

Annual Report 2013–2014

CS3496 09/13

ISSN 2201 2095

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Copies of the Department of Tourism, Major Events, Small Business and the Commonwealth Games annual report are available online at www.dtesb.qld.gov.au. Limited printed copies are available by calling 13 QGOV (13 74 68).



Enquiries about this publication should be directed to opendata@dtesb.qld.gov.au.

This publication has been compiled by Planning and Performance, Business and Corporate Partnerships, in the Department of Agriculture, Fisheries and Forestry for the Department of Tourism, Major Events, Small Business and the Commonwealth Games.

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Letter of compliance

25 September 2014

The Honourable Jann Stuckey MP
Minister for Tourism, Major Events,
Small Business and the Commonwealth Games
Level 26, 111 George Street
BRISBANE QLD 4000



Department of **Tourism, Major
Events, Small Business and
the Commonwealth Games**

Dear Minister

I am pleased to present the 2013–14 annual report and financial statements for the Department of Tourism, Major Events, Small Business and the Commonwealth Games.

I certify that this annual report complies with:

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

A checklist outlining the annual report requirements can be found on page 66 of this annual report or accessed at www.dtesb.qld.gov.au.

Yours sincerely



Dr Richard Eden PSM

Director-General

Department of Tourism, Major Events,
Small Business and the Commonwealth Games

Director-General's overview

During the past year, we have launched several major initiatives for the department, mapping out our future direction to ensure we maintain momentum towards the Gold Coast 2018 Commonwealth Games (GC2018) and achieve the 2020 visitor expenditure target, as well as align with *The Queensland plan*.

To capitalise on opportunities arising from GC2018, we have released the *Embracing our Games legacy: Queensland's legacy for the Gold Coast 2018 Commonwealth Games* strategy and action plan. The GC2018 Venues Delivery Program was also finalised to ensure all venues remain on track for delivery at least 12 months prior to the start of the Games.

To reduce red tape for suppliers and provide support for local businesses, the department finalised the GC2018 procurement and business development frameworks, and published the *Forward procurement plan for the Gold Coast 2018 Commonwealth Games*. The forward procurement plan is the first time a whole-of-Games approach has been adopted for Commonwealth Games procurement activity, and will maximise business opportunities at the local, regional and state level.

Continuing our strong partnership with the tourism industry, the department hosted the annual industry forum and released *Destination success: the 20-year plan for Queensland tourism*.

Destination success builds on research undertaken on future trends facing tourism and is the result of extensive industry engagement. It includes 20 strategic directions grouped within 6 key themes of:

1. build strong partnerships
2. preserve our nature and culture
3. deliver quality, great service and innovation
4. target a balanced portfolio of markets
5. offer iconic experiences
6. grow investment and access.

In 2013–14, the department attracted investment of \$71 million by providing facilitation services to tourism infrastructure projects. The department also held tourism investment master classes in Brisbane, Mackay and Cairns—supported by online webisodes and targeted fact sheets for industry—to develop further tourism industry capability in attracting investment.

To help small businesses access essential information for starting, running or growing their business, we held the 2013 Queensland Small Business Week, with another exceptional week planned for September 2014.

The department also continued to support the one-stop shop online agenda to improve the experience of our customers via the business and industry portal (www.business.qld.gov.au).

Direct service delivery customers consistently nominate levels above 80% for customer satisfaction with the business and industry portal, which now offers over 800 online business services across a range of topics and industries. From March 2012 to June 2014, the business and industry portal has received over 3.5 million unique site visitors, demonstrating continuing increased usage by business customers.

External customer satisfaction is important to the department, so in June 2014 a stakeholder satisfaction survey was undertaken with more than 30 of its diverse stakeholders.

In-depth face-to-face and phone interviews revealed that satisfaction levels are meeting and often exceeding expectations. Over the last 24 months, 79% of respondents stated their satisfaction has increased. Only 14% say it remains unchanged, indicating strong progress.

The department is committed to the sector-wide contestability principles and framework, and during the year undertook classification and review of all its services. There were 9 services identified as candidates to move to the next stage of the contestability framework, with the remaining 43 services identified as appropriate to 'retain and improve' within the current environment.

Over 77% of the department's staff participated in the 2014 Working for Queensland Employee Opinion Survey. The survey recorded results across 19 workplace factors. I am pleased to report that the department's results were in the top quintile for the public service for 90% of these factors, clearly demonstrating the department's commitment to positive workplace outcomes.

I would like to take this opportunity to thank staff for their dedication to and support of our departmental objectives, and commend them for their continued commitment to the public sector values of customers first, ideas into action, unleash potential, be courageous and empower people.

Dr Richard Eden PSM

Director-General

Department of Tourism, Major Events,
Small Business and the Commonwealth Games

Our department

About us

Our vision is for Queensland to become Australia's most attractive destination for tourists, businesses and events. This is supported by key goals in our department's strategic plan to double annual overnight visitor expenditure to \$30 billion by 2020 and ensure small business satisfaction with business-to-government services.

We work towards these goals by operating in close partnership with industry to provide services such as investment attraction, tourism industry development and online tools and resources via the business and industry portal (www.business.qld.gov.au).

Our work supports the government's objectives for the community outlined in *Getting Queensland back on track*, specifically to:

- grow tourism as a key pillar of the economy—through actions aimed at increasing overnight visitor expenditure from \$15 billion in 2010 to \$30 billion in 2020
- deliver better infrastructure and better planning—through our aviation and tourism investment attraction strategies, and by ensuring the Commonwealth Games provides a legacy for Queensland
- revitalise front-line services—continued improvement to businesses' ability to transact with government through the business and industry portal.

Vision

Queensland is Australia's most attractive destination for tourists, businesses and events.

Purpose

To provide leadership in making Queensland a highly attractive destination for tourists, investment and events, supported by strong capable and responsive small businesses.

Values

We promote Queensland public service values—customers first, ideas into action, unleash potential, be courageous and empower people. In addition, we encourage pride in our staff through the department-specific values of:

- **productive relationships**—we foster productive partnerships with industry, regional organisations and government, and collaborative relationships in our workplaces
- **respect and trust**—we trust and respect each other and value diversity
- **integrity, excellence and equity**—we provide positive client experiences and have high expectations of our people
- **development, leadership and accountability**—we promote innovation, leadership, efficiency and effectiveness, and are focused on achieving our objectives
- **environment, health and safety**—we promote health and wellbeing by creating a safe and sustainable work environment.

Agency role and main functions

The Department of Tourism, Major Events, Small Business and the Commonwealth Games (DTESB) was formed in March 2012 following machinery-of-government changes. DTESB's key purpose is delivered through two service areas—tourism and events development (which provides leadership in making Queensland a highly attractive destination for tourists, investment and events) and business-to-government services (which provides information and services to promote strong, capable and responsive small businesses).

The department achieves these objectives through our main business areas:

- Tourism Division
- Office of Commonwealth Games Coordination
- Small Business Division
- Business Online Solutions
- Regional Services.

Tourism Division

Tourism is a key pillar, contributing \$22.9 billion annually, directly and indirectly, to the Queensland economy. The Tourism Division works closely with our statutory body Tourism and Events Queensland and in partnership with industry to ensure we can reach our 2020 growth target of \$30 billion in annual overnight visitor expenditure.

This target will be achieved through initiatives led by the division—such as DestinationQ, the Attracting Aviation Investment Fund and the *Queensland drive tourism strategy 2013–2015*—as well as a focus on attracting further tourism investment into Queensland. The division also works to create a more favourable business environment for tourism by engaging with other government agencies at local, state and federal levels.

Office of Commonwealth Games Coordination

The Office of Commonwealth Games Coordination leads a coordinated approach to the Queensland Government's delivery of the Gold Coast 2018 Commonwealth Games (GC2018). The office leads the Queensland Government statewide program, Embracing 2018, to maximise the legacy benefits from hosting the Commonwealth Games and the development of a statewide arts and cultural program. It works with other Queensland Government agencies, the federal government and local authorities (including the City of Gold Coast) to deliver capital infrastructure, transport and security arrangements for the Games. The unit also coordinates cross-jurisdictional delivery and leveraging of the investment in major events. These include the ICC Cricket World Cup 2015 and AFC Asian Cup Australia 2015.

Small Business Division

Small business accounts for approximately 95% of all businesses in Queensland and employs more than one million people. These figures emphasise the importance of supporting small business throughout our state.

The Small Business Division helps companies obtain the skills required to effectively manage their business by delivering a range of initiatives focused on business growth, business resilience, investment attraction, export product preparation and business knowledge. The division is also involved in policy and strategy development for the small business sector, and released the *Small business strategy and action plan 2013–2015*, which outlines the government's policy directions and actions for those years.

Business Online Solutions

Business Online Solutions delivers a range of online services to Queensland Government customers through the one-stop shop for business and industry—the business and industry portal (www.business.qld.gov.au). Key services include information guidance for business customers across government, SmartForms (electronic forms with capabilities beyond a traditional paper form such as electronic completion and submission), Australian Business Licence and Information Services, the Australian Business Account, diagnostic tools, webinars and social media support.

The goal of Business Online Solutions is to make sure our customers have a fast, easy and consistent user experience every time they access government business services online. They use business intelligence and customer insight to understand the most effective way to provide key information to Queensland business and industry—information that is easily discoverable and written in plain English.

By providing convenient online services, this team increases government efficiencies by automating and validating business processes online. This helps reduce red tape by making it easier for businesses to complete their regulatory requirements through the provision of prefillable forms, and lets Queenslanders get on with the important job of growing their businesses. This support is also helping DTESB meet the goals of returning Queensland’s tourism industry to number one in Australia and increasing small business satisfaction with business-to-government services.

Regional services

The department has a service level agreement with the Department of State Development, Infrastructure and Planning for the provision of regional services.



Image 1: The business and industry portal

Strategic objectives and outcomes

Our department works to accomplish two main outcomes—achieve the 2020 visitor expenditure target and ensure small business satisfaction with business-to-government services. To achieve these outcomes, we have key strategies linked to core objectives and performance indicators framed within the overarching themes of investment and infrastructure, productivity, information and influence, and marketing and promotion.

Table 1: Objectives, key performance indicators and strategic outcomes (extract from the 2013–17 strategic plan)

Objective	Key performance indicator	Strategic outcome
Grow priority markets	Percentage of overnight visitor expenditure growth per annum	Achieve the 2020 visitor expenditure target
Deliver a successful Commonwealth Games	Level of Commonwealth Games Federation satisfaction with preparedness for the Commonwealth Games	
Enable new products and experiences	Amount of additional capital attracted into tourism and business investment	
Competitive small business	Estimated value of efficiency savings by businesses assisted	Small business satisfaction with business-to-government services
Easier to do business	Percentage of overall customer satisfaction with the usefulness of online services	

Our department also has a key objective to support an agile, high-performing and engaged organisation, which is measured by the percentage of staff with completed performance and development agreements and the percentage of positive staff engagement.

Operating environment

In 2013–14, the department achieved several key initiatives towards meeting our strategic objectives. These included:

- agreement on a long-term vision and directions for the tourism industry at the 2013 DestinationQ Forum
- releasing *Embracing our Games legacy: Queensland's legacy for the Gold Coast 2018 Commonwealth Games*
- releasing the *Forward procurement plan for the Gold Coast 2018 Commonwealth Games*, forward procurement schedule and the *Embracing 2018 business development framework*
- establishing the Embracing 2018 Advisory Committee
- promoting and supporting small businesses with over 90 events across the state during Queensland Small Business Week
- expanding online services to business by progressing the one-stop shop initiative.

The department's operations involve a variety of service delivery mechanisms to our customers, including online via the business and industry portal and face-to-face through the regional services network. This ensures our services are available to small businesses and the tourism industry statewide.

As the department works closely with our portfolio partners, industry and other government agencies, our critical issues include effective communication with stakeholders, ensuring strong partnerships with industry to enable access to market opportunities for investors, support for small business development and understanding tourists' needs. With the current focus on red-tape reduction, the department continued to progress initiatives in 2013–14 to reduce the burden on small businesses through legislation.

For the next reporting period, the department has a priority to deliver the 2014 DestinationQ Forum and Queensland Small Business Week (including Buy Locally Saturday and Regional Roadshow), and lead Queensland Government representation at the Glasgow 2014 Commonwealth Games. We will continue with our contestability review to ensure value for money in service provision to Queensland businesses.



Image 2: Queensland Small Business Week 2013

Other whole-of-government plans and specific initiatives

Tourism Cabinet Committee

Building the competitiveness and resilience of the tourism industry requires whole-of-government actions and strategies that address both demand and supply factors. The Tourism Cabinet Committee was established in 2012 and comprises:

- Minister for Tourism, Major Events, Small Business and the Commonwealth Games (chair)
- Deputy Premier and Minister for State Development, Infrastructure and Planning
- Minister for National Parks, Recreation, Sport and Racing
- Minister for Education, Training and Employment
- Minister for Transport and Main Roads
- Minister for Science, Information Technology, Innovation and the Arts
- Minister for Local Government, Community Recovery and Resilience
- Assistant Minister for Tourism
- Assistant Minister for Planning Reform.

The Tourism Cabinet Committee continues to play a valuable role in coordinating tourism-related business across government.

A Tourism Inter-Departmental Committee, which brings together senior executives from across government, supports the Tourism Cabinet Committee.

Australian Standing Committee on Tourism

We are a member of the Australian Standing Committee on Tourism and support the state tourism Minister at tourism ministers' meetings. As part of a national approach, we contribute to the implementation of Tourism 2020—Australia's national strategy to enhance growth and competitiveness in the tourism industry. This includes committing to the following national 'game changing' reform priorities:

- cross-portfolio commitment within all levels of government
- improved visa arrangements
- improved airport experiences and aviation capacity
- integration of national and state tourism plans into regional development and local government planning.

DestinationQ and the 20-year plan for Queensland tourism

DestinationQ is the partnership between government and industry to grow the tourism industry. This partnership is underpinned by a partnership agreement between the government and the Queensland Tourism Industry Council, and an annual forum bringing together all key stakeholders to address industry issues. Progress of the partnership agreement is overseen by the Post-Forum Working Group and the Tourism Cabinet Committee, supported by the Tourism Inter-Departmental Committee. Together, these groups have driven progress of the partnership agreement and have demonstrated what can be achieved when government and industry work together.

Destination success: the 20-year plan for Queensland tourism was launched in 2014.

The plan details a long-term vision for the industry consisting of 6 themes and 20 strategic directions. New research about future trends facing tourism and extensive industry engagement underpinned the development of the plan. The 2013 DestinationQ Forum confirmed the vision and developed the strategic directions for the plan.

The plan is supported by an 18-month action plan detailing 129 actions to be delivered in partnership across industry and government. Progress of the 20-year plan is to be reported annually in a new state-of-the-industry report.



Image 3: DestinationQ Forum 2013

Gold Coast 2018 Commonwealth Games

We are planning and delivering government services required to support the staging of GC2018. As well as the importance of the event itself, GC2018 will provide a unique opportunity to promote Queensland companies as suppliers for the Games and future major events in our state, and maximise the exposure of Queensland and its attributes as a tourist destination.

In addition to our industry partnerships (such as DestinationQ), we are also working closely with many organisations (including the Industry Development Division of the Department of State Development, Infrastructure and Planning) to maximise opportunities for Queensland industry. Actions taken during 2013–14 include:

- finalising the GC2018 Venues Delivery Program, completing the redevelopment of the Gold Coast Aquatic Centre and commencing development of the Commonwealth Games Village in conjunction with the Department of State Development, Infrastructure and Planning
- launching *Embracing our Games legacy: Queensland's legacy for the Gold Coast 2018 Commonwealth Games* in collaboration with the Gold Coast City Council
- establishing the Embracing 2018 Advisory Committee
- finalising the GC2018 procurement framework and releasing the forward procurement plan, forward procurement schedule and business development framework in conjunction with the Gold Coast 2018 Commonwealth Games Corporation and other Games partners—these were presented to the Commonwealth Games Federation Coordination Commission upon their visit (the commission was satisfied with GC2018 preparations and impressed with progress in a range of areas).



Image 4: Embracing 2018 branding

Ecotourism investment

The *Queensland ecotourism plan: 2013–2020* was released at the 2013 DestinationQ Forum. The development of the plan was led by the Department of National Parks, Recreation, Sport and Racing, with input from DTESB, Tourism and Events Queensland and other stakeholders. The plan seeks to encourage new investment in sustainable ecotourism products. The department has been actively involved in the statewide general expression of interest for new ideas for privately owned, low-impact, purpose-built ecotourism infrastructure on national parks. The department is also facilitating a demonstration project involving a zipline in Kondalilla National Park. Following a competitive process, one experienced proponent has been invited to submit a detailed proposal for further assessment at this stage.

Queensland drive tourism strategy achievements

We have continued to develop drive tourism through delivery of the *Queensland drive tourism strategy 2013–2015*. In March 2014, the department released the *Queensland camping options toolkit*, which provides tools to help councils grow the diversity of camping options and increase Queensland's attractiveness as a world-leading drive tourism destination.

Together with the Department of Transport and Main Roads, significant reforms to how commercial tourism signage is provided in Queensland have been delivered. This incorporated a substantial review and modernisation of tourism signage guidelines, a streamlined application process involving consultation with regional tourism organisations and development of a new user-friendly online application form hosted on the business and industry portal.

Delivery of a seamless national economy

DTESB is the lead Queensland Government agency for the business online services component of a heads of agreement under the Council of Australian Governments' *National partnership agreement to deliver a seamless national economy*.

It is our responsibility to contribute to the business online services project to deliver a nationally coordinated system through which businesses can access information and services. The service helps businesses manage their regulatory responsibilities by enabling more effective interactions between all tiers of government, regardless of location.

Using national platforms, Queensland businesses can manage their interactions with government using the Australian Business Account, Australian Business Licence and Information Service and SmartForms. SmartForms provides local and state government with access to enabling technology to develop and deliver regulatory application forms such as online submissions.

Queensland small business strategy and action plan

The *Queensland small business strategy and action plan 2013–2015* outlines the Queensland Government's commitment to support and stimulate the growth of small business by articulating whole-of-government policy directions and actions for the next two years.

It supports the government's agenda to build a more productive and resilient Queensland economy in partnership with industry, in a coordinated and strategic approach to getting small business back on track. As part of the plan, we will deliver relevant information and support to businesses, and provide a voice for small businesses in government decision-making.

Financial summary

This financial summary provides an overview of the department's (parent entity) financial performance for 2013–14 from 1 July 2013 to 30 June 2014.

A more comprehensive account of the department's financial performance for 2013–14 is provided in the financial statements included in this annual report.

The department's services are grouped into two areas—tourism and events development, and business-to-government services.

Tourism and events development promotes sustainable industry growth by delivering a strategic, whole-of-government approach to the future of tourism.

Business-to-government services ensures the department can effectively provide information and services to business, to encourage small business growth and promote a diverse economic base for Queensland.

Statement of assurance

In accordance with the *Financial Accountability Act 2009*, the Chief Finance Officer has provided the Director-General with a statement that the department's financial internal controls are operating efficiently, effectively and economically. The department actively manages its financial risks and liabilities. The department is financially well positioned to meet its objectives as described in the 2013–17 strategic plan.

Parent entity analysis

The parent entity includes the Department of Tourism, Major Events, Small Business and the Commonwealth Games. The department has no controlled entities.

Income from continuing operations

For the 2013–14 financial year, the department was primarily funded by parliamentary appropriation (departmental services revenue) of \$75.4 million (78.65%), with the remaining funding coming largely from grants and other contributions. Grants and other contributions received relate to GC2018 funding from the City of Gold Coast Council of \$20.4 million (21.28%). It also includes prior year grant refund and other revenue.

In 2014–15, departmental services continue to be funded principally by parliamentary appropriation (departmental services revenue). Total income will increase from \$95.9 million in 2013–14 to \$107.4 million in 2014–15. The increase is due principally to increased activity for GC2018, the AFC 2015 Asian Cup and the Attracting Aviation Investment Fund.

Expenses from continuing operations

The department's total expenses for the year were \$95.7 million. This represents a decrease of \$4.3 million when compared to the 2013–14 budget. The decrease predominately relates to the deferral of development works at the Gold Coast Turf Club, which will host the Gold Coast Show from 2014.

The forecast for 2014–15 is for the department to incur expenditure of \$107.4 million. This represents an increase of \$11.7 million when compared to actual 2013–14 expenses of \$95.7 million. The increase is due principally to increased activity for GC2018, the AFC 2015 Asian Cup and the Attracting Aviation Investment Fund.

Figure 1: Total 2013–14 expenses by category

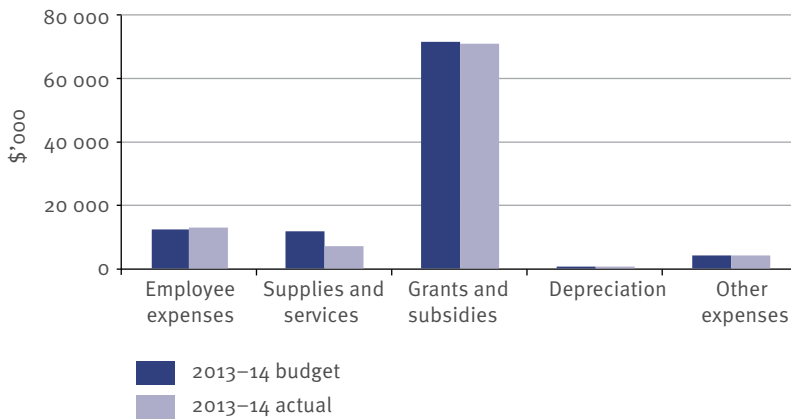
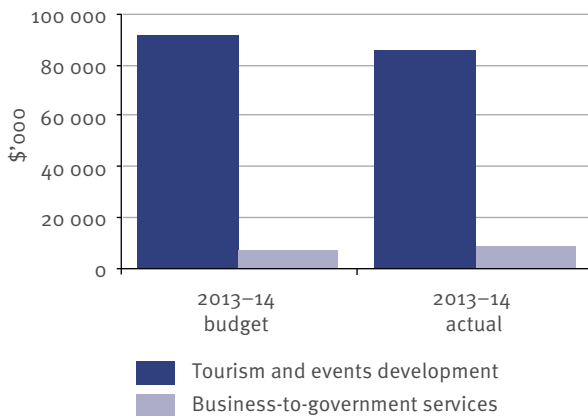


Figure 2: Total 2013–14 expenses by service area compared to 2013–14 budget



Commitments

The department has commitments totalling \$335.2 million. Non-cancellable operating lease commitments relate to departmental accommodation lease commitments. Grants and subsidies commitments relate to the Gold Coast Show relocation and the AFC 2015 Asian Cup. Other expenditure commitments principally relate to the GC2018 capital infrastructure program (excluding the Games Village) administered by the department. It also includes commitments in accordance with the endorsed agreement with the Australian Commonwealth Games Association Incorporated to secure marketing rights for the 2018 Commonwealth Games event.

Table 2: Statement of comprehensive income for year ending 30 June 2014 and statement of financial position as at 30 June 2014

Statement of comprehensive income for year ending 30 June 2014

Controlled funds—parent entity	Actual ¹ \$'000	Budget ² \$'000	Variance \$'000
Income from continuing operations			
Appropriation revenue for services	75 415	99 992	(24 577)
User charges and fees	-	-	-
Grants and other contributions	20 405	-	20 405
Other revenue	58	-	58
Total income from continuing operations	95 878	99 992	(4 114)
Expenses from continuing operations			
Employee expenses	12 832	12 159	673
Supplies and services	7 141	11 922	(4 781)
Grants and subsidies	71 649	71 884	(235)
Depreciation	53	12	41
Finance/borrowing costs	-	-	-
Other expenses	4 013	4 015	(2)
Total expenses from continuing operations	95 688	99 992	(4 304)
Operating result from continuing operations	190	-	190

The variance in departmental service revenue is principally related to the contribution of funding from the City of Gold Coast Council for GC2018, which reduced service revenue and increased grants and other contributions.

The variance in employee expenses relates to the increase of departmental employees for GC2018.

The variance in supplies and services relates primarily to a re-classification of funds held for the Gold Coast Show relocation and other end-of-year deferrals.

Statement of financial position as at 30 June 2014

Controlled funds—parent entity	Actual ¹ \$'000	Budget ² \$'000	Variance \$'000
Current assets			
Cash and cash equivalents	(6 096)	884	(6 980)
Receivables	6 538	794	5 744
Other assets	1 974	51	1 923
Total current assets	2 416	1 729	687
Non-current assets			
Property, plant and equipment	918	7	911
Other assets	-	-	-
Total non-current assets	918	7	911
Total assets	3 334	1 736	1 598
Current liabilities			
Payables	709	691	18
Accrued employee benefits	402	1 069	(667)
Total current liabilities	1 111	1 760	(649)
Total liabilities	1 111	1 760	(649)
Net assets	2 223	(24)	2 247
Equity			
Contributed equity	1 902	(37)	1 939
Retained surpluses (accumulated deficit)	321	13	308
Reserves	-	-	-
Total equity	2 223	(24)	2 247

The overdrawn cash balance is due to payment of end-of-year expenses where funds were held in 2014–15 and service revenue was not received until early July 2014. Additionally, June invoices where GST is yet to be recovered from the Australian Taxation Office.

The increase in receivables principally relates to end-of-year receivables and GST receivable due to June 2014 transactions.

The increase principally relates to a pre-payment held for funds provided to the Department of State Development, Infrastructure and Planning for CG2018 venues works.

The decrease reflects lower than expected balances held for annual leave levy payable and long-service leave payable.

¹ 2013–14 actual as per financial statements

² 2013–14 budget as per 2013–14 service delivery statements

Our performance

The following performance scorecard reports on the objectives of the DTESB 2013–17 strategic plan. This scorecard is a sample of performance

highlights from 2013–14 and is not representative of all work undertaken during the period.

Table 3: Performance scorecard—2013–14 highlights

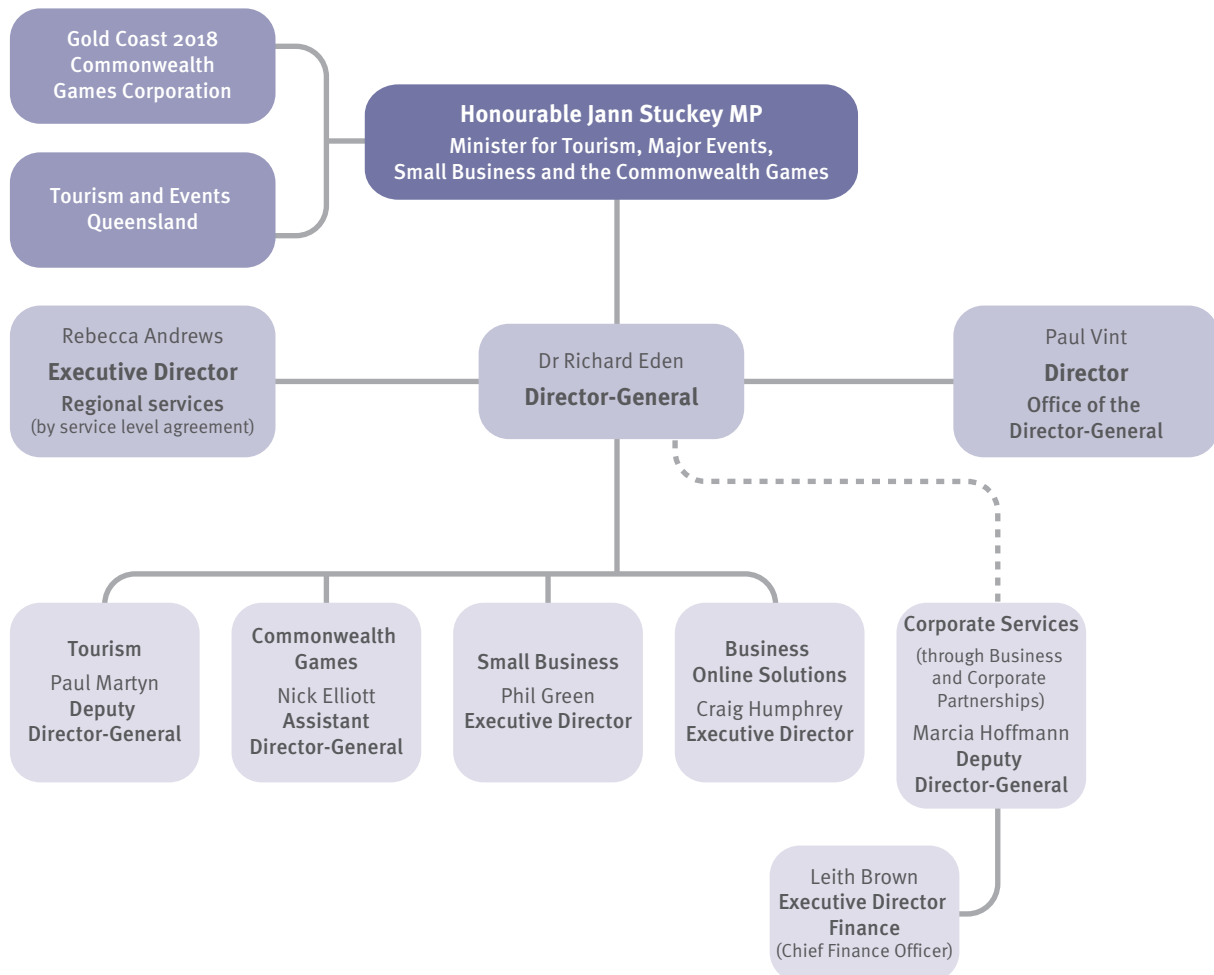
Objective	Progress in 2013–14
Grow priority markets	<p>Performance indicator: Percentage of overnight visitor expenditure growth per annum</p> <ul style="list-style-type: none"> • International visitor expenditure in Queensland for the year ending June 2014 was \$3.97 billion with over 2.06 million visitors • Domestic overnight visitor expenditure decreased by 2% to \$13.76 billion for the year ending June 2014 • Developed the <i>Queensland camping options toolkit</i> for local governments informed by seven consultation workshops • Delivered a <i>Best practice guide for roadside rest areas in Queensland</i> • In conjunction with the Department of Transport and Main Roads, finalised the installation of approximately 150 signs between Cairns and Townsville as part of the touring route signage revitalisation project • Implemented new tourism signage guidelines and online application process for commercial tourism signage • Adopted the <i>State planning policy</i>, which recognises tourism as a state interest for the first time • Supported new airline routes to the Sunshine Coast from Auckland and to the Gold Coast from Kuala Lumpur, and the A380 aircraft upgrade by Emirates between Dubai/Brisbane/Auckland under the Attracting Aviation Investment Fund • Tourism investment master classes were held in Brisbane, Mackay and Cairns to provide an opportunity for tourism investment proponents to gain insights into a range of issues, including preparing for investment, planning, information memorandums, marketing, pitch presentation and working with investors—in addition to the master classes, a series of webisodes and fact sheets are available on the business and industry portal, highlighting key points from the master classes

Objective	Progress in 2013–14
Deliver a successful Commonwealth Games	<p>Performance indicator: Level of Commonwealth Games Federation satisfaction with preparedness for the Commonwealth Games</p> <ul style="list-style-type: none"> • At the first review in November 2013, the Commonwealth Games Federation stated that they were very satisfied with the preparedness for the Commonwealth Games • The Federation’s next review was scheduled for 12 months’ time rather than the planned 6 month intervals—the next review is scheduled for October 2014 • Worked with the Department of State Development, Infrastructure and Planning to finalise the GC2018 Venues Delivery Program, completed the redevelopment of the Gold Coast Aquatic Centre and commenced development of the Commonwealth Games Village • Launched <i>Embracing our Games legacy: Queensland’s legacy for the Gold Coast 2018 Commonwealth Games</i> in collaboration with the Gold Coast City Council • Established the Embracing 2018 Advisory Committee • Maximised opportunities and provided support to local businesses, reduced red tape for suppliers and created efficiencies for government by finalising the: <ul style="list-style-type: none"> – GC2018 procurement framework and publishing the forward procurement plan and schedule for GC2018—in conjunction with the Gold Coast 2018 Commonwealth Games Corporation, the Procurement Transformation Division and the Department of State Development, Infrastructure and Planning – business development framework
Enable new products and experiences	<p>Performance indicator: Amount of additional capital attracted into tourism and business investment</p> <ul style="list-style-type: none"> • Provided assistance to tourism infrastructure projects that secured investment of \$71 million • Provided facilitation assistance to 48 Queensland tourism infrastructure projects • Released the <i>Queensland ecotourism plan: 2013–2020</i> at the 2013 DestinationQ Forum—outlines 43 actions over 3 years to ensure Queensland is a world leader in ecotourism • Attracted 47 proposals from the private sector to develop ecotourism projects in and adjacent to national parks from a statewide expression of interest • Developed <i>Next generation tourism planning: a guideline for planners</i> to support the <i>State planning policy</i>, which was adopted on 6 December 2013 • Delivered 24 tourism investment attraction initiatives to attract investment locally and internationally • Launched stage one expression of interest for the Obi Obi zipline ecotourism opportunity
Competitive small business	<p>Performance indicator: Estimated value of efficiency savings by businesses assisted</p> <ul style="list-style-type: none"> • Assisted businesses to avoid an estimated value of \$163 million in costs through Queensland Government online services delivery • Delivered Queensland Small Business Week in July 2013, with 4500 business people participating in 91 activities and events across the state • Developed a central strategy for business-related services across the Queensland Government to support the business and industry portal of the Queensland Government’s online one-stop shop • Delivered over 120 Mentoring for Growth panel sessions, with expert business mentors donating around 1700 hours of their time to the program

Objective	Progress in 2013–14
Easier to do business	<p>Performance indicator: Percentage of overall customer satisfaction with the usefulness of online services</p> <ul style="list-style-type: none"> • Delivered over 800 online services and information through the business and industry portal, with an overall customer satisfaction level of 83% • Launched new online tendering support resources for small businesses in March 2014, including: <ul style="list-style-type: none"> – a ‘fit to supply’ diagnostic tool to help businesses determine their supplier capability – a search function to help companies identify open tender opportunities from the QTender website • Co-delivered over 19 webinars with 6 specialist topics, including tendering for government business and tourism investment • Provided access to webinar recordings through the business and industry portal
An agile, high-performing and engaged organisation	<p>Performance indicator: Percentage of staff with completed performance and capability agreements, and percentage of positive staff engagement</p> <ul style="list-style-type: none"> • 100% of staff completed individual development agreements, which were reviewed on a six-monthly basis in a face-to-face meeting with their supervisor • Provided Practical Resilience workshops to equip staff with practical skills to handle adversity and future challenges in both their personal and professional lives • 77% of the department participated in the 2014 Working for Queensland Employee Opinion Survey Survey, with the department rating in the top quintile for 90% of results recorded across 19 workplace factors

Management and structure

Organisational structure



Governance framework

DTESB maintains a number of government committees that help management fulfil their statutory and legal obligations.

Executive Management Group

Role

The Director-General is responsible for the management, governance and operation of the department (under the *Public Service Act 2008*, s. 98). The Executive Management Group provides advice and assistance to the Director-General to fulfil these responsibilities.

The Executive Management Group provides the department's collective leadership. Its role is to act as a 'board' for the department—bringing together the heads of major units and the most significant functional areas to look at the development and strategic direction of the department as a whole, and to advise on and endorse the most significant management decisions.

Membership

During 2013–14, the membership of the Executive Management Group comprised:

- Dr Richard Eden, Director-General
- Paul Martyn, Deputy Director-General, Tourism
- Marcia Hoffmann, Deputy Director-General, Corporate
- Nick Elliott, Assistant Director-General, Office of Commonwealth Games Coordination
- Craig Humphrey, Executive Director, Business Online Solutions
- Phil Green, Executive Director, Small Business
- Rebecca Andrews, Executive Director, Regional Services
- Paul Vint, Director, Office of the Director-General
- Leith Brown, Chief Finance Officer.

While Marcia Hoffmann and Leith Brown are not part of the DTESB staff establishment, they attend Executive Management Group meetings as corporate partners under the Business and Corporate Partnerships arrangement. Leith attends to ensure Chief Finance Officer representation on the board and Marcia is the executive leader for our corporate services arrangement.

Member profiles

The profiles of Executive Management Group members are provided as at 30 June 2014.

Dr Richard Eden, Director-General

Dr Richard Eden has led the department since its inception in 2012, driving a wide portfolio of responsibilities—primarily the DestinationQ agenda, coordinated cross-government strategy for small business, expansion of the business and industry portal and multi-faceted preparations for GC2018. In this role, Richard also serves as a Director on the board of Tourism and Events Queensland and on several cross-government committees and advisory groups.

With a strong background in leading large-scale transformation projects, Richard sees innovation through technology as a key foundation needed to build strength and resilience in the small business sector.

Prior to his appointment as Director-General of DTESB, Richard held key senior executive management roles in the Department of Education and Training, and in 2014 was awarded the Public Service Medal for Outstanding Service to Education and Training in the Australia Day Honours announcements.

Paul Martyn, Deputy Director-General, Tourism

Paul Martyn is responsible for policy and programs to increase the competitiveness of one of Queensland's largest industries. He oversees tourism investment attraction and chairs the government's Tourism Inter-Departmental Committee.

Paul was a practicing criminal defence lawyer before joining the Queensland Government to work on competition law issues. Over the past 16 years, he has worked on a series of major reform agendas, particularly in the sugar and dairy industries, and on the impacts of carbon pricing on small business. He is a specialist in economic policy, regulatory reform and governance issues.

Before becoming the head of the Tourism Division, Paul developed policy advice on economic and regional development, with a particular focus on resource regions. He also coordinated strategic consideration of the growth of the coal seam gas to liquefied natural gas industry, including balancing economic, social and environmental considerations.

Paul has a Masters in Public Policy from the University of London and an honours degree in law and government.

**Marcia Hoffmann,
Deputy Director-General, Corporate**

Marcia Hoffmann is Deputy Director-General, Corporate for DTESB and the Department of Agriculture, Fisheries and Forestry. Marcia has had a substantial career in public sector administration and executive management in federal, territory and state jurisdictions, and previously held the position of Chief Executive with the Northern Territory Department of Transport.

She has specialised in leading large multi-disciplinary teams, setting strategic direction, corporate governance, social and employment policy, major change and commercialisation initiatives, and transport and service delivery reform.

**Nick Elliott,
Assistant Director-General,
Office of Commonwealth Games Coordination**

The Office of Commonwealth Games Coordination has primary responsibility as project owner for venue infrastructure and the coordination of government services for the planning, preparation and hosting of GC2018.

Prior to this role, Nick held the position of Executive Director, Business Services, and Chief Finance Officer in the Department of the Premier and Cabinet. Nick was also the Chief Finance Officer and Company Secretary of Gold Coast 2018 Commonwealth Games Bid Ltd, and through this role participated in the bid process.

Prior to joining the Queensland Government, Nick held roles in the Australian Department of the Prime Minister and Cabinet and the Australian Capital Territory Department of Health.

Nick has a Bachelor of Commerce, a Graduate Diploma in Management and is a certified practicing accountant.

**Craig Humphrey,
Executive Director, Business Online Solutions**

Craig Humphrey is responsible for leadership and management of information and advisory services to business and industry via the business and industry portal (www.business.qld.gov.au). The portal provides advice on how to operate a business and acts as the Queensland Government's primary online one-stop shop for business and industry-specific services. The development of the portal has evolved to include online diagnostics, assessment tools, information guides and SmartForms.

He has been in the Queensland Public Service since 1978, with over 15 years in regional management positions and 20 years in Brisbane-based roles.

Craig holds a Bachelor of Arts (Politics) and has received the Australian Institute of Management Professional Manager of the Year award (2007) (Sunshine Coast) and a departmental award for executive leadership (2012).

**Phil Green,
Executive Director, Small Business**

Phil Green has a background in commercial banking, finance and insolvency law, and is now heading up the Small Business Division.

His background gives him great insight into what can go wrong in business and what businesses need to meet the challenges they face. Phil has a passion for innovation and seeing businesses grow and capitalise on great ideas and great opportunities in the Queensland economy.

Phil has a wide range of experience, including several years in legal and economic policy with the Queensland Department of the Premier and Cabinet and a stint in the Prime Minister's Strategy Unit in the United Kingdom Government.

His achievements include progressing regulatory reform work through the Council for the Australian Federation, participating on the steering committee for Queensland's first public-private partnership and being instrumental in securing funding for several of the state's significant research infrastructure projects.

He has also been responsible for delivery and oversight of the state's business incubator and commercialisation programs.

**Rebecca Andrews,
Executive Director, Regional Services**

Rebecca Andrews is responsible for developing and nurturing key regional relationships, and ensuring effective development and delivery of policy and programs in Queensland's regions to meet government priorities in tourism and small business.

Rebecca's previous role was as Executive Regional Director for the South East Queensland region based on the Gold Coast, which was her first role within state government.

Rebecca has previously worked in economic development and tourism in the Whitsundays, New Zealand and South Australia. With a Bachelor of Management, Rebecca has a good understanding of the tourism industry and the challenges of working in the sector. Rebecca also has a working knowledge of small business, having previously owned a restaurant.

**Paul Vint,
Director, Office of the Director-General**

Paul Vint is responsible for managing the Office of the Director-General, including ensuring effective and efficient corporate management and governance of the department, and coordinating effective departmental advice to, and support for, the Director-General and Minister.

He has broad experience in government program delivery and corporate governance functions, having held key roles in finance, regional development, industry development and scientific research funding prior to taking up his current role.

**Leith Brown,
Chief Finance Officer**

Leith Brown is the Chief Finance Officer for DTESB and the Department of Agriculture, Fisheries and Forestry. Leith holds a Bachelor of Business and an Executive Graduate Certificate in Business Administration, and is a certified practicing accountant.

She has extensive financial and business experience drawn from her time spent in both private and public sector roles. Leith possesses high-level experience in commercial finance, organisational change management, project management, information and communications technology, strategic investment planning and activity-based costing.

Information Steering Committee

The DTESB Information Steering Committee has been established to:

- ensure the agency's information and communication technology (ICT) investment and assets are aligned with agency business priorities and plans, and support whole-of-government ICT directions
- provide whole-of-agency leadership, strategic direction and oversight in the planning and delivery of the portfolio of ICT-related initiatives in the agency
- provide assurance to the Director-General that information management and ICT in the agency are being appropriately governed to ensure return on investment through effective delivery of approved initiatives that meet government priorities.

The committee has established reporting requirements to ensure that it receives information relevant to its role. The committee:

- reviews and monitors the agency's investments in information management systems and technologies to ensure they are managed through appropriate governance processes and deliver stated outcomes and benefits
- monitors health of ICT assets to address areas of risk
- authorises and directs the development of strategic and operational plans for ICT-enabled business

- prioritises the agency's investments in information management systems and technologies consistent with the agency's strategic direction, and ICT Partnership Board and government priorities
- scrutinises the delivery of approved and funded project and program allocations, and approves the reallocation of unused funds
- ensures the accuracy of project and program data published to the agency's ICT dashboard and Queensland Government data websites
- escalates significant risks to the ICT Partnership Board
- monitors information management and ICT service provider arrangements under Business and Corporate Partnerships, including performance
- develops the agency's information management capability.

The committee members are:

- Director-General (chair)
- Deputy Director-General, Tourism
- Assistant Director-General, Office of Commonwealth Games Coordination
- Executive Director, Small Business
- Executive Director, Business Online Solutions
- Executive Director, Regional Services
- Director, Office of the Director-General
- Deputy Director-General, Corporate
- Chief Information Officer
- Chief Finance Officer.

Work Health and Safety Steering Committee

The Work Health and Safety Steering Committee is the peak body for providing strategic leadership for health and safety across the department.

The steering committee is a vehicle for collectively and collaboratively identifying, developing, implementing and evaluating the departmental health and safety management system, infrastructure, processes and culture.

The steering committee will champion, integrate and monitor the *Health, safety and wellness strategic plan 2011–2015* across the department and into its normal business, ensuring best practice and continuous improvement.

Membership of the committee includes members of the Executive Management Group and health and safety practitioners.

Business and Corporate Partnerships Board

The Business and Corporate Partnerships Board is comprised of the Directors-General of the Department of Agriculture, Fisheries and Forestry (DAFF), DTESB, Department of Natural Resources and Mines (DNRM), Department of Energy and Water Supply, Department of Environment and Heritage Protection (EHP) and Department of National Parks, Recreation, Sport and Racing.

The partnership operates through three corporate hubs embedded in DAFF, DNRM and EHP. Each hub delivers a set of core services (to the host and one adjunct agency) and a selection of cooperative services (to either five or six partnering agencies). The head of corporate for each Business and Corporate Partnerships (BCP) hub is also represented on the BCP board.

The board is collectively responsible for the long-term performance, business success and timely delivery of departmental key priorities within BCP. Its role is to provide leadership and set the strategic direction of the partnership to enable it to meet its goals and objectives.

The partnership provides direct corporate services to support partnering agencies deliver government priorities. Under this model, the focus is on ensuring economies of scale, service integration, consistent service delivery, scalability, flexibility and responsiveness.

DTESB is serviced primarily via the DAFF hub.

Audit and Risk Committee

The Audit and Risk Committee is one of the DTESB governance committees, chaired by the Director-General. It was established in accordance with the Financial and Performance Management Standard 2009 (s. 35). During the year, the committee observed the terms of its charter having due regard to the *Audit Committee guidelines: improving accountability and performance* issued by Queensland Treasury in June 2012.

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

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

The committee acts as a forum for dialogue between the Director-General, senior management, internal audit and the Queensland Audit Office (QAO).

The functions and role of the committee do not diminish the statutory and regulatory duties and responsibilities of the Director-General, nor do they detract from management's responsibilities in relation to corporate governance, internal control, fraud prevention and risk management.

During 2013–14, membership of the DTESB Audit and Risk Committee comprised:

- Dr Richard Eden, Director-General (chair)
- Bob Shead, Consultant, BDO Australia Ltd (external member)
- Paul Martyn, Deputy Director-General, Tourism
- Philip Green, Executive Director, Small Business
- Nick Elliott, Assistant Director-General, Office of Commonwealth Games Coordination

- Craig Humphrey, Executive Director, Business Online Solutions
- Rebecca Andrews, Executive Director, Regional Services.

Committee members were provided with recommendations arising from QAO reports to Parliament that relate to the department. During 2013–14, all 10 recommendations were actioned and closed.

The QAO audit on internal control systems noted that the fact that the Director-General is chair of the Audit and Risk Committee is an 'element for improvement', while noting that chairmanship of the committee was at the discretion of the Director-General.

In the case of DTESB—a small agency with a relatively low and uncomplicated risk profile, and no in-house corporate services—it is considered that the Director-General retaining chairmanship of the Audit and Risk Committee is appropriate and the most efficient way of operating the committee.

In November 2013, the committee undertook an internal self-assessment based on Australian National Audit Office guidelines.

The external member was paid for attending meetings held for DTESB, with a total remuneration of \$1800.

Risk management

DTESB is committed to establishing integrated risk management systems and processes that are consistent with the Australian/New Zealand standard, *AS/NZS ISO 31000:2009: risk management—principles and guidelines*.

The focus for 2013–14 was on improving DTESB's enterprise risk management framework. The framework is a guide to help all staff understand and engage with risk management. It provides an outline of the processes for managing risk as an integral part of DTESB's overall governance, planning and performance management systems, policies, values and culture.

In January 2014, a risk maturity survey was undertaken to ascertain staff awareness and understanding of risk management and to highlight any areas of concern. The survey, along with recommendations from QAO, resulted in development of an improvement plan.

Implementation of the improvement plan is underway, with the following achievements occurring during 2013–14:

- prepared a legal compliance framework for consultation
- included risk management in online staff induction training to raise awareness of risk management responsibilities
- revised information captured by strategic risk register to ensure ownership and monitoring of treatments.

During 2014–15, the following action plan items will be undertaken to improve DTESB's risk management:

- revise the department's enterprise risk management framework
- improve risk information, education and tools.

External scrutiny

In the *Results of audit: internal control systems—report to Parliament 6: 2013–14*, the QAO identified that a number of government departments should strengthen three key internal control mechanisms:

7. Chief Finance Officer certification—improvements could be made in the design of processes by better documenting how the process will work, consulting earlier with the Director-General and clearly aligning and describing the significant financial reporting risks with relevant account balances and with the key internal controls being assessed
8. internal audit—a documented and approved internal audit work plan should be established, better allocation of internal audit resources, and long outstanding high-risk internal audit issues should be addressed by management on a timely basis
9. audit committee oversight—at least half of the members of an audit committee should be independent.

Recommendations 1 and 2 have been addressed by the department. Recommendation 3 will not be actioned based on cost–benefits and the low-risk profile of the department.

The QAO *Contract management: renewal and transition—report to Parliament 10: 2013–14* identified that all public sector entities should:

- develop and implement a contract management capability framework
- develop and apply a risk–value matrix approach to define expectations for effective contract management and appropriate resource allocation to contracts
- validate the value-for-money proposition of a contract before extending or renewing it, through assessment of contract risk, demand, supply market and supplier performance
- implement a contract management life cycle system.

The Procurement Transformation Division’s Procurement Transformation Program is currently underway to address these recommendations.

The QAO *Monitoring and reporting performance—report 18: 2013–14* examined how departments measure, monitor and publicly report on their non-financial performance, and assessed performance information in the department’s service delivery statements from the 2013–14 State Budget papers. The department will continue to implement recommendations from the report in 2014–15.

The department has also reviewed other QAO reports issued in 2013–14, which were not targeted specifically at the department, for any beneficial recommendations that could be implemented.

Internal audit

The formation of the Queensland Government Internal Audit Service (QGIAS) was approved on 12 June 2012. The QGIAS is a business unit within EHP and provides internal audit services to five departments in a co-sourced arrangement. This arrangement includes internal audit services for DTESB.

In 2013–14, QGIAS:

- discharged the responsibilities established in the Internal Audit Charter by executing the internal audit program of work prepared as a result of risk assessments, materiality and contractual and statutory obligations
- provided reports on results of internal audits undertaken to the Audit and Risk Committee and Director-General
- monitored and reported on status of implementation of internal and external audit recommendations to the Audit and Risk Committee (management is responsible for implementation of audit recommendations)

- liaised with QAO to ensure there was no duplication of ‘audit effort’
- supported management by providing advice on corporate governance and related issues, including fraud and corruption prevention programs and risk management
- allocated internal audit resources to those areas considered to present the greatest risk and where the work of internal audit could be valuable in providing positive assurance or identifying opportunities for positive change
- provided secretariat support to the Audit and Risk Committee.

Key audit activities

In 2013–14, QGIAS:

- completed the prioritised audits under the Internal Audit Plan 2013
 - policies and procedures framework
- finalised the DTESB Strategic Internal Audit Plan—January 2014 to June 2015, under which the contract management framework review commenced
- instigated a knowledge and information sharing forum across our customer agencies.

QGIAS considers there are controls in place to minimise the opportunity of fraud or mismanagement in those areas of the department that were subject to internal audit in terms of the program of internal audits as approved by the Director-General.

Information management

Information systems

DTESB continues to operate, maintain and develop a range of information systems to support services, initiatives and corporate operations. Highlights include:

- the business and industry portal (www.business.qld.gov.au), which delivers the Queensland Government's one-stop shop business and industry services, including content, transactions and a range of online tools and resources to Queensland businesses—in addition to business development services, it also assists businesses by providing access to services specific to their industry
- the Australian Business Licence and Information Service (available through the portal), which enables customers to search for and list their regulatory obligations when starting or operating a business in Australia (across all three levels of government)—search results can be saved into a customer's Australian Business Account, allowing them to manage and action their list
- SmartForms—online transactions developed through the SmartForms service allow core details held in the Australian Business Account to be prefilled into online application forms, saving businesses time and money in completing compliance obligations.

The portal continues to grow rapidly, servicing over 2 million customers (unique visitors) during 2013–14 and averaging a customer satisfaction rate of 83%. In addition, the portal has increased the number of services delivered to over 800.

Recordkeeping

DTESB is operating a recordkeeping strategy to ensure that the department is compliant with the *Public Records Act 2002*, *Public Service Act 1996* and Information Standard 40—Recordkeeping.

The Records Management unit has responsibility for providing a compliant recordkeeping framework to the department through the provision of an electronic document and records management system (eDRMS), training, support and end-to-end processing model.

A new client interface for eDRMS has been rolled to all users in the department. E-learning packages and digital conferencing facilities have been used to deliver ongoing training. Business areas are increasingly moving to capture and manage records in digital format, and business areas are minimising the production of paper-based records.

Retention and disposal schedules have been developed for the department and are being finalised for approval by the State Archivist. Time-expired records have been identified for disposal. More than 400 boxes of hardcopy files have been disposed of securely.

Open data

DTESB released its *Open data strategy: 2013–2017* in May 2013, outlining the proposed release of data into the community. In the short term, this strategy will ensure that DTESB is open and accountable for data that it collects and stores. In the medium to long term, the release of data should spur creative re-use and repurposing of data to provide new and exciting resources for the community.

DTEB does not produce, own or control significant amounts of data. To date, DTEB has released nine data sets on www.data.qld.gov.au. The annual review of our open data strategy has identified additional data sets. There are 7 data sets are being prepared for release and 10 data sets were identified as not suitable for release at this stage.

From 2012–13, the following reporting requirements no longer form part of the annual report and are now released through the Queensland Government’s open data website:

- consultancies
- overseas travel.

There is nil to report for the *Queensland cultural diversity policy* in 2013–14.

This annual report is also available on the Queensland Government publications website at www.publications.qld.gov.au.

Public Sector Ethics Act 1994

All employees were required to ensure their performance and behaviour complied with the Queensland Public Service code of conduct. The principles and values contained in the code of conduct are incorporated into departmental policies, procedures and plans.

The implementation of a fraud, corruption and misconduct policy and a fraud control plan for the significant strategic risks identified by the department was a major area of focus.

The department offers code of conduct and ethical decision-making training to all employees on an annual basis, and all new employees undertake training as part of their mandatory induction.

During 2013–14, 91% of all department employees completed code of conduct training, which is comparable to a 70% completion rate in 2012–13.

Workforce planning, attraction, retention and performance

Workforce profile

The department had a total of 118 full-time equivalent staff at 30 June 2014.

The permanent retention rate of the department was 95.5% and the permanent separation rate was 4.88%.

Workforce, planning, attraction and retention

During 2013–14, we continued to implement the Public Sector Renewal Program, which involves aligning workforce skills and resources with current and future core business priorities.

Business units across the department reviewed workforce needs and identified business-critical roles, capabilities and service-delivery models to ensure the department has the capacity to deliver on government and business priorities.

The department consolidated staff resources and built internal capability and flexibility in the workforce.

A five-year strategic workforce plan that aligns with the business renewal priorities for the 2014–19 period was developed.

Succession strategies for critical roles incorporated building internal talent, providing relieving and development opportunities, and recruiting graduates. The DTESB skills register is promoted and utilised to identify relieving and development opportunities across divisions.

The department continued to build a culture that values and embraces health and safety, leadership, high performance, accountability and innovation.

Employment performance management framework

During 2013–14, a review of DTESB's performance management framework was undertaken to further foster and recognise performance excellence.

This framework aids supervisors and employees to make informed decisions about their business unit priorities, individual goals, behaviour expectations (aligned to the department's culture and values) and development needs.

Our strategic plan, business plans and individual performance agreements are all aligned to the government's vision to double overnight visitor expenditure by 2020. This provides a clear line of sight and expectations of performance.

All new starters complete the Online Induction Program, which provides information about the department, conditions of employment, ethical behaviour, safety at work and information security. Personal workplace inductions conducted by managers complements the online program. Workplace induction incorporates understanding of business goals and expectations, local procedures and policies, and integration into the work team.

Performance excellence is recognised at both the business unit level and departmental level through events such as the Australia Day Awards ceremony.

Leadership and management development framework

DTESB is committed to building management and leadership skills for current and future leaders.

During the year, executives and senior officers developed leadership capabilities through:

- participating in Public Service Commission management development programs
- implementing a comprehensive performance agreement
- participating in the 360 Degree Executive Feedback Program to further develop leadership priorities
- participating in the Public Service Commission–led Executive Capability Assessment and Development initiative.

The department delivered a number of blended learning and development initiatives in 2013–14 for all staff, focused on building management and leadership skills. These included:

- **Managing People**—a program to provide supervisors and managers with practical skills to build and motivate their teams
- **Change Management**—a program to provide supervisors and staff with the tools to understand and manage change both as a team and individually
- **Resilience Training**—a program to provide managers and staff with practical skills to handle adversity and future challenges in both their personal and professional lives. In 2013–14, 26 staff undertook Practical Resilience training.

Values

We continue to ensure that we integrate the Queensland Public Service values. These values have been widely recognised and accepted as sincere expressions of the values necessary to make DTESB an effective and satisfying place to work.

We formed a culture club comprised of employees from all classification levels to identify and promote specific events and ideas to:

- improve department-wide strategies
- model valued behaviours
- make changes to organisational leadership and communication
- enhance learning and development initiatives.

DTESB's participation rate in the Public Service Commission–led 2014 Working for Queensland Employee Opinion Survey was 77%, which was in line with our participation rate for the 2013 survey. DTESB's response rate places our involvement in the top 10 of all government agencies, with an agency engagement rate significantly higher than the public sector average (55%). Over 90% of DTESB respondents agreed that 'my work contributes to the delivery of the department's strategic objectives', over 85% of staff confirming 'my work activity is focused on getting positive results for our customers' and over 85% stated that they were 'clear what my duties and responsibilities are'.

Flexible working arrangements

The department has a range of policies in place that promote flexible work arrangements and work–life balance, including flexible work hours, job-sharing, part-time work, telecommuting, family and cultural leave provisions, and the provision of care facilities in the workplace.

These policies are promoted to job candidates and employees online.

Early retirement, redundancy and retrenchment

During the period, one employee received a redundancy package at a cost of \$35 000.

Industrial and employee relations framework

DTEB's Consultative Committee was established to facilitate consultation between management and unions on matters arising under the State Government Departments Certified Agreement 2009, or on any other matters that affect or may affect the workforce of the department. No request to convene the Consultative Committee was received from unions during 2013–14.

The department is actively participating in the Queensland Industrial Relations Commission–led modernising of Queensland's 83 industrial awards, which apply to state and local government employees.

Financial statements

DEPARTMENT OF TOURISM, MAJOR EVENTS, SMALL BUSINESS AND THE COMMONWEALTH GAMES

Financial Statements

for the year ended 30 June 2014

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General information

These financial statements cover the Department of Tourism, Major Events, Small Business and the Commonwealth Games (DTESB).

The consolidated information contained in the financial statements includes the financial results for DTESB and Events Queensland (EQ). EQ was a controlled entity of DTESB until it was wound up effective from 11 December 2012 as a result of the *Tourism and Events Queensland Act (No.44) 2012*. EQ's functions were merged into the new Tourism and Events Queensland Corporation from that date, which is a statutory body of government. For comparative purposes, the consolidated and parent result are disclosed in separate columns for the 2013 financial year.

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

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

Level 26
111 George Street
BRISBANE QLD 4000

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

For information in relation to the department's financial statements please call the Director, Planning and Performance (part of the Business Corporate Partnership) for DTESB on 07 3087 8569, email larisa.villis@daff.qld.gov.au, or visit the department Internet site www.dtesb.qld.gov.au.

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

DEPARTMENT OF TOURISM, MAJOR EVENTS, SMALL BUSINESS AND THE COMMONWEALTH GAMES
Statement of comprehensive income
for the year ended 30 June 2014

		Parent 2014 \$'000	Consolidated 2013 \$'000	Parent 2013 \$'000
	Notes			
Income from continuing operations				
Appropriation revenue for services	2	75,415	51,205	51,205
User charges and fees	3	-	222	22
Grants and other contributions	4	20,405	21,517	517
Other revenue	5	58	3,420	63
Total income from continuing operations		95,878	76,365	51,808
Expenses from continuing operations				
Employee expenses	6	12,832	15,323	13,229
Supplies and services	8	7,141	12,092	6,972
Grants and subsidies	9	71,649	46,123	27,443
Depreciation	10	53	232	48
Finance/borrowing Costs	11	-	5	-
Other expenses	12	4,013	4,101	3,998
Total expenses from continuing operations		95,688	77,876	51,690
Operating result for the year		190	(1,511)	118
Total comprehensive income		190	(1,511)	118

The accompanying notes form part of these statements.

DEPARTMENT OF TOURISM, MAJOR EVENTS, SMALL BUSINESS AND THE COMMONWEALTH GAMES
Statement of financial position
as at 30 June 2014

		Parent 2014 \$'000	Consolidated 2013 \$'000	Parent 2013 \$'000
	Notes			
Current assets				
Cash and cash equivalents	13	(6,096)	(357)	(357)
Receivables	14	6,538	2,316	2,316
Other assets	15	1,974	120	120
Total current assets		2,416	2,079	2,079
Non-current assets				
Plant and equipment	16	918	302	302
Other assets	15	-	51	51
Total non-current assets		918	354	354
Total assets		3,334	2,433	2,433
Current liabilities				
Payables	17	708	710	710
Accrued employee benefits	18	402	358	358
Total current liabilities		1,111	1,069	1,069
Total liabilities		1,111	1,069	1,069
Net assets		2,223	1,364	1,364
Equity				
Contributed equity		1,902	1,233	1,233
Accumulated surplus/deficit		321	131	131
Total equity		2,223	1,364	1,364

The accompanying notes form part of these statements.

DEPARTMENT OF TOURISM, MAJOR EVENTS, SMALL BUSINESS AND THE COMMONWEALTH GAMES
Statement of changes in equity
for the year ended 30 June 2014

	Accumulated		Contributed		Total	
	Surplus/Deficit		Equity		Consolidated	Parent
	Consolidated	Parent	Consolidated	Parent		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2012	(4,807)	13	20,502	1,140	15,695	1,153
Operating result from discontinuing operations - EQ wound up as at 11 December 2012	(1,511)	118	-	-	(1,511)	118
Total comprehensive income for the year	(1,511)	118	-	-	(1,511)	118
Transactions with owners as owners:						
- Net transfers in/(out) from other Queensland Government entities	-	-	93	93	93	93
- MoG changes - EQ wound up as at 11 December 2012	6,449	-	(19,363)	-	(12,914)	-
Net transactions with owners as owners	6,449	-	(19,270)	93	(12,821)	93
Balance as at 30 June 2013	131	131	1,233	1,233	1,364	1,364
Balance as at 1 July 2013	-	131	-	1,233	-	1,364
Operating result from continuing operations	-	190	-	-	-	190
Total comprehensive income for the year	-	190	-	-	-	190
Transactions with owners as owners:						
- Appropriated equity injections	-	-	-	672	-	672
- Net asset transfers in/(out) from other Queensland Government entities	-	-	-	(3)	-	(3)
Net transactions with owners as owners	-	-	-	669	-	669
Balance as at 30 June 2014	-	321	-	1,902	-	2,223

The accompanying notes form part of these statements.

DEPARTMENT OF TOURISM, MAJOR EVENTS, SMALL BUSINESS AND THE COMMONWEALTH GAMES

Statement of cash flows

for the year ended 30 June 2014

	Notes	Parent 2014 \$'000	Consolidated 2013 \$'000	Parent 2013 \$'000
Cash flows from operating activities				
<i>Inflows:</i>				
Appropriation services receipts		71,539	47,290	47,290
User charges		787	222	222
Grants and other contributions		20,400	21,250	250
GST input tax credits from Australian Taxation Office		5,316	955	955
GST collected from customers		2,046	19	19
Interest receipts		-	305	-
Other inflows		58	3,168	222
<i>Outflows:</i>				
Employee expenses		(12,906)	(15,232)	(13,088)
Supplies and services		(8,801)	(13,497)	(7,577)
Grants and subsidies		(71,649)	(46,241)	(27,561)
GST remitted to Australian Taxation Office		(1,889)	-	-
GST paid to suppliers		(6,628)	(2,440)	(1,790)
Finance/borrowing costs		-	(28)	-
Other outflows		(4,012)	(4,101)	(3,998)
Net cash provided by (used in) operating activities	20	(5,739)	(8,330)	(5,055)
Cash flows from investing activities				
<i>Outflows:</i>				
Payments for plant and equipment		(672)	(69)	(11)
Payments for investments		-	3,611	-
Net cash provided by (used in) investing activities		(672)	3,542	(11)
Cash flows from financing activities				
<i>Inflows:</i>				
Equity injections		672	-	-
Net cash provided by (used in) financing activities		672	-	-
Net increase/(decrease) in cash and cash equivalents		(5,740)	(4,788)	(5,066)
Net cash and cash equivalents transferred under MoG change		-	(13,457)	-
Cash and cash equivalents at beginning of financial year		(357)	17,889	4,709
Cash and cash equivalents at end of financial year	13	(6,096)	(357)	(357)

The accompanying notes form part of these statements.

DEPARTMENT OF TOURISM, MAJOR EVENTS, SMALL BUSINESS AND THE COMMONWEALTH GAMES
Statement of Comprehensive Income by Major Departmental Services ⁽¹⁾
for the year ended 30 June 2014

	Tourism and Events Development		Business to Government Services		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Income from continuing operations ⁽²⁾						
Appropriation revenue for services	66,654	40,546	8,761	10,659	75,415	51,205
User charges and fees	-	-	-	22	-	22
Grants and other contributions	20,401	472	4	45	20,405	517
Other revenue	51	55	6	8	58	63
Total income from continuing operations	87,107	41,074	8,771	10,734	95,878	51,808
Expenses from continuing operations ⁽²⁾						
Employee expenses	6,502	5,929	6,330	7,301	12,832	13,229
Supplies and services	4,843	3,831	2,298	3,142	7,141	6,972
Grants and subsidies	71,640	27,443	9	-	71,649	27,443
Depreciation	41	32	12	16	53	48
Other expenses	3,997	3,913	16	85	4,013	3,998
Total expenses from continuing operations	87,023	41,147	8,665	10,544	95,688	51,690
Operating result for the year	84	(73)	106	191	190	118
Total comprehensive income	84	(73)	106	191	190	118
Allocation of income and expenses to corporate services (disclosure only):						
Income	4,360	3,332	575	876	4,935	4,208
Expenses	4,273	3,556	564	935	4,837	4,491

⁽¹⁾ Refer to Note 1(x) for a description of major departmental services.

⁽²⁾ Corporate services income and expenses relating to DTESB through the Corporate Partnership arrangements have been allocated to respective departmental services.

In addition to the corporate services delivered within the Department of Tourism, Major Events, Small Business and the Commonwealth Games (DTESB), the department also participates in a corporate partnership arrangement whereby certain agencies "host" a number of strategic and operational corporate services provided to DTESB as a "recipient" department. This arrangement was developed with a focus on ensuring economies of scale, service integration, scalability and responsiveness.

The "host" agency of each corporate service function receives the appropriation of funds and reports Full Time Equivalent positions in the respective agency. The model is multi-layered for different corporate services functions. That is, some functions are provided to 2 agencies, and some are provided to 6 agencies with any combination in between.

As a "recipient" agency, DTESB receives defined services from the following agencies:

- Department of Natural Resources and Mines (Accommodation Services; Legal Services; Customer Solution Services)
- Department of Environment and Heritage Protection (Privacy and Ethics; Internal Audit; Procurement; Right to Information)
- Department of Agriculture, Fisheries and Forestry (Finance; Human Resources; Corporate Communications; Governance Oversight; Planning and Performance Management; Information Management; Fleet Management; Telecommunications)

Corporate Services income and expenses attributable solely to DTESB are apportioned across the major departmental services while corporate services income and expenses attributable under the corporate partnership arrangements are outlined in the Statement of Comprehensive Income by Major Departmental Services of the respective department.

The accompanying notes form part of these statements.

DEPARTMENT OF TOURISM, MAJOR EVENTS, SMALL BUSINESS AND THE COMMONWEALTH GAMES
Statement of assets and liabilities by major departmental services ⁽¹⁾
as at 30 June 2014

	Tourism and Events Development		Business to Government Services		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Current Assets ⁽²⁾						
Cash and cash equivalents	(8,437)	(283)	2,341	(74)	(6,096)	(357)
Receivables	6,131	1,923	407	392	6,538	2,316
Other assets	1,967	8	6	113	1,974	120
Total Current Assets	(339)	1,648	2,754	431	2,416	2,079
Non-Current Assets ⁽²⁾						
Plant and equipment	875	222	43	80	918	302
Other assets	-	-	-	51	-	51
Total Non Current Assets	875	222	43	131	918	354
Total Assets	536	1,871	2,797	562	3,334	2,433
Current Liabilities ⁽²⁾						
Payables	347	444	361	266	708	710
Accrued employee benefits	208	146	194	213	402	358
Total Current Liabilities	555	590	556	479	1,111	1,069
Total Liabilities	555	590	556	479	1,111	1,069

⁽¹⁾ Refer to Note 1(x) for a description of major departmental services.

⁽²⁾ Corporate Services assets and liabilities have been allocated to respective service areas.

The accompanying notes form part of these statements.

**DEPARTMENT OF TOURISM, MAJOR EVENTS, SMALL BUSINESS AND THE COMMONWEALTH GAMES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2013-14**

Note	Note Title
	Objectives and principal activities of the department
1	Summary of significant accounting policies
2	Reconciliation of payments from consolidated fund to appropriation revenue for services recognised in statement of comprehensive income
2	Reconciliation of payments from consolidated fund to equity adjustment recognised in contributed equity
3	User charges and fees
4	Grants and other contributions
5	Other revenue
6	Employee expenses
7	Key management personnel and remuneration
8	Supplies and services
9	Grants and subsidies
10	Depreciation
11	Finance/borrowing costs
12	Other expenses
13	Cash and cash equivalents
14	Receivables
15	Other assets
16	Plant and equipment
17	Payables
18	Accrued employee benefits
19	Controlled entities
20	Reconciliation of operating surplus to net cash from operating activities
21	Commitments for expenditure
22	Contingencies
23	Events occurring after balance date
24	Financial instruments
25	Schedule of administered items
26	Reconciliation of payments from consolidated fund to administered revenue

**DEPARTMENT OF TOURISM, MAJOR EVENTS, SMALL BUSINESS AND THE COMMONWEALTH GAMES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2013-14**

Objectives and principal activities of the department

The Department of Tourism, Major Events, Small Business and the Commonwealth Games (DTEsb) has key goals to double annual overnight visitor expenditure to \$30 billion by 2020 and ensure small business satisfaction with business to government services.

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

The department will contribute to the government's objectives for the community to:

- grow a four pillar economy through actions aimed at increasing visitor expenditure by an average of 6% per annum between 2010 and 2020.
- deliver better infrastructure and better planning—through aviation and tourism investment attraction strategies, and by ensuring the 2018 Commonwealth Games provides a legacy for Queensland.
- revitalise front-line services—through continued improvement to business' ability to transact with Government through the business and industry portal.

1. Summary of significant accounting policies

(a) Statement of compliance

DTEsb has prepared these financial statements in compliance with section 42 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements, and have been prepared on an accrual and a going concern basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury and Trade's (QTT) Minimum Reporting Requirements for the year ending 30 June 2014, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, DTEsb has applied those requirements applicable to not-for-profit entities, as DTEsb is a not-for-profit department. Except where stated, the historical cost convention is used.

(b) The reporting entity

The financial statements include the value of all income, expenses, assets, liabilities and equity for DTEsb as an individual entity.

DTEsb does not control other entities in the financial year 2013-2014 following the winding up of the Event Queensland (EQ) on 11 December 2012 and its deregistration by ASIC on 10 July 2013.

In order to provide enhanced disclosure, DTEsb has adopted the principles outlined in Australian Accounting Standard AASB 127 *Consolidated and Separate Financial Statements*. This approach is considered appropriate as it reflects the relationship between DTEsb's core business activities. In the process of reporting on DTEsb as a single economic entity, all transactions and balances internal to the economic entity have been eliminated in full.

Refer also to Notes 1(x) for the major departmental services undertaken by the department and controlled entity.

(c) Administered transactions and balances

The department administers, but does not control, certain resources on behalf of the Government. In doing so, it has responsibility and is accountable for administering related transactions and items, but does not have the discretion to deploy the resources for the achievement of the department's objectives.

Administered transactions and balances are disclosed in Note 25. These transactions and balances are not significant in comparison to the department's overall financial performance/financial position.

(d) Appropriation revenue for services/administered revenue

Appropriations provided under the *Annual Appropriation Act 2013* are recognised as revenue when received or when departmental services receivable is recognised after approval from QTT.

Amounts appropriated to the department for transfer to other entities in accordance with legislative or other requirements are reported as 'administered' item appropriations.

(e) User charges and fees

User charges and fees controlled by the department are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. This involves either invoicing for related goods/services and/or the recognition of accrued revenue. User charges and fees are controlled by the department where they can be deployed for the achievement of departmental objectives.

Fees collected, but not controlled, by the department are reported as administered revenue. Refer to Note 25.

(f) Interest revenue

Interest revenue is recognised as it accrues. The department earned no interest during 2013-14.

(g) Grants and contributions - Revenue

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which the department obtains control over them (control is generally obtained at the time of receipt). Where grants are received that are reciprocal in nature, revenue is recognised over the term of the funding arrangements.

Contributed assets are recognised at their fair value. The accounting treatment for contributions of services is explained in Note 1 (z).

**DEPARTMENT OF TOURISM, MAJOR EVENTS, SMALL BUSINESS AND THE COMMONWEALTH GAMES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2013-14**

1. Summary of significant accounting policies (cont'd)

(h) Grants and subsidies - Expenses

A non reciprocal grant is a payment or contribution made to an organisation or person which is not to be repaid or reciprocated, but which must be spent by the recipient for a specific purpose. Accordingly, non reciprocated grant payments are expensed when payment is made. Where the grant payment is reciprocal in nature, an asset (prepayment) is recognised when payment is made. This prepayment is expensed as the grant recipient satisfies the performance obligation under the funding agreement.

A subsidy payment is a payment or contribution made to an organisation or person which is not repaid or reciprocated.

(i) 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 received but not banked at 30 June as well as deposits at call.

(j) Receivables

Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is generally required within 14–30 days from the invoice date.

The collectability of receivables is assessed periodically with provision being made for impairment. All known bad debts are written-off as at 30 June. Increases in the allowance for impairment are based on loss events.

Other debtors generally arise from transactions outside the usual operating activities of the department and are recognised at their assessed values. Terms are set based on the operations of the particular entities, no interest is charged and no security is obtained.

(k) Acquisitions of assets

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

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

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

(l) Plant and equipment

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

Plant and equipment	\$5,000
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Items with a lesser value are expensed in the year of acquisition.

The department does not own any Land and Buildings.

(m) Revaluations of non-current physical assets

The department only has plant and equipment and it is measured at cost in accordance with *QTT's Non current asset Policies for the Queensland Public Sector (NCAP)*. The carrying amounts for plant and equipment at cost should not materially differ from their fair value.

(n) 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.

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 to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by the department include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the department assets/liabilities, 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.

All assets and liabilities of the department for which fair value is measured or disclosed in the financial statements are categorised within 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 within level 1) that are observable, either directly or indirectly; and
- level 3 – represents fair value measurements that are substantially derived from unobservable inputs .

The department does not have any financial assets recorded at fair value.

DEPARTMENT OF TOURISM, MAJOR EVENTS, SMALL BUSINESS AND THE COMMONWEALTH GAMES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2013-14

1. Summary of significant accounting policies (cont'd)

(o) Depreciation of plant and equipment

Plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the department.

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

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

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

Asset class	Category	Rate %
Plant and equipment	Office equipment	20%
	Leasehold improvements	10%

(p) Impairment of non-current assets

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. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

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

An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

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, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(q) Leases

A distinction is made in the financial statements between finance leases that effectively transfer from the lessor to the lessee substantially all risks and benefits incidental to ownership, and operating leases, under which the lessor retains substantially all risks and benefits.

Finance leases are recorded as receivable at an amount equal to the net investment of the lease agreement. Lease income from finance leases is recognised at a constant periodic rate of return on the net investment in the finance lease. The department does not have any finance leases.

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred.

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

(r) Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. purchase/ contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 7, 14, or 30 day terms.

(s) Financial instruments

Recognition

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.

Classification

Financial instruments are classified and measured as follows:

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

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

All other disclosures relating to the measurement and financial risk management of financial instruments held by the department are included in Note 24.

**DEPARTMENT OF TOURISM, MAJOR EVENTS, SMALL BUSINESS AND THE COMMONWEALTH GAMES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2013-14**

1. Summary of significant accounting policies (cont'd)

(t) Employee benefits

Employer superannuation contributions, annual leave levies and long service leave levies are regarded as employee benefits.

Payroll tax and workers' compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

Wages, Salaries and Sick Leave

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates.

As the department expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Annual Leave

The Queensland Government's Annual Leave Central Scheme (ALCS) became operational on 30 June 2008 for departments, commercialised business units and shared service providers. Under this scheme, a levy is made on the department to cover the cost of employees' annual leave (including leave loading and on-costs). The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave are claimed from the scheme quarterly in arrears.

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

Long Service Leave

Under the Queensland Government's Long Service Leave Scheme, a levy is made on the department to cover the cost of employees' long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears.

For the department, no provision for long service leave is recognised in the financial statements. The liability is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Superannuation

For the department, employer superannuation contributions are paid to QSuper, the superannuation scheme for Queensland Government employees, at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable. The department's obligation is limited to its contribution to QSuper.

The QSuper scheme has defined benefit and defined contribution categories. 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*.

Key Management Personnel and Remuneration

Key management personnel and remuneration disclosures are made in accordance with section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by QTT. Refer to Note 7 for disclosures on key executive management personnel and remuneration.

DEPARTMENT OF TOURISM, MAJOR EVENTS, SMALL BUSINESS AND THE COMMONWEALTH GAMES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2013-14

1. Summary of significant accounting policies (cont'd)

(u) 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. Where the settlement of the obligation is expected after 12 or more months, the obligation is discounted to the present value using an appropriate discount rate.

(v) Financing/borrowing costs

Finance costs are recognised as an expense in the period in which they are incurred.

Finance costs include:

- Interest on bank overdrafts and short-term and long-term borrowings;
- Finance lease charges;
- Amortisation of discounts or premiums relating to borrowings; and
- Ancillary administration charges.

No borrowing costs are capitalised into qualifying assets.

(w) Allocation of revenues and expenses from ordinary activities to corporate services

The department discloses revenues and expenses attributable to corporate services in the Statement of Comprehensive Income by Major Departmental Services. The income and expenses of the department's corporate services are allocated to the department's services on the basis of employee full time equivalent numbers.

(x) Major departmental services of the department

The identity and purpose of the major departmental services undertaken by the department during the year are as follows:

Tourism and Events Development:

This service area promotes sustainable industry growth by delivering a strategic, whole-of-Government approach to the future of tourism. It attracts investment into our State's tourism products by showcasing Queensland as an investment destination through initiatives such as a new ecotourism investment model and the Attracting Aviation Investment Fund. It also works across Government to improve the planning and approval processes for new tourism industry projects. The department delivers its Tourism and Events Development services in close partnership with Tourism and Events Queensland to ensure events attraction and tourism marketing help deliver on the Government's objective to grow tourism as one of the four pillars of the economy.

This service area also focuses on developing future events for Queensland to ensure our State benefits from the boost that major events can provide to the tourism industry and the economy. It also works in partnership with the Gold Coast 2018 Commonwealth Games Corporation to plan and prepare for the Commonwealth Games. Tourism and Events Development services help ensure industry has opportunities to invest in our State's tourism activities, and aligns with the Government's objective to deliver better infrastructure and better planning for our State.

Business to Government Services:

This service area ensures the government can effectively provide information and services to business, encourage small business growth and foster a diverse economic base for Queensland.

Small businesses represent over 96% of businesses State-wide and employ almost half of all private sector workers. These businesses are essential for a vibrant Queensland economy and measures include client satisfaction with our department's services to ensure we continue to meet business and industry needs.

This service area improves business accessibility to Government information and services and encourages more effective service delivery by having feedback mechanisms connected to our existing services. It also promotes further engagement by our clients with our online services and aligns with the department's objectives to provide a stronger digital and online presence.

(y) Insurance

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

In 2012-2013, payments were made for premiums in respect of the department's controlled entity EQ directors' and officers' liability insurance contracts until it was wound up effective from 11 December 2012.

(z) Services received free of charge or for nominal value

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. DTESB received defined services from the following agencies:

- Department of Natural Resources and Mines (Accommodation Services; Legal Services; Customer Solution Services)
- Department of Environment and Heritage Protection (Privacy and Ethics; Internal Audit; Procurement; Right to Information)
- Department of Agriculture, Fisheries and Forestry (Finance; Human Resources; Corporate Communications; Governance Oversight; Planning and Performance Management; Information Management; Fleet Management; Telecommunications)

The revenue and expense related to these contributions of services have not been recognised in the financial statements as these values cannot be measured reliably.

DEPARTMENT OF TOURISM, MAJOR EVENTS, SMALL BUSINESS AND THE COMMONWEALTH GAMES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2013-14

1. Summary of significant accounting policies (cont'd)

(aa) Contributed equity

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities, as a result of MoG changes, are adjusted to Contributed Equity in accordance with Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*. Appropriations for equity adjustments are similarly designated.

(ab) Taxation

The department is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the department. GST credits receivable from, and GST payable to the ATO are recognised (refer Note 14).

(ac) Issuance of financial statements

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

(ad) Accounting estimates and judgements

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

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

- Valuation of Plant and Equipment – Note 16.

The Australian government passed its Clean Energy Act in November 2011 which resulted in the introduction of a price on carbon emissions made by Australian businesses from 1 July 2012.

The government has planned to abolish the carbon tax from 1 July 2014. The withdrawal of the carbon pricing mechanism is not expected to have a significant impact on the department's critical accounting estimates, assumptions and management judgements.

(ae) Rounding and comparatives

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

As a result of the *Tourism and Events Queensland Act (No. 44) 2012*, EQ was wound up effective from 11 December 2012 with its functions merged into the new Tourism and Events Queensland Corporation, which is a statutory body of government. EQ was deregistered by ASIC on 10 July 2013. The financial statements report on the financial results of the entity from 1 July 2012 until EQ was wound up on 11 December 2012.

The comparative information for 2012-2013 disclosed both the parent and controlled entity (EQ) entity before EQ was wound up.

**DEPARTMENT OF TOURISM, MAJOR EVENTS, SMALL BUSINESS AND THE COMMONWEALTH GAMES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2013-14**

1. Summary of significant accounting policies (cont'd)

(af) New and revised accounting standards

The department did not voluntarily change any of its accounting policies during 2013–14. Australian Accounting Standard changes applicable for the first time for 2013-14 have had minimal effect on DTEB's financial statements, as explained below.

AASB 13 Fair Value Measurement applies from reporting periods beginning on or after 1 January 2013. AASB 13 sets out the definition of "fair value", as well as principles to be applied when determining the fair value of assets and liabilities. The requirements applied to all of the department's assets and liabilities (excluding leases) that were and/or disclosed at fair value or another measurement based on fair value. The impacts of AASB13 relate to the fair value measurement methodologies used and financial statement disclosures made in respect of such assets and liabilities.

Currently, the department has plant and equipment, and capital work in progress and these assets are measured at cost in accordance with the Non-Current Asset Policies . The carrying amounts for plant and equipment, capital work in progress at cost should not materially differ from their fair value.

A revised version of AASB 119 Employee Benefits applies from reporting periods beginning on or after 1 January 2013. As the Department does not directly recognise any employee benefit liabilities (refer to Note 1(t)), the only implications for the department were the revised concept of 'termination benefits' and the revised recognition criteria for termination benefit liabilities. If termination benefits meet the AASB 119 timeframe criterion for 'short-term employee benefits', they would be measured according to the AASB 119 requirements for 'short-term employee benefits'. Otherwise, termination benefits would be measured according to the AASB 119 requirements for 'other long-term employee benefits'. Under the revised standard, the recognition and measurement of employer obligations for 'other long-term employee benefits' would be accounted for according to most of the requirements for defined benefit plans.

The revised AASB 119 includes changed criteria for accounting for employee benefits as 'short-term employee benefits'. However, as the department is a member of the Queensland Government central schemes for annual leave and long service leave, this change in criteria has no impact on the department's financial statements, as the employer liability is held by the central scheme. The revised AASB 119 also includes changed requirements for the measurement of employer liabilities/assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities/assets. The department makes employer superannuation contributions only to the QSuper defined benefit plan, and the corresponding QSuper employer benefit obligation is held by the State. Therefore, those changes to AASB 119 have no impact on the department.

AASB 1053 Application of Tiers of Australian Accounting Standards applies as from reporting periods beginning on or after 1 July 2013. AASB 1053 establishes a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two Tiers of reporting requirements – Australian Accounting Standards (Tier 1), and Australian Accounting Standards – Reduced Disclosure Requirements (Tier 2). Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia whereas Tier 2 has fewer disclosure requirements.

The release of AASB 1053 and associated amending standards have no impact on the department as all Queensland Government departments (including DTEB) and statutory bodies that are consolidated into the whole-of-government financial statements is required to adopt Tier 1 reporting requirements.

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.

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

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

AASB 1055 Budgetary Reporting applies from reporting periods beginning on or after 1 July 2014. The department will need to include in its 2014-15 financial statements the original budgeted figures from the Comprehensive Income Statement, Statement of Financial Position, Statement of Changes in Equity, and Cash Flow Statement as published in the 2014-15 Queensland Government's Service Delivery Statements. The budgeted figures will need to be presented consistently with the corresponding (actuals) financial statements, and will be accompanied by explanations of major variances between the actual amounts and the corresponding original budgeted figures.

In addition, based on what is currently published in the Queensland Government's Service Delivery Statements, the department will need to include in these financial statements the original budgeted information for major classes of administered income and expenses, and major classes of administered assets and liabilities. This budgeted information will need to be presented consistently with the corresponding (actuals) administered information, and will be accompanied by explanations of major variances between the actual amounts and the corresponding budgeted financial information.

**DEPARTMENT OF TOURISM, MAJOR EVENTS, SMALL BUSINESS AND THE COMMONWEALTH GAMES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2013-14**

1. Summary of significant accounting policies (cont'd)

(af) New and revised accounting standards

The following new and revised standards apply as from reporting periods beginning on or after 1 January 2014 –

- AASB 10 Consolidated Financial Statements ;
- AASB 11 Joint Arrangements ;
- AASB 12 Disclosure of Interests in Other Entities ;
- AASB 127 (revised) Separate Financial Statements ;
- AASB 128 (revised) Investments in Associates and Joint Ventures ;
- AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17] ; and
- AASB 2013-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities - Control and Structured Entities.

AASB 10 redefines and clarifies the concept of control of another entity, and is the basis for determining which entities should be consolidated into an entity's financial statements. AASB 2013-8 applies the various principles in AASB 10 for determining whether a not-for-profit entity controls another entity. On the basis of those accounting standards, DTESB has reviewed the nature of its relationship with other entities that the department is connected with, including entities that are not currently consolidated, to determine the impact of AASB 2013-8. Based on existing circumstances, DTESB will not have any control over any additional entities.

AASB 11 deals with the concept of joint control, and sets out new principles for determining the type of joint arrangement that exists – which, in turn dictates the accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement. Joint arrangements will be distinguished into two new categories - joint operation and joint venture. DTESB has assessed its arrangements with other entities to determine whether a joint arrangement exists in terms of AASB 11. Based on the department review, there are no joint arrangements exist. If a joint arrangement does exist in future, DTESB will follow the relevant accounting treatment specified in either AASB 11 or the revised AASB 128, depending on the nature of the joint arrangement.

The revised AASB 128 will set out the accounting treatment for both associates and joint ventures. Whereby, it will mandate the equity method of accounting for investments in joint ventures and associates, and deal with the application of equity accounting in a wider range of situations.

AASB 9 Financial Instruments (December 2010) and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] become effective from reporting periods beginning on or after 1 January 2017. The main impacts of these standards on the department are that they will change the requirements for the classification, measurement and disclosures associated with the department's financial assets. Under the new requirements, financial assets will be more simply classified according to whether they are measured at amortised cost or fair value. Pursuant to AASB 9, financial assets can only be measured at amortised cost if two conditions are met. One of these conditions is that the asset must be held within a business model whose objective is to hold assets in order to collect contractual cash flows. The other condition is that the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The department will review the measurement of its financial assets against the new AASB 9 classification and measurement requirements. However, as the classification of financial assets at the date of initial application of AASB 9 will depend on the facts and circumstances existing at that date, the department's conclusions will not be confirmed until closer to that time. At this stage, and assuming no change in the types of transactions the department enters into, it is not expected that any of the department's financial assets will meet the criteria in AASB 9 to be measured at amortised cost. Therefore, as from the 2017-18 financial statements, all of the department's financial assets are expected to be required to be measured at fair value, and classified accordingly (instead of the measurement classifications presently used in Note 1(s) and 30). The same classification will be used for net gains/losses recognised in the Statement of Comprehensive Income in respect of those financial assets. In the case of the department's current receivables, as they are short-term in nature, the carrying amount is expected to be a reasonable approximation of fair value.

The department will not need to restate comparative figures for financial instruments on adopting AASB 9 as from 2017-2018. However, changed disclosure requirements will apply from that time. A number of one-off disclosures may be required in the 2017-18 financial statements to explain the impact of adopting AASB 9.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets applies from reporting periods beginning on or after 1 January 2014. This standard will amend the disclosure requirements in AASB 136 by harmonising the disclosure requirements for fair value less costs of disposal and value in use when present value techniques are used to measure the recoverable amount of impaired assets.

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 TOURISM, MAJOR EVENTS, SMALL BUSINESS AND THE COMMONWEALTH GAMES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2013-14

	Parent 2014 \$'000	Consolidated 2013 \$'000	Parent 2013 \$'000
2. Reconciliation of payments from consolidated fund to appropriation revenue for services recognised in statement of comprehensive income			
Budgeted appropriation revenue for services	99,992	47,639	47,639
Transfers from/(to) other headings - Variation in Headings	(672)	-	-
Lapsed appropriation revenue for services	(27,781)	(349)	(349)
Total Appropriation Revenue for Services Receipts (cash)	71,539	47,290	47,290
Plus: opening balance of appropriation revenue for services payable	(334)	3,581	3,581
Plus: closing balance of appropriation revenue for services receivable	4,210	334	334
Appropriation Revenue for Services Recognised in Statement of Comprehensive Income	75,415	51,205	51,205
 Reconciliation of payments from consolidated fund to equity adjustment recognised in contributed equity			
Transfers from/(to) other headings	672	-	-
Equity Adjustment Recognised in Contributed Equity	672	-	-
 3. User charges and fees			
Sale of goods	-	22	22
Rental fees	-	200	-
Total	-	222	22
 4. Grants and other contributions			
Grants	-	21,300	300
Contributions from Gold Coast City Council ⁽¹⁾	20,400	-	-
Goods & services received below fair value	-	216	216
Gifts and donations	5	1	1
Total	20,405	21,517	517
⁽¹⁾ Contributions related to the planning and delivery of the 2018 Commonwealth Games for \$20 million and \$0.400 million for the ecological sustainability of the Gold Coast Aquatic Centre pre and post Commonwealth Games.			
 5. Other revenue			
Entry fees	-	2,568	-
Interest	-	305	-
Sponsorships	-	224	-
Other revenue	58	63	63
Sundry revenue	-	259	-
Total	58	3,420	63
 6. Employee expenses			
Employee benefits			
Salaries and wages	9,539	10,979	9,203
Termination benefits	37	919	919
Employer superannuation contributions ⁽¹⁾	1,289	1,387	1,227
Annual leave levy ⁽¹⁾	995	985	967
Long service leave levy ⁽¹⁾	220	219	211
Other employee benefits	128	107	88
Employee related expenses			
Workers compensation premium ⁽²⁾	64	85	74
Payroll Tax ⁽²⁾	559	628	540
Other employee related expenses	1	14	-
Total	12,832	15,323	13,229

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

	Parent 2014	Consolidated 2013	Parent 2013
Number of Employees:	118	103	103

⁽¹⁾ Refer to Note 1(t).

⁽²⁾ Cost of workers' compensation insurance and payroll tax are a consequence of employing employees, but are not counted in employees' total remuneration package. They are not employee benefits, but rather employee related expenses.

DEPARTMENT OF TOURISM, MAJOR EVENTS, SMALL BUSINESS AND THE COMMONWEALTH GAMES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2013-14

7. Key management personnel and remuneration

a) Key executive management personnel

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2013–14. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Responsibilities	Current incumbents	
		Contract classification and appointment authority	Date appointed to position (Date resigned from position)
Director-General	The Director-General is responsible for the efficient, effective and economic administration of the department.	CEO / s.92 <i>Public Service Act 2008</i>	3 April 2012
Deputy Director-General, Tourism	The Deputy Director-General, Tourism is responsible for the efficient, effective and economic administration of Queensland's tourism policy, planning and development responsibilities for the department.	SES3 / s.110 <i>Public Service Act 2008</i>	21 April 2012
Assistant Director-General, Commonwealth Games	The Assistant Director-General, Office of the Commonwealth Games Coordination is responsible for the efficient, effective and economic administration of the Commonwealth Games responsibility for the department.	SES3 / s.110 <i>Public Service Act 2008</i>	22 February 2013
Executive Director, Small Business	The Executive Director, Small Business is responsible for the efficient, effective and economic administration of the development and facilitation of effective Queensland small businesses for the department.	SES2 / s.110 <i>Public Service Act 2008</i>	25 June 2012
Executive Director, Business Online Solutions	The Executive Director, Business Online Solutions is responsible for the efficient, effective and economic administration of service delivery methods, process and functions across multiple platforms and departments.	SES2 / s.110 <i>Public Service Act 2008</i>	1 April 2013
Executive Director, Regional Services	The Executive Director, Regional Services is responsible for developing and nurturing key regional relationships and ensuring effective development and delivery of policy and programs in Queensland's regions to meet government priorities in tourism and small business.	SES2 / s.110 <i>Public Service Act 2008</i>	25 June 2012
Director, Office of the Director-General	The Director, Office of the Director-General is responsible for the efficient, effective and economic administration of the Office of the Director-General for the department.	SO(1) <i>Public Service Act 2008</i> , section 119	2 April 2012

In addition to the above, the Deputy Director-General, Corporate and Executive Director, Finance (Chief Financial Officer) of the Department of Agriculture, Fisheries and Forestry (DAFF) are shared positions with DTESB. These positions are fully funded by DAFF to 30 June 2014 as per the Corporate Partnership arrangement.

b) Remuneration

Remuneration policy for the department's key management personnel is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*. The remuneration and other terms of employment for the key management personnel are specified in employment contracts. The contracts may provide for other benefits including a motor vehicle allowance, for chief executive officers (CEOs), may provide for the provision of At Risk Component payments.

For the 2013–14 year, remuneration of key management personnel increased by 2.2% in accordance with government policy.

The following disclosures focus on the expenses incurred by the department during the respective reporting periods, that is attributable to key management positions. Therefore, the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income.

Remuneration expenses for 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.
 - performance payments recognised as an expense during the year.
 - Non-monetary benefits – consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.
- Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.
- Post-employment expenses include amounts expensed in respect of employer superannuation obligations.
- Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

DEPARTMENT OF TOURISM, MAJOR EVENTS, SMALL BUSINESS AND THE COMMONWEALTH GAMES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2013-14

7. Key management personnel and remuneration (cont'd)

b) Remuneration (cont'd)

1 July 2013 - 30 June 2014

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$ '000	Non-Monetary Benefits \$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Director-General ⁽¹⁾	311	20	6	34	N/A	371
Deputy Director-General, Tourism	200	19	4	23	N/A	246
Assistant Director-General, Commonwealth Games	217	-	4	23	N/A	244
Executive Director, Small Business	168	-	3	17	N/A	188
Executive Director, Business Online Solutions	187	-	3	20	N/A	210
Executive Director, Regional Services	159	8	3	17	N/A	187
Director, Office of the Director-General	123	-	2	15	N/A	140
Total	1,365	47	25	149	N/A	1,586

1 July 2012 - 30 June 2013*

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$ '000	Non-Monetary Benefits \$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Director-General	259	30	6	31	N/A	326
Deputy Director-General, Tourism	174	14	4	22	N/A	214
Assistant Director-General, Commonwealth Games ⁽²⁾	217	-	4	22	N/A	243
Executive Director, Small Business	165	-	3	17	N/A	185
Executive Director, Business Online Solutions ⁽³⁾	180	-	3	19	N/A	202
Executive Director, Regional Services	143	17	3	17	N/A	180
Director, Office of the Director-General	121	-	2	14	N/A	137
Queensland Business Commissioner	N/A	2	2	N/A	77	81
Total	1,259	63	27	143	77	1,570

⁽¹⁾ The short term employee benefits in 2013-14 included the 2012-13 At Risk Component which was paid in the pay period ending 27th December 2013.

⁽²⁾ The position title of the Executive Director, Office of the Commonwealth Games Coordination changed to Assistant Director-General, Commonwealth Games effective from 22 February 2013, the remuneration rate of this position remained the same however the appointment authority changed from s.122 to s.110.

⁽³⁾ The position title of the Executive Director, Integrated Service Delivery changed to Executive Director, Business Online Solutions effective from 1 April 2013, the remuneration rate of this position remained the same however the appointment authority changed from s.122 to s.110.

* The Financial Reporting Requirements for 2013-14 required the disclosure of the key executive remuneration to be based on expenses disclosed in the Statement of Comprehensive Income. As a result, the 2012-13 monetary expenses for the key executive remuneration has been reinstated for comparative purposes.

DEPARTMENT OF TOURISM, MAJOR EVENTS, SMALL BUSINESS AND THE COMMONWEALTH GAMES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2013-14

7. Key management personnel and remuneration (cont'd)

c) Performance payments

The remuneration package for the Director-General includes a potential performance payment up to a maximum of \$50,734. Eligibility for such a performance payment is conditional on the achievement of objectives that are documented in that position's performance agreement.

Public service CEOs have part of their total remuneration package placed "at risk" and paid only if they meet or exceed the agreed performance standards. The chief executive performance evaluation process comprises:

- reporting on end of year achievement and self-assessment by each chief executive against their performance agreement/intended outcomes;
- analysis by the Commission Chief Executive (Public Service Commission), the Under Treasurer (Queensland Treasury and Trade) and the Director-General (Department of the Premier and Cabinet) of relevant performance data;
- a rigorous, independent and objective assessment of CEOs performance at the end of each financial year using, amongst other things, information provided from above two steps. This performance assessment is undertaken by a Chief Executive Performance Evaluation Committee (CEPEC);
- recommendations from the CEPEC to the Premier; and
- the Premier's ultimate discretion regarding whether the incumbent will be paid a performance payment and, if so, how much.

As at the date of management certification of these financial statements, the eligibility to a performance payment for the Director-General had not yet been confirmed. With respect to the process to determine eligibility, [for chief executive officers, recommendations are yet to be made by the Chief Executive Performance Evaluation Committee to the Premier]. Therefore any performance payment approved will be reported as an expense within 2014-2015.

The basis for performance payments expensed in the 2013-14 financial year is set out below:

Position	Date Paid	Basis for Payment
Director-General	Pay Period Ended 27th of December 2013	Consistent with the abovementioned timeframe and process, this payment relates to the achievement of performance criteria during 2012-13. In accordance with the terms of the performance agreement for this position, it was determined that a payment of \$21,976 be awarded. The payment amount was calculated based on the contract date and represents two-thirds of the year.

The department did not recognise any performance payments as an expense during 2012-13 as it was the first year of the performance payment arrangement and hence no comparative information is available.

	Parent 2014 \$'000	Consolidated 2013 \$'000	Parent 2013 \$'000
8. Supplies and services			
Marketing/public relations/events	-	680	-
Consultants and contractors	2,850	3,323	2,783
Operating lease rentals	1,715	1,540	1,540
Property building expenses ⁽¹⁾	505	616	220
Transport	58	122	31
Travel and hospitality	138	173	99
Computer/information technology	216	217	175
Telecommunications ⁽¹⁾	108	201	152
Shared services provider fee	597	710	710
Materials	110	71	71
Portable and attractive items	12	14	12
Service delivery costs and service level agreement charges	449	757	757
Bank fees and charges	-	33	1
Other ⁽²⁾	383	3,636	420
Total	7,141	12,092	6,972

⁽¹⁾ Reclassification of electricity cost from Telecommunications to Property building expenses categories in 2013-14.

⁽²⁾ Reclassification of staff training cost from Other Supplies and Services to Note 6 Employee expenses in 2013-14.

9. Grants and subsidies

Grants

Industry	15,893	19,390	863
Charities/community groups	17	43	-
Queensland and local government ⁽¹⁾	38,622	16,072	15,961
Commonwealth government	-	1,200	1,200
Commonwealth Games Corporation	17,070	9,372	9,372
Contributions	47	47	47
Total	71,649	46,123	27,443

⁽¹⁾ Including \$32.535 million for the construction of the Gold Coast Aquatic Centre.

10. Depreciation

Depreciation was incurred in respect of:

Plant and equipment	53	232	48
Total	53	232	48

The consolidated depreciation expense on plant and equipment decreased by \$192,000 due to office equipment transferred from other departments as part of MoG changes and concrete race circuit barriers purchased for the V8 Super Cars event.

DEPARTMENT OF TOURISM, MAJOR EVENTS, SMALL BUSINESS AND THE COMMONWEALTH GAMES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2013-14

	Parent 2014 \$'000	Consolidated 2013 \$'000	Parent 2013 \$'000
11. Finance/borrowing costs			
Finance/borrowing costs	-	5	-
Total	-	5	-

The department does not capitalise finance/borrowing costs. Interest on loans were capitalised by controlled entities but expensed on consolidation.

12. Other expenses			
External audit fees ⁽¹⁾	107	109	104
Insurance premiums - QGIF	21	12	12
Insurance premiums - general	1	39	1
Gifts and donations	4	4	4
Licence fees & permits ⁽²⁾	3,873	3,751	3,751
Sponsorships	6	187	127
Other expenses	2	-	-
Total	4,013	4,101	3,998

⁽¹⁾ Total audit fees paid to the Queensland Audit Office for the 2013-14 financial statements are estimated to be \$107,000 and \$125,000 in 2012-13. There are no non-audit services included in this amount.

⁽²⁾ Total Licence Fees & Permits expense includes payment to Australian Commonwealth Games Association of \$3.750 million for 2012-13 and \$3.853 million in 2013-2014.

13. Cash and cash equivalents			
Cash and cash equivalents	(6,096)	(357)	(357)
Total	(6,096)	(357)	(357)

Departmental bank accounts are grouped within the whole-of-Government set-off arrangement with the QTT and do not earn interest on surplus funds. Interest earned on the aggregate set-off arrangement balance accrues to the Consolidated Fund.

The bank account is overdrawn due to the timing of payments made and appropriation revenue for services receivable.

14. Receivables			
Current			
Trade debtors ⁽¹⁾	167	955	955
GST receivable	1,891	852	852
GST payable	-	24	24
Net GST receivable	1,891	876	876
Appropriation revenue for services receivable ⁽²⁾	4,210	334	334
Annual leave levy reimbursements	224	130	130
Long service leave reimbursements	43	20	20
Loans and advances receivable	2	1	1
Total	6,538	2,316	2,316

⁽¹⁾ \$0.744 million was related to State Development, Infrastructure and Planning (SDIP) machinery of government receivable in 2012-13.

⁽²⁾ In 2013-14 the majority of the appropriation receivable is related to the Gold Coast Show Relocation \$3.670 million.

DEPARTMENT OF TOURISM, MAJOR EVENTS, SMALL BUSINESS AND THE COMMONWEALTH GAMES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2013-14

	Parent 2014	Consolidated 2013	Parent 2013
15. Other assets			
Current			
Prepayments ⁽¹⁾	1,974	120	120
	1,974	120	120
⁽¹⁾ Prepayment in 2013-14 was related to the 2018 Commonwealth Games venues construction.			
Non-current			
Prepayments	-	51	51
Total	1,974	170	171
16. Plant and equipment			
Plant and equipment			
At cost	463	478	478
Less: accumulated depreciation	(207)	(176)	(176)
Total	256	302	302
Capital work in progress			
At cost	662	-	-
Total capital work in progress	662	-	-
Total Plant and Equipment	918	302	302

Plant and Equipment

Plant and equipment where applicable have been valued in accordance with AASB 116 Property, Plant and Equipment and QTT's Non-Current Asset Accounting Policies. The asset class has been tested for indicators of impairment, based on materiality. Adjustment to the value of assets have been made where appropriate.

Plant and Equipment Reconciliation

	Plant and Equipment		Capital Works in Progress		Total	
	Consolidated	Parent	Consolidated	Parent	Consolidated	Parent
	2013	2013	2013	2013	2013	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2012	1,101	31	-	-	1,101	31
Acquisitions	70	11	-	-	70	11
Transfers in from other Queensland Government entities	92	92	-	-	92	92
Assets recognised from stocktake	216	216	-	-	216	216
Transfer out to other Qld Government entities	(945)	-	-	-	(945)	-
Depreciation	(232)	(48)	-	-	(232)	(48)
Carrying amount at 30 June 2013	302	302	-	-	302	302

	Plant and Equipment		Capital Works in Progress		Total	
	2014		2014		2014	
	\$'000		\$'000		\$'000	
Carrying amount at 1 July 2013		302		-		302
Acquisitions		10		662		672
Transfer out to other Qld Government entities		(3)		-		(3)
Depreciation		(53)		-		(53)
Carrying amount at 30 June 2014		256		662		918

The department has plant and equipment with an original cost of \$29,000 (2013: \$36,000) and a written down value of zero still being used in the provision of services. These 3 assets (2013:4 assets) will be replaced if required when uneconomical to repair.

DEPARTMENT OF TOURISM, MAJOR EVENTS, SMALL BUSINESS AND THE COMMONWEALTH GAMES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2013-14

	Parent 2014 \$'000	Consolidated 2013 \$'000	Parent 2013 \$'000
17. Payables			
Current			
Trade creditors	650	606	606
Taxes payable	58	58	58
Accrued expenses	-	47	47
Other	1	-	-
Total	708	710	710
18. Accrued employee benefits			
Current			
Annual leave levy payable	299	300	300
Long service leave levy payable	59	58	58
Superannuation	5	-	-
Salaries and allowances	39	-	-
Total	402	358	358
19. Controlled entities			
The department has no controlled entities in financial year 2013-2014 following the wind up of Events Queensland Pty Ltd on 11 December 2012, which was subsequently deregistered by ASIC on 10 July 2013.			
20. Reconciliation of operating surplus to net cash from operating activities			
Operating surplus / (deficit)	190	(1,511)	118
Non-cash items:			
Depreciation and amortisation expense	53	232	48
Plant and equipment - assets identified in stocktake	-	(216)	(216)
Change in assets and liabilities:			
(Increase)/decrease in appropriation revenue for services receivable	(3,876)	(334)	(334)
(Increase)/decrease in receivables	669	(165)	141
(Increase)/decrease in current other assets	(1,854)	45	(5)
(Increase)/decrease in non-current other assets	51	69	69
Increase/(decrease) in payables	(2)	(5,105)	(4,254)
Increase/(decrease) in accrued employee benefits	44	223	223
Increase/(decrease) in other liabilities	-	(28)	(28)
Increase/(decrease) in other financial liabilities	-	(23)	-
Increase/(decrease) in provisions	-	(50)	-
(Increase)/decrease in GST input tax credits receivable	(1,039)	(996)	(792)
Increase/(decrease) in GST payable	24	(470)	(24)
Net cash provided from operating activities	(5,739)	(8,330)	(5,055)

**DEPARTMENT OF TOURISM, MAJOR EVENTS, SMALL BUSINESS AND THE COMMONWEALTH GAMES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2013-14**

	Parent 2014 \$'000	Consolidated 2013 \$'000	Parent 2013 \$'000
21. Commitments for expenditure			
(a) Non-cancellable operating lease commitments			
Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows:			
. Not later than one year	1,564	2,023	2,023
. Later than one year and not later than five years	5,761	5,934	5,934
. Later than five years	13,852	15,745	15,745
Total	21,178	23,702	23,702

(b) Grants and subsidies commitments

Grants and subsidies commitments inclusive of anticipated GST, committed to be provided at reporting date, but not recognised in the accounts are payable as follows:

Payable:

. Not later than one year	9,540	486	486
. Later than one year and not later than five years	-	370	370
Total	9,540	856	856

(c) Other expenditure commitments

Other expenditure committed at the end of the period but not recognised in the accounts are as follows:

Payable:

. Not later than one year	58,504	40,000	40,000
. Later than one year and not later than five years	245,954	297,456	297,456
. Later than five years	-	5,350	5,350
Total	304,458	342,806	342,806

DTEB administers the budget for the capital infrastructure program (excluding the Games Village) for the hosting of the 2018 Gold Coast Commonwealth Games. The amounts included in the above table are the current budget estimates for this program of works. 2012-2013 comparatives have been restated. This table also includes commitments in accordance with the endorsed agreement with the Australian Commonwealth Games Association Incorporated to secure marketing rights for the 2018 Commonwealth Games.

22. Contingencies

There were no contingencies for 2013-2014.

23. Events occurring after balance date

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

**DEPARTMENT OF TOURISM, MAJOR EVENTS, SMALL BUSINESS AND THE COMMONWEALTH GAMES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2013-14**

24. Financial instruments

(a) Categorisation of financial instruments

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

Category	Notes	Parent 2014 \$'000	Consolidated 2013 \$'000	Parent 2013 \$'000
Financial assets				
Cash and cash equivalents	13	(6,096)	(357)	(357)
Receivables	14	6,538	2,316	2,316
Total		442	1,959	1,959
Financial liabilities				
Financial liabilities measured at amortised cost:				
Payables	17	708	710	710
Total		708	710	710

(b) Financial risk management

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

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

All financial risk is managed by Financial and Asset Management under policies approved by the department. The department provides written principles for overall risk management, as well as policies covering specific areas. The department measures risk exposure using a variety of methods as follows:

Risk exposure	Measurement method
Credit risk	Ageing analysis
Liquidity risk	Sensitivity analysis
Market risk	Interest rate sensitivity analysis

(c) Credit risk exposure

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 at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment.

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

Maximum exposure to credit risk

Category		Parent 2014 \$'000	Consolidated 2013 \$'000	Parent 2013 \$'000
Financial assets				
Receivables	14	6,538	2,316	2,316
Total		6,538	2,316	2,316

Financial assets

The carrying amount of receivables represents the maximum exposure to credit risk.

No collateral is held as security and no credit enhancements relate to financial assets held by the department.

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.

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

The method for calculating any allowable impairment for risk is based on past experience, current and expected changes in economic conditions and changes in client credit ratings. These economic and geographic changes form part of the department's documented risk analysis assessment in conjunction with historic experience and associated industry data.

**DEPARTMENT OF TOURISM, MAJOR EVENTS, SMALL BUSINESS AND THE COMMONWEALTH GAMES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2013-14**

24. Financial instruments (cont'd)

(c) Credit risk exposure (cont'd)

No financial assets have had their terms renegotiated to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated.

There were no individually impaired financial assets as at 30 June 2014 or as at 30 June 2013 for the parent entity.

Ageing of past due but not impaired for the parent entity are disclosed in the following table:

2014 Financial Assets Past Due But Not Impaired

	Overdue			Total
	Less than 30 days \$'000	30-60 days \$'000	More than 60 days \$'000	
Receivables	6	-	-	6
Total	6	-	-	6

(d) 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 respect of its payables and borrowings from Queensland Treasury Corporation for capital works. The borrowings are based on the Queensland Government's gazetted fixed rates.

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 sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier 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. Apart from payables, which are disclosed at their carrying amounts, the undiscounted cash flows in these tables differ from the amounts included in the Statement of Financial Position that are based on discounted cash flows.

DTESB only

	Notes	2014 Payable in			Total
		< 1 year \$'000	1 - 5 years \$'000	> 5 years \$'000	
Financial liabilities					
Payables	17	708	-	-	708
Total		708	-	-	708

Consolidated entity/parent entity (DTEBS only)

	Notes	2013 Payable in			Total
		< 1 year \$'000	1 - 5 years \$'000	> 5 years \$'000	
Financial liabilities					
Payables	17	710	-	-	710
Total		710	-	-	710

(e) Market risk

The department is exposed to interest rate risk from cash deposits in interest bearing accounts. The department does not undertake any hedging in relation to interest risk and manages its risk as per the department's liquidity risk management strategy articulated in the department's Financial Practice Manual.

(f) Interest rate sensitivity analysis

The following interest rate sensitivity analysis is based on a report similar to that provided to management, depicting the outcome on net income if interest rates would change by +/- 1% from the year end rates applicable to the department's financial assets and liabilities.

DEPARTMENT OF TOURISM, MAJOR EVENTS, SMALL BUSINESS AND THE COMMONWEALTH GAMES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2013-14

24. Financial instruments (cont'd)

**Financial instruments -
DTEsb only**

	Carrying amount \$'000	2014 Interest rate risk			
		- 1 %		+ 1 %	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Assets					
Cash	(6,096)	61	61	(61)	(61)
Potential impact		61	61	(61)	(61)

Consolidated entity/parent entity (DTEsb only)

	Carrying amount \$'000	2013 Interest rate risk			
		- 1 %		+ 1 %	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Assets					
Cash	(357)	4	4	(4)	(4)
Potential impact		4	4	(4)	(4)

(g) Fair value

The Department does not recognise any financial assets or financial liabilities at fair value. The fair value of trade receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

The department has no borrowings or financial asset held to maturity.

25. Schedule of administered items

	2014 \$'000	2013 \$'000
Administered revenues		
Administered item appropriation	96,919	89,275
Total	96,919	89,275
Administered expenses		
Grants and subsidies ⁽¹⁾	96,919	89,275
Total	96,919	89,275
Total Administered operating result	-	-
Administered assets		
Current		
Appropriation Revenue Receivables	14,853	6,682
Total	14,853	6,682
Administered liabilities		
Current		
Payables	14,853	6,682
Total	14,853	6,682
Net administered assets	-	-
Total administered equity	-	-
⁽¹⁾ Administered grants and services		
Events Queensland (EQ)	-	21,000
Tourism Queensland (TQ)	-	18,486
Tourism and Events Queensland (TEQ)	96,919	49,789
	96,919	89,275

In 2012-2013, the administered transactions and balances of EQ, TQ and TEQ have been combined due to the result of the *Tourism and Events Queensland Act (No. 44) 2012*. EQ was wound up effective from 11 December 2012 with its functions merged into the new Tourism and Events Queensland Corporation. EQ was deregistered by ASIC on 10 July 2013.

26. Reconciliation of payments from consolidated fund to administered revenue

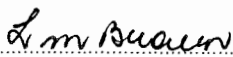
Budgeted appropriation	108,472	102,515
Lapsed administered appropriation	(19,724)	(19,922)
Total administered receipts	88,748	82,593
Less: opening balance of administered revenue receivable	(6,682)	-
Plus: closing balance of administered revenue receivable	14,853	6,682
Administered revenue recognised in Note 25	96,919	89,275

Certificate of the Department of Tourism, Major Events, Small Business and the Commonwealth Games

These general purpose financial statements have been prepared pursuant to s.62(1) of the *Financial Accountability Act 2009* (the Act), section 42 of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with s.62(1)(b) of the Act we certify that in our opinion:

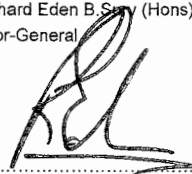
- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Department of Tourism, Major Events, Small Business and the Commonwealth Games for the financial year ended 30 June 2014 and of the financial position of the department at the end of that year; and
- c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.

Leith Brown B.Bus., CPA
Chief Finance Officer
Executive Director


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Date 27/8/14

Dr Richard Eden B. Scy (Hons.), PhD
Director-General


.....

Date 27/8/2014

INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Department of Tourism, Major Events, Small Business and the Commonwealth Games

Report on the Financial Report

I have audited the accompanying financial report of the Department of Tourism, Major Events, Small Business and the Commonwealth Games, which comprises the statement of financial position and statement of assets and liabilities by major departmental services, as at 30 June 2014, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental services, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certificates given by the Director-General and the Chief Finance Officer.

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

Auditor's Responsibility

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

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

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

Independence

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

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

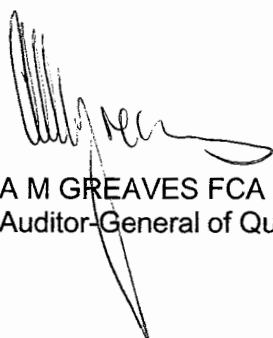
Opinion

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

- (a) I have received all the information and explanations which I have required
- (b) in my opinion:
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Department of Tourism, Major Events, Small Business and the Commonwealth Games for the financial year 1 July 2013 to 30 June 2014 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

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



A M GREAVES FCA FCPA
Auditor-General of Queensland



Queensland Audit Office
Brisbane

Appendix 1: Performance statement

Table A1: Performance statement (2013–14)

Measure	Notes	2013–14 target	2013–14 estimated actual	2013–14 actual
Service area: Tourism and events development				
Amount of additional capital attracted into tourism investment	1	\$25 million	\$25 million	\$71 million
Percentage of applications for the Attracting Aviation Investment Fund evaluated within nine working days		90%	100%	100%
Percentage of cross-agency tourism project milestones delivered on schedule and on budget		80%	80%	80%
Level of Commonwealth Games Federation’s satisfaction with preparedness for the Commonwealth Games		Satisfied	Satisfied	Highly satisfied
Service area: Business-to-government services				
Estimated value of efficiency savings by businesses assisted	2, 3	\$60 million	\$12 million	\$14 million
Estimated value of costs avoided by businesses	3, 4	\$110 million	\$80 million	\$163 million
Percentage of overall customer satisfaction with the usefulness of online services		80%	83%	83%

Notes:

1. The actual achievement of \$71 million investment in 2013–14 is more than the target figure of \$25 million. This is because the department developed further tourism industry capability in attracting investment, by providing facilitation services to tourism infrastructure projects and holding tourism investment master classes (which were supported by online webisodes and targeted fact sheets for industry).
2. The original targets reflected business grants, licensing and regulation information when only a small proportion of the services were delivered online. These services have now been transitioned to a fully online self-service environment and the targets have been revised downwards to reflect this environment. The reduced unit benefits/savings will be partially offset by costs avoided by businesses due to the significant increases in the volume of activity.
3. The previous methodology for calculating benefits/savings to business is being re-examined to ensure it is still appropriate and inclusive of online delivery. This review will also consider if it is still appropriate to measure efficiency and costs avoided separately, or to develop a combined measure.
4. This measure relies on customer-reported value of services delivered online. The value attributed typically varies with consumption, business sentiment, business conditions and portal brand recognition. The target has been revised down due to customers already operating online and the dramatic reduction in costs already achieved.

Appendix 2: Statutory authorities and instrumentalities

Table A2: Statutory authorities (2013–14)

Name	Type of statutory authority or instrumentality	Legislation under which the body was established	Annual reporting arrangement
Gold Coast 2018 Commonwealth Games Corporation	Statutory body	<i>Commonwealth Games Arrangements Act 2011</i>	Annual report tabled in Parliament
Tourism and Events Queensland	Statutory body	<i>Tourism and Events Queensland Act 2012</i>	Annual report tabled in Parliament

Appendix 3: Boards and committees

Table A3: Boards and committees (2013–14)

Name and type of board or committee	Functions and responsibilities	Achievements for 2013–14	Remuneration costs
Queensland Small Business Advisory Council (advisory/consultative)	<p>Advise the Minister on small business issues</p> <p>Respond to ministerial requests for input on identified issues and provide feedback on proposed initiatives</p> <p>Alert the Minister to systemic and emerging business issues</p>	<p>Four meetings of the council were held during 2013–14 (three meetings in Brisbane and one on the Gold Coast)</p> <p>During 2013–14, council activities included:</p> <ul style="list-style-type: none"> • assisting with the identification and planning of activities and events for 2014 Queensland Small Business Week and Buy Locally Saturday • providing advice and input to the development of the Gold Coast 2018 Commonwealth Games Legacy Plan • on-site meetings with small businesses to get first-hand insight into issues affecting small business operators. 	Travel and administration costs totalling \$2000
Embracing 2018 Advisory Committee	<p>Provide advice to the Minister, Gold Coast Mayor and other key GC2018 partners on the development, implementation, evaluation and monitoring of the Embracing 2018 Program for the Gold Coast 2018 Commonwealth Games (GC2018)</p>	<p>The committee was announced on 1 May 2014, with its inaugural meeting held on 2 June 2014.</p> <p>An overview of current planning for GC2018 was provided and the committee considered the current implementation of projects and forward work plan for the Embracing 2018 Program.</p>	Not applicable—the chair and members did not receive remuneration

Appendix 4: Legislation administered by the department

The public business of the Queensland Government is divided among its ministers. Each ministerial portfolio carries particular responsibilities, including the administration of relevant legislation.

The department administered the following legislation for the Minister for Tourism, Major Events, Small Business and the Commonwealth Games during 2013–14.

Table A4: Legislation administered by DTEBS (2013–14)

Legislation administered by the department
<i>Tourism and Events Queensland Act 2012</i>
<i>Traveller Accommodation Providers (Liability) Act 2001</i>
<i>Commonwealth Games Arrangements Act 2011</i>
<i>Motor Racing Events Act 1990</i>

This information is current and in accordance with Administrative Arrangements Order (No. 1) 2013, which was gazetted on 28 June 2013.

The department was established under Administrative Arrangements Order (No. 3) 2012 on 3 April 2012.

Appendix 5: Compliance checklist

Table A5: Compliance checklist (2013–14)

Summary of requirement		Basis for requirement	Annual report page reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister	ARRs—section 8	1
Accessibility	Table of contents	ARRs—section 10.1	iii
	Glossary		68
	Public availability	ARRs—section 10.2	ii
	Interpreter service statement	<i>Queensland Government language services policy</i> ARRs—section 10.3	ii
	Copyright notice	Copyright Act 1968 ARRs—section 10.4	ii
Information licensing		Queensland Government Enterprise Architecture—information licensing ARRs—section 10.5	ii
General information	Introductory information	ARRs—section 11.1	2
	Agency role and main functions	ARRs—section 11.2	5, 65, 69
	Operating environment	ARRs—section 11.3	8
	Machinery-of-government changes	ARRs—section 11.4	N/A
Non-financial performance	Government’s objectives for the community	ARRs—section 12.1	4
	Other whole-of-government plans/specific initiatives	ARRs—section 12.2	9
	Agency objectives and performance indicators	ARRs—section 12.3	7
	Agency service areas and service standards	ARRs—section 12.4	5, 62
Financial performance	Summary of financial performance	ARRs—section 13.1	12–14

Summary of requirement		Basis for requirement	Annual report page reference
Governance—management and structure	Organisational structure	ARRs—section 14.1	18
	Executive management	ARRs—section 14.2	18–21
	Related entities	ARRs—section 14.3	63
	Government bodies	ARRs—section 14.4	64
	<i>Public Sector Ethics Act 1994</i>	<i>Public Sector Ethics Act 1994</i> (section 23 and schedule) ARRs—section 14.5	28
Governance—risk management and accountability	Risk management	ARRs—section 15.1	24
	External scrutiny	ARRs—section 15.2	25
	Audit committee	ARRs—section 15.3	23
	Internal audit	ARRs—section 15.4	25
	Public sector renewal	ARRs—section 15.5	2–3
	Information systems and recordkeeping	ARRs—section 15.6	27
Governance—human resources	Workforce planning, attraction, retention and performance	ARRs—section 16.1	29
	Early retirement, redundancy and retrenchment	<i>Directive no.11/12: early retirement, redundancy and retrenchment</i> ARRs—section 16.2	31
Open data	Open data	ARRs—section 17	27–28
Financial statements	Certification of financial statements	FAA—section 62 FPMS—sections 42, 43 and 50 ARR—section 18.1	59
	Independent auditor’s report	FAA—section 62 FPMS—section 50 ARRs—section 18.2	60–61
	Remuneration disclosures	<i>Financial reporting requirements for Queensland Government agencies</i> ARRs—section 18.3	49–51

Notes:

FAA—*Financial Accountability Act 2009*

FPMS—*Financial and Performance Management Standard 2009*

ARRs—*Annual report requirements for Queensland Government agencies*

Glossary and acronyms

Term	Definition
AASB	Australian Accounting Standards Board
ALCS	Annual Leave Central Scheme
ARRs	<i>Annual report requirements for Queensland Government agencies</i>
ASIC	Australian Securities and Investments Commission
ATO	Australian Tax Office
BCP	Business and Corporate Partnerships
CEO	Chief Executive Officer
CEPEC	Chief Executive Performance Evaluation Committee
DAFF	Department of Agriculture, Fisheries and Forestry
DNRM	Department of Natural Resources and Mines
DTESB	Department of Tourism, Major Events, Small Business and the Commonwealth Games
eDRMS	Electronic document and records management system
EHP	Department of Environment and Heritage Protection
EQ	Event Queensland
FAA	<i>Financial Accountability Act 2009</i>
FBT	Fringe Benefits Tax
FPMS	Financial and Performance Management Standard 2009
GC2018	Gold Coast 2018 Commonwealth Games
GST	Goods and Services Tax
ICT	Information and communication technology
MoG	Machinery-of-government
MOHRI	Minimum obligatory human resource information
NCAP	<i>Non-current asset policies for the Queensland public sector</i>
QAO	Queensland Audit Office
QGIAS	Queensland Government Internal Audit Service
QGIF	Queensland Government Insurance Fund
QTT	Queensland Treasury and Trade
SDIP	State Development, Infrastructure and Planning
SES	Senior Executive Service
SO	Senior Officer
TEQ	Tourism and Events Queensland
TQ	Tourism Queensland

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Regional

DTEB regional services are delivered by the Department of State Development, Infrastructure and Planning. A list of regional offices is available at www.dsdip.qld.gov.au (under 'Contact us').

Feedback

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

