Department of Innovation and Tourism Industry Development

2018–2019 ANNUAL REPORT

ADVANCING Queensland

Queensland Government

2018–2019 ANNUAL REPORT

Public availability

PDF versions of this annual report are available online at www.ditid.qld.gov.au.

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Interpreter statement

The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the annual report, you can contact us on either of the numbers above and we will arrange an interpreter to effectively communicate the report to you.

27 September 2019

The Honourable Kate Jones MP
Minister for Innovation and Tourism Industry Development and
Minister for Cross River Rail
1 William Street
Brisbane Qld 4000

Dear Minister

I am pleased to submit for presentation to the Parliament the *Annual Report 2018–2019* and financial statements for the Department of Innovation, Tourism Industry Development.

I certify that this annual report complies with:

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

A checklist outlining the Queensland Government's annual reporting requirements is included in appendix three of this report or can be accessed at www.ditid.qld.gov.au

Yours sincerely

Damien Walker
Director-General

Department of Innovation and Tourism Industry Development

ABOUT OUR ANNUAL REPORT

The Department of Innovation and Tourism Industry Development (DITID) Annual Report 2018–2019 is an integral part of our corporate governance framework. It is a key tool in ensuring we are accountable to stakeholders, the Queensland Parliament and the community about our activities.

- Under the *Financial Accountability Act 2009*, Tourism and Events Queensland produces a separate annual report and financial statements on the administration of the *Tourism and Events Queensland Act 2012*.

View our report online

This report and the information on DITID government bodies is available online: http://www.qld.gov.au/ditid/annual-report.

Several annual reporting requirements for this year are addressed by publishing information on the Queensland Government Open Data website. These are:

- consultancies
- overseas travel
- *Queensland Language Services Policy*.

For further information, please visit https://data.qld.gov.au.

More enquiries

For enquiries about this annual report, contact the Director, Governance and Assurance, DITID Corporate, on +61 07 3333 5231 or corporate@ditid.qld.gov.au

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FROM THE DIRECTOR-GENERAL – THE YEAR IN REVIEW

This year DITID has continued the momentum of delivering the Queensland Government's *Our Future State: Advancing Queensland Priorities*, with a strong focus on growing Queensland's tourism industry, driving economic growth and further job creation through the successful Advance Queensland agenda.

Advance Queensland

Innovation is front and centre of the Queensland Government's economic strategy and DITID has a key role in the state's future focus through its leadership of the Advance Queensland initiative.

The initiative encompasses the delivery of a suite of diverse initiatives and activities, led by multiple agencies across the Queensland Government. As at 30 June 2019, across the whole initiative, our government has committed $503 million to back over 5,200 innovation projects. These projects are directly supporting over 16,400 jobs.

Driven by the Advance Queensland initiative, Queensland's innovation system has grown significantly in the past four years. Programs such as Advance Queensland Industry Research Fellowships have increased the pipeline of new research. The Ignite Ideas Fund and related capability development programs have assisted local businesses to commercialise new ideas, creating new products and services.

Growing Queensland's tourism industry

2019 is the Year of Outback Tourism, with more tourists than ever travelling to Outback Queensland sharing in rich Indigenous cultural experiences, seeing some of the world's rarest dinosaur bones as well as some of the most picturesque landscapes on the planet.

DITID is partnering with tourism operators and councils to deliver 15 projects which will help to fill some of the large distances between existing tourist attractions and create new outback tourism trails.

Queensland tourism continues to grow assisted by record Queensland Government investment. In the year ending March 2019, 2.7 million international tourists spent a record $6 billion in Queensland. More Australians than ever before are choosing to visit the state where life is 'beautiful one day and perfect the next'. Some 24.6 million Australian travellers spent $18.5 billion here in Queensland. Queensland also continues to gain market share in overnight visitor expenditure. This was one of our priorities and our department is delivering this through partnerships with industry.

Securing more major events and delivering on a once-in-a-generation Commonwealth Games has also helped to solidify Queensland's reputation as the major events capital of Australia. The 2019 Queensland events calendar is estimated to generate $800 million in economic benefit across Queensland – up from $380 million in 2015.

DITID progressed the *Advancing Tourism 2016–2020: Growing Queensland Jobs Strategy* to drive further tourism growth, visitation and employment in Queensland. The Tourism Division significantly exceeded performance targets set for 2018–2019, with growth from $60 million to $110 million in international overnight visitor expenditure in Queensland supported by tourism development programs.

AS A SMALL AGENCY, **INNOVATION AND COLLABORATION** ARE **OUR STRENGTHS** AND DITID STAFF **CONTINUE TO BUILD EFFECTIVE RELATIONSHIPS** WITH EXTERNAL STAKEHOLDERS AND ACROSS GOVERNMENT TO **ACHIEVE THE ADVANCE QUEENSLAND AGENDA** AND **GROW QUEENSLAND'S TOURISM INDUSTRY**

The Tourism Development Projects Division led a transformative year for the department with the progression of the Wangetti Trail for the adventure and nature-based tourism program.

Other significant achievements included starting construction on Stage 1 of the $3.6 billion Queen's Wharf Brisbane redevelopment. When completed in late 2019, this riverside public space will include a Mangrove Walk along the river, a fitness and recreation park as well as upgrades to the Bicentennial Bikeway.

Gold Coast 2018 Commonwealth Games legacy

The Gold Coast 2018 Commonwealth Games provided a $2.5 billion economic boost to the state, including a $1.8 billion boost to the Gold Coast, and supported tens of thousands of jobs. As a result of a positive Games experience tourism to Queensland has been boosted, with 87% of Games visitors likely to return and 85% likely to recommend our state to family and friends.

Finally, I want to pay tribute to the staff of the department who help deliver change for the state each and every day. As a small agency, innovation and collaboration are our strengths. DITID staff continue to build effective relationships with external stakeholders and across government, to achieve the Advance Queensland agenda and grow Queensland's tourism industry.

Our grants teams have implemented robust systems and practices to efficiently and effectively manage each program, whilst delivering good communications with thousands of applicants and working closely with startups, Indigenous businesses and small-to-medium enterprises to connect with government.

The work that tourism staff are doing to facilitate and deliver investment into new tourism infrastructure is ground-breaking for government and our staff have proven to be agile, innovative and hard-working in their approach. We consistently get positive feedback from stakeholders on their engagement with our agency and our collaborative approach to each and every project.

Damien Walker
Director-General

Department of Innovation and Tourism Industry Development

The Administrative Arrangements Order (No.1) 2019, released on 20 September 2019, details changes to the department's title and ministerial portfolio title. Throughout 2018–2019, the department operated as the Department of Innovation, Tourism Industry Development and the Commonwealth Games, supporting the Minister for Innovation, Tourism Industry Development and the Minister for the Commonwealth Games.

As at 20 September 2019, the department now operates as the Department of Innovation and Tourism Industry Development, supporting the ministerial portfolio of the Minister for Innovation and Tourism Industry Development and Minister for Cross River Rail.

JOB CREATION:

- OUR TOURISM INDUSTRY EMPLOYS **1 IN 10 QUEENSLANDERS**, **SUPPORTING 236,000 JOBS**
- MORE THAN **1,400 JOBS SUPPORTED IN 2018—2019** BY DITID ADVANCE QUEENSLAND PROGRAMS, **55% OF THESE IN THE REGIONS**

ADVANCING QUEENSLAND THROUGH INNOVATION

83% OF Ignite Ideas Fund recipients have found new leads in Australia and **72%** found new leads overseas

More than **30%** increase in applications received for Ignite Ideas Round 5

Supporting research industry partners enabled **92% TO SOLVE A PROBLEM** or produce a new product

QODE *the innovation festival*

attracted more than **160 exhibitors**, and **2,800 trade visitors** over **2 days**, with **13 Queensland regions**

TOURISM INDUSTRY DEVELOPMENT

27.3 million overnight visitors to Queensland

Increased by 10.8% for year ending March 2019

YEAR OF OUTBACK TOURISM QLD 2019

600 industry delegates attended largest ever *DestinationQ* forum

DITID has a lead strategic role with the Advance Queensland agenda, growing the state's visitor economy, international education and major events program. In an increasingly competitive global economy, we are working to position Queensland as a vibrant innovation hub and an attractive investment destination for venture capital and corporate investment.

2018–2019: PERFORMANCE HIGHLIGHTS

DRIVING ECONOMIC GROWTH:

- OUR TOURISM INDUSTRY CONTRIBUTES **$27 BILLION** TO THE **QUEENSLAND ECONOMY**
- MORE THAN **$76 MILLION OF STATE FUNDING** COMMITTED TO NEW TOURISM PRODUCT DEVELOPMENT LEVERAGING **$113.8 MILLION** OF PARTNER CONTRIBUTIONS = **$189.9 MILLION WORTH OF NEW INVESTMENT IN THE TOURISM SECTOR**

GOLD COAST 2018 COMMONWEALTH GAMES

$167 million of planned budget returned to the Queensland Government

$840 million estimated growth in trade and investment over the four years post games as a result of the Games

$2.5 billion economic boost to the state including **$1.8 billion** boost to the Gold Coast. Supported tens of thousands of jobs

Business migration to the Gold Coast region is estimated to result in foreign direct investment outcomes of *$41 million per year* at current prices

IN AN INCREASINGLY COMPETITIVE GLOBAL ECONOMY, WE ARE ALSO WORKING TO POSITION QUEENSLAND AS A **VIBRANT INNOVATION HUB** AND AN **ATTRACTIVE INVESTMENT DESTINATION** FOR **VENTURE CAPITAL** AND **SECTOR INVESTMENT.**

OUR VISION IS TO DRIVE ECONOMIC GROWTH AND JOB CREATION THROUGH INNOVATION, TOURISM INDUSTRY DEVELOPMENT AND MAJOR EVENTS.

1. ABOUT THE DEPARTMENT

The Department of Innovation and Tourism Industry Development (DITID) has a lead strategic role with the Advance Queensland agenda and growing the state's visitor economy and major events program. It has a further role in realising the legacy of the Gold Coast 2018 Commonwealth Games (GC2018).

Our role

The department works with industry and other government agencies to harness strategic opportunities and position Queensland as an attractive investment destination.

Our own investments are helping drive innovation and regeneration to sustain traditional industries, accelerate growth in emerging technology and create jobs throughout the state.

Who we are

DITID continues to deliver significant economic and social benefits to the Queensland community. We work to progress the Advance Queensland agenda and develop the strategies and capabilities to deliver the following Queensland Government's *Our Future State: Advancing Queensland Priorities* of:

- create jobs in a strong economy
- a great start for all our children
- healthy Queenslanders
- safe communities
- protect the Great Barrier Reef
- a responsive government.

OUR **STRATEGIC OBJECTIVES** FOR 2018–2019

To achieve our vision, Innovation and Tourism Industry Development delivers the objectives of *Our Future State: Advancing Queensland's Priorities* through our departments' strategic objectives:

Our Future State: Advancing Queensland's Priorities	DITID's strategic objectives	Our indicators of success
Create jobs in a strong economy Protect the Great Barrier Reef	• Leveraging benefits of major events, tourism and international education to maximise the potential of Queensland's visitor economy	• Growth in international overnight visitor expenditure in Queensland supported by tourism development programs • Amount of additional capital attracted into tourism investment • Ratio of tourism investment attraction costs to the value of direct capital attracted
	• Foster innovation to grow industry and attract skills, talent and investment	• Percentage of Advance Queensland funding recipients satisfied with contract management services provided for related grant programs (overall satisfaction)
	• Improving business and investor confidence to leverage private sector investment and attraction	• Value of capital investment being developed or delivered through the department's facilitated tourism infrastructure projects • Inbound seat capacity supported by route development programs • Ratio of investment leveraged as a result of Queensland Government funding invested
Be a responsive government	• Building economic opportunities across sectors through industry collaboration and partnerships	• Percentage of collaboration opportunities identified by participants of innovation programs/events • Proportion of stakeholders who are satisfied with innovation and commercialisation consultative and engagement processes
	• Enabling a skilled and flexible workforce	• Working for Queensland staff survey results

Table 1: Our strategic objectives for 2018–2019

Sources: Department of Innovation, Tourism Industry Development and the Commonwealth Games Strategic Plan 2018–2022

In 2018–2019, we contributed to the Queensland Government's *Our Future State: Advancing Queensland Priorities* to create jobs in a strong economy, be a responsive government, protect the Great Barrier Reef (GBR) and keep communities safe by:

- capitalising on our competitive advantages, supporting innovative practice across government and leading the Advance Queensland initiative to foster innovation and entrepreneurship
- working in partnership with Tourism and Events Queensland (TEQ) and the Queensland tourism industry to grow visitor expenditure, generate jobs and create a business environment conducive to a strong, sustainable and globally competitive visitor economy
- leveraging achievements and return on investment from GC2018 legacy initiatives to maximise long-term economic and social benefits for Queensland.

Legislation administered by the department

In 2018–2019, the department administered the following legislation for the former portfolio of Minister for Innovation and Tourism Industry Development and Minister for the Commonwealth Games:

- *Commonwealth Games Arrangements Act 2011*
- *Major Events Act 2014*
- *Queen's Wharf Brisbane Act 2016 (Chapter 5, Part 1)*
- *Tourism and Events Queensland Act 2012*
- *Trade and Investment Queensland Act 2013 (to the extent that it is relevant to international education and training)*
- *Traveller Accommodation Providers (Liability) Act 2001.*

Administrative Arrangements Order (No.1) 2019, released on 20 September 2019, reflect the additional legislative responsibilities associated with the Cross River Rail portfolio. While not supported throughout 2018–2019, the department will support the administration of the following legislation from 20 September 2019, which will be reflected in the 2019–2020 Annual Report:

- *Cross River Rail Delivery Authority Act 2016*

Other whole of government plans and specific initiatives

During 2018–2019, Innovation was responsible for the following whole-of-government initiatives:

- *Building our Innovation Economy – Advance Queensland Strategy* (Draft)

Innovation helped to implement the following whole-of-government strategies:

- *Queensland Hydrogen Industry Strategy*
- *2017 Better Regulation Taskforce Report – Queensland Government Response and Action Plan*
- *Queensland Defence Industries 10-Year Roadmap and Action Plan*
- *Queensland Aerospace 10-Year Roadmap and Action Plan.*

During 2018–2019, Tourism Industry Development was responsible for the following whole-of-government initiatives:

- the state's Global Tourism Hubs (GTH) program, including Tropical North Queensland and the Gold Coast
- delivering, in partnership with the developer Destination Brisbane Consortium, the Queen's Wharf Brisbane $3.6 billion Integrated Resort Development
- a feasibility study to upgrade Browne Park in Rockhampton
- delivering the Queensland Ecotourism Trails program with a focus on working collaboratively across all level of governments, while engaging with Traditional Owners. The program includes:
  - Wangetti Trail
  - Cooloola Great Walk
  - Thorsborne Trail and Whitsunday Island Trail
- Participating in the whole-of-government initiative on Minjerribah (North Stradbroke Island), coordinated by the Department of Natural Resources, Mines and Energy on behalf of the Minjerribah Ministerial Forum.

OUR LEADERS

Member of the Executive Management Group (EMG) during 2018–2019.

OUR SENIOR LEADERS ARE COMMITTED TO BUILDING A STRONG AND AGILE DEPARTMENT

Damien Walker, *Director-General*

As Director-General of the Department of Innovation and Tourism Industry Development, Damien is leading the Queensland Government agenda for innovation, tourism and major events – driving economic growth by creating jobs and opportunity, and attracting investment.

Damien successfully led the Queensland Government's delivery of the Gold Coast 2018 Commonwealth Games, positioning the Gold Coast and South-East Queensland as a tourism and events powerhouse and attracting future investment. He is working to strengthen and grow Queensland's visitor economy, through developing tourism policy, tourism investment attraction, infrastructure and access, industry engagement and major events.

Damien works collaboratively with other government agencies to further the Advance Queensland agenda in partnership with industry, businesses, universities, startups, investors and the Queensland Chief Entrepreneur.

Damien has extensive experience in leading the delivery of significant programs in infrastructure planning and delivery, investment facilitation, contract management and reform implementation, and in all aspects of strategic, business and corporate planning.

Damien holds academic qualifications in public policy and planning, and has broad experience, particularly in the economic development and strategic planning arena.

Paul Martyn, *Deputy Director-General, Innovation* *(Until 31 December 2018)*

Paul headed up the Advance Queensland agenda for innovation-led economic growth. He had responsibility for innovation policy and for a range of programs to support growth and entrepreneurship.

Paul has had an extensive career across government, focusing on working with industries, firms and regions to successfully grow and compete in a global context. He has held senior roles in policy development, regulatory reform, commercial analysis, investment facilitation and program delivery.

Paul undertook his Masters in science policy at the University of London, United Kingdom, and was a criminal defence lawyer before joining the Queensland Government.

Nicolle Kelly, *Acting Deputy Director-General, Innovation*

As Acting Deputy Director-General, Innovation, Nicolle has oversight of Advance Queensland, a $755 million initiative to foster innovation and build a more diversified economy and create jobs now and in the future.

Nicolle brings to the role extensive experience in leading the delivery of significant programs across government and in all aspects of strategic, business and corporate planning, implementation and delivery.

As a member of the department's Executive Management Group, Nicolle is part of a team that works collaboratively and proactively to deliver benefits for Queenslanders. Nicolle's experience with diverse stakeholder engagement and partnerships and developing high-performing teams, and her commitment to governance, assurance and evaluation, contribute to the successful delivery of Queensland Government priorities and objectives.

Jeffrey McAlister, *Deputy Director-General, Tourism*

Jeff leads the department's tourism industry development effort, which is focused on ensuring Queensland has the infrastructure, connectivity and strategic positioning it needs to sustain and grow our $27 billion tourism industry.

Key priorities include facilitating a $14 billion pipeline of investment in accommodation, attractions and related visitor infrastructure, supporting the private sector to develop new attractions across the state and strengthen business capability, helping Queensland respond to major market and economic shifts, and securing more major events for Queensland.

Jeff previously worked in the Northern Territory (NT) as Director-General for Asian Engagement, Trade and Investment, where he worked with the private sector to diversify the NT's export base, attracted investors for major projects, and refocused strategic engagement with overseas partners. Prior to the NT, Jeff worked for the New Zealand Government, mostly in international trade and investment roles, lastly as Ambassador to Brazil, where he facilitated major two-way investments in agribusiness and gas, doubled New Zealand exports, and developed a new tourism market for high-value South American visitors.

Kerry Petersen PSM, *Deputy Director-General, Tourism Development Projects Division*

Kerry brings to her role 27 years of public sector experience, having worked across multiple Queensland Government agencies with more than a decade in senior leadership roles. She started her career in the public service as an architectural cadet after studying for a Bachelor in Architecture, graduating with Honours.

Kerry has since gone on to lead the delivery of significant public infrastructure programs and projects in multiple Queensland Government agencies, including the delivery of infrastructure for the Gold Coast 2018 Commonwealth Games. Kerry's past roles include working as Director, Infrastructure Delivery in the Office of the Commonwealth Games Delivery in 2012 and 2013.

She has a reputation for forging productive stakeholder relationships and partnerships, as well as a commitment to exemplar corporate governance and the professional development of high-performing teams – all of which have been critical to her success in leading large teams, complex programs and maximising cross-government opportunities.

Kerry received a Public Service Medal (PSM) in June 2019 for her outstanding public service to infrastructure projects and programs in Queensland, most recently for her role in the delivery of the Gold Coast 2018 Commonwealth Games.

David Edwards, *Projects Chief Executive, Tourism Development Projects Division*

David's professional background is in economics, infrastructure, project management and public policy. He has had a distinguished and successful career at senior levels of the State's public and private sectors.

David is the Projects Chief Executive of the Tourism Development Projects Division, with responsibility for the delivery of Queen's Wharf Brisbane, the largest private property development in the nation, and the procurement process for the Tropical North Global Tourism Hub in Cairns. He is also responsible for delivering adventure and nature-based tourism projects in and around national parks.

David was previously the Director-General of the former Queensland Department of State Development, Infrastructure and Planning, the state's central economic development agency. Prior to joining the Queensland Government, David was the Manager, Strategy and Market Development at GHD, and before that, State Director for the Committee for Economic Development of Australia.

In addition to his role with DITID, David is also Chairman of Ipswich Grammar School Board of Trustees (Queensland's oldest secondary school), Chairman of Lifetec (a not-for-profit organisation supporting people with disabilities), and a Board Member of the Wesley Mission Brisbane (a not-for-profit community service organisation that provides a range of services to support people in need).

Customers first | Ideas into action | Unleash potential | Be courageous | Empower people

THE DEPARTMENT PROMOTES QUEENSLAND PUBLIC SERVICE VALUES: **CUSTOMERS FIRST, IDEAS INTO ACTION, UNLEASH POTENTIAL, BE COURAGEOUS** AND **EMPOWER PEOPLE**.

2. OUR OPERATING ENVIRONMENT

Throughout 2018—2019 our services are delivered by two service areas, which are strengthened by strong partnerships with portfolio statutory bodies, industry and other government agencies. The department worked closely with two statutory bodies that formed part of the portfolio in 2018–2019: TEQ and Gold Coast Commonwealth Games 2018 Corporation (GOLDOC):

Figure 1: The DITID organisational structure as at 20 September 2019

TEQ IS THE STATE'S LEAD BODY FOR MARKETING DESTINATION AND EXPERIENCE DEVELOPMENT AND MAJOR EVENTS

- Tourism Events Queensland (TEQ) is a statutory body reporting to the Minister for Innovation and Tourism Industry Development and Minister for Cross River Rail.
- GOLDOC was established in 2012 to work with government delivery partners to conduct an athlete-focused Commonwealth Games.
- GOLDOC's priorities during 2018–2019 were to finalise the dissolution of the organisation. During this period, GOLDOC closed out remaining contracts, prepared and finalised statutory obligations and was fully dissolved by 31 December 2018, at which point remaining activities and obligations transferred to the Queensland Government.
- As a result of Administrative Arrangements Order (No.1) 2019, from 20 September 2019 the Cross River Rail Delivery Authority statutory body reports to the Minister for Innovation and Tourism Industry Development and the Minister for Cross River Rail. As such, DITID will work with the authority from 20 September 2019, which will be reflected accordingly in the 2019–2020 DITID Annual Report.
- The Cross River Rail Delivery Authority's primary role is to plan, carry out, promote or coordinate activities to facilitate economic development and development for community purposes, in a Cross River Rail Priority Development Area, and to facilitate the efficient delivery of the CRR Project and related projects.

Our strategic risks

Considering our strategic opportunities and recognising our connected and diverse responsibilities, DITID's key strategic risks are:

- global competition for infrastructure investment and increased investment into emerging markets
- ongoing competition from international and domestic destinations, which continues to challenge efforts to drive visitation
- fluctuations of the global aviation market
- unstable global economic conditions and/or geopolitical instability, which can have significant implications on visitor and investor decisions
- major weather events, which can disrupt the tourism sector and impact on visitation in affected regions
- ability to secure and retain suitably-skilled people at the right time, and manage the workload variability needed for projects that are short-term, time-critical or involve new technologies
- diverse interests and expectations of stakeholders, business customers and the community that may affect DITID's ability to deliver outcomes.

Our services

Innovation

Innovation is front and centre for the Queensland Government's economic strategy, and Advance Queensland has a key role in shaping the state's future focus.

The Innovation Division is responsible for leading and supporting innovative practice across government, and for leading the $755 million Advance Queensland initiative to foster innovation and entrepreneurialism, capitalise on our natural advantages and help raise Queensland's profile as an attractive investment destination.

The service area provides support to build a more collaborative and effective innovation ecosystem in Queensland.

Tourism Industry Development

The Queensland Government tourism portfolio comprises DITID's Tourism Industry Development service area and TEQ. The department is the government's first advisor on tourism, and works closely with the private sector and across government to build the state's tourism infrastructure and create a favourable environment for the industry to grow.

The Tourism Industry Development service area promotes long-term growth of Queensland's tourism industry through two specialised service units – Tourism Division and Tourism Development Projects Division (TDPD – previously called the Special Projects Unit).

The divisions have well-established networks with industry, Queensland Government agencies and local governments, and work collaboratively with stakeholders and departmental colleagues to progress multi-year development projects from concept through to operation.

Tourism Division leads a strategic whole-of-government approach to planning and investment in the state's tourism infrastructure, assets and products, including supporting new projects, identifying new opportunities, risks and responses for the sector, enhancing industry capability and resilience, and the coordination and leveraging of key major events to generate jobs.

TDPD is a specialised work unit that achieves economic development outcomes through delivery of the Queen's Wharf Brisbane Integrated Resort Development, regional GTH projects, ecotourism opportunities, the Minjerribah Futures Program, and other initiatives supported by government.

The Office of the Commonwealth Games resided within TDPD in 2018–2019 and finalised the delivery of the *Embracing 2018* Legacy Program, and the dissolution and transfer of residual assets and information of GOLDOC on 31 December 2018.

Our strategic direction for 2019–2023

To take advantage of strategic opportunities, the department reviewed the *Strategic Plan 2018–2022* through a series of collaborative divisional workshops with key stakeholders. Valued insights from stakeholders presented the department with the opportunity to redirect effort, reduce complexity and duplication of divisional activities where possible, and to simplify the plan's design. The department was also able to consolidate strategic objectives, and increase collaboration through new shared strategies across service areas.

The department launched a new strategic plan in July 2019 and our 2019–2020 annual report will reflect our achievement against this new plan.

Our key priorities for 2019–2020

The department's key priorities for 2019–2020 are to:

- continue to deliver the *Advancing Tourism 2016–2020: Growing Queensland Jobs* strategy to drive tourism growth
- begin construction on the Wangetti Trail, a 94-kilometre walking and mountain biking track through Tropical North Queensland coast and hinterland
- progress initiatives under the *Growing Tourism, Growing Tourism Jobs* policy:
  - $48.6 million Attracting Tourism Fund, including a $10 million allocation for attracting aviation
  - $46 million for new infrastructure, including the $36 million Growing Tourism Infrastructure Program and the $10 million Outback Tourism Infrastructure Fund
- progress the $25 million GBR Island Resorts Rejuvenation Program
- progress the $25 million Great Keppel Island Rejuvenation Pilot to deliver tourism infrastructure improvements
- progress market approaches for GTHs in Cairns and the Gold Coast, and ongoing management of contractual obligation for the Queen's Wharf Brisbane Integrated Resort Development
- support the whole-of-government response to Central Queensland bushfires, and monsoon flooding in north and north-west Queensland
- continue to deliver the *Minjerribah (North Stradbroke Island) Economic Transition Strategy*
- continue to deliver the Advance Queensland initiative to accelerate innovation in Queensland's economy.

THE DEPARTMENT REPORTED A **BALANCED BUDGET POSITION** AND **OPERATING RESULT** FOR 2018–2019.

3. OUR FINANCIAL PERFORMANCE

This financial summary provides an overview of DITID's financial performance for 2018–2019.
A more comprehensive view of DITID's financial performance is provided in the financial statements included in this Annual Report. Administrative Arrangements Order (No.1) 2019 detail changes to the department's title, effective from 20 September 2019. As financial statements are retrospective of the 2018-2019 financial year, they are reported and approved by the Queensland Audit Office under the former agency title of the Department of Innovation, Tourism Industry Development and the Commonwealth Games.

2018–2019 Statement of Assurance

In accordance with the *Financial Accountability Act 2009*, the Chief Finance Officer has provided the Director-General with a statement that DITID's financial internal controls are operating efficiently, effectively and economically.

DITID actively manages its financial risks and liabilities, and is financially well-positioned to meet its objectives as outlined in the *DITID Strategic Plan 2018–2022*.

Operating result

The department reported a balanced budget position and operating result for 2018-2019.

DITID was primarily funded by parliamentary appropriations (departmental services revenue) of $133 million (89%), with the remaining funding consisting of $4.6 million (3%) from grants and other contributions, and $12.6 million (8%) of other revenue consisting largely of returned prior year grant funds for GC2018 and the Whitsundays Cyclone Debbie Tourism Recovery Fund.

THE DEPARTMENT'S TOTAL **OPERATING EXPENSES** FOR THE YEAR WERE $150.2 MILLION

Operating expenses for 1 July 2018 to 30 June 2019

Employee expenses
Supplies and services
Grants and subsidies
Other expenses

Expenses

Total operating expenses for the year were $150.2 million including:

- $26.1 million (17%) in employee costs
- $34.0 million (23%) for supplies and services including contractors and consultants and accommodation leasing costs
- $80.0 million (53%) in grants payments including grants paid to TEQ for delivery of tourism programs and payments made to industry and universities for Advance Queensland initiatives
- $10.1 million (7%) in other expenses including depreciation and deferred appropriation funding received by DITID that remained unspent at year end.

Capital expenditure

The department made capital grant payments of $8.3 million in 2018–2019.

This includes expenditure for the Museum of Underwater Art, Tourism Demand Driver Infrastructure program, Tourism Recovery Fund, Outback Tourism Infrastructure Fund, GBR Island Resources Rejuvenation program, Australian Workers Heritage Centre in Barcaldine, the Mowbray North section of the Wangetti Trail and post-GC2018 venues works.

Administered funds

Administered funds are those where a department does not have control but is charged with administering the funds efficiently and effectively on a whole-of-government basis.

During 2018–2019, DITID received administered appropriation revenues of $103.4 million and made grant payments to TEQ for this amount.

Outlook for 2019—2020

Operating budget

Total expenses are estimated to be $224.5 million in 2019–2020. This represents an increase of $74.3 million when compared to actual 2018–2019 expenses of $150.2 million.

The increase is mainly due to additional expenses for Advance Queensland, Advancing Tourism Fund, GBR Island Resources Rejuvenation Program, Connecting with Asia Strategy, GTHs and Integrated Resort Developments and the Great Keppel Island Rejuvenation Pilot.

DURING 2018–2019, DITID'S SERVICES WERE ALIGNED INTO **TWO SERVICE AREAS**:

- **Tourism Industry Development's** objective is to promote long-term growth of the tourism industry by leading a strategic whole-of-government approach to planning and investment in the state's tourism infrastructure, assets and products, and coordinating and leveraging major events to generate jobs.
- **Advancing Queensland through Innovation's** objective is to drive economic growth and job creation through innovation, harnessing Queensland's research strengths and entrepreneurial spirit and using new technology, capital and ideas to support business and industry creation and growth.

The graph below provides a breakdown of operating expenses into service areas:

The graph below provides a breakdown of operating expenses into service areas:

Tourism Industry Development ($76.9 million or 51%)

Advancing Queensland through Innovation ($73.3 million or 49%)

Capital expenditure

The 2019–2020 budget for capital expenditure is $93.4 million and includes:

- $23.1 million under the GBR Island Resources Rejuvenation Program to help industry rejuvenate the GBR island resorts and offer world-class experiences to visitors
- $19.9 million under the Growing Tourism Infrastructure Fund to build resilient businesses, regions and communities by creating sustainable new jobs and increasing visitor expenditure through investment in tourism infrastructure
- $16.4 million under the Great Keppel Island Rejuvenation Pilot to stimulate major tourism redevelopment through common user infrastructure
- $14.4 million under the Attracting Tourism Fund to position Queensland as Australia's leading tourism destination by delivering landmark new tourism products and projects
- $3.8 million under the Advance Queensland: Connecting with Asia initiative to grow tourism by developing new tourism products and projects
- $3.4 million under the Outback Tourism Infrastructure Fund to build resilient businesses, regions and communities by creating sustainable new jobs and increasing visitor expenditure through investment in tourism infrastructure
- $3.4 million under the Tourism Recovery Fund to help the tourism sector recover following the devastating impact of severe Tropical Cyclone Debbie to the Whitsunday region in March 2017.

Table 4: Statement of Comprehensive Income as at 30 June 2019

Controlled funds	Actual (1) $'000	Budget (2) $'000	Variance $'000
Income from continuing operations			
Appropriation revence for services	133,020	222,834	(89,814) [1]
Grants and other contributions	4,552	-	4,552 [2]
Other revenue	12,591	-	12,591 [3]
Total income from continuing operations	150,163	222,834	(72,671)
Expenses from continuing operations			
Employee expenses	26,062	21,375	4,687 [4]
Supplies and services	33,964	48,191	(14,227) [5]
Grants and subsidies	79,957	152,406	(72,449) [6]
Depreciation expenses	814	618	196
Impairment losses	61	-	61
Other expenses	9,305	244	9,061 [7]
Total expenses from continuing operations	150,163	222,834	(72,671)
Operating result from continuing operations	-	-	-

(1) 2018–2019 Actual as per financial statements
(2) 2018–2019 Budget as per 2018–2019 Service Delivery Statements

1. The decrease relates to changes to the timing of funding requirements for the GBR Island Resources Rejuvenation Program, Attracting Tourism Fund, Growing Tourism Infrastructure Fund, Great Keppel Island Rejuvenation Pilot, Connecting with Asia, Aviation Boost, Advance Queensland programs, GTH Integrated Resort Development and a decrease in activity for GC2018.
2. The increase relates largely to staff working across the department engaged through the whole-of-government Resource Sharing Model. Additionally, contributions were received from GC2018 savings for the Meeanjin Markets program and the Department of Housing and Public Works contributed towards a new fit out in Level 26, 111 George Street.
3. The increase predominantly relates to the return of prior year grants expenditure for the GC2018 and the Tourism Recovery Fund. Also included is the recognition of rental revenue from tenants located within the Advance Queensland Valley Precinct.
4. The increase principally relates to the recognition of services received below fair value for officers from other Queensland Government Agencies working within the department through the whole-of-government Resource Sharing Model process.
5. The decrease relates largely to the timing of expenditure for the GTH Integrated Resort Development, Advance Queensland and Tourism programs and initiatives.
6. The decrease relates largely to the timing of expenditure for the GBR Island Resources Rejuvenation Program, Attracting Tourism Fund, Connecting with Asia, Growing Tourism Infrastructure Fund, Great Keppel Island Rejuvenation Pilot, the World Boxing Organisation Welterweight event and Advance Queensland program initiatives. This is partially offset by additional GC2018 post Games expenditure relating to transport infrastructure.
7. The increase relates largely to an end of year payable to Consolidated Fund for the return of unspent appropriation revenue.

Table 5: Statement of Financial Position as at 30 June 2019

Controlled funds	Actual (1) $'000	Budget (2) $'000	Variance $'000
Current assets			
Cash and cash equivalents	12,338	7,900	4,438 [8]
Receivables	3,369	6,538	3,169 [9]
Other assets	255	171	84
Total current assets	**15,963**	**14,609**	**1,353**
Non-current assets			
Property, plant and equipment	4,777	3,511	1,266 [10]
Other assets	1,427	1,033	394
Total non-current assets	**6,203**	**4,544**	**1,660**
Total assets	22,166	19,153	3,013
Current liabilities			
Payables	13,633	8,525	(5,108) [11]
Accrued employee benefits	1,002	955	(47)
Other current liabilities	2,025	529	(1,496) [12]
Total current liabilities	**16,660**	**10,009**	**(6,651)**
Non-current liabilities			
Other non current liabilities	3,218	2,587	(631) [12]
Total non-current liabilities	**3,218**	**2,587**	**(631)**
Total liabilities	**19,878**	**12,596**	**(7,282)**
Net assets	**2,288**	**6,557**	**(4,269)**
Total equity	**2,288**	**6,557**	**(4,269)**

(1) 2018–2019 Actual as per financial statements
(2) 2018–2019 Budget as per 2018–2019 Service Delivery Statements

8. The increase in cash relates largely to an end of year payable to Queensland Treasury for appropriation revenues.
9. The decrease relates mainly to trade debtors for the Connecting with Asia program and an inter-departmental transfer receivable with the Department of Agriculture and Fisheries due to realignment of corporate services following the 2017 machinery-of-government changes.
10. The increase relates largely to the recognition of a new leasehold fit out asset for the Advance Queensland Valley Precinct.
11. The increase relates largely to an end of year payable to Queensland Treasury for appropriation.
12. The increase relates largely to additional Incentive Liabilities for the Advance Queensland Valley Precinct and a provision for future years GOLDOC expenditure commitments.

SKYBORNE TECHNOLOGIES PTY LTD

Queensland is building a reputation as the 'go-to' state for defence and security solutions. The Defence Cooperative Research Centre for Trusted Autonomous Systems opened in Brisbane in 2019.

The research centre will play a crucial role in developing the capability of Queensland-based firms specialising in autonomous systems, and will bring local businesses together with the defence force, industry and researchers to develop drones, autonomous systems and technologies.

Skyborne Technologies, an Ignite Ideas recipient, is a great example of a company cementing Queensland's reputation as a world leader of innovative drone technology. Skyborne has successfully leveraged government support to attract significant international attention. Since gaining Ignite Ideas funding in 2017, Skyborne has advanced the development of its Cerberus GL, a tri-tilt-rotor tactical unmanned aerial vehicle that has the capability to provide user aerial support on the battlefield, with applications in defence, counter-terrorism and law enforcement.

In May 2019, the company successfully attracted US$2.45 million in international capital investment from a private investor to support the growth of the company and continued technical development of the Cerberus GL project. The company has also been invited to participate in a defence training exercise with the United States army in 2020.

In 2017, Skyborne Technologies was awarded $100,000 in Ignite Ideas funding to help develop and deliver the unmanned aerial vehicle to interested parties. Skyborne Chief Executive Officer and Director Dr Michael Creagh said their recent capital raising exercise was made easier by the recognition and support of the Queensland Government.

Since the government first partnered with Skyborne in 2017, they have created an extra 10 positions in Brisbane and are scaling up to export their technology overseas. With the continued support from the Queensland Government, Skyborne will contribute to strengthening Queensland's defence and manufacturing industries with great export potential.

4. OUR SERVICE PERFORMANCE

The following section provides details of the department's performance against the ***2018–2019 Budget Paper No. 5 – Service Delivery Statements*** as at 30 June 2019, including results against annual performance targets.

The department's service structure for 2018–2019 as at 30 June 2019 is as follows.

Service area	Service area objective
Advancing Queensland through Innovation	To drive economic growth and job creation through innovation, harnessing Queensland's research strengths and entrepreneurship and using new technology, capital and ideas to support business and industry creation and growth.
Tourism Industry Development	To promote long-term growth of the tourism industry by facilitating a strategic whole-of-government approach to planning and investment in the state's tourism infrastructure, assets and products, and the coordination and leveraging of key major events to generate jobs.

SKYBORNE TECHNOLOGIES, AN **IGNITE IDEAS RECIPIENT**, IS A GREAT EXAMPLE OF A COMPANY CEMENTING QUEENSLAND'S REPUTATION AS **A WORLD-LEADER OF INNOVATIVE DRONE TECHNOLOGY.**

ADVANCING QUEENSLAND THROUGH INNVOVATION

OBJECTIVE: THE INNOVATION DIVISION PROVIDES SUPPORT TO BUILD A MORE COLLABORATIVE AND EFFECTIVE INNOVATION ECOSYSTEM IN QUEENSLAND.

Overview

To drive economic growth and job creation through innovation, harnessing Queensland's research strengths and entrepreneurship and using new technology, capital and ideas to support business and industry creation and growth.

Our areas of focus are to:

- inspire Queenslanders to engage with science and technology, and entrepreneurship
- connect Queenslanders to world-leading local and international innovators through initiatives that encourage collaboration and build the entrepreneurial ecosystem
- invest in Queensland innovation through programs to encourage seed funding, venture capital and emerging industries
- grow the competitiveness of our businesses, industries and regions through initiatives to accelerate growth and unlock new markets and opportunities
- encourage greater innovation in government and grow government as a lead customer for emerging technologies.

Our performance

In 2018–2019, the department administered more than 40 innovation programs and activities, assessed more than 1,100 applications and approved more than 180 grants or other opportunities.

The initiative encompasses the delivery of a suite of diverse programs and activities, led by multiple agencies across the Queensland Government. Over the life of the initiative and as at 30 June 2019, DITID has committed $245 million to back more than 1,260 innovators, with their projects directly supporting more than 10,000 jobs across Queensland.

Driven by the Advance Queensland initiative, Queensland's innovation system has matured significantly in the past four years. Programs such as Advance Queensland Research Fellowships have increased the pipeline of new research. The Ignite Ideas Fund and related capability development programs, such as Innovate Queensland, have assisted local businesses to commercialise new ideas, creating new products and services.

Table 8: Performance against our service standards

The following service standards in DITID's *Service Delivery Statements 2018–2019* were used by the department and the State Government to assess the service area's overall performance.

2018–2019 Target/Est | *2018–2019 Actual*

Proportion of stakeholders who are satisfied with innovation and commercialisation consultative and engagement processes [1]

Percentage of collaboration opportunities identified by participants of innovation programs/events [2]

Percentage of Advance Queensland funding recipients satisfied with contract management services provided for related grant programs (overall satisfaction) [3, 4]

1:1.25	1:1.25	Ratio of investment leveraged as a result of Queensland Government funding invested [5]

Notes

1. This services standard is a measure of departmental engagement activities and programs that aim to build entrepreneurial capacity and capability. Departmental clients and customers include, but are not limited to, startups and entrepreneurs, industry, commercial/business interests, researchers and research institutes, government and community groups. Aspects measured include timeliness, quality, access, staff, outcomes and overall satisfaction.
2. Facilitating collaboration and enabling development of partnerships are recognised as key strategies and enablers for driving economic growth and job creation. This service standard is a proxy effectiveness measure that measures potential new collaboration opportunities and partnerships identified by attendees and/or participants of innovation events designed to foster collaboration. Attendees and participants include key innovation system participants, including, but not limited to, startups, entrepreneurs, business/industry, research centres, universities and government. Participants are surveyed after events to identify if they are likely to form new collaborations and/or partnerships as a result of the event. The measure indicates the proportion of participants who reported potential new collaboration opportunities and/or partnerships.
3. This service standard is a measure of the effectiveness in providing contract management services (from application through to project completion) to recipients of Advance Queensland funding provided via competitive funding programs. The wording of this measure has been amended to clarify that the recipients only relate to Advance Queensland programs administered by DITID. The change in wording has not resulted in a change to the calculation methodology of the measure.
4. Included in this service standard are departmental innovation funding programs that deliver on the vision and objectives of Advance Queensland. Recipients include, but are not limited to, startups and entrepreneurs, industry, commercial/business interests, researchers and research institutes, government and community groups. The services provided are required to effectively deliver government programs to stakeholders, manage funding awarded and monitor achievement of outcomes. Aspects measured include timeliness, ease of access, staff, quality, outcomes/outputs and overall satisfaction.
5. This service standard is an indicator of the efficient use of government funding to leverage private/ commercial/ philanthropic/ Australian Government sector investments. The 2018–2019 Target/Estimate reflects that $1.25 will be leveraged for every $1 of government funds invested in programs designed to attract external investment. Investment sources include, but are not limited to, startups, entrepreneurs, business/industry, research centres, universities and other government jurisdictions.

WE FOSTERED INNOVATION TO GROW INDUSTRY AND ATTRACT SKILLS, TALENT AND INVESTMENT BY:

- awarding close to 70 Round 4 Ignite Ideas Fund grants to allow recipients to turn their great ideas into commercial reality, and made further funding available with the opening of Round 5 in March 2019
- completing the 2,500m² expansion at The Precinct in Fortitude Valley, taking the total floor space to approximately 7,700m²
- supporting the delivery of QODE, the innovation festival which attracted more than 160 exhibitors and 2,800 trade visitors over two days, with 13 Queensland regions represented and mentoring support provided to 40 people throughout QODE Mentoring Moments
- appointing Leanne Kemp as Queensland's first female Chief Entrepreneur
- supporting a partnership with Griffith University and Germany's leading research body, the Fraunhofer Institute, to develop solutions for antibiotic resistant drugs
- launching the first phase of the Female Founders program, including one-on-one mentoring and advisory board support for female founders to take their business to the next level
- 25 Queensland companies graduating, under the Growing Queensland Companies program. More than 40 Chief Executive Officers participated in Growth Clinics in 2018–2019, with 166 companies having taken part in Growth Clinics since commencement. More than 50 companies took part in growth workshops in Townsville, the Gold Coast and Toowoomba. Growth Clinics were also conducted on the Sunshine Coast, reaffirming the strong regional reach of the program
- supporting innovators to solve complex Queensland Government challenges, including Boosting Coral Abundance on the GBR, in collaboration with the Australian Government Department of Environment and Energy and the Queensland Department of Environment and Science, and Optimising Medication Use in the Emergency Department, in collaboration with the Metro North Hospital and Health Service
- hosting Massachusetts Institute of Technology (MIT) faculty and international teams participating in the MIT Regional Entrepreneurship Acceleration Program (REAP). Delegates included 20 members of the MIT faculty and professional staff, and 70 ecosystem leaders from around the world
- supporting the Queensland University of Technology to host the 2019 MIT Innovation and Entrepreneurship Bootcamp for budding entrepreneurs. More than 90 Queensland, national and international participants descended into Brisbane for the one-week intensive bootcamp

LEANNE KEMP IS QUEENSLAND'S FIRST FEMALE CHIEF ENTREPRENEUR

- leading Queensland's delegation of more than 120 life sciences industry representatives to the BIO International Convention in the United States to showcase Queensland's capabilities to the world
- funding the Life Sciences Queensland Catalyst program to provide opportunities for innovators in the life sciences sector to grow ideas and their companies
- awarding close to 20 scholarships through the Advance Queensland TAFE Queensland Pathways Scholarships Program
- providing funding support towards Alzheimer's disease treatment, led by the Clem Jones Centre for Ageing and Dementia Research
- supporting the 2019 HYPE SPIN Lab program at The University of Queensland, giving startups access to global brands, international clubs and global sportstech mentors within a sports dedicated accelerator program
- establishing QCN Fibre, a jointly owned subsidiary company of Powerlink Queensland and Energy Queensland, charged with providing low-cost internet backhaul to telecommunications carriers and internet service providers in regional Queensland
- launching the Women's Research Assistance Program to support female scientists within Queensland-based research organisations maintain their research when they are on maternity or adoption leave
- supporting innovators to participate in Startup Catalyst missions, which immerse participants in the unique culture of high growth entrepreneurial businesses in global innovation hotspots
- launching the Office of the Queensland Chief Entrepreneur's Adopt-a-Chief program to give Queensland startups the chance to leverage Chief Entrepreneur Leanne Kemp's business experience. The initiative included an Indigenous round to support an Indigenous Queensland entrepreneur
- providing learning and support to Queensland startups and entrepreneurs with close to 40 events led by the Office of the Queensland Chief Entrepreneur, which attracted more than 3,000 attendees. The events focused on raising capital, attracting and sourcing talent, Blockchain technologies, assisting female founders, international exports and growth
- undertaking a detailed analysis of innovation and business support programs currently available to Aboriginal and Torres Strait Islander peoples, to inform the development of the *Deadly Innovation Strategy*
- launching a TAFE Pathways Scholarship Program to support Aboriginal and Torres Strait Islander students to participate in adult training and further their study.

GO1

Corporate education startup GO1 first received Advance Queensland funding in 2016, and recently raised more than $30 million in Series B funding led by Microsoft's venture capital arm, M12, and SEEK. It marks the first-ever investment in the Asia-Pacific region by M12 and is a significant milestone considering the $10 million in Series A funding already raised.

Since launching in 2015, GO1 has made steady inroads across global markets to become an established leader in online learning and education, working alongside some of the largest companies in the world and covering a wide range of industries and regions.

GO1 co-founder, Vu Tran, said funding received from the Queensland Government at the beginning of their startup journey was integral to going global.

The Ignite Ideas funding helped commercialise a mobile application of the GO1 training platform that provided an enhanced mobile experience for customers and their employees to access compliance and professional development training remotely.

Further funding under the Advance Queensland Business Development Fund helped to increase sales and enabled early expansion into the United States and Asia. GO1's marketplace of content has more than tripled in the last year and revenues continue to grow at an impressive rate. GO1's users, content catalogue and recurring revenue streams have doubled in size since last year. GO1 now has 500,000 different courses available and has expanded into the United Kingdom and United States markets, opening offices in London, San Francisco and Utah.

Mr Tran believes the support GO1 received from Advance Queensland provided countless opportunities to build on its initial success and continues to accelerate growth. The GO1 platform development is spearheaded from GO1's head office in Underwood, Queensland, and the team now comprises more than 100 people. Continued expansion in Queensland is expected in the coming year.

WE IMPROVED BUSINESS AND INVESTOR CONFIDENCE TO LEVERAGE PRIVATE SECTOR INVESTMENT AND ATTRACTION BY:

- partnering with the Australian Government to establish the first Defence Cooperative Research Centre for Trusted Autonomous Systems. Two Queensland small-to-medium enterprises and a major Queensland university are already engaged with the research centre to develop drone technology for our Defence Force
- through a partnership with Boeing Defence Australia, 15 Queensland small-to-medium enterprises have been engaged as part of their autonomous system project. More than $4 million has been investment in Queensland small-to-medium enterprises through this project
- awarding 30 recipients under the Advance Queensland Industry Research Fellowships program to work with industry partners on projects that will benefit Queensland.

WE BUILT ECONOMIC OPPORTUNITIES ACROSS SECTORS THROUGH INDUSTRY COLLABORATION AND PARTNERSHIPS BY:

- supporting regional hubs to deliver the Startup Onramp program in seven regional areas
- assisting local economies to create jobs for regional Queenslanders through the Advancing Regional Innovation Program
- launching the Coral Sea Clinical Research Institute in Mackay to undertake clinical trials for coeliac disease and secure a pipeline of further biopharmaceutical and commercial clinical trials, building regional capability and boosting the economy in regional Queensland.

INNOVATION IN THE REGIONS

Working with Queensland University of Technology, the Queensland Government has been able to bring the MIT REAP to Queensland. The two-year program with MIT identifies interventions to transform Queensland into a globally leading innovation hub, helping the regions to diversify and capture new and emerging business opportunities.

In 2019, the REAP framework was extended to provide pilot funding in three regions – Gladstone, Mackay and Toowoomba. The three pilot regions have been identified as critical to the growth of Queensland's burgeoning tech industry, with each region to receive funding of up to $100,000 for programs to support growing businesses. MIT has the world's leading experts in innovation and this initiative connects the best brains in the world with Queensland's strong local economies.

Another strong advocate of innovation in the regions is the Queensland Chief Entrepreneur, Leanne Kemp. Since being appointed Queensland's first female Chief Entrepreneur in October 2018, Leanne has travelled extensively throughout regional Queensland, meeting almost 2,000 innovative Queenslanders and seeing how grassroots knowledge and Advance Queensland programs are fuelling new ideas and, in turn, creating new jobs that grow our sustainable communities.

Leanne firmly believes Queensland's economy is driven by the talent in our regions, and as the Chief Entrepreneur, she plays a vital role in promoting the importance and contribution of entrepreneurship and investment across all of Queensland.

Leanne believes establishing new networks for collaboration and the mobilisation of commitment will require strong partnerships between government, industry, researchers, investors and innovators. Clusters, precincts and supply chains across sectors and disciplines are diversifying our regional economies, creating more sustainable regions to harness new opportunities for economic growth across the state.

NATURO PTY LTD

Sunshine Coast food technology company Naturo (trading as the Wholey Milk Company) is an example of the extraordinary innovation happening in Queensland's agricultural and food sector.

Naturo received Advance Queensland funding to accelerate the commercialisation of its globally patented technology for processing fresh refrigerated milk. The process gives refrigerated milk a long shelf life – safe for consumption for 60 days – and does not compromise the taste or quality of the product, meaning it can be transported by sea across the world.

Queensland's agricultural sector faces continuing challenges and global markets are extremely competitive. To combat the challenges and remain competitive into the future clearly depends on innovation in finding value-added products, unique markets and clever solutions to product or market opportunities.

As recipients of the fourth round of the Ignite Ideas Fund, Naturo Milk has experienced first-hand how the right government support can help startups grow and take their innovations to the next level.

Naturo Chief Executive Officer, Jeff Hastings, said, 'The Queensland Government plays a key role in the innovation and entrepreneurial space for both the funding that it provides and the connections it presents to help innovators complete whatever project they are working on. The involvement of Advance Queensland is both helpful financially and critical in terms of opening doors and introducing marketing channels to new businesses.'

Naturo will draw on the key benefits of its milk product – its long shelf-life – to take its product and the technology behind it to the global market.

Three new jobs have been supported by this project with another nine new positions anticipated at the end of the project.

GREAT BARRIER REEF SUSTAINABILITY

The Great Barrier Reef (GBR) is vital in terms of its environmental and economic value to Queensland; however, it is facing a range of threats including climate change, cyclones, land-based run-off, illegal fishing, Crown-of-Thorns starfish outbreaks and marine debris.

Advance Queensland is focused on addressing the big challenges facing Queensland, including protecting the GBR. Advance Queensland invests in research to help Queensland's best and brightest minds focus on pressing issues such as coral bleaching and increasing nitrogen and sediment levels in the water entering the GBR.

The Industry Research Fellowships program is investing in eight research projects, valued at $1.17 million, to better understand and protect the reef.

Dr David Blondeau-Patissier from the CSIRO's Aquatic Remote Sensing Group was awarded a fellowship to develop an automated process for detecting oil pollution on the reef. Dr Juan Ortiz from the Australian Institute of Marine Science is developing an integrated suite of tools and programs to assist the GBR Marine Park Authority better manage the reef ecosystem.

Funding is also directed towards other priority science and innovation areas, such as agriculture, to help manage the reef ecosystem. For example, Industry Research Fellowship recipient Dr Paul Luckman from The University of Queensland's School of Chemical Engineering is developing modified starch materials for next-generation sugarcane fertilisers. These fertilisers will be engineered to absorb excess nitrogen, which currently finds its way into the waters of the reef.

Advance Queensland is currently supporting two PhD scholars to undertake valuable reef research. Bettina Glasl from James Cook University's Townsville campus is developing an early warning system for reef ecosystem health using microbes, which can then be used for GBR report cards and reef health indices.

Not only will these projects help protect one of the great wonders of the world, they will also help protect the tens of thousands of Queenslanders who rely on the reef for their livelihoods.

Looking forward

In 2019–2020, the department will lead the Advance Queensland initiatives across government to support innovation-led growth and enhance Queensland's capacity to adapt and thrive, including:

- improving the quality and speed of the internet in regional Queensland through QCN Fibre
- piloting new regional approaches to encourage entrepreneurship and localised solutions to drive job creation
- promoting investment-ready Queensland startups and small-to-medium enterprises to international investors
- supporting market and investment-ready businesses to commercialise products, processes and services through the Ignite Ideas Fund
- building opportunities for Aboriginal and Torres Strait Islander innovators and businesses through the Deadly Innovation Strategy
- commencing work on establishing an industry robotics cluster in mining, defence and the environment
- targeting research funding on identified priorities, including water and energy sustainability, health care, climate change and the GBR
- supporting innovative, practical and applied research through the Industry Research Fellowships program
- fostering diversity in innovation by encouraging the success of female founders and researchers
- championing innovation in government and connecting innovators with government
- establishing an Artificial Intelligence Hub to grow Queensland's artificial intelligence community and leverage existing strengths
- accelerating the development of transformational technology projects through the IndustryTech Fund.

TOURISM INDUSTRY DEVELOPMENT

Overview

Tourism Industry Development provides leadership in making Queensland an attractive destination for visitors, investment and events. We work closely with the private sector and across government to build the state's tourism infrastructure and create a favourable environment for the industry to grow.

The service area also works with industry to attract project investment, develop new product and experiences, enhance industry capability and resilience, improve transportation through expanded access and services, and seize new opportunities while addressing current and emerging challenges.

OBJECTIVE: PROMOTE LONG-TERM GROWTH OF THE TOURISM INDUSTRY BY LEADING A STRATEGIC WHOLE-OF-GOVERNMENT APPROACH TO PLANNING AND INVESTMENT IN THE STATE'S TOURISM INFRASTRUCTURE, ASSETS AND PRODUCTS, AND THE COORDINATION AND LEVERAGING OF KEY MAJOR EVENTS TO GENERATE JOBS

The service area works across government to:

- develop and influence whole-of-government policy that creates an environment to support sustainable economic growth and jobs in the visitor economy
- partner with industry to increase the sector's competitiveness in global and domestic markets
- facilitate and manage the delivery of ecotourism projects to:
  - increase visitor access to and within Queensland
  - develop new tourism infrastructure and products
  - attract investment into tourism infrastructure and products
- secure major events and lead and coordinate government support to ensure successful hosting and delivery to maximise the economic and social benefits for Queensland
- enable growth and jobs and facilitate large-scale industrial development, infrastructure delivery and projects through efficient project assessment and commercial transactions, as well as planning, development and management of pivotal tourism development areas
- conduct early feasibility assessment of public and private projects of state significance for economic development
- partner with all levels of government, industry and community to facilitate more collaborative and cost-efficient uses of current assets and social infrastructure investment
- promote and generate regional economic development
- work closely with TEQ to showcase Queensland as an attractive destination for tourists, and a place to invest in tourism infrastructure, events and experiences.

Our performance

In 2018–2019, the department continued to drive growth in Queensland's tourism industry. We worked closely with the private sector and across government to build the state's tourism infrastructure and create a favourable environment for the industry to grow.

Table 8: Performance against our service standards

The following service standards in DITID's *Service Delivery Statements 2018–2019* were used by the department and the State Government to assess the service area's overall performance.

2018–2019 Target/Est | *2018–2019 Actual*

Service	Service standard	2018–2019 Target/Est	2018–2019 Actual
Industry Development [1]	Inbound seat capacity supported by route development programs [2, 3]	600,000	650,000
Industry Development [1]	Grow International overnight visitor expenditure in Queensland supported by tourism development programs [4, 5]	$60 million	$110 million
Infrastructure Development [6]	Amount of additional capital attracted into tourism investment [7]	$144 million	$706 million
Infrastructure Development [6]	Value of capital investment being developed or delivered through the department's facilitated tourism infrastructure projects [8]	$3 billion	$3.6 billion
Infrastructure Development [6]	Ratio of tourism investment attraction costs to the value of direct capital attracted [7]	$1:$168	$1:$1030

Notes

1. The structure of this service area has been changed from the 2018–2019 Service Delivery Statement. The services Industry Development and Infrastructure Development have been removed to reflect the work of the service area across government and industry relating to visitor access, tourism infrastructure and industry development, to create the conditions for a successful tourism industry and to grow the number of visitors to Queensland.
2. This service standard measures additional airline capacity under the following funds - the Attracting Aviation Investment Fund, Connecting with Asia and Attracting Tourism Fund. The service standard is calculated to include seats over the life of the agreement.
3. The 2018–2019 Estimated Actual for this service standard includes additional seat capacity from services supported by Attracting Aviation Investment Fund in response to market demand.
4. This service standard is an estimate of growth in overnight visitor expenditure from activities funded under Connecting with Asia to attract additional overnight visitors.
5. The 2018–2019 Estimated Actual for this service standard reflects an increase in average spend an average length of stay which resulted in a higher growth in overnight visitor experience.
6. Tourism Infrastructure Development, delivered through the Tourism Development Projects unit focuses on facilitating investment, and supporting the development and delivery of key infrastructure projects. This includes the transfer of Global Tourism Hub development, and the rejuvenation of the GBR Island Resorts to enhance visitors' experience of Queensland.
7. The 2018–2019 Estimated Actual for this service standard has reported a significant increase due to a high number of projects reaching completion, as well as several 4–5 star hotel projects having commenced construction as a result of increased development incentives.
8. Capital investment amounts reported include that contributed from private sector entities for development and delivery of Global Tourism Hubs including Integrated Resort Development that may include casino licences.

WE HAVE WORKED CLOSELY WITH THE PRIVATE SECTOR AND ACROSS GOVERNMENT TO BUILD THE STATE'S TOURISM INFRASTRUCTURE AND CREATE A FAVOURABLE ENVIRONMENT FOR THE INDUSTRY TO GROW.

WE LEVERAGED BENEFITS OF MAJOR EVENTS, TOURISM AND INTERNATIONAL EDUCATION TO MAXIMISE THE POTENTIAL OF QUEENSLAND'S VISITOR ECONOMY BY:

- supporting the acquisition of new events to Queensland such as the National Rugby League Magic Round
- delivering world sport and business summit event SportAccord 2019 in May. More than 1,500 representatives from more than 500 organisations attended annual general assemblies and participated in a two-day international sport convention
- hosting a government and industry networking event to celebrate Australian Football League in Queensland, including profiling and promoting AFL Women's and women's sport

- closing legacy projects and completing GC2018 evaluation reports, including assessing *Trade 2018, Festival 2018*, the Games time visitor survey, the *Reconciliation Action Plan* and the Griffith University economic impact report
- continuing promotion of GC2018 legacy benefits through media opportunities and social media
- dissolving GOLDOC on 31 December 2018, including transfer of finances and assets to DITID, and continuing the wind-up of the Office of the Commonwealth Games, including managing the continuation of legacy projects and planning for continued evaluation of the GC2018 legacy
- preparing the post Games Report, released in April 2019, providing a comprehensive report on the outcomes of GC2018, and the audited Special Purpose Financial Report.

YOUNG TOURISM LEADERS

The Young Tourism Leaders program is focused on showcasing to young people the diverse, exciting and stable career opportunities that the tourism industry offers.

2018–2019 was another exciting year for our 30 Young Tourism Leaders as they travelled the state engaging with young people, making presentations in schools and careers events.

Based across our 13 tourism regions, Young Tourism Leaders shared the story of their career journey and shared tips and advice on how to kick-start a career in tourism. Young Tourism Leader, Grace Elliott, based in Winton, has inspired students in schools in western Queensland, including a visit to four schools in Charters Towers, with her career in outback tourism that has led to her current role as the Education Coordinator at the Australian Age of Dinosaurs Museum.

Similarly, Young Tourism Leader and Director of Beverage at The Star Gold Coast, Jai Leighton, was active promoting tourism careers to high school students throughout the Gold Coast region, engaged with tertiary students at Griffith University and had a speaking opportunity at the Gold Coast Careers Expo.

In 2018–2019, leaders delivered presentations at 85 schools, TAFEs and universities, reaching 6,265 students. They participated in 15 careers expos and education events attracting 1,857 students, and four tourism industry events.

Social media channels are used to engage young people with featuring events, what leaders are doing in their jobs, and information on career and training opportunities, while *DestinationQ* social media promotes school engagement activities.

DAYDREAM ISLAND

2018–2019 was an exciting year for tourism infrastructure investment in Queensland, with new internationally branded hotel stock coming online and the development of world-class attractions and venues. Revitalisation of our magnificent GBR island resorts is progressing well, along with investment in game-changing access infrastructure, including upgraded airports and new cruise facilities.

Attraction of new investment and delivery of new products in Queensland is the result of a long-term approach and engagement by DITID.

The reopening of the Daydream Island Resort in the Whitsundays in April 2019, after a $140 million upgrade, was a celebration of the importance of the state's long-term approach to tourism investment attraction and working in partnership with investors to see projects realised. Daydream Island was actively showcased by the Tourism Investment Attraction Unit, and China Capital Investment Group (CCIG) selected the island as its first investment outside of China.

The department continued to work with CCIG and across government to streamline the development process, supporting CCIG to attain Prescribed Project Status.

CCIG was also successful in obtaining joint state and federal funding for the development of a new educational coral propagation facility on Daydream Island, and for the restoration of cyclone damaged sites including Lovers Cove. In the words of CCIG, 'Queensland's Tourism Department has been there every step of the way. They share our commitment to ensuring the GBR continues to be enjoyed as one of the world's must-see destinations.'

The resort opening is testament to the importance of having both a strategic focus by the department and active collaboration with investors to deliver new product.

The Tourism Investment Attraction Unit continues to build on a pipeline of more than $14 billion worth of tourism infrastructure projects across the state to strengthen Queensland's position as the best place to experience Australia.

WE FOSTERED INNOVATION TO GROW INDUSTRY AND ATTRACT SKILLS, TALENT AND INVESTMENT BY:

- co-designing the Tourism Business Capability Program with industry partners to support all Queensland tourism businesses to build digital and trade capability
- continuing to deliver the Young Tourism Leaders program, with 30 leaders across the state inspiring young people to consider pursuing a career in tourism
- partnering with TEQ and the Queensland Tourism Industry Council to deliver the DestinationQ Forum attracting more than 600 delegates.

WE IMPROVED BUSINESS AND INVESTOR CONFIDENCE TO LEVERAGE PRIVATE SECTOR INVESTMENT AND ATTRACTION BY:

- facilitating investment into new hotels and venues, including:
  - $240 million W Hotel Brisbane
  - $200 million Howard Smith Wharves precinct, including the $70 million Fantauzzo Hotel
  - $200 million Westin Hotel
  - $10 million Sunshine Coast Convention Centre
- working to support revitalisation of island resorts across the GBR, with more than $800 million of private sector investment planned or underway and $275 million of investment realised in the Whitsunday region. Whitsunday Island resorts which have reopened include:
  - $140 million Daydream Island Resort
  - $135 million Intercontinental Hayman Island Resort
  - Elysian on Long Island

WE IMPROVED BUSINESS AND INVESTOR CONFIDENCE TO LEVERAGE PRIVATE SECTOR INVESTMENT AND ATTRACTION BY:

- developing a detailed business case for the delivery of power and water connections for Great Keppel Island, securing new interest in investment for the redevelopment of the island
- opening the $38.6 million Attracting Tourism Fund for applications. The Mowbray North section of the Wangetti Trail and the development of the Quandamooka Art, Museum and Performance Institute on Minjerribah (North Stradbroke Island) are the first two projects to receive funding
- supporting projects on 10 island destinations across the GBR through the GBR Island Resorts Rejuvenation program, together with a network of Queensland Government case managers to work with island resort owners and operators to streamline their engagement across all levels of government
- undertaking an analysis of key regulatory and policy issues impacting on the commercial and operational viability of GBR island resorts to inform future work and initiatives to support sustainable tourism development.
- delivering the Outback Tourism Infrastructure Fund supporting 15 projects in the Outback. Examples include:
  - five star eco-lodges in Longreach
  - Outback Gondwana Foundation – Dinosaur Interpretation Infrastructure
  - Maranoa Regional Council – The Bigger Big Rig and Tree Walk
  - Cobbold Gorge Tours – Glass Bottom Bridge
- delivering the Growing Tourism Infrastructure Program supporting 13 projects across Queensland, to be completed by 30 June 2021. Examples include:
  - City of Gold Coast – artificial reef and dive attraction
  - Cruise Whitsundays – Reefworld pontoon and diving activities
  - XBrisbane: Story Bridge Adventures – new outdoor activities
  - Australia Zoo Camp Croc Hunter Project
  - Qantas Foundation – Luminescent Longreach Project
  - Ewamian Aboriginal Corporation – Talaroo Hot Springs tours and accommodation

TRADITIONAL KNOWLEDGE MEETS MODERN COMMUNICATIONS

The Quandamooka people's vision for a 'glad tomorrow' has inspired a unique partnership between the Quandamooka Yoolooburrabee Aboriginal Corporation (QYAC) and the Queensland Government's Minjerribah Futures communications team.

As the ongoing Custodians of Country, the Quandamooka People's aspirations for the preservation of Minjerribah's (North Stradbroke Island) environment and the economic future of their community are at the forefront of all economic planning for the future of the island.

QYAC, along with Redland City Council and Straddie Chamber of Commerce, has partnered with the Queensland Government to deliver the Minjerribah Futures initiative, which assists the economic transition of the island from its traditional reliance on sand mining to a more sustainable future as a cultural and ecotourism destination.

This partnership has involved the Minjerribah Futures communications team working closely with QYAC's senior management to share Traditional Owner values of caring for country, culture and people with the wider community, as well as telling more of the great stories coming from QYAC and Queensland Government programs.

More than great headlines, the partnership has fostered a strong exchange of knowledge, skills and experiences. The communications team has been able to learn from Land and Sea Rangers about the core values of caring for country and the benefits Traditional Owners are bringing to national park management, hear and share the stories of Songman Joshua Walker and work closely with QYAC trainees at events.

Meanwhile, the QYAC team have leveraged the Minjerribah Future's team's knowledge of digital communications, marketing and media to grow their audience, improve community engagement and share more of their great stories with more people.

Above: The Westin Brisbane. *Photos courtesy of the Westin Brisbane*

WESTIN HOTEL, BRISBANE

On 8 November 2018, Queensland's first Westin hotel, The Westin Brisbane, was officially opened by the Honourable Kate Jones MP, Minister for Innovation and Tourism Industry Development and Minister for Cross River Rail, alongside Councillor Adrian Schrinner, Deputy Mayor, Brisbane City Council, Mr Paul Chong, hotel owner and Mr Brad Mercer, General Manager Sheraton Four Points and Brisbane Westin.

Along with the creation of 170 ongoing jobs - the 299 room hotel brings a new luxury brand experience to the city with Brisbane's first swim-up bar. Located in Mary Street, the hotel sits alongside the Four Points by Sheraton also owned by the Chong Family. Opening in 2014, the Four Points by Sheraton was the first internationally branded hotel to open in Brisbane in more than 15 years.

The Westin opening marked a big year for the city. Throughout 2018 eight hotels launched in and around the Brisbane CBD, representing private investment of around $800 million, supporting close to 1,000 ongoing jobs.

This investment follows the successful *Brisbane Hotel Strategy* undertaken in partnership between DITID and Brisbane City Council.

Following this investment, the department is continuing its partnership with Brisbane City Council to leverage this new supply to bring new experiences and attractions to the region to increase overnight visitor expenditure and visitation.

- allocating an additional $10 million in funding from the Attracting Tourism Fund to support new flights through the Attracting Aviation Investment Fund. Several new services have been attracted to Queensland including: four flights per week by Air Asia-X from Bangkok to Brisbane; two additional flights per week by Silk Air from Singapore to Cairns; three flights per week by Jetstar from Seoul to the Gold Coast, four flights per week between Chicago and Brisbane, and three flights per week between San Francisco and Brisbane
- commencement of domestic routes with high demand from international tourists, including three flights per week by Jetstar from Uluru to Brisbane, and three flights per week by Virgin from Brisbane to the Whitsundays
- implementing a number of projects through the Advance Queensland: Connecting with Asia initiative to attract more of the lucrative Chinese and other high-growth Asian markets, including:
  - Project 88, a pilot project working with Chinese digital payment platforms and providers to improve Chinese visitor experiences
  - Life Fi, a partnership with Surf Life Saving Queensland to deliver free Wi-Fi on Queensland beaches to improve water safety, particularly for non-English speaking international visitors.

WE CONTINUED TO **BUILD THE STATE'S TOURISM INFRASTRUCTURE** AND **STIMULATE BROAD INVESTMENT** AND **ECONOMIC DEVELOPMENT** IN THE LONG-TERM FUTURE OF QUEENSLAND

WE BUILT **ECONOMIC OPPORTUNITIES** ACROSS SECTORS THROUGH INDUSTRY COLLABORATION AND PARTNERSHIPS BY:

- leading the *Minjerribah (North Stradbroke Island) Economic Transition Strategy* and agreed five priority projects, which are now being delivered with the Quandamooka Yoolooburrabee Aboriginal Corporation, alongside a Quandamooka Country Tourism Action Plan
- 90% completion of the Queen's Wharf Brisbane Stage 1 construction, including the Mangrove Walk and upgrade of the bikeway along the river and Waterline Park
- finalising Queen's Wharf Brisbane Active Transport Integration Initiative (provided to the Department of Transport and Main Roads for consideration in its bikeway feasibility study)
- awarding preferred contractor for the Queen's Wharf Brisbane Integrated Resort Development Shell and Core contract in April 2019
- launching an Expression of Interest process for the private sector work to collaboratively with Traditional Owners to create new ecotourism opportunities at the Thorsborne Trail, Cooloola Great Walk and Whitsunday Island
- working to deliver the new Wangetti Trail, expected to create around 150 jobs and inject up to $300 million into the Queensland economy once operational
- progressing the market process for the Tropical North GTH, which is expected to create as many as 2,300 additional jobs in the Cairns region
- commencing a competitive procurement process for a GTH on the Gold Coast
- progressing the Tropical North GTH project to the Request For Detailed Proposal phase, and issue of the request to shortlisted parties.

CULTURAL TOURISM MAKES WAVES ON STRADBROKE ISLAND

Keen bushwalkers can now enjoy 360-degree views of Moreton Bay and Quandamooka Country from a lookout atop one of Minjerribah's (North Stradbroke Island) highest peaks.

The new Mount Vane walking track, designed and constructed by Traditional Owners, the Quandamooka people, is one of the many projects supported by Minjerribah Futures, the Queensland Government's economic transition strategy to establish the island as a globally recognised destination for cultural and ecotourism.

"Minjerribah is home to some of the most striking scenery in Queensland, with original eucalypt and scribbly gum forests containing rich and ancient cultural heritage," Tourism Industry Development Minister Kate Jones said.

"The Mount Vane walk is one of the many new ecotourism experiences we're delivering on the island over the next few years. Ecotourism makes sense for Minjerribah. More than 20 Quandamooka rangers were involved in the design and construction of this track and research has revealed that walking tourism alone has the potential to pump $16 million a year into the local economy."

Public response to the new walk has been overwhelmingly positive, reaching record audiences on the Minjerribah Futures social media sites, as well as within the island's online community groups and tourism websites.

Quandamooka Yoolooburrabee Aboriginal Corporation Chief Executive Cameron Costello said the Quandamooka people are excited by the potential of low impact, sensitively-designed cultural and ecotourism activities, like the Mt Vane walk, that allow visitors to experience the beauty of our land and the traditions of our ancestors while contributing to real economic opportunities for Traditional Owners through business and employment.

With sand mining ceasing on the island at the end of 2019, the $24.75 million strategy is investing in 23 projects to support the growth of sustainable tourism, arts and cultural activities and a future-focused education and research sector.

Looking forward

In 2019–2020, the department will:

Grow quality products, events and experiences

- contribute to the Queensland Government's *Our Future State: Advancing Queensland's Priorities* by continuing to work to attract and facilitate new infrastructure investors to Queensland, as well as working with existing investors on further investment in Queensland
- continue to deliver the following funding programs:
  - Attracting Tourism Fund, which aims to increase economic contribution, jobs and overnight visitor expenditure to the state by generating new tourism investment
  - Outback Tourism Infrastructure Fund, which will contribute to realising the government's vision for Outback Queensland as a tourism destination of choice.

Invest in infrastructure and access

- continue to deliver the following funding programs:
  - GBR Island Resources Rejuvenation Program to assist resort owners and operators in rejuvenating resorts on GBR islands
  - Great Keppel Island Rejuvenation Pilot, which is prioritising the installation of significant common user infrastructure, including power, water and telecommunications
  - Growing Tourism Infrastructure Program to support the development of new and improved attractions across the state
- continue to deliver initiatives through the Minjerribah (North Stradbroke Island) Futures Strategy and Gudjundabu Marumba: Tourism for a Glad Tomorrow. A Five Year Strategy for sustainable tourism on Quandamooka Country
- deliver the $5 million Tourism Recovery Fund in response to the north and north-west Queensland monsoon event in February 2019
- lead and coordinate with TEQ, government investment in major event attraction to ensure maximum benefit for the visitor economy and other government priorities
- identify and work with industry to address the shifts in the global and international visitor economy
- continue to assess the impacts and opportunities related to short-term residential accommodation in Queensland, and develop appropriate responses that support sustainable tourism growth
- work with federal, state and territory jurisdictions to influence, promote and progress opportunities for stimulating tourism in northern Australia
- explore opportunities to deliver quality, consumer-focused, adventure and nature-based tourism offerings and Indigenous experiences for visitors to Queensland
- contribute to the Advance Queensland priority 'Protecting the Great Barrier Reef' through:
  - influencing the development of climate policy and initiatives to support the tourism sector to transition to a more sustainable and low-carbon economy
  - continuing to work with industry to support the implementation of actions under the Queensland Tourism Sector Adaptation Plan, which provides a roadmap for the tourism sector to understand and respond to climate change
- work in partnership with other agencies and industry to increase visitor swimming awareness and in regard to sharks, crocodiles and marine stingers
- continue to facilitate the successful delivery of the Queen's Wharf Brisbane Integrated Resort Development and progress processes for procurement of regional GTHs in Cairns and Gold Coast
- develop the Wangetti Trail, the 94-kilometre walking and mountain biking track through Tropical North Queensland coast and hinterland from Port Douglas to Palm Cove, as a high-quality ecotourism experience
- work with the Department of Environment and Science to progress market approaches for the Thorsborne, Cooloola and Whitsunday Ecotourism Trails Program
- continue to work to attract and facilitate new infrastructure investors to Queensland.

WANGETTI TRAIL

Queensland has some of the best natural assets in the world, and through the delivery of ecotourism opportunities such as the Wangetti Trail in the Tropical North, Queensland can showcase its environment to the world.

The Wangetti Trail will be Queensland's very first purposefully designed ecotourism trail in a national park. Approximately 94-kilometres in length, the dual-use walking and mountain biking track travels through Queensland's coast and hinterland from Port Douglas to Palm Cove.

Since commencement of the project in May 2018, DITID, in partnership with the Department of Environment and Science, has:

- completed a detailed business case
- facilitated ground-truthing activities
- worked with Traditional Owners to identify known sites of significance
- facilitated engineering designs
- completed a Registration of Interest process for tourism operators
- released tenders to build a new pedestrian bridge across the Mowbray River.

DITID has committed $36.2 million in capital (plus $3.2 million in operating costs) to deliver the Wangetti Trail, including prioritising $5.7 million from the Attracting Tourism Fund for the first stage of the trail – the Mowbray North alignment, a seven-kilometre section of the trail from Port Douglas south to the Mowbray River.

Receiving support of the local Traditional Owners, the Yirrganydji People and the Eastern Kuku Yalanji People, once operational in around 2022, the trail is estimated to inject up to $300 million into the economy over the life of the project, and could create more than 75 construction jobs and over 150 jobs once operational, with a focus on Indigenous employment.

Build a skilled workforce and business capabilities

- continue to deliver the Tourism Business Capability Program in partnership with the Queensland Tourism Industry Council and other delivery partners to support all Queensland tourism businesses to build digital and trade capability
- implement a $3.2 million package of initiatives to assist Indigenous tourism businesses to start and grow and generate employment in Indigenous tourism
- increase awareness with Traditional Owners, prescribed body corporates and Indigenous councils of the benefits of tourism, and facilitate increased engagement between these groups and the broader tourism industry.

Seize the opportunity in Asia

- continue to deliver the Attracting Aviation Investment Fund which supports strategic and best value route development applications
- under the Advance Queensland: Connecting with Asia strategy, continue to implement approved projects aimed at providing a stronger visitor experience for targeted Asian markets across Queensland destinations.

QUEEN'S WHARF BRISBANE

From excavation to construction... Queen's Wharf Brisbane is taking shape.

After two and a half years of demolition, excavation and shoring works, Queen's Wharf Brisbane, the $3.6 billion Integrated Resort Development, is changing direction with construction coming out of the ground and some public space opening toward the end of 2019.

This project, which will put Brisbane firmly on the map as a global tourism, leisure and entertainment destination, is planned to open in late 2022, and is already attracting more and more local, national and international exposure.

The demolition of three non-heritage buildings occurred in 2017, and in 2018–2019, excavation activities took place for the development's basement - the biggest excavation in Queensland's history. More than 400,000m³ of material has been removed, with 90% recycled - most going to the Brisbane Airport for the Auto Mall.

Over the past year and a half, the project has had more than 30,000 truck movements in and out of the site. It has run like clockwork, with safety being the priority for the developer, Destination Brisbane Consortium.

The end of June 2019 marked another milestone for the project, with two tower-cranes installed on site. As the focus now turns towards construction, buildings will slowly start coming out of the ground, with up to eight more cranes set to dominate the Brisbane skyline.

The foreshore works are well underway with the construction of Waterline Park, the new and improved Bicentennial Bikeway, the Boathouse Pavilion and pontoon and Mangrove Walk – which will display beautiful Indigenous designs and storytelling elements, due to open in later 2019.

Construction will commence on the development of the Neville Bonner pedestrian bridge in 2020, which will connect Queen's Wharf to the South Bank cultural precinct including theatres, the State Library, the Museum and Science Centre, the Brisbane Exhibition and Convention Centre, South Bank Parklands and West End.

The project will employ more than 2,000 workers during peak construction, and more than 8,000 once operational.

It is expected that, once completed, Queen's Wharf will bring 1.39 million additional tourists each year and a $1.69 billion annual increase in Queensland tourism spend.

Queen's Wharf Brisbane will offer:

- the equivalent of 12 football fields of public space
- five premium hotel brands – including the Ritz-Carlton and Brisbane's first 6 star hotel
- 50 restaurants, cafes and bars
- three residential towers
- many retail offerings
- connectivity to the south of the Brisbane River
- an iconic 'arc' building, featuring a Sky Deck with 360 degree views of the river and city
- $11.01 billion to the gross state product
- a moonlight cinema.

OUR GOVERNANCE FRAMEWORK HELPS US TO **ASSESS THE STRENGTHS AND WEAKNESSES OF CURRENT PRACTICE**, AND TO **CONTINUALLY IMPROVE** SO THAT OUR STAKEHOLDERS HAVE ONGOING **CONFIDENCE IN OUR COMMITMENT** TO DELIVER QUALITY SERVICES TO QUEENSLANDERS.

5. OUR GOVERNANCE

Corporate governance arrangements are the principles, elements and mechanisms used by the department to support a focus on effective governance through strong leadership, responsible and ethical decision-making, management and accountability, and performance improvement.

Governance framework

Corporate governance arrangements are based on the principles of best practice outlined in the *Public Sector Governance: Better Practice Guide*, the Australian Public Service Commission's *Building Better Governance Guide* and by the Australian National Audit Office.

The Corporate Governance Framework ensures that our obligations under the *Financial Accountability Act 2009* and *Public Sector Ethics Act 1994* are met.

The leadership and accountability model is part of the department's Corporate Governance framework and illustrates the accountability mechanisms in place to effectively control business activities.

Figure 6: The DITID Leadership and Accountability Model

Our partners

Portfolio bodies

In addition to the department, there were two statutory bodies that made up the DITID portfolio in 2018-2019. We collaborate with these partners to ensure that all government and industry priorities are delivered.

- TEQ aims to maximise the economic and social benefits of tourism for the state. It markets and promotes tourism in Queensland, helps develop tourism experiences and destinations, and secures major events for Queensland. TEQ complements the department's efforts in building tourism infrastructure, attracting investment and developing industry capabilities.
- GOLDOC was established in January 2012 to work with government and Games Delivery Partners to plan, organise and deliver GC2018. *The Commonwealth Games Arrangements (GOLDOC Dissolution Day) Amendment Regulation 2018* prescribed the dissolution day of GOLDOC as 31 December 2018.

Tourism industry

Advancing Tourism 2016–2020: Growing Queensland Jobs is the government's strategy to grow Queensland's tourism industry. Launched at the 2016 DestinationQ forum, this whole-of-government strategy was developed in partnership with industry and seeks to capitalise on the opportunity afforded by unprecedented growth in tourism to increase market share and boost tourism jobs by targeting four priority areas:

- grow quality products, events, and experiences
- invest in infrastructure and access
- build a skilled workforce and business capabilities
- seize the opportunity in Asia.

DestinationQ is a partnership between the Queensland Government and the tourism industry. This partnership facilitates ongoing engagement between industry and government to deliver on key priorities to drive growth and jobs across Queensland.

The most visible element of the partnership is the annual *DestinationQ* Forum, which brings government and industry leaders together to discuss priorities for ensuring the industry remains competitive.

The 2018 *DestinationQ* forum was held at the Gold Coast Convention and Exhibition Centre on 16 November 2018. The forum, which was attended by more than 670 delegates from across the tourism industry and local government, provided an opportunity to engage with industry leaders and peers and discover insights and research to help position Queensland tourism for the future.

For full details of the 2018 *DestinationQ* forum, visit www.destq.com.au.

Corporate services

DITID Corporate, which sits within the Office of the Director-General, oversees the delivery and management of corporate services throughout the department. DITID participates in a Business and Corporate Partnership (BCP) with other agencies in the delivery of some core corporate services, including financial services, internal audit, information and communications technology, legal and accommodation services.

The Director, Governance and Assurance manages and oversees the Service Level Agreements (SLA) with the BCP and Queensland Shared Services (QSS) for DITID.

In 2018–2019, DITID delivered its corporate services through two key areas: Governance and Assurance, and People and Engagement.

The Governance and Assurance team delivers:

- corporate governance assurance
- strategic and business planning
- strategic performance management and reporting
- risk, fraud and corruption control management
- emergency and business continuity management
- strategic procurement
- complaints management
- information privacy compliance
- lead the review and development of departmental budget papers in partnership with Finance and Asset Management
- department lead for the annual Parliamentary Estimates Committee Hearing.

The People and Engagement team delivers:

- strategic human resources advice
- human resource policy and programs such as workforce planning, equity and diversity, and performance management
- whole-of-department learning and development programs
- employee health and wellbeing initiatives
- industrial relations and employee relations
- workplace health and safety, return to work and rehabilitation case management services
- internal communications
- strategic engagement activities and programs
- oversight of the payroll and recruitment services conducted by QSS on behalf of the department.

Table 12: Executive Management Group
Committee members
• Chair – Director-General • Member – Deputy Director-General, Tourism and Major Events • Member – Deputy Director-General, Tourism Development Projects • Member – Deputy Director-General, Innovation • Member – Projects Chief Executive, Tourism Development Projects

Table 13: Corporate Executive Management Group
Committee members
• Chair – Director-General • Member – Deputy Director-General, Tourism and Major Events • Member – Deputy Director-General, Tourism Development Projects • Member – Deputy Director-General, Innovation • Member – Projects Chief Executive, Tourism Development Projects • Member – Director, Governance and Assurance • Member – Director, People and Engagement • Member – Executive Director, Finance and Asset Management, and Chief Finance Officer

Table 14: Workplace Health and Wellbeing Committee	
Committee members	Committee role
• Director, People and Engagement	• Chair
• Principal People and Business Partner, People and Engagement	• Secretariat
• Executive Director, Tourism Development Projects Division	• Member
• Principal Policy Officer, Innovation Division	• Member
• Manager, Governance, Planning and Performance	• Member
• Principal Advisor, Tourism Division	• Member

Boards and Committees

The Director-General has overall responsibility under the *Public Service Act 2008* (s. 98) for the management, governance and operation of the department. The DITID governance committees meet regularly and assist the Director-General and senior executives in decision-making and ensuring the department's goals and objectives are met.

The Executive Management Group (EMG) considers department business priorities and resourcing, ministerial and parliamentary business, and corporate policy.

The EMG is the department's principal policy-setting and decision-making authority. It supports the Director-General as the department's accountable officer, to ensure the department implements and operates within an appropriate governance framework.

The EMG works collectively to:

- set agency strategy, objectives and priorities
- develop our agency and workforce capabilities
- increase and harness the diversity of our workforce
- drive innovation across the agency and through our partnerships
- oversee the implementation of programs and policies
- monitor performance and reporting requirements
- scrutinise risk mitigation strategies
- review recommendations implemented from management and audit reports to improve business processes and work practices.

There are four additional committees that focus on specific areas of organisational management – the Corporate Executive Management Group (CEMG) (and supporting governance sub-committees), Audit and Risk Committee, Information Steering Committee, and Workplace Health and Wellbeing Committee.

A representative from the BCP participates in the CEMG.

Mike Richards, Executive Director, Finance and Asset Management, and Chief Finance Officer

Mike is the Chief Finance Officer for both DITID and the Department of Agriculture and Fisheries. Mike holds a Bachelor of Commerce (Finance and Accounting) and is a member of the Institute of Public Accountants. Mike has over 40 years of experience in the Queensland public sector and has worked in a number of departments during his career.

Mike provides strategic leadership and advice on the financial management of the department, including budgeting, managing financial risk, financial policies, accounting and reporting, asset management and internal controls assurance frameworks, and provides strategic financial advice to the EMG and as a member of the CEMG.

Business and Corporate Partnership Board

The Board provides leadership and sets the strategic direction of the partnership to enable it to meet its goals and objectives and those of the individual departments. It is collectively responsible for the long-term performance, corporate systems and efficiencies that enable the success and timely delivery of the key priorities of each department within the partnership.

During 2018–2019, the Board membership comprised:

- the Directors-General of DITID, Department of Agriculture and Fisheries, Department of Natural Resources, Mines and Energy, and Department of Environment and Science
- the Head of Corporate from each of the three BCP hubs. The Director, Governance and Assurance represents DITID at the Heads of Corporate Board meetings.

As DITID's internal audit and ICT service needs are provided through the BCP, DITID's Director-General and Director, Governance and Assurance, represent DITID's interests on the BCP Board.

Workplace health and safety

Workplace Health and Wellbeing Committee

The Workplace Health and Wellbeing Committee provides strategic advice and assists the Director-General and EMG to meet their due diligence requirements under the workplace health and safety legislation for health and safety across the department.

This committee meets monthly and works with the People and Engagement team to identify, develop and implement strategies to enable continuous improvement of workplace health and wellbeing within DITID through a management system approach. The committee also oversees activities associated with being an accredited White Ribbon Workplace, and championing diversity and inclusion within the department.

DITID values the importance of providing staff a healthy, safe workplace. In 2018–2019, the department continued to build on our proactive health and safety culture through a strategic health, safety and wellbeing program.

In 2018-2019, the department has focused on building the physical, mental and financial fitness of our employees. Key initiatives delivered during the year include:

- Financial Wellness webinars through QSuper
- People Month – as part of Safe Work Month, DITID focused on our people. Weekly walking groups and mental health were a priority. DITID invited guest speaker Dione Faumuina (international National Rugby League player), as well as employees and representatives from other agencies to speak about their experiences and the support available
- Domestic Violence Month – participation in Darkness to Daylight CEO Challenge in partnership with the Department of Environment and Science, Barbara Tynan, Acting Magistrate, gave a frank and compelling talk about her experiences in the Domestic and Family Violence Courts at the DITID forum
- defibrillators purchased for divisions located in Terrica Place
- participation in My Health for Life program focusing on supporting staff identified with a high risk of developing a chronic disease
- annual flu vaccinations, available to all staff at Terrica Place and 1 William Street or through a voucher system at participating pharmacies
- participation in the Red25 Red Cross Blood Service program to increase blood and plasma donations

Seven minor injuries were recorded for the 2018–2019 year resulting in one medical expenses only WorkCover claim and one workplace assessment. Four employees were on income protection for long-term illness.

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Audit and Risk Committee

The Audit and Risk Committee (ARC) provides independent assurance and assistance to the Director-General and the EMG on the department's risk, control and compliance frameworks, integrity framework, and external accountability responsibilities as outlined in relevant legislation and standards. The ARC also has a primary role in overseeing financial statements reporting.

The structure of the committee meets the requirements of the *Financial and Performance Management Standard 2019 (s.35)* and is chaired by a professional expert external to the department.

During 2018–2019, the ARC carried out the terms of its charter, with regard to the *Audit Committee Guidelines: Improving Accountability and Performance* issued by Queensland Treasury in June 2012.

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

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

Current reviews performed under the *DITID 2018–2019 strategic internal audit plan*:

- Tourism: Grants Management Review
- Statement of Assurance Review
- Innovation: Grants Management Review
- Phase 1: Fraud and Corruption Control Framework Review.

Table 15: Audit and Risk Committee membership and attendance, 2017–2018

Name	Position	Committee role	Membership period Membership	Number of meetings attended
Peter Dowling	Consultant	External chair	April 2017 to November 2021	4
Karen Prentice	Consultant	External member	April 2017 to November 2021	4
Kerry Petersen	Deputy Director-General, Office of the Commonwealth Games	Member, departmental representative	April 2017 – April 2019	4
Paul Martyn	Deputy Director-General, Innovation	Member, departmental representative	March 2018 - June 2018	0
Karen Broussard	A/Deputy Director-General, Innovation			1
Nicolle Kelly	A/Deputy Director-General, Innovation			0

ARC members were provided with recommendations arising from the QAO reports to Parliament that relate to the department. During 2018–2019, 10 recommendations were actioned and closed.

The ARC also provided a forum for dialogue between the Director-General, senior management, internal audit and the QAO.

The ARC convened four times during 2018–2019: – August 2018, October 2018, January 2019 and May 2019. The BCP's Internal Audit Service (IAS) provided secretariat support to the ARC during 2018–2019. In this financial year, there was movement in ARC membership (as detailed in Table 15).

As external chair, Peter Dowling was entitled to be paid $2,400 per meeting (excluding GST) to a maximum of $12,000 per calendar year. External member Karen Prentice was entitled to be paid $600 per meeting (excluding GST) to a maximum of $3,000 per calendar year (excluding GST) to prepare for, and attend, up to five meetings per annum.

Internal audit

IAS is a business unit within the Department of Environment and Science. It provides internal audit services to DITID and three other Queensland Government agencies as part of the BCP arrangements.

IAS provides independent assurance and advice to the Director-General, senior management and the ARC. It enhances DITID's corporate governance environment in line with roles and responsibilities detailed in the *Financial Accountability Act 2009*. It achieves this through an objective, systematic approach to evaluating the effectiveness and efficiency of corporate governance processes, internal controls, risk assessment and management practices.

The role, operating environment and responsibilities of IAS are established in the 2018–2019 internal audit charter (which has due regard to the professional standards) and the *Audit Committee Guidelines: Improving Accountability and Performance*, issued by Queensland Treasury (June 2012).

Key audit activities for 2018–2019 included:

- providing secretariat support to the ARC
- monitoring and reporting on the status of implementation of internal and external audit recommendations to the ARC.

External assurance

Audits and reviews

The QAO undertakes financial and performance audits within the public sector. In 2018–2019, four audit reports required action by DITID:

- QAO report to Parliament *Monitoring and managing ICT projects – Report 1: 2018–2019* explored whether monitoring projects at the departmental and whole-of-government levels has improved successful delivery of Information and Communication Technology (ICT) programs and projects. The QAO scope included detailed review and analysis of the ICT dashboard and QAO surveyed all departmental Chief Information Officers on their use of the ICT dashboard.

QAO recommended that departments:

- implement efficient and automated processes for collecting, collating, approving and publishing dashboard data
- publish data to the dashboard that is consistent with the Queensland Government Chief Information Office's (QGCIO) publishing criteria and guidelines and provide sufficient detail in the explanatory notes when changes are made to projects' scope, time or budget
- consider the need for projects with high business impact to undergo periodic health checks in addition to gate reviews and that the focus of these health checks includes the financial management
- use learnings (including the QGCIO's summary of systemic issues) from project health checks and gate reviews in monitoring and managing programs and projects

The department has taken action and three of the four recommendations have been completed.

- QAO report to Parliament *Delivering shared corporate services in Queensland – Report 3: 2018–2019* assessed whether the Queensland Government's shared service providers are delivering value for money now and are positioned to successfully deliver into the future.

For each service it provides, QAO recommended that Queensland Government shared corporate service providers:

- define a clear strategy, acknowledging external factors (such as innovation in service delivery models and technology), user demand, and future funding challenges
- establish an understanding of the full cost per service
- establish and monitors standards for volume, quality, and time
- maintain a well-defined catalogue of its services aligned to the Queensland Government's Business Service Classification Framework so that demand, efficiency savings, and performance standards can be compared across providers
- establish a transparent pricing strategy, if funded through fee for service, that includes efficiency, behavioural and sustainability objectives
- formalise agreements with customers to clarify the type and range of services, performance standards, and exit criteria
- work with the cross-government governance arrangement for the Queensland Government's shared corporate services to establish and maintain business, technology, and people strategies that are aligned to the ongoing success of shared corporate services at the whole-of-government level.

The department has taken action and work is underway by the BCP on finalising a SLA for the remaining services provided to the department. As a customer of the BCP, the department will be consulted as part of the development of this SLA.

QAO recommended that each customer of a Queensland Government shared corporate service provider contribute to driving the effectiveness and efficiency of shared corporate services within Queensland Government.

As a stakeholder, the department has taken action with monthly meetings held with the BCP and QSS to discuss and monitor service delivery requirements.

- QAO report to Parliament *Confidentiality and disclosure of government contracts – Report 8: 2018–2019* assessed whether departments met contract disclosure requirements. QAO was unable to assess the extent and appropriateness of the use of confidentiality provisions in Queensland Government contracts due to the contract registers of all departments audited lacking sufficient information. While the audit did not specifically relate to this department, QAO found issues that related to public sector agencies as a whole and made recommendations accordingly.

QAO recommended that departments:

- meet all mandatory requirements set out in Procurement Guidelines – Contract Disclosure
- improve their contract registers or contract management systems to ensure a complete record of all awarded contracts.

Departments have taken action and the recommendations have been completed.

Risk management

DITID's Risk Management Framework provides the mechanisms through which risks are identified and managed consistently across the department, and minimised through a robust system of internal controls.

A major review of the framework and re-baselining of strategic risks was undertaken in the first half of the 2018–2019 year to support the maturation of departmental risk management practices and its core artefacts.

The framework is based on the international risk management standard *AS/NZS ISO 31000:2018* and Queensland Treasury's Risk Management Guidelines.

Our approach to risk management can be characterised by the following principles:

- risk management is an integral part of day-to-day decision-making, and is considered and addressed by everyone in the department
- risk management encompasses threats and opportunities, and reflects the potential for either of these to impact positively or negatively on the achievement of our vision, purpose and objectives
- risk management is not about risk avoidance; rather, it is about the management of risks and exploitation of opportunities within agreed parameters, to drive innovation and the delivery of strategic priorities

- a mature, risk-aware culture is fundamental to the effectiveness of risk management practices and decision-making
- the framework allows for the effective identification and management of fraud and corruption risks from the whole-of-department perspective.

The departmental strategic risk and fraud and corruption registers are underpinned by divisional, program and project risk registers. Registers are maintained through day-to-day risk management activities, and reviewed on a quarterly basis to identify trends that warrant attention at an enterprise level.

Key strategic risks and opportunities are identified as part of the department's annual strategic planning process. Through business planning activities, divisions identify risks and opportunities that may impact on their business objectives.

Given the dynamic nature of risk and business environments, significant risks are reviewed on a minimum quarterly basis by the CEMG and ARC.

Information management

Information Steering Committee

The Information Steering Committee is part of DITID's formal governance structure, with responsibilities for ICT, Information Management, and Information Security, Information Security Management System (ISMS) and reports to the CEMG. The Committee contributes to the efficient and effective operation of the department through the *Financial Accountability Act 2009, the Financial and Performance Management Standard 2019, Information Standard 2 – ICT Resources Strategic Planning, and Information Standard 18 – Information Security*.

The Committee:

- assures the Director-General that ICT, Information Management, Information Security and related investments support the delivery of government priorities and departmental strategic direction
- implements whole-of-government ICT direction, policies and standards
- oversees agency Information Security
- ensures that ICT performance meets the following objectives
  - alignment of ICT with the agency and realisation of associated benefits
  - use of ICT to enable the agency by exploiting opportunities and maximising benefits
  - responsible use of ICT resources
  - appropriate management of ICT-related risks.

Information systems

DITID is maintaining and developing a range of systems to manage and store information. These systems support the delivery of its services, initiatives and corporate operations. Currently, DITID is using network-attached storage, which provides accessible storage solutions for innovation Video and Image files.

Table 16: Information Steering Committee membership as at 30 June 2019

Committee members	Committee role
• Deputy Director-General, Innovation	• Chair
• Deputy Director-General, Tourism and Major Events	• Member
• Director, Governance and Assurance, DITID Corporate	• Member
• Director, Contract and Investment Management	• Member
• General Manager, Tourism Policy & Industry Engagement	• Member
• Chief Information Officer	• Member

Table 17: Information Security Committee function extended membership as at 30 June 2019

Committee members	Committee role
• Director, People and Engagement	• Invited Guest
• Principal Lawyer (Department of Natural Resources, Mines and Energy), Legal	• Invited Guest
• Head of Internal Audit (Department of Environment and Science), Internal Audit	• Invited Guest
• Director, Operational Management (Department of Agriculture and Fisheries), Physical Security	• Invited Guest
• Director Finance & Asset Management, (Department of Agriculture and Fisheries)	• Invited Guest
• Manager, Information Strategy, Information and Technology, (Department of Agriculture and Fisheries)	• Invited Guest

Records management

The department has a comprehensive records management framework in place that is compliant with the *Public Records Act 2002*, *Public Service Act 2008* and the Queensland State Archives Records Governance Policy. The recordkeeping framework includes:

- appraisal and disposal programs
- a suite of recordkeeping policies
- management of legacy paper records
- digital delivery of legacy records
- functional electronic document and records management system
- records training and support
- records appraisal of business systems
- an active program of transfers to Queensland State Archives.

eDOCs is the corporate document and records management system, all documents are held in file structures that are classified according to the *Information Security Policy* and the appropriate security access is applied.

The *Digitisation Disposal Policy* is used to dispose of paper after it has been digitised and saved into the corporate records management system or other approved business systems. Paper recordkeeping has declined and legacy paper records are being digitised where required for business processes.

Around 1.5 million digital records and a 3.5 TB email archive from GOLDOC were transferred to the department for ongoing management. 74 boxes of physical records were transferred to Queensland State Archives.

Departmental records are covered by a number of approved retention and disposal schedules and documented processes for records disposal are in place:-

- Commonwealth Games — QDAN 719
- Tourism — QDAN 724
- Event — QDAN 725

The retention and disposal schedules were reviewed in 2018 following the last machinery-of government changes.

Information release

The department is committed to providing the Queensland public with easier access to our information.

In accordance with the *Right to Information Act 2009*, the department is required to maintain a publication scheme, publishing certain types of information to be made available to the public. The department's publication scheme is available on the DITID website at https://www.ditid.qld.gov.au/about-us/right-to-information/publication-scheme.

In addition to this, the department also supports the whole-of-government *Open Data Policy* Statement by publishing suitably classified datasets through the Open Data Portal at www.data.qld.gov.au. Datasets identified and published in the department's open data portal include reports on consultancies, overseas travel, late payments and the Queensland Language Services Policy. The reporting requirement for government bodies is available on the DITID website at www.ditid.qld.gov.au.

We are committed to increasing the release of data that we collect for re-use and repurposing to provide new and exciting resources for the community. DITID's *Open Data Strategy: 2019—2023* outlines the department's commitment to enabling open, accountable and transparent government through the publication of datasets through the Open Data Portal.

Windows 10 and Office 365 migration

All DITID users were successfully migrated and upgraded to Office 365.

Information Security Management System (ISMS)

The initial implementation of the DITID ISMS has been successful, with required activities completed to ensure the mandatory requirements of the whole-of-government *Information Security Policy (IS18)* Annual Return can be met, for the reporting period ending 30 June 2019.

To ensure that appropriate departmental representatives are involved in ISMS implementation and general information security discussions and decision-making, the ISC membership has been extended, as outined in table 17 on page 67.

DITID INDIGENOUS PARTICIPATION PLAN 2018-2021

The DITID *Indigenous Participation Plan 2018–2021* was launched in November 2018 to build on the success of the Gold Coast 2018 Commonwealth Games Reconciliation Action Plan.

DITID is developing opportunities for Aboriginal and Torres Strait Islander peoples to participate in driving economic growth and job creation, enabling opportunities through procurement, business and relationships. The plan defines DITID's contribution to the delivery of the *Queensland Government Reconciliation Act Plan 2018–2021* and other Indigenous focused state policies.

In 2018–2019, the department achieved a number of positive outcomes across six objectives:

Improving spend with Indigenous businesses

- Around 200 procurement activities were received in the DITID Procurement Contracts Register, worth almost $32.6 million (including GST).
- Over 80 Indigenous businesses had the opportunity to supply goods and services to the department, with 41 contracts awarded, resulting in almost $374,000 in procurement commitments.
- Three Indigenous businesses were successful in the whole-of-government Creative Standing Offer, through collaboration between DITID, South East Queensland Indigenous Chamber of Commerce and the Department of Housing and Public Works.

Influencing others to take action to improve outcomes for Indigenous peoples

- DITID celebrates Indigenous events and influences corporations and other organisations to actively support Indigenous peoples.
- The Queensland Government has committed $3.4 million over the next two years for Indigenous tourism development and growth.

Increasing accessibility for Aboriginal and Torres Strait Islander peoples

- Opportunities were increased for Indigenous businesses to participate in DITID led programs, with a requirement for Indigenous outcomes in some contracts and grant programs.
- A $2 million grant fund was established to develop new Indigenous tourism products and experiences, and to support the creation and implementation of an Indigenous Tourism Development Service for emerging and established operators.
- The target of 3% investment in Indigenous businesses was exceeded - Attracting Tourism Fund (11%), Outback Tourism Infrastructure Fund (4%) and Growing Tourism Infrastructure Fund (8%).
- A campaign was delivered to encourage more Indigenous people to register for the Queensland Register of Nominees to Government bodies, increasing Indigenous registration by 33.65%.

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DITID INDIGENOUS PARTICIPATION PLAN 2018-2021

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Increasing Aboriginal and Torres Strait Islander Employees

- 2.3% of DITID employees self-identify as Aboriginal or Torres Strait Islander
- Minjerribah (North Stradbroke Island) Economic Transition Strategy funding is being provided to QYAC from 2018—2021 to engage three employees.

Increasing staff awareness and engagement on Indigenous needs and outcomes

- 23 DITID staff attended formal training, with many informal opportunities to expand awareness
- Local Indigenous language awareness was raised by naming two stages at QODE 2019 – *Wantimaa*, meaning sing it up, and *Yawarr*, meaning rising up - names drawn from the Yuggera language
- 32 government meeting rooms were named in the Yuggera language.

Increasing Indigenous business capability

- DITID made 11 direct investments of time or money into increasing opportunity for Indigenous businesses
- Funding support was provided for the Meeanjin Market for a further three years so it can mature into a sustainable, long-term economic powerhouse for Aboriginal and Torres Strait Islander arts and culture. More than 10,000 people have visited the markets so far, supporting 59 Indigenous businesses.

DITID IS PROUD OF THE CALIBRE AND COMMITMENT OF OUR EMPLOYEES. KNOWING WHO OUR PEOPLE ARE, WHAT THEY NEED TO GET THEIR WORK DONE AND HOW THEY SEE THEIR CONTRIBUTION IS IMPORTANT: NOT JUST FOR THE EXECUTIVE BUT FOR ALL STAFF.

6. OUR PEOPLE

We are fostering a workplace culture that supports respect, diversity and wellbeing as a sound foundation to enable sustainable and high-quality delivery of DITID programs and initiatives.

Workforce profile

The *Queensland Public Sector Quarterly Workforce Profile: June 2017*, based on Minimum Obligatory Human Resources Information (MOHRI) data, shows that DITID had 166.27 full-time equivalent staff at 30 June 2019. The permanent separation rate was 2.44%.

Employees who were seconded to DITID from other Queensland Government departments and who continued to be paid by their department are reflected in the MOHRI data of their substantive department.

However, for purposes of transparency, these same employees are reflected in the financial statements for DITID.

Workforce planning and performance

The department has put in place strategies to ensure our partnerships are results focused to develop talented people and emerging leaders.

In 2018—2019, individual divisions have focused on workforce planning, identifying critical roles and capabilities. Development opportunities have been identified that align with the 10-year Human Capital Outlook developed by the Public Service Commission, which aligns its strategic imperatives around the four levers for change: leadership and capability, culture, talent acquisition and new ways of working.

Improvements in our program alignment have resulted in a whole-of-department Communications and Engagement unit and a new division, TDPD.

Ethics and code of conduct

The Code of Conduct principles and values are incorporated into departmental policies, procedures and plans. All employees undertake annual Code of Conduct and ethical decision-making training. In 2018—2019, the training was expanded to include a new training module on fraud awareness and corruption prevention. Staff are encouraged to raise concerns so that they can be investigated and addressed if needed.

The Queensland Ombudsman's Office also provided training on integrity and public interest disclosures at the Senior Leadership Forum.

Fraud and corruption awareness training was delivered to senior leaders and managers in June 2019.

Leadership and capability

A strong leadership cohort with a focus on collaboration and thought leadership continues to develop.

The EMG meets monthly to ensure a strategic approach to departmental and whole-of-government initiatives.

The DITID Senior Leadership Forum, which is held every six weeks, provides opportunities for collaboration, guest presenters and professional development. This forum was utilised to harness game-changing ideas for the government's Advancing Queensland Priorities of 'Responsive Government' and 'Create jobs in a strong economy', as well a key focus group for the department's *Capability Blueprint* program. This forum is a key tool to ensure departmental priorities and initiatives are shared in the department.

Our senior leaders, as well as all staff, developed leadership capabilities through implementing comprehensive performance agreements and participating in leadership development programs, masterclasses and seminars that were promoted to staff.

Greater role clarity and clearer performance indicators formed part of the focus for upskilling staff to have more relevant and meaningful performance conversations. DITID collaborated with the Department of Local Government, Racing and Multicultural Affairs and Department of Aboriginal and Torres Strait Islander Partnerships to run a series of workshops around effective performance management.

Culture

DITID aims to create the right environment for people to thrive and translate opportunities into outcomes.

Quarterly staff forums have been held to connect staff to management, departmental projects and achievements, and to enhance professional development by inviting specialist speakers. During 2018–2019, the forums enabled staff to learn more about innovative ways of working, to hear stories about the impact of the department's *Indigenous Participation Plan 2018-2021* (IPP), and to increase awareness of community issues such gender equity and domestic and family violence.

DITID's collaborative culture is enhanced by an engagement plan that builds connections to people and projects through these forums, as well as regular messages from the Director-General, an internal monthly newsletter, and a regular 'DG Chats' program that enables all levels of staff to informally meet with the Director-General.

The DITID Aspire Awards formally recognises both individuals and teams that have demonstrated outstanding achievements in the categories of Leadership, Teamwork, Innovation and Collaboration. The annual awards engage staff to recognise a job well done and to share with DITID the great work that goes on every day.

As part of the department's steps to support gender parity, DITID held an International Women's Day event featuring a panel that discussed issues impacting on women at work and in society. Staff were also encouraged attend the Women of the World Festival in April, the Women Leaders' Summit and the Committee for Economic Development of Australia Women in Leadership event.

The department's IPP builds on the success of the GC2018 Reconciliation Action Plan to enable DITID to be an organisation that shows respect for Aboriginal and Torres Strait Islander culture, and works to sustains relationships and create opportunities. Through this plan, staff are encouraged to build cultural capability through training, experience, events and awards. Staff have attended cultural capability intelligence training, and experienced Indigenous culture at the Meeanjin Markets and at DITID forums where keynote Indigenous speakers have shared their stories.

Health, safety and wellbeing

A high priority of the department is for staff to feel assured they are working in a safe and respectful environment. As a White Ribbon accredited workplace, DITID has put in place foundation steps to ensure this. DITID continues to promote a zero tolerance towards bullying and violence in any form.

Physical health was a priority, with staff having the opportunity to identify critical risk factors through the My Health for Life program. Support and coaching were made available for staff who identify as being high risk for developing a chronic disease. In 2019, staff were supported to take part in the influenza vaccination program.

Early retirement, redundancy and retrenchment

During the 2018–2019, no redundancy or early retirement packages were offered. During this period, there was one voluntary medical retirement at a cost of $56,520.59.

CONTACTS AND LOCATIONS

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Feedback

The Department of the Premier and Cabinet is coordinating feedback on agency annual reports at www.qld.gov.au/annualreportfeedback.

APPENDIX 1: GOVERNANCE COMMITTEES

The information is also available at www.ditid.qld.gov.au

Aboriginal and Torres Strait Islander Business and Innovation Reference Group	
Act or instrument	The Aboriginal and Torres Strait Islander Business and Innovation Reference Group is not established under an Act. The Terms of Reference for the Group have been established.
Functions	The Aboriginal and Torres Strait Islander Business and Innovation Reference Group provides strategic advice to the Minister for Innovation and Tourism Industry Development and Minister for Cross River Rail, and the Minister for Employment and Small Business and Minister for Training and Skills Development. This advice relates to business and innovation matters which impact Aboriginal and Torres Strait Islander businesses and communities and recommendations are provided to assist the Queensland Government in supporting the development of existing, emerging and new Aboriginal and Torres Strait Islander businesses and innovators across Queensland.
Activities	Key achievements for 2018–2019 include: • co-designed the *Advance Queensland Deadly Innovation Strategy* • created a cultural frame around engaging in relationships with Aboriginal and Torres Strait Islander peoples • led, in collaboration with DITID, a public campaign to inspire Indigenous registrants on Queensland Register of Nominees for Government Boards. This campaign delivered a 34 percent boost to Indigenous registrants, improving opportunity for Indigenous voices in decision making • influenced the Queensland Government on the following policy areas of: • reforming payment timeframes to small businesses procured by government; DESBT announced Queensland Small Business Procurement Commitment to deliver the On-time Payment Policy to improve invoice payment times from 30 days to 20 days • enhancing opportunities for Indigenous businesses through the Queensland Indigenous Procurement Policy and recommending a 3% mandate • increasing opportunity for Aboriginal and Torres Strait Islander peoples in innovation and tourism initiatives through the IPP • building and Assets Services activities in communities • giving strategic advice regarding digital inclusion, housing, disaster response, networks • provided advice on the design of Advance Queensland programs and activities to improve opportunity and uptake by Indigenous peoples • championed the Advance Indigenous Business and other small business agendas • shared materials and opportunities through their networks
Financial reporting	All operating and administrative costs associated with the body are paid for by the department's core funding. The body's costs are contained within the department's financial statements which are audited by the QAO annually.

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Aboriginal and Torres Strait Islander Business and Innovation Reference Group

Remuneration: All positions are voluntary. However, the department bears the cost of remunerating members for reasonable out-of-pocket expenses associated with meeting attendance.

Position and Name	Meetings/ sessions attendance	Approved annual, sessional or daily fee	Approved subcommittee fee if applicable	Actual fees received
Member - Noel Niddrie	4	N/A	N/A	N/A
Member - Leesa Watego	3	N/A	N/A	N/A
Member - Wanita Gosbee	1	N/A	N/A	N/A
Member - Mundanara Bayles	3	N/A	N/A	N/A
Member - Julie-Ann Lambourne	4	N/A	N/A	N/A
Member - Charlie Jia	0	N/A	N/A	N/A
Member - Leann Wilson	2	N/A	N/A	N/A
Member - Shane Kennelly	4	N/A	N/A	N/A
Member - Colin Saltmere	4	N/A	N/A	N/A
Member - Terri Waller	1	N/A	N/A	N/A
Member - Michelle Deshong	1	N/A	N/A	N/A
Member - Donisha Duff	1	N/A	N/A	N/A
Member - Steve Noy	1	N/A	N/A	N/A
Member - Kantesha Takai	1	N/A	N/A	N/A
Member - Leah Cameron	1	N/A	N/A	N/A
Member - Karen Seage	0	N/A	N/A	N/A
Associate Member - Cr Ross Andrews	4	N/A	N/A	N/A
Associate Member - Cr Desmond Tayley	4	N/A	N/A	N/A
No. scheduled meetings/sessions: 4				
Total out-of-pocket expenses: Nil				

Advance Queensland Expert Panel

Act or instrument	Advance Queensland (AQ) Expert Panel was not established under an Act. The Terms of Reference for the Panel were established, however the Panel expired on 31 March 2019.
Functions	The Advance Queensland Expert Panel was an advisory body that brought together successful leaders from across the business, academic, research and education sectors to provide broad-based expertise and independent advice to government in the implementation of the Advance Queensland initiative.
Activities	In 2018–2019 the Advance Queensland Expert Panel: • contributed to the review of the Advance Queensland initiative and development of the draft *Building Our Innovation Economy – Advance Queensland Strategy* • provided advice on key science and innovation developments including robotics and the potential for the industry to transform the Queensland economy, productivity and quality of life • provided advice on the challenges and opportunities for measuring the impact of innovation policies and programs • influenced opportunities to improve outcomes for Aboriginal and Torres Strait Islander peoples through improved design and increased uptake of Advance Queensland programs under the *Deadly Innovation Strategy*.
Financial reporting	All operating and administrative costs associated with the Panel were paid for within the department's core funding. The Panel's costs are contained within the department's financial statements which are audited by the QAO annually.

Remuneration: Members are not remunerated and sitting fees are not paid. Out-of-pocket expenses are paid to members.

Position and Name	Meetings/sessions attendance	Approved annual, sessional or daily fee	Approved subcommittee fee if applicable	Actual fees received
Member - Monica Bradley	3	N/A	N/A	N/A
Member - Prof Frank Gannon	0	N/A	N/A	N/A
Member- Wayne Gerard	3	N/A	N/A	N/A
Member - David Gray	2	N/A	N/A	N/A
Member - Dr Laurie Hammond	1	N/A	N/A	N/A
Member - Dr Cherrell Hirst	1	N/A	N/A	N/A
Member - Anna Rooke	2	N/A	N/A	N/A
Member - Prof Arun Sharma	3	N/A	N/A	N/A
Member -Prof Grant Stanley	2	N/A	N/A	N/A
Member - Dr Elaine Stead	2	N/A	N/A	N/A
Member - Prof Zee Upton	2	N/A	N/A	N/A
Member - Prof Ian Frazer	2	N/A	N/A	N/A
No. scheduled meetings/sessions: 3				
Total out-of-pocket expenses: Nil				

North Stradbroke Island Economic Transition Strategy Implementation Committee

Act or instrument	The North Stradbroke Island Economic Transition Strategy (ETS) Implementation Committee is not established under an Act. The Terms of Reference for the Committee have been established.
Functions	The committee is an advisory body that oversees the implementation of initiatives identified in the North Stradbroke Island Economic Transition Strategy. It is a high level forum to discuss issues relating to the Strategy and its implementation.
Activities	Key achievements for 2018—2019 include providing input and advice in relation to the following initiatives: • transitioning the Strategy from Department of State Development Manufacturing, Infrastructure and Planning (DSDMIP) to DITID • reprioritisation and reallocation of funding to expedite delivery of five key priority infrastructure projects • preparing a communications strategy for Minjerribah (North Stradbroke Island) • reviewing and discussing ETS project delivery status reports and updates • monitoring Workers Assistance Scheme progress
Financial reporting	All operating and administrative costs associated with the Panel were paid for within the department's core funding. The Panel's costs are contained within the department's financial statements which are audited by the QAO annually.

Remuneration: Members are not remunerated and sitting fees are not paid.

Position	Name	Meetings/ sessions attendance	Approved annual, sessional or daily fee	Approved subcommittee fee if applicable	Actual fees received
Outgoing Chair	Maree Parker, DSDMIP	1	N/A	N/A	N/A
Outgoing Chair	Jeff McAlister, Deputy Director-General, Tourism and Major Events, DITID	3	N/A	N/A	N/A
Chair	Kerry Petersen, Deputy Director-General, Tourism Development Projects Division	1	N/A	N/A	N/A
Member	Cameron Costello, Chief Executive Officer, Quandamooka Yoolooburrabee Aboriginal Corporation	1	N/A	N/A	N/A
Member	Colin Battersby, Chair, Straddie Chamber of Commerce	4	N/A	N/A	N/A
Member	Andrew Chesterman, Chief Executive Officer, Redland City Council	0	N/A	N/A	N/A

North Stradbroke Island Economic Transition Strategy Implementation Committee

Member	Professor Melissa Brown, Executive Dean, Faculty of Science, University of Queensland	4	N/A	N/A	N/A
Member	Drew Ellem, A/Deputy Under Treasurer, Queensland Treasury	0	N/A	N/A	N/A
Member	Suzanne Wauchope, Deputy Director-General, Investment, DESBT	1	N/A	N/A	N/A
Member	Ben Klaassen, Deputy Director-General, Queensland Parks and Wildlife Service, Department of Environment and Science	1	N/A	N/A	N/A
Member	Craig Rutledge, Executive Regional Director – South, DSDMIP	2	N/A	N/A	N/A
No. scheduled meetings/sessions: 4					
Total out-of-pocket expenses: Nil					

APPENDIX 2: ACRONYMS

Term	Definition
ARC	Audit and Risk Committee
BCP	Business and Corporate Partnership
CCIG	China Capital Investment Group
CEMG	Corporate Executive Management Group
DESBT	Department of Employment, Small Business and Training
DITID	Department of Innovation and Tourism Industry Development
DSDMIP	Department of State Development Manufacturing, Infrastructure and Planning
DTESB	Department of Training, Employment and Small Business
EMG	Executive Management Group
ETS	Economic Transition Strategy
GBR	Great Barrier Reef
GC2018	Gold Coast 2018 Commonwealth Games
GOLDOC	Gold Coast 2018 Commonwealth Games Corporation
GTH	Global Tourism Hub
IAS	Internal Audit Services
ICT	Information and Communications Technology
IPP	Indigenous Participation Plan
ISMS	Information Security Management System
MIT	Massachusetts Institute of Technology
MOHRI	Minimum Obligatory Human Resources Information
QAO	Queensland Audit Office
QGCIO	Queensland Government Chief Information Office
QSS	Queensland Shared Services
QYAC	Quandamooka Yoolooburrabee Aboriginal Corporation
REAP	Regional Entrepreneurship Acceleration Program
SLA	Service Level Agreement
TDPD	Tourism Development Projects Division
TEQ	Tourism and Events Queensland

APPENDIX 3: COMPLIANCE CHECKLIST

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister	ARRs – s. 7	3
Accessibility	Table of contents Glossary	ARRs – s. 9.1	5
	Public availability	ARRs – s. 9.2	2
	Interpreter service statement	Queensland Government Language Services Policy ARRs – s. 9.3	2
	Copyright notice	*Copyright Act 1968* ARRs – s. 9.4	2
	Information licensing	QGEA – Information licensing ARRs – s. 9.5	2
General information	Introductory information	ARRs – s. 10.1	11
	Agency role and main functions	ARRs – s. 10.2	11,18
	Machinery of Government changes	ARRs – s. 31 and 32	Not applicable
	Operating environment	ARRs – s. 10.3	17
Non-financial performance	Government objectives for the community	ARRs – s. 11.1	12
	Other whole-of-government plans/specific initiatives	ARRs – s. 11.2	13
	Agency objectives and performance indicators	ARRs – s. 11.3	12
	Agency service areas, service standards and other measures	ARRs – s. 11.4	18,27,29,39
Financial performance	Summary of financial performance	ARRs – s. 12.1	21
Governance – management and structure	Organisational structure	ARRs – s. 13.1	16
	Executive management	ARRs – s. 13.2	14
	Government bodies (statutory bodies and other entities)	ARRs – s. 13.3	17, Appendix 1
	Public Sector Ethics Act 1994	*Public Sector Ethics Act 1994* (section 23 and Schedule) ARRs – s. 13.4	57
	Queensland public sector service values	ARRs – s. 13.5	17
Governance – risk management and accountability	Risk management	ARRs – s. 14.1	65
	Audit committee	ARRs – s. 14.2	62
	Internal audit	ARRs – s. 14.3	64
	External scrutiny	ARRs – s. 14.4	64
	Information systems and recordkeeping	ARRs – s. 14.5	66,68
Governance – human resources	Strategic workforce planning and performance	ARRs – s. 15.1	71-73
	Early retirement, redundancy and retrenchment	Directive No.*11/12 Early Retirement, Redundancy and Retrenchment* Directive No.*16/16 Early Retirement, Redundancy and Retrenchment* (from 20 May 2016) ARRs – s. 15.2	73
Open Data	Statement advising publication of information	ARRs – s. 16	4
	Consultancies	ARRs – s. 33.1	Not applicable
	Overseas travel	ARRs – s. 33.2	https://data.qld.gov.au
	Queensland Language Services Policy	ARRs – s. 33.3	https://data.qld.gov.au
Financial statements	Certification of financial statements	FAA – s. 62 FPMS – s. 38,39,46 ARRs – s. 17.1	Part B: 27
	Independent Auditors Report	FAA – s. 62 FPMS – s. 46 ARRs – s. 17.2	Part B: 28

FAA *Financial Accountability Act 2009*
FPMS *Financial and Performance Management Standard 2019*
ARRs Annual report requirements for Queensland Government agencies

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PART B: DITID FINANCIAL STATEMENTS

for the year ended 30 June 2019

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General information

These financial statements cover the Department of Innovation, Tourism Industry Development and the Commonwealth Games (DITID).

DITID is a Queensland Government department established under the *Public Service Act 2008*.

The department is controlled by the State of Queensland, which is the ultimate parent.

The head office and principal place of business of the department is:

Level 37
1 William Street
BRISBANE QLD 4000

A description of the nature of the department's operations and its principal activities is included in the notes to the financial statements.

For information in relation to the department's financial statements please call Steven Kay, Director, Assurance and Accountability on 07 3333 5231, email steven.kay@ditid.qld.gov.au, or visit the department's Internet site www.ditid.qld.gov.au.

DEPARTMENT OF INNOVATION, TOURISM INDUSTRY DEVELOPMENT AND THE COMMONWEALTH GAMES
Statement of comprehensive income
for the year ended 30 June 2019

	Notes	2019 Actual $'000	2019 Budget $'000	2019 Budget Variance [1] $'000	2018 Actual [2] $'000
Income from continuing operations					
Appropriation revenue	3(a)	133,020	222,834	(89,814)	265,353
Grants and other contributions	4	4,552	-	4,552	27,961
Other revenue	5	12,591	-	12,591	781
Total income from continuing operations		**150,163**	**222,834**	**(72,671)**	**294,095**
Expenses from continuing operations					
Employee expenses	6	26,062	21,375	4,687	28,783
Supplies and services	7	33,964	48,191	(14,227)	28,788
Grants and subsidies	8	79,957	152,406	(72,449)	186,231
Depreciation expense		814	618	196	296
Impairment losses		61	-	61	-
Other expenses	9	9,305	244	9,061	49,997
Total expenses from continuing operations		**150,163**	**222,834**	**(72,671)**	**294,095**
Operating result from continuing operations		**-**	**-**	**-**	**-**

[1] An explanation of major variances is included at Note 22.

[2] This includes delivery of the Gold Coast 2018 Commonwealth Games (GC2018) and reflects the part year impact of the Machinery of Government (MoG) changes dated 12 December 2017.

The accompanying notes form part of these statements.

Statement of comprehensive income by major departmental services
for the year ended 30 June 2019

	Tourism Industry Development		Advancing Queensland through Innovation		Small Business Services [1]		Total	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Income from continuing operations								
Appropriation revenue	62,627	210,695	70,393	45,464	-	9,194	133,020	265,353
Grants and other contributions	3,678	26,394	875	517	-	1,050	4,553	27,961
Other revenue	10,493	247	2,098	534	-	-	12,591	781
Total income from continuing operations	**76,798**	**237,336**	**73,366**	**46,515**	**-**	**10,244**	**150,163**	**294,095**
Expenses from continuing operations								
Employee expenses	13,916	19,127	12,146	5,948	-	3,708	26,062	28,783
Supplies and services	20,812	20,741	13,152	5,256	-	2,791	33,964	28,788
Grants and subsidies	41,816	163,230	38,141	19,278	-	3,723	79,957	186,231
Depreciation expense	15	33	799	262	-	1	814	296
Impairment losses	28	-	33	-	-	-	61	-
Other expenses	296	34,214	9,009	15,762	-	21	9,305	49,997
Total expenses from continuing operations	**76,883**	**237,345**	**73,280**	**46,506**	**-**	**10,244**	**150,163**	**294,095**
Operating result for the year	**(85)**	**(9)**	**85**	**9**	**-**	**-**	**-**	**-**

[1] Due to MoG changes dated 12 December 2017 the Office of Small Business was transferred to the Department of Employment, Small Business and Training (DESBT).

DEPARTMENT OF INNOVATION, TOURISM INDUSTRY DEVELOPMENT AND THE COMMONWEALTH GAMES
Statement of financial position
as at 30 June 2019

	Notes	2019 Actual $'000	2019 Budget $'000	2019 Budget Variance[1] $'000	2018 Actual [2] $'000
Current assets					
Cash and cash equivalents	10	12,338	7,900	4,438	114,371
Receivables	11	3,369	6,538	(3,169)	6,214
Other current assets	12	255	171	84	213
Total current assets		**15,963**	**14,609**	**1,354**	**120,798**
Non-current assets					
Plant and equipment	13	4,777	3,511	1,266	3,181
Other non-current assets	12	1,427	1,033	394	1,769
Total non-current assets		**6,203**	**4,544**	**1,659**	**4,950**
Total assets		**22,166**	**19,153**	**3,013**	**125,748**
Current liabilities					
Payables	14	13,633	8,525	5,108	118,713
Accrued employee benefits	15	1,002	955	47	924
Other current liabilities	16	2,025	529	1,496	455
Total current liabilities		**16,660**	**10,009**	**6,651**	**120,092**
Non-current liabilities					
Other non-current labilities	16	3,218	2,587	631	3,406
Total non-current liabilities		**3,218**	**2,587**	**631**	**3,406**
Total liabilities		**19,878**	**12,596**	**7,281**	**123,498**
Net assets		**2,288**	**6,557**	**(4,269)**	**2,251**
Equity					
Contributed equity		2,087	6,357	(4,270)	2,050
Accumulated surplus/(deficit)		201	200	1	201
Total equity		**2,288**	**6,557**	**(4,269)**	**2,251**

[1] An explanation of major variances is included at Note 22.

[2] This includes delivery of the GC2018 and reflects the part year impact of MoG changes dated 12 December 2017.

The accompanying notes form part of these statements.

DEPARTMENT OF INNOVATION, TOURISM INDUSTRY DEVELOPMENT AND THE COMMONWEALTH GAMES
Statement of assets and liabilities by major departmental services
as at 30 June 2019

	Tourism Industry Development		Advancing Queensland through Innovation		Small Business Services [1]		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Current assets								
Cash and cash equivalents	4,136	98,946	8,155	15,424	-	-	12,290	114,371
Receivables	1,164	4,308	2,253	1,906	-	-	3,417	6,214
Other current assets	72	88	183	125	-	-	255	213
Total current assets	**5,372**	**103,343**	**10,591**	**17,456**	**-**	**-**	**15,963**	**120,798**
Non-current assets								
Plant and equipment	128	238	4,648	2,944	-	-	4,777	3,181
Other non-current assets	45	-	1,382	1,769	-	-	1,427	1,769
Total non-current assets	**173**	**238**	**6,030**	**4,713**	**-**	**-**	**6,203**	**4,950**
Total assets	**5,545**	**103,580**	**16,621**	**22,168**	**-**	**-**	**22,166**	**125,748**
Current liabilities								
Payables	2,191	99,562	11,442	19,151	-	-	13,633	118,713
Accrued employee benefits	490	507	512	417	-	-	1,002	924
Other current liabilities	1,106	-	919	455	-	-	2,025	455
Total current liabilities	**3,787**	**100,069**	**12,874**	**20,023**	**-**	**-**	**16,661**	**120,092**
Non-current liabilities								
Other non-current liabilities	-	-	3,218	3,406	-	-	3,218	3,406
Total non-current liabilities	**-**	**-**	**3,218**	**3,406**	**-**	**-**	**3,218**	**3,406**
Total liabilities	**3,787**	**100,069**	**16,091**	**23,428**	**-**	**-**	**19,878**	**123,498**

[1] Due to MoG changes dated 12 December 2017 the Office of Small Business was transferred to DESBT.

DEPARTMENT OF INNOVATION, TOURISM INDUSTRY DEVELOPMENT AND THE COMMONWEALTH GAMES
Statement of changes in equity
for the year ended 30 June 2019

	Accumulated Surplus/(Deficit) $'000	Contributed Equity $'000	Total $'000
Balance as at 1 July 2017	**201**	**1,229**	**1,430**
Operating Result			
Operating result from continuing operations	-	-	-
Total Comprehensive Income for the Year	-	-	-
Transactions with owners as owners:			
- Appropriated equity injections (note 3(b))	-	3,222	3,222
- Appropriated equity withdrawals (note 3(b))	-	1,287	1,287
- Net asset transfers in/(out) from other Queensland Government entities [1]	-	(3,688)	(3,688)
Net transactions with owners as owners	**-**	**821**	**821**
Balance as at 30 June 2018	**201**	**2,050**	**2,251**
Balance as at 1 July 2018	**201**	**2,050**	**2,251**
Operating Result			
Operating result from continuing operations	-	-	-
Total Comprehensive Income for the Year	-	-	-
Transactions with owners as owners:			
- Appropriated equity injections (note 3(b))	-	716	716
- Appropriated equity withdrawals (note 3(b))	-	(541)	(541)
- Net asset transfers in/(out) from other Queensland Government entities [1]	-	(138)	(138)
Net transactions with owners as owners	**-**	**37**	**37**
Balance as at 30 June 2019	**201**	**2,087**	**2,288**

[1] For 2018-19, this relates to the 2017-18 MoG finalisation transfers with additional assets identified during the finance system migration which occurred early in 2018-19. In 2017-18 this related to the transfer of capital works in progress of $2.053 million for the GC2018 venues to Stadiums Queensland (SQ) (Note 13) and $1.636 million for MoG transfers.

DEPARTMENT OF INNOVATION, TOURISM INDUSTRY DEVELOPMENT AND THE COMMONWEALTH GAMES
Statement of cash flows
for the year ended 30 June 2019

	Notes	2019 Actual $'000	2019 Budget $'000	2019 Budget Variance [1] $'000	2018 Actual [2] $'000
Cash flows from operating activities					
Inflows:					
Service appropriation receipts	3(a)	86,555	222,834	(136,279)	266,453
User charges and fees		-	-	-	184
Grants and other contributions		4,338	-	4,338	18,009
GST input tax credits from Australian Taxation Office		9,763	-	9,763	8,694
GST collected from customers		439	-	439	2,036
Other inflows		12,983	225	12,758	2,436
Outflows:					
Employee expenses		(23,860)	(21,543)	(2,317)	(23,318)
Supplies and services		(35,325)	(48,425)	13,100	(24,045)
Grants and subsidies		(144,371)	(152,396)	8,025	(132,900)
GST remitted to Australian Taxation Office		-	-	-	(1,484)
GST paid to suppliers		(10,701)	-	(10,701)	(6,268)
Other outflows		(595)	(250)	(345)	(2,731)
Net cash provided by (used in) operating activities		**(100,774)**	**445**	**(101,219)**	**107,067**
Cash flows from investing activities					
Outflows:					
Payments for plant and equipment		(718)	(196)	(522)	(2,057)
Payments for investments		-			-
Net cash provided by (used in) investing activities		**(718)**	**(196)**	**(522)**	**(2,057)**
Cash flows from financing activities					
Inflows:					
Equity injections		-	172	(172)	3,230
Outflows:					
Equity withdrawals	3(b)	(541)	(427)	(114)	(8)
Net cash provided by (used in) financing activities		**(541)**	**(255)**	**(286)**	**3,222**
Net increase (decrease) in cash and cash equivalents		(102,033)	(6)	(102,027)	108,233
Increase (decrease) in cash and cash equivalents from restructuring		-	-	-	(3,839)
Cash and cash equivalents - opening balance		114,371	7,906	106,465	9,977
Cash and cash equivalents - closing balance	10	**12,338**	**7,900**	**4,438**	**114,371**

[1] An explanation of major variances is included at Note 22.

[2] This includes delivery of the GC2018 and reflects the part year impact of MoG changes dated 12 December 2017.

The accompanying notes form part of these statements.

DEPARTMENT OF INNOVATION, TOURISM INDUSTRY DEVELOPMENT AND THE COMMONWEALTH GAMES
Notes to the statement of cash flows
for the year ended 30 June 2019

	2019 $'000	2018 $'000
Reconciliation of operating result to net cash provided by operating activities		
Operating result from continuing operations	-	-
Non-cash items:		
Depreciation expense	814	296
Loss on disposal of plant and equipment	237	-
Impairment losses	61	-
Net goods and services received below fair value	(51)	
Amortisation on lease incentive liabilities	(1,360)	-
Change in assets and liabilities:		
(Increase)/decrease in appropriation revenue receivable	975	125
(Increase)/decrease in equity injection receivable	(716)	-
(Increase)/decrease in trade debtors excluding appropriation revenue receivable	2,504	(3,367)
(Increase)/decrease in other current receivables	2	(4)
(Increase)/decrease in LSL levy reimbursement receivables	(13)	107
(Increase)/decrease in annual leave levy reimbursement receivables	(91)	5
(Increase)/decrease in other current assets	(42)	2,056
(Increase)/decrease in other non-current assets	343	(1,769)
Increase/(decrease) in payables	(1,646)	106,714
Increase/(decrease) in accrued employee benefits	78	106
Increase/(decrease) in other current liabilities	1,571	(3,025)
Increase/(decrease) in other non-current liabilities	(188)	3,406
(Increase)/decrease in GST receivable	184	2,413
Increase/(decrease) in GST payable	(4)	4
Increase/(decrease) in appropriation payable to Consolidated Fund	(39,018)	-
Increase/(decrease) in grants payable	(64,413)	-
Net cash provided from operating activities	**(100,774)**	**107,067**

Assets and Liabilities received or donated/transferred by the department are recognised as revenues (refer Note 4) or expenses (refer Note 9) as applicable.

Statement of compliance

DITID has prepared these financial statements in compliance with section 42 of the *Financial and Performance Management Standard 2009*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2018.

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

New accounting standards early adopted and/or applied for the first time in these financial statements are outlined in Note 2.

The reporting entity

The financial statements include the value of all income, expenses, assets, liabilities and equity of DITID.
DITID did not control other entities in the 2018-19 financial year.

Accounting estimates and judgements

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 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.

Basis of measurement

Historical cost is used as the measurement basis in this financial report.

Other Presentation Matters

Currency and Rounding - 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.

Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.

Comparatives - Comparative information reflects the audited 2017-18 financial statements.

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

Authorisation of financial statements for issue

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

Note	Note Title
1	Objectives and principal activities of the department
2	Summary of significant accounting policies
3(a)	Reconciliation of payments from consolidated fund to appropriation revenue recognised in statement of comprehensive income
3(b)	Reconciliation of payments from consolidated fund to equity adjustment recognised in contributed equity
4	Grants and other contributions
5	Other revenue
6	Employee expenses
7	Supplies and services
8	Grants and subsidies
9	Other expenses
10	Cash and cash equivalents
11	Receivables
12	Other assets
13	Plant and equipment
14	Payables
15	Accrued employee benefits
16	Other liabilities
17	Commitments for expenditure
18	Contingencies
19	Key management personnel (KMP) disclosures
20	Related party transactions
21	Events occurring after balance date
22	Budget vs actual comparison
23	Schedule of administered items
24	Reconciliation of payments from consolidated fund to administered income
25	Agency transactions

1. Objectives and principal activities of the department

DITID has a key focus, leading the Advance Queensland initiative, growing Queensland's visitor economy and is a key contributor to the delivery of the major events program. It has a further role in realising the legacy of the GC2018.

Our vision is to drive economic growth and job creation through innovation, tourism industry development and major events. We work collaboratively with industry and other government agencies, including Tourism and Events Queensland (TEQ), to harness our strategic opportunities to generate jobs and support the growth of the ecotourism industry in Queensland. In an increasingly competitive global economy, we are also working to position Queensland as a vibrant innovation hub and an attractive investment destination for venture capital and industry investment.

We contribute to the Queensland Government's objectives for the community *Our Future State: Advancing Queensland's Priorities* to create jobs in a strong economy; be a responsive government; protect the Great Barrier Reef and keep communities safe by:

- supporting innovative practice across government and leading the Advance Queensland initiative to foster innovation and entrepreneurship, and capitalise on our competitive advantages
- working in partnership with TEQ and the Queensland tourism industry, to grow visitors, yield jobs and create a business environment conducive to a strong, profitable and globally competitive visitor economy
- leveraging achievements and return on investment from GC2018 legacy initiatives to maximise long-term economic and social benefits for Queensland.

The department delivers its policy initiatives and programs within a complex operating environment that is influenced by a range of factors including globalisation, digital transformation, new technologies and business strategies that are rapidly diversifying and reshaping markets, industries and communities. We also recognise the need for innovation, enhanced digital skills, connectivity and increased inclusion to position Queensland as a global innovation hub.

Major departmental services

The purpose of the services undertaken by the department during the year are as follows:

Tourism Industry Development

Tourism Industry Development objective is to promote sustainable growth of the tourism industry and generate jobs by facilitating a strategic whole-of-Government approach to planning and investment in Queensland's tourism infrastructure, assets and products and the coordination and leveraging of key major events.

This service area works across government to:

- develop and influence whole-of-government policy that creates an environment to support economic growth and jobs in the visitor economy
- work in partnership with industry to increase the ability of the tourism sector to be more competitive in global and domestic markets
- facilitate and manage the delivery of visitor ecotourism funded projects to:
  - increase visitor access to Queensland
  - develop new tourism infrastructure and products
  - attract investment into tourism infrastructure and products
- attract and coordinate Queensland Government support for the delivery of major events and maximise the economic benefits from hosting major events in Queensland such as the Gold Coast 2018 Commonwealth Games (GC2018).

The service area works closely with TEQ to showcase Queensland as an attractive destination for tourists, and a place to invest in tourism infrastructure, events and experiences.

Advancing Queensland through Innovation

Advancing Queensland through Innovation objective is to drive economic growth and job creation through innovation, harnessing Queensland's research strengths and entrepreneurial spirit and using new technology, capital and ideas to support business and industry creation and growth.

The service area provides support to build a more collaborative and effective innovation ecosystem in Queensland. Our areas of focus are to:

- inspire Queenslanders to engage with science and technology, be entrepreneurial and take their ideas to the world
- discover new solutions to improve everyday lives through programs to foster current and future talent and enable researchers and industry to solve global challenges here in Queensland
- connect Queenslanders to world-leading local and international innovators through programs that encourage collaboration and build the entrepreneurial ecosystem
- invest in Queensland innovation through programs to encourage seed funding, venture capital and deal-flow and foster emerging industries
- grow the competitiveness of our businesses, industries and regions through programs to accelerate growth and unlock new markets and opportunities
- encourage greater innovation in government and grow government as a lead customer for emerging technologies.

1. Objectives and principal activities of the department (continued)

Business and Corporate Partnership (BCP) arrangements:

In addition to the corporate services delivered within DITID, the department also participates in a corporate partnership arrangement whereby certain agencies "host" a number of strategic and operational corporate services provided to DITID as a "recipient" department. This arrangement was developed with a focus on ensuring economies of scale, service integration, scalability and responsiveness. The "host" agency of each corporate service function receives the appropriation of funds and reports Full Time Equivalent positions in the respective agency. The model is multi-layered for different corporate services functions.

DITID received defined services from the following agencies:

- Department of Natural Resources, Mines and Energy (DNRME): Accommodation Services, Legal Services,
- Department of Environment and Science (DES): Internal Audit
- Department of Agriculture and Fisheries (DAF): Finance, Information Management, Fleet Management, Telecommunications

2. Summary of significant accounting policies

(a) Insurance

The department's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund (QGIF), premiums being paid on a risk assessment basis. In addition, the department pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

(b) Taxation

The department 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). FBT and GST are the only taxes accounted for by the department. GST credits receivable from, and GST payable to the ATO are recognised (refer to Note 11).

(c) First year application of new accounting standards, early adoption of accounting standards or change in accounting policy

Changes in Accounting Policy

There have been no Accounting Policy changes for 2018-19.

Accounting Standards Early Adopted

No Australian Accounting Standards have been early adopted for 2018-19.

Accounting Standards Applied for the First Time

The department applied AASB 9 *Financial Instruments* for the first time in 2018-19. Comparative information for 2017-18 has not been restated and continues to be reported under AASB 139 *Financial Instruments: Recognition and Measurement*. The nature and effect of the changes as a result of adoption of this new accounting standard are described below.

Classification and measurement

Under AASB 9, debt instruments are categorised into one of three measurement bases - amortised cost, fair value through other comprehensive income or fair value through profit or loss. The classification is based on two criteria:

- whether the financial asset's contractual cash flows represent 'solely payments of principal and interest', and
- the department's business model for managing the assets.

The department's debt instrument's comprise of receivables disclosed in Note 11. They were classified as Loans and Receivables as at 30 June 2018 (under AASB 139) and were measured at amortised cost. These receivables are held for collection of contractual cash flows that are solely payments of principal and interest. As such, they continue to be measured at amortised cost beginning 1 July 2018.

The department assessed the potential impact of AASB 9 for calculating impairment losses for the department's receivables effective from 1 July 2018. Generally, given the nature of the receivables the department has, they are deemed immaterial and not requiring a provision impairment allowance. However, for the year ended 30 June 2019 the department has 3 aged debts for which an impairment allowance has been provided. The department will continue to assess its receivables.

Impairment losses are historically low value and low risk, as trade receivables predominantly include Commonwealth, State and Local government agencies.

Other than AASB 9, which is detailed above, no accounting standards that apply to the department for the first time in 2018-19 have any material impact on the financial statements.

(d) Future impact of accounting standards not yet effective

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards issued but with future effective dates are set out below.

AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers

These standards will first apply to the department's financial statements effective from 2019-20. No adjustment is required at 30 June 2019. After 1 July 2019 the department will monitor the impact of all contracts entered into. However, as most revenue received is appropriation funding, these standards are not expected to have a material impact.

2. Summary of significant accounting policies (continued)

(d) Future impact of accounting standards not yet effective (continued)

AASB 16 Leases

This standard will first apply to the department's financial statements for 2019-20. When applied, the standard supersedes AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation 115 *Operating Leases - Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease.*

Impact for lessees

Under AASB 16, the majority of operating leases (as defined by the current AASB 117) will be reported on the statement of financial position as right-of-use-assets and lease liabilities.

The right-of-use asset will be initially recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the effective date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-of-use asset will give rise to depreciation expense.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease rental payments will no longer be expensed in the Statement of comprehensive income. They will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will be recognised as an expense.

AASB 16 allows a 'cumulative approach' rather than full retrospective application to recognising existing operating leases. In accordance with Queensland Treasury's policy, the department will apply the 'cumulative approach', and will not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application.

Outcome of review as lessee

The department has completed its review of the impact of adoption of AASB 16 on the statement of financial position and statement of comprehensive income and has identified the following major impacts which are outlined below.

During the 2018-19 financial year, the department held operating leases under AASB 117 from the Department of Housing and Public Works (DHPW) for non-specialised, commercial office accommodation through the Queensland Government Accommodation Office (QGAO). Lease payments under these arrangements totalled $5.982 million. The department has been advised by Queensland Treasury and DHPW that effective 1 July 2019, amendments to the framework agreements that govern QGAO will result in the above arrangements being exempt from lease accounting under AASB 16. This is due to DHPW having substantive substitution rights over the non-specialised, commercial office accommodation. As such, effective 1 July 2019, all lease incentive liabilities will be derecognised (Refer Note 16). From 2019-20 onwards, costs for these services will continue to be expensed as supplies and services when incurred.

The department has also been advised by Queensland Treasury and DHPW that effective 1 July 2019, motor vehicles provided under DHPW's Qfleet program will be exempt from lease accounting under AASB 16. This is due to DHPW holding substantive substitution rights for vehicles provided under the scheme. From 2019-20 onwards, costs for these services will continue to be expensed as supplies and services expense when incurred.

Outcome of review as lessor

Lessor accounting under AASB 16 remains largely unchanged from AAS 117. For finance leases, the lessor recognises a receivable equal to the net investment in the lease. As per the lessee arrangements, amendments to the framework agreements that govern QGAO will result in the department's Advance Queensland Valley Precinct lessor arrangements also being exempt from lease accounting under AASB 16. This is due to DHPW having substantive substitution rights over the non-specialised, commercial office accommodation. As such, effective 1 July 2019, all lease incentive assets will be derecognised (Refer Note 12). Lease receipts from operating leases are recognised as income either on a straight-line basis or another systematic basis where appropriate.

	2019 $'000	2018 $'000
3(a). Reconciliation of payments from Consolidated Fund to appropriation revenue recognised in Statement of comprehensive income		
Budgeted appropriation revenue	222,834	322,967
Transfers from other departments (machinery-of-government transfers)	-	36,606
Transfers from/to other headings - variation in headings	-	(4,310)
Lapsed appropriation revenue	(136,279)	(88,810)
Total appropriation receipts (cash)	**86,555**	**266,453**
Plus: Opening balance of appropriation payable	48,899	-
Less: Opening balance of deferred appropriation revenue receivable (reference Note 11)	-	(125)
Less: Closing balance of deferred appropriation refundable to Consolidated Fund payable (reference Note 14) (1)	(10,856)	(48,899)
Less: Closing balance of deferred appropriation refundable to Consolidated Fund payable (DESBT)	-	(975)
Net appropriation revenue	**124,598**	**216,454**
Plus: Deferred appropriation payable to Consolidated Fund (expense)	8,422	48,899
Appropriation revenue recognised in Statement of comprehensive income	**133,020**	**265,353**

(1) This variance to the Deferred appropriation payable to Consolidated Fund (expense) relates to funds recognised in 2017-18 which have been deferred out to 2019-20 and 2020-21.

Accounting policy - Appropriation revenue
Appropriations provided under the *Appropriation Act 2018* are recognised as revenue when received or when appropriation revenue receivable is recognised after approval from Queensland Treasury.

3(b). Reconciliation of payments from Consolidated Fund to equity adjustment recognised in contributed equity		
Budgeted equity adjustment appropriation	(255)	923
Transfers from/to other headings - variation in headings	-	2,307
Lapsed appropriation adjustment	(286)	
Appropriated equity withdrawal	-	(8)
Equity adjustment receipts (payments)	**(541)**	**3,222**
Plus: Opening balance of equity adjustment payable	-	1,287
Plus: Closing balance of equity adjustment receivable	716	-
Equity adjustment recognised in contributed equity	**175**	**4,509**

Accounting policy - Contributed equity
Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* specifies the principles for recognising contributed equity by the department. Appropriations for equity adjustments are recognised as contributed equity by the department during the reporting and comparative years.

4. Grants and other contributions		
Contributions from City of Gold Coast (CGC) for the Gold Coast 2018 Commonwealth Games (GC2018)	-	19,635
Contributions from Queensland Government agencies	2,257	1,740
Goods and services received below fair value (1)	2,265	6,242
Sponsorships	30	344
Total	**4,552**	**27,961**

(1) This largely relates to the Whole of Government Resource Sharing Model (WOGRSM) that has been implemented across Government by the Public Service Commission whereby staff are provided by their home agencies to DITID in order to deliver critical activities for government (Refer Note 6). This originally started in order to deliver a successful GC2018. In 2017-18 also includes Gold Coast 2018 Commonwealth Games Corporation (GOLDOC) surplus GC2018 items transferred to the department and then on to various agencies (Refer Note 9).

Accounting policy - Grants and other contributions
Grants, contributions and donations are non-reciprocal in nature so do not require any goods or services to be provided in return. Corresponding revenue is recognised in the year in which the department obtains control over them (control is generally obtained at the time of receipt).
Contributed physical assets are recognised at their fair value.

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

	2019 $'000	2018 $'000
5. Other revenue		
Recovery of prior year grant expenses [1]	10,254	-
Sundry revenue [2]	2,336	781
Total	12,591	781

[1] This principally relates to funding returned from GOLDOC and for the Whitsundays Cyclone Debbie Tourism Recovery Fund (TRF) as the remainder of the program is being delivered by the department.

[2] This relates largely to the recognition of rent received from licensees for the Advance Queensland Valley Precinct.

6. Employee expenses		
Employee benefits		
Salaries and wages	18,872	17,924
Annual leave levy	1,802	1,805
Employer superannuation contributions	2,328	2,343
Long service leave levy	367	350
Termination benefits	76	97
Other employee benefits	255	237
Goods and services received below fair value [1]	2,214	5,898
Employee related expenses		
Workers' compensation premium	70	85
Other employee related expenses	77	44
Total	26,062	28,783

The number of employees as at 30 June 2019, including both full-time employees and part-time employees, measured on a full-time basis as provided to the Public Service Commission (PSC) and utilised in the preparation of the Minimum Obligatory Human Resource Information (MOHRI) is:

Number of Employees:	2019	2018
Paid employees	166	192
Employee's services received below fair value[1]	17	39
Total Employees	183	231

[1] This relates to officers working in DITID from other Qld Government agencies who continue to be paid by their home agency payroll systems under the WGRSM arrangements.

Accounting policies

(a) Employee expenses

Employer superannuation contributions, annual leave levies and long service leave levies are regarded as employee benefits. Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. It is not an employee benefit and is recognised separately as an employee related expense.

(b) Wages, salaries and sick leave

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

(c) Long service leave and annual leave

Under the Queensland Government's Long Service Leave Scheme (LSL) and Annual Leave Central Scheme (ALCS), levies are payable by the department to cover the cost of employees' long service leave and annual leave (including leave loading and on-costs). These levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave and annual leave are claimed from the scheme quarterly in arrears.

(d) Superannuation

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

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

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

(e) Key Management Personnel and Remuneration

Key management personnel and remuneration disclosures are made in accordance with part 3C of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury. Refer to Note 19 for disclosures on key management personnel and remuneration.

	2019 $'000	2018 $'000
7. Supplies and services		
Consultants and contractors [1]	17,818	10,188
Advertising [2]	202	3,230
Operating lease rentals	5,982	3,405
Property building expenses	459	718
Transport	97	224
Travel [2]	522	1,525
Computer/information technology	560	686
Telecommunications	361	282
Subscriptions, publications and stationery	105	100
Portable and attractive items	108	56
Service delivery costs and service level agreement charges	1,524	1,293
Licence fees and permits [3]	4,799	4,721
Other	1,426	2,361
Total	33,964	28,788

[1] The variance is due to the 2017-18 amount only relating to the second half of the year following the MoG changes. These payments largely relate to the Advance Queensland and Global Tourism Hubs and Integrated Resort Development (GTH IRD) initiatives.

[2] For 2017-18 this is significantly increased with expenditure on the GC2018.

[3] This expenditure is the annual marketing rights contribution to the Australian Commonwealth Games Association (ACGA) for hosting the GC2018.

Accounting policy – Distinction between grants and procurement

For a transaction to be classified as supplies and services, the value of goods or services received by the department must be of approximately equal value to the value of the consideration exchanged for those goods or services. Where this is not the substance of the arrangement, the transaction is classified as a grant.

Accounting policy - Operating leases

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred. Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of the liability.

8. Grants and subsidies		
Industry	22,610	18,493
Individuals/community groups [1]	-	5,966
Queensland and local government [2]	29,390	137,010
Capital grants	8,309	8,612
Commonwealth government	3,393	4,504
Universities	11,358	7,106
Contributions [3]	4,898	4,539
Total	79,957	186,231

[1] For 2017-18 this relates to grant program payments for the Office of Small Business (transferred to DESBT as part of the 2017-18 MoG changes).

[2] For 2018-19 this largely relates to grants paid to TEQ for tourism programs and Department of Transport and Main Roads (DTMR) for GC2018 expenditure. In 2017-18, this largely related to grants to Queensland Police Service (QPS) and DTMR for GC2018 expenditure (Refer Note 20).

[3] Contributions payments have been made to industry, universities and Queensland and local government.

Accounting policy - grants and subsidies

A non-reciprocal grant is a payment or contribution made to an organisation or person which is not to be repaid or reciprocated, but which must be spent by the recipient for a specific purpose. Accordingly, non reciprocated grant payments are expensed when payment is made.

9. Other expenses		
External audit fees [1]	265	308
Insurance premiums - Queensland Government Insurance Fund (QGIF)	32	27
Insurance premiums - Other	12	3
Internal audit fees	117	-
Gifts and donations	2	234
Sponsorships	160	188
Loss on disposal of plant and equipment [2]	237	-
Goods and services provided below fair value [3]	-	314
Other expenses	58	24
Deferred appropriation payable to Consolidated Fund	8,422	48,899
Total	9,305	49,997

[1] Queensland Audit Office (QAO) fee for audit of the 2018-19 and 2017-18 departmental financial statements was $140,000 annually. The amount for 2018-19 and 2017-18 also includes work undertaken on the GC2018 Special Purpose Financial Statements. The fee for this audit was $310,000 over three years. There are no non-audit services included in these amounts.

[2] This relates to the write-off of leasehold improvements due to the relocation of the department from 63 George Street, Brisbane and the original fit out for Level 26, 111 George Street, Brisbane transferred as part of the MoG changes.

[3] For 2017-18, GOLDOC transferred surplus GC2018 items to the department that were then transferred on to various agencies.

	2019 $'000	2018 $'000
10. Cash and cash equivalents		
Cash at bank[1]	12,354	114,495
MOG Payable relating to other Departments	(16)	(124)
Total	**12,338**	**114,371**

[1] For 2017-18, the large cash balance largely relates to grants payable to QPS and DTMR for GC2018 expenditure and an end of year payable to Queensland Treasury for appropriation. Refer Note 3(a).

Accounting policy - Cash and cash equivalents
Departmental bank accounts grouped within the whole-of-government set-off arrangement with the Queensland Treasury Corporation do not earn interest on surplus funds. Interest earned on the aggregate set-off arrangement balance accrues to the Consolidated Fund.

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 as at 30 June 2019.

11. Receivables		
Current		
Trade debtors [1]	584	4,002
Less: allowance for impairment loss	(61)	-
Equity adjustment receivable	716	-
GST receivable	1,532	1,716
Annual leave levy reimbursements	434	344
Long service leave levy reimbursements	161	148
Other current receivable	3	5
Total	**3,369**	**6,214**

[1] For 2017-18 this included MoG receivables and also a receivable from TEQ for the Connecting with Asia (CWA) program.

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

Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is generally required within 30 days from the invoice date.

The collectability of receivables is assessed periodically with allowance being made for impairment. All known bad debts are written-off as at 30 June 2019.

Credit risk exposure
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 allowance for impairment. No collateral is held as security and no credit enhancements relate to financial assets held by the department. Receivables are generally expected to be fully collectible.

12. Other assets		
Current		
Prepayments	104	132
Lease incentives	151	81
Total	**255**	**213**
Non-Current		
Prepayments	45	-
Lease incentives	1,382	1,769
Total	**1,427**	**1,769**

Accounting policy - Prepayments
Prepayments are expensed as the supplier satisfies the performance obligations under the contract.

Accounting policy - Lease incentives
Incentives provided on entering into operating sub-leases are recognised as assets, and amortised on a straight-line basis.

	2019 $'000	2018 $'000
13. Plant and equipment		
Plant and equipment: at cost		
Gross	6,168	3,872
Less: accumulated depreciation	(1,391)	(691)
Total Plant and Equipment	**4,777**	**3,181**

Plant and Equipment Reconciliation

	Plant and Equipment		Capital Work in Progress		Total	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Carrying amount at 1 July	3,181	238	-	-	**3,181**	**238**
Acquisitions [1]	2,637	412	-	2,053	**2,637**	**2,465**
Transferred out to other Qld Government entities[2]	-	-	-	(2,053)	**-**	**(2,053)**
Transferred between asset classes	-	-	-	-	**-**	**-**
Transferred in due to MoG [3]	11	2,827	-	-	**11**	**2,827**
Disposals	(237)	-	-	-	**(237)**	**-**
Depreciation expense	(814)	(296)	-	-	**(814)**	**(296)**
Carrying amount at 30 June	**4,777**	**3,181**	**-**	**-**	**4,777**	**3,181**

[1] For 2018-19, this predominantly relates to the recognition of leasehold fit out for the Advance Queensland Valley Precinct and also a new fit out for Level 26, 111 George Street. In 2017-18 acquisitions of capital works in progress of $2.053 million were for the GC2018 venues of the Queensland State Velodrome Cycling Track and Carrara Stadium facilities.
[2] For 2017-18, this related to the transfer of venues capital works in progress for the GC2018 to Stadium Queensland (SQ).
[3] For 2018-19, this relates to the 2017-18 MoG finalisation transfers with additional assets identified during the finance system migration which occurred early in 2018-19.

Accounting Policies

(a) Plant and equipment
Plant and equipment and capital works in progress are recorded at cost in accordance with AASB 116 *Property, Plant and Equipment* and Queensland Treasury's *Non-Current Asset Accounting Policies for the Queensland Public Sector* (NCAP). The carrying amounts are not materially different from their fair value.

(b) Acquisitions of assets
Actual cost is used for the initial recording of all non-current physical asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use, including architects' fees and engineering design fees. However, any training costs are expensed as incurred.

Where assets are received free of charge from another Queensland Government department (whether as a result of a machinery-of-government change or other involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation.

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland Government entity, are recognised at their fair value at the date of acquisition in accordance with AASB 116.

Items of plant and equipment, with a cost or other value equal to or in excess of $5,000 are recognised for financial reporting purposes in the year of acquisition. Items with a lesser value are expensed in the year of acquisition.

(c) Depreciation of plant and equipment
Plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, progressively over its estimated useful life to the department. For the department's depreciable assets, the estimated amount to be received on disposal at the end of their useful life (residual value) is determined to be zero.

Assets under construction (work-in-progress) are not depreciated until they reach service delivery capacity. Service delivery capacity relates to when construction is complete and the asset is first put to use or is installed ready for use in accordance with its intended application.

The depreciable amount of improvements is allocated progressively over the estimated useful lives of the improvements or the unexpired period of the lease, whichever is the shorter. The unexpired period of a lease includes any option period where exercise of the option is probable.

For each class of depreciable asset the following depreciation rates are used:

Asset class	Category	Depreciation rate
Plant and equipment	Office equipment	12.5% - 20%
	Leasehold improvements	10% -12.5%

	2019 $'000	2018 $'000
14. Payables		
Current		
Deferred appropriation payable to Consolidated Fund [1]	10,856	49,874
Trade creditors	2,709	4,367
Taxes payable	35	22
Grants payable [2]	33	64,446
GST payable	-	4
Total	**13,633**	**118,713**

[1] For 2017-18, this largely related to GC2018 and Advance Queensland funding.

[2] For 2017-18, this largely related to GC2018 security undertaken by QPS and transport logistics provided by DTMR.

Accounting policy - Payables
Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

Liquidity risk
Liquidity risk refers to the situation where the department may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The department manages liquidity risk by ensuring there are sufficient funds available to meet employee and supplier obligations as they fall due.

Liquidity risk represents the contractual maturity of financial liabilities and is calculated based on undiscounted cash flows relating to the liabilities at reporting date. For DITID, this is the same as the carrying value as these liabilities are expected to be settled no more than 12 months from the reporting date.

15. Accrued employee benefits		
Annual leave levy payable	523	471
Long service leave levy payable	101	100
Salaries and allowances	378	353
Total	**1,002**	**924**

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

16. Other liabilities		
Current		
Lease incentives [1]	919	455
Provision [2]	906	-
Administration deposits [3]	200	-
Total	**2,025**	**455**
Non-Current		
Lease incentives [1]	3,218	3,406
Total	**3,218**	**3,406**

[1] This relates to lease incentives for the Advance Queensland Valley Precinct Initiative.

[2] This is a provision for expenses of GOLDOC, which was wound up effective 31 December 2018.

[3] The administration deposits relate to deposits received for a request for detailed proposal process undertaken by the department and deposits will be returned to the unsuccessful proponents. Payment of the deposits were due on execution of the Suitability and Process Deed.

Accounting Policy - Lease Incentives
Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of the liability.

Accounting Policy - Provisions
Provisions are recorded when the department has a present obligation, either legal or constructive as a result of a past event. They are recognised at the amount expected at reporting date for which the obligation will be settled in a future period.

	2019 $'000	2018 $'000
17. Commitments for expenditure		
(a) Non-cancellable operating lease commitments		
Commitments under operating leases at reporting date (inclusive of non-recoverable GST input tax credits) are payable as follows:		
· Not later than one year	6,052	4,605
· Later than one year and not later than five years	23,278	19,904
· Later than five years	6,829	7,415
Total	**36,159**	**31,924**
(b) Grants and subsidies commitments		
Grants and subsidies commitments (inclusive of non-recoverable GST input tax credits), committed to be provided at reporting date, but not recognised in the accounts are payable as follows:		
· Not later than one year	88,007	60,224
· Later than one year and not later than five years	52,847	55,103
Total[1]	**140,854**	**115,327**

[1] The increase is due to the Advance Queensland grants program delivered by Innovation.

(c) Other expenditure commitments		
Other expenditure commitments (inclusive of non-recoverable GST input tax credits), committed at the end of the reporting period, but not recognised in the accounts are payable as follows:		
· Not later than one year	15,533	35,316
· Later than one year and not later than five years	2,791	-
Total[2]	**18,324**	**35,316**

[2] The decrease is mainly due to the payment of the remaining commitments for GC2018.

18. Contingencies
The department holds bank guarantees for financial support provided on projects across the department as at 30 June 2019 of $206 million (2018 - $206 million).

19. Key management personnel (KMP) disclosures

a) Details of key management personnel
The department's responsible Minister is identified as part of the department's KMP, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. The Honourable Kate Jones MP is the Minister for Innovation and Tourism Industry Development and Minister for the Commonwealth Games.

The following details for non-Ministerial KMP reflect those departmental positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2018-19 and 2017-18. Further information about these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Position Responsibility
Director-General	The Director-General directs the overall efficient, effective and economical administration of the department.
Deputy Director-General, Tourism and Major Events (Prior to 18 March 2019 this was Deputy Director-General, Tourism)	The Deputy Director-General, Tourism and Major Events, is responsible for the efficient, effective and economic administration of the tourism and major events responsibilities for the department.
Deputy Director-General, Tourism Development Projects (Prior to 18 March 2019 this was Deputy Director-General, Office of the Commonwealth Games)	The Deputy Director-General, Tourism Development Projects, is responsible for the efficient, effective and economic administration of the 2018 Commonwealth Games wrap-up, Gold Coast Global Tourism Hub and Minjerribah Economic Strategy responsibilities for the department.
Deputy Director-General, Innovation	The Deputy Director-General, Innovation is responsible for the efficient, effective and economic administration of the innovation responsibilities for the department.
Projects Chief Executive, Tourism Development Projects (Prior to 18 March 2019 this was Projects Chief Executive, Special Projects Unit)	The Projects Chief Executive, Tourism Development Projects, is responsible for the efficient, effective and economic administration of the Queen's Wharf Integrated Resort Development, Cairns Global Tourism Hub and Ecotourism Trails Program responsibilities for the department.

In addition to the above, the Deputy Director-General, Corporate of the Department of Agriculture and Fisheries (DAF) was a shared position with DITID until 30 April 2018. This position was fully funded by DAF as per the BCP arrangement.

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

b) KMP remuneration policies

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members Remuneration Handbook. The department does not bear any cost of remuneration of 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 the department'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.

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;
  - 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 entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

c) Remuneration expenses

The following disclosures focus on the expenses incurred by the department attributable to non-Ministerial KMP during respective reporting periods. The amounts disclosed are determined on the same basis as expenses recognised in the Statement of comprehensive income.

1 July 2018 - 30 June 2019

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses $ '000	Non-Monetary Benefits $ '000	$ '000	$ '000	$ '000	$ '000
Director-General	417	-	9	39	-	**465**
Deputy Director-General, Tourism and Major Events (Prior to 18 March 2019 this was Deputy Director-General, Tourism)	235	-	5	26	-	**266**
Deputy Director-General, Tourism Development Projects (Prior to 18 March 2019 this was Deputy Director-General, Office of the Commonwealth Games)	254	-	5	28	-	**287**
Deputy Director-General, Innovation (1 July 2018 to 14 December 2018)	116	-	3	14	-	**133**
Deputy Director-General, Innovation (Acting 17 December 2018 to 30 June 2019)	155	-	3	11	-	**169**
Projects Chief Executive, Tourism Development Projects (Prior to 18 March 2019 this was Projects Chief Executive, Special Projects Unit)	360	-	7	41	-	**408**
Total	**1,537**	**-**	**32**	**159**	**-**	**1,728**

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

c) Remuneration expenses (continued)

1 July 2017 - 30 June 2018

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses $ '000	Non-Monetary Benefits $ '000	$ '000	$ '000	$ '000	$ '000
Director-General	424	-	8	38	-	**470**
Deputy Director-General, Tourism	247	-	5	26	-	**278**
Deputy Director-General, Office of the Commonwealth Games	258	-	5	28	-	**291**
Deputy Director-General, Innovation (13 December 2017 to 30 June 2018)	137	-	3	15	-	**155**
Projects Chief Executive, Special Projects Unit [1] (13 December 2017 to 30 June 2018)	183	-	4	20	-	**207**
Deputy Director-General, Office of Small Business [1] (1 July 2017 to 12 December 2017)	107	-	2	11	-	**120**
Total	**1,356**	**-**	**27**	**138**	**-**	**1,521**

[1] Remuneration expenses from MoG changes were recognised/transferred from the effective date of 1 January 2018 for financial reporting.

d) Performance payments

No KMP remuneration packages provide for performance or bonus payments

20. Related party transactions

a) Transactions with people/entities related to KMP

A review has been undertaken for the financial year to 30 June 2019 of the departments' KMP related party transactions (RPT) declarations and no transactions have been identified between the department and its KMP's related parties.

b) Transactions with other Queensland Government-controlled entities

The department's primary ongoing source of funding from Government for its services is appropriation revenue (Note 3a), which is provided in cash via Queensland Treasury.

For the period 1 July 2018 to 30 June 2019, DITID received defined services from the following agencies:

- DNRME: Accommodation Services, Legal Services
- DES: Internal Audit
- DAF: Finance, Information Management, Fleet Management, Telecommunications

Refer to Note 1 for a description of BCP arrangements. The revenue and expense related to these contributions of services have not been recognised in the financial statements, apart from Information Management services that are invoiced by DAF, these values are considered to be immaterial and cannot be measured reliably.

In 2018-19, significant transactions with other government departments and statutory bodies for grants programs and supplies and services expenditure included: $22.847 million with TEQ (2017-18: $22.812 million), $4.432 million with DTMR (2017-18: $30.487 million), $3.302 million with DHPW (2017-18: $2.694 million), $1.497 million with DAF (2017-18: $0.571 million), $1.067 million with QPS (2017-18: $53.946 million), $0.764 million with Queensland Shared Services (QSS) (2017-18: $0.609 million) - Note 7 and Note 8. Also insurance premiums were paid to WorkCover for $70,000 (2017-18: $85,000) - Note 6 and QGIF of $32,000 (2017-18: $27,000) - Note 9.

21. Events occurring after balance date

There were no events subsequent to balance date, which would have a material effect on the information provided in the department's controlled or administered financial statements.

22. Budget vs actual comparison

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.

Statement of Comprehensive Income

	Variance Notes	Budget 2019 $'000	Actual 2019 $'000	Variance $'000
Income from continuing operations				
Appropriation revenue	1	222,834	133,020	(89,814)
Grants and other contributions	2	-	4,552	4,552
Other revenue	3	-	12,591	12,591
Total income from continuing operations		**222,834**	**150,163**	**(72,671)**
Expenses from operations				
Employee expenses	4	21,375	26,062	4,687
Supplies and services	5	48,191	33,964	(14,227)
Grants and subsidies	6	152,406	79,957	(72,449)
Depreciation expense		618	814	196
Impairment losses		-	61	61
Other expenses	7	244	9,305	9,061
Total expenses from continuing operations		**222,834**	**150,163**	**(72,671)**
Operating result for the year		**-**	**-**	**-**
Total comprehensive income		**-**	**-**	**-**

Explanation of major variances in the financial statements

1. The decrease relates to changes to the timing of funding requirements to match expenditure for initiatives including the Great Barrier Reef Island Resorts Rejuvenation Program (GBRRP), Attracting Tourism Fund (ATF), Growing Tourism Infrastructure Fund (GTIF), Great Keppel Island Rejuvenation Pilot (GKI), CWA, Aviation Boost, Advance Queensland (AQ) programs, GTH IRD and a decrease in activity for GC2018.
2. The increase relates largely to staff working across the department engaged through the Whole of Government Resource Sharing Model (WOGRSM). This program was extended following its success during the GC2018. Additionally contributions were received from GC2018 savings for the Meeanjin Markets program.
3. The increase predominantly relates to the return of prior year grants expenditure for the GC2018 and the TRF. Also included is the recognition of rental revenue from tenants located within the Advance Queensland Valley Precinct which has expanded during 2018-19.
4. The increase principally relates to the recognition of services received below fair value for officers from other Qld Government Agencies working within the department through the WOGRSM process. Additionally this relates to a realignment of expenditure for staffing within the GTH IRD and new allocations for the delivery of CWA, Minjerribah Economic Strategy and the Young Tourism Leaders program.
5. The decrease relates largely to the timing of expenditure for the GTH IRD, Advance Queensland and Tourism programs and initiatives.
6. The decrease relates largely to the timing of expenditure for GBRRP, ATF, CWA, GTIF, GKI, the World Boxing Organisation Welterweight event and Advance Queensland program initiatives. This is partially offset by additional GC2018 post games expenditure relating to transport infrastructure.
7. The increase relates largely to an end of year payable to Consolidated Fund for the refund of unspent appropriation revenue.

22. Budget vs actual comparison (continued)

Statement of Financial Position

	Variance Notes	Budget 2019 $'000	Actual 2019 $'000	Variance $'000
Current assets				
Cash and cash equivalents	8	7,900	12,338	4,438
Receivables	9	6,538	3,369	(3,169)
Other current assets		171	255	84
Total current assets		**14,609**	**15,963**	**1,354**
Non-current assets				
Plant and equipment	10	3,511	4,777	1,266
Other non-current assets		1,033	1,427	394
Total non-current assets		**4,544**	**6,203**	**1,659**
Total assets		**19,153**	**22,166**	**3,013**
Current liabilities				
Payables	11	8,525	13,633	5,108
Accrued employee benefits		955	1,002	47
Other current liabilities	12	529	2,025	1,496
Total current liabilities		**10,009**	**16,660**	**6,651**
Non-current liabilities				
Other non-current labilities	12	2,587	3,218	631
Total Non-current liabilities		**2,587**	**3,218**	**631**
Total liabilities		**12,596**	**19,877**	**7,281**
Net assets		**6,557**	**2,288**	**4,269**
Equity				
Contributed equity		6,357	2,087	4,270
Accumulated surplus/deficit		200	201	(1)
Total equity		**6,557**	**2,288**	**4,269**

Explanation of major variances in the financial statements

8. The increase in cash relates largely to an end of year payable to Queensland Treasury for appropriation.
9. The decrease relates mainly to trade debtors for the CWA program and an inter-departmental transfer receivable with DAF due to realignment of corporate services following the MoG.
10. The increase relates largely to the recognition of a new leasehold fit out asset for the Advance Queensland Valley Precinct.
11. The increase relates largely to an end of year payable to Queensland Treasury for appropriation.
12. The increase relates largely to additional Incentive Liabilities for the Advance Queensland Valley Precinct and a provision for future years GOLDOC expenditure.

22. Budget vs actual comparison (continued)

Statement of Cash Flows	Variance Notes	Budget 2019 $'000	Actual 2019 $'000	Variance $'000
Cash flows from operating activities				
Inflows:				
Service appropriation receipts	13	222,834	86,555	(136,279)
Grants and other contributions	14	-	4,338	4,338
GST input tax credits from Australian Taxation Office		225	9,763	9,538
GST collected from customers		-	439	439
Other inflows	15	-	12,983	12,983
Outflows:				
Employee expenses	16	(21,543)	(23,860)	(2,317)
Supplies and services	17	(48,425)	(35,325)	13,100
Grants and subsidies	18	(152,396)	(144,371)	8,025
GST paid to suppliers		-	(10,701)	(10,701)
Other outflows		(250)	(595)	(345)
Net cash provided by (used in) operating activities		**445**	**(100,774)**	**(101,219)**
Cash flows from investing activities				
Outflows:				
Payments for plant and equipment		(196)	(718)	(522)
Net cash provided by (used in) investing activities		**(196)**	**(718)**	**(522)**
Cash flows from financing activities				
Inflows:				
Equity injections		172	-	(172)
Outflows:				
Equity withdrawals		(427)	(541)	(114)
Net cash provided by (used in) financing activities		**(255)**	**(541)**	**(286)**
Net increase/(decrease) in cash and cash equivalents		(6)	(102,033)	(102,027)
Cash and cash equivalents at beginning - opening balance		7,906	114,371	106,465
Cash and cash equivalents - closing balance [1]		**7,900**	**12,338**	**4,438**

[1] Refer to Note 10 of the Financial Statements.

Explanation of major variances in the financial statements

13. The decrease relates to changes to the timing of funding requirements for the GBRRP, ATF, GTIF, GKI, CWA, Aviation Boost, AQ programs, GTH IRD and a decrease in activity for the GC2018.

14. The variance relates mainly to trade debtors for the CWA program and contributions were received from GC2018 savings for the Meeanjin Markets program.

15. The variance predominantly relates to the return of prior year grants expenditure for the GC2018 and the TRF. Also included is the recognition of rental revenue from tenants located within the Advance Queensland Valley Precinct.

16. The variance principally relates to realignments of employee expenses within the delivery of the GTH IRD and Tourism initiatives.

17. The variance relates largely to the timing of expenditure for the GTH IRD, Advance Queensland and Tourism programs and initiatives.

18. The variance is predominantly due to delays with expenditure for program initiatives.

	Variance Notes	2019 Actual $'000	2019 Budget $'000	2019 Budget Variance $'000	2018 Actual $'000
23. Schedule of administered items					
Administered income					
Appropriation revenue	19	103,415	107,889	(4,474)	626,908
Total administered income		**103,415**	**107,889**	**(4,474)**	**626,908**
Administered expenses					
Grants and subsidies - GOLDOC	19	-	999	(999)	529,476
Grants and subsidies - TEQ	19	103,415	106,890	(3,475)	97,432
Total administered expenses		**103,415**	**107,889**	**(4,474)**	**626,908**
Operating surplus/(deficit)		-	-	-	-
Administered assets					
Current assets					
Cash at bank		1,343	-	1,343	-
Appropriation revenue receivables		399	-	399	1,374
Total current assets	20	**1,742**	**-**	**1,742**	**1,374**
Administered liabilities					
Current liabilities					
Payables	20	1,742	-	1,742	1,374
Total current liabilities		**1,742**	**-**	**1,742**	**1,374**
Net administered assets		**-**	**-**	**-**	**-**
Administered equity					
Contributed equity					
Non-appropriated equity injection	21	45,163	-	45,163	-
Non-appropriated equity withdrawal	22	(45,163)	-	(45,163)	-
Total contributed equity		-	-	-	-
Total administered equity		**-**	**-**	**-**	**-**

Accounting policy - Administered items

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

Explanation of major variances in the financial statements

19. The decrease principally relates to a realignment from 2018-19 to 2019-20 of TEQ funding to match cash flows to known commitments for tourism campaigns and events and the lapse of funding for GOLDOC.

20. The variance is due to the 2018-19 TEQ EOY clawback and funding received from Consolidated Fund but not paid to TEQ as at 30 June 2019. Additionally funds from the wind up of GOLDOC were also held for future return to Consolidated Fund.

21. The variance is due to the return of $45.163 million from GOLDOC to the department.

22. The variance is due to the return of $45.163 million to Consolidated Fund.

	2019 $'000	2018 $'000
24. Reconciliation of payments from Consolidated Fund to administered income		
Budgeted appropriation	107,889	623,869
Transfers from/(to) other headings - variation in headings	-	2,003
Lapsed administered appropriation	(3,499)	-
Total administered receipts	**104,390**	**625,872**
Less: Opening balance of administered revenue receivable	(1,374)	(338)
Plus: Closing balance of administered revenue receivable	399	1,374
Administered revenue recognised (as above)	**103,415**	**626,908**

25. Agency transactions

Due to MoG changes dated 12 December 2017, Administrative Arrangements Order (No.3) 2017, the Office of Small Business was transferred on 1 January 2018 to DESBT, however their new financial system was not available until September 2018.

Due to the commencement of wind up activities and minimal staffing the Gold Coast 2018 Commonwealth Games Corporation (GOLDOC) transacted in the DITID ledger from early September 2018 through until its dissolution date of 31 December 2018 as per the *Commonwealth Games Arrangements (GOLDOC Dissolution Day) Amendment Regulation 2018*.

The department performed only a custodial role in respect of the transactions below, which are not recognised in the financial statements.

	2019 $'000	2018 $'000
Agency Revenues and Expenses		
Office of Small Business		
Revenues		
User charges	-	35
Grants and other contributions	-	2,997
Total revenue	-	3,032
Expenses		
Employee expenses	2,803	3,642
Supplies and services	399	4,180
Grants and subsidies	1,644	2,291
Impairment losses	2	-
Depreciation expenses	-	9
Other expenses	-	56
Total expenses	4,848	10,178
Gold Coast 2018 Commonwealth Games Corporation		
Revenues		
Other revenue	7,713	-
Total revenue	7,713	-
Expenses		
Supplies and services	7,648	-
Other expenses	65	-
Total expenses	7,713	-

These transactions are audited as part of the department.

Management Certificate of the Department of Innovation, Tourism Industry Development and the Commonwealth Games

These general purpose financial statements have been prepared pursuant to s.62(1) of the *Financial Accountability Act 2009* (the Act), section 42 of the *Financial and Performance Management Standard 2009* 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 the Department of Innovation, Tourism Industry Development and the Commonwealth Games for the financial year ended 30 June 2019 and of the financial position of the department at the end of that year; and

The Director-General, as the Accountable Officer of the Department, acknowledges responsibility under s.8 and s.15 of the *Financial and Performance Management Standard 2009* 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.

Mike Richards B.Com., MIPA
Chief Finance Officer

Date 23/8/2019

Damien Walker
Director-General

Date 23/8/2019

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INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Department of Innovation, Tourism Industry Development and the Commonwealth Games

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Department of Innovation, Tourism Industry Development and the Commonwealth Games.

In my opinion, the financial report:

a) gives a true and fair view of the department's financial position as at 30 June 2019, and its financial performance and cash flows for the year then ended

b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards.

The financial report comprises the statement of financial position and statement of assets and liabilities by major departmental service as at 30 June 2019, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental service 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 of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

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

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

Responsibilities of the department for the financial report

The Accountable Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 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.

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2019:

a) I received all the information and explanations I required.

b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

27 August 2019

Michelle Reardon
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

2018–2019 ANNUAL REPORT

Department of Innovation and Tourism Industry Development