

Queensland Treasury and Trade

Queensland Future Growth Corporation 2012–13 Annual Report

About this annual report

The Queensland Future Growth Corporation was a statutory body established by the previous Government to administer the Queensland Future Growth Fund. The Fund was created to provide funding for infrastructure and initiatives that would benefit the future economy and environmental sustainability of Queensland.

Following a review into the operations of the Corporation, it was established that there were no financial benefits to the State in continuing to operate the Fund, particularly as the majority of the funding allocations have now been completed.

Accordingly, the Queensland Government has repealed the *Future Growth Fund Act 2006* facilitating the closure of the Fund, effective 1 July 2013. The remaining commitments of the Fund relating to Smart State projects and education infrastructure will continue to be met but without the additional and unnecessary administrative burden of needing to maintain and account for them in a separate entity. The remaining balance of the Fund was transferred to the Consolidated Fund where it will be held until required by the departments responsible for delivering the remaining projects.

The *Queensland Future Growth Corporation Annual Report 2012-13* is an important part of our corporate governance framework. It ensures accountability to the Queensland Parliament and the community about the Corporation and the activities of the Fund. As the Fund is now closed, this will be the final report for the Corporation.

The report details the performance, activities and financial position for the 2012-13 financial year and links with the Service Delivery Statement for the 2012-13 and 2013-14 Budgets. It also provides information on structure and corporate governance processes.

The annual report has been tabled in Parliament and an electronic version is available online from the Queensland Treasury and Trade website: www.treasury.qld.gov.au/office/knowledge/docs/future-growth-fund/index.shtml

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Feedback

We are committed to continually improving our annual report. To help us do this, we welcome your feedback. Feedback on our annual report can be contributed through www.getinvolved.qld.gov.au

Translating and interpreting assistance

The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds.

If you have difficulty understanding this annual report, please contact us on +61 7 3035 1933 between 9am-5pm, Monday to Friday (except public holidays). We will arrange an interpreter to effectively communicate the report to you.

16 September 2013

The Honourable Tim Nicholls MP
Treasurer and Minister for Trade
Level 9 Executive Building
100 George St
BRISBANE QLD 4000

Dear Treasurer

I am pleased to present the Annual Report 2012-13 and financial statements for the Queensland Future Growth Corporation.

Following the closure of the Queensland Future Growth Fund and the abolition of the Corporation administering it, effective 1 July 2013, this will be the final annual report for the Queensland Future Growth Corporation.

I certify that this Annual Report complies with:

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

A checklist outlining the annual reporting requirements can be accessed from www.treasury.qld.gov.au

Yours sincerely

Helen Gluer
Under Treasurer

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Introduction by the Under Treasurer

The Queensland Future Growth Corporation administered the Queensland Future Growth Fund which was established in 2006 with the net proceeds from the sale of the State's Government-owned energy corporations – Allgas Energy, Sun Retail, Sun Gas and PowerDirect Australia.

The Fund provided additional funding for a range of initiatives and infrastructure projects to support the State's future economic growth and environmental sustainability. As this report outlines, in 2012-13, the Fund provided \$110.293 million towards transport infrastructure, Smart State projects and education infrastructure.

Following the Government's decision to close the Fund and abolish the Corporation, effective 1 July 2013, \$314.661 million in outstanding project funds for Smart State projects and education infrastructure was transferred to the Consolidated Fund where it will be held until required by the departments administering the projects.

Helen Gluer
Under Treasurer

About us

The Queensland Future Growth Corporation and the Queensland Future Growth Fund were established under the now repealed *Future Growth Fund Act 2006* on 1 June 2006.

The Corporation was created as a corporation sole under the *Future Growth Fund Act 2006* to administer the Fund. A corporation sole is essentially a corporation (company) that consists solely of a nominated office holder. In this case, the Under Treasurer of Queensland was the nominated office holder.

The Corporation was established as a statutory body under both the *Financial Accountability Act 2009* and the *Statutory Bodies Financial Arrangements Act 1982*.

The objectives of the Fund, as set out in section 4 of the *Future Growth Fund Act 2006*, were to provide funding:

- a) for initiatives and infrastructure benefiting Queensland
- b) with the approval of the Treasurer, for things benefiting Queensland other than initiatives or infrastructure.

Structure and corporate governance

The Corporation had no employees. To ensure minimal administration and cost incurred in complying with legislative requirements, Queensland Treasury and Trade's existing systems and processes were used to record and prepare the Corporation's financial transactions and statements.

In addition, it utilised Queensland Treasury and Trade's Audit Committee and Risk Management Committee and *Information and Communication Technology Strategic Plan* and *Asset Strategic Plan*. Additional information on the committees can be found in the Queensland Treasury and Trade Annual Report, accessible at: www.treasury.qld.gov.au/about/annual_report/index.shtml

Queensland Treasury and Trade was responsible for the Fund's management and reported to the Treasurer on policy issues. External reporting for the Corporation, including the Annual Report and Service Delivery Statement, was prepared by Queensland Treasury and Trade.

Our performance

Strategic business priorities

The Corporation supported the Fund's objective to invest in better infrastructure by:

- providing funding for infrastructure projects that support the State's growth, particularly in the areas of transport, housing, water, education and commercial infrastructure; and
- supplying funds to research and develop innovative technologies that address climate change and proactively advance the State's environmental sustainability.

Strategic business priorities	Highlights
1. To administer the Fund in accordance with established guidelines	Fund allocations were monitored to ensure compliance with the guidelines
2. To ensure governance and compliance with all relevant government policies	The Corporation's General Purpose Financial Statements were certified without qualification by the Auditor-General

Actions/projects undertaken to achieve priorities

- Prepared audited financial statements and annual report for the Corporation.
- Continued to manage and review the financial systems, practices and internal controls.
- Maintained the delegation of procurement, expenditure and administrative functions to appropriately qualified public service employees.
- Re-injected interest earnings on the Fund balance.
- Ensured appropriate allocation of funds for nominated projects.

Performance statement

Service Standards	Target	Actual
Fund administered in accordance with government guidelines	100%	100%
Allocation of funds to projects within the intended scope of the Fund	100%	100%
Provision of funding in accordance with project cash flows	100%	100%

Our activities

Operations

In 2012-13, funding was provided towards transport, Smart State projects and education infrastructure, including:

- infrastructure associated with moving year 7 into secondary school
- the Northern Busway and
- Innovation Building Fund recipients

Queensland Future Growth Fund projects	2012-13 \$ million
Transport infrastructure ¹	15.225
Smart State projects	32.309
Educational Infrastructure	62.759
TOTAL	110.293

¹ Transport infrastructure includes the Mount Isa rail line project which had previously been re-allocated from the Commercial infrastructure project allocation.

The funding allocation for transport infrastructure has now been completed and the outstanding allocations for Smart State projects (\$55.32 million) and education infrastructure (\$259.341 million) have been transferred to the Consolidated Fund and factored into the forward estimates of the departments responsible for the delivery of these remaining projects.

Related entities

No entities were controlled by the Corporation. Agencies that received funding are required to record these activities within their Service Delivery Statements and annual reports.

A service level agreement was in place between the Corporation and Queensland Treasury and Trade for the provision of administrative services.

Internal audit function

Due to the nature of the Corporation and its use of Queensland Treasury and Trade's infrastructure and policies, it was covered within the Queensland Treasury and Trade audit plan. Additional information on Queensland Treasury and Trade's internal audit function can be found at http://www.treasury.qld.gov.au/about/annual_report/index.shtml

Risk management

Risk management is a core part of Queensland Treasury and Trade's corporate governance framework. It involves having the appropriate checks and balances in place to support our processes and systems. On a regular basis, senior management identifies business risks to ensure appropriate processes have been introduced to manage all risks associated with Queensland Treasury and Trade's operations.

Foreword

Queensland Future Growth Corporation'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:

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flows
- Notes To and Forming Part of the Financial Statements.

These form the final Financial Statements for the Corporation.

Queensland Future Growth Corporation

Statement of Comprehensive Income

for the period 1 July 2012 to 1 July 2013

		1 July 2012 to 1 July 2013	1 July 2011 to 30 June 2012
	Notes	\$'000	\$'000
Income from continuing operations			
Interest revenue	3	10,494	28,165
Total income from continuing operations		<u>10,494</u>	<u>28,165</u>
Expenses from continuing operations			
Supplies and services	4	2	2
Other expenses	5	11	14
Total expenses from continuing operations		<u>13</u>	<u>16</u>
Operating result from continuing operations		<u>10,481</u>	<u>28,149</u>
Total comprehensive income		<u>10,481</u>	<u>28,149</u>

The accompanying notes form part of these statements.

Queensland Future Growth Corporation

Statement of Financial Position

as at 1 July 2013

	Notes	1 July 2013 \$'000	30 June 2012 \$'000
Current assets			
Cash and cash equivalents	6	..	600,708
Receivables	7	..	6,335
Total current assets		..	607,043
Total assets		..	607,043
Current liabilities			
Payables	8	..	16,726
Total current liabilities		..	16,726
Total liabilities		..	16,726
Net assets		..	590,316
Equity			
Accumulated surplus		..	418,755
Contributed equity		..	171,561
Total equity		..	590,316

The accompanying notes form part of these statements.

Queensland Future Growth Corporation

Statement of Changes in Equity

for the period 1 July 2012 to 1 July 2013

	Notes	Accumulated surplus \$'000	Contributed equity \$'000	Total \$'000
Balance as at 1 July 2011		390,606	372,421	763,027
Operating result from continuing operations		28,149		28,149
<i>Transactions with owners as owners:</i>				
- Non-appropriated equity withdrawals	9		(200,860)	(200,860)
Balance as at 30 June 2012		418,755	171,561	590,316
Balance as at 1 July 2012		418,755	171,561	590,316
Operating result from continuing operations		10,481		10,481
<i>Transactions with owners as owners:</i>				
- Non-appropriated equity withdrawals	9	(429,236)	(169,712)	(598,948)
- Net assets transferred to Queensland Treasury and Trade Administered			(1,849)	(1,849)
Balance as at 1 July 2013		..	..	..

The accompanying notes form part of these statements.

Queensland Future Growth Corporation

Statement of Cash Flows

for the period 1 July 2012 to 1 July 2013

		1 July 2012 to 1 July 2013	1 July 2011 to 30 June 2012
	Notes	\$'000	\$'000
Cash flows from operating activities			
Inflows:			
Interest received		14,966	32,449
Outflows:			
Supplies and services		(2)	(7)
Other expenses		(12)	(8)
Net cash provided by (used in) operating activities	10	<u>14,952</u>	<u>32,434</u>
Cash flows from financing activities			
Outflows:			
Non-appropriated equity withdrawals		(615,660)	(184,148)
Net cash provided by (used in) financing activities		<u>(615,660)</u>	<u>(184,148)</u>
Net increase (decrease) in cash and cash equivalents		(600,708)	(151,714)
Cash and cash equivalents at beginning of period		600,708	752,422
Cash and cash equivalents at end of period	6	<u>..</u>	<u>600,708</u>

Queensland Future Growth Corporation

Notes to and forming part of the Financial Statements 1 July 2012 to 1 July 2013

1. Objectives of the Corporation

The Queensland Future Growth Corporation (the Corporation) was established on 1 June 2006 under the *Future Growth Fund Act 2006* to administer the Queensland Future Growth Fund (the Fund). The Fund provided for initiatives and infrastructure for the benefit of Queensland. The Fund operated from funds received from the proceeds of sale of certain Government assets.

On 1 July 2013, in accordance with the *Revenue Amendment and Trade and Investment Queensland Act 2013*, the Corporation was abolished, the Fund was closed and the remaining cash balance of the Fund was transferred to the Consolidated Fund (CF) until required to deliver the remaining Fund projects.

2. Summary of significant accounting policies

(a) Basis of accounting

The Corporation's financial statements have been prepared as general purpose financial statements in accordance with section 42 of the Financial and Performance Management Standard 2009 and Australian Accounting Standards and Interpretations. In addition, the financial statements comply with the Treasurer's Minimum Reporting Requirements and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, the Corporation has applied those requirements applicable to not-for-profit entities, as the Corporation is a not-for-profit entity. Except where stated, the financial statements have been prepared in accordance with the historical cost convention.

(b) Reporting entity

The Corporation is established as a statutory body under both the *Financial Accountability Act 2009* and the *Statutory Bodies Financial Arrangements Act 1982*. The Corporation has no employees or plant and equipment and has adopted the policies and financial management principles of Queensland Treasury and Trade (QTT).

On 1 July 2013, the Corporation was abolished, the Fund was closed and the remaining cash balance of the Fund was transferred to CF. Consequently, the financial statements of the Corporation have been prepared for the period 1 July 2012 to 1 July 2013. The 2011-12 comparative information is for the period 1 July 2011 to 30 June 2012.

The remaining net assets (\$1.85M) of the Corporation were transferred to QTT Administered at their carrying values in accordance with *APG 9 Accounting for Contributions by Owners and Distributions to Owners* as issued by QTT. Consequently, there are no reported assets and liabilities in the Corporation's financial statements as at 1 July 2013. While the Corporation is not a going concern, the financial statements have been prepared on a basis which is consistent with the going concern basis of preparation.

(c) Interest revenue

Interest earned on the Corporation's bank account is recognised in the Statement of Comprehensive Income when earned.

(d) Cash and cash equivalents

All funds are deposited into an at call facility with a commercial bank. For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 1 July. The Corporation's bank account is included within the Government's offset arrangement.

Notes to and forming part of the Financial Statements 1 July 2012 to 1 July 2013

(e) Receivables

Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase contract price. Settlement of trade debtors is required within 30 days. The collectability of receivables is assessed periodically with provision being made for impairment.

Other debtors may arise from transactions outside the usual operating activities of the Corporation and are recognised at their assessed amounts.

(f) Payables

Trade creditors are recognised upon receipt of goods and services at the contracted amount.

(g) Financial instruments

Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Corporation becomes a party to the contractual provisions of the financial instrument.

Classification

Financial instruments are classified and measured as follows:

- Cash and cash equivalents – held at fair value through profit or loss
- Receivables – held at amortised cost
- Payables – held at amortised cost.

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

All other disclosures relating to the measurement and financial risk management of financial instruments held by the Corporation are included in Note 12.

(h) Contributed Equity

Non-reciprocal transfers of assets between the Corporation (statutory body) and the State of Queensland are accounted for as contributions by owners against Contributed Equity and are referred to as non-appropriated equity adjustments in accordance with Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

(i) Taxation

The Corporation is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of goods and services tax (GST). As such, GST payable to and GST credits receivable from the Australian Taxation Office (ATO) are recognised and accrued where applicable.

(j) Issuance of financial statements

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

(k) Judgement and assumptions

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

Queensland Future Growth Corporation

Notes to and forming part of the Financial Statements 1 July 2012 to 1 July 2013

(l) 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. Totals and sub-totals may not add due to rounding, but the overall discrepancy is not greater than two dollars.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

(m) New and revised Accounting Standards

The Corporation did not voluntarily change any of its accounting policies during the period 1 July 2012 to 1 July 2013.

The Corporation is not permitted to early adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from QTT. Consequently, the Corporation has not applied any Australian accounting standards and interpretations that have been issued but are not yet effective. The Corporation will apply these standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, all new or amended Australian accounting standards and interpretations with future commencement dates were either not applicable to the Corporation or had no material impact on the Corporation.

Queensland Future Growth Corporation

Notes to and forming part of the Financial Statements 1 July 2012 to 1 July 2013

	1 July 2012 to 1 July 2013 \$'000	1 July 2011 to 30 June 2012 \$'000
3. Interest revenue		
Interest	10,494	28,165
	<u>10,494</u>	<u>28,165</u>
4. Supplies and services		
Printing	2	2
	<u>2</u>	<u>2</u>
5. Other expenses		
Audit fees	5	7
Administration charges - other	6	7
	<u>11</u>	<u>14</u>
<p>Total audit fees payable to the Queensland Audit Office for the period 1 July 2012 to 1 July 2013 are estimated to be \$7,200 and will be paid by QTT Administered. (Estimate 2011-12: \$7200)</p>		
6. Cash and cash equivalents		
Cash at bank	..	600,708
	<u>..</u>	<u>600,708</u>
7. Receivables		
Interest receivable	..	6,335
	<u>..</u>	<u>6,335</u>
8. Payables		
Non-appropriated equity withdrawal payable*	..	16,712
Accrued audit fees	..	7
Accrued expenses	..	7
	<u>..</u>	<u>16,726</u>

*Non-appropriated equity withdrawal payable of \$16.712M to CF via QTT Administered to offset CF's appropriation payable to the Department of Science, Information Technology, Innovation and the Arts for costs it has incurred on Fund projects.

Queensland Future Growth Corporation

Notes to and forming part of the Financial Statements 1 July 2012 to 1 July 2013

	1 July 2012 to 1 July 2013 \$'000	1 July 2011 to 30 June 2012 \$'000
9. Non-appropriated equity withdrawals		
Projects funded by the Fund		
Reimbursement of project costs ¹		
Transport infrastructure	(15,225)	(77,209)
Smart State projects	(32,309)	(33,862)
Education infrastructure	(62,759)	(6,100)
Clean coal technology	..	(527)
Social housing stock	..	(60,000)
Climate change projects	..	(23,162)
	<u>(110,293)</u>	<u>(200,860)</u>
Project savings ²		
Clean coal technology	(67,421)	..
Smart State projects	(11,009)	..
Climate change projects	(94,837)	..
	<u>(173,267)</u>	<u>..</u>
Remaining funds ³		
Smart State projects	(55,320)	..
Education infrastructure	(259,341)	..
	<u>(314,661)</u>	<u>..</u>
Total projects funded by the Fund	<u>(598,221)</u>	<u>(200,860)</u>
Accumululated surplus ⁴	<u>(727)</u>	<u>..</u>
Total non-appropriated equity withdrawals	<u>(598,948)</u>	<u>(200,860)</u>

1. Transfer of funds to reimburse the CF for funds it has appropriated to administering agencies for costs incurred on the Fund's projects.

2. Transfer of savings to the CF due to projects being ceased by the administering agencies.

3. Transfer of remaining funds to the CF due to the closure of the Fund, effective 1 July 2013, where they will be held until required by the administering agency.

4. Transfer of accumulated surplus to the CF due to the closure of the Fund, effective 1 July 2013.

10. Reconciliation of Operating Surplus to Net Cash from Operating Activities

Operating surplus/(deficit)	10,481	28,149
Change in assets and liabilities:		
(Increase)/decrease in accounts receivable	4,470	4,284
Increase/(decrease) in accounts payable	1	1
Net cash from operating activities	<u>14,952</u>	<u>32,434</u>

Notes to and forming part of the Financial Statements 1 July 2012 to 1 July 2013

11. Events occurring after balance date

Refer to note 1 regarding the abolishment of the Corporation effective 1 July 2013. These will be the final financial statements of the Corporation. There were no other significant events occurring after balance date that would materially affect the financial statements of the Corporation.

12. Financial instruments

(a) Categorisation of financial instruments

The Corporation has the following categories of financial assets and financial liabilities:

Category	Note	1 July 2012	1 July 2011
		to 1 July 2013	to 30 June 2012
		\$'000	\$'000
Financial assets			
Cash and cash equivalents	6	..	600,708
Receivables	7	..	6,335
Total		..	<u>607,043</u>
Financial liabilities			
Payables	8	..	16,726
Total		..	<u>16,726</u>

(b) Financial risk management

The Corporation's activities exposed it to a variety of financial risks - credit risk, liquidity risk, market risk and interest rate risk. Financial risk management was implemented pursuant to Corporation policy. These policies focused on the unpredictability of financial markets and sought to minimise potential adverse effects on the financial performance of the Corporation. All financial risk was managed by QTT.

(c) Credit risk exposure

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

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provision for impairment.

Queensland Future Growth Corporation

Notes to and forming part of the Financial Statements 1 July 2012 to 1 July 2013

The following table represents the Corporation's maximum exposure to credit risk based on contractual amounts net of any allowances:

Category	Note	1 July 2012	1 July 2011
		to 1 July 2013	to 30 June 2012
		\$'000	\$'000
Financial assets			
Cash and cash equivalents	6	..	600,708
Receivables	7	..	6,335
Total		..	607,043

On 1 July 2013, all financial assets were transferred to QTT Administered and the Corporation's exposure to credit risk was nil.

No collateral was held as security and no credit enhancements related to financial assets held by the Corporation. The Corporation managed credit risk by ensuring that it invested in secure assets and monitored all funds owed on a timely basis. No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

No financial assets of the Corporation were considered to be impaired as disclosed in the following tables:

1 July 2013 - Financial assets past due but not impaired

Financial assets	Not	Less than	30-60 Days	61-90 Days	Overdue	Total	Total
	overdue	30 Days			more than		financial
	\$'000	\$'000	\$'000	\$'000	90 days	\$'000	assets
					\$'000		\$'000
Receivables
Total

30 June 2012 - Financial assets past due but not impaired

Financial assets	Not	Less than	30-60 Days	61-90 Days	Overdue	Total	Total
	overdue	30 days			more than		financial
	\$'000	\$'000	\$'000	\$'000	90 days	\$'000	assets
					\$'000		\$'000
Receivables	6,335	..	..	..	..	..	6,335
Total	6,335	..	..	..	..	..	6,335

Queensland Future Growth Corporation

Notes to and forming part of the Financial Statements 1 July 2012 to 1 July 2013

(d) Liquidity risk

Liquidity risk refers to the situation where the Corporation may encounter difficulty in meeting obligations associated with financial liabilities.

The Corporation was exposed to liquidity risk in respect of its payables. The Corporation managed liquidity risk by ensuring it had sufficient funds available to meet its obligations as they fell due.

The following table sets out the liquidity risk of financial liabilities held by the Corporation based on cash flows relating to repayment of the amounts outstanding at balance date.

	Note	1 July 2013 - Payable in			Total
		<1 year \$'000	1 - 5 years \$'000	> 5 years \$'000	\$'000
Financial liabilities					
Payables	8	..	..	..	..
Total		..	..	..	..

On 1 July 2013, all financial liabilities were transferred to QTT Administered and the Corporation's exposure to liquidity risk was nil.

	Note	30 June 2012 - Payable in			Total
		<1 year \$'000	1 - 5 years \$'000	> 5 years \$'000	\$'000
Financial liabilities					
Payables	8	16,726	..	..	16,726
Total		16,726	..	..	16,726

(e) Market risk

The Corporation did not trade in foreign currency and was not exposed to commodity price changes. The Corporation was exposed to interest rate risk through its cash deposited in an at call facility with a commercial bank. The Corporation did not undertake any hedging in relation to interest rate risks.

Notes to and forming part of the Financial Statements 1 July 2012 to 1 July 2013

(f) Interest rate sensitivity analysis

The following interest rate sensitivity analysis depicts the outcome to profit and loss if interest rates would change by +/- 1% from the period end rates applicable to the Corporation's financial assets. With all other variables held constant, the Corporation would have a surplus and equity increase/(decrease) of nil (2012: \$6,007,000). This was attributable to the Corporation's exposure to variable interest rates on its at call facility with a commercial bank.

Financial instruments	Carrying amount \$'000	1 July 2013 - Interest rate risk			
		-1%		1%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Cash and cash equivalents
Overall effect on profit and equity	

On 1 July 2013, all financial instruments were transferred to QTT Administered and the Corporation's exposure to interest rate risk was nil.

Financial instruments	Carrying amount \$'000	30 June 2012 - Interest rate risk			
		-1%		1%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Cash and cash equivalents	600,708	(6,007)	(6,007)	6,007	6,007
Overall effect on profit and equity		(6,007)	(6,007)	6,007	6,007

(g) Fair value

The Corporation did not recognise any financial assets or financial liabilities at fair value.

The fair value of trade receivables and payables was assumed to approximate the value of the original transaction, less any provision for impairment.

Certificate of the Queensland Future Growth Corporation

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

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the final financial statements have been drawn up so as to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Queensland Future Growth Corporation for the period 1 July 2012 to 1 July 2013 and of the financial position of the Queensland Future Growth Corporation as at the end of that final period.

D ANSON FCPA, BBus
Chief Financial Officer

28th August 2013

H GLUER MBA, BCom, FCPA, FAICD
Under Treasurer

28th August 2013

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Under Treasurer of Queensland

Report on the Final Financial Report

I have audited the accompanying final financial report of the former Queensland Future Growth Corporation, which comprises the statement of financial position as at 1 July 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the final period from 1 July 2012 to 1 July 2013, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Under Treasurer and the Chief Financial Officer.

The Under Treasurer's Responsibility for the Final Financial Report

The Under Treasurer is responsible for the preparation of the final financial report in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Under Treasurer responsibility also includes such internal control as the Under Treasurer determines is necessary to enable the preparation of the final financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error

Auditor's Responsibility

My responsibility is to express an opinion on the final financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the final financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the final financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the final financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the final financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Under Treasurer, as well as evaluating the overall presentation of the final financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Auditor's Opinion

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Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the final financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the former Queensland Future Growth Corporation for the final period 1 July 2012 to 1 July 2013 and of the financial position as at the end of that final period.

Emphasis of Matter – Abolishment of Queensland Future Growth Corporation

Without modifying my opinion, attention is drawn to Note 1 in the final financial report which identifies that pursuant to *Revenue Amendment and Trade and Investment Queensland Act 2013* (the Act), the former Queensland Future Growth Corporation was abolished on 1 July 2013. In accordance with the requirements of the Act, all remaining cash amounts of the former statutory body as at the date of abolition were transferred to the consolidated fund immediately before the abolishment. Accordingly, this final financial report has been prepared on a basis that is consistent with a going concern basis.

Other Matters - Electronic Presentation of the Audited Final Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



M J KEANE CA
(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane

Glossary

Annual Report Requirements for Queensland Government Agencies	Sets out the reporting requirements and standards for Queensland Government departments, agencies and statutory bodies for their annual reports
<i>Financial Accountability Act 2009</i>	Sets out the principles to be observed by all Queensland public sector agencies in relation to financial management
<i>Financial and Performance Management Standard 2009</i>	Provides a framework for departments and statutory bodies to develop and implement systems, practices and controls for their efficient, effective and economic, financial and performance management. The Standard requires accountable officers and statutory bodies to adopt a proactive approach in monitoring the appropriateness of the systems, operations and overall financial position and performance of the department or statutory body.
<i>Future Growth Fund Act 2006</i>¹	Establishes the Queensland Future Growth Fund and the Queensland Future Growth Corporation to administer the Fund. The Act also outlines the objectives and administration of the Fund and the function of the Corporation.
Service Delivery Statement (SDS)	Budget papers prepared on a portfolio basis by agencies. The SDS set out the priorities, plans and financial statements of agencies.
<i>Statutory Bodies Financial Arrangements Act 1982</i>	Provides for the efficient and effective management of the powers of Statutory Bodies to enter into financial arrangements.

1. Repealed in accordance with the *Revenue Amendment and Trade and Investment Queensland Act 2013*, effective 1 July 2013.

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