

# 2019–2020 ANNUAL REPORT



## About this report

This annual report provides information about the Department of Employment, Small Business and Training (DESBT) financial and non-financial performance for 2019–20. The annual report plays an important role in fulfilling the department's commitment to accountability and transparency. It has been prepared in accordance with the *Financial Accountability Act 2009*.

This report details our achievements, performance and financial position for the 2019–20 financial year. It aligns with the department's *Strategic Plan 2019–23* as well as the *DESBT 2019–20 Service Delivery Statements*. It also provides information on our future direction, people management and governance.

### View our report online

This report and the information on DESBT government bodies is available online: [desbt.qld.gov.au/annual-report](https://desbt.qld.gov.au/annual-report)

### More information on the Queensland Government Open Data website

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 [data.qld.gov.au](https://data.qld.gov.au)

### Interpreter services



DESBT is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty understanding the annual report, you can contact us on 131 450 and we will arrange an interpreter to effectively communicate the report to you.

### Providing feedback

We continually strive to meet best practice reporting standards and value the views of our readers. We invite you to provide feedback on this report by completing a survey on the *Get Involved* website [qld.gov.au/annualreportfeedback](https://qld.gov.au/annualreportfeedback)

For enquiries about this Annual Report, contact the Director, Governance and Strategy, Corporate Services, DESBT by phoning +61 7 3025 6042 or email [corporate.stratgov@desbt.qld.gov.au](mailto:corporate.stratgov@desbt.qld.gov.au) or post to PO Box 15483, City East Qld 4002.

ISSN 2209–7902

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Published by the Department of Employment, Small Business and Training, September 2020, 1 William Street, Brisbane Qld 4000.

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### Attribution

Content from this Annual Report should be attributed as:

The State of Queensland (Department of Employment, Small Business and Training) Annual Report 2019–20.

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# Letter of compliance

25 September 2020

The Honourable Shannon Fentiman MP  
Minister for Employment and Small Business and  
Minister for Training and Skills Development  
PO Box 15483  
City East Qld 4002

Dear Minister Fentiman

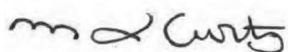
I am pleased to submit for presentation to the Parliament the *Annual Report 2019–20* and financial statements for the Department of Employment, Small Business and Training.

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 annual reporting requirements can be found at Appendix 1 of this annual report.

Yours sincerely



Mary-Anne Curtis  
Director-General  
Department of Employment, Small Business and Training

## Message from the Director-General

I am pleased to present the 2019–20 Annual Report for the Department of Employment, Small Business and Training, which outlines the work undertaken by the department throughout the year. Our focus in the second half of the financial year shifted to the COVID-19 pandemic response and recovery, with the department playing a pivotal role in supporting small businesses, employers, training providers, employees and jobseekers.

### Assisting with recovery

Throughout the year, the department demonstrated its agility, implementing recovery measures and providing trusted advice and support. Our Small Business Recovery Centre in Townsville provided face-to-face advice to local businesses continuing to feel the effects of the monsoon event of January 2019. Staff helped deliver Disaster Recovery Grants, while the Back on Track Roadshow visited impacted towns and assisted small businesses. Again after the bushfires in Southern and Eastern Queensland in late 2019, staff helped small businesses access much-needed assistance. Then in early 2020, the department adapted swiftly in response to COVID-19, moving services online, utilising flexible remote working arrangements to continue to deliver key services, and reassigning staff within the department and across government to assist with delivering key government priorities.

### Helping small businesses

To assist impacted small businesses, the department delivered the first round of the Small Business COVID-19 Adaption Grant program. The department also established a dedicated Small Business Helpline and updated the Business Queensland website, which became the ‘go to’ portal for affected small businesses.

Our free Mentoring for Growth sessions moved online and small businesses were provided access to online training courses. In May 2020, the Queensland Small Business Commissioner, Maree Adshead, was appointed to assist small businesses with lease disputes and steps to recovery.

The department also worked with employers and impacted apprentices and trainees regarding options available to assist with the continuation of training contracts.

### Jobs and skills for Queenslanders

Our targeted training and employment programs were key to keeping Queenslanders connected to the world of work. We managed economic relief measures to support jobs and businesses affected by COVID-19, which included free online training in micro-credentials and skills sets. Throughout the year there was significant investment to support training providers, students and employers with high-quality training and skills. The new *Queensland Government: Skills for Queensland – Great training for quality jobs* strategy was released and included Free apprenticeships for under 21s initiative which, combined with the Free tafe for Year 12 graduates, provided free training for young Queenslanders. During 2019–20 the department also continued to deliver the Skilling Queenslanders for Work program and Back to Work program.

I acknowledge the efforts of staff in supporting those impacted by the COVID-19 pandemic, while maintaining high-quality services. I thank all staff for their dedication during 2019–20.

Mary-Anne Curtis  
Director-General

# Our department

## Our vision

All Queenslanders have the skills and opportunities to participate and prosper in the economy.

## Our purpose

To increase economic readiness, so Queenslanders can take full advantage of opportunities. Economic readiness means more Queenslanders are: ready to invest in themselves and their future; engage and participate in the economy; employ; and respond to change.

Our services and initiatives played a key role in the Queensland Government's objectives for the community as outlined in *Our Future State: Advancing Queensland's Priorities*. This was achieved by supporting small businesses to start, grow and employ, and by providing individuals with training and employment opportunities aligned with Queensland's employment, skilling and economic priorities.

## Our values

Our values are the Queensland Public Service values, which guided our behaviours and the way we connected and delivered better outcomes for Queensland.

## Our operating environment

The department administered various Acts of Parliament and complied with a number of statutory obligations, with progress reported throughout this report.

The department performed a broad range of operations, with a particular focus on supporting businesses especially to reopen and recover from COVID-19, and by providing individuals with training and employment opportunities aligned with Queensland's employment, skilling and economic priorities.

The department's operations also included a range of significant initiatives as part of the government's commitments. The department's income and controlled expenses are reported in this report in the financial summary and the financial statements.

The major environmental factors impacting the department involved financial and global economic volatility, particularly in the last half of the financial year in response to COVID-19.

The department proactively monitors and manages strategic risks, which may reduce our ability to:

- deliver on our purpose defined by the government
- develop and maintain relationships with key stakeholders and partnerships
- maintain reliable governance and strong controls to prevent fraud and corruption.



Figure 1: Queensland Public Service values.

The department also pursues opportunities for advancing our strategic objectives by:

- embracing opportunities as they arise, and in responding to COVID-19, that will better equip DESBT to meet the needs of Queenslanders
- leveraging our regional networks to tailor our services to meet customer needs.

## Our legislation

Our functions and powers are derived from administering the Acts of Parliament in accordance with *Administrative Arrangements Order (No. 1) 2020*.

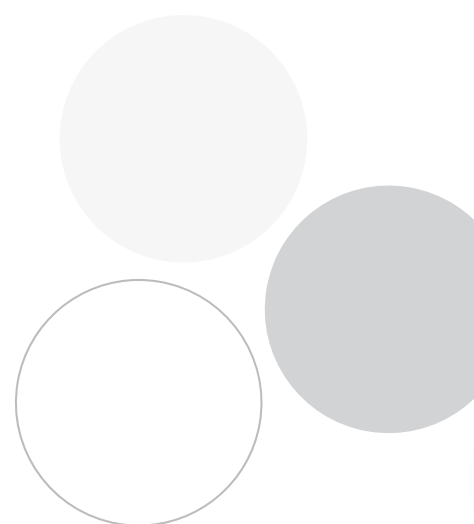
For information about the responsibilities and legislation administered by the department, please visit either:

- our website at [desbt.qld.gov.au](https://desbt.qld.gov.au)
- the Queensland Government Administrative Arrangements Orders webpage at [qld.gov.au/about/how-government-works/government-responsibilities](https://qld.gov.au/about/how-government-works/government-responsibilities)

## Delivering government commitments

In 2019–20, the department delivered the following five government commitments and worked collaboratively with government and stakeholders to implement these commitments:

1. invested up to \$10 million for the training needs of the Redlands TAFE campus
2. established small business consultation panels that provide government departments with easier access to experienced small business owners and operators when developing policy and legislation
3. oversaw the work of the Better Regulation Taskforce to continue to create a balanced regulatory environment for small business
4. developed a strategy for vocational education and training (VET) in Queensland to ensure Queenslanders have the right skills to work in priority jobs across a wide range of industries
5. ensured female business owners are supported, encouraged and recognised to start and grow their own businesses by engaging and partnering with women across the state to better understand their needs, and to provide resources, events, networking, development and partnership opportunities to help women-led businesses start, grow and employ.



# Our Strategic Plan 2019–23

## Contributing to government objectives

The department contributed to two Queensland Government objectives for the community as set out in the *Our Future State: Advancing Queensland's Priorities*.



### Create jobs in a strong economy by:

- optimising economic growth and job creation by influencing investment aligned to employment, small business and training.

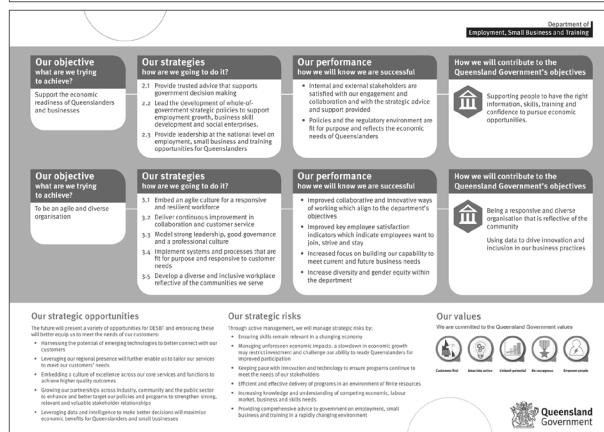
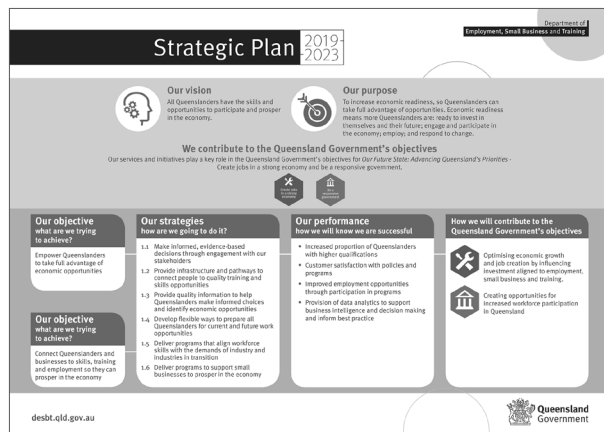


### Be a responsive government by:

- creating opportunities for increased workforce participation in Queensland
- supporting people to have the right information, skills, training and confidence to pursue economic opportunities
- being a responsive and diverse organisation that is reflective of the community
- using data to drive innovation and inclusion in our business practices.

## Our Strategic Plan 2019–23

To view a full copy of the Strategic Plan 2019–23 go to our website: [desbt.qld.gov.au/about-us/reports](https://desbt.qld.gov.au/about-us/reports)



Our Strategic Plan 2019–23 included the following objectives aligned to the government objectives for the community that focused our business direction and service delivery:

- empower Queenslanders to take full advantage of economic opportunities
- connect Queenslanders and businesses to skills, training and employment so they can prosper in the economy
- support the economic readiness of Queenslanders and businesses
- to be an agile and diverse organisation.

## Our Strategic Plan performance

We assessed our progress and performance in achieving the department's objectives by comparing results against measures aligned to our *Strategic Plan 2019–23* indicators.

### Objectives

<ul style="list-style-type: none"> <li>• <b>Empower Queenslanders to take full advantage of economic opportunities.</b></li> <li>• <b>Connect Queenslanders and businesses to skills, training and employment so they can prosper in the economy.</b></li> </ul>		
Indicator:	Increased proportion of Queenslanders with higher qualifications	
Measure:	* Proportion of Queenslanders with higher qualifications	
Indicator:	Customer satisfaction with policies and programs	
Measure:	* Overall customer satisfaction with employment programs	
Indicator:	Improved employment opportunities through participation in programs	
Measure:	* Percentage of businesses assisted by small business programs that report a projected increase in either employment, turnover or profitability	
Indicator:	Provision of data analytics to support business intelligence and decision making and inform best practice	
Measure:	* Percentage of new or existing businesses reporting increased capability (including digital) as a direct result of participation in small business grant programs	

**Status legend:** Actioned  Working towards target 

\* Further information is available in the Service Delivery Statements performance tables in the next section.

### Objective

<ul style="list-style-type: none"> <li>• <b>Support the economic readiness of Queenslanders and businesses.</b></li> </ul>		
Indicator:	Internal and external stakeholders are satisfied with our engagement and collaboration and with the strategic advice and support provided	
Measure:	Received positive feedback on the Small Business Recovery Hub	
Indicator:	Policies and the regulatory environment are fit for purpose and reflect the economic needs of Queensland	
Measure:	Initiatives delivered through the <i>Advancing Small Business Queensland Strategy 2016–20 (ASBQS)</i>	

**Status legend:** Actioned 

Objective 

• To be an agile and diverse organisation.		
Indicator:	Improved collaborative and innovative ways of working which align to the department's objectives	
Measure:	Using technology platforms to connect with regional staff and staff working remotely	✓
Indicator:	Improved key employee satisfaction indicators which indicate employees want to join, strive and stay	
Measure:	Job sharing and flexible arrangements encouraged and in place across the department	✓
Indicator:	Increased focus on building our capability to meet current and future business needs	
Measure:	Maturing ICT governance through design authority and a change board	✓
Indicator:	Increased diversity and gender equity within the department	
Measure:	Percentage of employee respondents who agree or strongly agree with the survey questions: My workplace has an inclusive culture where diversity is valued and respected	✓

**Status legend:** Actioned 

# Unite and recover from COVID-19

The Queensland Government acted quickly to assist business, industry and local government with resilience and recovery strategies to deal with and mitigate impacts of coronavirus.

During the COVID-19 pandemic, the department quickly changed the way services and business-critical activities were developed and delivered to provide support and assistance for those in areas of need.

## Investing in jobs and skills

Early in the response phase of COVID-19, the Queensland Government announced on 24 March 2020 an economic relief package to support jobs and businesses affected by the pandemic. This included up to \$500 million to assist workers who lost their job or income with retraining, job-matching and other help to transition into jobs in key industries.

### Connecting Queenslanders with jobs and training through Jobs Finder

The Queensland Government launched the new Jobs Finder online portal on 16 April 2020 to connect Queenslanders who lost their jobs due to COVID-19 with new job opportunities.

A main priority was matching unemployed jobseekers with new jobs being created, especially those in areas of critical service delivery. As at 30 June 2020, there were more than 7800 registered jobseekers using the Jobs Finder portal.

The portal also offered jobseekers 15 free micro-credentials and online skills sets through TAFE in a range of high-demand industries such as food service, health and community care, transport and cybersecurity. This training provided people with the opportunity to upskill and increase capability to prepare for job opportunities after COVID-19. As at 30 June 2020, the free online training attracted 18,100 enrolments, with 9000 courses completed.

### Investing in online small business training

Small businesses and their employees across Queensland were provided with free access to an online training hub, and to an extensive library of courses by GO1 that were tailored to small business needs. Funded as part of Queensland's Economic Recovery Plan, around 400 free training courses were initially accessible through the following two portals:

- the *Queensland Small Business Skills Hub* offered free courses in areas such as leading a successful business, digital skills and foundation business skills
- *Skills Focus Queensland* provided those Queenslanders whose jobs were impacted by COVID-19 with courses such as résumé writing, interview preparation, sales, finance and information technology.

## Supporting small business recovery from COVID-19

*Queensland's Economic Recovery Plan* recognised that small businesses are vital to Queensland's economy, regional prosperity and job creation. Small businesses represent 97 per cent of all businesses and employ more than 970,000 people, or almost 45 per cent of the state's private sector workforce.

In responding to the outbreak of COVID-19, in early 2020 the department immediately reprioritised resources to assist impacted Queensland small businesses.

To reach out and assist as many small businesses as possible, several channels were used to enable connections more easily, including mentoring sessions, financial workshops, a telephone hotline, regular email updates, and an online information tool to identify available financial assistance.

### **Small Business Hotline helping small businesses navigate options**

In March 2020, the department established a 24/7 Small Business Hotline to assist affected Queensland small businesses navigate available support and other options to keep apprentices and trainees employed. The Small Business Hotline was serviced by the department's Customer Centre and regional offices, as well as our partners at Smart Service Queensland.

### **Small business impact survey**

In March 2020, the department developed an online survey for small business owners impacted by COVID-19 to assist in prioritising enquiries and link affected businesses with relevant support. The department provided assistance through a range of support services, including the Small Business Hotline, the Business Queensland (BQ) website and the Mentoring for Growth program. In addition, DESBT regional officers provided direct outreach to impacted businesses as required, including providing linkages to all relevant Queensland and Australian government services.

### **COVID-19 Business Queensland and the Business Assistance Finder helping connect small businesses**

Small businesses rapidly turned to the BQ website to prepare themselves for the COVID-19 pandemic. To improve support and content access, DESBT updated the BQ website in March 2020 focusing on COVID-19. The website achieved its largest number of views in 2019–20, with more than 6.3 million total views across the BQ website, including a 44 per cent increase in Queensland visitors.

Given the range of assistance options available to businesses of differing sizes, the department implemented the COVID-19 Business Assistance Finder on the BQ website to assist businesses identify in one place all of the financial assistance available and other types of relief options.

The initiative included a new tool to help businesses identify, based on their size of operations, the support available from the Queensland and Australian governments, plus Queensland local councils.

As at 30 June 2020, there were more than 70,000 online visits made to the COVID-19 Business Assistance Finder.

### **Paying businesses sooner**

A priority action to assist small businesses experiencing disrupted cashflow was implementing the Queensland Government *On-Time Payment Policy* to ensure businesses that participated in government procurement were paid sooner by improving government payment practices and timeframes.

With the escalation of COVID-19, the Queensland Government fast-tracked payment times to support local businesses as a matter of urgency. This was critical to assist with recovery. The department also undertook preparatory work to put in place the necessary mechanisms to facilitate businesses to be paid within 20 days from 1 July 2020.

### **Supporting local small business**

The #SupportSmall campaign saw the Queensland Government collaborate with the Chamber of Commerce and Industry Queensland to #SupportSmall and encourage all Queenslanders to shop locally.

### **Small Business Taskforce**

The Queensland Government established the Small Business Taskforce in April 2020 to work with food delivery providers and other industry stakeholders to jointly support restaurants and cafés through the COVID-19 pandemic. The Taskforce met three times in April and May 2020. DESBT's work on the Taskforce contributed to positive outcomes, including the publication of takeaway and delivery advice for food and beverage businesses on the BQ website, as well as information on hiring a contractor, consultant or freelancer, and support available for contractors, consultants and freelancers (including workplace rights and protections).

### Connecting businesses and workers to critical information

With the evolving crisis, it was more important than ever to stay informed of the latest support available. The department provided updates to existing small business customers and their support networks, including local chambers, councils and industry associations, through regular communications outlining support for business, industry and workers from Queensland and Australian government agencies.

### Small Business COVID-19 Adaption Grants

To support Queensland small businesses, the first round of Small Business COVID-19 Adaption Grants were announced on 19 May 2020 as part of *Queensland's Economic Recovery Plan*.

The \$100 million Small Business COVID-19 Adaptation Grants package comprised \$96 million in small business grants of up to \$10,000 each, and \$4 million in new training for businesses to counter the impact of COVID-19.

The grants were developed to assist those small businesses forced into hibernation to restructure or to significantly change their business operations or move online. The grants were used to help pay for financial, legal or other professional advice, marketing and communications activities, and digital equipment or technology strategy development to help businesses move online.

As part of *Queensland's Economic Recovery Plan*, a further \$100 million was made available for round two of Small Business COVID-19 Adaption Grants, for applications from 1 July 2020.

### Backing more local Queensland businesses

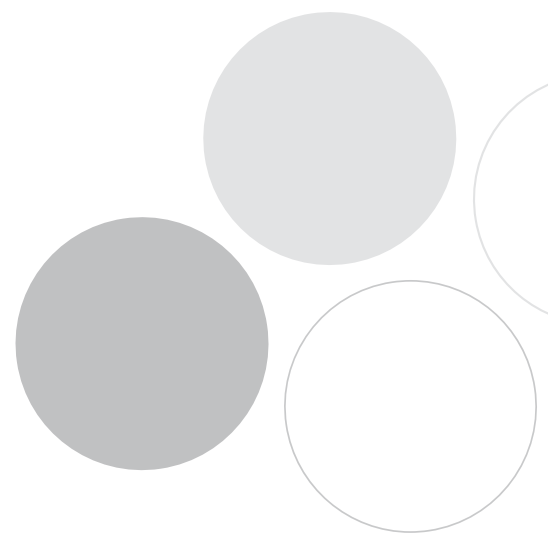
Critical to COVID-19 economic recovery, the government announced a minimum target of 25 per cent of all state government purchases to be from Queensland small and medium sized businesses, to be introduced from 1 July 2020 to support the growth of Queensland businesses, industries and jobs. The target is planned to be extended in future years.

### Queensland Small Business Commissioner helping small businesses with leases

To assist small businesses impacted by the COVID-19 pandemic, the government announced in May 2020 that Maree Adshead was the new temporary Queensland Small Business Commissioner, giving small businesses a single point of contact for leasing disputes during recovery from the impact of COVID-19. The new role replaced the part-time role of the Queensland Small Business Champion.

The department provided administrative support for the Queensland Small Business Commissioner through the Office of the Queensland Small Business Commissioner. Responsibilities of the Queensland Small Business Commissioner include providing information and advocacy support to small businesses, and informal resolution and mediation of COVID-19 affected small business retail leasing disputes under the *COVID-19 Emergency Response Act 2020*. The Commissioner also assisted with Queensland's implementation of the *National Cabinet Mandatory Code of Conduct – SME Commercial Leasing Principles during COVID-19*.

As at 30 June 2020, the Queensland Small Business Commissioner had received 872 requests for information, advocacy or dispute assistance from small business owners and their landlords located across Queensland.



## Our service performance

Our service area structure for 2019–20 comprised three areas. Performance for each service area is addressed in the following sections and includes performance against the *Strategic Plan 2019–23* strategies:

- Employment
- Small Business
- Training and Skills.

### Employment

#### Our objective

To increase Queenslanders' participation in the labour market.

#### What we do

This service area focuses on increasing employment opportunities for Queenslanders, in particular, disadvantaged cohorts. This area undertakes both policy and strategic engagement activities, as well as the delivery of key government employment programs. The service area also has responsibility for business and skilled migration policy, in consultation with Business and Skilled Migration Queensland.

#### Our achievement highlights 2019–20

The department continued to deliver a range of employment programs for disadvantaged cohorts such as young people, women, mature-aged people, Aboriginal peoples and Torres Strait Islander peoples, culturally and linguistically diverse people and people with disabilities.

#### Supporting jobseekers with Back to Work

The Back to Work program is designed to give businesses the confidence to employ Queenslanders who have experienced a period of unemployment. The program includes support payments to eligible employers who hired eligible unemployed jobseekers.

Back to Work offered support for jobseekers who needed or wanted to update their skills to gain, change or retain employment.

The program was delivered throughout regional Queensland and in areas of South East Queensland (SEQ) experiencing significant labour market challenges.

#### Back to Work program snapshot

As at 30 June 2020

**22,694**

employees  
supported through  
Back to Work

An increase of 3139  
(or approximately 16%)  
on 2018–19

**10,744**

employers  
supported through  
Back to Work

An increase of 1317  
(or approximately 14%)  
on 2018–19

**5872**

apprentices and trainees  
supported through  
Back to Work

An increase of 1040  
(or approximately 22%)  
on 2018–19

**Supporting transition of Minjerribah workers**

The department provided programs to help Queensland employees transition to alternative career pathways.

In 2019–20, the department provided assistance to workers impacted by the cessation of sand mining on Minjerribah through the North Stradbroke Island Workers Assistance Scheme. This included access to tailored support and to finding alternative employment and training opportunities. Since commencement, assistance has been provided to 166 workers under the scheme.

**Delivering the Creating Your Future Job program**



The Creating Your Future Job program aims to support an employment pathway for Queensland jobseekers through providing targeted training and mentoring to enable them to create their future job through self-employment. The Creating Your Future Job program has been delivered through projects in Logan, Townsville and Wide Bay.

**Supporting Queensland Business and Skilled Migration program**

In partnership with Business and Skilled Migration Queensland, the department supports delivery of Queensland's skilled and business migration programs by developing the skilled occupation lists that support state nomination, and participating in a range of national forums.

**Employment service area – Our 2019–20 performance**

The following are service standard measures in the department's *2019–20 Service Delivery Statements*, which are used to assess overall performance of the Employment service area.

Employment	2019–20 Target/ estimate	2019–20 Actual	Status
<b><i>Effectiveness measure</i></b> <b>Overall customer satisfaction with employment programs</b> <ul style="list-style-type: none"> <li>This service standard measures overall client satisfaction with employment programs considering quality, timeliness, staff knowledge, access and outcome. It is derived from a survey of employers who have accessed the Back to Work program.</li> <li>The increase between the 2019–20 actual result and the target estimate was due to the established positive reputation of the Back to Work program and its strong customer support focus to ensure local support is provided to applicants in every region.</li> </ul>	90%	92.1%	
<b><i>Efficiency measure</i></b> <b>Average cost per hour of advice and support output</b> <ul style="list-style-type: none"> <li>This service standard measures the efficiency of providing employment services. The measure has been calculated using the annual Employment Policy budget, including a corporate services allocation divided by annual full-time equivalent work hours.</li> </ul>	\$106.56	\$106.56	

**Status legend:** Actioned 

## Employment service area – Our future directions

In 2020–21, we are committed to continuing to deliver government priorities that will support jobs for Queenslanders and assist impacted workers and employers with recovery from COVID-19.

We will deliver programs to get people back to work and support businesses to employ and assist jobseekers.

### **Delivering employment policies and programs to support Queenslanders**

- Continuing the Back to Work program designed to give Queensland employers the confidence to hire eligible unemployed jobseekers, including a new apprentice and trainee boost of up to \$20,000.
- Continuing to support workers to upskill, reskill and transition to new employment opportunities due to cessation of sand mining on Minjerribah through the North Stradbroke Island Workers Assistance Scheme.
- Delivering the Creating Your Future Job program to provide support, specialist business advice and mentoring to Queenslanders who want to create their own future job.
- Providing ongoing policy oversight to the state-nominated Business and Skilled Migration program in partnership with Business and Skilled Migration Queensland.

## Small Business

### Our objective

To ensure small businesses can seamlessly interact with government and are supported to start, grow and employ.

### What we do

This service area focuses on products and services that are delivered to small businesses to better enable them to start, grow and employ, and make it easier to interact with government, including:

- enhancing the capacity of businesses to engage with markets, attract investors, navigate the business/regulatory environment and access tools, resources and expertise to grow and succeed
- supporting the creation of new businesses, helping existing businesses to work smarter and be more resilient, and assisting businesses with high-growth aspirations to grow and employ through the delivery of targeted grants programs
- engaging other business-focused government agencies to facilitate the delivery of online services for small business via the BQ website at [business.qld.gov.au](https://business.qld.gov.au)
- proactively employing strategies to streamline regulation to make it easier to do business
- assisting women, Aboriginal peoples and Torres Strait Islander peoples to start and grow businesses.

### Our achievement highlights 2019–20

#### Rebuilding stronger from severe weather events

During 2019–20, Queenslanders experienced the extremes of severe weather events from drought, to monsoon flooding and bushfires.

In north Queensland and far north Queensland, in 2019–20 the department assisted more than 290 businesses with more than \$2.83 million in Small Business Disaster Assistance Recovery Grants to repair flood damage and build resilience, so they are better prepared to face the next disaster.

The program was jointly funded by the Australian and Queensland governments through the Disaster Recovery Funding Arrangements, in response to the monsoon event in late January 2019.

To guide implementation of the program, the Small Business Recovery Advisory Council was established in September 2019, with membership from Townsville, north-west Queensland and state organisations with a range of expertise on the priorities for affected communities and businesses.

This disaster assistance was provided to several local government areas and included funding to assist with business planning, retraining, mentoring and advisory services, as well as new software and new equipment.

Valuable support and mentoring were also delivered by the department at the Small Business Recovery Centre in Townsville.

In November 2019, joint State and Federal Category B assistance was activated for the Scenic Rim and Southern Downs in response to the bushfires in these regions.

#### Helping businesses get back on track

From October to early December 2019, the department teamed up with local, state and federal agencies and local industry bodies to visit north-west Queensland communities hardest hit by the monsoon trough in early 2019.

Through the Back on Track roadshow, the department delivered tailored support to small businesses for the region's ongoing recovery and resilience.

The Back on Track roadshow provided a hub for information sharing, networking and community events, and included financial assistance information on loans and grants, disaster preparedness, free mentoring offered as part of the Mentoring for Growth program, digital solutions and mental health services for small businesses.

Small business owners and operators were able to get advice and information on support services available to help boost recovery. The department supported 282 small business owners through 455 one-on-one consultations, including 61 mentoring

sessions, 67 digital marketing consultant reviews and 131 employer assistance consultations.

A total of 17 towns and regional centres were visited from Mount Isa to Townsville, Julia Creek, Burketown and more. Highlights from the Back on Track survey showed:

- the top three required services identified by small businesses included financial and government assistance, business mentoring support and viability or recovery
- 78 per cent of respondents were aware of the Small Business Recovery Centre
- 65 per cent of small businesses owners who responded had relevant disaster and resilience plans in place or had commenced the development of plans.

### **Advancing Small Business Queensland Strategy 2016–20 grants**

The department continued to deliver a suite of small business grant programs to help position Queensland small businesses to start, grow and employ.

In 2019–20, DESBT provided approximately \$4 million in grants to support more than 740 Queensland small businesses through the following grant programs:

- Small Business Entrepreneur Grants helped more than 230 new small businesses to engage a consultant, advisor or business coach for up to three months to help establish or develop the business
- Small Business Digital Grants helped more than 440 small businesses to access digital technologies and services
- Business Growth Fund helped 18 small businesses to purchase and implement specialised equipment or services to enable them to maximise opportunities
- Small Business Artisan Producer Grants provided assistance to artisan producers of gourmet food (including non-alcoholic beverages) to help them grow their businesses, access new market opportunities and enhance

their gourmet food expertise. In 2019–20, under the first round, 50 artisan producers were successful in securing funding to engage business consultants, mentors or digital experts to assist them.

In 2019–20, the Advancing Indigenous Business initiative supported 12 Aboriginal and Torres Strait Islander small business support programs across Queensland. More than 170 Aboriginal and Torres Strait Islander small businesses participated in these programs ranging from full TAFE Queensland qualifications to business planning and workforce development.

Through the Advancing Women in Business initiative, in 2019–20 DESBT implemented 10 industry partnership programs, delivering capacity-building events, mentoring sessions and education. More than 40 events, workshops and webinars were supported under this initiative in 2019–20.

### **Consulting businesses and industries in coordinating policy development**

The department plays a key role in coordinating stakeholder consultation across Queensland's small business industries and collaborating with other levels of government to simplify policy processes and hiring of apprentices and trainees.

### **Consulting on the Queensland Small Business Strategy**

The future of small business growth and job creation was a policy focus during 2019–20.

The department coordinated feedback from small businesses and stakeholders on a public discussion paper in November and December 2019, with approximately 160 submissions received from a range of stakeholders, including small businesses, social enterprises, industry and business organisations and federal and local government bodies, which helped inform the policy direction for small business.

The feedback and insights supported the development of programs and initiatives to help small businesses respond to and recover from COVID-19.

### **Guide to reduce capital works impacts on small businesses**

In September 2019, the department released the guide *Works with Small Business – Good practice guidance for working with small businesses to minimise business disruption and support jobs when undertaking capital works projects*. The guide also assisted government agencies to be more ‘small business aware’ when planning construction projects and engaging the community.

The department developed the guide in consultation with government agencies and the Queensland Small Business Advisory Council.

### **Supporting Artisan Producers Plan**

In July 2019, the *Supporting Artisan Producers Plan* was released setting out a range of actions to support increased investment, productivity, competitiveness and innovation in the artisan producer sector. The plan included 16 actions being delivered by agencies across the Queensland Government to support artisan producers.

### **Business Queensland website making it easier to access online services**

As at 30 June 2020, 2224 services were available on the BQ website for small businesses and industry, including COVID-19 and disaster recovery information.

Given the importance of accessing accurate information during times of uncertainty, the BQ website provided a single touchpoint for many thousands of small businesses. As at 30 June 2020, more than 740,000 views were made to the website homepage.

The department provided up-to-date coronavirus information and assistance for business and industry from the Queensland and Australian governments on the dedicated BQ website.

### **Mentoring for Growth**

The department continued to deliver the Mentoring for Growth program, providing 633 unique small businesses with access to experienced mentors in 2019–20. Mentors discussed a range of matters from new business ideas, expanding an existing business to working through business challenges.

The Mentoring for Growth program continued to be offered during COVID-19, with more than 210 sessions delivered virtually to businesses across the state.

### **Strengthening small business capability through targeted grants**

Of the department’s three grants programs in 2019–20 (Entrepreneurs, Digital and Business Growth Fund):

- 27 per cent of grants were allocated to businesses in Queensland regional areas
- 43 per cent of businesses receiving a grant were owned or operated by women
- 4 per cent of businesses were Indigenous businesses.

### **Helping hand for Queensland social entrepreneurs**

In September 2019, the *Queensland Social Enterprise Strategy* was released by the Queensland Government to support the growing social enterprise sector while creating more jobs for disadvantaged Queenslanders.

Through the strategy, we invested in the new Social Enterprise Grants program to provide valuable support during the start-up phase of a social enterprise.

These grants provided funding from \$5000 up to \$50,000 for a range of projects, including valuable training, mentoring, business and strategic planning, marketing, branding or digital strategy development, website upgrades or technology for e-commerce. In 2019–20, 26 Social Enterprise Grants were awarded.

In addition, the \$1 million strategy supported:

- implementation of a digital platform to deliver networking and mentoring, and to share resources and develop capacity across the sector, particularly in regional areas and Indigenous communities
- a strategic partnership to support the development of social enterprises to provide employment opportunities for Queenslanders experiencing disadvantage

- bursaries to support attendance at the 2019 Social Enterprise World Forum
- coordinated support, skills development and resources for Queensland's social enterprise sector to recover from COVID-19, with a focus on regional communities.

### Advocating for small business

The department supported the Queensland Small Business Advisory Council, which focuses on significant small business issues related to growth, sustainability and employment. The Council provided advice and solutions to its Chair, the Minister for Employment and Small Business and Minister for Training and Skills Development, Shannon Fentiman.

During 2019–20, the department assisted the Queensland Small Business Advisory Council to:

- address small business resilience in the face of drought and bushfires and other natural disasters, meeting in Townsville in November 2019 and Stanthorpe in March 2020
- provide input to the Works for Small Business guidelines designed to assist small business to minimise the impacts from capital work programs
- provide feedback on the Small Business Friendly Council and Small Business Procurement initiatives

- contribute to planning for the recovery of the small business sector post-COVID-19.

The Council's subcommittee, the Better Regulation Taskforce, undertook:

- an artisanal producers regulation review to better understand the impact of the regulatory system on artisan food and non-alcoholic beverage producers
- a small business transfer duty regulatory review, with a focus on transfer duty relief for restructures undertaken by small businesses.

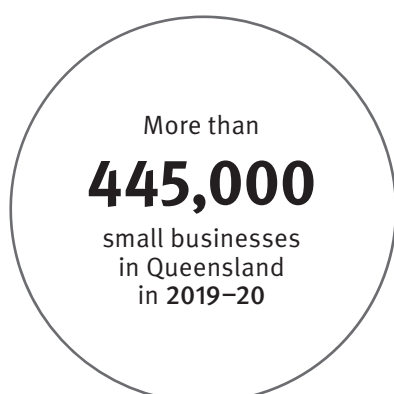
The department supported the Queensland Small Business Champion to engage with industry and stakeholders, and to represent Queensland at the national level.

The Queensland Small Business Champion assisted small businesses to manage business disruption from government infrastructure works and to improve access to market for artisan food and beverage producers.

In May 2020, the part-time role of the Queensland Small Business Champion was replaced with a temporary Queensland Small Business Commissioner.



## Queensland small business snapshot



During 2019–20



## Small Business service area – Our 2019–20 performance

The following are service standard measures in the department's 2019–20 *Service Delivery Statements*, which are used to assess overall performance of the Small Business service area.

Small Business	2019–20 Target/ estimate	2019–20 Actual	Status
<b><i>Effectiveness measures</i></b> <b>Percentage of new or existing businesses reporting increased capability (including digital) as a direct result of participation in small business grant programs</b> <ul style="list-style-type: none"> <li>• This service standard measures the effectiveness of Small Business grant programs outlined in the ASBQS to increase the capability of small business in using digital technologies and implement innovative solutions to help their business grow.</li> <li>• Capability is defined as having increased confidence or capability in business operational processes and systems, business management or corporate governance, human resources, understanding financial statements and forecasting, general business related skills or knowledge, strategic or business planning, financing or investment, marketing or promotion, digital technologies or implementation, product development or innovation and/or entering new markets or increasing market share.</li> </ul>	98%	98.9%	
<b>Percentage of businesses assisted by small business programs that report a projected increase in either employment, turnover or profitability</b> <ul style="list-style-type: none"> <li>• Small businesses are surveyed either on completion of their project or six months after participating in a program. The survey measures the Mentoring for Growth panel participants and selected ASBQS grants program participants (Small Business Digital Grants, Small Business Entrepreneur Grants, Small Business Growth Fund).</li> <li>• As part of the survey, small businesses are asked to determine if they forecast a projected increase in employment, turnover or profitability as a result of undertaking the program.</li> <li>• The variance between the 2019–20 target/estimate and the 2019–20 actual result can be attributed to the impact of COVID-19.</li> </ul>	98%	95.9%	

Small Business	2019–20 Target/ estimate	2019–20 Actual	Status
<b>Customer Effort Score: Average score out of 5 by customers for how easy it is to use the Business Queensland (BQ) website</b> <ul style="list-style-type: none"> <li>This service standard measures the effectiveness of the BQ website by rating how easy it is for customers to interact with government through the website.</li> <li>The measure is from an online survey of customers using the BQ website who are asked how easy it is for them to achieve their purpose. It is rated on a scale from 1, being very difficult, to 5, being very easy.</li> </ul>	3.5	3.44	
<b>Efficiency measure</b> <b>Average cost to DESBT to provide online services per customer visit to Business Queensland</b> <ul style="list-style-type: none"> <li>This service standard measures the average cost to the department to provide online services for each customer visit. A customer visit is defined by using a customer session, which is a group of interactions undertaken on a website. These interactions may include viewing a number of different webpages, completing an online application form or making a payment.</li> <li>The cost to the department is based on the cost of the business area managing the services, including the cost of technical infrastructure required to support the website.</li> <li>The decrease between the 2019–20 actual result and the target estimate was due to continued strong business customer use, particularly due to COVID-19. This resulted in a significant increase in customer visits to the website at the same time as efficiencies which resulted in lower expenditure than in previous years.</li> </ul>	\$0.27	\$0.19	

**Status legend:** Actioned  Working towards target 

## Small Business service area – Our future directions

In 2020–21, we are committed to continuing to deliver government priorities that will assist small businesses and those impacted in recovering from COVID-19.

We will help small businesses to start, reopen, grow and employ through grants and support programs.

### **Delivering a recovery plan for small business**

- Implementing *Queensland's Economic Recovery Plan* through the delivery of a package of programs to support small business recovery from COVID-19.

### **Advocating for Queensland small businesses**

- Continuing to support the Queensland Small Business Commissioner to deliver an advocacy role, dispute triage and referral activities for Queensland small businesses.
- Continuing to provide local advice and recommendations through the Small Business Recovery and Resilience Advisory Council, a community-led body, helping north and far north Queensland businesses as part of the Disaster Recovery Funding Arrangement Extraordinary Assistance package.

### **Supporting small businesses and strengthening capability**

- Continuing to support the growth of small businesses in Queensland, to facilitate increased investment, productivity, competitiveness and innovation in the sector.

### **Strengthening capability through targeted grants**

- Continuing programs supporting the start-up and growth of Indigenous and culturally and linguistically diverse small businesses, and businesses owned and operated by women.

### **Implementing Queensland Small Business Procurement commitment**

- Supporting small business participation in government procurement and leading the implementation of the Queensland Government *On-Time Payment Policy* to improve government payment practices and timeframes.
- Implementing the small and medium enterprise (SMEs) procurement target, which requires Queensland government agencies to collectively source 25 per cent of procurement by value from Queensland SMEs from 1 July 2020, increasing to 30 per cent by 30 June 2022.

### **Making it easier for small businesses online**

- Continuing to enhance engagement with small businesses and making it easier to find information, advice and support.
- Creating an online platform that makes discovery of VET consumer information more accessible and simplifies the process for businesses to hire an apprentice or trainee.

### **Facilitating stakeholder consultation**

- Continuing to work directly with our stakeholders, hearing directly from them through our roundtables, events and partnerships.

## Training and Skills

### Our objective

To skill Queenslanders for jobs and secure employment outcomes.

### What we do

Improving the skills profile of Queensland through delivery of a diverse and inclusive VET programs that delivers on industry skills demands of today and the future, and supports publicly funded training providers to deliver high-quality training.

### Our achievement highlights 2019–20

#### **Skilling our future through stronger partnerships**

In August 2019, the Queensland Government published the *Queensland Government: Skills for Queensland – Great training for quality jobs* strategy targeting critical skills needs, new skills needed for existing jobs, emerging opportunities brought about by technology advances, and regional and state-wide priorities.

In implementing the strategy, the department developed strong partnerships between government, industry and other skills sector stakeholders engaged in creating an enduring skilling and learning culture, which will support individuals throughout their working lives and lead to improved job outcomes.

In 2019–20, the Queensland Government, through the department, invested \$978 million to support skills and training to meet immediate demands and emerging needs so that Queenslanders are skilled for the jobs of today and the future.

Targeted initiatives under the *Queensland Government: Skills for Queensland – Great training for quality jobs* strategy are shown in the diagram.

#### **Future skills through an adaptive system**

The following initiatives delivered focused training to students and workers to improve specific skills throughout their careers to address growing business needs for higher level skills and more innovative pathways to maximise job opportunities.

In 2019–20, the department implemented:

- micro-credentialing pilots worth \$5.5 million over three years (2019–22) by supporting employers and their workers to gain the skills sets needed to adapt to workplace changes, including new technologies. These pilots are delivered through three targeted streams: public providers, strategic partnerships and market-led proposals. As at 30 June 2020, all funding had been committed for 17 micro-credentialing pilots
- higher level apprenticeship pilot worth \$300,000 over two years (2019–21) involving training apprentices in specialty and emerging technical and trade fields. As at 30 June 2020, approximately \$150,000 had been invested in the pilot
- additional funding of \$5 million invested in higher level skills pathways to help maximise job creation and employment opportunities across the Queensland economy. Under the Higher Level Skills program, additional funding was directed to support increased student demand in priority qualifications in the health, community services, tourism, construction and arts sectors.

#### **Jobs for regional Queensland**

Through improved regional coordination across government and industry, the department worked with employers, particularly small businesses, to make better connections between local employers, jobseekers and government initiatives.

During 2019–20, six new regional jobs committees were established in Townsville, Mackay, Fraser Coast, Springfield, Toowoomba and Redlands. These committees brought together local industry groups, training providers, local and major employers, and councils to help plan local training and address workforce development issues. The regional jobs committees addressed local issues ranging from capturing data and local impacts of COVID-19 to identifying potential opportunities to requirements for reskilling and future skills gaps due to the changing nature of work.

Some achievements included broad stakeholder engagement such as sharing of business and workforce intelligence/data to identify the unique challenges regarding the recovery from COVID-19.

The department coordinated the delivery of place-based responses to address local stakeholder skilling and jobs needs. Regional planning discussions highlighted further opportunities and collaboration efforts across agencies by focusing on support for workforce planning, development and investment locally, and by industry.

During 2019–20, the *Regional Skills Adjustment Strategy* was extended to a \$15 million three-year initiative (2017–20) through a further \$5 million for TAFE Queensland to continue to support worker transitions and skills needs in emerging industries.

Under the *Regional Skills Investment Strategy* comprising \$9 million funded over four years (2017–21), the department funded 17 projects across Queensland. These projects encourage employer collaboration on local workforce skills needs and identify region-specific training solutions that support and encourage economic growth. During 2019–20, the department invested approximately \$2.3 million in regional communities under the *Regional Skills Investment Strategy*.



Figure 2: A diagram summary of the *Skills for Queensland – Great training for quality jobs* strategy.

### Quality

During 2019–20, the department implemented the Skills Assure initiative, in preparation for commencement from 1 July 2020, to make it easier to recognise providers that offer training subsidised by the Queensland Government.

The department worked with 460 registered training organisations operating as pre-qualified suppliers in 2019–20 to be high-quality, compliant training providers focused on skilling students to obtain employment. These are supported by industry, including supporting organisations seeking approval to deliver government-subsidised training to interpret program policies and understand quality standards.

### Better pathways

During 2019–20, the department:

- expanded the Gateway to Industry Schools program enabling school students to train in emerging and innovative industries. As at 30 June 2020, approximately \$2 million was invested in the Gateway to Industry Schools program, which delivered services directly to more than 260 schools across Queensland
- implemented the Industry Engagement Framework by working and consulting with industry to target critical skills needs, new skills needed for existing jobs, emerging opportunities brought about by technology advances, and regional and state-wide priorities
- commenced implementing a new Link and Launch pilot targeting young people aged 15 to 24 years. As at 30 June 2020, approximately \$175,000 was invested by the department in a pilot to provide school and community-based activities to assist 400 Indigenous secondary school students aged 15 to 17 years to navigate skills and employment pathways to increase participation and prevent long-term disengagement.

### Inclusivity and the public provider

During 2019–20, the department invested more than \$100 million in upgrades and new training assets to revitalise TAFE campuses across Queensland to ensure fit-for-purpose assets provide the best possible learning environment. A new Rural Centre of Excellence at Toowoomba's TAFE Queensland campus was opened in February 2020. The new facility delivers high-quality training to the state's future rural industry workforce. The new \$26 million extension building was completed at Pimlico TAFE and upgrades to training facilities for nursing were completed at Loganlea, Caboolture and Redcliffe.

During 2019–20, the department continued to support public providers in the delivery of training services throughout Queensland by providing a State Contribution Grant. As at 30 June 2020, there were four Queensland public training providers supported by the department with a total of \$195.6 million in funding during 2019–20.

### Industry and small business

During 2019–20, the department:

- refreshed industry engagement approaches to improve information sharing and program design to help industry contribute to government priority setting, target regional skills priorities and foster a better understanding of the opportunities
- supported a newly established Ministerial Skills Roundtable comprising a broad membership of industry skills sector stakeholders to ensure government galvanises the voice of industry that provides direct input to prioritising skills investment. The Ministerial Skills Roundtable met once with a focus on workforce development and future industry skills needs.

## Skilling our youth

Integral in the *Queensland Government: Skills for Queensland – Great training for quality jobs* strategy in laying pathways to employment was the focus on skilling our youth.

### Free apprenticeships and traineeships for those under 21

From 1 July 2019, young people up to 21 years were provided with the opportunity to undertake one of 139 apprenticeships and traineeships across 17 industries and have their training paid for by the Queensland Government.

As at 30 June 2020, 15,810 young Queenslanders were supported to learn lifelong skills and build careers in industries with jobs of the future, with approximately \$48.6 million in training subsidies paid to training providers.

### Free tafe for Year 12 graduates

To support Year 12 graduates into work, the Queensland Government covered the full cost of training for eligible graduates in high-priority qualifications with an approved training provider. As at 30 June 2020, 1682 Year 12 graduates were supported during 2019–20, with approximately \$3.6 million in training subsidies paid to training providers.

## Skilling our workforce

### Skilling Queenslanders for Work

The department administered the Queensland Government's Skilling Queenslanders for Work initiative (SQW) through seven programs, with an investment of \$420 million over six years (2015–21) to support up to 54,000 Queenslanders into work. During 2019–20, the department invested approximately \$80 million in SQW supporting more than 10,000 disadvantaged Queenslanders to get into work.

### Upskilling through Skills Boost

In October 2019, the Queensland Government announced a \$4 million Skills Boost to help deliver skilled workers where they are needed across the state. Skills Boost provided a training subsidy for people who wanted to update their skills to go further in their current job or pursue a different career, even if they already held a VET qualification.

More than 10 certificate and diploma level courses were made available for each region, open to people of all ages who could benefit from the subsidy in key qualifications, instead of having to pay the full training fees themselves.

## Recognising excellence

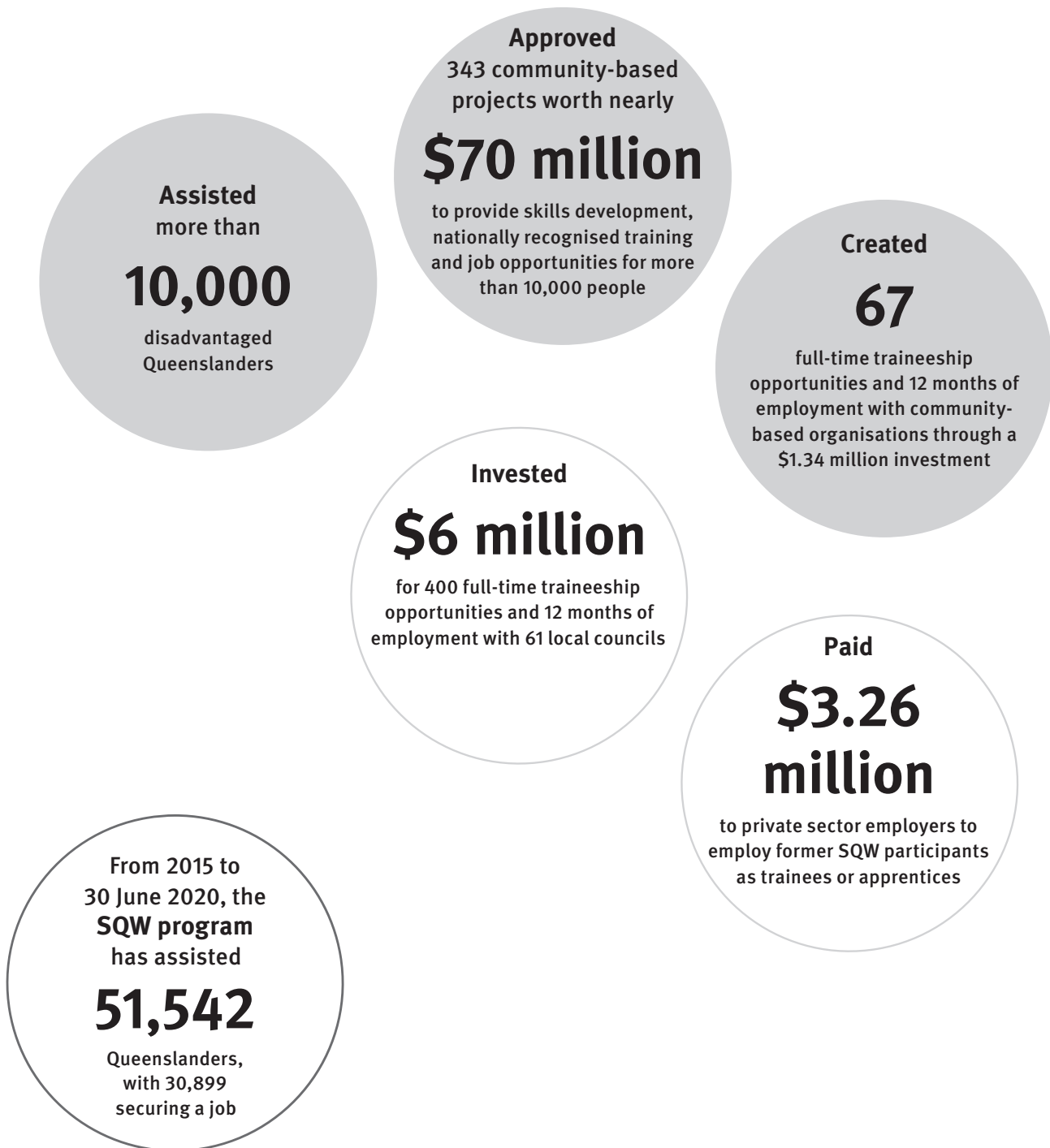
Queensland's best apprentices, trainees, students, employers, and training and community organisations were recognised at the 58th Queensland Training Awards in September 2019.

These awards celebrated individuals and organisations that strive for and achieve success, best practice and innovation in VET.

To view the award winners, visit our website at [desbt.qld.gov.au/training/qta](https://desbt.qld.gov.au/training/qta)





## SQW snapshot






During 2019–20




## Training and Skills service area – Our 2019–20 performance

The following are service standard measures in the department's 2019–20 *Service Delivery Statements*, which are used to assess overall performance of the Training and Skills service area.

Training and Skills	2019–20 Target/ estimate	2019–20 Actual	Status
<b>Effectiveness measures</b> <b>Proportion of all attempted competencies successfully completed</b> <ul style="list-style-type: none"> <li>This service standard is calculated by dividing the number of successfully completed competencies by the total number of competencies attempted.</li> </ul>	93%	93.8%	
<b>Proportion of Queenslanders with higher qualifications</b> <ul style="list-style-type: none"> <li>Sourced from the Australian Bureau of Statistics <i>Survey of Education and Work</i>, Australia, May 2018 data cube: Table 25 Highest non-school qualification: Certificate III level or above, Persons aged 20–64 years – 2004 to 2018. This measure applies to the subset who are aged 25 to 64.</li> <li>While the department actively influences this service standard (including through the Higher Level Skills program and providing funding for other higher level qualifications based on industry advice), it is affected by a range of factors including the economy, higher education providers, the Australian Government and the VET sector.</li> </ul>	62%	62.8%	
<b>Proportion of VET graduates in employment or further study</b> <ul style="list-style-type: none"> <li>Sourced from the annual National Centre for Vocational Education Research (NCVER) Student Outcomes Survey. The last survey was conducted in 2019 and relates to students who graduated in 2018.</li> <li>While the department actively influences this service standard (including through the Higher Level Skills program and providing funding for other higher level qualifications based on industry advice), it is affected by a range of factors including the economy, higher education providers, the Australian Government and the VET sector.</li> <li>The decrease between the 2019–20 actual result and the target estimate was reflective of a national trend where performance in this measure has been stable for many years.</li> </ul>	87%	82.6%	
<b>Number of completions: apprenticeships</b> <ul style="list-style-type: none"> <li>The decrease between the 2019–20 actual result and the target estimate was consistent with national results impacted by COVID-19 global economic conditions impacting on employers.</li> </ul>	11,500	8800	

Training and Skills	2019–20 Target/ estimate	2019–20 Actual	Status
<b>Number of completions: traineeships</b> <ul style="list-style-type: none"> <li>Traineeships have been supplemented through the Skilling Queenslanders for Work initiative, which is a \$420 million commitment over six years from 2015–16 until 2020–21 and incorporates traineeship programs.</li> <li>The decrease between the 2019–20 actual result and the target estimate was due to COVID-19 economic conditions impacting on employers.</li> </ul>	13,500	12,700	
<b>Number of completions: school-based apprenticeships and traineeships</b> <ul style="list-style-type: none"> <li>The decrease between the 2019–20 actual result and the target estimate was due to negative economic conditions in the retail, tourism and hospitality sectors which have traditionally been significant employers of trainees.</li> </ul>	5000	3900	
<b>Proportion of graduates satisfied with the overall quality of their training</b> <ul style="list-style-type: none"> <li>The data is taken from the most recent NCVER Student Outcome Survey. The 2019 result for Queensland was 0.6 per cent higher than the 2018 result. Satisfaction rates in 2019 for Queensland TAFE and other government providers was higher at 89.1 per cent.</li> </ul>	89%	88.1%	
<b>Proportion of employers satisfied with graduates of: nationally accredited training</b> <ul style="list-style-type: none"> <li>Employer satisfaction estimates are obtained from the biennial national survey Employers' Use and Views of the VET System, which was last conducted by NCVER in 2019.</li> <li>The decrease between the 2019–20 actual result and the target estimate was reflective of a national trend where all eight jurisdictions saw a decrease between 2017 and 2019. Queensland had the third highest satisfaction rate of all jurisdictions.</li> </ul>	85%	78.2%	
<b>Proportion of employers satisfied with graduates of: apprenticeships and traineeships</b> <ul style="list-style-type: none"> <li>Employer satisfaction estimates are obtained from the biennial national survey Employers' Use and Views of the VET System, which was last conducted by NCVER in 2019.</li> <li>The decrease between the 2019–20 actual result and the target estimate was reflective of difficult economic conditions negatively impacting on the market to provide stable employment opportunities, which are key to the apprenticeship and traineeship market.</li> </ul>	83%	77.6%	

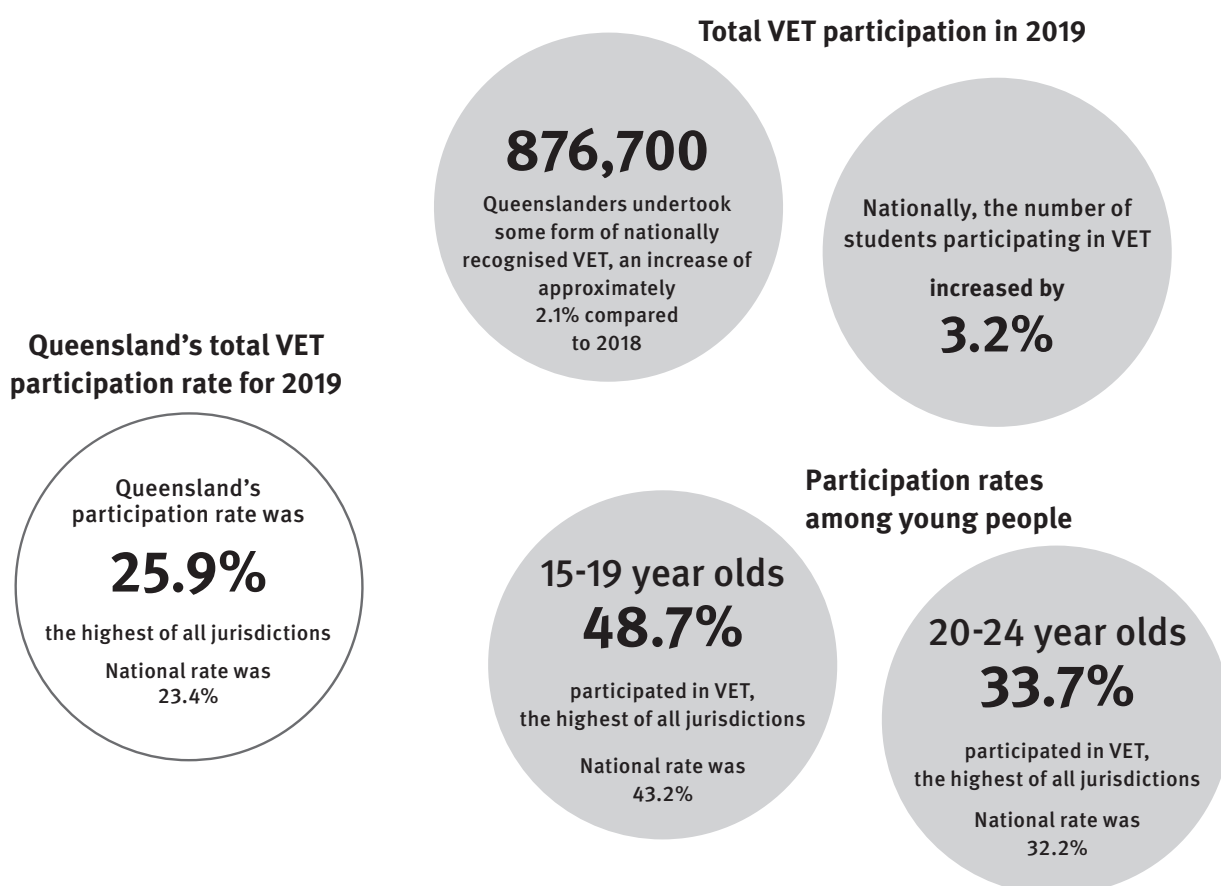
Training and Skills	2019–20 Target/ estimate	2019–20 Actual	Status
<p><b>Efficiency measure</b></p> <p><b>Average cost per competency successfully completed</b></p> <ul style="list-style-type: none"> <li>This service standard is calculated by dividing the Training and Skills service area budget by the number of successful VET competencies (individual study units) directly funded by the department.</li> <li>The increase between the 2019–20 actual result and the target estimate was due to the training budget being revised higher than the growth in successfully completed competencies as a result of COVID-19 related expenditure.</li> </ul>	\$595	\$625	

**Status legend:** Actioned  Working towards target 

## VET snapshot

**Queensland is a leader in VET, having the nation's highest VET participation rate in 2019.**

This means more students are gaining world class training that will prepare them for their future.



## Training and Skills service area – Our future directions

In 2020–21, we are committed to continuing to deliver government priorities and assist impacted Queenslanders, employers and training providers with recovery from COVID-19.

### Delivering a skills strategy for Queensland

- Continuing to implement the *Queensland Government: Skills for Queensland – Great training for quality jobs* strategy—the Queensland Government’s plan for a skilled and adaptive workforce.

### Future skills through an adaptive system

- Continuing to invest in micro-credentialing pilots to address critical emerging skills gaps that are important to Queensland industries.
- Continuing to invest in higher level apprenticeships by partnering with industry to pilot specialised skills with the traditional apprenticeship model.

### Supporting jobs for regional Queensland

- Continuing to implement Regional Jobs Committees to bring together industry groups, training providers, local and major employers, employee representatives, schools/higher education and councils to help plan local training investment so it matches local skills needs and addresses workforce development and planning issues.
- Continuing the *Regional Skills Investment Strategy* aligning training outcomes for Queenslanders with local employment skills demand.

### Focusing on quality to increase confidence in training outcomes

- Driving a new approach to quality provision of training delivery and assessment, and choice of provider through the Skills Assure initiative.

### Building better pathways

- Promoting training pathways in skills areas of high demand with Free apprenticeships for under 21s, and by providing access to fully subsidised training across 139 priority apprenticeship or traineeship qualifications.
- Targeting critical skills needs, new skills needed for existing jobs, emerging opportunities brought about by technology advances, and regional and state-wide priorities utilising the Industry Engagement Framework introduced by the *Queensland Government: Skills for Queensland – Great training for quality jobs* strategy.
- Implementing a VET informed consumer product that makes it easier for people looking for training courses.

### Investing in Queensland’s training assets

Continuing construction that commenced in 2019–20 on the following key projects:

- the \$10 million investment for the Alexandra Hills TAFE in the Redland region
- the \$15 million investment for the Ashmore and Southport TAFE campuses in the Gold Coast region
- the \$15 million investment in the Mt Gravatt TAFE campus.

Implementing an overall capital program of \$79.9 million for which planning had commenced in 2019–20, including an investment of up to \$15 million at the Cairns TAFE campus and upgrading training facilities at regional campuses across Queensland, including at Bowen, Bohle, Burdekin and Cannonvale. In addition:

- supporting the further development of a specialised plumbing apprenticeship centre incorporating a hydrogen training centre of excellence at Beenleigh through a \$20 million grant over two years
- supporting the construction of a new purpose-built Renewable Energy Training Facility in South East Queensland through a \$17 million grant over two years. The new facility will

provide world-class training in electrical, solar and telecommunications for 750 apprentices a year, as well as assisting around 26,000 local licensed electricians with further training.

#### **Supporting public training providers**

- Managing the State Contribution Grant supporting public providers in the delivery of training services in our communities.

#### **Supporting industry and small business**

- Giving industry and small business a voice in shaping future policy and investment settings through the enhanced industry engagement framework of the *Queensland Government: Skills for Queensland – Great training for quality jobs* strategy.
- Implementing the Small Business Online Training Project to provide free online, non-formal education and training for COVID-19 impacted small businesses and employees for a period of six months.

#### **Increasing training and skilling opportunities**

- Continuing the Free tafe for Year 12 graduates initiative to cover the full cost of training in high-priority qualifications to ensure eligible Year 12 graduates get the skills to start their career for free.
- Continuing the Skilling Queenslanders for Work initiative to support up to 10,000 disadvantaged Queenslanders into work.
- Increasing accessibility and affordability of training through the TAFE Skills Boost.

#### **Maintaining access to confidential advice**

- Ensuring individuals and employers continue to have access to confidential, free advice through the Queensland Training Ombudsman.
- Supporting the Queensland Training Ombudsman, who is undertaking a review into the practice of registered training organisations being associated with organisations, such as recruitment companies or brokers, who are engaging in either third party marketing or recruitment of students.

#### **Recognising excellence**

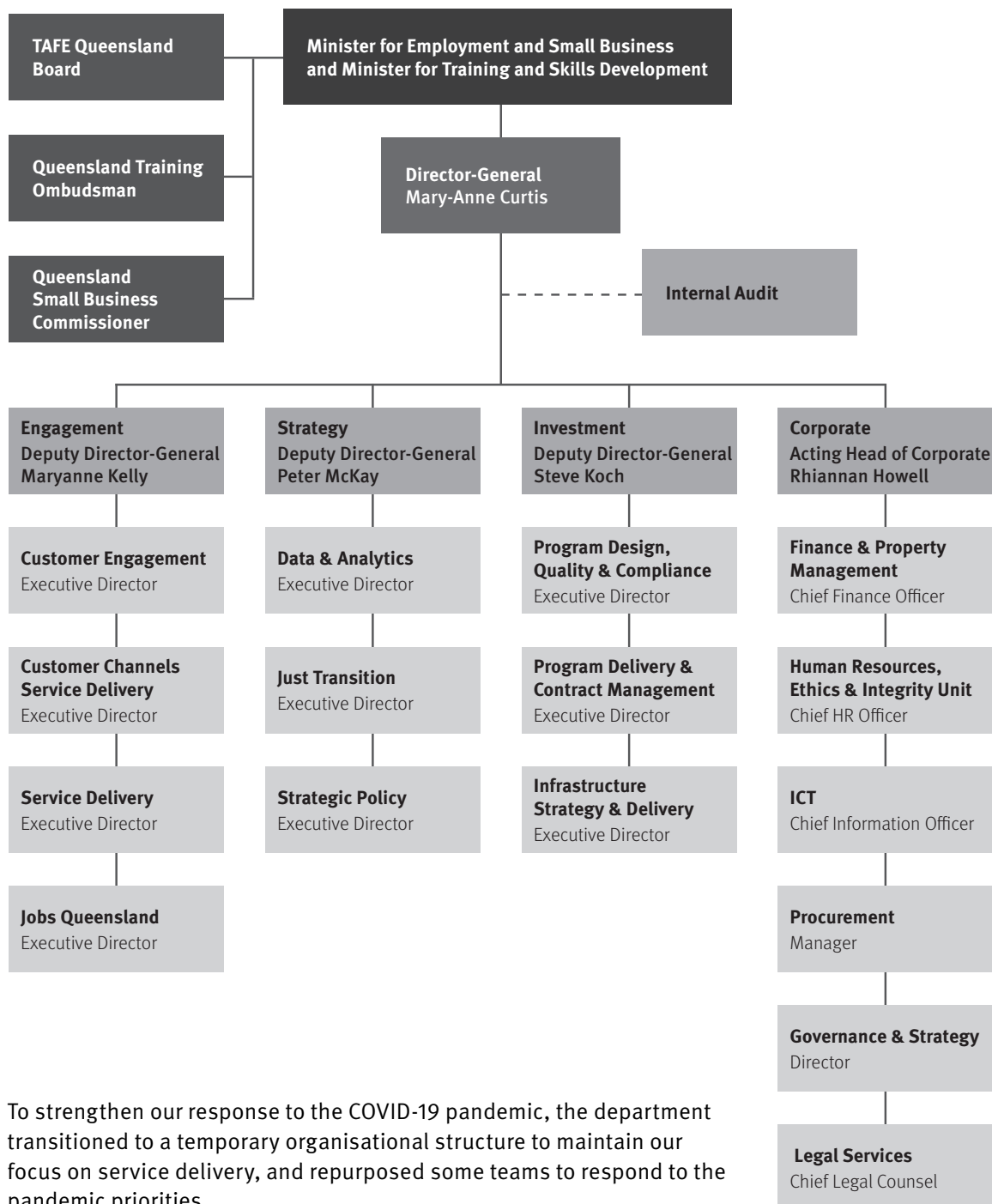
- Delivering the Queensland Training Awards events that celebrate VET for Queensland training providers and trainees.

# Our governance

To ensure the continued effectiveness of our department's structure, the Executive Leadership Team reviews the structure and working arrangements where needed, to ensure the structure and governance are effectively meeting our service delivery needs.

In November 2019, the Customer Experience area, with broad and complex responsibilities, was split into two discrete workgroups: Customer Engagement and Customer Channels. In October 2019, Strategy & Governance and Legal Services were separated into two units.

Our structure as at 30 June 2020



To strengthen our response to the COVID-19 pandemic, the department transitioned to a temporary organisational structure to maintain our focus on service delivery, and repurposed some teams to respond to the pandemic priorities.

## Our leaders

As at 30 June 2020, the following leaders comprised the Executive Leadership Team and Board of Management of the department.

### Director-General Mary-Anne Curtis

Bachelor of Laws  
Bachelor of Commerce  
(with distinction)

**Mary-Anne Curtis** has led the department since its formation in December 2017. Mary-Anne leads the development of strategic policies to support employment growth, enable sustainable small business opportunities and ensure a skilled workforce now and into the future.

Mary-Anne has more than 20 years experience within the Queensland Public Service, in particular providing advice and analysis to the Queensland Government on public policy, fiscal and economic issues. Prior to joining the department, Mary-Anne was a Deputy Under Treasurer with Queensland Treasury.

Mary-Anne is a Trustee of QSuper and a graduate of the Australian Institute of Company Directors.

### Deputy Director-General – Engagement Maryanne Kelly

Bachelor of Commerce  
Master of Social Planning  
and Development  
Graduate Diploma of  
Business with a major  
in accounting

**Maryanne Kelly** joined the department in January 2020 to lead the Engagement division. In this role, Maryanne leads the department's engagement and communication approaches with industry, peak bodies, small businesses and students, as well as overseeing regional service delivery, the regulation of Queensland's apprenticeship and traineeship system, and secretariat support for the Jobs Queensland Board.

Maryanne has more than 20 years experience in leadership roles across the Queensland Public Service, Commonwealth Public Service and the United Kingdom Civil Service. Previously, Maryanne was Acting Deputy Under Treasurer, Agency Performance, Queensland Treasury from December 2017. Maryanne has experience in strategy, engagement and leadership.

### Deputy Director-General – Strategy Peter McKay

**Peter McKay** joined the department in late 2018 and has led the Strategy division since March 2019. In this role, Peter represents Queensland on the Skills Senior Official Network and is a Director of the National Centre for Vocational Education Research.

Peter is on an interchange from his role as Deputy Commissioner at the Public Service Commission, where his focus was on enabling improved organisational performance.



Deputy  
Director-General –  
Investment  
**Steve Koch**

Bachelor of Economics  
Bachelor of Business  
Management

**Steve Koch** has 20 years experience in designing and delivering economic development programs and initiatives for government, and is passionate about the economic and social outcomes that these initiatives deliver, particularly the life-changing impact for individuals.

He has a strong background in VET, employment and small business, having held executive roles in departments responsible for these sectors over the past eight years.

In Steve's current role, he leads the development of training infrastructure strategy and delivery, as well as program design and delivery for the department's suite of employment, small business and training programs.



Acting Head of Corporate  
**Rhiannan Howell**

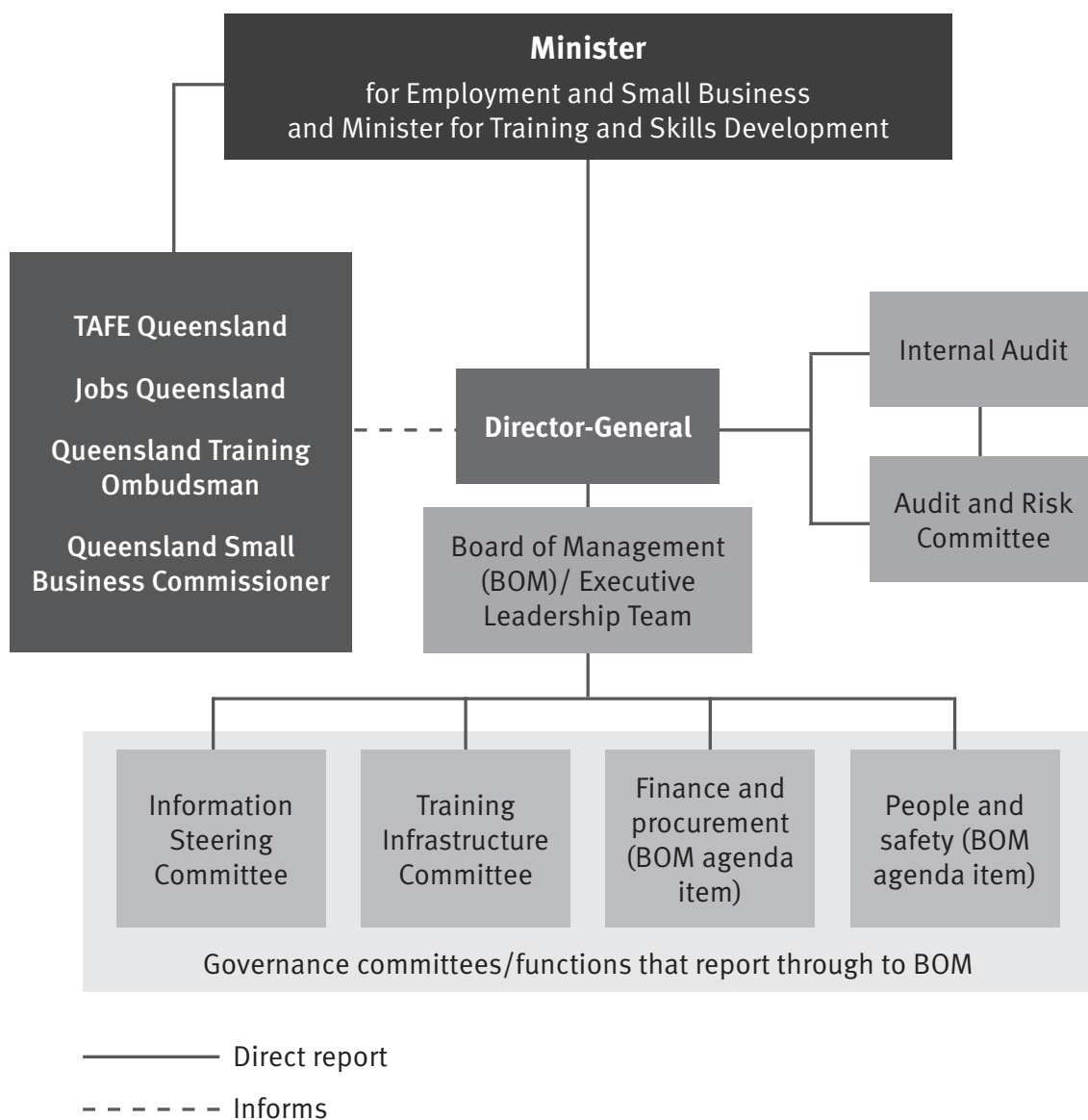
**Rhiannan Howell** joined the department at its formation as the Chief Human Resources Officer in late 2017. In February 2020, Rhiannan commenced as Acting Head of Corporate for the department's Corporate Services division, leading the functions of financial management, procurement, human resources, information and communication technology, legal services, and strategy and governance.

Rhiannan has a diverse background across the public and private sectors in a number of service delivery and corporate service roles. Prior to joining the department, Rhiannan was the Director Workforce Strategy in the former Department of Science, Information Technology and Innovation.

Rhiannan is in her final year of completing an Executive Master in Public Administration as part of the Australia and New Zealand School of Government program.

## Governance and accountability

The DESBT portfolio governance arrangements are shown below.



## Board of Management

The role of the Board of Management is to:

- use analytics and insights to drive the department to provide engaging and relevant community programs to meet the department's vision
- assess whole-of-government priorities for department implications relating to policy and resourcing
- provide a forum for decision making on key strategic and operational issues including:
  - » monitoring performance and reporting requirements for department targets
  - » reviewing risk treatment strategies and actions, and providing continual monitoring of the risk appetite for the department
  - » managing departmental audit recommendations and subsequent implementation actions to ensure a robust, compliant department.

### Membership

<b>Chair</b>	<ul style="list-style-type: none"> <li>• Director-General</li> </ul>
<b>Members</b>	<ul style="list-style-type: none"> <li>• Deputy Director-General Investment</li> <li>• Deputy Director-General Engagement</li> <li>• Deputy Director-General Strategy</li> <li>• Head of Corporate</li> </ul>
<b>Observers</b>	<ul style="list-style-type: none"> <li>• Director, Office of the Director-General</li> <li>• Secretariat</li> </ul>

## Audit and Risk Committee

The Audit and Risk Committee (ARC) operates under a charter in accordance with the *Financial and Performance Management Standard 2019* and ethical standards, and has due regard to the Audit Committee Guidelines. The ARC is directly responsible to the Director-General and has no executive powers unless delegated to the ARC by the Director-General. During 2019–20, the ARC met five times.

The role and functions of the ARC are to:

- assist the Director-General as the accountable officer to meet responsibilities under the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019* and other prescribed requirements
- provide independent assurance and assistance to the Director-General on:
  - » the risk, control and compliance frameworks
  - » the department's external accountability responsibilities as prescribed in the relevant legislation and standards
  - » the department's integrity framework
- review the implementation of external audit recommendations accepted by management.

The functions of the ARC do not replace or replicate:

- established management responsibilities and delegations
- the responsibilities of other executive management groups within the department
- the reporting lines and responsibilities of either internal audit or external audit functions.

## Responsibilities

The ARC carries out a range of duties and responsibilities to maintain oversight of key financial, risk and performance management activities for our department including:

- financial statements—reviewing the appropriateness of our accounting policies, significant assumptions and critical judgements made by management, review the appropriateness of disclosures in our financial statements and analysing our financial performance
- integrity oversight and misconduct prevention—monitoring misconduct trends and prevention approaches and addressing any gaps in dealing with integrity issues in relation to misconduct. Also monitoring the compliance of the department with relevant integrity

legislation and whole-of-government policies, principles and guidelines

- risk management—reviewing the effectiveness of our risk management framework, and processes for identifying, monitoring, escalating and managing significant business risks
- internal control—reviewing, through the internal and external audit functions, the adequacy of our internal control structure and systems, including information technology security and control
- performance management—reviewing compliance with the relevant legislative and whole-of-government performance management and reporting requirements and identifying appropriate use of performance information
- internal and external audit—reviewing and endorsing our Internal Audit Plan, and consulting with External Audit on our proposed audit strategy, reviewing findings and recommendations from audit activity accepted by management. Where issues remain

unresolved, ensuring that satisfactory progress is made to mitigate the risk associated with audit findings.

## Achievement highlights 2019–20

- Continued the ARC chaired by an external member, with additional representation from an external public sector agency.
- Reviewed the financial statements for 2018–19 and Chief Finance Officer statement of assurance.
- Endorsed the implementation of the International Standard 18:2018 *Information Security Annual Return* and the International Standard 18:2018 *Information Security Attestation Letter* in November 2019.
- Endorsed the *Risk Management Policy and Procedure* in May 2020.
- Reviewed the 2020–21 *Internal Audit Plan*, with oversight of review outcomes.
- Reviewed and endorsed the updated ARC Charter in June 2020.

## ARC membership

Name	Position	Committee role	Membership period
Karen Prentis	Consultant	External Chair	July 2019-June 2020
Steve Koch	Deputy Director-General, Investment	Member, departmental	January 2020-June 2020
Jessica Riddell	Acting Deputy Director-General, Investment	Member, departmental	November 2019-December 2019
Irene Violet	Deputy Director-General, Investment	Member, departmental	July 2019-October 2019
Maryanne Kelly	Deputy Director-General, Engagement	Member, departmental	January 2020-June 2020
Steve Koch	Acting Deputy Director-General, Engagement	Member, departmental	July 2019-December 2019
Peter McKay	Deputy Director-General, Strategy	Member, departmental	July 2019-June 2020
Debbie Brooks	Chief Finance Officer, Queensland Treasury	Member, Public Sector external	July 2019-June 2020

As an independent and external member of the committee, Karen Prentis received \$11,000 in 2019–20 to prepare for and attend meetings.

## Risk management

The department's Risk Management Framework is a comprehensive approach to identifying, assessing and treating risk based on the department's risk appetite within the context of our risk environment, and is designed to support the achievement of the department's strategic plan objectives. Risk is managed in accordance with the international standard for risk management AS/NZS ISO31000:2018.

The department has a two-tiered structure of risk registers for strategic and operational risks to ensure that all risks are reviewed, escalated, managed and reported at an appropriate level within the organisation. This includes escalating risks to the the DESBT Board of Management, with regular updates reported to the ARC. Business areas regularly review and update their risk registers and identify risk mitigation strategies for implementation.

A review of the department's Risk Management Framework was conducted in early 2020, with updates made to the DESBT *Risk Management Policy and Procedure*, Strategic Risk Register and Risk Appetite Statement.

## Internal audit

The Internal Audit function reports to the ARC, with direct access to the Director-General and ARC Chair. The Internal Audit function operates in line with the ARC Charter and Internal Audit Charter, as well as relevant audit and ethical standards. The function is outsourced to PricewaterhouseCoopers.

In 2019–20, Internal Audit operated in accordance with the Internal Audit Charter, which provided the framework for the conduct of the Internal Audit function in DESBT. The charter is reviewed on an annual basis and is endorsed by the ARC.

### Role and functions

Internal Audit provides an independent and objective assurance and advisory service to:

- provide assurance to the DESBT Director-General and ARC that DESBT's financial and operational controls are operating in an

efficient, effective, economical and ethical manner

- assist management in improving the entity's business performance
- ensure audits are performed in accordance with accepted professional standards and practices and by qualified, competent and skilled persons
- prepare the risk-based Internal Audit Plan and its scope, and report progress in implementing the audit work plan
- report to ARC any significant changes to the Internal Audit Plan, including any difficulties or restrictions on scope of activities, or significant concerns
- work cooperatively with other agencies' or service providers' Internal Audit units to ensure coverage of key risks, and that there is appropriate coordination with the External Auditor
- review and monitor management's response to Internal Audit findings and recommended actions
- review the implementation of agreed management actions and where issues remain unresolved, ensure that satisfactory progress is being made to mitigate the risk associated with Internal Audit's findings.

### Internal Audit Plan

Internal Audit's scope of work is based on an audit plan endorsed by the ARC. This encompasses the review of all financial and non-financial policies and operations, including evaluating the adequacy and effectiveness of DESBT's governance, risk management process, system of internal control structure and quality of performance in carrying out assigned responsibilities to achieve DESBT's stated objectives. The *2020–21 Internal Audit Plan* was endorsed in May 2020.

### Achievement highlights 2019–20

- Completed five Internal Audit reviews scheduled for the period.

- Monitored the status of the Internal Audit Plan and internal audit reports at each meeting.
- Followed up and reported on the progress of management actions at each meeting, including open and overdue actions.
- Developed the Annual Assessment of Control Environment against the Committee of Sponsoring Organizations of the Treadway Commission components based on the Internal Audit activity reported during the period.
- Developed the *2020–21 Internal Audit Plan*, including a rolling Three-Year Plan.

### Managing risk

The strategic risk register is a key input into the annual planning performed by Internal Audit to inform the DESBT strategic three-year plan and the annual operational plans.

## Building a human rights-centred culture

Since the commencement of the *Human Rights Act 2019* (the Act) on 1 January 2020, to 30 June 2020, the department received no human rights complaints, or complaints that were later assessed as involving human rights, from either customers or employees.

In supporting implementation of the objects of the Act, DESBT undertook a range of measures to ensure:

- staff continued to act and make decisions compatibly with human rights
- our clients and stakeholders were made aware of our commitment to protecting their human rights.

### Measures supporting implementation

#### Policy and legislation

- Reviewed the following for human rights compatibility and, where relevant, including details about the Act:
  - » legislation and subordinate legislation
  - » corporate policies and procedures

- » internal divisional practices
- » the DESBT *Customer Complaints Management Policy and Information Privacy Policy*, which were reviewed and amended to include a reference to the Act and how to manage human rights complaints.

- Ensured portfolio statutory bodies were aware of their obligations.
- Ensured human rights are central to the development of policy and legislation.

### Communicating with our clients and stakeholders

- Provided information about the Act and compliance to:
  - » pre-qualified suppliers via the Contract Connector newsletters
  - » SQW stakeholders via SQW alert
  - » Queensland small businesses via the Small Business Connect newsletter.

### Communicating with our employees

- Communicated and raised awareness about human rights by informing staff, clients and customers about their rights and obligations under the Act. Several articles about the Act, policy updates and availability of human rights resources were included in our internal staff newsletter.
- Presented information sessions in person to senior leaders within DESBT, ministerial office staff, most central office staff, and to the regions by webinar, with a recording available to all staff.
- Rolled out mandatory online training for all staff, including for new staff as part of induction processes, about the purpose of the Act, acting compatibly with human rights, complaint processes and reporting obligations.
- Developed and maintained a dedicated human rights intranet page.
- Updated the departmental role description template to include a reference and support of human rights.

### Our decision-making, planning and reporting

- Ensured any potential human rights complaints received were managed through effective and accountable internal processes.
- Delivered training to regional employees, including examples of compliant decision making with the Act.
- Incorporated a commitment to human rights in the future cycle of DESBT's strategic and business plans.
- Included human rights obligations in relevant contracts and procurement processes.
- Included a section dedicated to considering human rights compatibility as part of decision making in every executive briefing note template.
- Recorded actions and outcomes related to reporting obligations under section 97 of the Act and participated in the quarterly Human Rights Commission's Interdepartmental Committee meetings.

### Protecting human rights during COVID-19

During the COVID-19 pandemic, the department continued to provide new and existing programs and services connecting small businesses and individuals to skills, training and employment opportunities for Queenslanders, consistent with the human rights of Queenslanders. This included having access on general terms of equality to the public service, by the department putting people first in our actions, decisions, interactions, policy development and planning, and making decisions and applying eligibility criteria with respect to and protecting human rights.

Given the social distancing requirements during COVID-19, departmental services were predominantly delivered online and over the phone using online video meetings, providing accessible online information, regular e-newsletters and customer assistance available through our Customer Centre, including delivery to people from vulnerable groups.

A suite of free online training was also made available to support individuals, including vulnerable groups and those unemployed seeking to upskill to improve employment prospects. Free online training was also made available to small businesses impacted by COVID-19. The department made every effort to ensure people from vulnerable groups could continue to access services consistent with the right of every person to enjoy their human rights without discrimination.

For more information about DESBT's programs, services and operations during COVID-19, refer to the earlier section in this report titled, 'Unite and recover from COVID-19'.

## External scrutiny

The department is subject to external review. The following reports applicable to the department were tabled by the Queensland Auditor-General in Parliament during 2019–20:

- *Queensland state government entities: 2018–19 results of financial audits* (Report 8:2019–20)
- *Investing in vocational education and training* (Report 1: 2019–20).

For more information, refer to either:

- the Queensland Audit Office website at [qao.qld.gov.au/reports-resources/parliament](https://qao.qld.gov.au/reports-resources/parliament)
- the Queensland Parliament website at [parliament.qld.gov.au](https://parliament.qld.gov.au)

For information about the reviews conducted by the Queensland Training Ombudsman during 2019–20 involving the department, refer to the Queensland Training Ombudsman's website [trainingombudsman.qld.gov.au](https://trainingombudsman.qld.gov.au)

## Records governance and systems

Our department is committed to meeting its recordkeeping requirements under the:

- *Public Records Act 2002* (Qld)
- *Financial and Performance Management Standard 2019*
- Queensland Government Enterprise Architecture (QGEA)
- *Records Governance Policy*
- whole-of-government information standards.

DESBT implements appropriate strategies, processes, applications and tools to ensure records of business activities are made and kept for as long as required, in accordance with the approved records retention and disposal schedules.

### Communicating roles and responsibilities

As a commitment to good records governance and practices, the department:

- implemented mandatory online staff training in information security and information privacy to increase staff awareness of their role in good information security practices and responsibilities, with annual refresher training for all staff
- maintained published policies and guidelines accessible by all staff
- promoted Right to Information Day and Privacy Awareness Week to reinforce privacy rights, responsibilities and protection of information.

### Improvements

During 2019–20, several improvement milestones were delivered in changing the way we manage information in DESBT. Highlights included:

- DESBT *Information Privacy Policy and Procedure* was reviewed and updated to align to the implementation of the *Human Rights Act 2019*
- DESBT *Information Security Policy* was finalised as part of DESBT's Information Security Management System Framework

- development of guidelines for staff to assist in preparing documents for decision makers
- finalisation of DESBT's *Administrative Release Policy*, procedure, register and fact sheet.

### Managing digital records and systems

The department purchases transactional processing services from Queensland Shared Services and uses whole-of-government systems for finance and human resource management services.

As part of the DESBT's information vision, with an emphasis on working digitally in an integrated way, several key milestones were achieved during 2019–20, including:

- rolling out and training staff in using a new correspondence system that streamlined and consolidated all ministerial and executive correspondence into one automated workflow management system
- releasing the DESBT *User Information Security Manual*, which contains common principles for staff using information communication technology assets
- making improvements in cybersecurity protection of our digital records and systems
- implementing enhancements to the DESBT's SharePoint intranet site as a central communication platform within the department
- migrating Team Sites and consolidating DESBT's computing network and other business critical assets

- closing the Ingres databases after 27 years with Training and Skills due to increased maintenance costs and legacy toolboxes. Ingres had supported several applications as a crucial part of VET Systems and was replaced by a new Microsoft Structured Query Language Server.

## Other whole-of-government plans/specific initiatives

### Queensland Government

During 2019–20, the department was responsible for leading the following whole-of-government programs and initiatives. Further information about these are contained within this report:

- Back to Work program, supporting eligible employers and jobseekers
- SQW initiative, supporting Queenslanders back into work
- Queensland Apprenticeship and Traineeship System
- *Advancing Small Business Queensland Strategy 2016–2020*
- Business Queensland website, communicating government business services online
- *Queensland Government: Skills for Queensland: Great training for quality jobs strategy*
- *Queensland Social Enterprise Strategy*.

The department also supported the following whole-of-government plans and initiatives:

- *State Disaster Management Plan*
- *Advance Queensland*
- *Advance Queensland Manufacturing Strategy*.

### National agreements and reform initiatives

Queensland is a leader in the national VET system, having the highest proportion of students completing VET qualifications.

During 2019–20, the department led the Queensland Government management of the

*National Agreement for Skills and Workforce Development*. It continued to support training programs to meet the objective of this agreement, which is to achieve a VET system that delivers a more productive and highly skilled workforce, enabling all working age Australians to participate effectively in the labour market and contribute to Australia's economic future.

During 2019–20, the department contributed to the Queensland Government implementation of the national initiative, *Small Business Regulatory Reform Project Agreement*, by:

- streamlining the start-up and compliance pathway for small business in Queensland
- commencing development of the Queensland Business Launch Pad project to make it easier for businesses in the food and beverage and construction industries to transact with government
- commencing development of the VET Support Program as part of the Small Business Regulatory Reform Agenda, to improve the way businesses access training and apprenticeship services.

In 2019–20, the department also contributed to:

- *National Indigenous Reform Agreement* (Closing the Gap)
- *National Disability Strategy*
- Bilateral Agreement between the Commonwealth and Queensland for the transition to the National Disability Insurance Scheme.

# Our people, our strength

Central to our department delivering government objectives and services to Queenslanders are the dedicated DESBT employees who make a difference in people's learning, careers and working lives.

Our people have been our strength and have responded in a caring and agile way to the evolving impacts of COVID-19 that affected our work environment, operations, stakeholders and Queensland communities.

COVID-19 was a disruption that presented new and unique challenges, which staff navigated by learning new ways to work while also taking care of personal mental health and wellbeing. DESBT employees supported one another and got on with their jobs, demonstrating flexibility and perseverance by collaborating with each other.

## Refocusing our business to help Queenslanders

In uniting our efforts and contributing to *Queensland's Economic Recovery Plan*, staff joined new teams to deliver priority projects in responding to COVID-19.

In DESBT, employees contributed to this effort by:

- continuing to deliver essential services in line with normal arrangements and responding to government priorities
- being deployed to priority COVID-19 related programs of work, which demonstrated an agile and responsive departmental resourcing model adaptable for future needs
- performing different work within the department to help respond to emerging needs as part of the activation of our business continuity plans
- performing work in another agency through the whole-of-sector Queensland Government COVID-19 Employee Mobilisation Service
- performing work through the Community Recovery Ready Reserves.

In March 2020, our business continuity plans across the department were activated, with staff required to work remotely, and in some instances, perform alternative duties as part of a re-prioritisation effort to support high priority areas. In June 2020, a staged return to the office commenced in alignment with Queensland's roadmap to easing restrictions.

## Keeping connected

It was critical in responding to COVID-19 to engage differently and keep up to date with the latest information. DESBT staff were kept informed by leaders through online staff forums and regular communications such as newsletters and emails.

## Staying safe and well

Our key priority continued to be ensuring the ongoing health, safety and wellbeing of our employees, wherever and however they were working.

During 2019–20, the department focused on a range of strategies supporting the safety and wellbeing of our staff to perform at their best and encourage work–life balance. Management and staff were supported by the DESBT Health, Safety and Wellbeing Committee.

Staff wellbeing was encouraged by:

- providing training for managers, supervisors and health and safety representatives to learn more about identifying and managing health and safety within teams
- promoting physical and mental health safety awareness during Work Safe Month and Queensland Mental Health Week in October 2019
- supporting employees affected by domestic and family violence and maintaining departmental White Ribbon accreditation
- promoting staff access to influenza vaccinations
- offering staff free, professional, short-term counselling through an Employee Assistance Program in partnership with Benestar

- actively managing staff rehabilitation and return to work programs following injury or illness
- hosting four employees from other agencies under the Recover @ Work program, coordinated by the Public Service Commission.

Staff work-life balance options were encouraged and supported including:

- part-time arrangements and job sharing
- a range of leave provisions including carer's leave
- flexible and remote working arrangements
- a multi-purpose room available for varied uses including carers, parents and religious needs.

## Workforce profile

To improve service outcomes for Queenslanders, our workforce data was used to inform our decision making, workforce policy development and planning. The snapshot data also assisted in evaluating workforce policies and practices.

In 2019–20, the department had:

- 576.91 full-time equivalent employees as at 24 June 2020 (the last pay period for 2019–20) as per the Minimum Obligatory Human Resource Information
- a permanent separation rate of 2.22 per cent
- no redundancy, early retirement or retrenchment packages were paid during the period.

### Valuing inclusion and diversity of our workforce

The following data provides a breakdown of diversity groups within our department.

Diversity groups	Actual as at June 2020 <sup>1, 2</sup>	As a percentage of total workforce June 2020	Compared to 2018–19
Aboriginal and Torres Strait Islander peoples	16	2.62%	✓
People with disability	19	3.11%	✓
People from non-English speaking background	42	6.87%	✓
Women in the workforce	459	72.12%	✓

**Status legend:** Improved on 2018–19 ✓

Notes: 1. Data is based on full-time equivalents as at 24 June 2020 as at the last pay period for 2019–20.  
2. Staff can self-identify with multiple diversity groups.

Diversity groups	Headcount actuals as at June 2020	As a percentage of the relevant classification group June 2020	Compared to 2018–19
Women in all senior leadership roles (SO, SES, CEO)	31	51.67%	✓
Women in leadership roles (AO6, AO7, AO8, PO5, PO6 and equivalent)	203	63.84%	✓

**Status legend:** Improved on 2018–19 ✓

## Strengthening our workplace culture

### Strategic workforce planning

In implementing effective human resources policies and practices supported by workforce data, the department developed the following workforce planning initiatives and contemporary strategies during 2019–20:

- established an agreement with Job Access to work with the department to increase employment opportunities for people with disabilities through providing advice, tools and training for departmental employees
- developed a *Cultural Capability Action Plan 2019–2023* as part of the Queensland Government Cultural Capability Framework. This plan provides direct opportunities to support Indigenous employment and continues to build staff cultural capability awareness across the department
- established the DESBT Aboriginal and Torres Strait Islander Talent Pool in February 2020, promoting employment opportunities available in the department to Aboriginal and Torres Strait Islander peoples
- promoted access to Queensland Health’s translator and interpreter services through a standing offer arrangement, to address language barriers and deliver optimal outcomes for all Queenslanders. This service includes 220 Auslan interpreters and, for the first time, Aboriginal and Torres Strait Islander interpreters, making it easier for all members of the community to access DESBT services
- continued implementing actions from the DESBT *Disability Service Plan 2017–2020* by:
  - » working towards ensuring information is accessible and in multiple formats on our websites
  - » ensuring DESBT policies and programs reflect the needs and interests of people with disability and their carers

» offering reasonable adjustment through a range of ways to maximise participation of people with disabilities, their families and carers when engaging with staff and stakeholders.

### Our ethics and employee relations framework

Underpinning our workplace culture and management of staff are our ethical values. During 2019–20, the department continued the commitment to high behavioural standards and supporting staff to do the right thing through educational training and administrative policies and practices. The department continued to implement and comply with the *Public Sector Ethics Act 1994* principles by delivering online Code of Conduct training and Prevention of Fraud and Corruption training for all staff, as well as annual refresher training.

The *Industrial Relations Act 2016* and the following instruments comprised our industrial and employee relations framework:

- *Queensland Public Service Employees and Other Employees Award – State 2015*
- *State Government Entities Certified Agreement 2015*.

The department actively consulted with the Together Union through a staff consultative committee regarding employee and industrial relations matters, including flexible workplace arrangements and workplace change.

### Managing high performance

High standards of performance and clear behavioural expectations are aligned to the Queensland Public Service values, which are communicated in our policies and procedures.

During 2019–20, DESBT employee performance was managed through performance and development planning as a key component of the Queensland Public Service Commission’s conduct and performance excellence framework. Effective performance management enabled employees and teams to understand how they contributed to achieving government and DESBT objectives.

We measured our collective performance and staff engagement through the Public Service Commission's annual Working for Queensland employee opinion survey. The 2019 results showed that, as a department, we maintained a high response rate, at 85 per cent. Overall, the results of the survey were positive. Our results reflected strength in our teams, our relationships with our managers, and our job empowerment. We had notable improvements in our organisational fairness and anti-discrimination in the workplace, which exceeded public sector results in some of these areas.

External providers delivered training to departmental leaders emphasising their work, health and safety responsibilities. The training covered legislative requirements and responsibilities and increased leadership capability in this critical area.

### **Recognising staff excellence**

In November 2019, DESBT staff received recognition for two programs in the Queensland Premier's Awards for Excellence. The Small Business Recovery Centre in Townsville received a highly commended award in the category 'Be a responsive government'. The department's Back to Work program was also recognised as a finalist in the 'Creating jobs in a strong economy' category.

### **Encouraging learning and preparing for the future of work**

During 2019–20, staff were encouraged to continue learning and development as part of performance and development planning. The MyCareer learning management system provided online mandatory training for DESBT staff to keep their knowledge up to date.

We supported the public sector's Leadership Competencies for Queensland by supporting three of our Executive Leadership Team members to participate in the LEAD4QLD program, which builds Queensland's leaders and incorporates the latest thinking in leadership capability assessment and development.

In 2019–20, highlights included:

- role-specific mandatory training for DESBT regional officers as an important component

of our Service Delivery's Regional Staff Development Program. The course provided an introduction and reinforcement of VET knowledge and awareness of the regional operating environment

- one mandatory Procurement 101 training module to increase staff awareness of the *Queensland Government Procurement Policy* and procedures
- holding regular 'lunch and learn' sessions where staff shared their knowledge and learned from work colleagues about different DESBT programs of work
- mandatory annual financial delegations training for all delegated officers.

In order to further prepare and position DESBT for the future of work, the department:

- continued our Senior Leadership Network as a forum for senior officers to share knowledge and innovative practices and harness contemporary perspectives
- completed talent mapping across the senior leadership group to understand the talent pipeline and identify opportunities for individualised development
- improved our workforce data analysis to understand trends and workforce issues in supporting workforce planning
- continued to participate in the sector-wide Leadership Competencies Community of Practice.

### **Supporting our communities**

In assisting Queensland communities in 2019–20 affected by natural disasters of floods, fires and drought:

- 11 departmental staff volunteered their time away from work and family to support community recovery efforts during the southern Queensland and eastern Queensland bushfires
- regional departmental staff worked at the Small Business Recovery Centre in Townsville supporting seven days a week operation.

# Financial summary

This summary provides an overview of DESBT's financial performance for the period 1 July 2019 to 30 June 2020.

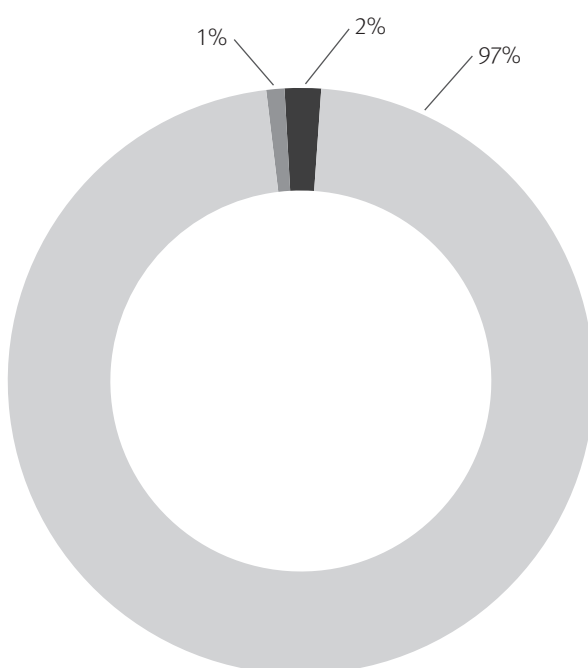
A more detailed view can be found in the financial statements included in this report. The department reported a deficit for the year of \$2.173 million, mainly as a result of the revaluation decrement in the land assets of the department.

## Income

Appropriation funding provided from government was DESBT's main source of revenue, totalling \$1.073 billion. Other sources of revenue included \$2.8 million from user charges and fees (mainly related to the hire of facilities), grants and other contributions of \$4.5 million and \$24.8 million from other revenues.

## Controlled income

1 July 2019 to 30 June 2020



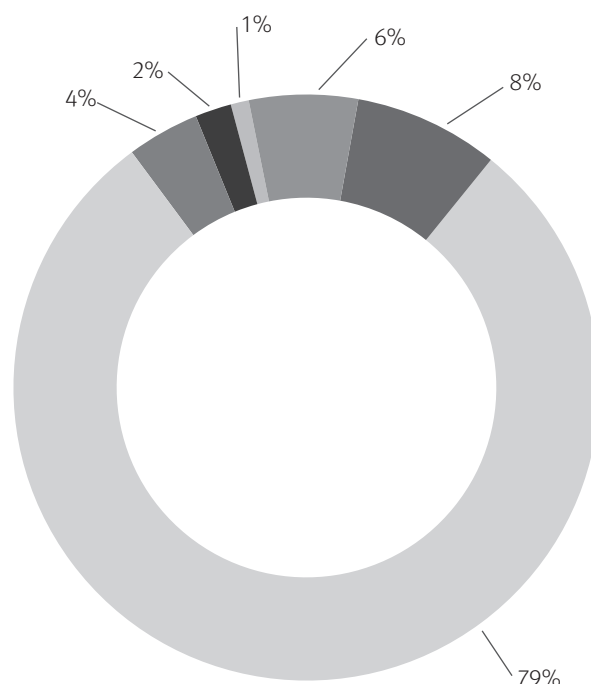
- Appropriation revenue 97%
- User charges, grants and contributions 1%
- Other revenue 2%

## Expenses

Total expenses were \$1.107 billion of which \$873.7 million (approximately 79 per cent) was grants and subsidies. Finance/borrowing costs of \$22.5 million were associated with the Southbank Education Training Precinct Public Private Partnership finance liability.

## Controlled expenditure

1 July 2019 to 30 June 2020



- Employee expenses 6%
- Supplies and services 8%
- Grants and subsidies 79%
- Depreciation and amortisation 4%
- Finance/borrowing costs 2%
- Other expenses (including impairment, loss and revaluation decrement) 1%

## Statement of financial position

### Assets

The departmental assets are valued at \$1.808 billion and consist primarily of \$290.8 million of cash and cash equivalents and \$1.506 billion in property, plant and equipment (including intangible assets). The property, plant and equipment represents 83 per cent of total assets and relates almost entirely to the assets principally occupied by TAFE Queensland, representing land (\$425.8 million) and buildings (\$942.4 million).

### Liabilities

The department's liabilities are primarily payables, provisions and interest-bearing liabilities. Payables of \$175.2 million predominantly relate to trade and capital creditors, and amounts owed to grant and subsidy recipients.

Provisions at \$76.1 million relate to obligations under contractual arrangements to registered training organisations for training delivery to students who commenced but did not complete their study prior to 30 June 2020.

The interest-bearing liabilities relate to the finance liability for the Southbank Education and Training Precinct Public Private Partnership.

## Statement by the Chief Finance Officer

In accordance with the requirements of the *Financial Accountability Act 2009*, the Chief Finance Officer has provided the Director-General with a statement confirming the financial internal controls of the department are operating efficiently, effectively and economically in conformance with Section 38 of the *Financial and Performance Management Standard 2019*. The statement was presented at the Audit and Risk Committee meeting in August 2020.

The Chief Finance Officer has fulfilled the minimum responsibilities as required by the *Financial Accountability Act 2009*.

The following tables summarise the financial results of controlled operations.

**Table 1. Statement of comprehensive income for the period 1 July 2019 to 30 June 2020**

	2019–20 Actual \$'000	2018–19 Actual \$'000
<b>Statement of comprehensive income</b>		
Total income from continuing operations	1,105,339	1,096,461
Total expense from continuing operations	1,107,512	1,195,162
Surplus / (deficit)	(2,173)	(98,701)
<b>Statement of financial position</b>		
Total assets	1,807,759	1,714,633
Total liabilities	(462,913)	(380,775)
Total equity	1,344,846	1,333,858

**Table 2. Income from continuing operations**

	2019–20 Actual \$'000	2018–19 Actual \$'000
<b>Revenue</b>		
Appropriation revenue	1,073,112	1,069,025
User charges and fees	2,823	1,419
Grants and contributions	4,524	792
Other revenue	24,880	25,225
<b>Total revenue</b>	<b>1,105,339</b>	<b>1,096,461</b>
<b>Total income from continuing operations</b>	<b>1,105,339</b>	<b>1,096,461</b>

**Table 3. Expenses from continuing operations**

	2019–20 Actual \$'000	2018–19 Actual \$'000
Employee expenses	69,443	62,580
Supplies and services	88,126	75,471
Grants and subsidies	873,745	891,549
Depreciation and amortisation	48,435	34,862
Impairment losses	253	1,111
Finance/borrowing costs	22,493	22,820
Revaluation decrement	2,055	98,702
Other expenses	2,962	8,067
<b>Total expenses from continuing operations</b>	<b>1,107,512</b>	<b>1,195,162</b>
<b>Operating result surplus / (deficit)</b>	<b>(2,173)</b>	<b>(98,701)</b>

Table 4. Statement of financial position

	2019–20 Actual \$'000	2018–19 Actual \$'000
<b>Current assets</b>		
Cash and cash equivalents	290,783	243,296
Receivables	10,320	9,271
Prepayments	652	366
<b>Total current assets</b>	<b>301,755</b>	<b>252,933</b>
<b>Non-current assets</b>		
Property, plant and equipment	1,505,200	1,460,371
Intangible assets	804	1,329
<b>Total non-current assets</b>	<b>1,506,004</b>	<b>1,461,700</b>
<b>Total assets</b>	<b>1,807,759</b>	<b>1,714,633</b>
<b>Current liabilities</b>		
Payables	175,201	114,595
Interest-bearing liabilities	3,613	3,250
Accrued employee benefits	1,917	2,455
Provisions	76,092	50,462
Unearned revenue	89	398
<b>Total current liabilities</b>	<b>256,912</b>	<b>171,160</b>
<b>Non-current liabilities</b>		
Interest-bearing liabilities	206,001	209,613
<b>Total non-current liabilities</b>	<b>206,001</b>	<b>209,613</b>
<b>Total liabilities</b>	<b>462,913</b>	<b>380,775</b>
<b>Net assets</b>	<b>1,344,846</b>	<b>1,333,860</b>
<b>Equity</b>		
Contributed equity	1,240,749	1,229,781
Accumulated surplus	(100,929)	(98,756)
Asset revaluation surplus	205,026	202,833
<b>Total equity</b>	<b>1,344,846</b>	<b>1,333,858</b>

# Financial statements

## Department of Employment, Small Business and Training Financial Statements For the Year Ended 30 June 2020

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For the Year Ended 30 June 2020

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Department of Employment, Small Business and Training  
Statement of Comprehensive Income  
for the year ended 30 June 2020

OPERATING RESULT	Notes	2020	2020	Budget	2019
		Actual	Original	Variance *	Actual
		\$'000	\$'000	\$'000	\$'000
<b>Income from continuing operations</b>					
Appropriation revenue	B1-1	1 073 112	1 059 020	14 092	1 069 025
User charges and fees	B1-2	2 823	1 297	1 526	1 419
Grants and contributions		4 524	200	4 324	792
Other revenue	B1-3	24 880	17 119	7 761	25 225
<b>Total income from continuing operations</b>		<b>1 105 339</b>	<b>1 077 636</b>	<b>27 703</b>	<b>1 096 461</b>
<b>Expenses from continuing operations</b>					
Employee expenses	B2-1	69 443	71 347	( 1 904)	62 580
Supplies and services	B2-2	88 126	85 688	2 438	75 471
Grants and subsidies	B2-3	873 745	863 583	10 162	891 549
Depreciation and amortisation		48 435	32 965	15 470	34 862
Impairment losses	C2-1	253	-	253	1 111
Finance/borrowing costs		22 493	22 493	-	22 820
Revaluation decrement	C7-3	2 055	-	2 055	98 702
Other expenses	B2-4	2 962	1 560	1 402	8 067
<b>Total expenses from continuing operations</b>		<b>1 107 512</b>	<b>1 077 636</b>	<b>29 876</b>	<b>1 195 162</b>
<b>Operating result from continuing operations</b>		<b>( 2 173)</b>	<b>-</b>	<b>( 2 173)</b>	<b>( 98 701)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<u>Items that will not be reclassified to operating result:</u>					
Increase/(decrease) in asset revaluation surplus	C7-3	2 193	-	2 193	119 708
<b>Total items that will not be reclassified to operating result</b>		<b>2 193</b>	<b>-</b>	<b>2 193</b>	<b>119 708</b>
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>2 193</b>	<b>-</b>	<b>2 193</b>	<b>119 708</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>20</b>	<b>-</b>	<b>20</b>	<b>21 007</b>

\*An explanation of major variances is included at Note E1.

The above statement should be read in conjunction with accompanying notes.

# Department of Employment, Small Business and Training – Statement of Comprehensive Income by Major Departmental Service for the year ended 30 June 2020

	Training and Skills		Small Business		Employment		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income from continuing operations</b>								
Appropriation revenue	989 334	963 071	29 576	16 345	54 202	89 609	1 073 112	1 069 025
User charges and fees	2 823	1 400	-	19	-	-	2 823	1 419
Grants and contributions	526	593	3 737	183	261	15	4 524	791
Other revenue	24 641	23 224	16	2	223	1 999	24 880	25 225
Total Revenue	1 017 324	988 288	33 329	16 549	54 686	91 623	1 105 339	1 096 460
Gain on disposal of assets	-	-	-	-	-	-	-	-
<b>Total income from continuing operations</b>	<b>1 017 324</b>	<b>988 288</b>	<b>33 329</b>	<b>16 549</b>	<b>54 686</b>	<b>91 623</b>	<b>1 105 339</b>	<b>1 096 460</b>
<b>Expenses from continuing operations</b>								
Employee expenses	54 727	51 154	8 689	6 720	6 027	4 706	69 443	62 580
Supplies and services	77 012	67 537	6 023	3 135	5 091	4 799	88 126	75 471
Grants and subsidies	811 651	805 073	18 558	6 468	43 536	80 008	873 745	891 549
Depreciation and amortisation	48 418	34 836	3	19	14	7	48 435	34 862
Impairment losses	249	( 395)	4	3	-	1 503	253	1 111
Finance/borrowing costs	22 493	22 820	-	-	-	-	22 493	22 820
Revaluation decrement	2 055	98 702	-	-	-	-	2 055	98 702
Other expenses	2 892	7 263	52	204	18	600	2 962	8 067
<b>Total expenses from continuing operations</b>	<b>1 019 497</b>	<b>1 086 990</b>	<b>33 329</b>	<b>16 549</b>	<b>54 686</b>	<b>91 623</b>	<b>1 107 512</b>	<b>1 195 162</b>
<b>Operating result from continuing operations</b>	<b>( 2 173)</b>	<b>( 98 702)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>( 2 173)</b>	<b>( 98 702)</b>
<b>Operating result for the year</b>	<b>( 2 173)</b>	<b>( 98 702)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>( 2 173)</b>	<b>( 98 702)</b>
<b>Other comprehensive income</b>								
Items that will not be reclassified to operating result: Increase/(decrease) in asset revaluation surplus	2 193	119 708	-	-	-	-	2 193	119 708
<b>Total other comprehensive income</b>	<b>2 193</b>	<b>119 708</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 193</b>	<b>119 708</b>
<b>Total comprehensive income</b>	<b>20</b>	<b>21 006</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>21 006</b>

All corporate overheads have been allocated across respective departmental services based on activity drivers. Corporate services functions include: finance and administration, procurement, human resources, payroll, staff training, information technology, records management, legal services, facilities management, policy development and executive services.

Department of Employment, Small Business and Training  
Statement of Financial Position  
as at 30 June 2020

	Notes	2020 Actual \$'000	2020 Original Budget \$'000	Budget Variance *	2019 Actual \$'000
<b>Current assets</b>					
Cash and cash equivalents	C1	290 783	154 774	136 009	243 296
Receivables	C2	10 320	4 336	5 984	9 271
Prepayments		652	698	( 46)	366
<b>Total current assets</b>		<b>301 755</b>	<b>159 808</b>	<b>141 947</b>	<b>252 933</b>
<b>Non-current assets</b>					
Property, plant and equipment	C3-1	1 505 200	1 571 974	( 66 774)	1 460 371
Intangible assets		804	782	22	1 329
<b>Total non-current assets</b>		<b>1 506 004</b>	<b>1 572 756</b>	<b>( 66 752)</b>	<b>1 461 700</b>
<b>Total assets</b>		<b>1 807 759</b>	<b>1 732 564</b>	<b>75 195</b>	<b>1 714 633</b>
<b>Current liabilities</b>					
Payables	C4	175 201	68 280	106 921	114 595
Interest-bearing liabilities	C5	3 613	3 613	-	3 250
Accrued employee benefits		1 917	928	989	2 456
Provisions	C6	76 092	33 680	42 412	50 462
Unearned revenue		89	404	( 315)	399
<b>Total current liabilities</b>		<b>256 912</b>	<b>106 905</b>	<b>150 007</b>	<b>171 162</b>
<b>Non-current liabilities</b>					
Interest-bearing liabilities	C5	206 001	206 000	1	209 613
<b>Total non-current liabilities</b>		<b>206 001</b>	<b>206 000</b>	<b>1</b>	<b>209 613</b>
<b>Total liabilities</b>		<b>462 913</b>	<b>312 905</b>	<b>150 008</b>	<b>380 775</b>
<b>Net assets</b>		<b>1 344 846</b>	<b>1 419 659</b>	<b>( 74 813)</b>	<b>1 333 858</b>
<b>Equity</b>					
Contributed equity		1 240 749			1 229 781
Accumulated surplus		( 100 929)			( 98 756)
Asset revaluation surplus	C7-3	205 026			202 833
<b>Total equity</b>		<b>1 344 846</b>			<b>1 333 858</b>

\*An explanation of major variances is included at Note E1.

The above statement should be read in conjunction with accompanying notes.

# Department of Employment, Small Business and Training – Statement of Assets and Liabilities by Major Departmental Service as at 30 June 2020

	Training and Skills		Small Business		Employment		General Not Attributed		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Current assets</b>										
Cash and cash equivalents	-	-	-	-	-	-	290 783	243 296	290 783	243 296
Receivables	8 645	7 953	820	638	855	680	-	-	10 320	9 271
Prepayments	600	366	-	-	52	-	-	-	652	366
<b>Total current assets</b>	<b>9 245</b>	<b>8 319</b>	<b>820</b>	<b>638</b>	<b>907</b>	<b>680</b>	<b>290 783</b>	<b>243 296</b>	<b>301 756</b>	<b>252 933</b>
<b>Non current assets</b>										
Property, plant and equipment	1 505 198	1 460 070	2	37	-	181	-	-	1 505 200	1 460 288
Intangible assets	804	1 329	-	-	-	-	-	-	804	1 329
<b>Total non-current assets</b>	<b>1 506 002</b>	<b>1 461 399</b>	<b>2</b>	<b>37</b>	<b>-</b>	<b>181</b>	<b>-</b>	<b>-</b>	<b>1 506 004</b>	<b>1 461 617</b>
<b>Total assets</b>	<b>1 515 247</b>	<b>1 469 718</b>	<b>822</b>	<b>675</b>	<b>907</b>	<b>861</b>	<b>290 783</b>	<b>243 296</b>	<b>1 807 760</b>	<b>1 714 550</b>
<b>Current liabilities</b>										
Payables	89 971	113 062	76 279	1 362	8 951	171	-	-	175 201	114 595
Interest-bearing liabilities	3 613	3 250	-	-	-	-	-	-	3 613	3 250
Accrued employee benefits	1 509	1 914	248	315	160	227	-	-	1 917	2 456
Provisions	76 092	50 462	-	-	-	-	-	-	76 092	50 462
Unearned revenue	-	399	-	-	89	-	-	-	89	399
<b>Total current liabilities</b>	<b>171 185</b>	<b>169 087</b>	<b>76 527</b>	<b>1 677</b>	<b>9 200</b>	<b>398</b>	<b>-</b>	<b>-</b>	<b>256 912</b>	<b>171 162</b>
<b>Non current liabilities</b>										
Payables	-	-	-	-	-	-	-	-	-	-
Interest-bearing liabilities	206 001	209 613	-	-	-	-	-	-	206 001	209 613
<b>Total non current liabilities</b>	<b>206 001</b>	<b>209 613</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>206 001</b>	<b>209 613</b>
<b>Total liabilities</b>	<b>377 186</b>	<b>378 700</b>	<b>76 527</b>	<b>1 677</b>	<b>9 200</b>	<b>398</b>	<b>-</b>	<b>-</b>	<b>462 913</b>	<b>380 775</b>

Please note that the department has systems in place to allocate assets and liabilities by departmental services.

Department of Employment, Small Business and Training  
Statement of Changes in Equity  
for the year ended 30 June 2020

	Notes	Accumulated Surplus	Asset Revaluation Surplus	Contributed Equity	Total
		\$'000	\$'000	\$'000	\$'000
<b>Balance as at 30 June 2018 (originally reported)</b>		<b>1 033</b>	<b>85 214</b>	<b>1 277 163</b>	<b>1 363 410</b>
Adjustment on error correction		( 1 088)	( 2 089)	( 47 551)	( 50 728)
<b>Balance as at 1 July 2018 (restated)</b>		<b>( 55)</b>	<b>83 125</b>	<b>1 229 612</b>	<b>1 312 682</b>
<b>Operating result</b>					
Operating result from continuing operations		( 98 701)	-	-	( 98 701)
<b>Other Comprehensive Income</b>					
Increase/(decrease) in asset revaluation surplus					
Land		-	( 4 893)	-	( 4 893)
Buildings		-	124 601	-	124 601
<b>Total comprehensive income for the year</b>		<b>( 98 701)</b>	<b>119 708</b>	<b>-</b>	<b>21 007</b>
<b>Transactions with owners as owners</b>					
- Appropriated equity injections	C7-2	-	-	39 372	39 372
- Appropriated equity withdrawals	C7-2	-	-	( 39 203)	( 39 203)
<b>Net transactions with owners as owners</b>		<b>-</b>	<b>-</b>	<b>169</b>	<b>169</b>
<b>Balance as at 30 June 2019</b>		<b>( 98 756)</b>	<b>202 833</b>	<b>1 229 781</b>	<b>1 333 858</b>
<b>Operating result</b>					
Operating result from continuing operations		( 2 173)	-	-	( 2 173)
<b>Other comprehensive income</b>					
Increase/(decrease) in asset revaluation surplus					
Buildings		-	2 193	-	2 193
<b>Total comprehensive income for the year</b>		<b>( 2 173)</b>	<b>2 193</b>	<b>-</b>	<b>20</b>
<b>Transactions with owners as owners</b>					
- Appropriated equity injections	C7-2	-	-	57 381	57 381
- Appropriated equity withdrawals	C7-2	-	-	( 48 436)	( 48 436)
- Net transfers in from other Queensland Government entity	C3-1			2 023	2 023
<b>Net transactions with owners as owners</b>		<b>-</b>	<b>-</b>	<b>10 968</b>	<b>10 968</b>
<b>Balance as at 30 June 2020</b>		<b>( 100 929)</b>	<b>205 026</b>	<b>1 240 749</b>	<b>1 344 846</b>

The above statement should be read in conjunction with accompanying notes.

**Department of Employment, Small Business and Training**  
**Statement of Cash Flows**  
for the year ended 30 June 2020

		2020 Actual \$'000	2020 Original Budget \$'000	Budget Variance *	2019 Actual \$'000
Note					
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
<i>Inflows:</i>					
		1 145 277	1 049 892	95 385	1 035 769
		1 286	1 297	( 11)	271
		3 949	200	3 749	791
		26 989	-	26 989	13 296
		6 233	-	6 233	2 909
		24 851	17 119	7 732	25 234
<i>Outflows:</i>					
		( 69 538)	( 71 347)	1 809	( 62 792)
		( 58 963)	( 85 688)	26 725	( 88 978)
		( 889 403)	( 863 583)	( 25 820)	( 853 926)
		( 22 493)	( 22 493)	-	( 22 820)
		( 27 030)	-	( 27 030)	( 15 837)
		( 6 271)	-	( 6 271)	( 2 656)
		( 2 094)	( 1 560)	( 534)	( 1 642)
<b>Net cash provided by operating activities</b>	CF-1	<b>132 793</b>	<b>23 837</b>	<b>108 956</b>	<b>29 631</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
<i>Inflows:</i>					
		9 245	-	( 9 245)	-
<i>Outflows:</i>					
		( 100 944)	( 105 839)	4 895	( 32 686)
<b>Net cash used in investing activities</b>		<b>( 91 699)</b>	<b>( 105 839)</b>	<b>( 4 350)</b>	<b>( 32 686)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
<i>Inflows:</i>					
		57 381	77 334	( 19 953)	44 195
<i>Outflows:</i>					
		( 47 738)	( 32 965)	( 14 773)	( 32 315)
		( 3 250)	( 3 250)	-	( 2 923)
<b>Net cash provided by financing activities</b>	CF-2	<b>6 393</b>	<b>41 119</b>	<b>( 34 726)</b>	<b>8 957</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>47 487</b>	<b>( 40 883)</b>	<b>88 370</b>	<b>5 902</b>
<b>Cash and cash equivalents - opening balance</b>		<b>243 296</b>	<b>195 657</b>	<b>47 639</b>	<b>237 394</b>
<b>Cash and cash equivalents - closing balance</b>	C1	<b>290 783</b>	<b>154 774</b>	<b>136 009</b>	<b>243 296</b>

\*An explanation of major variances is include at Note E1.

The above statement should be read in conjunction with accompanying notes.

Department of Employment, Small Business and Training  
Statement of Cash Flows  
for the year ended 30 June 2020

## NOTES TO THE STATEMENT OF CASH FLOW

### CF-1 Reconciliation of operating result to net cash provided by operating activities

	2020 \$'000	2019 \$'000
Operating surplus/(deficit)	( 2 173)	( 98 701)
<i>Non-cash items included in operating result:</i>		
Depreciation and amortisation expense	48 436	34 862
Revaluation decrement	2 055	98 702
Net Losses on disposal of property, plant and equipment	867	-
Impairment losses	253	1 111
<i>Change in assets/liabilities:</i>		
(Decrease)/increase in deferred appropriation payable to Consolidation Fund	72 165	( 26 831)
(Increase)/decrease in GST input tax credits receivable	( 78)	( 2 288)
(Increase)/decrease in net operating receivables	( 972)	( 2 794)
(Increase)/decrease in other current assets	( 285)	331
Increase/(decrease) in other current liabilities	25 320	16 776
Increase/(decrease) in payables	( 12 257)	6 934
Increase/(decrease) in accrued employee benefits	( 538)	1 529
<b>Net cash provided by operating activities</b>	<b>132 793</b>	<b>29 631</b>

### CF-2 Change in Liabilities Arising from Financing Activities

	Finance Liability \$'000	Total \$'000
Opening balance 2019	215 786	215 786
<i>Cash Flows:</i>		
Cash Repayment	( 2 923)	( 2 923)
Closing balance 2019	212 863	212 863
	Finance Liability \$'000	Total \$'000
Opening balance 2020	212 863	212 863
<i>Cash Flows:</i>		
Cash Repayment	( 3 250)	( 3 250)
Closing balance 2020	209 613	209 613

Department of Employment, Small Business and Training  
Notes to the Financial Statements  
for the year ended 30 June 2020

SECTION 1  
ABOUT THE DEPARTMENT AND THIS FINANCIAL REPORT

## A1 BASIS OF FINANCIAL STATEMENT PREPARATION

### A1-1 GENERAL INFORMATION

The Department of Employment, Small Business and Training ("the department") is a Queensland Government department established under the *Public Service Act 2008* and controlled by the State of Queensland, which is the ultimate parent.

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

1 William Street  
Brisbane QLD 4000

### A1-2 COMPLIANCE WITH PRESCRIBED REQUIREMENTS

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

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

New accounting standards early adopted and/ or applied for the first time in these financial statements are outlined in Note F4.

### A1-3 PRESENTATION

#### Currency and rounding

Amounts included in the financial statements are in Australian dollars and 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.

#### Comparatives

Comparative information reflects the audited 2019-20 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.

### A1-4 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

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

Department of Employment, Small Business and Training  
Notes to the Financial Statements  
for the year ended 30 June 2020

## A1 BASIS OF FINANCIAL STATEMENT PREPARATION (continued)

### A1-5 BASIS OF MEASUREMENT

Historical cost is used as the measurement basis in this financial report except for the following:

- Land and buildings assets which are measured at fair value; and
- Provisions expected to be settled 12 or more months after reporting date which are measured at their present value.

#### Historical cost

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

#### Fair value

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

- The *market approach* uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business.
- The *cost approach* reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current replacement cost methodology.

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

#### Present value

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

#### Net realisable value

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

### A1-6 THE REPORTING ENTITY

The financial statements include all income, expenses, assets, liabilities and equity of the department, as the entity it controls is not material (refer to Note A3).

## Department of Employment, Small Business and Training

### Notes to the Financial Statements

for the year ended 30 June 2020

## A2 DEPARTMENTAL OBJECTIVES

The Department of Employment, Small Business and Training works with employers, small businesses and individuals to support their career and business aspirations, delivering programs and developing policy to support employment growth and match skills and training opportunities with industry workforce needs both now and into the future. Through this focus, the department is supporting the vision for all Queenslanders to have the skills and opportunities to participate and prosper in the economy.

The department contributes to the Government's objectives for the community Our Future State: Advancing Queensland's Priorities of Create jobs in a strong economy and be a responsive government by supporting businesses to reach their full potential and providing individuals with training and employment opportunities aligned with Queensland's employment, skilling and economic priorities.

The department's strategic objectives of:

- empowering Queenslanders to take full advantage of economic opportunities;
- connecting Queenslanders and businesses to skills, training and employment so they can prosper in the economy;
- supporting the economic readiness of Queenslanders and businesses; and
- being an agile and diverse organisation

are the key priorities of the service areas:

### Employment

Focuses on delivering employment programs to support Queenslanders, in particular regional Queenslanders and disadvantaged cohorts to gain employment, and give Queensland employers the confidence to hire eligible unemployed jobseekers. Supporting the further development and growth of the social enterprise sector to create jobs, support inclusive and diverse workforce participation and deliver social impact outcomes.

### Small Business

Focuses on continuing to build Queensland's small businesses by providing advocacy to champion the interests of small businesses, making it easier to do business through simplified and coordinated service delivery, and improving access to small business services. Support the creation of new businesses, helping existing businesses to work smarter and be more resilient and assisting businesses with high growth aspirations to grow and employ through the delivery of targeted grants programs, and to create a platform that makes discovery of vocational education and training consumer information more accessible and simplifies the process for businesses to hire an apprentice or trainee.

### Training and Skills

Focuses on supporting Queenslanders in undertaking training and skills development that leads to increased job opportunities and continuing to support public training providers to deliver quality training services, delivering a Skills Strategy for Queensland that empowers the skilled workforce needed to attract investment and encourage job creation, and ensuring individuals and employers continue to have access to confidential, free advice through the Queensland Training Ombudsman

The department is funded for the departmental services it delivers principally by parliamentary appropriations.

Department of Employment, Small Business and Training  
Notes to the Financial Statements  
for the year ended 30 June 2020

### A3 CONTROLLED ENTITIES

The following entity is a directly controlled entity of the department:

Name: Building Construction Industry Training Fund (Qld) Limited

Purpose and Principal Activities: Assist in the acquisition and enhancement of the knowledge, skills, training and education of workers in the building and construction industry. BCITF (Qld) Limited does not trade.

% Interest in Entity & Basis for Control: 100% owned by the Department of Employment, Small Business and Training

The BCITF (Qld) Limited ('the Company') was established on 1 January 1999 to assist in the acquisition and enhancement of the knowledge, skills, training and education of workers in the building and construction industry. The Company is established as a public company, limited by guarantee, and the Minister is the sole shareholder. The Company is controlled by the department, and is audited by the Auditor-General of Queensland.

The Company does not conduct business and therefore has no assets, liabilities, revenues and expenses to be consolidated in these financial statements.

The Company is the sole trustee of the Building and Construction Industry Training Fund ('the Trust'). The Trust is established to advance the education and skills of persons and organisations involved in the building and construction industry, and is audited by the Auditor-General of Queensland. The Trust is not controlled by the department.

Department of Employment, Small Business and Training  
Notes to the Financial Statements  
for the year ended 30 June 2020

**SECTION 2**  
**NOTES ABOUT OUR FINANCIAL PERFORMANCE**

## B1 REVENUE

### B1-1 APPROPRIATION REVENUE

#### Reconciliation of payments from Consolidated Fund to appropriated revenue recognised in operating result

	2020 \$'000	2019 \$'000
<b>Original budgeted appropriation</b>	<b>1 049 892</b>	1 057 196
Supplementary amounts:		
Treasurer's Advance	85 320	-
Transfers from (to) other headings (variation in headings)	10 065	-
Lapsed appropriation	-	( 21 427)
<b>Total appropriation received (cash)</b>	<b>1 145 277</b>	1 035 769
Plus: Opening balance of deferred appropriation payable to Consolidated Fund	6 425	33 256
Less : Closing balance of deferred appropriation payable to Consolidated Fund	( 78 590)	( 6 425)
<b>Net Appropriation revenue</b>	<b>1 073 112</b>	1 062 600
Plus: Deferred appropriation payable to Consolidated Fund (expense in 2018-19)	-	6 425
<b>Appropriation revenue recognised in statement of comprehensive income</b>	<b>1 073 112</b>	1 069 025
Variance between original budgeted and actual appropriation revenue	23 220	11 829

#### Accounting policy – Appropriation revenue

Revenue appropriations provided under the *Appropriation Act 2019* and the *Appropriation (COVID-19) Act 2020* are recognised as revenue when received. Where the department has an obligation to return unspent (or unapplied) appropriation receipts to Consolidated Fund at year end (a deferred appropriation repayable to Consolidated Fund), a liability is recognised with a corresponding reduction to appropriation revenue, reflecting the net appropriation revenue position with Consolidated Fund for the reporting period. Prior to 1 July 2019, any liability at the end of the financial year for deferred appropriation repayable was debited to expense under the requirement of the superseded AASB 1004 *Contribution* (refer Note B2-4). Capital appropriations are recognised as adjustments to equity, refer to Note C7-2.

#### Disclosure – Variance analysis

Budget vs actual appropriation revenue (refer to Note E1-1).

### B1-2 USER CHARGES AND FEES

	2020 \$'000	2019 \$'000
Revenue from contracts with customers		
General fees	226	226
Other user charges and fees		
Hire of facilities	716	1 193
Property income	1 881	-
<b>Total</b>	<b>2 823</b>	1 419

#### Accounting policy – General fees

General fees comprising of apprentice indenture documentation are recognised on transfer of the goods to the customer, which is the sole performance obligation. General fees for the sale of tickets to Queensland Training Award events are offset for the cost of the holding the event. Refunds for the event are immaterial and the full amount is recognised as revenue.

The adoption of AASB 15 *Revenue from Contracts with Customers* in 2019-20 did not change the timing of revenue recognition for general fees.

Department of Employment, Small Business and Training  
Notes to the Financial Statements  
for the year ended 30 June 2020

**B1 REVENUE (continued)**

**B1-2 USER CHARGES AND FEES (continued)**

**Accounting policy – Hire of facilities/ property income**

Hire of facilities and property income is recognised when received as there is no performance obligation by the department other than the maintenance of the facilities.

The adoption of AASB 15 *Revenue from Contracts with Customers* in 2019-20 did not change the timing of revenue recognition for the hire of facilities or property income.

**Disclosure – Hire of facilities/ property income**

The department provides TAFE Queensland access to training facilities. The income value of this right of use access has not been accounted for during 2019-20 as a reliable measurement of rent payable is unable to be determined. This is because the ongoing arrangement includes a number of sites, varying utilisation at each site, varying condition of the buildings and facilities, and the costs borne by TAFE Queensland in the management of the facilities.

Due to COVID19 business restrictions the department waived rental income on training facilities for the period of March 2020 to September 2020 for commercial business customers. The amount of rental income to 30 June 2020 that department has foregone is approximately \$0.252 million.

**B1-3 OTHER REVENUE**

	2020 \$'000	2019 \$'000
Contributions to finance liability	16 605	16 239
Recoveries from grants programs	8 275	8 974
Other general recoveries	-	12
<b>Total</b>	<b>24 880</b>	<b>25 225</b>

**Accounting policy – Other revenue**

Recoveries from grants programs are accounted for under AASB 1058 *Income of Not-for-Profit Entities* whereby revenues are recognised upon receipt when grant monies are recovered following the completion of compliance audits. These transactions do not require further performance obligation by the department.

Contributions to finance liability for the Private Provision of Public Infrastructure (PPPI) arrangement are received in arrears of payments made by the department for this obligation and accounted for under AASB 1058 *Income of Not-for-Profit Entities* and are recognised on receipt.

**Disclosure – Contributions to finance liability**

The department, as a result of contractual agreements for the right of use access to the PPPI asset at Southbank Education and Training Precinct (SETP), receives from TAFE Queensland contributions. These contributions are towards the outflows associated with the precinct. Information regarding the amount of the contribution and conditions for variations are contained in schedules which form part of the agreement, refer to note F3.

Department of Employment, Small Business and Training  
Notes to the Financial Statements  
for the year ended 30 June 2020

**B2 EXPENSES****B2-1 EMPLOYEE EXPENSES**

	2020 \$'000	2019 \$'000
<b>Employee benefits</b>		
Wages and salaries*	54 021	49 341
Annual leave/ levy expenses	6 197	4 591
Long service leave levy	1 249	1 036
Employer superannuation contributions	7 113	6 524
Termination benefits**	91	347
<b>Employee related expenses</b>		
Fringe benefits tax	131	130
Workers' compensation premium	234	285
Staff transfer costs	-	7
Staff rental accommodation	18	18
Staff training	389	301
<b>Total</b>	<b>69 443</b>	<b>62 580</b>

\* Wages and salaries includes \$0.707 million of \$1,250 one-off, pro-rata payments for 566 full-time equivalent employees (announced in September 2019).

\*\* Termination benefits expenses relate to payment of post-employment expenses for staff, no redundancy payments were made in financial year 2019-20 or 2018-19

	2020 No.	2019 No.
Full-Time Equivalent Employees	577	571

**Accounting policy – Wages and salaries**

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 values.

**Accounting policy – Sick leave**

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue into 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.

**Accounting policy – Annual leave and long service leave**

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

**Accounting policy – Superannuation**

Post-employment benefits for superannuation are provided through defined contributions (accumulations) 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 EBA or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

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

Department of Employment, Small Business and Training  
Notes to the Financial Statements  
for the year ended 30 June 2020

## B2 EXPENSES (continued)

### B2-1 EMPLOYEE EXPENSES (continued)

#### Accounting policy – Workers' compensation premiums

The department pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing employees, but is not counted in an employees' total remuneration package. It is not an employee benefit and is recognised separately as employee related expenses.

Key management personnel and remuneration disclosures are detailed in Note F1.

#### Disclosure - COVID 19 Employee entitlements

The department has extended new employee entitlements to all employees within the department impacted by COVID 19 and the amounts paid to 30 June 2020 have an immaterial impact on the overall employee expenses.

### B2-2 SUPPLIES AND SERVICES

	2020 \$'000	2019 \$'000
Building maintenance	36 768	37 268
Utilities	4 648	2 702
Equipment and building refurbishment	4 237	5 105
Consultants and contractors	17 631	10 204
Materials and running costs	10 270	7 067
Payments to shared service provider/inter-agency services	1 974	1 766
Computer costs	5 761	4 096
Travel	887	808
Office accommodation*	5 335	5 813
Motor vehicle - QFleet*	561	579
Lease expenses*	54	63
<b>Total</b>	<b>88 126</b>	<b>75 471</b>

\* Office accommodation, Motor vehicle – QFleet and Lease expenses were consolidated under Operating lease rentals in the 2018-19 financial statements.

#### 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 in Note B2-3.

#### Office accommodation and employee housing

Payments for non-specialised commercial office accommodation under the Queensland Government Accommodation Office (QGAO) framework and residential accommodation properties under the Government Employee Housing (GEH) program arise from non-lease arrangements with the Department of Housing and Public Works, who has substantive substitution rights over the assets used within these schemes. Payments are expensed as incurred and categorised within Office accommodation in Note B2-2 and Staff rental accommodation in Note B2-1.

#### Lease expenses

Lease expenses include lease rentals for short-term leases, leases of low value assets and variable lease payments.

Department of Employment, Small Business and Training  
Notes to the Financial Statements  
for the year ended 30 June 2020

**B2 EXPENSES (continued)****B2-3 GRANTS AND SUBSIDIES**

	2020 \$'000	2019 * \$'000
<i>Recurrent</i>		
Training and skills programs	811 019	801 657
Employment programs	43 532	80 007
Small business programs	18 557	6 467
Other grants and allowances to organisations	37	18
<i>Capital</i>		
State Government		
Training Centre Grant	600	3 400
<b>Total</b>	<b>873 745</b>	<b>891 549</b>

**Accounting policy – Grants and subsidies**

The department administers a number of programs where payments are made without expectation of an equal value in return. For the arrangement to be classified as grants or subsidies, consideration to the classification of the payment is based on the nature of the transaction and if there is any third-party recipient to the payment made. This distinguishes the arrangement from procurement transactions.

**Disclosure – Additional grant programs**

Additional grant programs have been implemented by the department directly due to COVID19. Grant payments under the department's key priority of Small Business programs significantly increased during the 2019-20 financial year by \$11.26 million.

**Recurrent programs**

\* Recurrent categories of grant and subsidies have been adjusted to reflect the service delivery activities of the department.

**B2-4 OTHER EXPENSES**

	2020 \$'000	2019 \$'000
Insurance premium - QGIF	1 391	1 185
Queensland Audit Office- external audit fees for the audit of the financial statements <sup>(1)</sup>	180	239
Loss on disposal of property plant and equipment	867	-
Special payments: <sup>(2)</sup>		
Ex-gratia payments	-	28
Payments to other Queensland government departments	462	123
Deferred appropriation payable to Consolidated Fund	-	6 425
Penalty interest payments and other expenses	62	67
<b>Total</b>	<b>2 962</b>	<b>8 067</b>

**Audit fees**

(1) Total audit fees quoted by the Queensland Audit Office relating to the 2019-20 financial statements are estimated to be \$0.199 million (2019: \$0.184 million).

**Special payments**

(2) Special Payments represent ex gratia expenditure and other expenditure that the department is not contractually or legally obligated to make to other parties. The department made no special payments during 2019-20.

Department of Employment, Small Business and Training  
Notes to the Financial Statements  
for the year ended 30 June 2020

**SECTION 3**  
**NOTES ABOUT OUR FINANCIAL POSITION**

**C1 CASH AND CASH EQUIVALENTS**

	2020 \$'000	2019 \$'000
Imprest accounts	2	3
Cash at bank	290 781	243 293
<b>Total</b>	<b>290 783</b>	<b>243 296</b>

**Accounting policy – Cash and cash equivalents**

For the purposes of the statement of financial position and the statement of cash flows, cash assets include all cash and cheques receipted but not banked at 30 June.

**Disclosure – Undrawn facilities**

On 11 May 2018, an overdraft facility was approved by Queensland Treasury for the department's main bank account. This facility is limited to \$40 million and remains in effect permanently. This facility remained fully undrawn at 30 June 2020 and is available for use in the next reporting period. The current overdraft interest rate is 3.75% (2019: 4.50%).

**C2 RECEIVABLES**

	2020 \$'000	2019 \$'000
<b>Current</b>		
Trade debtors	10 909	9 501
Less: Loss allowance	( 4 358)	( 4 129)
	6 551	5 372
GST receivable	2 431	2 353
Long service leave reimbursements	253	329
Annual leave reimbursements	445	1 217
Sundry receivables	640	-
<b>Total</b>	<b>10 320</b>	<b>9 271</b>

**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 on trade debtors is required within 30 days from invoice date.

Sundry receivables generally arise from transactions outside the usual operating activities of the department and are recognised at their assessed values. Terms are a maximum of three months, no interest is charged and no security is obtained.

Department of Employment, Small Business and Training  
Notes to the Financial Statements  
for the year ended 30 June 2020

## C2 RECEIVABLES (continued)

### C2-1 IMPAIRMENT OF RECEIVABLES

#### Accounting policy – Impairment of receivables

The loss allowance for trade and other debtors reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information. Economic changes impacting the department's debtors, and relevant industry data form part of the department's impairment assessment.

The department's other receivables are from Queensland Government agencies or Australian Government agencies. No loss allowance is recorded for these receivables on the basis of low credit risk. Refer to Note D1-2 for the department's credit risk management policies.

Where the department has no reasonable expectation of recovering an amount owed by a debtor, the debt is written-off by directly reducing the receivable against the loss allowance. This occurs when the debt is over 120 days past due and the department has ceased enforcement activity. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss.

The amount of impairment losses recognised for receivables is \$0.253 million.

#### Disclosures – Credit risk exposure of receivables

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

The department uses a provision matrix to measure the expected credit losses on trade debtors. Loss rates are calculated separately for groupings of customers with similar loss patterns. The department has determined there is two material groupings for measuring expected credit losses based on the customer profile for these revenue streams. These groupings are the Registered Training Organisations (RTO) the department contracts with for the delivery of training services and Other Grant recipients.

The calculations reflect a historical observed default rate calculated using credit losses experienced on past transactions during the last two financial years for the groups.

The historical default rate most relevant to determining the future recovery of those receivables from the RTO trade debtors is based on the three factors

- RTO with a current contractual agreement in place for the delivery of future courses
- Continued registration as a RTO
- Continued registration as a business

Outstanding invoices by each RTO are reviewed based on these three factors, the provision matrix is applied.

Due to the nature of the receivables from the Other trade debtors, the department has revised the loss rate for this grouping based on the collectability of the outstanding debts.

Set out below is the credit risk exposure on the department's trade debtors broken down by the customer grouping and by ageing band, excluding any government trade debtors.

#### *Impairment Group – Receivables from Trade Debtors (RTO's)*

	2020			2019		
	Gross Receivable	Loss Rate	Expected Credit Loss	Gross Receivable	Loss Rate	Expected Credit Loss
	\$'000	%	\$'000	\$'000	%	\$'000
<b>Ageing</b>						
Current	371			1 415		
1 to 30 days overdue	-	0.00%	-	-	0.0%	-
31 to 60 days overdue	127	0.00%	-	113	0.0%	-
61 to 120 days overdue	2 458	0.00%	-	285	0.0%	-
> 120 days overdue	3 498	81.63%	2 855	3 582	73.3%	2 626
<b>Total</b>	<b>6 454</b>		<b>2 855</b>	<b>5 395</b>		<b>2 626</b>

Department of Employment, Small Business and Training  
Notes to the Financial Statements  
for the year ended 30 June 2020

## C2 RECEIVABLES (continued)

### C2-1 IMPAIRMENT OF RECEIVABLES (continued)

#### *Impairment Group – Receivables from Other Trade Debtors*

	2020			2019		
	Gross Receivable	Loss Rate	Expected Credit Loss	Gross Receivable	Loss Rate	Expected Credit Loss
	\$'000	%	\$'000	\$'000	%	\$'000
<b>Aging</b>						
Current	-			-		
1 to 30 days overdue	-	0.00%	-	396	0.0%	-
31 to 60 days overdue	-	0.00%	-	10	0.0%	-
61 to 120 days overdue	-	0.00%	-	94	0.0%	-
> 120 days overdue	2 179	68.97%	1 503	1 503	100.0%	1 503
<b>Total</b>	<b>2 179</b>		<b>1 503</b>	<b>2 003</b>		<b>1 503</b>

#### Disclosure – Movement in loss allowance for trade debtors

	2020 \$'000	2019 * \$'000
Loss allowance as at 1 July	4 129	3 022
Increase/(decrease) in allowance recognised in the operating result	238	1 111
Amounts written off during the year	( 9)	( 4)
Loss allowance as at 30 June	4 358	4 129

\*Disclosure for financial year 2018-19 amended to exclude movement related to sundry receivables.

Loss allowance for the current year relating to the department's receivables is \$0.229 million. This is mainly due to recognition of additional training services receivables unlikely to be recovered.

#### Disclosures - Credit risk management practices

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

All financial assets with counterparties are considered to have low credit risk. This includes receivables from other Queensland Government agencies and Australian Government agencies. The department assumes that credit risk has not increased significantly for these low credit risk assets.

The department typically considers a financial asset to be in default when it becomes 120 days past due. However, a financial asset can be in default before that point if information indicates that the department is unlikely to receive the outstanding amount in full. The department's assessment of default does not take into account any collateral or other credit enhancements.

#### Disclosures – Impact of COVID19 on receivables and impairment losses

No additional loss allowances have been applied to the department's receivables.

Department of Employment, Small Business and Training  
Notes to the Financial Statements  
for the year ended 30 June 2020

**C3 PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION EXPENSE**

**C3-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT**

Property, plant and equipment	at Fair Value		at Cost		Total
	Land	Buildings	Plant and Equipment	Work in Progress	
30 June 2020	2020	2020	2020	2020	2020
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Gross</b>	425 766	1 776 595	318	136 947	2 339 626
<b>Less: Accumulated depreciation</b>	-	( 834 186)	( 240)	-	( 834 426)
<b>Carrying amount at 30 June 2020</b>	<b>425 766</b>	<b>942 409</b>	<b>78</b>	<b>136 947</b>	<b>1 505 200</b>
<i>Represented by movements in carrying amount:</i>					
Carrying amount at 1 July 2019	432 321	990 843	1 117	36 090	1 460 371
Acquisitions (including upgrades)	-	-	14	100 857	100 871
Transfers in from other Queensland Government entities	-	2 023	-	-	2 023
Disposals	( 4 500)	( 4 925)	( 867)	-	( 10 292)
Transfers between classes	-	80	( 80)	-	-
Net revaluation increments/(decrements) in asset revaluation surplus	-	2 193	-	-	2 193
Net revaluation increments/(decrements) in operating surplus/(deficit)	( 2 055)	-	-	-	( 2 055)
Depreciation expense	-	( 47 805)	( 106)	-	( 47 911)
<b>Carrying amount at 30 June 2020</b>	<b>425 766</b>	<b>942 409</b>	<b>78</b>	<b>136 947</b>	<b>1 505 200</b>

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**C3 PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION EXPENSE (continued)**

**C3-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT (continued)**

	at Fair Value		at Cost		
	Land	Buildings	Plant and Equipment	Work in Progress	Total
Property, plant and equipment 30 June 2019	2019	2019	2019	2019	2019
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Gross</b>	432 321	1 775 497	8 828	36 090	2 252 736
<b>Less: Accumulated depreciation</b>	-	( 784 654)	( 7 711)	-	( 792 365)
<b>Carrying amount at 30 June 2019</b>	<b>432 321</b>	<b>990 843</b>	<b>1 117</b>	<b>36 090</b>	<b>1 460 371</b>
<i>Represented by movements in carrying amount:</i>					
Carrying amount at 1 July 2018	535 916	890 695	1 301	14 190	1 442 102
Acquisitions (including upgrades)	-	-	46	31 530	31 576
Transfers between classes	-	9 630	-	( 9 630)	-
Net revaluation increments/(decrements) in asset revaluation surplus	( 4 893)	124 601	-	-	119 708
Net revaluation increments/(decrements) in operating surplus/(deficit)	( 98 702)	-	-	-	( 98 702)
Depreciation expense	-	( 34 083)	( 230)	-	( 34 313)
<b>Carrying amount at 30 June 2019</b>	<b>432 321</b>	<b>990 843</b>	<b>1 117</b>	<b>36 090</b>	<b>1 460 371</b>

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### C3 PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION EXPENSE (continued)

#### C3-2 RECOGNITION AND ACQUISITION

##### Accounting policy – Recognition

###### *Basis of Capitalisation and Recognition Thresholds*

Items of property, plant and equipment with a historical cost or other value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition:

Buildings (including land improvements)	\$10 000
Land	\$1
Other	\$ 5 000

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

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

###### *Componentisation of complex assets*

The department's complex assets are special purpose TAFE buildings.

Complex assets comprise separately identifiable components (or groups of components) of significant value, that require replacement at regular intervals and at different times to other components comprising the complex asset.

On initial recognition, the asset recognition thresholds outlined above apply to the complex asset as a single item. Where the complex asset qualifies for recognition, components are then separately recorded when their value is significant relative to the total cost of the complex asset. Components whose value exceeds 10% of the complex asset's total cost are separately identified as significant value components. Components valued at less than 10% of the complex asset's total are separately recorded only where a material difference in depreciation expense would occur.

When a separately identifiable component (or group of components) of significant value is replaced, the existing component is derecognised. The replacement component is capitalised when it is probable that future economic benefits from the significant component will flow to the department in conjunction with the other components comprising the complex asset and the cost exceeds the asset recognition thresholds specified above. Replacement components that do not meet the asset recognition thresholds for capitalisation are expensed.

Components are separately recorded and valued on the same basis as the asset class to which they relate. The accounting policy for depreciation of complex assets, and estimated useful lives, is disclosed in Note C3-5.

##### Accounting policy – Cost of acquisition

Historical 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 other entity 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 as assets and revenues at their fair value at the date of acquisition.

#### C3-3 MEASUREMENT USING HISTORICAL COST

##### Accounting policy

Plant and equipment is measured at historical cost in accordance with Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. The carrying amounts for such plant and equipment are assessed as not materially different from their fair value.

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### **C3 PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION EXPENSE (continued)**

#### **C3-4 MEASUREMENT USING FAIR VALUE**

##### **Accounting policy**

Land and buildings (including land improvements such as sports facilities) are measured at fair value as required by Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation.

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

Fair value for land is determined by establishing its market value by reference to observable prices in an active market or recent market transactions. The fair value of buildings is determined by calculating the current replacement cost of the asset.

##### Use of specific appraisals

Land and buildings assets are revalued by management each year to ensure that they are reported at fair value. Management's valuations incorporate the results from the independent revaluation program, and the indexation of the assets not subject to independent revaluation each year.

For the purposes of revaluation, the department for 30 June 2020 comprehensively revalued materially all land and building assets. A new program of revaluations has been implemented and includes the yearly revaluation of significant land and building assets.

The fair values reported by the department are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs.

##### Use of indices

Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up-to-date via the application of relevant indices. The department ensures that the application of these indices results in a valid estimation of the asset's fair value at reporting date. The State Valuation Service (SVS) supplies the indices used for various types of assets.

These indices are derived from market information available to SVS. SVS provides assurance of their robustness, validity and appropriateness for application to the relevant assets. The results of interim indexations are compared to the results of the independent revaluation performed in the year to ensure the results are reasonable. This annual process allows management to assess and confirm the relevance and suitability of indices provided by SVS based on the department's own particular circumstances.

##### Fair Value Measure

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

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the department include, but are not limited to, published sales data for land and general office buildings.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant characteristics of the assets/liabilities being valued. Significant unobservable data takes account of the characteristics of the department assets/liabilities, and includes internal records of recent construction costs (and/or estimates of such costs) for assets' characteristics/functionality, and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

##### Fair Value Measurement Hierarchy

All assets and liabilities of the department for which fair value is measured or disclosed in the financial statements are categorised with the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

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

None of the department's valuations of assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy. There were no transfers of assets between fair value hierarchy levels during the period.

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### C3 PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION EXPENSE (continued)

#### C3-4 MEASUREMENT USING FAIR VALUE (continued)

##### *Accounting for changes in fair value*

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

##### *Basis for fair values of assets and liabilities*

##### Land

<i>Effective Date of Last Specific Appraisal:</i>	30 June 2020 by State Valuation Services*
<i>Valuation Approach:</i>	Market-based assessment. Fair Value Hierarchy Level 2.
<i>Inputs:</i>	Determining the fair value of land involved physical inspection and reference to publicly available data on recent sales of similar land in nearby localities in accordance with Industry standards.
<i>Current Year Valuation Activity:</i>	<p>Approximately 38% of the department's land was independently valued. In determining the values, adjustments were made to the sales data to consider the location of the department's land, its size, street/road frontage and access, and any significant restrictions. The extent of the adjustments made varies in significance for each parcel of land. Overall the adjustments averaged a decrease of 2.15% to land values.</p> <p>The remaining land assets have been indexed to ensure that values reflect fair value as at reporting date. State Valuation Service provided indices for each of these sites based on recent market transactions for local land sales. An average indexation of 1% has been applied to land parcels.</p>

##### Buildings

<i>Effective Date of Last Specific Appraisal:</i>	30 June 2020 by State Valuation Services*
<i>Valuation Approach:</i>	All purpose-built facilities are valued at current replacement cost, as there is no active market for these facilities.
<i>Inputs:</i>	State Valuation Services conducted physical inspections and applied construction costs based on recent tenders for typical specialised buildings supported by specialised Quantity Surveyor information. Fair Value Hierarchy Level 3*.
<i>Current Year Valuation Activity:</i>	<p>Approximately 30% of the department's buildings were independently valued. The current replacement cost was based on standard training facilities and specialised fit-out constructed by the department, adjusted for more contemporary design/construction approaches. Significant judgement was also used to assess the remaining service potential of these facilities, including the current physical condition of each facility.</p> <p>The remaining buildings were indexed using the Building Price Index provided by GRC Quantity Surveyors. The change in the Building Price Index (June 2019 to June 2020) was a 1.68% increase. State Valuation Service have certified that the Building Price Index is the most appropriate measure for reflecting price changes in the department's buildings in the years when an independent valuation is not undertaken. Management is of the opinion that the continuing investment in general and specific priority maintenance would prevent any abnormal deterioration in asset values in the period between independent valuations.</p>

\*Land and buildings located at Ithaca was valued by Jones Lang Lasalle on a consistent basis to State Valuation Services.

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### C3 PROPERTY, PLANT, EQUIPMENT AND DEPRECIATION EXPENSE (continued)

#### C3-5 DEPRECIATION EXPENSE

##### Accounting policy

Land is not depreciated as it has an unlimited useful life.

In light of the nature and condition of sculptures, the valuers recommend these assets should not continue to be depreciated. Hence the replacement cost equates to fair value and this class of assets is not depreciated going forward.

Property, plant and equipment are 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.

**Key judgement:** The estimated useful lives of the assets are reviewed annually and, where necessary, are adjusted to better reflect the pattern of consumption and future service potential of the asset. In reviewing the useful life of each asset, factors such as asset usage and the rate of technical and commercial obsolescence are considered.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the department.

It has been determined that the department controls buildings that by their nature require componentisation and the assignment of separate useful lives to their component parts. The three components of these buildings are: a) Fabric; b) Fit-out; and c) Plant. The useful lives for these assets are disclosed in the table below.

Where assets have separately identifiable components that are subject to regular replacement, these are depreciated according to useful lives of each component.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful life of the improvements or the unexpired period of the lease, whichever is the shorter. The unexpired period of leases includes any option period where exercise of the option is probable.

Assets under construction (capital work-in-progress) are not depreciated until construction is complete and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant classes within property, plant and equipment.

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

##### Depreciation rates

**Key estimates:** For each class of depreciable asset the depreciation rates are based on the following useful lives:

Class	Current useful life (years)
Buildings - Fabric	7 - 81
Buildings - Fit Out	10 - 79
Buildings - Plant	11 - 76
Buildings - Demountable buildings, sheds and covered areas	12 - 126
Buildings - Land improvements (including sporting facilities)	6 - 146
Plant and equipment - Computer equipment	5
Plant and equipment - Office equipment	3 - 10

#### C3-6 IMPAIRMENT

##### Accounting policy

All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the department determines the asset's recoverable amount under AASB 136 *Impairment of Assets*.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and the asset's value in use.

An impairment loss is recognised immediately in the Statement of Comprehensive Income.

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

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**C4 PAYABLES**

	2020 \$'000	2019 \$'000
<b>Current</b>		
Trade creditors	3 534	8 691
Capital creditors	59 527	13 625
Fringe benefit tax and other taxes	55	35
Grants and subsidies payable	32 797	74 108
Deferred appropriation payable to Consolidated Fund	78 590	6 425
Equity payable to Consolidated Fund	698	11 711
<b>Total</b>	<b>175 201</b>	<b>114 595</b>

**Accounting policy - Payables**

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

**C5 INTEREST BEARING LIABILITIES**

	2020 \$'000	2019 \$'000
<b>Current:</b>		
Finance liability - SETP	3 613	3 250
<b>Total</b>	<b>3 613</b>	<b>3 250</b>
<b>Non-Current:</b>		
Finance liability - SETP	206 001	209 613
<b>Total</b>	<b>206 001</b>	<b>209 613</b>

**Accounting policy – Finance liabilities**

Finance liabilities are initially recognised at fair value, plus any transaction costs directly attributable to the liability, then subsequently held at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of a financial liability to the amortised cost of the liability.

The fair value of finance liability is subsequently measured at amortised cost is set out in Note C5-3.

Any finance liability costs are added to the carrying amount of the finance liability to the extent they are not settled in the period in which they arise. Finance liabilities are split between current and non-current liabilities using the principles set out in the foreword and preparation information section of this financial report.

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

**C5-1 FINANCE LIABILITY***Finance terms and conditions*

The finance liability of the department relates to the PPPI Arrangement - Southbank Education and Training Precinct (SETP) for a term of 34 years. The nature of the PPPI Arrangement has been reassessed under AASB 16 *Leases* and it has been concluded this arrangement is not a lease arrangement, but more in the nature of financing to construct and maintain the SETP. There have been no defaults or breaches of the liability agreement during the 2019-20 or 2018-19 financial years. Refer to Note F3 for details of the agreement.

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## C5 INTEREST BEARING LIABILITIES (continued)

### C5-1 FINANCE LIABILITY (continued)

#### Interest rates

Interest on finance liabilities are recognised as an expense as it accrues on the outstanding liability. No interest has been capitalised during the current or comparative reporting period.

The fixed implicit interest rate for the finance liability is 10.64% (2019 10.64%).

#### Security

No security is held over the finance liability, however contractual agreement sets out risk and impacts to the department in event of default. Refer to Note F3 for details.

### C5-2 DISCLOSURE ABOUT SENSITIVITY TO INTEREST RATE MOVEMENTS

Interest rate sensitivity analysis evaluates the outcome on profit or loss if interest rates would change by +/- 1 per cent from the year-end rates applicable to the department's financial assets and liabilities. With all other variables held constant, the department would have a surplus and equity increase/ (decrease) of \$2.908 million (2019 \$2.433 million).

### C5-3 FAIR VALUE DISCLOSURES FOR FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

Finance liabilities relate to the Southbank Education and Training Precinct (refer to Note F3) and the fair value of the liability is calculated using discounted cash flow analysis and the effective interest rate and is disclosed below:

	2020		2019	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
<b>Finance liabilities at amortised cost:</b>				
Finance liability	209 614	207 772	212 863	176 675
<b>Total</b>	<b>209 614</b>	<b>207 772</b>	<b>212 863</b>	<b>176 675</b>

## C6 PROVISIONS

	2020	2019
	\$'000	\$'000
<b>Current:</b>		
Training Services	76 092	50 462
<b>Total</b>	<b>76 092</b>	<b>50 462</b>

#### 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.

#### Key estimates and judgements – Provisions

The department enters into contractual arrangements with registered training organisations to deliver vocational education and training in Queensland. Since the introduction of the contestable market in 2014, the number of training providers accessing government funding has grown significantly. The valuation is based on the number of students enrolled in a competency at the end of the financial year but not yet completed.

The provision for 2019-20 has been calculated using 50% of the value of the enrolments not completed less the most current historical withdrawn without participation rate.

The movement in the provision for the 2019-20 financial year is an increase of \$25.63 million.

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**C7 EQUITY****C7-1 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 is recognised as contributed equity by the department during the reporting and comparative year.

**C7-2 APPROPRIATIONS RECOGNISED IN EQUITY****Reconciliation of payments from consolidated fund to equity adjustment**

	2020 \$'000	2019 \$'000
<b>Original budgeted equity adjustment appropriation</b>	<b>44 369</b>	32 568
Supplementary amounts:		
Transfers from/(to) other headings - Variation in Headings	( 10 065)	( 20 688)
Lapsed equity adjustment	( 36 372)	-
<b>Equity adjustment receipts (payments)</b>	<b>( 2 068)</b>	11 880
Plus: Opening balance of equity adjustment payable	11 711	-
Less : Closing balance of equity adjustments payable	( 698)	( 11 711)
<b>Equity adjustment recognised in contributed equity</b>	<b>8 945</b>	169
Variance between original budget and actual equity adjustment appropriation	<b>35 424</b>	32 399

**C7-3 ASSET REVALUATION SURPLUS BY ASSET CLASS****Accounting policy**

The asset revaluation surplus represents the net effect of upwards and downwards revaluations of assets to fair value.

	Land \$'000	Buildings \$'000	Total \$'000
Balance at 1 July 2018	4 893	78 232	83 125
Revaluation increments	45 103	219 269	264 372
Revaluation decrements	( 148 698)	( 94 668)	( 243 366)
Recognised in other comprehensive income <sup>1</sup>	98 702	-	98 702
	( 4 893)	124 601	119 708
<b>Balance at 30 June 2019</b>	<b>-</b>	<b>202 833</b>	<b>202 833</b>
	Land \$'000	Buildings \$'000	Total \$'000
Balance at 1 July 2019	-	202 833	202 833
Revaluation increments	7 051	63 683	70 734
Revaluation decrements	( 9 106)	( 61 490)	( 70 596)
Recognised in other comprehensive income <sup>1</sup>	2 055	-	2 055
	-	2 193	2 193
<b>Balance at 30 June 2020</b>	<b>-</b>	<b>205 026</b>	<b>205 026</b>

(1) As a result of revaluation in the 2019-20 and 2018-19 financial years, a net decrease has been recognised in the comprehensive income of the department. Refer to Note C3-1.

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**SECTION 4**  
**NOTES ABOUT RISK AND OTHER ACCOUNTING UNCERTAINTIES**

## D1 FINANCIAL RISK DISCLOSURES

### D1-1 FINANCIAL INSTRUMENT CATEGORIES

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the department becomes party to the contractual provisions of the financial instrument. The department has the following categories of financial assets and financial liabilities:

	Note	2020 \$'000	2019 \$'000
<b>Financial assets</b>			
Cash and cash equivalents	C1	290 783	243 296
Financial assets at amortised cost:			
<i>Receivables</i>	C2	10 320	9 271
<b>Total financial assets</b>		<b>301 103</b>	<b>252 567</b>
<b>Financial liabilities</b>			
Financial liabilities measured at amortised cost:			
<i>Payables</i>	C4	175 201	114 595
<i>Finance liability</i>	C5	209 614	212 863
<b>Total financial liabilities at amortised cost</b>		<b>384 815</b>	<b>327 458</b>

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

### D1-2 FINANCIAL RISK MANAGEMENT

#### Risk Exposure

Financial risk management is implemented pursuant to Government policy and seeks to minimise potential adverse effects on the financial performance of the department.

The department's activities expose it to a variety of financial risks as set out in the following table:

Risk Exposure	Definition	Exposure
Credit Risk	Credit risk exposure refers to the situation where the department may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.	The maximum exposure to credit risk is in respect of its receivables (Note C2).
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 is exposed to liquidity risk in payables (Note C4) and finance liability (Note C5).
Market Risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.  Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.	The department does not trade in foreign currency and is not materially exposed to commodity price changes.  The department is exposed to interest rate risk through its finance liability (Note C5).

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## D1 FINANCIAL RISK DISCLOSURES (continued)

### D1-2 FINANCIAL RISK MANAGEMENT (continued)

#### Risk Measurement and Management Strategies

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

Risk Exposure	Measurement Method	Risk Management Strategies
Credit Risk	Ageing analysis	The department manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that the department invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.
Liquidity Risk	Sensitivity analysis	The department manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the department has minimum but sufficient funds available to meet employee and supplier obligations as they fall due.
Market Risk	Interest rate sensitivity analysis	The department does not undertake any hedging in relation to interest risk and manages its risk as per the liquidity risk management strategy articulated in the department's Financial Management Practices Manual.

### D1-3 LIQUIDITY RISK – CONTRACTUAL MATURITY OF FINANCIAL LIABILITIES

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

	2 020	Contractual Maturity		
	Total	<1 year	1 - 5 years	> 5 years
	\$'000	\$'000	\$'000	\$'000
<b>Financial Liabilities</b>				
Payables	175 201	175 201	-	-
Finance liability	538 026	28 317	113 269	396 440
<b>Total</b>	<b>713 227</b>	<b>203 518</b>	<b>113 269</b>	<b>396 440</b>
	2 019	Contractual Maturity		
	Total	<1 year	1 - 5 years	> 5 years
	\$'000	\$'000	\$'000	\$'000
<b>Financial Liabilities</b>				
Payables	114 595	114 595	-	-
Finance liability	566 343	28 317	113 269	424 757
<b>Total</b>	<b>680 938</b>	<b>142 912</b>	<b>113 269</b>	<b>424 757</b>

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## D2 CONTINGENCIES

### Litigation in Progress

At 30 June 2020, there were no cases filed in the courts naming the State of Queensland acting through the Department of Employment, Small Business and Training as defendant.

The maximum exposure of the department under policies held with the Queensland Government Insurance Fund is \$10 000 for each insurable event.

There are currently no cases of general liability and WorkCover common law claims being managed by the department.

### Financial Guarantees and Associated Credit Risks

The department paid a total of \$10.65 million to the Construction Industry Skills Centre Pty Ltd (CISC) between 1994 -1998. The amount is only recoverable in circumstances contingent upon the winding up of CISC and the related trust. The department and the Queensland Training Construction Fund (QTCF) (a trust) are equal shareholders (\$1 share each) in CISC and founders of the fund.

### Native Title Claims over Departmental Land

Native title claims may have the potential to impact upon properties of the department. A number of departmental properties are occupied under a "reserve" tenure, validly created prior to 23 December 1996, and therefore any development undertaken in accordance with gazetted purposes should minimise the potential of native title claims.

At 30 June 2020, two native title claims have been received in respect of departmental land covering a total area of approximately 40 hectares in the Sunshine Coast and Wide Bay regions. Together the land has a carrying amount of \$2.82 million. At reporting date, it is not possible to make an estimate of any probable outcome of these claims, or any financial effects.

## D3 COMMITMENTS

### Capital expenditure commitments

Commitments for capital expenditure at reporting date (inclusive of non-recoverable GST input tax credits) are payable:

	2020 \$'000	2019 \$'000
<b>Buildings</b>		
Not later than one year	19 538	12 608
<b>Total Capital expenditure commitments - Buildings</b>	<b>19 538</b>	<b>12 608</b>

### Grant commitments

Commitments for grants at reporting date are payable:

	2020 \$'000	2019 \$'000
Not later than one year	31 293	30 443
Later than one and not later than five years	13 022	1 875
<b>Total Grant commitments</b>	<b>44 315</b>	<b>32 318</b>

### Other commitments (Public Private Partnership, Priority Purchasing Program and other)

Commitments for other expenditure at reporting date (inclusive of non-recoverable GST input tax credits) are payable:

	2020 \$'000	2019 \$'000
Not later than one year	28 516	20 334
Later than one and not later than five years	97 557	85 143
Later than five years	396 900	418 165
<b>Total Other commitments</b>	<b>522 973</b>	<b>523 642</b>

Fixed operating costs for Public Provision of Private Infrastructure for Southbank Education and Training Precinct – Axiom, have been included in the estimates of "Other commitments" (refer also to Note F3).

Department of Employment, Small Business and Training  
Notes to the Financial Statements  
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### D3 COMMITMENTS (continued)

2018-19 disclosure under AASB 117

	2019 \$'000
<i>Operating lease commitments at 30 June 2019</i>	
Within 1 year	3 868
Later than 1 year but not later than 5 years	20 847
Later than 5 years	9 522
	<b>34 237</b>

### D4 EVENTS AFTER THE BALANCE DATE

No events after the balance date have occurred for the department.

### D5 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 1059 Service Concession Arrangements: Grantors**

AASB 1059 will first apply to departmental financial statements in 2020-21. This standard defines service concession arrangements and applies a new control concept to the recognition of service concession assets and related liabilities.

Analysis of the department's contractual arrangement with Axiom Education Queensland Pty Ltd for the design, construction, maintenance and finance agreement of the Southbank Education and Training Precinct (refer Note F3), indicate that this arrangement does not meet the criteria for a service concession arrangement as defined by this standard.

The department does not currently have any arrangements that would fall within the scope of AASB 1059.

All other Australian Accounting Standards and Interpretations with future commencement dates are either not applicable to the department's activities, or have no material impact on the department.

Department of Employment, Small Business and Training  
Notes to the Financial Statements  
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**SECTION 5**  
**NOTES ABOUT OUR PERFORMANCE COMPARED TO BUDGET**

**E1 BUDGETARY REPORTING DISCLOSURES AND SIGNIFICANT FINANCIAL IMPACTS FROM COVID-19**

This section contains explanations of major variances between the department's actual 2019-20 financial result and the original budget presented to Parliament.

**SIGNIFICANT FINANCIAL IMPACTS – COVID 19 PANDEMIC**

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

**Operating Statement**

*Additional expense transactions received to fund COVID-19 initiatives.*

Small Business Adaption grants package	\$11.741 million
Small Business COVID-19 assistance package	\$0.500 million
Chamber of Commerce and Industry Qld	\$0.360 million
Queensland Small Business Commissioner	\$0.164 million
Jobs Finder online portal and Training	\$0.133 million
Workers Assistance Package delivery and impact assessment	\$0.395 million
<b>Total</b>	<b>\$13.293 million</b>

*Additional revenue transactions arising from COVID19*

Additional revenue received to fund COVID-19 initiatives	\$ 12.769 million
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**Balance Sheet**

*Significant liabilities arising from COVID19*

Appropriation payable to the Consolidated Fund for:

Small Business Adaption grants package	\$69.259 million
Queensland Small Business Commissioner	\$0.466 million
Small Business COVID-19 assistance package	\$0.150 million
Jobs Finder online portal and Training	\$3.017 million
Workers Assistance package impact assessment	\$0.125 million
<b>Total</b>	<b>\$73.017 million</b>

Department of Employment, Small Business and Training  
Notes to the Financial Statements  
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## **E1 BUDGETARY REPORTING DISCLOSURES AND SIGNIFICANT FINANCIAL IMPACTS FROM COVID-19 (continued)**

### **E1-1 EXPLANATION OF MAJOR VARIANCES – STATEMENT OF COMPREHENSIVE INCOME**

<i>User charges and fees</i>	The increase in User Charges and fees is due to increased rental income at State Owned Training facilities across the State.
<i>Grants and contributions</i>	The increase in Grants and contributions is due to funding received from the Queensland Reconstruction Authority for the North Queensland Monsoon event to support various small business recovery efforts.
<i>Other revenue</i>	The increase in Other revenue relates to higher than anticipated grant expenditure recoveries mainly in the Skilling Queenslanders for Work and Certificate 3 Guarantee programs as a result of compliance audits and final grant acquittals.
<i>Grants and subsidies</i>	The increase in Grants and subsidies is mainly related to higher demand in the delivery of training under the Vocational Educational and Training Certificate 3 Guarantee program.
<i>Depreciation and amortisation</i>	The increase is due to the effect of the 2018-19 revaluation program, with asset values increasing and adjustments to useful lives impacting on annual depreciation expense.
<i>Revaluation decrement</i>	The variance arises from an unanticipated and unbudgeted revaluation decrement during the year for the department's land assets.
<i>Other expenses</i>	The variance is predominately due to a loss on disposal of plant and equipment at the Southbank Education Training Precinct.

### **E1-2 EXPLANATION OF MAJOR VARIANCES – STATEMENT OF FINANCIAL POSITION**

<i>Cash and cash equivalents</i>	The movement in cash mainly relates to an increase in current liabilities including higher payables associated with capital creditors, grants payable with registered training providers and payables to the Consolidated Fund for various programs such as the Small Business Adaption Grants as well as an increase in the training services provision as further explained below.
<i>Receivables</i>	The increase in receivables is as a result of increases in User charges and fees and Other revenue, refer to notes in E1-1.
<i>Property, plant and equipment</i>	The decrease is due to the effect of the 2018-19 and 2019-20 revaluation programs, investment in the Training and Skills capital program adjusted for annual depreciation.
<i>Payables</i>	The increase is mainly due to capital accruals with Building and Assets Services, Department of Housing and Public Works for the 2019-20 Capital program, grants payable to registered training providers for Vocational Education and Training programs such as User Choice, Higher Level Skills and Certificate 3 Guarantee and a year-end appropriation payable to the Consolidated Fund for various limited life programs including the first round of the Small Business Adaption Grants.
<i>Provisions</i>	The increase is due to the demand driven nature of training services, with more than expected student enrolments that have a planned completion after 30 June 2020 reported by registered training organisations for Vocational Education and Training programs such as User Choice, Higher Level Skills and Certificate 3 Guarantee, refer to Note C6.

### **E1-3 EXPLANATION OF MAJOR VARIANCES – STATEMENT OF CASH FLOWS**

<i>Service appropriation receipts</i>	Additional appropriation received for COVID-19 initiatives
<i>Other Inflows</i>	Refer to Other revenue variance note.
<i>Sales of property, plant and equipment</i>	The variance is due to the sale of Ithaca land and buildings to the Department of Education.
<i>PPE outflow</i>	The decrease mainly relates to revised project schedules for capital works programs.
<i>Equity injections</i>	The decrease in Equity injections mainly relates to adjustments for the timing of capital project funding for Mt Gravatt, Redlands and Gold Coast TAFE facilities as well as conversions of equity to appropriation funding for the Training Assets 2019-20 maintenance program.
<i>Equity withdrawals</i>	The increase relates to increased depreciation as per the Depreciation and amortisation variance note and as a result an increase in equity withdrawals to the consolidated fund.

Department of Employment, Small Business and Training  
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**SECTION 6  
OTHER INFORMATION**

## **F1 KEY MANAGEMENT PERSONNEL REMUNERATION**

### **Details of Key Management Personnel (KMP)**

The department's responsible Minister is identified as part of the department's KMP, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. The Minister is the Honourable Shannon Fentiman MP, Minister for Employment and Small Business and Minister for Training and Skills Development

The following details for non-Ministerial KMP personnel includes those positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2019-20 and 2018-19. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

<b>Position</b>	<b>Position Responsibility</b>
Director-General	Leads the development of strategic policies to support employment growth, enable sustainable small business opportunities and ensure a skilled workforce now and into the future.
Deputy Director-General, Engagement	Leads the department's engagement and communication approaches with industry, peak bodies, small businesses and students, as well as overseeing regional service delivery, the regulation of Queensland's apprenticeship and traineeship system, and secretariat support for the Jobs Queensland Board.
Deputy Director-General, Investment	Leads the development of training infrastructure strategy and delivery, program design and program delivery for a range of employment, small business and training programs.
Deputy Director-General, Strategy	Strategic oversight for development of employment, small business and training related strategy, strategic policy and data insights by driving collaborative and innovative outcomes through others to achieve the department's strategic imperatives.
Head of Corporate Services	Strategic leadership for the department's functions of financial management, procurement, human resources, information and communication technology, legal services and strategy and governance.

### **Key Management Personnel 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 key management personnel 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 key management personnel comprise the following components:

Short term employee expenses which include:

- salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied the specified position (including any higher duties or allowances earned during that time); and
- non-monetary benefits – consisting of provision of vehicle and car parking together with fringe benefits tax applicable to the benefit.

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

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

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

Department of Employment, Small Business and Training  
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## F1 KEY MANAGEMENT PERSONNEL REMUNERATION (continued)

### Key Management Personnel Remuneration Expenses

The following disclosures focus on the expenses incurred by the department attributable to non-Ministerial key management personnel during the respective reporting periods. The amounts disclosed are determined on the same basis as expenses recognised in the Statement of Comprehensive Income.

#### 2019-20

Position (date resigned if applicable)	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	324	5	8	41	-	378
Deputy Director-General, Engagement from 02/01/2020	129	2	3	13	-	147
Deputy Director-General, Engagement <sup>1</sup> to 07/01/2020	131	2	3	13	-	149
Deputy Director-General, Investment <sup>1</sup> from 07/01/2020	106	2	2	12	-	122
Deputy Director-General, Investment (Acting) from 28/10/2019 to 07/01/2020	52	1	1	4	-	58
Deputy Director-General, Investment to 28/10/2019	81	2	2	8	-	93
Deputy Director-General, Strategy <sup>2</sup>	271	5	6	29	-	311
Head of Corporate Services – (Acting) <sup>3,4</sup> from 27/02/2020	80	2	2	7	-	91
Head of Corporate Services <sup>3</sup> to 01/05/2020	175	4	4	17	36	236

(1) DDG Engagement moved to the DDG Investment role in January 2020.

(2) DDG Strategy relieved in the role of DG for the period 30 November 2019 to 2 January 2020.

(3) Head of Corporate Services was on extended leave from 14 February to 1 May 2020.

(4) Acting Head of Corporate Services amounts includes remuneration for relieving in the role from 2 January to 16 January 2020.

Department of Employment, Small Business and Training  
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## F1 KEY MANAGEMENT PERSONNEL REMUNERATION (continued)

### Key Management Personnel Remuneration Expenses (continued)

2018-19

Position (date resigned if applicable)	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses	Non-Monetary Benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Director-General to 15/09/2018 from 10/02/2019	192	4	4	25	-	225
Director-General (Acting) <sup>1</sup> 16/09/2018 to 09/02/2019	132	3	3	13	-	151
Deputy Director-General, Engagement (Acting) <sup>2</sup> from 29/01/2019	117	3	2	13	-	135
Deputy Director-General, Engagement (Acting) <sup>2</sup> 23/07/2018 to 28/01/2019	117	3	2	11	-	133
Deputy Director-General, Investment (Acting) <sup>2</sup> from 07/05/2019	38	1	1	4	-	44
Deputy Director-General, Investment <sup>2</sup> to 24/05/2019	247	6	5	26	68	352
Deputy Director-General, Strategy (Acting) <sup>1 2</sup> from 18/03/2019	43	2	1	8	-	54
Deputy Director-General, Strategy (Acting) <sup>2</sup> to 15/12/2019	127	3	2	12	-	144
Head of Corporate Services <sup>3</sup>	207	8	4	20	-	239

(1) The current Acting DDG, Strategy was in the role of Acting DG from 16/09/2018 to 9/02/2019.

(2) Transition date for new teams for the OneDESBT structure was 6 December 2018 with a change to Deputy Director-General titles. DDG, Employment transitioning to DDG Strategy; DDG Small Business transitioning to DDG, Engagement; DDG Training and Skills transitioning to DDG, Investment.

(3) Head of Corporate Services no longer holds the role of Chief Finance Officer (CFO) for the department.

### Performance Payments

Key Management Personnel do not receive performance or bonus payments.

Department of Employment, Small Business and Training  
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for the year ended 30 June 2020

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**F2 RELATED PARTY TRANSACTIONS**

**Transactions with people/ entities related to KMP**

The department had no related party transactions during 2019-20 with people and entities related to Key Management Personnel.

**Transactions with other Queensland Government-controlled entities**

The department's primary ongoing sources of funding from Government for its services are appropriation revenue (Note B1-1) and equity injections (Notes C7-1 and C7-2), both of which are provided in cash via Queensland Treasury.

The department has an overdraft facility approved by Queensland Treasury and Note C1 outlines the key terms and conditions of the facility.

Grants provided by the department to other State government entities was approximately 42%, with the majority paid to TAFE Queensland being for the state contribution grant and delivery of VET programs.

Department of Employment, Small Business and Training  
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### F3 PRIVATE PROVISION OF PUBLIC INFRASTRUCTURE ARRANGEMENT

#### F3-1 Accounting policy

There is currently no Australian Accounting Standard that specifically addresses the accounting treatment to be adopted by grantors for capital costs incurred under a public private partnership arrangement. Additional disclosures are included for each individual arrangement in accordance with AASB Interpretation 129 *Service Concession Arrangements: Disclosures* and Queensland Treasury's financial reporting requirements under FRR 5D – *Service Concession Arrangements*. Refer Note D5 for an assessment of the impact of accounting standards not yet effective.

#### F3-2 Private Provision of Public Infrastructure (PPPI) Agreement

The PPPI within the table below is a social infrastructure arrangement whereby the department pays for the third party use of the infrastructure asset through regular service payments to respective partners over the life of the contract.

The land and buildings are owned by the department and are recognised as Property Plant and Equipment (PPE). The Southbank Education and Training Precinct (SETP) buildings are depreciated in accordance with the department's policy for the PPE Buildings' asset class, refer Note C3.

The department recognises the future payments for the construction of the buildings as a financial liability. The monthly service payments are split between the capital component to affect the systematic write down of the liability over the term of the agreement, and the financing component which will be recognised as an expense when incurred. Other components such as facilities management, maintenance, and insurance will be expensed when incurred and are reflected Note D3 as a commitment.

<b>PPPI Arrangement</b>	<b>Southbank Education and Training Precinct (SETP) – Axiom – Public Private Partnership</b>
<b>Entered Into Contract</b>	April 2005
<b>Partner</b>	Axiom Education Queensland Pty Ltd
<b>Agreement Type</b>	Design, construct, maintain, and finance SETP
<b>Agreement Period</b>	34 years
<b>Financing</b>	Finance during the design and construction phases was provided by JEM (Southbank) Pty Ltd.
<b>Arrangement</b>	The department will pay abatable and undissected service payments to Axiom for the operation, maintenance, and provision of the precinct. Axiom is granted the right to enter and operate on the site, and is required to maintain the facilities to a high standard.
<b>Construction Commencement</b>	July 2005
<b>Construction Completed</b>	31 October 2008
<b>Variable Costs</b>	No variable costs for the life of the contract.

Department of Employment, Small Business and Training  
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**F3 PRIVATE PROVISION OF PUBLIC INFRASTRUCTURE ARRANGEMENT (continued)**

**F3-3 Private Provision of Public Infrastructure – Cash Flow**

The below estimated cash flow is in respect of the specified income and payments required under the contractual agreement for Southbank Education and Training Precinct - Axiom.

	2020 \$'000	2019 \$'000
<b>Estimated cash flows - Fixed costs</b>		
<b>Outflows</b>		
Not later than 1 year	( 39 176)	( 45 450)
Later than 1 year but not later than 5 years	( 187 244)	( 179 029)
Later than 5 years but not later than 10 years	( 249 783)	( 239 832)
Later than 10 years	( 426 853)	( 434 741)
<b>Estimated net cash flow - Fixed costs</b>	<b>( 903 056)</b>	<b>( 899 052)</b>
<b>Estimated cash flows - Variable Costs</b>		
<b>Inflows</b>		
Not later than 1 year	16 471	16 036
Later than 1 year but not later than 5 years	68 507	65 732
Later than 5 years but not later than 10 years	93 598	87 490
Later than 10 years	192 477	195 826
<b>Estimated net cash flow - Variable Costs</b>	<b>371 053</b>	<b>365 084</b>
<b>Total Estimated Net Cashflow</b>	<b>( 532 003)</b>	<b>( 533 968)</b>

**Disclosure about Private Provision of Public Infrastructure Arrangement Cash Flows**

Fixed costs are based on a risk free rate of 0.92 per cent (2019: 1.38%).

Southbank Education and Training Precinct PPP have no variable costs associated with the contractual agreement.

Department of Employment, Small Business and Training  
Notes to the Financial Statements  
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### F3 PRIVATE PROVISION OF PUBLIC INFRASTRUCTURE ARRANGEMENT (continued)

#### F3-4 Risks during the Concession Period

During the concession period, the department will carry the following risks and rewards, which include:

Risks	Impact to the department
Site risks	Axiom have accepted site risk including existing structures with the exception of non-identified pre-existing contamination. Where non-identified pre-existing contamination is discovered investigation and remediation costs will be shared on an equal basis between PPPI party and the State.
Performance design, construction and commissioning risks (performance specification adequately describing the department's requirements and changes to performance specifications)	The department has defined its performance specifications. The department is exposed to the risk that these performance specifications fail to meet current or future requirements, however processes are in place to monitor performance and identify any issues as early as possible to minimise exposure.
Operating/maintenance risks (network and interface and changes to performance specification)	The department has specified the level of operating and maintenance performance which is linked to an abatement regime and key performance indicators. The department is exposed to the risk that operating/maintenance performance specifications fail to meet current or future requirements, however processes will be instituted to monitor performance and identify any issues as early as possible to minimise exposure.
Sponsor and financial risks	The department has entered into a fixed contract with Axiom, subject to CPI and market rates. The department is exposed to the risk that the Consortium fails to comply with the requirements of the Deed and/or fails to be a going concern. In this event the department is exposed to the risk of replacing the consortium with suitable operators to continue providing infrastructure financing, capital, maintenance and operating requirements. The department has monitoring processes in place to identify any issues as early as possible to minimise exposure.
Early termination	Should the department wish to terminate the Deed, it is expected that the department would be required to pay Consortiums compensation; however any compensation payable would be a key variable in the consideration of any decision to terminate the contracts prior to their planned completion.
Market value risk	At the end of the concession period the facilities will be handed back to the department at no additional cost. The department will receive the benefit of the receipt of the fair value of the infrastructure and any associated assets.
Rehabilitation risk	At the end of the concession period the department will be responsible for the removal of any future contamination of the sites and other ancillary land and will also be responsible for the future removal of infrastructure and any site rehabilitation. On-going monitoring of the sites is within the department's plans for managing the contract to ensure that any rehabilitation requirements are promptly identified and costs are minimised.

Department of Employment, Small Business and Training  
Notes to the Financial Statements  
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## **F4 FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGE IN POLICY**

### **Accounting standards applied for the first time**

Three new accounting standards with immaterial impact were applied for the first time in 2019-20:

- AASB 15 *Revenue from Contracts with Customers*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 16 *Leases*

The effect of adopting these new standards are detailed in notes F4-1 and F4-2. No other accounting standards or interpretations that apply to the department for the first time in 2019-20 have any material impact on the financial statements.

### **Accounting standards early adopted**

No Australian Accounting Standards have been early adopted for 2019-20.

### **F4-1 AASB 15 REVENUE FROM CONTRACTS WITH CUSTOMERS and AASB 1058 INCOME OF NOT-FOR-PROFIT ENTITIES**

The department applied AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* for the first time in 2019-20. The department has assessed the impact of the AASB 15 and AASB 1058 and noted there is no material impact. The use of the new terminologies of AASB 15 and AASB 1058 are included in Note B1 Revenue.

### **F4-2 AASB 16 LEASES**

The department applied AASB 16 *Leases* for the first time in 2019-20. The department applied the modified retrospective transition method and has not restated comparative information for 2018-19, which continue to be reported under AASB 117 *Leases* and related interpretations.

The nature and effect of changes resulting from the adoption of AASB 16 are described below.

#### **1. Definition of a lease**

AASB 16 introduced new guidance on the definition of a lease.

For leases and lease-like arrangements existing at 30 June 2019, the department elected to apply the practical expedient to grandfather the previous assessments made under AASB 117 and Interpretation 4 *Determining whether an Arrangement* contains a Lease about whether those contracts contained leases. However, arrangements were reassessed under AASB 16 where no formal assessment had been done in the past or where lease agreements were modified on 1 July 2019.

#### Amendments to former operating leases for office accommodation and employee housing

In 2018-19, 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) and residential accommodation through the Government Employee Housing (GEH) program.

Effective 1 July 2019, the framework agreements that govern QGAO and GEH were amended with the result that these arrangements would not meet the definition of a lease under AASB 16 and therefore are exempt from lease accounting.

From 2019-20 onward, the costs for these services are expensed as supplies and services expenses when incurred. The new accounting treatment is due to a change in the contractual arrangements rather than a change in accounting policy.

#### **2. Changes to lessee accounting**

Previously, the department classified its leases as operating or finance leases based on whether the lease transferred significantly all of the risks and rewards incidental to ownership of the asset to the lessee.

This distinction between operating and finance leases no longer exist for lessee accounting under AASB 16. From 1 July 2019, all leases, other than short-term leases and leases of low value assets, are now recognised on balance sheet as lease liabilities and right-of-use assets. The department has no application lease liabilities or right-of-use assets under AASB 16 at 30 June 2020.

Department of Employment, Small Business and Training  
Notes to the Financial Statements  
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**F5 TAXATION**

The department is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from all forms of 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 Australian Taxation Office are recognised in Note C2.

**F6 CLIMATE RISK DISCLOSURE**

*Climate Risk Assessment*

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

*Current Year Impacts*

No adjustments to the carrying value of recorded assets or other adjustments to the amounts recorded in the financial statements were recognised during the financial year.

Department of Employment, Small Business and Training  
Management Certificate  
for the year ended 30 June 2020

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These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 38 the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Department of Employment, Small Business and Training for the financial year ended 30 June 2020, 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, acknowledge(s) responsibility under s.7 and s.11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.

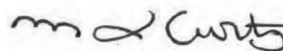


Paula Higham, BCom, MIPA

Chief Finance Officer

Department of Employment, Small Business  
and Training

Date: 21/07/2020



Mary-Anne Curtis

Director-General

Department of Employment, Small Business  
and Training

Date: 21/8/2020



## INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Department of Employment, Small Business and Training

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of the Department of Employment, Small Business and Training.

In my opinion, the financial report:

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

The financial report comprises the statement of financial position and statement of assets and liabilities by major departmental service as at 30 June 2020, 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 Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Report* section of my report.

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

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

#### Key audit matters

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

### Valuation of buildings (\$942.4 million as at 30 June 2020)

Key audit matter	How my audit addressed the key audit matter
<p>The Department of Employment, Small Business and Training (the department) specialised buildings were measured at fair value at balance date using the current replacement cost method.</p> <p>The department performed a comprehensive revaluation of approximately two-thirds of its buildings using independent valuers with remaining assets being revalued using indexation. It is the department's policy to conduct revaluations on this basis annually. This is consistent with the department's intention to implement a rolling revaluation program.</p> <p>The current replacement cost method comprises:</p> <ul style="list-style-type: none"> <li>Gross replacement cost, less</li> <li>Accumulated depreciation</li> </ul> <p>For comprehensively revalued buildings, the department applied unit rates provided by an independent quantity surveyor to derive gross replacement cost. These unit rates require significant judgement in relation to:</p> <ul style="list-style-type: none"> <li>identifying the components of buildings with separately identifiable replacement costs</li> <li>specifying the unit rate categories based on building and component types with similar characteristics</li> <li>assessing the current replacement cost for each unit rate category having consideration for more contemporary design/ construction approaches.</li> </ul> <p>For buildings not comprehensively revalued, significant judgement was required to estimate the change in gross replacement cost from the prior year.</p> <p>The significant judgements required for gross replacement cost and useful lives are also significant for calculating annual depreciation expense.</p>	<p>My procedures for buildings comprehensively revalued included, but were not limited to:</p> <ul style="list-style-type: none"> <li>assessing the adequacy of management's review of the valuation process</li> <li>obtaining an understanding of the methodology used and assessing its design, integrity and appropriateness with reference to common industry practice</li> <li>assessing the competence, capability and objectivity of the experts used by the department</li> <li>on a sample basis, evaluating the relevance, completeness and accuracy of source data used to derive the unit cost rates including: <ul style="list-style-type: none"> <li>modern substitute (including locality factors and on-costs)</li> <li>adjustment for excess quality or obsolescence.</li> </ul> </li> </ul> <p>For buildings indexed, my procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>evaluating the relevance and appropriateness of the indices used for changes in Building Price Index inputs by comparing to other relevant external indices</li> <li>reviewing the appropriate application of these indices to the remaining assets of the portfolio.</li> </ul> <p>All building's useful life estimates were reviewed for reasonableness by:</p> <ul style="list-style-type: none"> <li>reviewing management's annual assessment of useful lives</li> <li>ensuring that no component still in use has reached or exceeded its useful life</li> <li>reviewing formal asset management plans, and enquired of management about whether these plans remain current</li> <li>where changes in useful lives were identified, evaluating whether the effective dates of the changes applied for depreciation expense were supported by appropriate evidence</li> <li>ensuring that management has updated accumulated depreciation this year for changes in remaining useful lives identified.</li> </ul>



### **Responsibilities of the department for the financial report**

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

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

### **Auditor's responsibilities for the audit of the financial report**

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of expressing an opinion on the effectiveness of the department's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of 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.

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

### Statement

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

- I received all the information and explanations I required.
- I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

### Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the department's transactions and account balances to enable the preparation of a true and fair financial report.

Bhavik Deoji

as delegate of the Auditor-General

21 August 2020

Queensland Audit Office

Brisbane

## Appendix 1: Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
<b>Letter of compliance</b>	<ul style="list-style-type: none"> <li>A letter of compliance from the accountable officer or statutory body to the relevant Minister/s</li> </ul>	ARRs – section 7	IV
<b>Accessibility</b>	<ul style="list-style-type: none"> <li>Table of contents</li> <li>Glossary</li> </ul>	ARRs – section 9.1	III 102
	<ul style="list-style-type: none"> <li>Public availability</li> </ul>	ARRs – section 9.2	II
	<ul style="list-style-type: none"> <li>Interpreter service statement</li> </ul>	Queensland Government Language Services Policy ARRs – section 9.3	II
	<ul style="list-style-type: none"> <li>Copyright notice</li> </ul>	<i>Copyright Act 1968</i> ARRs – section 9.4	II
	<ul style="list-style-type: none"> <li>Information licensing</li> </ul>	<i>QGEA – Information licensing</i> ARRs – section 9.5	II
<b>General information</b>	<ul style="list-style-type: none"> <li>Introductory information</li> </ul>	ARRs – section 10.1	1
	<ul style="list-style-type: none"> <li>Machinery of Government changes</li> </ul>	ARRs – section 10.2, 31 and 32	not applicable
	<ul style="list-style-type: none"> <li>Agency role and main functions</li> </ul>	ARRs – section 10.2	2, 3, 101
	<ul style="list-style-type: none"> <li>Operating environment</li> </ul>	ARRs – section 10.3	2, 3, 12, 19, 28, 29
<b>Non-financial performance</b>	<ul style="list-style-type: none"> <li>Government's objectives for the community</li> </ul>	ARRs – section 11.1	4
	<ul style="list-style-type: none"> <li>Other whole-of-government plans/specific initiatives</li> </ul>	ARRs – section 11.2	40
	<ul style="list-style-type: none"> <li>Agency objectives and performance indicators</li> </ul>	ARRs – section 11.3	4–6
	<ul style="list-style-type: none"> <li>Agency service areas and service standards</li> </ul>	ARRs – section 11.4	10–29
<b>Financial performance</b>	<ul style="list-style-type: none"> <li>Summary of financial performance</li> </ul>	ARRs – section 12.1	45–48
<b>Governance – management and structure</b>	<ul style="list-style-type: none"> <li>Organisational structure</li> </ul>	ARRs – section 13.1	30
	<ul style="list-style-type: none"> <li>Executive management</li> </ul>	ARRs – section 13.2	31, 32

Summary of requirement		Basis for requirement	Annual report reference
<b>Governance – management and structure</b>	<ul style="list-style-type: none"> <li>Government bodies (statutory bodies and other entities)</li> </ul>	ARRs – section 13.3	II
	<ul style="list-style-type: none"> <li>Public Sector Ethics</li> </ul>	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	43
	<ul style="list-style-type: none"> <li>Human Rights</li> </ul>	<i>Human Rights Act 2019</i> ARRs – section 13.5	37, 38
	<ul style="list-style-type: none"> <li>Queensland public service values</li> </ul>	ARRs – section 13.6	2
<b>Governance – risk management and accountability</b>	<ul style="list-style-type: none"> <li>Risk management</li> </ul>	ARRs – section 14.1	36
	<ul style="list-style-type: none"> <li>Audit committee</li> </ul>	ARRs – section 14.2	34, 35
	<ul style="list-style-type: none"> <li>Internal audit</li> </ul>	ARRs – section 14.3	36, 37
	<ul style="list-style-type: none"> <li>External scrutiny</li> </ul>	ARRs – section 14.4	38
	<ul style="list-style-type: none"> <li>Information systems and recordkeeping</li> </ul>	ARRs – section 14.5	39
<b>Governance – human resources</b>	<ul style="list-style-type: none"> <li>Strategic workforce planning and performance</li> </ul>	ARRs – section 15.1	41–44
	<ul style="list-style-type: none"> <li>Early retirement, redundancy and retrenchment</li> </ul>	<i>Directive No.04/18 Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	42
<b>Open Data</b>	<ul style="list-style-type: none"> <li>Statement advising publication of information</li> </ul>	ARRs – section 16	II
	<ul style="list-style-type: none"> <li>Consultancies</li> </ul>	ARRs – section 33.1	<a href="http://data.qld.gov.au">data.qld.gov.au</a>
	<ul style="list-style-type: none"> <li>Overseas travel</li> </ul>	ARRs – section 33.2	<a href="http://data.qld.gov.au">data.qld.gov.au</a>
	<ul style="list-style-type: none"> <li>Queensland Language Services Policy</li> </ul>	ARRs – section 33.3	<a href="http://data.qld.gov.au">data.qld.gov.au</a>
<b>Financial statements</b>	<ul style="list-style-type: none"> <li>Certification of financial statements</li> </ul>	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	94
	<ul style="list-style-type: none"> <li>Independent Auditor’s Report</li> </ul>	FAA – section 62 FPMS – section 46 ARRs – section 17.2	95–98

## Appendix 2: Our locations

To contact us by email, use our email box:  
**info@desbt.qld.gov.au**

For apprenticeship and traineeship enquiries  
please contact Apprenticeships Info on  
1800 210 210 or **apprenticeshipsinfo@qld.gov.au**

### Head office

Postal address: PO Box 15483, City East, Qld, 4002

1 William Street, Level 33, Brisbane, Qld 4000

85 George Street, Levels 5 to 13, Brisbane, Qld  
4000

63 George Street, Level 9, Brisbane, Qld, 4000

### Regional offices

#### Brisbane Metro

117 Brisbane Street, Level 3, **Ipswich**, Qld, 4305

643 Kessels Road, Level 2 Block A, Garden Square,  
**Upper Mount Gravatt**, Qld, 4122

1231 Sandgate Road, Level 2 (ground floor),  
**Nundah**, Qld, 4012

#### South East

340 Hope Island Road, Building C, Level 1,  
**Hope Island**, Qld, 4212

#### Darling Downs South West

147 Herries Street, James Cook Centre, Level 1,  
**Toowoomba**, Qld, 4350

Cnr Mayne and Feather Streets, **Roma**, Qld, 4455

#### North Coast

Cnr Maryborough and Woondoomba Streets, in the  
State School, **Bundaberg**, Qld, 4670

Cnr Alice and Lennox Streets, Level 1,  
**Maryborough**, Qld, 4650

41 Cartwright Road, in the State School,  
**Gympie**, Qld, 4570

12 First Avenue, Level 4, **Maroochydore**, Qld, 4558

10 The Corso, Level 3, **North Lakes**, Qld, 4509

#### Central

44 Nelson Street, Level 4, **Mackay**, Qld, 4740

209 Bolsover Street, Level 4, **Rockhampton**,  
Qld, 4700

20–22 Herbert Street, Level 1, **Gladstone**, Qld, 4680

14 Ruby Street, **Emerald**, Qld, 4720

#### North

51 Miles Street, **Mount Isa**, Qld, 4825

445 Flinders Street, Level 7, **Townsville**, Qld, 4810

#### Far North

Ground Floor, State Government Building,  
17–19 Sheridan Street, **Cairns**, Qld, 4870

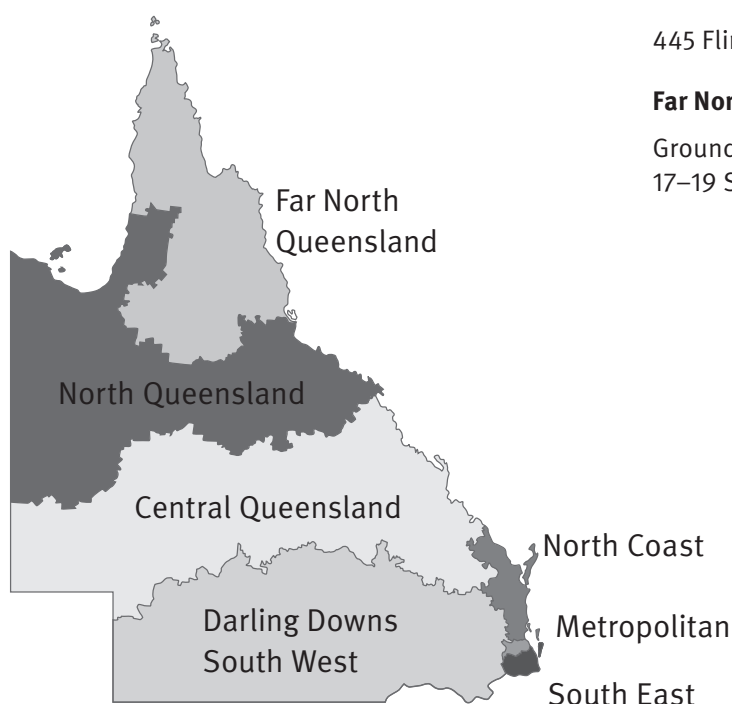


Figure 3: Map of Queensland DESBT regions.

## Appendix 3: Glossary of terms

The meanings of the following acronyms and/or abbreviations used in this report are listed below.

AO Administration Officer	No. Number
ARC Audit and Risk Committee	PO Professional Officer
ARRs Annual report requirements for Queensland Government agencies	Qld Queensland
ASBQS <i>Advancing Small Business Queensland Strategy 2016–20</i>	SES Senior Executive Service
BQ Business Queensland	SME small medium enterprise
BOM Board of Management	SO Senior Officer
CEO Chief Executive Officer	SQW Skilling Queenslanders for Work
Cth Commonwealth	TAFE Technical and Further Education
DESBT Department of Employment, Small Business and Training	VET vocational education and training
FAA <i>Financial Accountability Act 2009</i>	
FPMS <i>Financial and Performance Management Standard 2019</i>	
GST goods and services tax	
HR Human Resources	
ICT Information Communication Technology	
NCVER National Centre for Vocational Education Research	



