is included at Note 24.
The accompanying notes form part of these statements.

	Consolidated Entity		Parent Entity	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Operating surplus/(deficit)	5,434	59,783	22,341	225
<i>Non-cash items included in operating result:</i>				
(Gain)/loss on shares - unrealised	46,258	(67,721)	..	..
(Gain)/loss on shares - realised	..	(13,323)	..	(13,323)
Losses on investments - unrealised	4,354		4,354	
Interest - loans and receivables	(2,713)	(2,923)	..	..
Net proceeds on disposal of land	..	(4,071)	..	..
Amortisation of unearned income	(345)	(338)	..	..
Depreciation/amortisation expense	4,465	3,548	4,465	3,548
Non-cash adjustment - equity withdrawal	(989)		(989)	
Change in assets and liabilities:			..	
(Increase)/decrease in receivables	(21,696)	1,949	(21,770)	1,253
(Increase)/decrease in other assets	(220)	(2,296)	(218)	(2,296)
Increase/(decrease) in payables	21,880	63,376	22,043	61,753
Increase/(decrease) in accrued employee benefits	2,268	(82)	2,268	(82)
Increase/(decrease) in tax provision	(840)	772	..	..
Increase/(decrease) in deferred tax liability	(13,883)	24,864	..	..
Adjustment to various assets and liabilities due to MoG (non-cash)	19,523		19,523	
Net cash provided by/(used in) operating activities	63,495	63,538	52,017	51,078

		Consolidated Entity^						
		Non-cash changes			Cashflows			
		Closing balance 2019	Transfers to/(from) other Queensland government entities	New leases acquired	Other	Cash received	Cash repayments	Closing balance 2020
	Notes	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000
Current/non-current liabilities								
Interest bearing liabilities	18	112,961	..	..	..	..	(8,570)	104,391
		112,961	..	..	..	..	(8,570)	104,391

^There are no liabilities arising from Financing Activities in the Parent Entity accounts.

**Controlled Reconciliation of Liabilities Arising from Financing Activities
as at 30 June 2019**

		Consolidated Entity^						
		Non-cash changes				Cashflows		
		Closing balance 2018	Transfers to/(from) other Queensland government entities	New leases acquired	Other	Cash received	Cash repayments	Closing balance 2019
	Notes	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000
Current/non-current liabilities								
Interest bearing liabilities	18	121,626	..	..	..	..	(8,665)	112,961
		121,626	..	..	..	..	(8,665)	112,961

^There are no liabilities arising from financing activities in the Parent Entity accounts.

	Economic and Policy		Budget and Financial Management		Commercial Services		Revenue Management		Infrastructure and Economic Resilience**		Planning***		General – not attributed**		Inter-service/activity eliminations		Queensland Treasury	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Income from operations *																		
Revenue																		
Appropriation revenue	37,228	20,969	20,467	19,821	23,189	29,761	161,827	167,074	2,292	..	3,479	..	3,843	3,763	..	..	252,325	241,388
User charges and fees	5,375	5,666	23,663	297	683	829	5,174	4,044	..	..	253	..	356	246	(3,714)	(1,562)	31,790	9,520
Interest revenue	..	..	658	205	..	..	1	..	..	..	..	..	..	..	..	..	659	205
Other revenue	319	2,322	5,712	727	102	64	1,599	897	..	..	..	..	81	21	..	..	7,813	4,031
Total revenue	42,922	28,957	50,500	21,050	23,974	30,654	168,601	172,015	2,292	..	3,732	..	4,280	4,030	(3,714)	(1,562)	292,587	255,144
Gain/(loss) on sale/fair value movement of investments	..	13,323	..	..	(4,355)	(3,365)	..	..	..	..	..	..	..	..	..	..	(4,355)	9,958
Total income from operations	42,922	42,280	50,500	21,050	19,619	27,289	168,601	172,015	2,292	..	3,732	..	4,280	4,030	(3,714)	(1,562)	288,232	265,102
Expenses from operations *																		
Employee expenses	28,386	25,459	9,687	8,652	10,273	10,940	68,370	63,874	651	..	1,847	..	1,599	1,750	..	..	120,813	110,675
Supplies and services	12,741	11,696	12,541	6,879	8,553	9,958	91,072	82,554	255	..	1,466	..	2,246	2,044	(3,714)	(1,562)	125,160	111,569
Grants and subsidies	1,068	285	5,499	1,112	574	6,017	2,846	123	1,280	..	65	..	262	11	..	..	11,594	7,548
Depreciation and amortisation	242	178	429	143	76	69	3,535	3,114	3	..	119	..	61	44	..	..	4,465	3,548
Other expenses	446	4,651	380	4,059	143	295	2,778	22,351	..	..	..	..	112	181	..	..	3,859	31,537
Total expenses from operations	42,883	42,269	28,536	20,845	19,619	27,279	168,601	172,016	2,189	..	3,497	..	4,280	4,030	(3,714)	(1,562)	265,891	264,877
Total comprehensive income	39	11	21,964	205	..	10	..	(1)	103	..	235	..	..	..	..	..	22,341	225
* Allocation of income and expenses to corporate services (disclosure only):																		
Income	9,025	8,412	2,773	2,617	2,890	3,319	25,243	23,754	195	..	532	..	2,332	2,142	..	..	42,990	40,244
Expenses	9,025	8,412	2,773	2,617	2,890	3,319	25,243	23,754	195	..	532	..	2,332	2,142	..	..	42,990	40,244

** 2020 and 2019 include corporate support allocated to Motor Accident Insurance Commission and Nominal Defendant.

*** Effective 1 June 2020 as a result of machinery-of-government changes.

Accounting policy – Allocation of revenues and expenses from ordinary activities of corporate services

Treasury allocates revenues and expenses attributable to corporate services to its controlled departmental services in the Statement of Comprehensive Income based on the average usage patterns of the services' key drivers of costs.



	Economic and Policy*		Budget and Financial Management*		Commercial Services*		Revenue Management*		Infrastructure and Economic Resilience**		Planning**		General – not attributed**		Queensland Treasury	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current assets																
Cash assets	38,661	30,204	83,208	53,666	1,435	1,912	11,968	9,750	200	..	285	..	7,376	5,765	143,133	101,297
Receivable	942	1,198	2,482	224	164	389	1,037	2,080	407	..	2,053	..	912	1,860	7,997	5,751
Other assets	75	95	47	44	..	..	4,284	3,473	106	..	213	..	782	1,677	5,507	5,289
Total current assets	39,678	31,497	85,737	53,934	1,599	2,301	17,289	15,303	713	..	2,551	..	9,070	9,302	156,637	112,337
Non-current assets																
Receivables	..	..	..	..	..	..	..	..	..	..	19,524	..	..	..	19,524	..
Other financial assets	..	..	..	..	76,284	56,638	..	..	..	..	..	..	..	..	76,284	56,638
Property, plant and equipment	11	2	..	..	..	..	37	61	..	..	..	..	56	..	104	63
Intangibles	..	..	2,049	2,406	..	..	17,117	19,400	277	..	2,859	..	1,084	1,459	23,386	23,265
Total non-current assets	11	2	2,049	2,406	76,284	56,638	17,154	19,461	277	..	22,383	..	1,140	1,459	119,298	79,966
Total assets	39,689	31,499	87,786	56,340	77,883	58,939	34,443	34,764	990	..	24,934	..	10,210	10,761	275,935	192,303
Current liabilities																
Payables	36,681	28,656	62,469	55,214	4,776	4,173	10,480	7,220	54	..	1,221	..	5,229	3,604	120,910	98,867
Accrued employee benefits	1,107	845	361	299	393	381	2,641	2,072	354	..	691	..	1,438	1,120	6,985	4,717
Total current liabilities	37,788	29,501	62,830	55,513	5,169	4,554	13,121	9,292	408	..	1,912	..	6,667	4,724	127,895	103,584
Non-current liabilities																
Payables	..	..	..	..	..	..	..	..	..	..	..	..	..	7,513	..	7,513
Total non-current liabilities	..	..	..	..	..	..	..	..	..	..	..	..	..	7,513	..	7,513
Total liabilities	37,788	29,501	62,830	55,513	5,169	4,554	13,121	9,292	408	..	1,912	..	6,667	12,237	127,895	111,097
Net assets	1,901	1,998	24,956	827	72,714	54,385	21,322	25,472	582	..	23,022	..	3,543	(1,476)	148,040	81,206

* The department has systems in place to allocate assets and liabilities by major departmental services.

** Includes assets and liabilities associated with corporate support functions.

***Effective 1 June 2020 as a result of machinery-of-government changes.

1 Basis of financial statement preparation

(a) Statement of compliance

Treasury has prepared these financial statements in compliance with section 38 of the *Financial and Performance Management Standard 2019*.

Treasury is a not-for-profit entity and has prepared these general-purpose financial statements in accordance with *Australian Accounting Standards and Interpretations* applicable to not-for-profit entities. In addition, the financial statements comply with the Treasurer's *Financial Reporting Requirements* for the year beginning 1 July 2019 and other authoritative pronouncements. New accounting standards applied for the first-time in these financial statements are outlined in note 1(h).

(b) The reporting entity

Treasury is a Queensland Government department established under the *Public Service Act 2008* and controlled by the State of Queensland, which is the ultimate parent.

For financial reporting purposes, Treasury is a department in terms of the *Financial Accountability Act 2009* and is subsequently consolidated into the *Report on State Finances* of the Queensland Government.

Treasury as an economic entity consists of the parent entity together with its controlled entity, QTH. To provide enhanced disclosure, Treasury has adopted the principles outlined in Australian Accounting Standard AASB 10 *Consolidated Financial Statements* and AASB 12 *Disclosure of Interests in Other Entities*. This approach is considered appropriate as it reflects the relationship between Treasury's core business activities and those of its controlled entity. In the process of reporting on Treasury as a single economic entity, all transactions and balances internal to the economic entity have been eliminated in full. The consolidated financial statements include the value of all revenues, expenses, assets, liabilities and equity of Treasury and the entity that it controls. Details of Treasury's controlled entity are disclosed in note 21. For the purposes of this financial statements, "QTH" refers to QTH and its controlled entities.

The accrual basis of accounting has been adopted for both controlled transactions and balances, and those administered by Treasury on a whole-of-government basis (except for the Statement of Cash Flows, which is prepared on a cash basis). Except when stated, the historical cost convention is used.

(c) Controlled and Administered transactions and balances

Transactions and balances are controlled by Treasury where they can be deployed for the achievement of departmental objectives.

Treasury administers, but does not control, certain resources on behalf of the government such as the borrowing and cash arrangements, collection of Australian Government grants, state taxes, royalties and State Penalties Enforcement Registry (SPER) fines. In doing so, it is responsible and accountable for administering related transactions and items but does not have the discretion to deploy the resources for the achievement of Treasury's objectives.

Transactions and balances relating to administered resources are not recognised as controlled revenues, expenses, assets, liabilities and equity, but are disclosed separately as administered transactions and balances in the administered statements and associated notes.

If not otherwise stated, the controlled accounting policies also apply to administered transactions and balances.

(d) Australian Government taxes

Treasury is a state body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of fringe benefits tax (FBT) and goods and services tax (GST). As such, FBT and GST credits receivable from/payable to the Australian Taxation Office (ATO) are recognised and accrued.

QTH is subject to the National Tax Equivalents Regime (NTER), and payments are made to the State Treasurer (Consolidated Fund) equivalent to the amount of Commonwealth income tax.

QTH falls under the Taxation of Financial Arrangements (TOFA) legislation and applies the default realisation and accrual methods.

(e) Presentation

Rounding and comparatives

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero unless disclosure of the full amount is specifically required. Comparative information reflects the audited 2018–19 financial statements.

1 Basis of financial statement preparation (continued)

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 the 12 months after the reporting date. All other assets and liabilities are classified as non-current.

(f) Issuance of financial statements

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

(g) Accounting estimates and judgements

Estimates and assumptions that have a potential significant effect are outlined in the following notes

- notes 13 and 36 (Allowance for Impairment)
- note 14 (Fair Value)
- notes 20 and 39 (Contingencies)
- note 23 (g) (Financial Instruments Fair Value)
- note 40 (e) (Financial Instruments Fair Value)

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

(h) First year application of new accounting standards or change in accounting policy

AASB 15 Revenue from Contracts with Customers

Treasury applied AASB 15 *Revenue from Contracts with Customers* for the first time in 2019–20. The standard establishes a new five-step revenue recognition criteria for determining how much and when revenue from contracts with customers is recognised, which are (1) identification of enforceable contract with customer; (2) identification of specific performance obligations; (3) determination of transaction price; (4) allocation of transaction price to the specific performance obligations; and (5) recognition of revenue as performance obligations are satisfied. Under AASB 15, revenue may be recognised at a point in time or over the term of the contract and may be deferred in relation to the timing of when the performance obligation has been satisfied.

There is no change in the revenue recognition for existing revenues. Revenues which are contracts with customers are recognised as revenue when Treasury transfers the control of goods or services to the customer (details are outlined in note 4).

Treasury has applied the modified retrospective transition method and has not restated comparative information for 2018–19, which continue to be reported under AASB 118 *Revenue and related interpretations*. There is no transitional adjustment in relation to the adoption of AASB 15.

AASB 1058 Income of Not-for-Profit Entities

Treasury applied AASB 1058 *Income for Not-for-Profit Entities* for the first time in 2019–20. The standard applies to transactions where the department acquires an asset for significantly less than fair value principally to enable the department to further its objective, and to the receipt of volunteer services.

Treasury's revenue recognised under this standard include:

- Appropriation revenue (notes 3 and 28)
- User charges (note 4)
- Grants and other contributions (note 25)
- Taxes (note 26), Royalties (note 27)
- Fines (note 29)

1 Basis of financial statement preparation (continued)

(h) First year application of new accounting standards or change in accounting policy (continued)

Revenue recognition for these revenues has not changed under AASB 1058, as compared to AASB 1004 *Contributions*. The general revenue recognition framework under AASB 1058 is as follows:

1. Recognise the asset – e.g. cash, receivables, Property, Plant and Equipment (PP&E), a right-of-use asset or an intangible asset.
2. Revenue is recognised for the value of the asset received less the value of any associated liability or equity.

Revenue is recognised when Treasury gains control of the corresponding asset (e.g. cash or receivable) in most instances. In the case of taxes, when the taxable event occurs.

Treasury applied the modified retrospective transition method and has not restated comparative information for 2018–19. Balances continue to be reported under relevant standards applicable in 2018–19, such as AASB 1004. There is no transitional adjustment to opening retained earnings as a result of the adoption of this standard.

AASB 16 Leases

Treasury has applied AASB 16 *Leases* for the first time in 2019–20. The nature and effect of changes resulting from the adoption of the standard is described below.

The distinction between operating and finance leases no longer exist for lessee accounting under AASB 16. From 1 July 2019, all leases, other than short-term leases and leases of low value assets, are now recognised on balance sheet as right-of-use assets and lease liabilities.

AASB 16 also introduced new guidance on the definition of a lease. Under the standard, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. However, when the lessee does not have the right to use an identified asset or if the lessor (supplier) has the substantive substitution right to the asset throughout the period of use, the contract is not within the scope of AASB 16.

In 2018–19, Treasury held operating leases under AASB 117 *Leases and related interpretations* from the Department of Housing and Public Works (DHPW) for non-specialised commercial office accommodation through the Queensland Government Accommodation Office (QGAO). Effective 1 July 2019, the framework agreements that govern QGAO was amended with the result that this arrangement would not meet the definition of a lease under AASB 16 and therefore are exempt from lease accounting.

Effective also on 1 July 2019, motor vehicles provided under DHPW's QFleet program are also exempt from lease accounting under AASB 16 due to DHPW holding substantive substitution rights for vehicles provided under the scheme.

From 2019–20 onward, the costs for the accommodation and QFleet vehicles under DHPW agreements are expensed as supplies and services expenses when incurred. The new accounting treatment is due to a change in the contractual arrangements rather than a change in accounting policy. Treasury's other current lease arrangements are also exempt from lease accounting as the lessor has substantive substitution rights.

Assets and liabilities relating to the straight-lining of existing operating leases were derecognised against opening accumulated surplus on transition. Outstanding liabilities relating to straight-lining of leases for Treasury amounting to \$7.513 million as at 30 June 2019 were derecognised as at 1 July 2019.

The adoption of AASB 16 did not have a material impact on QTH. While QTH has contracts that are operating leases in legal form, these arrangements do not meet the requirements to qualify as a lease in accordance with AASB 16.

Impact of Adoption of AASB 9 for 2018–19 Comparative Amounts

Treasury applied AASB 9 *Financial Instruments* for the first time in 2018–19. The adjustment to the accounts on initial application are recognised in the opening accumulated surplus at 1 July 2018. The financial assets (controlled books) in the table below were recognised at Fair Value through Profit and Loss (FVTPL) on the adoption of AASB 9.

1 Basis of financial statement preparation (continued)

Impact of Adoption of AASB 9 for 2018–19 Comparative Amounts (continued)

Financial Assets	Balance (gross) 30 June 2018 under AASB 139	Allowance for impairment	Interest Revenue	Balance (net) 30 June 2018 under AASB 139	Adjustment recognised in opening accumulated surplus	Balance, 1 July 2018 under AASB 9
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investments in shares held in unlisted company	6,833	..	..	6,833	40,442	47,275
QIC Investment - Business Development Fund	40,000	(370)	..	39,630	373	40,003
Amount recognised for Parent Entity	46,833	(370)	..	46,463	40,815	87,278
License fee receivable	121,249	(135,853)	67,318	52,714	15,169	67,883
Amount recognised for Consolidated Entity	168,082	(136,223)	67,318	99,177	55,984	155,161

AASB 9 requires the loss allowance to be measured using a forward-looking expected credit loss approach, replacing AASB 139's incurred loss approach. AASB 9 also requires a loss allowance to be recognised for all debt instruments other than those held at FVTPL. On adoption of AASB 9's new impairment model, Treasury has recognised a reduction in the impairment losses of \$6.512 million relating to administered receivables which resulted in an increase in the opening net administered assets.

	AASB 9 measurement category	Impairment allowance 30 June 2018	Re- measurement	Loss allowance 1 July 2018
	\$'000	\$'000	\$'000	\$'000
Receivables				
- Debtors (Administered)	Amortised Cost	(390,258)	6,512	(383,746)
		(390,258)	6,512	(383,746)

(i) Future impact of Accounting Standards not yet effective

At the date of authorisation of the financial statement, the expected impact of new or amended Australian Accounting Standard issued but with future commencement date is set out below:

AASB 1059 Service Concession Arrangement: Grantors

AASB 1059 will first apply to Treasury's financial statement in 2020–21. This standard defines service concession arrangements and applies a new control concept to the recognition of service concession assets and related liabilities.

Treasury has assessed existing arrangements with private entities including grant arrangements. Based on the assessment, the consolidated entity does not have any arrangements that fall within the scope of AASB 1059.

2 Objectives and major activities of the department

Queensland Treasury's vision is to grow the Queensland economy and improve the well-being of all Queenslanders.

Treasury delivers on this vision by performing the role as the pre-eminent economic, fiscal and commercial advisor to government. It partners with agencies to ensure the Queensland economy delivers outcomes for the community. Its strategic approach in delivering its functions includes:

- a clear focus on long-term economic strategy
- a strong commercial agenda for the state
- a balance of economic and fiscal perspectives in our work with agencies
- optimised revenue management
- integrated data analytics, digital technologies and innovation.

Treasury is funded for the departmental services it delivers principally by parliamentary appropriations. Details on Treasury's departmental service areas can be viewed in the Service Reports section of the department's Annual Report.

(a) Major activities of the department

Major activities of the department are detailed on the face of the statements by Major Departmental Services for both controlled and administered items.

The Financial Statements have been aggregated into the following disclosures (refer notes 1(b) and 1(c) for full details of this aggregation):

1 Controlled

- (a) Treasury (as an entity in its own right and to which the remainder of this financial report refers) – column headed 'Parent Entity'.
- (b) Consolidated (Treasury and its controlled entity QTH and its subsidiaries) – column headed 'Consolidated Entity'.

2 Administered on behalf of whole-of-government – shaded statements and notes.

(b) Financial Provisioning Scheme (FPS)

From 1 April 2019, Financial Assurance (now called Financial Provisioning) requirements for resource activities under the *Environmental Protection Act 1994* (EP Act) were replaced with the Financial Provisioning Scheme (Scheme) under the *Mineral and Energy Resource (Financial Provisioning) Act 2018* (MERFP Act). The Scheme manages the State's financial risk from the potential failure of a resource activity holder of an environmental authority or small-scale mining tenure (holder) to meet their rehabilitation and environmental obligations under the EP Act.

The Scheme is administered by the Scheme Manager, a statutory officer supported by Treasury, who is responsible for administering all holders' financial provisioning on behalf of the State of Queensland.

Under the MERFP Act, holders meet their financial provisioning obligation by providing:

- a contribution to the Financial Provisioning Fund (Fund); and/or
- Surety, which can be in the form of cash, bank guarantee or insurance bond

Under the EP Act, the Administering Authority (Department of Environment and Science) may make a claim against a holder's financial provisioning to the Scheme Manager. Where the claim is properly made, the Scheme Manager will either make arrangements for payments from the Financial Provisioning Fund or realise the surety and transfer the funds to the Administering Authority's designated bank account. No liability is held by Treasury for any rehabilitation obligations.

In April 2019, financial assurance held by the Department of Natural Resources, Mines and Energy (DNRME) and Department of Environment and Science (DES) was transferred to the Scheme Manager within Queensland Treasury as below:

- Cash Surety \$46.983 million
- Non-cash Surety \$8,240.796 million

All balances/transactions relating to the Fund are reported in the Financial Statements. Fund contributions and assessment fees are recognised under user charges and fees (note 4).

Balances/transactions relating to Surety are reported either in the Financial Statements or disclosed as contingencies.

- Cash surety is reported as Cash asset (note 12) with a corresponding Payable to the holders (note 16) in the Financial Statements, as the Fund obtains the interest benefit from the cash surety held.

2 Objectives and major activities of the department (continued)

- Forfeitures of surety held are recognised as Other revenue and transferred to DES and/or DNRME as Grant expense.
- Non-cash surety is disclosed in the contingency note (note 20). Non-cash surety is only redeemable for cash when claims are made. At reporting date, it is not possible to determine the quantum or timing of claims that will be made against the non-cash surety.
- Where a notice to provide surety has been issued and the surety payment is yet to be received from holders, the aggregate surety yet to be received is also disclosed in the contingency note (note 20).

(c) Financial Reporting Impact of COVID-19 response measures

The World Health Organisation has declared the COVID-19 outbreak as a pandemic. Actions taken by the Federal and State Governments resulted in significant impact to business operations and increased economic uncertainty.

The Queensland Government has put in measures to support Queenslanders' health, jobs and businesses in response to the COVID-19 pandemic.

Treasury has implemented the following COVID-19 response measures:

Payroll Tax relief measures

- Refund of Payroll Tax for 2 months
- Payroll Tax holiday for 3 months
- Deferral of paying Payroll Tax for the 2020 calendar year
- Exclusion of JobKeeper payments from Payroll Tax

Land Tax relief measures

- Land Tax rebate reducing 25% of Land Tax liabilities for the 2019–20 assessment year
- Waiver of the 2% Land Tax surcharge for foreign entities for the 2019–20 assessment year
- Three-month deferral of Land Tax liabilities for the 2020–21 assessment year

Gaming Machine Tax relief measures

- Refund of Gaming Machine Taxes paid for March
- Three-month deferral of Gaming Machine Tax for pubs and clubs

Grants

- Regional Home Builder Grant boost of \$5,000

The following significant transactions were recognised by Treasury in the administered books during 2019-20 financial year in response to the COVID-19 pandemic.

Statement of Comprehensive Income

	\$ '000
<i><u>Significant revenue items arising from COVID-19</u></i>	
Additional appropriation revenue received to fund COVID-19 response measures (note 28)	
Payroll Tax refund for 2 months	393,316
Land Tax rebate of 25% on eligible properties	71,160
Gaming Machine Tax refund	1,431
Total	465,907
Taxes revenue foregone (note 26)	
Payroll Tax holiday for a 3-month period from January to March 2020	111,619
Land Tax waiver of 2% surcharge for foreign entities	158,467
Total	270,086
<i><u>Significant expense items arising from COVID-19</u></i>	
Payment of previously assessed and paid taxes (notes 33 and 34)	
Payroll Tax refund for 2 months	393,316
Land Tax rebate of 25% on eligible properties	71,160
Gaming Machine Tax refund	1,431
Total	465,907

2 Objectives and major activities of the department (continued)

Statement of Financial Position

	\$ '000
<u>Significant changes in assets arising from COVID-19</u>	
Receivables recognised as at 30 June 2020 from taxes is deferred from collection until January 2021 (note 36)	
Payroll Tax deferral of 6 months for the 2020 calendar year	428,175
Gaming Machine Tax deferral of 3 months	49,324
Total	477,499

Additional borrowings were incurred in 2019–20 to fund the response measures announced by the Queensland Government in response to COVID-19.

SPER has not commenced any enforcement action for outstanding SPER fees and fines receivables (note 36). Any existing enforcement action that was in place before 19 March 2020 has remained. There are no new:

- Driver licence suspensions
- Fine collection from wages or bank account
- Vehicle immobilisations
- Seizures of property

The impact to business operations in Queensland has also affected the fair value assessment of other financial assets (note 14) reported in the controlled books.

QTH has not identified any material COVID-19 risks as at 30 June 2020. No adjustments to the amounts recorded in the financial statements have been recognised during the financial year. QTH will continuously monitor the emergence of such risks.

Treasurer's advance of \$2.115 billion was set up under Section 34 of the *Financial Accountability Act 2009* and *Appropriation (COVID-19) Act 2020*, for various Queensland departments in relation to COVID-19 response measures. As approved by the Treasurer, the advance of \$1.994 billion has been allocated below, with the remaining funds of \$121.030 million returned to the Consolidated Fund as at 30 June 2020.

	\$ '000
Treasurer's Advance Fund Payment to Departments	
Department of Agriculture and Fisheries	901,960
Department of Communities, Disability Services and Seniors	500,000
Queensland Health	477,300
Department of Employment, Small Business and Training	85,320
Department of Innovation and Tourism Industry Development	21,800
Department of Transport and Main Roads	4,400
Department of Education	2,000
Department of the Premier and Cabinet	1,200
Total	1,993,980

Treasurer's Advance of \$1.370 billion has been established for 2020-21 for additional COVID-19 funding.

2 Objectives and major activities of the department (continued)

(d) Machinery-of-Government Changes

Transfers in – Controlled and Administered Activities

Details of Transfer: Planning, Infrastructure and Economic Resilience Portfolios transferred from the Department of Regional Development and Manufacturing (DRDM)

Basis of Transfer: Administrative Arrangement Order (No.1) 2020

Date of Transfer: Effective from 1 June 2020

The assets and liabilities transferred as a result of this changes are as follows

	Controlled \$'000	Administered \$'000
Cash*	2,009	3,024
Receivables	838	(988)
Total current assets	2,847	2,036
Receivables	19,524	..
Intangible assets	3,258	..
Total non-current assets	22,782	..
Total assets	25,629	2,036
Payables	134	2,036
Accrued employee benefits	1,132	..
Other current liabilities	1,581	..
Total current liabilities	2,847	2,036
Total liabilities	2,847	2,036
Net assets	22,781	..

* As at 30 June 2020, there was no actual cash transfer. These amounts were recognised by Treasury as receivable from DRDM.

The increase in net assets of \$22.781 million has been accounted for as an increase in contributed equity as disclosed in the statement of changes in equity.

Budgeted appropriation revenue of \$8.110 million (controlled books) and \$48.212 million (administered books) was reallocated from DRDM as part of the machinery-of-government changes.

e) Climate Risk Disclosure

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

Based on our assessment, there is no direct impact on Treasury's accounts for 2019–20. The fiscal impact of climate change on taxes and royalty revenue, will emerge over the medium to long term, along with the implications for the State's balance sheet. As at reporting date, the effect cannot be quantified.

QTH has not identified any material climate related risks relevant as at 30 June 2020 but will continuously monitor the emergence of such risks.

	Consolidated Entity		Parent Entity	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
3 Reconciliation of payments from Consolidated Fund to appropriated revenue recognised in the Statement of Comprehensive Income				
Budgeted appropriation revenue	255,353	245,941	255,353	245,941
Transfer (to)/from other departments	..	..	..	..
Transfer (to)/from other heading	(429)	(23,249)	(429)	(23,249)
Lapsed appropriation revenue	(648)	..	(648)	..
Total appropriation receipts	254,276	222,692	254,276	222,692
Less opening balance of appropriation revenue receivable	..	..	..	..
Plus closing balance of appropriation revenue receivable	..	..	..	..
Plus opening balance of deferred appropriation payable to Consolidated Fund	28,083	18,698	28,083	18,698
Less closing balance of deferred appropriation payable to Consolidated Fund	(30,034)	(28,083)	(30,034)	(28,083)
Net appropriation revenue	252,325	213,307	252,325	213,307
Plus deferred appropriation payable to Consolidated Fund (expense)	..	28,083	..	28,083
Appropriation revenue recognised in Statement of Comprehensive Income	252,325	241,390	252,325	241,390
Variance between original budgeted and actual appropriation revenue	3,028	4,551	3,028	4,551
Reconciliation of payments from Consolidated Fund to appropriated equity adjustments recognised in contributed equity				
Budgeted equity adjustment appropriation	15,900	22,871	15,900	22,871
Unforeseen expenditure	..	..	..	..
Transfer (to)/from other heading	429	27,713	429	27,713
Total equity adjustment receipts	16,329	50,584	16,329	50,584
Plus opening balance of equity adjustment payable	3,365	..	3,365	..
Less closing balance of equity adjustment payable	(4,355)	(3,365)	(4,355)	(3,365)
Appropriated equity adjustment recognised in contributed equity	15,339	47,219	15,339	47,219

Accounting policy – Appropriation revenue

Appropriations provided under the *Appropriation Act 2019* and the *Appropriation (COVID-19) Act 2020* are recognised as revenue when received under AASB 1058 *Income for Not-for-Profit entities*. In some circumstances when approval is granted a deferred appropriation payable is recognised with a corresponding reduction to appropriation revenue. Prior to 1 July 2019, any liability at the end of financial year for deferred appropriation payable was debited to expense under the requirements of the superseded AASB 1004 *Contributions* (note 10).

Consolidated Entity		Parent Entity	
2020	2019	2020	2019
\$'000	\$'000	\$'000	\$'000

4 User charges and fees

FPS Fund contributions	21,434	..	21,434	..
Sale of services - from contracts with customers	9,505	9,508	9,505	9,508
Assessment fees	845	..	845	..
Other fees	6	10	6	10
	<u>31,790</u>	<u>9,518</u>	<u>31,790</u>	<u>9,518</u>

Accounting policy – User charges and fees

User charges and fees are recognised in accordance with the appropriate revenue accounting standard.

Treasury recognises revenue from sale of services to customers under AASB 15 *Revenue from Contracts with Customers*. Revenue is recognised when Treasury transfer control over the goods or service to the customer. Revenue from Queensland Government Statistician Office (QGSO) and State Revenue (SR) contracts with customer are recognised when the service has been provided. The contracts have specific performance obligations and the timing of revenue recognition is when the specific performance obligation is satisfied which is at a point in time or over a period.

Revenue that is not within the scope of AASB 15 are recognised under AASB 1058 *Income for Not-for-Profit Entities* where revenue is recognised upfront or when the corresponding asset (cash or receivable) is recognised and received. Fund contributions and assessment fees from the FPS Fund scheme are collected under the MERFP Act 2018 and are recognised when an assessment is issued, and the corresponding cash is received, or receivable is recognised.

5 Interest revenue

Interest - lease receivables *	5,276	5,683	..	..
Interest - loans and receivables **	2,713	2,923	..	..
Interest - QTC	1,408	2,286	..	..
Interest - Financial Provisioning	659	205	659	205
	<u>10,056</u>	<u>11,097</u>	<u>659</u>	<u>205</u>

* Relates to interest recognised on lease receivables by Dalrymple Bay Coal Terminal Holdings (DBCTH) Pty Ltd (refer note 13).

** Relates to interest recognised on QTH financial assets acquired from Brisbane Port Holdings Pty Ltd (BPH) following the long-term lease of the Port of Brisbane (refer note 13).

Accounting policy – Interest revenue

Interest revenue is recognised using the effective interest rate and recognised on a proportional basis taking into account interest rates applicable.

	Consolidated Entity		Parent Entity	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
6 Gain/(loss) on sale/fair value movement of investments				
Gain/(loss) on shares *	(26,365)	72,094	..	13,323
Gain/(loss) on fair value movement**	(24,247)	5,585	(4,354)	(3,365)
	(50,612)	77,679	(4,354)	9,958

* Relates to the market movement on remaining shares held by QTH in Aurizon Holdings Ltd (AZJ) (formerly QR National Limited) recorded at fair value (recognised at the closing listed market price of \$4.92 per share (2019: \$5.40 per share)). In 2018-19, this includes the gain on sale of shares in an unlisted company by the Parent Entity.

** Relates to the unrealised fair value movement of the BDF investment and licence fee receivable (Refer note 14).

7 Employee Expenses

Wages and salaries*	93,606	85,271	93,606	85,271
Annual leave levy	11,050	10,532	11,050	10,532
Employer contributions - Accumulation schemes	9,301	8,519	9,301	8,519
Employer contributions - Defined benefit scheme	2,806	2,821	2,806	2,821
Long service leave levy	2,353	1,978	2,353	1,978
Leave on-cost reimbursements	(1,213)	(1,274)	(1,213)	(1,274)
Other employee related expenses	2,088	2,050	2,088	2,050
Termination payments	705	672	705	672
Workers' compensation premium	118	106	118	106
	120,814	110,675	120,814	110,675

* Wages and salaries include \$1.093 million of \$1,250 one-off, pro-rata payments for 874.16 full-time equivalent employees (announced in September 2019).

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

Number of employees:	1,187	948	1,187	948
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Accounting policy – Employee expenses

Salaries and wages

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

Sick leave

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

7 Employee Expenses (continued)

Annual leave and Long service leave

Under the Annual Leave Central Scheme (ALCS) and Long Service Leave Scheme (LSL), a levy is made on Treasury 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 annual leave and long service leave are claimed from the scheme quarterly in arrears.

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

Superannuation

Employer superannuation contributions are paid to QSuper and other members' choice superannuation funds. Contributions are expensed in the period in which they are paid or payable. Treasury's obligation is limited to its contribution to QSuper and other members' choice superannuation funds.

Superannuation benefits are provided through defined contribution plan or through the Queensland Government's QSuper defined benefit plan. Under the defined contribution plans, contributions are made to eligible complying superannuation funds based on the rates specified in the relevant EBA or other conditions of employment. For the defined benefit plan, the liability is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. The amount of contributions is based upon the rates determined on the advice of the State Actuary. Contributions are paid by Treasury at the specified rate following completion of the employee's service each pay period.

Key management personnel and remuneration

The Minister is identified as part of the Treasury's key management personnel (KMP), consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. The Minister is the Treasurer and Minister for Infrastructure and Planning – Cameron Dick effective May 2020. The previous Minister was the Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships – Jacklyn Anne Trad from July 2019 – May 2020.

The Treasurer's remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. Treasury does not bear any cost of remuneration of Ministers. The majority of ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and whole-of-government Consolidated Financial Statements, which are published as part of Queensland Treasury's Report on State Finances.

Remuneration policy for Treasury's other KMP is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*. Individual remuneration and other terms of employment (including motor vehicle entitlements and performance payments if applicable) are specified in employment contracts. No non-ministerial KMP remuneration packages provide for performance or bonus payments.

Remuneration expenses for those KMP comprise the following components:

Short-term employee expenses, including:

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

Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.

Post-employment expenses include amounts expensed in respect of employer superannuation obligations.

Termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

Transactions with people/entities related to KMP

There are no related party transactions with the Treasury consolidated entity that involve KMP, close family members and/or their personal business interests.

7 Employee Expenses (continued)

The following table below for non-ministerial KMP reflect those departmental positions that had authority and responsibility for planning, directing and controlling the activities of Treasury during the respective reporting periods. Further information about these positions can be found in the body of the Annual Report under the section relating to Executive Management.

During the financial year, there was a change in some key management personnel (KMP) positions to align with the department's new operating model that was effective from 2 January 2020. The KMP details in italics below represents the positions under the Treasury Organisational Structure up to 31 December 2019. The amounts disclosed below reflect expenses recognised in the Statement of Comprehensive Income:

7 Employee expenses – (a) Key management personnel and remuneration (continued)

1 July 2019 – 30 June 2020

Position (a)	Responsibilities	Date appointed to position (End date of position)	Short Term Employee Expenses Monetary Expenses** \$'000	Long Term Employee Expenses \$'000	Post-Employment Expenses \$'000	Termination Benefits \$'000	Total Expenses \$'000
Under Treasurer	Responsible for executive leadership, strategic direction of the department and whole-of-government financial management	11-May-20	86	2	9	..	97
Under Treasurer	Responsible for executive leadership, strategic direction of the department and whole-of-government financial management	11-Feb-19 to 10-May-20	577	11	62	..	650
Deputy Under Treasurer	Responsible for Corporate and Strategic Initiatives	2-Jan-20					
Deputy Under Treasurer	(To provide expert advice and support to the department on strategic initiatives and major policy decisions)	(4-Mar-19 to 1-Jan-20)	360	8	39	..	407
Acting Head Budget and Financial Management	Responsible for Budget and Financial Management	1-Jan-20					
(Acting Deputy Under Treasurer)	(Responsible for Economic and Fiscal Coordination)	(3-18 Aug-19, 23-Sep-19 to 31-Dec-19)	206	4	16	..	226
Acting Deputy Under Treasurer	Responsible for Economics, Policy and Commercial						
(Acting Deputy Under Treasurer)	(Responsible for Agency Performance and Investment)	1-Jan-20 to 24-May-20					
State Revenue Commissioner	Responsible for the Office of State Revenue	(3-Sep-18 to 31-Dec-19)	220	5	23	..	248
Deputy Under Treasurer	Responsible for Budget and Financial Management	2-Jan-20	153	3	16	..	172
Acting State Revenue Commissioner	Responsible for the Office of State Revenue	25-Sept-17 to 20 Sept 19	73	1	6	226	306
Acting Executive General Manager	Responsible for Risk and Intelligence	6-Jul-19 to 31-Dec-19	140	3	12	..	155
Acting Deputy Under Treasurer	Responsible for Agency Performance	8-Jul to 4 Aug-19, 5-Oct to 31-Dec-19	70	2	7	..	79
Acting Deputy Under Treasurer	(Responsible for Commercial Services)	12-Dec-17 to 1-Jan-20	100	3	13	..	116
Total Expenses		5-Jun-17 to 31-Dec-19	141	3	11	..	155
			2,126	45	214	226	2,611

(a) The following positions have been excluded from the table on the basis of being immaterial in relation to time in the role and dollar value:

State Planner, Planning and Deputy Under Treasurer, Infrastructure and Economic Resilience who transferred to Treasury as part of the machinery-of-government changes, effective 1 June 2020, and Deputy Under Treasurer, Economic, Fiscal and Commercial appointed on 25 May 2020 are also included as KMP as at 30 June 2020.

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

7 Employee expenses – (a) Key management personnel and remuneration (continued)

1 July 2018 - 30 June 2019

Position (a)	Responsibilities	Date appointed to position (End date of position)	Short term employee expenses Monetary expenses * \$'000	Long term employee expenses	Post- employment expenses	Termination benefits	Total expenses
Under Treasurer	Responsible for executive leadership, strategic direction of the department and whole-of-government financial management	09-Jun-15 (14-Sept-18)	116	3	16	297	\$'000 432
Acting Under Treasurer	Responsible for executive leadership, strategic direction of the department and whole-of-government financial management	15-Sept-18 (10-Feb-19)	233	4	16	..	253
Under Treasurer	Responsible for executive leadership, strategic direction of the department and whole-of-government financial management	11-Feb-19	234	5	27	..	266
Deputy Under Treasurer	Responsible for the provision of expert advice and support to the department on strategic initiatives and major policy decisions	4-Mar-19 (b)	108	2	12	..	122
Deputy Under Treasurer	Responsible for Economics and Fiscal Coordination	25-Sep-17	272	6	27	..	305
Acting Deputy Under Treasurer	Responsible for Agency Performance	12-Dec-17	251	5	22	..	278
Acting Deputy Under Treasurer	Responsible for Commercial Services	05-Jun-17 10-Feb-14 (c)	268	5	29	..	302
Commissioner	Responsible for the Office of State Revenue		302	6	32	..	340
Acting Deputy Under Treasurer	Responsible for Agency Performance and Investment	03-Sep-18	198	4	21	..	223
Executive General Manager	Responsible for Risk and Intelligence	27-Jan-16	224	5	25	..	254
Total expenses			2,206	45	227	297	2,775

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

(a) Some positions have been excluded from the table on the basis of being immaterial in relation to time in the role and dollar value.

(b) Under a work performance arrangement for 6 months under s183 of the *Public Service Act 2008*.

(c) Retired on 5 July 2019.

Consolidated Entity		Parent Entity	
2020	2019	2020	2019
\$'000	\$'000	\$'000	\$'000

8 Supplies and services

Contractors and employment agency charges	40,981	26,985	40,981	26,985
Computer charges	30,958	30,865	30,958	30,865
Property charges and fees	17,854	7,150	17,854	7,150
SPER call centre costs	12,724	11,257	12,724	11,257
Consultants	9,252	10,556	9,252	10,556
Telecommunications, advertising and other materials and equipment	6,365	7,290	6,365	7,290
Professional legal fees, service fees and charges	6,204	2,929	6,204	2,929
Other supplies and services	822	462	822	462
Property leases	..	14,076	..	14,076
	125,160	111,570	125,160	111,570

Accounting policy – Supplies and services

Treasury recognises expenses when incurred, usually when goods are received, or services are consumed, which may not be when the goods or services are paid for.

Under AASB 16 *Leases* effective 1 July 2019, lease arrangements with substantive substitution rights are exempt from lease accounting as they do not satisfy the definition of a lease. Accommodation and other property expenses incurred in relation to 1 William Street are recognised under “Property charges and fees” for 2019–20 as these are considered exempt from lease accounting under AASB 16 due to the substantive substitution rights. These expenses were recognised as “Property leases” in 2018–19 on a straight-line basis over the lease life including any applicable lease incentives and annual rent increments, in accordance with AASB 117 *Leases*. Straight-line leasing liability recognised in previous years was derecognised against opening retained earnings as a transitional adjustment on the adoption of AASB 16 for 2019–20.

Lease arrangements that are of low value, short-term and does not satisfy the definition of a lease under AASB 16 are recognised as expense when incurred and exempt from recognition on the statement of financial position.

9 Grants and subsidies

Financial Provisioning	5,186	1,340	5,186	1,340
Queensland Police Service - Youth Crime	2,000	..	2,000	..
Maturing the Infrastructure Pipeline Program	1,110	..	1,110	..
COVID-19 Charity Continuity Funding - Legacy Brisbane	1,000	..	1,000	..
Woodford Folk Festival	600	..	600	..
DVConnect additional funding - COVID-19 response	500	..	500	..
CleanCo	248	6,000	248	6,000
Other recurrent grants	950	208	950	208
	11,594	7,548	11,594	7,548

Accounting policy – Grants and subsidies

Grants and subsidies are recognised when the grant/subsidy has been paid or when the grantor/recipient incurs the right to receive the grant. Grants expense for the FPS are recognised when payments are made to DES or DNRME.

	Consolidated Entity		Parent Entity	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
10 Other expenses				
Bank charges	1,493	1,666	1,493	1,666
Internal audit fees	977	808	977	808
External audit fees*	756	662	713	620
Other audit fees**	315	..	315	..
Sundry expenses	1,001	949	325	297
Company secretariat and accounting services - QTC	390	395	..	..
Qld Government Insurance Fund - insurance premiums	36	33	36	33
Deferred departmental projects and initiatives***	..	28,082	..	28,082
Sponsorships and special payments	..	30	..	30
	4,968	32,625	3,859	31,536

* Total departmental audit fees quoted by the Queensland Audit Office relating to the 2019-20 financial statements for the parent entity is \$485,000, which excludes the WoG financial statement audit costs (2019: \$475,000). WOG Audit fee for 2019-20 is \$215,000 (2019: \$210,000).

** Other audit fees include audit fees paid to QAO for additional auditing activities in relation to a performance audit on the effectiveness of SPER ICT Reform.

*** Refer to Note 3 Accounting policy

11 Income tax expense/(benefit)

Current tax comprises:

Current tax on (loss)/profit for the year	(2,275)	3,225	..	..
	(2,275)	3,225	..	..

Deferred tax comprises:

Decrease/(increase) in deferred tax asset	..	7,233	..	..
(Decrease)/increase in deferred tax liability	(13,883)	17,631
	(13,883)	24,864

Income tax (benefit)/expense	(11,608)	28,089
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Numerical reconciliation of income tax expense to prima facie tax payable:

Profit/(loss) before income tax expense	(28,515)	87,648	..	..
Less (profit)/loss of non taxable entities	(142)	(2,450)	..	..
Less dividends received from AZJ (Franked)	(10,035)	(8,700)	..	..
Plus: AASB 9 opening balance adjustment	..	15,169	..	..
Plus: group dividend received	..	1,964	..	..
Profit/(loss) before income tax expense from taxable entities	(38,692)	93,631	..	..
Tax at the Australian company tax rate of 30%	(11,608)	28,089	..	..
Income tax (benefit)/expense	(11,608)	28,089	..	..

11 Income Tax expense/(benefit) (continued)

Accounting policy – Income tax expense

Current tax is the expected tax payable on the taxable income for QTH for the period, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Consolidated Entity		Parent Entity	
2020	2019	2020	2019
\$'000	\$'000	\$'000	\$'000
94,439	93,576	..	..
62,261	48,763	62,239	48,749
61,034	52,548	61,034	52,548
19,860	..	19,860	..
237,594	194,887	143,133	101,297

Accounting policy – Cash and cash equivalents

Cash assets include all cash and deposits at call with financial institutions. Cash equivalents include investments with short periods to maturity that are readily convertible to cash on hand at Treasury's option and that are subject to a low risk of changes in value. Cash at bank-Surety relates to the surety received for the FPS. Cash at Bank- Fund relates to the contributions and fees received to the Financial Provisioning Fund.

Bank accounts grouped within the whole-of-government set-off arrangement with the Queensland Treasury Corporation (QTC) do not earn interest on surplus funds. Interest earned on the aggregate set-off arrangement balance accrues to the Consolidated Fund.

13 Receivables

Current

Receivables of operating nature	2,645	1,481	2,645	1,481
Less allowance for impairment loss	..	..	..	..
	2,645	1,481	2,645	1,481
Loan receivable	6,774	6,292	..	..
GST input tax credits receivable	1,576	1,291	1,576	1,291
Lease receivable	1,493	1,410	..	..
Annual leave reimbursements	982	1,662	982	1,662
Long service leave reimbursements	236	442	236	442
Novation receivable	..	7,160	..	..
Sundry receivable*	2,558	875	2,558	875
	13,619	19,132	5,352	4,270
Total current	16,264	20,613	7,997	5,751

Non-current

Lease receivable	102,898	104,391	..	..
Loan receivable	33,896	38,165	..	..
Trade receivable**	19,524		19,524	..
Total Non-current	156,318	142,556	19,524	..

* Includes receivable from DRDM relating to cash at restructure from the MoG effective 1 June 2020. There was no actual cash transfer as at 30 June 2020 (note 2 (d)).

**Relate to payments to be received for a parcel of land under development by the Department of State Development, Tourism and Innovation (DSDTI) . Payments are to be made after the land has been developed.

Accounting policy - Receivables

Receivables are measured at amortised cost which approximates their fair value at reporting date.

Receivables of an operating nature are recognised at the amounts due at the time of service delivery i.e. the agreed purchase/contract price. Settlement is generally required within 30 days from invoice date.

Loans receivable is a non-derivative financial asset that are not quoted in an active market and are carried at amortised cost using the effective interest method. The Port of Brisbane loan receivable is discounted at 6.55% and includes the rights to fixed annual payments up to 31 December 2025.

Lease receivable represents payments due from the Dalrymple Bay Coal Terminal (DBCT), primary lessee under the plant lease, on-shore sub-lease, offshore sub-sub-lease and road sub-sub-lease. The terms of the plant lease and on-shore sub-lease are 50 years each (31 years remaining), with options to renew for a further 49 years, while the off-shore sub-sub-lease and road sub-sub-lease terms are 99 years each. There are no guaranteed residuals for any of the leases. Under AASB 16 Leases adopted for 2019-20, this lease arrangement does not qualify as a lease for reporting purposes. For 2018–19, these receivables were presented separately as "Lease receivables".

Novation receivable represents payments owing to North Queensland Bulk Ports Corporation Limited from DBCT Management Pty Ltd which has been novated to DBCT Holdings Pty Ltd. The novation payments to be made are set out in the Framework Agreement, with the final payment made on 30 June 2020.

Accounting policy – Impairment of Receivables

The allowance for impairment loss reflects expected credit losses and incorporate reasonable and supportable forward-looking information, including the impact of expected economic changes to Treasury's debtors, alongside with relevant industry data where applicable. The most readily identifiable loss event is where a debtor is overdue in paying a debt to Treasury and its controlled entities, according to the due date (normally terms of 30 days).

There is no allowance for impairment loss recognised for Treasury's receivables from Queensland Government agencies or Australian Government agencies based on materiality. Credit risk for these receivables are considered low.

If there is no expected credit loss event in respect of a debtor or group of debtors, no allowance for impairment loss is made with respect of that debt/group of debtors. If Treasury and its controlled entities determine that an amount owing by such a debtor does become uncollectable (after an appropriate range of debt recovery actions), that amount is recognised as a bad debt expense and written off directly against receivables.

Credit risk exposure of receivables

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the carrying amount of those assets net of any provisions for impairments. No collateral is held as security and no credit enhancements relate to the financial assets held by Treasury.

Credit risk exposure refers to the situation where Treasury and its controlled entities may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation. Credit risk is managed pursuant to internal policies. These focus on the prompt collection of revenues due and payable to Treasury and follow-up of outstanding fees and charges within specified timeframes. Any write-offs require high level approval.

Treasury measures the lifetime expected credit loss on receivables using a provision matrix based on the aging of debts. Receivables of operating nature are assessed for probability of default or non-collection. Other factors such as payment arrangements and forward-looking information such as economic factors affecting the payment capacity and ability of debtors are also considered. Majority of Treasury's receivable of operating nature are from Queensland Government agencies which are considered low risk.

There is no change in the current credit risk exposure of receivables arising from COVID-19 impact to debtors.

	Consolidated Entity		Parent Entity	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
14 Other financial assets				
Current				
Shares – AZJ *	270,236	296,601	..	..
	270,236	296,601	..	..
Non-current				
Licence fee receivable**	56,940	76,833	..	..
QIC investments (net) - Business Development Fund (BDF)	72,284	56,638	72,284	56,638
QIC investments (net) - CARP Pharmaceuticals	4,000	..	4,000	..
	133,224	133,471	76,284	56,638

* QTH holds 54,926,186 shares (2019: 54,926,186 shares) in Aurizon, purchased at the institutional price of \$2.55 per share. The shares are market valued based on the closing listed share price of \$4.92 per share (2019: \$5.40). Refer note 6.

** The fair value is estimated based on discounted value of projected trade volume and price growth. The discount rate is applied against expected cash flows under a revenue sharing arrangement based on a pre-tax discount rate. The discount rate was revised from 9.48% to 9.15% for the year ended 30 June 2020.

Accounting policy – Other financial assets

Treasury carries equity investments and other financial assets at fair value through profit and loss under AASB 9 Financial Instruments.

The fair value of investments in AZJ shares reflects unadjusted quoted market price.

QIC Investments – Business Development Fund (BDF)

The BDF invests in emerging and innovative Queensland businesses. The fair value methodology for the BDF is a Level 2 input as it is based on substantially derived inputs that are observable either directly or indirectly. Investment in the BDF provides the co-investor with a call option (from the 2nd to 5th year of investment) and the BDF with a put option under limited circumstances (over the life of investment). The BDF treats the call and put option as embedded derivatives of the equity investment as they are closely related to the investment, and accounts for the entire investment as a single financial instrument. The fair value is determined depending on the holding period of the investment in the fund as follows:

- Investments held for less than 2 years – initial cost of investment
- Investments held between 2-5 years – cost plus interest (with interest calculated as QTC's 10-year bond rate plus 2%) as the call option provides a cap for any increase in fair value
- Investment held for more than 5 years – based on latest equity raised.

Over the life of the investment, decrease in fair value will be assessed for each investment by identifying any indicators of fair value drop based on information provided by the investees' management teams and may include valuations attributed to the investee as a result of subsequent funding rounds, audited or unaudited financial statements, cash flow projections and other management reports.

Impact of COVID-19

The fair value assessment of the BDF as at 30 June 2020 incorporates the impact of COVID-19 to the investee companies. A fair value decrease of \$4.354 million has been reported for 2019-20.

Accounting policy – Other financial assets (continued)

QIC Investment – CARP Pharmaceuticals

Treasury invested \$4 million in QIC Cash Fund established for the purpose of investing in shares of CARP Pharmaceuticals as Queensland Government's support for the research and development of drugs for the treatment of various cancers. The funding source for this investment is an equity injection from the Consolidated Fund. As at 30 June 2020, the cash fund has invested \$2.5 million in CARP Pharmaceuticals.

QIC manages the investment of the fund. The fund invests in CARP Pharmaceuticals based on the schedule of tranches payment as per the Shareholders Subscription Agreement.

The investment is measured at fair value through profit and loss (FVTPL) under AASB 9 *Financial Instruments*. As the investment is at an early stage, the cost of the investment will approximate the fair value of the investment for the first year. Further assessment of fair value will include latest funding round. Over the life of the investment, fair value decreases will also be assessed based on potential impairment of the investment. The fair value methodology is considered a level 1 input.

License fee receivable

QTH carries license fee receivable as a financial asset at fair value through profit and loss. The fair value of the license fee receivable is based on the revenue sharing arrangement whereby Brisbane Port Holdings Pty Ltd (BPH), a controlled entity of QTH was to receive a percentage of revenue above a hurdle amount from the Port Manager, Port of Brisbane Pty Ltd (PBPL), for a period of 35 years. In 2011, QTH made an upfront payment of \$121 million to BPH for the rights to these cash flows using funds provided from Queensland Treasury Corporation (QTC). The upfront payment was based on assumed volume growth for the Port of Brisbane using macroeconomic forecasts combined with analysis of local market and supply chain constraints. The license fee which is payable up to 2050 has been valued using the present discounted value of the future expected cash flows. These cash flows are discounted at a rate which considers the risks and uncertainties which exposes QTH to volatility over future revenues and therefore the valuation of the investment. At each balance date the receivable is reviewed incorporating current projections of trade volumes and price growth. This method is used to estimate the fair value as there is no active market for a receivable of this type.

	Consolidated Entity		Parent Entity	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
15 Intangibles				
Internally generated software				
– at cost	39,976	30,365	39,976	30,365
– accumulated amortisation	(17,520)	(7,437)	(17,520)	(7,437)
	22,456	22,928	22,456	22,928
Purchased software/licences				
– at cost	10,091	10,091	10,091	10,091
– accumulated amortisation	(9,897)	(9,754)	(9,897)	(9,754)
	194	337	194	337
Internally generated software work in progress				
– at cost	736	..	736	..
	736	..	736	..
Total intangibles				
– net book value	23,386	23,265	23,386	23,265

Accounting policy – Intangibles

All intangible assets of Treasury comprise internally developed and purchased software and software licences. Intangible assets with a cost greater than \$100,000 are recognised as an asset, have finite useful lives and are amortised on a straight-line basis.

Training costs and research activities relating to internally-generated assets are recognised as an expense when incurred.

As there is no active market for the department's intangible assets, they are recognised and carried at historical cost less accumulated amortisation and impairment losses. Intangible assets are annually assessed for indicators of impairment, principally reviewing the actual and expected continuing use of the asset. If a potential indicator of impairment exists, Treasury 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. When the asset's carrying amount exceeds the recoverable amount an impairment loss is recognised.

Accounting policy – Intangibles (continued)

For each class of intangible asset, the following amortisation rates were used:

Intangibles	Amortisation rates
– Internally generated software	10% - 25%
– Purchased software/licences	6.67% - 25%

	Internally generated software		Purchased software/licences		Internally generated software works in progress		Total	
Reconciliation	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Carrying amount at 1 July	22,928	14,429	337	478	..	4,876	23,265	19,783
Acquisitions	..	7,002	..	..	1,297	..	1,297	7,002
MoG transfer in	3,257	..	..	..	..	..	3,257	..
MoG transfer out	..	..	..	..	..	..	..	..
Disposals	..	..	..	..	..	..	..	..
Transfers between asset classes	561	4,876	..	..	(561)	(4,876)	..	..
Amortisation *	(4,291)	(3,379)	(142)	(141)	..	..	(4,433)	(3,520)
Carrying amount at 30 June	22,456	22,928	194	337	736	..	23,386	23,265

* Amortisation of intangibles is included in the line item 'Depreciation and amortisation' in the Statement of Comprehensive Income. Treasury has intangibles which are fully amortised and still in use that had an original cost of \$11.246 million (2019: \$9.652 million).

	Consolidated Entity		Parent Entity	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current				
Cash surety payable	61,034	52,548	61,034	52,548
Deferred appropriation payable to Consolidated Fund	30,034	28,083	30,034	28,083
Payables of operating nature	18,488	14,567	18,488	14,567
Interdepartmental payable	5,735	..	5,735	..
Equity withdrawal payable	4,355	3,365	4,355	3,365
Grant payable	769	..	769	..
GST payable	151	144	151	144
FBT payable	95	957	44	66
Sundry payables	1,054	3,113	300	94
	121,715	102,777	120,910	98,867
Non-current				
Payables of operating nature	1,341	9,207	..	7,513
	1,341	9,207	..	7,513

Accounting policy - Payables

Current payables are recognised upon receipt of goods and services at the agreed purchase price. Amounts owing are generally settled on 30-day terms and are unsecured. Deferred appropriation for services payable is recognised to reflect unused appropriation funding by Treasury to be returned to the Consolidated Fund. Refer to note 3 for recognition of deferred appropriation for departmental services payable.

16 Payables (continued)

Cash surety for the Financial Provisioning Scheme are recognised as a liability when the cash is received. The surety is payable on demand to the environmental authority holder as the surety provided can be replaced with another form of surety approved by the Scheme Manager.

Interdepartmental payable represents payable to DRDM in relation to transactions post machinery of government changes effective 1 June 2020 (note 2 (d)).

Grants payable includes an adjustment to the GST revenue grant recognised by Treasury against the actual share of the State from the GST collections by the Commonwealth for the period (refer note 37).

Non-current payable includes lease payments under an operating lease on a straight-line basis over the lease term. This represents straight-line leasing liability which was derecognised as at 1 July 2019 against opening retained earnings on the adoption of AASB 16 *Leases*.

Consolidated Entity		Parent Entity	
2020	2019	2020	2019
\$'000	\$'000	\$'000	\$'000

17 Deferred tax liabilities

Attributable to temporary differences:

Financial assets at fair value – AZJ

Investments in subsidiaries – DBCTH

Long term receivable – BPH licence fee*

Accrued audit fees

Subsidiary tax loss carry forward

39,052	46,962	..	..
178	178	..	..
(19,293)	(13,325)	..	..
(6)	(7)	..	..
(6)	..	..	..
19,925	33,808	..	..

Accounting policy - Deferred tax liability

Deferred tax liabilities are recognised by QTH for all taxable temporary differences between the carrying amount of assets and the corresponding tax base which is netted off against deferred tax asset.

*QTH has recognised a deferred tax asset in relation to the difference between the purchase price of a long-term receivable and its carrying amount. This receivable was originally recognised by QTH in 2011 at \$121.2 million and is currently recognised at its fair value of \$76 million due to the timing of the related cash flows which have been forecast to 2050. The long-term receivable has been discounted at 9.15% based on a pre-tax discount rate. The associated deferred tax asset has not been discounted based on the requirement of AASB 112 *Income Taxes*.

18 Interest bearing liabilities

Current loans with QTC

Long-term Lease loan*

Novation loan**

1,493	1,410	..	..
..	7,160	..	..
1,493	8,570	..	..

Non-current loans with QTC

Long-term Lease loan*

Novation loan**

102,898	104,391	..	..
..
102,898	104,391	..	..

* The Dalrymple Bay Coal Terminal long-term Lease Loan from QTC, a related party, is for a period of 50 years (31 years remaining), unless terminated earlier. Interest on the loan is fixed at 4.8% per annum, calculated on the daily balance and payable in arrears on each date rent is payable. A first ranking registered fixed and floating charge has been granted by DBCTH in favour of QTC over all the assets and undertakings of DBCTH.

** The Dalrymple Bay Coal Terminal long-term Novation Loan from QTC is for a period of 20 years, the final payment on this loan was paid on 30 June 2020.

18 Interest-bearing liabilities (continued)

Accounting policy – Interest-bearing liabilities

Interest bearing liabilities are recognised initially at fair value, net of transaction costs incurred with subsequent measurement at amortised cost using the effective interest rate method. Interest and fees payable are recognised in the period in which they are incurred.

Consolidated Entity		Parent Entity	
2020	2019	2020	2019
\$'000	\$'000	\$'000	\$'000

19 Commitments

Capital expenditure commitments

Material capital expenditure commitments, inclusive of GST, contracted for but not recognised in the financial statements are payable as follows:

Not later than one year	1,110	240	1,110	240
Later than one year and not later than five years	..	..	..	..
Later than five years	..	..	..	..
Total commitments	1,110	240	1,110	240

Treasury does not have any commitment under operating leases as at 30 June 2020 as a result of the adoption of AASB 16 *Leases*.

20 Contingencies

Financial Provisioning Scheme

Treasury holds non-cash surety in the form of bank guarantees and insurance bonds. Non-cash surety held by the Scheme Manager at 30 June 2020 is:

- Bank guarantees \$6,330.973 million (2019: \$8,217.753 million)
- Insurance bonds \$ 643.533 million (2019: \$84.823 million)

As at 30 June 2020 notices to provide surety have been issued to environmental authority holders for an aggregate value of \$196.975 million (2019: \$93.787 million). In July 2020, the Scheme Manager became aware that claims may be made against surety around the value of \$18.9 million. As the timing and amount of the claims are uncertain, the potential claims represent a contingency.

Native title claims

In January 2019, the Native Title Compensation Project Management Office (PMO) transferred from Department of Natural Resources, Mines and Energy to Queensland Treasury. The PMO is managing existing native title compensation claims that are progressing in the Federal Court and developing a whole-of-government framework to settle future native title compensation claims. Liability for native title compensation will be assessed on a claim by claim basis, at the whole-of-government level.

Environmental obligations

QTH has exposure to claims made against it through its subsidiaries and associated companies in relation to any pre-existing contamination of land assets. At balance date, there have been no claims made against QTH.

Land Tax

Under the Port of Brisbane Share Sale and Purchase Agreement, the State has agreed to pay to the port lessee any portion of the port lessee's Land Tax liability in years the Land Tax assessment for the leased area exceeds the estimated Land Tax assessment. The obligations are subject to certain conditions, including the lessee pursuing any objection available to it in relation to an assessment, and are limited to assessment years up to and including 30 June 2025. At balance date, there have been no payments made to the Port lessee.

21 Controlled entities

QTH is controlled by Treasury and its revenues, expenses, assets, liabilities and equity have been included within these financial statements. The Under Treasurer, as Trustee for the Treasurer of Queensland, holds a 60% beneficial interest in QTH, which comprises ownership of "A" class capital. The remaining 40% interest is held by the QTC for and on behalf of the Under Treasurer as the corporation sole of QTC. QTH acts as a corporate vehicle through which the Queensland Government invests in assets of strategic importance to the State. QTH is audited by the Auditor-General of Queensland.

QTH Summarised financial statements	2020 \$'000	2019 \$'000
Income Statement		
Net income	(22,130)	94,420
Expenses	(6,385)	(6,772)
Income tax (benefit)/expense	(11,608)	28,089
Operating result for the year (after income tax)	(16,907)	59,559
Balance Sheet		
Total assets	566,915	624,733
Total liabilities	(126,462)	(152,373)
Net Assets	440,453	472,360

	Net Assets	
	2020	2019
Name of Controlled Entity	\$'000	\$'000
Queensland Treasury Holdings Pty Ltd holds 100% ownership interest in the following material subsidiaries:		

Controlled entities of QTH

City North Infrastructure Pty Ltd*	..	..
Queensland Lottery Corporation Pty Ltd (QLC)	2,733	2,748
Queensland Airport Holdings (Cairns) Pty Ltd***	..	..
Queensland Airport Holdings (Mackay) Pty Ltd***	..	..
Network Infrastructure Company Pty Ltd**	..	..
Brisbane Port Holdings Pty Ltd (BPH)	19,403	19,229
DBCT Holdings Pty Ltd	7,387	7,420

*City North Infrastructure Pty Ltd did not trade during the year and the company is in the process of deregistering.

**Network Infrastructure Company Pty Ltd was registered on 15 June 2010 and has not traded.

***Act as lessors for the Mackay and Cairns airport assets under 99-year finance lease arrangements. As such all airport assets were derecognised and upfront funds received were repatriated to the State Consolidated Fund in 2009.

22 Events occurring after balance date

The following matters have arisen in Treasury since 30 June 2020:

- Treasury has established the Resources Community Infrastructure Fund (RCIF) effective 1 July 2019. The RCIF is a commitment by the State to work with Participating Mineral Resource Industry Parties to jointly fund a range of projects in communities which host significant minerals production, or which have significant mineral operations in resource communities. State revenue has issued confirmation of contribution of \$23.3 million to participating resource companies in July 2020.
- The Scheme Manager made the first \$5M investment of Financial Provisioning Fund monies into a QIC investment facility in July 2020 in accordance with the MERFP Act provisions.
- The Queensland Future Fund Act 2020 was passed on 13 August 2020 by the Queensland Parliament. The Act establishes the first Queensland Future Fund – the Debt Retirement Fund. The Debt Retirement Fund will be seeded through the transfer of certain existing financial and non-financial State assets into QIC trusts on QTC's balance sheet. In return QTC will issue Fixed Rate Notes to the Queensland Future Fund equal to the market value of the assets. The Fixed Rate Notes will be held on Treasury's balance sheet.

There are no matters or circumstances which have arisen since the end of financial year that have significantly affected QTH.

23 Financial instruments

(a) Accounting policy

Recognition

Financial assets and financial liabilities are recognised in the Statements of Financial Position when Treasury becomes party to the contractual provisions of the financial instrument.

Classification

Financial instruments are classified and measured as follows:

1. Financial assets - held at amortised cost
 - Receivables (notes 13 and 36)
 - Loans and advances (note 36)
2. Financial assets– held at fair value through profit and loss (note 14)
 - Licence fee receivable
 - Other financial assets
 - Investment in Shares in Aurizon Holdings Ltd (AZJ)
 - Investment in Business Development Fund (BDF),
 - Investment in CARP Pharmaceuticals
3. Financial liabilities - held at amortised cost
 - Payables (notes 16 and 37)
 - Interest bearing liabilities – Commonwealth borrowings, QTC borrowings and Advances payable to Government-Owned Corporation (GOCs,) QTH long-term lease and novation liabilities (notes 18 and 38)

(b) Categorisation of financial instruments

Category	Note	2020 \$'000	2019 \$'000
Financial assets			
Cash and cash equivalents	12	237,594	194,887
Receivables	13	172,582	163,169
Other financial assets	14		
Shares – AZJ		270,236	296,601
QIC investments, Business Development Fund		72,284	56,638
QIC investments, CARP Pharmaceuticals		4,000	..
Licence fee receivable		56,940	76,833
Total		813,636	788,128
Financial liabilities			
Payables	16	121,357	102,360
Interest bearing liabilities	18	104,391	112,961
Total		225,748	215,321

(c) Financial risk management

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

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

Treasury and its controlled entities manage exposure to these financial risks through advice and consultation with QTC primarily in relation to borrowing activities. Risk management parameters are reviewed regularly to reflect changes in market conditions and changes to Treasury and its controlled entities' activities.

23 Financial instruments (continued)

(d) Liquidity risk

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

Treasury and its controlled entity manage liquidity risk by ensuring that it has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts to match the expected duration of the various employee and supplier liabilities.

QTH is exposed to liquidity risk through its borrowings with QTC, however this is mitigated by back to back arrangements on debt obligations.

The following table sets out the liquidity risk in relation to financial liabilities held by consolidated entity. It represents the remaining contractual cash flows (principal and interest) of financial liabilities at the end of the reporting period.

Consolidated	Note	2020 payable in			Total undiscounted cash flow \$'000	Carrying amount \$'000
		< 1 year	1 - 5 years	> 5 years		
		\$'000	\$'000	\$'000		
Financial liabilities						
Payables	16	121,357	..	..	121,357	121,357
Interest bearing liabilities	18	6,471	25,882	169,580	201,933	104,391
Total		127,828	25,882	169,580	323,290	225,748

Consolidated	Note	2019 payable in			Total undiscounted cash flow \$'000	Carrying amount \$'000
		< 1 year	1 - 5 years	> 5 years		
		\$'000	\$'000	\$'000		
Financial liabilities						
Payables	16	102,360	..	..	102,360	102,360
Interest bearing liabilities	18	13,846	25,882	176,051	215,779	112,961
Total		116,206	25,882	176,051	318,139	215,321

(e) Credit risk

QTH is exposed to credit risk primarily through its investments in the QTC Cash Fund. The QTC Cash Fund is an asset management portfolio that invests with a wide variety of high credit rated counterparties. Deposits with the QTC Cash fund are capital guaranteed (note 12).

QTH is also exposed to credit risk in relation to the receivable arrangements entered with BPH. BPH has assigned its rights to QTH to receive money payable to it by the Port Manager, PBPL (note 14).

(f) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange, interest rates and equity prices will affect Treasury and its controlled entities income or value of its holdings of financial instruments. The objective is to manage and control market risk exposure within acceptable parameters, while optimising return within desired frameworks.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

QTH is exposed to interest rate risk through the QTC Cash Fund which is capital guaranteed. Treasury is exposed to interest rate risk through the cash accounts from the Financial Provisioning Scheme and through the investment in the BDF for investments held between 2–5 years. All other financial assets and financial liabilities are fixed in nature.

Equities risk

QTH is exposed to equities risk from movements in the share price of the Aurizon Holdings Ltd shares. The QTH board monitors the investment exposure based on market data and consults with the State regarding retention of the holding.

23 Financial instruments (continued)

(f) Market risk (continued)

Sensitivity analysis

Interest rates

Sensitivity to interest rate movements is shown for variable financial assets and liabilities based on the carrying amount at reporting date. The following interest rate sensitivity analysis depicts the outcome on comprehensive income and equity if interest rates were to change by +/- 0.25% for 2020 (2019: +/- 1%) to reflect current expectations of future interest movement in the next 12 months from year-end rates applicable to Treasury's financial assets and liabilities.

Consolidated Financial instruments	Carrying amount	2020 Interest rate risk			
		-0.25%		0.25%	
		Profit	Equity	Profit	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash *	175,355	(438)	(438)	438	438
QIC Investment - BDF **	18,100	(45)	(45)	45	45
Potential impact		(483)	(483)	483	483

Consolidated Financial instruments	Carrying amount	2019 Interest rate risk			
		-1%		1%	
		Profit	Equity	Profit	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash *	146,138	(1,461)	(1,461)	1,461	1,461
QIC Investment - BDF **	11,403	(114)	(114)	114	114
Potential impact		(1,575)	(1,575)	1,575	1,575

* excludes fixed rate or non interest-bearing assets

** only includes investment held between 2-5 years

Equities

Sensitivity analysis for equity instruments is based on a reasonably possible change in the ASX200 share price which is estimated at +/- 10% (2019: +/- 10%).

Financial instruments	Carrying amount	2020 Equities			
		-10%		10%	
		Profit	Equity	Profit	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Other financial assets – Shares – AZJ	270,236	(27,024)	(27,024)	27,024	27,024
Potential impact		(27,024)	(27,024)	27,024	27,024

Financial instruments	Carrying amount	2019 Equities			
		-10%		10%	
		Profit	Equity	Profit	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Other financial assets – Shares – AZJ	296,601	(29,660)	(29,660)	29,660	29,660
Potential impact		(29,660)	(29,660)	29,660	29,660

23 Financial instruments (continued)

(g) Fair value

Fair value hierarchy

Financial instruments measured at fair value have been classified in accordance with the hierarchy described in AASB 13 *Fair Value Measurement*. The fair value hierarchy is categorised into three levels based on the observability of the inputs to fair valuation techniques:

- Level 1 – represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities.
- Level 2 – represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly.
- Level 3 – represents fair value measurements that are substantially derived from unobservable inputs

Classification of instruments into fair value hierarchy levels is reviewed annually, and any transfers are deemed to occur at the end of the reporting period. There were no transfers between Level 1 and Level 2 and no transfers in or out of Level 3 during the year ended 30 June 2020.

Class	Classification according to fair value hierarchy			2020 Carrying amount
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Cash and cash equivalents	143,155	94,439	..	237,594
Other financial assets – Shares – AZJ	270,236	..	..	270,236
License Fee Receivable	..	..	56,940	56,940
QIC Investment - BDF	..	72,284	..	72,284
QIC Investment - CARP Pharmaceuticals	4,000	..	..	4,000
Total	417,391	166,723	56,940	641,054

Class	Classification according to fair value hierarchy			2019 Carrying amount
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Cash and cash equivalents	101,311	93,576	..	194,887
Other financial assets – Shares – AZJ	296,601	..	..	296,601
License Fee Receivable	..	..	76,833	76,833
QIC Investment - BDF	..	56,638	..	56,638
Total	397,912	150,214	76,833	624,959

The inputs used in the classification of Level 2 instruments at fair value are as follows:

- QTC Cash Fund is measured at net realisable value.
- Investment in BDF is measured based on the net asset value which incorporates cost of the investment adjusted for the interest and latest equity raised (for investments more than 5 years). Fair value decreases incorporate assessment of cash flow projections and going concern for investees.

The input used in the classification of Level 3 instruments where fair value is disclosed:

- Licence fee receivable cash flows are discounted at 9.15% per annum (2019: 9.48%) using projections of trade revenue and price growth inflated at CPI.

The lease receivable and associated interest-bearing liabilities (lease loan and novation loan) are back to back leasing arrangements held by DBCTH. Both the other receivable and associated loan fair values are reasonably approximate to the carrying value at balance date due to the offsetting nature of these arrangements.

23 Financial instruments (continued)

(g) Fair value (continued)

The carrying amount of financial assets and liabilities measured at amortised cost approximates their fair value at reporting date except for the following financial asset:

	2020		2019	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
Financial asset				
Loan receivable ^	40,670	47,814	44,457	52,232
Total	40,670	47,814	44,457	52,232

^ QTH only

The fair values have been based on the following:

- Loans receivable are discounted to present value using a discount rate considering the entity specific risks and using valuation techniques.

24 Budget vs Actual comparison - Controlled

Note – A budget vs actual comparison, and explanations of major variances, has not been included for the Statement of Changes in Equity, as major variances relating to that statement have been addressed in explanations of major variances for other statements.

The Original Budget, instead of Adjusted Budget, has been used in the Budget vs Actual variance. The Adjusted Budget, representing Original Budget adjusted for the machinery-of-government change transfer of the Planning and Infrastructure and Economic Resilience functions, was not presented in Parliament due to the suspension of the 2020-21 Budget process as a result of the COVID-19 pandemic.

Explanation of major variances for Statement of Comprehensive Income

- Note 5: The decrease relates to lower interest earned on the FPS's cash balance.
- Face Other revenue - The increase is mainly due to the surety redemption from the FPS of \$5.114 million. Also contributing is a settlement payment received of \$1 million.
- Note 6: This relates to the impact of fair value decrease associated with the BDF Investment in accordance with AASB 9 Financial Instruments.
- Note 7: The decrease is mainly due to strategies in place to manage Treasury's full-time equivalents and the impact of Government decision on wage policies.
- Note 8: The decrease is mainly due to \$5 million budgeted as supplies and services with actual expenses of \$4.75 million recognised as grants and subsidies. Also contributing is decreased expenditure associated with the development of QGAir - Future Strategic Direction Report (\$3.078 million).
- Note 9: The increase is mainly due to \$5 million budgeted as supplies and services while actual expenses of \$4.75 million are recognised as grants and subsidies. Also contributing is the unbudgeted payment for Maturing the Infrastructure Pipeline Program of \$1.110 million.

Explanation of major variances for Statement of Financial Position

- Note 12: The increase is primarily due to the increase in current payables of \$60.272 million at year end (refer to explanation in Note 16).
- Note 13: The increase mainly relates to the outstanding FPS annual contributions from Environmental Authority holders (\$2.269 million). This is partially offset by movement in receivables relating to post machinery-of-government change transactions associated with Market-Led Proposal (\$0.616 million) and a decrease in annual leave claim receivable (\$0.504 million).
- Face Other assets: The increase reflects increased prepayments of \$2.195 million mainly relating to SAP products and services in State Revenue.
- Note 13: The increase reflects the payments to be received for a parcel of land under development by DSDTI. Payments are to be made after the land has been developed.
- Note 14: The decrease relates to the fair value adjustment to the BDF in accordance with AASB 9 Financial Instruments (\$7.346 million) partially offset by an investment of \$4 million in CARP Pharmaceuticals by the State.
- Note 15: The increase is mainly due to \$3.257 million internally generated software transferred-in from DRDM as part of the machinery-of-government change.

24 Budget vs Actual comparison – Controlled (continued)

Explanation of major variances for Statement of Financial Position (continued)

- Note 16 (current): The increase is mainly due to the recognition of appropriation payable of \$30.034 million, increase in payables to Environmental Authority holders associated with cash surety under the MERFP Act 2018 (\$13.886 million), and the recognition of equity withdrawal payable of \$4.355 million associated with the BDF fair value adjustment. Also contributing is a payable to DRDM (\$5.734 million) as a result of the transactions associated with the machinery-of-government transfer of Planning and Infrastructure and Economic Resilience functions.
- Note 16 (non-current): The decrease relates to the cessation of the straight-line methodology on the recognition of lease expenses in 2019-20 under the new accounting standard AASB 16 Leases.
- Face Accrued employee benefits - The increase relates to higher than budgeted annual leave central scheme levy payable (\$1.079 million) and accrued salaries and wages (\$1.107 million).
- Face Contributed Equity - The increase is mainly due to the equity adjustment of \$22.781 million relating to machinery-of-government change transfer of Planning and Infrastructure and Economic Resilience functions. Also contributing is increased equity injection of \$4 million for the State's investment in CARP Pharmaceuticals. This is partially offset by equity withdrawal payment of \$7.720 million associated with the BDF fair value adjustment.

Explanation of major variances for Statement of Cash Flows

Cash inflows from Operating Activities

Surety receipts from Financial Assurance Scheme - The increase is due to unbudgeted cash surety collected from Environmental Authority holders.

User charges and fees - The decrease is mainly due to budget including \$4.823 million for GST paid to ATO. Also contributing is lower than budgeted fund contributions and assessment fees from the Financial Provisioning Fund scheme (\$1.720 million).

GST input tax credits from Australian Taxation Office (ATO) - The increase is due to the amount of Input tax credits paid by the Australian Taxation Office (ATO) for supplier invoices processed which was not budgeted for.

GST collected from customers - The increase is due to the amount of GST collected from customers from sale of goods and services which was not budgeted for.

Cash outflows from Operating Activities

Employee expenses - The decrease is mainly due to strategies in place to manage Treasury's full-time equivalents and the impact of Government decision on wage policies.

Supplies and services - The decrease is mainly due to \$5 million budgeted as supplies and services with actual expenses of \$4.75 million recognised as grants and subsidies and decreased expenditure associated with the development of QGAir - Future Strategic Direction Report (\$3.078 million). Also contributing is a payable to DRDM (\$5.734 million) as a result of the transactions associated with the machinery-of-government change transfer of Planning and Infrastructure and Economic Resilience functions.

Grants and subsidies - The increase is mainly due to \$5 million budgeted as supplies and services while actual expenses of \$4.75 million are recognised as grants and subsidies. Also contributing is the unbudgeted payment for Maturing the Infrastructure Pipeline Program of \$1.110 million.

GST remitted to ATO - The increase is mainly due to unbudgeted GST remitted to ATO.

GST paid to suppliers - The increase is mainly due to unbudgeted GST paid to suppliers for goods and services purchased.

Other outflows - The decrease is mainly due to budget including \$4.823M for GST paid to ATO.

Cash flows from Investing Activities

Payment for non-financial assets - The decrease relates to the capital investment for the State Revenue's Transformation Program, which was budgeted as Payments for non-financial assets while actual is recognised as Payments of intangibles.

Payments for investment - The increase reflects an investment of \$4 million in CARP Pharmaceuticals.

Payments for intangibles - The increase is mainly due to unbudgeted capital investment of \$0.736 million for a technical upgrade to Treasury's S/4HANA system. Also contributing is the capital investment of \$0.561 million for the State Revenue's Transformation Program, which was budgeted as Payments for non-financial assets while actual is recognised as Payments of intangibles.

Cash flows from Financing Activities

Equity injections - The increase mainly reflects an investment of \$4 million in CARP Pharmaceuticals.

Equity withdrawals - The increase is mainly due to \$4.355 million in equity withdrawal associated with the BDF fair value adjustment.

		2020	2020	2020	2019
		Actual	Original Budget	Budget Variance*	Actual
	Notes	\$'000	\$'000	\$'000	\$'000
Income and expenses administered on behalf of the whole-of-government					
Income from operations					
Revenue					
Grants and other contributions	25	17,833,696	18,702,531	(868,835)	19,280,473
Taxes	26	11,548,671	12,006,661	(457,990)	11,617,135
Royalties	27	4,493,630	5,419,704	(926,074)	5,183,244
Appropriation revenue	28	6,512,602	5,951,953	560,649	5,827,870
Interest revenue		23,495	29,155	(5,660)	33,299
User charges and fees		44,049	55,711	(11,662)	50,482
Other revenue	29	502,665	522,828	(20,163)	419,138
Total income from operations		40,958,808	42,688,543	(1,729,735)	42,411,641
Expenses from operations					
Supplies and services	30	138,340	163,121	(24,781)	126,222
Losses on receivables	31	50,677	58,746	(8,069)	25,959
Finance/borrowing costs	32	1,200,380	1,327,550	(127,170)	1,306,549
Grants and subsidies	33	619,350	219,440	399,910	157,040
Other expenses	34	4,523,995	4,241,842	282,153	4,222,192
Total expenses from operations		6,532,742	6,010,699	522,043	5,837,962
Operating result from operations before transfers to government		34,426,066	36,677,844	(2,251,778)	36,573,679
Transfers of administered revenue to government		34,426,066	36,677,844	(2,251,778)	36,573,679
Total administered comprehensive income		..	..	..	..

* An explanation of major variances is included at Note 41.

The accompanying notes form part of these statements.

		2020	2020	2020	2019
		Actual	Original Budget	Budget variance*	Actual
	Notes	\$'000	\$'000	\$'000	\$'000
Assets and liabilities administered on behalf of the whole-of-government					
Current assets					
Cash assets	35	772,659	(1,561,137)	2,333,796	(3,754,475)
Receivables	36	1,729,271	1,150,693	578,578	1,007,946
Other current assets		9,642	8,460	1,182	8,809
Total current assets		2,511,572	(401,984)	2,913,556	(2,737,720)
Non-current assets					
Receivables	36	53,391	56,429	(3,038)	62,249
Total non-current assets		53,391	56,429	(3,038)	62,249
Total administered assets		2,564,963	(345,555)	2,910,518	(2,675,471)
Current liabilities					
Payables	37	1,321,121	23,206	1,297,915	132,312
Transfer to government payable **		1,346,225	1,087,449	258,776	960,101
Interest bearing liabilities	38	1,505,782	1,339,292	166,490	2,281,142
Other liabilities		51,494	37,627	13,867	35,573
Total current liabilities		4,224,622	2,487,574	1,737,048	3,409,128
Non-current liabilities					
Interest bearing liabilities	38	37,063,615	32,350,619	4,712,996	29,082,160
Total non-current liabilities		37,063,615	32,350,619	4,712,996	29,082,160
Total administered liabilities		41,288,237	34,838,193	6,450,044	32,491,288
Administered net assets		(38,723,274)	(35,183,748)	(3,539,526)	(35,166,759)

* An explanation of major variances is included at Note 41.
The accompanying notes form part of these statements.

** Accounting policy – Transfers to Government Payable

In accordance with the *Financial Accountability Act 2009*, all administered revenue is to be transferred to the Treasurer's Consolidated Fund operating account during the year. Revenue earned but not yet transferred to the Treasurer's Consolidated Fund operating account are recorded as a payable at year end. Administered revenue received is transferred to the Consolidated Fund during the year and can be found in the Statement of Comprehensive Income. The accounts are prepared on an accrual basis of accounting as outlined in note 1(b).

	Notes	2020 \$'000	2019 \$'000
Cash flows administered on behalf of the whole-of-government			
Cash flows from operating activities			
Inflows			
Administered item receipts		6,642,230	5,745,806
Grants and other contributions		18,844,837	19,311,569
Taxes		10,884,236	11,581,031
Royalties		4,476,703	5,179,410
Interest		19,776	30,994
GST input tax credits from ATO		5,517	4,883
GST collected from customers		20,398	19,111
Other		473,235	423,260
Outflows			
Transfers to government		(34,044,466)	(36,517,420)
Grants and subsidies		(572,213)	(157,040)
Finance/borrowing costs		(1,170,363)	(1,256,605)
Supplies and services		(138,429)	(152,459)
GST remitted to ATO		(20,391)	(19,111)
GST paid to suppliers		(5,659)	(5,011)
Other		(4,525,077)	(4,181,769)
Net cash provided by/(used in) operating activities		890,334	6,649
Cash flows from investing activities			
Inflows			
Loans and advances received		18,787	19,700
Outflows			
Loans and advances made		(11,562)	(4,067)
Net cash provided by/(used in) investing activities		7,225	15,633
Cash flows from financing activities			
Inflows			
Equity injections		4,500	742,959
Advances received from GOCs		2,592,039	3,014,094
Borrowings		3,552,626	1,578
Transfer from redraw		4,445,000	500,000
Outflows			
Borrowing redemptions		(13,221)	(32,077)
Transfer to redraw		..	(375,000)
Advance redemptions to GOCs		(3,396,868)	(3,081,827)
Equity withdrawals		(3,554,500)	(721,000)
Net cash provided by/(used in) financing activities		3,629,575	48,727
Net increase/(decrease) in cash and cash equivalents		4,527,134	71,009
Administered cash and cash equivalents at beginning of financial year		(3,754,475)	(3,825,484)
Administered cash and cash equivalents at end of financial year		772,659	(3,754,475)

	2020 \$'000	2019 \$'000
Administered on behalf of the whole-of-government		
Administered comprehensive income		
Non-cash finance cost adjustments	119	(897)
Interest expense on QTC loans	27,691	47,588
Non-cash adjustment in equity*	(6,512)	6,512
Loan write-off	..	1,377
Change in assets and liabilities:		
(Increase)/decrease in receivables	(720,986)	(64,544)
(Increase)/decrease in other current assets	(833)	(341)
Increase/(decrease) in payables	1,188,811	(36,588)
Increase/(decrease) in transfers to government payable	386,123	56,259
Increase/(decrease) in other liabilities	15,921	(2,717)
Net cash provided by/(used in) operating activities	890,334	6,649

* The 2018-19 relates to accounting policy change on impairment on the adoption of AASB 9 Financial Instruments.

		Non-Cash Changes			Cashflows			
		Closing balance 2019	Transfers to/(from) other Queensland Government Entities	New Leases Acquired	Interest & Admin Fees	Cash Received	Cash Repayments	Closing balance 2020
Notes		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets and liabilities administered on behalf of the whole-of-government								
Current liabilities								
Interest bearing liabilities	38	2,281,142	..	..	42,691	2,592,039	(3,410,090)	1,505,782
Non-current liabilities								
Interest bearing liabilities	38	29,082,160	..	..	(16,170)	7,997,624	..	37,063,615
Total administered liabilities		31,363,302	..	..	26,521	10,589,663	(3,410,090)	38,569,397

		Non-Cash Changes				Cashflows		
		Closing balance 2018	Transfers to/(from) other Queensland Government Entities	New Leases Acquired	Interest & Admin Fees	Cash Received	Cash Repayments	Closing balance 2019
Notes		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets and liabilities administered on behalf of the whole-of-government								
Current liabilities								
Interest bearing liabilities	38	2,298,345	..	..	64,542	3,014,094	(3,095,839)	2,281,142
Non-current liabilities								
Interest bearing liabilities	38	28,250,395	..	..	723,253	501,578	(393,066)	29,082,160
Total administered liabilities		30,548,740	..	..	787,795	3,515,672	(3,488,905)	31,363,302

	Economic and Fiscal Coordination		Revenue Management		Other *		Inter-service/activity eliminations		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Income and expenses administered on behalf of the whole-of-government										
Income from operations										
Revenue										
Grants and other contributions	17,833,696	19,280,473	..	..	..	..	..	..	17,833,696	19,280,473
Taxes	1,713	1,340	11,574,602	11,629,613	..	..	(27,644)	(13,819)	11,548,671	11,617,134
Royalties	..	..	4,493,630	5,183,244	..	..	..	..	4,493,630	5,183,244
Appropriation revenue	143,198	151,030	598,999	156,519	5,770,405	5,520,321	..	..	6,512,602	5,827,870
Interest revenue	..	..	10,683	18,885	18,658	23,781	(5,846)	(9,367)	23,495	33,299
User charges and fees	..	..	43,079	50,493	970	..	..	(10)	44,049	50,483
Other revenue	276,647	161,005	212,989	242,590	13,029	15,543	..	..	502,665	419,138
Total income from operations	18,255,254	19,593,848	16,933,982	17,281,344	5,803,062	5,559,645	(33,490)	(23,196)	40,958,808	42,411,641
Expenses from operations										
Supplies and services	129,920	120,203	6,500	5,474	1,920	545	..	..	138,340	126,222
Losses on receivables	..	..	50,677	24,582	..	1,377	..	..	50,677	25,959
Finance/borrowing cost	..	..	136	51	1,206,090	1,315,865	(5,846)	(9,367)	1,200,380	1,306,549
Grants and subsidies	9,361	8,477	562,853	136,563	47,136	12,000	..	..	619,350	157,040
Other expenses	3,917	22,350	29,510	14,431	4,518,212	4,199,240	(27,644)	(13,829)	4,523,995	4,222,192
Total expenses from operations	143,198	151,030	649,676	181,101	5,773,358	5,529,027	(33,490)	(23,196)	6,532,742	5,837,962
Operating result from operations before transfers to government	18,112,056	19,442,818	16,284,306	17,100,243	29,704	30,618	..	..	34,426,066	36,573,679
Transfers of administered comprehensive income to government	18,112,056	19,442,818	16,284,306	17,100,243	29,704	30,618	..	..	34,426,066	36,573,679
Total administered comprehensive income	..	..	..	..	..	..	..	..	..	..

* Includes superannuation, whole-of-government offset account, central schemes (insurance, annual leave and long service leave), and other administered items.

	Economic and Fiscal Coordination		Revenue Management		Other **		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Assets and liabilities administered on behalf of the whole-of-government *								
Current assets								
Cash assets	669,421	(86,805)	80,169	95,271	23,069	(3,762,941)	772,659	(3,754,475)
Receivables	68,940	39,444	1,637,479	948,337	22,852	20,165	1,729,271	1,007,946
Other current assets	154	147	..	..	9,488	8,662	9,642	8,809
Total current assets	738,515	(47,214)	1,717,648	1,043,608	55,409	(3,734,114)	2,511,572	(2,737,720)
Non-current assets								
Receivables	..	..	..	..	53,391	62,249	53,391	62,249
Total non-current assets	..	..	..	..	53,391	62,249	53,391	62,249
Total administered assets	738,515	(47,214)	1,717,648	1,043,608	108,800	(3,671,865)	2,564,963	(2,675,471)
Current liabilities								
Payables	1,131,592	130,381	20,780	(19,314)	168,749	21,245	1,321,121	132,312
Transfer to Government payable	(284,079)	(68,599)	1,644,929	1,020,391	(14,625)	8,309	1,346,225	960,101
Interest bearing liabilities	..	..	..	..	1,505,782	2,281,142	1,505,782	2,281,142
Other liabilities	..	..	51,494	35,573	..	..	51,494	35,573
Total current liabilities	847,513	61,782	1,717,203	1,036,650	1,659,906	2,310,696	4,224,622	3,409,128
Non-current liabilities								
Interest bearing liabilities	..	..	..	..	37,063,615	29,082,160	37,063,615	29,082,160
Total non-current liabilities	..	..	..	..	37,063,615	29,082,160	37,063,615	29,082,160
Total administered liabilities	847,513	61,782	1,717,203	1,036,650	38,723,521	31,392,856	41,288,237	32,491,288
Administered net assets	(108,998)	(108,996)	445	6,958	(38,614,721)	(35,064,721)	(38,723,274)	(35,166,759)

* The department has systems in place to allocate assets and liabilities by major departmental services.

** Includes superannuation, whole-of-government offset account and central schemes (insurance, annual leave and long service leave), and other administered items.

25 Grants and other contributions

	2020 \$'000	2019 \$'000
Administered on behalf of the whole-of-government		
GST revenue grant	12,761,097	14,332,279
National Partnership Payments - capital project	1,731,979	1,589,713
National Partnership Payments - recurrent project	296,300	638,311
Specific purpose - recurrent		
- Schools	1,798,411	1,665,198
- Skills and workforce development	309,289	304,397
- Disability services	547,596	368,875
- Affordable housing	321,030	313,706
Other	67,994	67,994
	17,833,696	19,280,473

Accounting policy – Grants and other contributions

Grants are recognised based on the applicable revenue standard. Grants that do not meet the enforceable and sufficiently specific performance obligations under AASB 15 *Revenue from Contracts with Customers* will be recognised under AASB 1058 *Income for Not-for-Profit entities*. Grants recognised under AASB 1058 are recognised upfront or when the corresponding asset (e.g. cash or receivable) has been recognised and received. Where the grant agreement is enforceable and does contain sufficiently specific performance obligations that will result to Treasury providing goods or services to other parties are recognised under AASB 15 and may qualify for deferral depending on when the specific performance obligations have been satisfied.

Commonwealth Grants revenue are recognised immediately when received under AASB 1058. These are remitted to the Consolidated Fund.

Donations, gifts and other contributions are recognised as revenue in the year which Treasury obtains control over them (control is generally obtained at the time of receipt).

Grants received by Treasury on-passed to other departments are not recognised as revenue as Treasury's responsibility is solely to pass the grants to other entities (refer to note 43). Specific purpose grants received by Treasury relating to Quality Schools Funding are on-passed to the Department of Education. Specific purpose grants received by Treasury relating to National Insurance Affordability Initiative are on-passed to the then Department of Infrastructure, Local Government and Planning. Specific purpose grants received by Treasury relating to plant disease and eradication are on-passed to the Department of Agriculture and Fisheries. All other grants are transferred to the Consolidated Fund.

2020
\$'000

2019
\$'000

26 Taxes

Administered on behalf of the whole-of-government		
Taxes		
Duties	4,624,138	4,743,313
Payroll Tax	4,253,926	4,203,144
Land Tax	1,411,059	1,336,412
Gaming Machine Tax	616,900	734,461
Lottery Tax	332,079	303,869
Betting Tax	116,671	72,461
Casino Tax	96,576	109,480
Keno Tax	17,107	20,353
Wagering Tax	1,798	3,013
Other taxes	1,283	1,235
	11,471,537	11,527,741
Levies		
Health services levy	77,134	89,394
	77,134	89,394
	11,548,671	11,617,135

Accounting policy – Taxes

The main revenue streams and the governing Acts which underpin them include:

- *Duties Act 2001*
- *Payroll Tax Act 1971*
- *Land Tax Act 2010*
- *Taxation Administration Act 2001*
- *Local Government Act 2009 (National Tax Equivalent Regime (NTER))*
- *Betting Tax Act 2018*
- *Gaming Machine Act 1991, Casino Control Act 1982, Keno Act 1996, Lotteries Act 1997, and Wagering Act 1998 (administered by The Office of Liquor and Gaming Regulation (OLGR))*

Revenue is recognised under AASB 1058 *Income for Not-for-Profit entities* when one or more of the following taxable events occur:

- The underlying transaction or event which gives rise to the right to collect the revenue occurs and can be measured reliably
- The assessment is raised by the self-assessor (a person who lodges transactions online), predominantly for Payroll Tax and Duties. Additional revenue is recognised upon amended assessment
- The assessment is issued because of Commissioner-assessed transactions or following compliance activities such as reviews and audits, predominantly for Land and Gaming Taxes
- Tax penalty and interest revenue is recognised when raised, when an assessment becomes overdue or further enforcement activity commences.

The impact of the COVID-19 response measures to tax revenue foregone has been detailed in note 2 (c).

2020	2019
\$'000	\$'000

27 Royalties

Administered on behalf of the whole-of-government

Mining royalties	4,493,630	5,183,244
	4,493,630	5,183,244

Accounting policy – Royalties

The main revenue streams and the governing Acts which underpin them include:

- *Mineral Resources Act 1989, Petroleum and Gas (Production and Safety Act) 2004*
- *Taxation Administration Act 2001.*

Revenue is recognised when one or more of the following events are satisfied:

- The underlying transaction or event which gives rise to the right to collect the revenue occurs and can be measured reliably. The underlying transaction or event is usually when
 - the mineral is sold, disposed of or used in a return period.
 - petroleum is disposed of or the return in which the petroleum is produced
- The assessment is raised by the self-assessor (a person who lodges transactions online). Additional revenue is recognised upon amended assessment
- The assessment is issued because of Commissioner-assessed transactions or following compliance activities such as reviews and audits
- Tax penalty and interest revenue is recognised when raised, when an assessment becomes overdue or further enforcement activity commences.

28 Appropriation Revenue

	2020 \$'000	2019 \$'000
Administered on behalf of the whole-of-government		
Budgeted administered item appropriation and equity	9,604,083	6,724,751
Transfer (to)/from other departments	(548,000)	..
Transfer (to)/from other heading	..	(4,464)
Treasurer's Advance	(1,993,980)	..
Lapsed appropriation	(419,873)	(231,522)
Unforeseen expenditure	..	..
Total administered item receipts including equity	6,642,230	6,488,765
Plus opening balance of administered deferred appropriation payable to Consolidate Fund	14,543	82,064
Less closing balance of administered deferred appropriation payable to Consolidated Fund	(143,002)	(14,543)
Less closing balance of administered appropriation payable to Commonwealth	(1,169)	..
Net appropriation revenue	6,512,602	6,556,286
Plus deferred appropriation expense payable to Consolidated Fund	..	14,543
Total administered appropriation revenue recognised in the Statement of Comprehensive Income including equity	6,512,602	6,570,829
This is represented by:		
Administered item revenue recognised in Statement of Comprehensive Income	6,512,602	5,827,870
Appropriated equity adjustment recognised in equity injection/(withdrawal)	..	742,959
Total administered appropriation revenue recognised in the Statement of Comprehensive Income including equity	6,512,602	6,570,829

Additional appropriation revenue received to fund COVID-19 response measures has been detailed in note 2 (c).

	2020	2019
	\$'000	\$'000

29 Other revenue

Administered on behalf of the whole-of-government		
Competitive neutrality fees	271,706	155,936
SPER fines	209,787	239,114
Proceeds of crime from the Public Trustee	6,718	8,045
Miscellaneous receipts	14,454	16,043
	502,665	419,138

Accounting policy – Other revenue and user charges and fees

The State Penalties Enforcement Act 1999 largely covers administrative arrangements for the enforcement and recovery of court ordered fines, related levies and unpaid infringement notices. SPER fines are recognised upfront equivalent to the amount of the asset (cash or receivables) under AASB 1058 *Income for Not-for-Profit entities*. Revenue is recognised when the unpaid penalty, fine or levy (such as court, traffic offences and tolling fines) has been transferred and registered with SPER. Additional income from enforcement fees on overdue fines is recognised when they are subject to further enforcement action.

SPER fees reported under administered user charges and fees are recognised as revenue when the underlying transaction or event which gives rise to the right to collect the revenue occurs and can be measured reliably under AASB 1058. This occurs on registration of the default certificate where the amount unpaid is increased by the amount of the registration fee.

Competitive neutrality fees are a requirement for government business activities to pay taxes (or tax equivalents) to remove benefits (and costs) as a result of their public ownership which accrue to government business activities when competing with the private sector. This fee also includes QIC investment management fees payable by QTC and statutory bodies that have significant funds under management with QIC.

30 Supplies and services

Administered on behalf of the whole-of-government		
GST administration expense remitted to the Commonwealth	129,920	120,202
Administration fees	2,379	1,410
Other	6,041	4,610
	138,340	126,222

2020
\$'000

2019
\$'000

31 Losses on receivables

Administered on behalf of the whole-of-government		
Impairment losses on receivables – Taxation	28,168	5,518
Impairment loss reversals - SPER	(3,382)	(19,900)
Bad debts written off *	25,891	40,341
	50,677	25,959

* Debt Write Off Guidelines 1/2013, enables the SPER Registrar to write off bad debts in all circumstances in which it is unlikely the debts could be recovered cost effectively. Bad debts written off for SPER amounts to \$9.555 million for 2019-20 (2019:\$19.551 million).

The total bad debts written-off includes bad debts written off directly, not through provision for impairment, \$3.21 million (2019:\$6.48million)(note 36).

Credit risk exposure has been assessed for taxes and fines receivables for the impact of COVID-19. At reporting date, the impairment losses recognised includes the initial impact of COVID-19 which is reflected in the forward-looking rate applied in the estimate of credit loss. The full impact of COVID-19 will emerge in the next 6 to 12 months, when additional information is obtained on the viability of the State Revenue clients (note 36).

32 Finance/borrowing costs

Administered on behalf of the whole-of-government		
Interest on loans – QTC	1,135,194	1,211,391
Interest paid by Treasury Offset Bank Account	173	2,539
Interest on loans – Commonwealth Government	496	999
Interest - other	37,989	68,644
Administration fees	22,268	20,631
Unwind concessional loan discount - Commonwealth borrowings	839	1,928
Concessional loan discount - NDRRA loans *	3,421	417
	1,200,380	1,306,549

* represents the discount on initial recognition of NDRRA loans.

Accounting policy – Finance/borrowing costs

Finance/borrowing costs are recognised in the period in which they are incurred. This includes amortisation of discounts or premiums relating to borrowings. These costs are incurred on the Treasury Offset Account (note 35 Whole-of-government TOA arrangements) and whole-of-government borrowings, GOC's Advance and Commonwealth borrowings (note 38).

2020
\$'000

2019
\$'000

33 Grants and Subsidies

Administered on behalf of the whole-of-government		
Subsidies to Private entities COVID-19*	464,476	..
First Home Owners Grants (FHOG)	95,636	130,976
Grants to Statutory Bodies	56,497	20,477
Other	2,741	5,587
	619,350	157,040

* Subsidies to Private entities relates to rebates and refunds given to taxpayers in relation to COVID-19 response measures (note 2 (c)). Payroll tax refunds amounts to \$393.316 million and Land tax rebate amounts to \$71.160 million.

34 Other expenses

Administered on behalf of the whole-of-government		
Superannuation benefit payments	1,746,946	1,747,067
Annual leave central scheme claims paid	1,955,604	1,829,207
Long service leave reimbursements	476,437	450,651
Queensland Government Insurance Fund claims	302,203	145,232
Reinsurance expense	27,668	25,720
Ex-gratia payments *	5,460	8,404
Sundry	9,677	15,911
	4,523,995	4,222,192

* A portion of dividends and tax equivalent payments received by the State under the National Tax Equivalents Regime are paid to local governments via ex gratia payments from Treasury administered. Ex-gratia payments include Gaming machine tax refund of \$1.431 million as part of COVID-19 response measures for 2019-20.

Accounting policy – Other expenses

Annual Leave Central Scheme claims paid and Long Service Leave Reimbursements

Annual leave and long service leave claims paid represent quarterly reimbursements to agencies from the Annual Leave and Long Service Leave Central Schemes administered by QSuper. These are recognised as expenses in the period when they are reimbursed. The scheme is funded by annual leave and long service leave levies paid by agencies and reimbursements are sought from the scheme for actual leave payments made to employees and associated on-costs, quarterly in arrears (note 7).

Superannuation benefit payments

Superannuation benefit payments are recognised in the period when they are paid to QSuper. These represent proportional funding for superannuation defined benefit payments for retirement benefit liabilities held by the State for the State Public Sector Superannuation Scheme, pensions provided in accordance with the *Judges' (Pensions and Long Leave) Act 1957* (Judges' Scheme) and the Energy Super Fund (ESF).

2020	2019
\$'000	\$'000

35 Cash assets

Administered on behalf of the whole-of-government		
Whole-of-Government Treasury Offset arrangement *	(233,587)	(3,866,215)
Other administered bank accounts	1,006,246	111,740
	772,659	(3,754,475)

* The whole-of-government Treasury offset arrangement incorporates the Treasury Offset Bank Account which is an overdraft facility as required under section 49 (1) of the *Financial Accountability Act 2009* and a QTC Working Capital Facility. This overdraft facility is part of an offset arrangement with other departmental bank accounts and is considered in determining the interest earned on the whole-of-government position. Cash at bank is an aggregate of Treasury administered bank accounts including the Treasury offset bank account.

In addition, Treasury has established another offset arrangement with the Commonwealth Bank of Australia to maximise interest earned on surplus cash balances held by departmental bank accounts that do not fall within the whole-of-government offset arrangement.

The QTC Cash Advances Fund is utilised to transfer Government-Owned Corporations' surplus funds to the Treasury offset arrangement (note 38).

The QTC Working Capital Facility is used for short term borrowings. The fair value of the borrowings in the QTC Working Capital Facility at 30 June 2020 is represented by its book value (as notified by QTC). Interest is calculated daily based on the Reserve Bank's official cash rate. Interest is charged at rates between 1.93% and 0.25% (2019: between 1.5% to 2.14%) along with an administration margin of 0.05% (2019: 0.10%).

A post balance date transfer of \$375 million in 2018-19 occurred from the QTC borrowings to the whole-of-government Treasury Offset Arrangement in line with Treasury's operating requirements, also refer note 38. There is no post balance date transfer for 2019-20.

2020	2019
\$'000	\$'000

36 Receivables

Administered on behalf of the whole-of-government		
Current		
Debtors*	2,031,736	1,318,312
Less allowance for impairment*	(394,151)	(369,364)
	1,637,585	948,948
Competitive neutrality fees	68,372	39,077
Other advances	19,129	18,787
Sundry receivable **	3,768	757
GST input tax credits receivable	417	377
	91,686	58,998
	1,729,271	1,007,946
Non-current		
Other advances	53,391	62,249
	53,391	62,249
	1,782,662	1,070,195

* The debtors balance includes receivables of \$1.053 billion (2019:\$1.037 billion) for SPER fines. As at 30 June 2020, a loss allowance of \$321.7 million is recognised for the fines receivable (2019: \$325.1 million) representing 30% of the total amount receivable (2019: 31%).

The receivables other than debtors do not have any loss allowance as they are inter-agency receivables between Treasury, other departments and GOCs.

** Includes receivable from DRDM relating to cash at restructure from the MoG effective 1 June 2020. There was no actual cash transfer as at 30 June 2020 (note 2 (d)).

Movements in allowance for impairment of receivables

Opening balance	369,364	383,746
Amounts written off during the year	(22,682)	(33,861)
Increase/(decrease) recognised in Statement of Comprehensive Income **	47,469	19,479
Balance at 30 June	394,151	369,364

** does not include amounts written off directly to bad debts expense, \$3.21 million (2019:\$6.48 million), (refer note 31).

Accounting policy - Receivables

Administered debtors for taxes, royalties and SPER fines are recognised in line with revenue criteria, explained in notes 26–27 and note 29.

Other advances relating to Natural Disaster Relief and Recovery Arrangement (NDRRA) loans are recognised when the State provides upfront funding to Queensland Rural and Industry Development Authority (QRIDA) for disaster recovery relief. At an undetermined time in the future the Commonwealth will provide a sum of funding, classified as a concessional loan to the State. When this occurs a corresponding Commonwealth borrowing is recognised (refer note 38). Principal repayments on advances made to QRIDA become payable within 2 years and interest repayments 3 years after the Commonwealth contribution is received.

36 Receivables (continued)

Allowance for impairment

The allowance for impairment reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information, including forecast economic changes expected to impact the Treasury's debtors, along with relevant industry and statistical data where applicable.

A number of debt collection measures are undertaken including the exercising of legislative powers contained within the *Taxation Administration Act 2001* and the *State Penalties Enforcement Act 1999*, prior to impairing debt.

If no expected loss events have arisen in respect of a particular debtor or group of debtors, no allowance for impairment is made in respect of that debt/group of debtors. If Treasury determines that an amount owing by such a debtor does become uncollectable, the amount is impaired, then subsequently recognised as a bad debt expense and written off directly against receivables. In other cases where a debt becomes uncollectable, but the uncollectable amount exceeds the amount already allowed for impairment of that debt, the excess is recognised as a bad debt expense and written off directly against receivables.

There is no impairment loss allowance recognised for Treasury's receivables from Queensland Government agencies or Australian Government agencies on the basis of materiality. Credit risk for these receivables are considered low.

Credit risk exposure of receivables

Treasury manages credit risk using a credit management strategy. This strategy focuses on the prompt collection of revenues due and payable to Treasury and follow up of outstanding fees and charges within specified timeframes. Exposure to credit risk is monitored on an ongoing basis.

Risk assessments are performed upon non-payment of debt and maintained in the State Revenue Risk Register with assigned risk ratings. Under this risk-based revenue management framework compliance plans are developed with reference to the debt management strategies.

Expected credit losses for taxes and royalties' receivables is calculated based on debt type using an expected credit loss percentage by age or individually assessed. For those debts where an expected credit loss percentage is used to calculate impairment, the historical credit loss experienced over a four-year period is adjusted by current conditions and forward-looking information on macro-economic factors affecting collectability of debts. The customer groups within SR and SPER were determined by debt type and whether it consisted of high or low volume transactions. The provision matrix methodology was applied for high volume transactions and the low volume transactions were individually assessed. Treasury has identified employment growth, housing upturn/downturn, interest rates movement and population growth to be the relevant economic factors affecting taxes. The expected credit loss percentage is the average rate across the debts. Individually assessed debts are reviewed and a percentage loss is applied to each based on collectability.

Credit risk exposure has been assessed for taxes and fines receivables for the impact of COVID-19. At reporting date, the expected credit loss includes the initial impact of COVID-19 which is reflected in the forward-looking rate applied in the estimate of credit loss. The full impact of COVID-19 will emerge in the next 6 to 12 months, when additional information is obtained on the viability of the State Revenue clients.

A portion of receivables as at 30 June 2020 from Payroll Tax of \$428.175 million and Gaming Machine Tax \$49.324 have also been deferred from collection as part of the relief measures until January 2021 (note 2 (c)). These receivables were categorised in the "Not yet due" and a 2.6% loss rate has been applied.

Set out below is the credit risk exposure on Treasury's administered receivables. The total gross receivables exclude receivables of \$311 million (2019: \$105 million) that do not have any loss allowance.

SR debtors - assessed collectively using a provision matrix	2020			2019		
	Gross Receivable	Loss Rate	Expected credit losses	Gross Receivable	Loss Rate	Expected credit losses
	\$'000	%	\$'000	\$'000	%	\$'000
Administered on behalf of the whole-of-government						
Not yet due	510,219	2.6	13,025	53,526	0.2	121
Less than 30 days	11,968	5.3	632	17,191	5.5	950
30 to 60 days	14,913	15.4	2,292	5,641	20.2	1,137
61 to 90 days	21,696	20.3	4,404	9,317	28.8	2,685
Greater than 90 days	95,070	41.2	39,165	76,502	33.3	25,501
Total	653,866	..	59,518	162,177	..	30,394

36 Receivables (continued)

SR debtors - assessed individually			2020			2019		
Administered on behalf of the whole-of-government	Gross Receivables	Allowance for impairment	Carrying amount	Gross Receivables	Allowance for impairment	Carrying amount	Gross Receivables	Allowance for impairment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Not yet due	..	..	..	18	(18)	..	18	(18)
Less than 30 days	22	(22)	..	15	(15)	..	15	(15)
30 to 60 days	10	(10)	..	..	..	..	..	..
61 to 90 days	19	(19)	..	463	(463)	..	463	(463)
Greater than 90 days	12,863	(12,863)	..	13,374	(13,374)	..	13,374	(13,374)
Total	12,914	(12,914)	..	13,870	(13,870)	..	13,870	(13,870)

SPER debts are impaired on consideration of the best estimate of expected future credit losses and the likelihood of collectability with reference to historical activity for the specific debt types being assessed. Historical activity of the specific debt is determined based on a debt resolution rate. Debt resolution rate is the average rate of debt resolved through payment, non-monetary satisfaction, recalled or withdrawn by issuing agencies, or written off as unrecoverable. Management judgement is required in assessing the debt resolution rates.

SPER debtors - assessed collectively using a provision matrix			2020			2019		
Administered on behalf of the whole-of-government	Gross Receivable	Loss Rate	Expected credit losses	Gross Receivable	Loss Rate	Expected credit losses	Gross Receivable	Expected credit losses
	\$'000	%	\$'000	\$'000	%	\$'000	\$'000	\$'000
Greater than 90 days*	1,053,369	30.5	321,715	1,036,977	31.4	325,100	1,036,977	325,100
Total	1,053,369	..	321,715	1,036,977	..	325,100	1,036,977	325,100

* Majority of SPER debts are over 90 days when they are referred to the debt registry from the referring agencies.

2020	2019
\$'000	\$'000

37 Payables

Administered on behalf of the whole-of-government		
Grants payable*	1,123,140	112,000
Deferred appropriation payable	144,171	14,543
Interdepartmental payable	50,058	..
Trade creditors	668	757
Other creditors	3,084	5,012
	1,321,121	132,312

* Adjustment to recognise final GST collections by the Commonwealth during 2019-20 were lower than the estimated GST advances to the State during the year.

2020
\$'000

2019
\$'000

38 Interest Bearing Liabilities

Administered on behalf of the whole-of-government		
Current		
Advances payable to GOC's*	1,492,364	2,267,920
Commonwealth borrowings	13,418	13,222
	1,505,782	2,281,142
Non-current		
QTC borrowings **	37,030,649	29,037,230
Commonwealth borrowings	36,454	47,248
Less concessional loan discount and unwind	(3,488)	(2,318)
	37,063,615	29,082,160

Note: Treasury made additional QTC borrowings of \$1.99 billion in August 2020.

Accounting policy – Interest bearing liabilities

Borrowings are initially recognised at fair value, plus any transaction costs, then subsequently held at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of a financial instrument to the net carrying amount of that instrument. The fair value of borrowings subsequently measured at amortised costs is set out in note 40(e). Borrowings are split between current and non-current liabilities using the principals set out in the note 1(e).

*Government owned corporations (GOCs) are required to make any surplus cash available to the General Government Sector through modified set-off banking arrangements. Advances are made to the Treasury Offset Bank Account Arrangement (note 35). QTC charge interest at rates between 2.17% and 0.64% (2018–19: between 2.37% and 3.21%) along with an administration margin of 0.15% (2018–19: 0.15%).

**Interest is charged on whole-of-government borrowing with QTC at rates of between 4.22% and 2.35% (2018–19: between 3.30% and 4.35%) along with an administration margin at the rate of 0.07% (2018–19: 0.07%) which is accrued and paid quarterly to QTC.

Additional borrowings for COVID-19 response measures has been detailed in note 2 (c).

39 Contingencies

Administered on behalf of whole-of-government

Litigation in progress

As at 30 June 2020, the following number of cases were filed in the courts:

	Cases	Estimated Amount \$'000
Supreme Court	9	136,862
Civil and Administrative Tribunal	16	2,264
Total	25	139,126

These cases relate to revenue collected by the State Revenue. Treasury's legal advisers and management believe there is insufficient information available to determine the outcome of the abovementioned cases. Accordingly, no provision has been taken up in Treasury's financial statements. State Revenue is also expected to reimburse legal costs of up to \$2 million resulting from a recently decided court case.

40 Financial instruments

(a) Categorisation of financial instruments

Queensland Treasury has the following categories of financial assets and financial liabilities:

Administered on behalf of the whole-of-government			
Category	Notes	2020 \$'000	2019 \$'000
Financial assets			
Cash assets	35	772,659	(3,754,475)
Receivables*	36	1,782,662	1,070,195
Other current assets		154	147
Total		2,555,475	(2,684,133)
Financial liabilities			
Payables	37	1,321,121	132,312
Transfer to government payable		1,346,225	960,101
Advances payable to GOCs	38	1,492,364	2,267,920
QTC borrowings	38	37,030,649	29,037,230
Commonwealth borrowings held at amortised cost*	38	46,384	58,152
Other liabilities		358	611
Total		41,237,101	32,456,326

*Natural Disaster Relief and Recovery Arrangements loans (NDRRA) are carried at amortised cost, \$68.5 million (2019: \$75.7million) with the Commonwealth portion of \$46.4 million (2019: \$58.1 million) and State portion of \$22.1 million (2019: \$17.6 million). The book value of NDRRA loans amount to \$74.0 million (2019: \$80.5 million) with the State portion of \$24.2 million (2019: \$20.0 million) and a Commonwealth portion of \$49.8 million (2019: \$60.5 million). Interest is charged on NDRRA loans at a predetermined rate and recognised as an expense as it accrues. Repayments are received yearly in arrears. The Commonwealth Attorney-General's Department – Emergency Management Australia determines the annual interest rate to be applied to the loans. In 2019-20 the interest rate was 0.82% (2019: 1.37%), which was calculated as 50% of the 10-year Treasury bond rate, averaged over the three-month period between April and June 2019.

(b) Financial risk management

Treasury's activities expose it to a variety of financial risks – credit risk, liquidity risk and market risk. For discussion on managing credit risk (note 36).

Treasury adopts a risk-based revenue management framework in conjunction with debt management strategies to manage credit risk.

The management of financial risks is integral to Treasury's overall governance framework. Treasury has adopted various strategies for the mitigation of each risk category, including active monitoring by the Budget and Financial Management Group of borrowings by the State on behalf of whole-of-government. It is assisted in the discharge of these responsibilities through the provision of professional advice and assistance by the QTC (borrowings and short-term investments).

Treasury's internal financial reporting framework and oversight by the Executive Leadership Team also contribute to the effective management of financial risks.

(c) Liquidity risk

Treasury is exposed to liquidity risk in respect of its payables, Commonwealth borrowings, borrowings from QTC for the Floating Rate Government Debt Pools and Advances payable to GOCs.

The following table sets out the liquidity risk of financial liabilities held by Treasury. It represents the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date. The undiscounted cash flows in these tables differ from the amounts included in the Statement of Financial Position that are based on amortised cost.

40 Financial instruments (continued)

(c) Liquidity risk (continued)

QTC borrowings are interest only with no fixed repayment date for the principal component. For the purposes of completing the maturity analysis, the principal component of these loans has been included in the more than five-year time band with no interest payment assumed in this time band.

Administered on behalf of the whole-of-government						
		2020 payable in			Total undiscounted cash flow \$'000	Carrying amount \$'000
Notes	< 1 year \$'000	1 - 5 years \$'000	> 5 years \$'000			
Financial liabilities						
Payables	37	1,321,122	..	..	1,321,122	1,321,121
Transfer to government payable		1,346,225	..	..	1,346,225	1,346,225
Commonwealth borrowings*	38	13,831	29,913	7,237	50,981	49,872
Advances payable to GOCs	38	1,492,364	..	..	1,492,364	1,492,364
QTC borrowings	38	1,256,459	5,037,993	37,002,887	43,297,339	37,030,649
Other liabilities		358	..	..	358	358
Total		5,430,359	5,067,906	37,010,124	47,508,389	41,240,589

Administered on behalf of the whole-of-government						
		2019 payable in			Total undiscounted cash flow \$'000	Carrying amount \$'000
		< 1 year	1 - 5 years	> 5 years		
	Notes	\$'000	\$'000	\$'000		
Financial liabilities						
Payables	37	132,312	..	..	132,312	132,312
Transfer to government payable		960,101	..	..	960,101	960,101
Commonwealth borrowings*	38	14,050	39,756	9,142	62,948	60,470
Advances payable to GOCs	38	2,267,920	..	..	2,267,920	2,267,920
QTC borrowings	38	1,187,632	4,749,306	29,007,887	34,944,825	29,037,230
Other liabilities		611	..	..	611	611
Total		4,562,626	4,789,062	29,017,029	38,368,717	32,458,644

*Carrying amount excludes amortised cost component of Commonwealth borrowings.

40 Financial instruments (continued)

(d) Market risk

While Treasury (administered) does not trade in foreign currency, the mining industry is impacted by changes in the Australian dollar exchange rate and commodity prices, which may impact the royalty revenue received. Treasury is exposed to interest rate risk through its borrowings, loans and advances and cash deposited in interest bearing accounts.

Interest rate sensitivity analysis

Sensitivity to interest rate movements is shown for variable financial assets and liabilities based on the carrying amount at reporting date. The following interest rate sensitivity analysis depicts the outcome on comprehensive income and equity if interest rates were to change by +/- 0.25% for 2020 (2019: +/- 1%) to reflect current expectations of future interest movement in the next 12 months from the year end rates applicable to Treasury's financial assets and liabilities.

Administered on behalf of the whole-of-government					
Financial instruments	Carrying amount	2020 Interest rate risk			
		-0.25%		0.25%	
		Transfer to government	Equity	Increase in appropriation revenue	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash	(233,587)	584	584	(584)	(584)
Receivables					
Loans and advances	49,872	(125)	(125)	125	125
Interest bearing liabilities					
Commonwealth borrowings	49,872	125	125	(125)	(125)
Advances payable to GOCs	1,492,364	3,731	3,731	(3,731)	(3,731)
QTC borrowings – Fixed Rate Debt Pool	7,897,488	..	..	..	..
QTC borrowings – General Debt Pool (floating rate)*	29,133,162	20,716	20,716	(16,726)	(16,726)
Potential impact		25,031	25,031	(21,041)	(21,041)

Administered on behalf of the whole-of-government					
Financial instruments	Carrying amount	2019 Interest rate risk			
		-1%		1%	
		Transfer to government	Equity	Increase in appropriation revenue	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash	(3,866,215)	38,662	38,662	(38,662)	(38,662)
Receivables					
Loans and advances	60,470	(605)	(605)	605	605
Interest bearing liabilities					
Commonwealth borrowings	60,470	605	605	(605)	(605)
Advances payable to GOCs	2,267,920	22,679	22,679	(22,679)	(22,679)
QTC borrowings – Fixed Rate Debt Pool	7,898,425	..	..	..	..
QTC borrowings – General Debt Pool (floating rate)*	21,138,805	16,300	16,300	(14,589)	(14,589)
Potential impact		77,641	77,641	(75,930)	(75,930)

* QTC Borrowings - General debt pool is based on QTC sensitivity analysis and not based on the +/-0.25% (2019:+/-1%) change in interest rates.

40 Financial instruments (continued)

(e) Fair value

Fair value hierarchy

Financial instruments measured at fair value have been classified in accordance with the hierarchy described in AASB 13 *Fair Value Measurement*. The fair value hierarchy is categorised into three levels based on the observability of the inputs to fair valuation techniques.

- Level 1 – represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities.
- Level 2 – represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly.
- Level 3 – represents fair value measurements that are substantially derived from unobservable inputs.

According to the above hierarchy, the fair values of each class of financial instrument carried at fair value are as follows:

Class		Classification according to fair value hierarchy			2020 Total carrying amount \$'000
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
Financial assets and liabilities					
Cash assets					
Other administered bank accounts		1,006,246	..	..	1,006,246
Whole-of-government Treasury Offset Arrangement		(233,587)	..	..	(233,587)
Total		772,659	..	..	772,659

Class		Classification according to fair value hierarchy			2019 Total carrying amount \$'000
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
Financial assets and liabilities					
Cash assets					
Other administered bank accounts		111,740	..	..	111,740
Whole-of-government Treasury Offset Arrangement		(3,866,215)	..	..	(3,866,215)
Total		(3,754,475)	..	..	(3,754,475)

Treasury does not recognise any financial assets or financial liabilities at fair value other than for cash on its Statement of Financial Position. With the exception of loans and borrowings as disclosed in the table below, the carrying amount of financial assets and liabilities measured at amortised cost approximates their fair value at reporting date.

The fair value of QTC borrowings is notified by QTC. The fair value of loans and borrowings are calculated using discounted cash flow analysis and the effective interest rate. The fair value of financial assets and liabilities carried at amortised cost are disclosed below.

40 Financial instruments (continued)

Administered on behalf of the whole-of-government				
Fair value				
	2020		2019	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Receivables				
Loans and advances*	78,590	76,649	85,814	86,413
	78,590	76,649	85,814	86,413
Financial liabilities				
Interest bearing liabilities – Commonwealth borrowings*	49,872	49,144	60,470	61,352
Interest bearing liabilities – QTC borrowings	37,030,649	41,918,302	29,037,230	33,173,021
Total	37,080,521	41,967,446	29,097,700	33,234,373

* Carrying amount excludes amortised cost component of Loans and advances and Commonwealth borrowings.

41 Budget vs Actual comparison

A budget vs actual comparison, and explanations of major variances, has not been included for the Statement of Cash Flows, as major variances relating to that statement have been addressed in explanations of major variances for other statements.

The Original Budget, instead of Adjusted Budget, has been used in the Budget vs Actual variance. The Adjusted Budget, representing Original Budget adjusted for the machinery-of-government change transfer of the Planning and Infrastructure and Economic Resilience functions, was not presented in Parliament due to the suspension of the 2020-21 Budget process as a result of the COVID-19 pandemic.

Explanation of major variances for Statement of Comprehensive Income

- Note 25: The decrease is mainly due to the lower GST funding of \$1.453 billion from the Commonwealth Government. This is partially offset by an increase of \$336.782 million in Specific Purpose payments and an increase of \$247.288 million in National Partnership payments.
- Note 27: The decrease is mainly due to lower coal royalties as a result of decrease in coal prices and export volumes.
- Note 28: The increase mainly relates to funding associated with increased grant expenses of \$399.910 million, benefit payments of \$148.192 million and QGIF claims of \$114.444 million. This is partially offset by decreased funding for finance/borrowing costs of \$127.170 million.
- Face Interest revenue - The decrease is mainly due to \$10.318 million in lower than expected interest on trust fund relating to Property Occupations Act 2014 and Motor Dealers and Chattel Auctioneers Act 2014. This is partially offset by \$6.018 million in higher interest on Treasurer's Cash Balances.
- Face User charges and fees - The decrease is mainly associated with SPER fees of \$12.632 million as a result of lower referral volumes and lodgement volumes.
- Note 30: The decrease is mainly due to \$30.2 million reinsurance expense budgeted as Supplies and services while actual expenses of \$27.668 million are recognised as Other Expense. This is partially offset by higher than budget GST administration expenses remitted to the Commonwealth of \$3.320 million.
- Note 31: The decrease associated with the movements in impairment losses and bad debts expensed in SPER and State Revenue.
- Note 33: The increase mainly relates to Queensland's COVID-19 response measures for Payroll Tax refunds (\$393.316 million) and Land Tax rebates (\$71.160 million). Also contributing is \$47.136 million for payments to the Queensland Reconstruction Authority. These are partially offset by decreased expenditure for the Jobs and Regional Growth Fund (\$18.240 million) and the First Home Owner's Grants program (\$14.203 million) and the machinery-of-government change transfer of the Cross River Rail Delivery Authority from Queensland Treasury to the Department of Innovation and Tourism Industry Development (\$76.880 million).

41 Budget vs Actual comparison (continued)

Explanation of major variances for Statement of Financial position

- Note 35: The increase is mostly attributable to the Treasury Offset Account (TOA). The purpose of TOA is to act as an offset account against departmental and consolidated fund cash balances under the Whole of Government (WoG) cash offset arrangements to facilitate the management of WoG cash position. As such, the balances in TOA fluctuate from year to year depending on the balances of other accounts within the WoG cash offset arrangements. Also contributing is funding received from the Commonwealth Government but yet to be transferred to the Consolidated Fund at year end (\$767.130 million).
- Note 36: The increase reflects increased Payroll Tax receivables of \$448.760 million as a result of the COVID-19 response measures and increased Land Tax receivables of \$161.862 million.
- Face Other current assets - The increase is mainly due to an increase in prepayments of reinsurance premiums by the Queensland Government Insurance Fund (\$1.168 million).
- Note 37: The increase is primarily due to \$1.123 billion GST revenue to be returned to the Commonwealth Government and \$144.171 million unbudgeted appropriation payable to the Consolidated Fund. Also contributing is a payable to DRDM (\$50.058 million) associated with the machinery-of-government change transfers of responsibilities relating to a number of statutory bodies. This is partially offset by \$17.222 million in budgeted grants payable associated with the Cross River Rail Delivery Authority that has been transferred to DSDTI as part of the machinery-of-government change.
- Face Transfer to government payable - This reflects administered revenue earned but yet to be transferred to the Consolidated Fund at year end. The increase is mainly due to an increase in payroll tax and land tax revenue receivables (\$585.071 million) and Commonwealth funding received on 30 June but transferred to the Consolidated Fund on 1 July 2020 (\$767.130 million). This is partially offset by the impact of GST revenue received but to be returned to the Commonwealth Government (\$1.123 billion) at year end.
- Note 38: The increase mainly reflects the higher than budgeted volume of GOC advances under the GOC's cash management arrangements (\$165.276 million).
- Face Other liabilities - The increase mainly reflects an increased unearned revenue from Royalties (\$6.269 million), Transfer Duty (\$3.459 million), Payroll Tax (\$1.872 million) and Land Tax (\$1.695 million).
- Note 38 (non-current) The increase mainly reflects increased government debt pools borrowings (\$4.718 billion) during 2019-20.
- Face Administered net assets - The decrease is mainly due to the transfer of borrowings raised to the Consolidated Fund through non-appropriated equity withdrawals (\$3.550 billion).

42 Related entity transactions with other government departments

The references to note numbers in the following disclosures may include other items to those listed below that are not classified as material or significant related entity transactions.

Controlled transactions

Controlled	
Note Reference	Description of Related entity transactions
Note 3: Appropriation revenue and Equity	Treasury's primary source of funding for the controlled books are appropriation revenue and equity injections from the State's Consolidated Fund.
Note 4: User Charges and Fees	Treasury received revenue from the Department of Education for provision of data for education planning services (\$1.289 million) and QGrant system support services (\$0.414 million), from Queensland Health for preventative health surveys (\$0.927 million) and Department of Employment, Small Business and Training for employment related data collection (\$0.427 million) and QGrant system support services (\$0.348 million).
	Treasury received revenue from the Motor Accident Insurance Commission and Nominal Defendant for corporate support (\$1.3 million), ICT services (\$0.202 million) and actuarial services (\$0.512 million).
Note 8: Supplies and Services	Treasury paid the Department of Housing and Public Works for the management of accommodation leases (\$17.286 million), Queensland Shared Services (QSS) for business service fees (\$1.205 million) and for outsourcing of SPER contact centre (\$12.724 million).
	Treasury paid legal fees (\$1.231 million) to the Department of Justice and Attorney-General for professional services rendered in relation to State Revenue legal cases.
	QTC provides company secretariat and accounting services to QTH. A fee of \$0.39 million was charged for these services.
Note 9: Grants and Subsidies	Treasury paid grants (\$5.2 million) and equity withdrawals (\$1.1 million) for FPS to DES and DNRME.
	Treasury paid grants (\$2 million) to the Queensland Police Service to support the introduction of multi-agency groups in identified priority locations to reduce youth crime, (\$0.5 million) to the Department of Child Safety, Youth and Women additional emergency funding to support response to a sharp increase in domestic and family violence due to COVID-19 pandemic and (\$0.248 million) to CleanCo as an operational funding contribution.
Note 10: Other expenses	Treasury paid to the Queensland Audit Office audit fees relating to the 2019-20 financial statements, WoG financial statement audit fees and costs related to a performance audit on the effectiveness of SPER ICT Reform.
Note 12: Cash and cash equivalents	QTH invested funds with the QTC Cash Fund as at 30 June 2020 totalled \$94.4 million and interest revenue net of management fees received during the year totalled \$1.3 million.
Note 13: Receivables	Treasury has recognised a receivable (\$19.524 million) from DSDTI as part of the machinery-of-government changes in relation to a parcel of land under development by DSDTI. Payments are to be made to Treasury when the land has been developed.
Note 14: Other financial assets	To support the Advance Queensland initiative Treasury holds an investment with Queensland Investment Corporation (QIC) for the BDF, which provides early stage co-investment funding to promote angel and venture capital to Queensland based businesses. Treasury also holds investment with QIC for CARP Pharmaceuticals.
Note 18: Interest bearing liabilities	QTH has loan balances outstanding to QTC as at 30 June 2020 of \$104.4 million with interest expense and fees totalling \$5.3 million capitalised against these loans.

42 Related entity transactions with other government departments (continued)

Administered transactions

Administered	
Note Reference	Description of Related entity transactions
Note 26: Taxes	Treasury's State Revenue collection is responsible for administering local government tax equivalents under the Local Government Act 2009. Commercialised business units that are in scope under these administrative arrangements are subject to Payroll tax, Land Tax, Vehicle Registration duty, Insurance Duty and Transfer Duty (\$10.167 million).
Note 28: Appropriation revenue and Statement of Comprehensive Income - Transfers of administered revenue to government	Treasury receives appropriation revenue provided in cash via the State's Consolidated Fund. State revenue collection is transferred to the Consolidated Fund.
Note 29: Other revenue	Treasury administers the collection of competitive neutrality fees from GOC's under the National Competition Policy.
Note 33: Grants and Subsidies	Treasury administered grant payments to statutory bodies including Queensland Reconstruction Authority (\$47.14 million), Queensland Productivity Commission (\$5.36 million) and Queensland Competition Authority (\$4.00 million).
Note 34: Other expenses	Treasury administers the Queensland Government Insurance Fund, which receives premiums from and pays claims to member agencies relating to a full suite of insurance lines.
Note 35: Cash assets	Treasury operates a whole of Government offset arrangement, which includes the Treasury Offset Bank Account and a Working Capital Facility. Note 35 outlines the key terms and conditions of these arrangements which covers advances and principal repayments from the General Government Debt Pool (GDP) disclosed in Note 38. This include advances from GOC's under the GOC cash offset arrangements.
Note 36: Receivables	Treasury administers the provision of State and Commonwealth loans (\$8.697 million) for NDRRA to and Queensland Rural and Industry Development Authority (QRIDA).
Note 38: Interest bearing liabilities	Treasury pays interest for borrowings it undertakes with QTC.

43 Transfer payments

Payments under the Intergovernmental Agreement on Federal Financial Relations are made from the Commonwealth Treasury to the state and territory treasuries. These payments represent Specific Purpose Payments, National Partnership Payments and general revenue assistance.

While most of these payments are receipted and paid out to departments via appropriation funding, some payments are passed on directly to the relevant entities. These payments occur where:

- the payment is ultimately for a third party, for example, non-government schools
- the payment is a reimbursement of expenditure incurred by the State after invoicing the Commonwealth, or
- the agreement with the Commonwealth requires the payment to be paid into an interest-bearing account held by the final recipient of the funding.

43 Transfer payments (continued)

Amounts received from the Commonwealth for direct payments to the following entities in 2019–20 totalled \$3.187 billion (2018–19: \$2.801 billion):

- Department of Education (quality schools funding, \$3.153 billion (2018–19: \$2.765 billion))
- Department of Agriculture and Fisheries (pest and disease preparedness and response programs, \$34.487 million (2018–19: \$30.137 million))
- The then Department of Infrastructure, Local Government and Planning (National Insurance Affordability Initiative), no direct payments for 2019–20 (2018–19: 4.980 million)).

44 Agency transactions

Treasury currently acts as an agent and processes grant payments on behalf of a number of Queensland government departments. These transactions do not form part of Queensland Treasury's accounts and are instead reported by the various departments. For the 2019–20 financial year the total value of grants paid was \$265.217 million (2018–19: \$282.638 million). The decrease in 2019–20 of \$17.421 million is mainly due to the decrease (\$35.708 million) in Back to Work grants paid by the Department of Employment, Small Business and Training offset by an increase (\$18.939 million) in the grants paid by the Department of Education and Training.

QSuper operates the Employers Contribution bank account on behalf of Treasury, in accordance with the *Financial Accountability Act 2009*. The account is utilised to provide for the whole-of-government Long Service and Annual Leave Central Schemes and Employer Superannuation Contributions. The account balance as at 30 June 2020 was \$0.976 million (2018–19 \$6.927 million), which represents money in transit to be identified as owing to either the Consolidated Fund and/or other Government Agencies.

45 Queensland Government e-merchant program

Treasury acts as a custodian over the settlement account (held by the third party, Cuscal) for the Queensland Government's pre-paid debit card program. At reporting date, the balance in the account is \$0.339 million (2018–19: \$0.665 million) including interest earned for the year, \$1,550.48 (2018–19: \$9,563.29), which represents unspent funds advanced by agencies.

Accounting policy

Treasury administers certain transactions and balances in a trust or fiduciary capacity such as the settlement account held by the third party Cuscal for the Queensland Government e-merchant program.

46 Trust transactions and balances

Treasury also acts as an agent in the collection and distribution of unpaid infringement fines and court ordered monetary amounts for various external parties including local government bodies, universities and individuals.

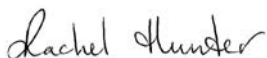
	2020	2019
	\$'000	\$'000
Opening balance	13,024	15,226
Collections:		
Cash receipts	41,008	46,639
Debtor overpayments	616	361
Cash not receipted	187	(54)
Cash not banked	11	18
Other	(93)	44
Distributions to principals	(40,596)	(49,210)
Balance 30 June	14,157	13,024

As Treasury performs only a custodial role in respect of these transactions and balances, they are not recognised in the financial statements but are disclosed in these notes for the information of users. While these transactions and balances are in the care of Treasury, they are subject to Treasury's normal system of internal control and external audit by the Auditor-General (notes 43–46).

These general-purpose financial statements have been prepared pursuant to s.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 s.62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Queensland Treasury for the financial year ended 30 June 2020 and of the financial position of Queensland Treasury at the end of that year.

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



R. Hunter
Under Treasurer
25 August 2020



D. Brooks
Chief Finance Officer
25 August 2020

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of Queensland Treasury

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Queensland Treasury (the parent) and its controlled entity (the group).

In my opinion, the financial report:

- a) gives a true and fair view of the parent's and group's financial position as at 30 June 2020, and their financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statements of financial position and statement of assets and liabilities by major departmental services as at 30 June 2020, the statements of comprehensive income, statements of changes in equity, statements of cash flows and statement of comprehensive income by major departmental services for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

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

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

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

Key audit matters

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.

Completeness of payroll tax revenue (\$4.254 billion as at 30 June 2020)

Refer to notes 26 and 36 in the financial report

Key audit matter	How my audit procedures addressed this key audit matter
<p>Payroll tax is a material balance of the department. The self-assessed nature of payroll tax increases the risk over completeness of payroll tax revenue collected and accrued, as reported in the administered statement of comprehensive income.</p> <p>Completeness of revenue recognised is dependent on whether:</p> <ul style="list-style-type: none"> all liable taxpayers have registered to pay payroll tax, and the amounts disclosed by taxpayers accurately reflect their operations, and thus the calculation base for the tax is complete. <p>The department verifies taxpayer compliance using a risk-management approach, to ensure taxpayers are paying the correct amount of tax.</p> <p>The department has implemented an annual compliance program to address this risk.</p> <p>During 2019 20 the government implemented a payroll tax relief package to support businesses impacted by the COVID-19 pandemic.</p>	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> Testing the controls within the revenue management system to confirm the accuracy of the payroll tax calculation. Reviewing outcomes of Queensland Treasury's compliance program for payroll tax and assessing the extent of historical recoveries to determine the impact on the overall payroll tax revenue. Performing the following analytical review over payroll tax income: <ul style="list-style-type: none"> analysing and corroborating the year on year trends at business partner level to identify any unusual movements/relationships, comparing the trends in external data such as wage growth rate and employment rate to the movement in payroll tax income, and corroborating any unusual movements/ relationships, and analysing and corroborating the year on year trends between the payroll tax revenue, budgeted payroll tax revenue and the Mid-Year Fiscal and Economic Review (that provides update on the State's economic and fiscal position since the original budget). Our testing also included the following procedures over payroll tax measures implemented as part of the government's response to COVID-19: <ul style="list-style-type: none"> assessing the controls over the payment of tax refunds to eligible taxpayers, performing analytical procedures to assess changes in expected levels of payroll tax collected, and assessing the extent to which deferral of payroll tax impacted payroll tax receivables as at 30 June 2020, including assessment of receivables for possible impairment.

Impairment of State Penalties Enforcement Registry (SPER) Fines Receivable (SPER fines revenue \$209.8 million for 2019 20; receivables of \$1,053 million as at 30 June 2020)

Refer to notes 29, 31 and 36 in the financial report

Key audit matter	How my audit procedures addressed this key audit matter
<p>SPER debts are impaired on consideration of the likelihood of collectability with reference to historical activity for the specific debt types being assessed.</p> <p>Management judgement is required in assessing the extent to which debts may be impaired.</p>	<p>My procedures included but were not limited to:</p> <ul style="list-style-type: none"> Assessing management's controls over SPER collection and finalisation rates of the referred debts as these impact the determination of the long-term debt finalisation, withdrawal and recall rates. Obtaining an understanding of the methodology used and assessing its design, integrity and appropriateness. Recalculating the long-term debt finalisation, withdrawal and recall rates to validate the mathematical accuracy of the model, Recalculating the impairment charge by applying the long-term debt finalisation, withdrawal and recall rates to the debt pool and comparing the impairment charge to the general ledger. Assessing the extent to which management's assessment of impairment reflects changes in economic circumstances, including the impact of COVID-19.

Responsibilities of the accountable officer for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

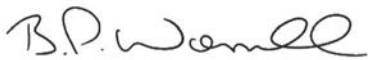
Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

- 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 report and explain the department's transactions and account balances to enable the preparation of a true and fair financial report.



Brendan Worrall
Auditor-General

26 August 2020

Queensland Audit Office
Brisbane

Appendices

Consultancies, language services, overseas travel

Reports of Treasury's expenditure on consultancies, language services and overseas travel are published on the Open Data website data.qld.gov.au

External scrutiny

External audits and reviews aid transparency in government, help Treasury improve its performance, and help Treasury monitor its progress in Advancing Queensland's Priorities.

The following reports of independent reviews were tabled in Parliament during 2019–20:

Auditor-General Report to Parliament

Managing cyber security risks (whole of government)

Report No 3 2019–20, tabled 1 October 2019

Recommendations

That all entities self-assess against the findings of this report, and where relevant:

- + Cyber security framework – develop a framework for managing cyber security risks consistent with the Information security policy (IS18:2018)
- + Information classification – develop and implement policies and procedures to identify and classify information assets, so they can effectively manage all their information assets that are at risk.

- + Identifying and assessing cyber security risks – develop and implement a methodology for identifying and assessing cyber security risks to their information assets.
- + Information asset management - review how they manage their ICT assets and assess the adequacy of their physical security to protect their ICT assets from unauthorised access
- + Cyber security risk mitigation strategies.

Treasury's response

Treasury is implementing a governance framework that supports transparency, escalation of key risks and issues, and drives continuous improvement.

Treasury has an ongoing focus on operational cyber security. This has been supported by documented operational plans as well as by a suite of policies, standards, procedures and tools.

Auditor-General Report to Parliament

Effectiveness of the State Penalties Enforcement Registry ICT reform

Report No. 10 2019–20, tabled 6 February 2020

Recommendations

That Treasury:

- + updates its Audit and Risk Management Committee Guidelines – Improving Accountability and Performance for departments and statutory bodies –

to ensure audit committees are required to monitor and receive reports from management on risks for major ICT projects

- + updates its own Audit and Risk Management Committee charter to ensure the committee monitors risks on Queensland Treasury's ICT projects, and reports its monitoring activities to Queensland Treasury's Executive Leadership Team
- + reviews its governance structure to:
 - avoid conflicts of interest through duplicate memberships
 - clarify the difference for its statutory officers between their legislative and management responsibilities
 - ensure it has an appropriate mix of skills on its governance committees.

Treasury's response

- + Work was undertaken to update the Audit and Risk Management Committee Guidelines – Improving Accountability and Performance to reflect monitoring major ICT projects. However, it was decided that the guidelines should undergo a more comprehensive review. To facilitate this, the guidelines are to be fully refreshed and a consultation paper has been issued to obtain public sector feedback by August 2020.

Appendices

- + Treasury has consulted with the QAO and other stakeholders regarding a refreshed charter. An updated charter has been endorsed by Treasury's Audit and Risk Management Committee and should be operational for the full 2020–21 year.
- + Treasury is implementing these recommendations as part of its changes to governance and membership of governance committees.

Auditor-General Report to Parliament

Queensland Government state finances: 2018–19 results of financial audits (whole of government)

Report No 11 2019-20, tabled 11 February 2020

The Queensland Audit Office provided an unmodified audit opinion on Queensland Government state finances.

Government bodies

A report on the activities of the Business Development Fund Investment Panel is available at treasury.qld.gov.au.

Legislation

Aboriginal Land Act 1991 (Part 18 to the extent that it is relevant to royalties)

Airport Assets (Restructuring and Disposal) Act 2008

Alcan Queensland Pty. Limited Agreement Act 1965 (to the extent that it is relevant to royalties)

Appropriation Act (No. 2) 2020

Appropriation Act 2019

Appropriation Act 2018

Appropriation Act (No. 2) 2018

Appropriation (COVID-19) Act 2020

Appropriation (Parliament) Act (No. 2) 2018

Appropriation (Parliament) Act (No. 2) 2020

Appropriation (Parliament) Act 2018

Appropriation (Parliament) Act 2019

Betting Tax Act 2018

Brisbane Trades Hall Management Act 1984

Building Boost Grant Act 2011

Building Queensland Act 2015

Central Queensland Coal Associates Agreement Act 1968 (to the extent that it is relevant to royalties); (Sch pt V)

Commonwealth Aluminium Corporation Pty. Limited Agreement Act 1957 (to the extent that it is relevant to royalties)

Commonwealth Places (Mirror Taxes Administration) Act 1999

Community Ambulance Cover Levy Repeal Act 2011

Competition Policy Reform (Queensland) Act 1996

Dalrymple Bay Coal Terminal (Long-term Lease) Act 2001

Duties Act 2001

Financial Accountability Act 2009

Financial Agreement Act 1994

Financial Intermediaries Act 1996

Financial Sector Reform (Queensland) Act 1999

First Home Owner Grant Act 2000

Fossicking Act 1994 (to the extent that it is relevant to royalties)

Fuel Subsidy Repeal Act 2009

Gaming Machine Act 1991 (s 322(a))

Geothermal Energy Act 2010 (to the extent that it is relevant to royalties)

Government Owned Corporations Act 1993

GST and Related Matters Act 2000

Infrastructure Investment (Asset Restructuring and Disposal) Act 2009

Integrated Resort Development Act 1987

Judges (Pensions and Long Leave) Act 1957 (s17)

Land Tax Act 2010

Local Government (Robina Central Planning Agreement) Act 1992

Mineral and Energy Resources (Financial Provisioning) Act 2018

Mineral Resources Act 1989 (to the extent that it is relevant to royalties)

Mixed Use Development Act 1993

Motor Accident Insurance Act 1994

Mount Isa Mines Limited Agreement Act 1985 (to the extent that it is relevant to royalties)

Mutual Recognition (Queensland) Act 1992

National Injury Insurance Scheme (Queensland) Act 2016

Occupational Licensing National Law (Queensland) Act 2010

Offshore Minerals Act 1998 (to the extent that it is relevant to royalties)

Payroll Tax Act 1971

Petroleum Act 1923 (to the extent that it is relevant to royalties)

Petroleum and Gas (Production and Safety) Act 2004 (to the extent that it is relevant to royalties)

Petroleum (Submerged Lands) Act 1982 (to the extent that it is relevant to royalties)

Planning Act 2016 (except to the extent administered by the Minister for Housing and Public Works, Minister for Digital Technology and Minister for Sport)

Planning and Environment Court Act 2016

Public Officers Superannuation Benefits Recovery Act 1988

Queensland Competition Authority Act 1997

Queensland Investment Corporation Act 1991

Queensland Nickel Agreement Act 1970 (all financial and related matters) (to the extent that it is relevant to royalties)

Queensland Productivity Commission Act 2015

Queensland Reconstruction Authority Act 2011

Queensland Treasury Corporation Act 1988

Regional Planning Interests Act 2014 (except to the extent administered by the Minister for Agricultural Industry Development and Fisheries)

Royal National Agricultural and Industrial Association of Queensland Act 1971

Sanctuary Cove Resort Act 1985

South Bank Corporation Act 1989

South East Queensland Water (Restructuring) Act 2007 (including as a responsible Minister for the purposes of Chapter 2 of the Act)

State Financial Institutions and Metway Merger Facilitation Act 1996

State Penalties Enforcement Act 1999 (except to the extent administered by the Attorney-General and Minister for Justice)

Statistical Returns Act 1896

Statutory Authorities (Superannuation Arrangements) Act 1994

Statutory Bodies Financial Arrangements Act 1982

Superannuation (Public Employees Portability) Act 1985

Superannuation (State Public Sector) Act 1990

Taxation Administration Act 2001

Thiess Peabody Coal Pty. Ltd. Agreement Act 1962 (to the extent that it is relevant to royalties)

Thiess Peabody Mitsui Coal Pty. Ltd. Agreements Act 1965 (to the extent that it is relevant to royalties)

Torres Strait Islander Land Act 1991 (Part 13 to the extent that it is relevant to royalties)

Trans-Tasman Mutual Recognition (Queensland) Act 2003

Townsville Breakwater Entertainment Centre Act 1991

Townsville City Council (Douglas Land Development) Act 1993

Publications

Treasury produces a range of publications, guidelines, and other useful resources about:

- + each year's Queensland Budget cycle
- + financial and economic policy
- + government-owned corporations
- + economic, statistical and demographic research
- + infrastructure projects
- + planning
- + state revenue, including land tax, payroll tax and duties
- + the First Home Owners' Grant and the Homebuilder Grant
- + advice on paying infringement notices and fines.

Many of these are available through treasury.qld.gov.au or by contacting us at communications@treasury.qld.gov.au

Regulatory improvement

A report on Treasury's regulatory improvement activities, under the government's Regulator Performance Framework, is available from treasury.qld.gov.au

Glossary

C19-FER

COVID-19 Fiscal and Economic Review, a statement of the government's plans for state finances and the economy, to be published in September 2020.

Duties/duty

A state tax on certain transactions including transfer of property (transfer duty), vehicle registration, insurance contracts and other acquisitions.

ELT

Treasury's Executive Leadership Team

Financial Provisioning Scheme

A scheme commenced in April 2019 under the *Mineral and Energy Resources (Financial Provisioning) Act 2018* to manage the State's financial risks from resource sector environmental authority holders failing to meet their environmental and rehabilitation obligations under the *Environmental Protection Act 1994*. The Scheme is managed by the Scheme Manager, a statutory officer appointed by the Governor in Council.

Financial Provisioning Fund

Established under the *Mineral and Energy Resources (Financial Provisioning) Act 2018* to provide a source of pooled funding to meet approved expenditure for environmental remediation and rehabilitation of resource sites, legacy abandoned mines, rehabilitation research and Financial Provisioning Scheme administration.

GOC

Government-owned corporation

IER

Infrastructure and Economic Resilience, a business area of Queensland Treasury.

Land tax

State tax on freehold land, assessed on the taxable value of an owner's total land holdings. In Queensland, landowners are entitled to an exemption from land tax for the land they use as their home.

MYFER

Mid-Year Fiscal and Economic Review

Nominal Defendant

A statutory body that compensates people injured by unidentified and uninsured vehicles.

Payroll tax

State tax paid if an employer, or group of employers, pays more than \$1.3 million in annual Australian taxable wages.

Place-based

An approach that targets an entire community and aims to address issues that exist in that place, such as poor housing, social isolation, poor or fragmented service provision, or limited economic opportunities.

QAO

Queensland Audit Office

QCA

Queensland Competition Authority, an independent economic regulator whose primary role is to ensure monopoly businesses operating in Queensland, particularly those that provide key infrastructure (for example rail, water or transport infrastructure), do not abuse their market power through unfair pricing or restrictive access arrangements.

QGSO

Queensland Government Statistician's Office

QHRC

Queensland Human Rights Commission

QPC

Queensland Productivity Commission, a body established to drive economic growth and lift productivity and living standards by advising on complex economic and regulatory issues.

Royalty revenue

Royalties are payments to the owners of a resource for the right to sell, dispose of or use that resource. In the context of Treasury's revenue management service, these resources are usually from petroleum, coal and other mining activities.

State Penalties Enforcement Registry (SPER)

Part of State Revenue, SPER collects and enforces unpaid infringement notice fines, court-ordered monetary fines and offender recovery orders issued in Queensland.

Contact us

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Statutory and other bodies

Building Queensland

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Motor Accident Insurance Commission

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National Injury Insurance Scheme Queensland Agency

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Feedback

Help us improve our annual report by sharing your feedback with us through the government's Get Involved website – qld.gov.au/annualreportfeedback

Queensland Treasury Annual Report 2019–20 compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	Letter of compliance from accountable officer to the relevant Ministers	ARRs – section 7	Inside front cover
Accessibility	Table of contents	ARRs – section 9.1	Page 1
	Glossary		Page 100
	Public availability	ARRs – section 9.2	Inside front cover
	Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	Inside front cover
	Copyright notice	<i>Copyright Act 1968</i> ARRs – section 9.4	Inside front cover
General information	Information licensing	<i>QGEA – Information Licensing</i> ARRs – section 9.5	Inside front cover
	Introductory information	ARRs – section 10.1	Pages 2, 7
	Machinery-of-government changes	ARRs – section 10.2, 31 and 32	Pages 7
	Agency role and main functions	ARRs – section 10.2	Page 7
Non-financial performance	Operating environment	ARRs – section 10.3	Pages 3-6, 14-17
	Government's objectives for the community	ARRs – section 11.1	Page 8
	Other whole-of-government plans / specific initiatives	ARRs – section 11.2	Pages 8, 14-17
	Agency objectives and performance indicators	ARRs – section 11.3	Pages 3-6
Financial performance	Agency service areas and service standards	ARRs – section 11.4	Pages 3-6, 14-17
	Summary of financial performance	ARRs – section 12.1	Pages 18-22
Governance – management and structure	Organisational structure	ARRs – section 13.1	Pages 10-11
	Executive management	ARRs – section 13.2	Pages 8-9
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	Page 7
	Public sector ethics	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	Page 12
	Human rights	<i>Human Rights Act 2019</i> ARRs – section 13.5	Page 12
	Queensland public service values	ARRs – section 13.6	Page 12
Governance – risk management and accountability	Risk management	ARRs – section 14.1	Page 9
	Audit committee	ARRs – section 14.2	Page 9
	Internal audit	ARRs – section 14.3	Page 9
	External scrutiny	ARRs – section 14.4	Page 98
	Information systems and recordkeeping	ARRs – section 14.5	Page 7
Governance – human resources	Strategic workforce planning and performance	ARRs – section 15.1	Pages 12-13
	Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	Page 13
Open Data	Statement advising publication of information	ARRs – section 16	Page 97
	Consultancies		data.qld.gov.au
	Overseas travel		data.qld.gov.au
	Queensland Language Services Policy		data.qld.gov.au
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	Pages 23-96
	Independent Auditor's Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	Page 93-96

FAA Financial Accountability Act 2009

FPMS Financial and Performance Management Standard 2019

ARRs Annual report requirements for Queensland Government agencies

