

ANNUAL REPORT 2016–2017



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Interpreter statement

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LETTER OF COMPLIANCE

27 September 2017

The Honourable Kate Jones MP
Minister for Education and
Minister for Tourism, Major Events and the Commonwealth Games
1 William Street
Brisbane Qld 4000

Dear Minister

I am pleased to submit for presentation to the Parliament (by you on behalf of yourself and the Honourable Leeanne Enoch MP, Minister for Innovation, Science and the Digital Economy and Minister for Small Business) the *Annual report 2016–2017* 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 requirements set out in the *Annual report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements can be found on page 80 of this annual report or accessed at www.dtesb.qld.gov.au.

Yours sincerely



Damien Walker
Director-General
Department of Tourism, Major Events, Small Business and the Commonwealth Games

AT A GLANCE

Tourism industry

7.9% of gross state product	1 in 10 jobs	9 in 10 Queensland tourism businesses are small businesses	14.8% of Queensland's exports
225 000 Queenslanders employed directly and indirectly	\$56.4 million per day in overnight visitor expenditure	\$25 billion contributed to the Queensland economy	54 000 businesses

Small business sector and support

> 97% (414 000) of Queensland businesses	Approx. 44% of Queensland's private-sector employment	297 mentoring panels and chats	87% firms reporting growth after involvement in Mentoring for Growth
> 4.7 million users of Business Queensland online	62.7% is the value customers derive using Business Queensland website*	604 grants with a total allocation of \$3 084 156	> 1580 Queensland Government services delivered online

* The customer impact index is a measure of the value derived from using services delivered through the Business Queensland website.

Gold Coast 2018 Commonwealth Games

Multibillion dollar boost to the Queensland economy	> 16 000 workers played a role in venues and village construction projects	> 90% of venues and village contracts awarded to Queensland businesses
1st event of its kind to have a Reconciliation Action Plan	18 world-class facilities completed well ahead of the Games 3 new sporting venues 1 new multi-purpose venue 7 upgraded and 7 existing venues	7 'satisfied +' progress reviews by the Commonwealth Games Federation

DIRECTOR-GENERAL'S OVERVIEW

The Department of Tourism, Major Events, Small Business and the Commonwealth Games (DTESB) delivered significant outcomes in 2016–17 to further the Queensland Government's Advance Queensland agenda and create jobs for Queenslanders.

Our strategic focus—growing tourism in the state, delivering the Gold Coast 2018 Commonwealth Games (GC2018) and supporting small business—was driven by an agile, high-performing organisation that values collaboration with our stakeholders.

I am proud of the department's achievements over the past year and, in particular, our work assisting Queenslanders bounce back from Tropical Cyclone Debbie. Our quick and cooperative response to this disaster was testament to the expert knowledge and commitment of staff across the department.

A major focus has been delivering a successful GC2018—a game-changing event that will greatly enhance Queensland's international reputation as a major event and tourist destination. In 2016–17, the department delivered outcomes that position the state to capitalise on this once-in-a-lifetime opportunity and maximise benefits for Queensland.

Our skilled and collaborative approach with industry generated positive outcomes for Queenslanders, with key events such as the 2016 *DestinationQ* forum and 2017 Queensland Small Business Week prime examples of our expertise working with government and external stakeholders to deliver better outcomes for the state.

Tourism and major events

Tourism is highly important to the Queensland economy, employing approximately 225 000 people and generating \$25 billion in gross state product each year. The Queensland Government's continued support and investment in tourism is paying dividends, with international visitation to Queensland increasing by 5.6% in the year to June 2017. International tourists continue to flock to Queensland, with 2.6 million visitors pumping a record-breaking \$5.2 billion into the state's economy.

In October 2016, the Honourable Kate Jones MP, Minister for Education and Minister for Tourism, Major Events and the Commonwealth Games, launched the Queensland Government's plan for tourism—*Advancing tourism 2016–20: growing Queensland jobs*—to drive industry growth, visitation and jobs,

and seize the opportunity in Asia. We have already seen positive results under this plan.

Under the new \$33.5 million Advance Queensland: Connecting with Asia Strategy, Tourism and Events Queensland (TEQ) worked with industry consortiums from Queensland destinations to bid for projects to grow tourism. Cairns was announced as the first location to benefit from funding under this initiative, with China Southern Airlines being secured to provide a new year-round service from Guangzhou operating three flights per week.

Other key achievements under the *Advancing tourism 2016–20: growing Queensland jobs* strategy include the launch of a new Young Tourism Leaders program to showcase the endless opportunities a lifelong career in the tourism industry can offer to young Queenslanders.

TEQ launched a new marketing campaign for Queensland, 'I Know Just the Place', that was positively received around Australia and in the targeted overseas markets.

The Attracting Aviation Investment Fund was used to secure a new domestic route from Melbourne to Townsville, as well as increased capacity on three international airline routes.

The department has also worked hard to facilitate private investment in tourism infrastructure and experiences. Queensland has a strong pipeline of tourism infrastructure investment projects across the state, from the Gold Coast to Cairns, exceeding more than \$14 billion.

Small business

The Office of Small Business was established in July 2016 to implement the *Advancing Small Business Queensland strategy 2016–20* to position Queensland as the place for small business to start, grow and employ.

With more than 414 000 small businesses in Queensland, the Office of Small Business has a significant role to enable and empower small businesses which contribute \$110 billion to the state's economy.

Its many achievements over the past 12 months include launching three new grant programs—Accelerate Small Business Grants, Small Business Digital Grants and Small Business Entrepreneur Grants.

A new look Business Queensland website was launched in 2017, connecting businesses, stakeholders and government; empowering people to start and run a business; and helping small businesses to save time and money.

Maree Adshead was appointed as Queensland Small Business Champion, bringing Queensland in line with other states and providing input to Australian Government policies, programs and decisions that impact on small business.

The Office of Small Business played a pivotal role securing joint Australian and Queensland disaster relief for small businesses impacted by Tropical Cyclone Debbie. As part of *State recovery plan 2017–2019: operation Queensland recovery*, the office acted quickly to open the Small Business Recovery Grants Program in June 2017. These grants will provide \$1.5 million to small businesses as part of the \$4 million recovery package dedicated to small business from the broader Tourism and Small Business Recovery Package, including \$2 million for the Go Local campaign and \$550 000 for dedicated workshops and mentoring services.

Gold Coast 2018 Commonwealth Games

It has been a busy and productive year for the Office of the Commonwealth Games, with significant milestones achieved across the capital and legacy programs.

In April next year, GC2018 will be the biggest event in Queensland's history and the benefits of an event of this scale extend well beyond the 11 days of competition. The Games are not only on time and on budget, they will help inject billions of dollars into the economy and sustain thousands of jobs.

GC2018 will be hosted across 18 new, upgraded and existing venues on the Gold Coast, Brisbane, Cairns and Townsville. All new and upgraded competition venues have now been delivered on time and within budget. In 2016–17, three new sporting venues were completed and major upgrades completed to four venues. The Commonwealth Games Village is on track to be completed and handed over to the Gold Coast 2018 Commonwealth Games Corporation (GOLDOC) in October 2017. Construction of the village is estimated

to inject \$550 million into the local economy and support 1500 full-time equivalent jobs during design and construction. More than 16 000 workers have so far played a role in the construction of the venues and village infrastructure.

Under the umbrella of *Embracing 2018*, the Queensland Government, GOLDOC, the City of Gold Coast and the Australian Government have worked in partnership to ensure lasting benefits are realised from GC2018. The *Embracing 2018* legacy program provides a platform to transform and inspire—powering economic growth, accelerating the Gold Coast to a world-class city, celebrating Aboriginal and Torres Strait Islander cultures, and building active, engaged and inclusive communities.

The launch of *Trade 2018*, the extensive Trade and Investment Program to run in the lead-up to and during GC2018, signified the important potential of the Games to the Queensland economy. *Trade 2018* will strengthen trade and investment ties across the Commonwealth and boost Queensland's international business profile. Since January, the program has delivered international programs in priority markets coinciding with the Queen's Baton Relay and inbound trade missions, and the department has participated in presentations to other inbound business and trade missions from key international markets in targeted industry sectors.

The launch of the Reconciliation Action Plan on 30 May 2017 was a key achievement. An historical first for a major event of its kind, the plan lays out the tangible actions that GOLDOC, the Office of the Commonwealth Games and Games partners will take to build reconciliation through GC2018.

There is much more work to do as we get closer to GC2018 (4–15 April 2018), and as the Opening Ceremony nears and excitement builds, DTESB will be ready.

We will continue to work with our stakeholders to leverage this huge opportunity for Queensland—to not only make it the best Commonwealth Games ever as we showcase the state to a viewing audience of 1.5 billion people, but to ensure the legacy lives on for future generations.

I look forward to working with the department during this exciting time and thank staff for their dedication and commitment.

Damien Walker
Director-General
Department of Tourism, Major Events, Small Business and the Commonwealth Games

AGENCY ROLE AND MAIN FUNCTIONS

Our purpose

DTESB contributes to the Advance Queensland agenda to drive innovation and create opportunities for Queenslanders by growing tourism in the state, supporting small business and delivering GC2018.

Following Administrative Arrangements Order (No. 1) 2017 made by the Governor in Council on 10 February 2017, principal ministerial responsibility for the following areas was assigned to two ministers:

- Minister for Education and Minister for Tourism, Major Events and the Commonwealth Games—responsible for the Commonwealth Games, major events, tourism development and promotion, and tourism investment attraction
- Minister for Innovation, Science and the Digital Economy and Minister for Small Business—responsible for leading the development of small business policy and strategy across government, small business advocacy, small business capability and resilience, and small business regulatory reform.

Our vision

Our vision is to drive economic growth in tourism, major events and small business.

Our objectives for 2016–17

1. Queensland’s tourism industry attracts a greater international and domestic market share of visitors and increases yield per visitor
2. GC2018 delivers economic and community benefits for Queensland
3. Create an environment where small business starts, grows and employs
4. An agile, high-performing and engaged organisation

Our values

The department promotes Queensland public service values—customers first, ideas into action, unleash potential, be courageous and empower people.



Customers first

We know our customers, deliver what matters to Queenslanders and show empathy in decision-making.



Ideas into action

We challenge the norm, encourage new ideas and find solutions, encourage and embrace new ideas, and work across boundaries.



Unleash potential

We expect greatness, lead and set clear expectations, and seek, provide and act on feedback.



Be courageous

We own our actions, successes and mistakes, take calculated risks, and act with transparency.



Empower people

We lead, empower and trust, and play to everyone’s strengths, developing ourselves and those around us.

Figure 1: Queensland public service values

OUR DEPARTMENT

The department is furthering the Advance Queensland agenda and creating opportunities for Queenslanders by growing tourism in the state, supporting small business and delivering GC2018.

The emergence of strong Asian economies and demand makes Queensland an attractive destination for international tourists. The recent growth in Queensland's tourism and small business numbers, and the preparations for GC2018, provide the impetus for investment in infrastructure and support for entrepreneurship more broadly across the state.

DTEBS manages its partnership arrangements for GC2018 and other major events to ensure that opportunities for economic and social benefits are maximised, and that high-profile events enhance Queensland's reputation as a major event organiser and tourist destination.

Maintaining visitor and business confidence has been a priority for DTEBS in the wake of Tropical Cyclone Debbie. The department demonstrated that it is well positioned to respond quickly to major climatic events to provide assistance and reassurance to Queensland tourism and small business operators.

Our small, dynamic workforce has proven to be agile in turning their hand to priorities and challenges of the day. To enable the department to secure the expertise needed for a very diverse range of projects that support the planning and preparation for GC2018, a whole-of-government employee placement model was adopted. This model aligns with the government's fiscal strategy while providing public servants with unique opportunities to showcase their skills.

Our services are delivered by three program divisions, and our service delivery is strengthened by strong partnerships with portfolio statutory bodies, industry and other government agencies.

Tourism division

The Tourism division drives growth in Queensland's \$25 billion tourism industry. It works closely with the private sector and across government to build the state's tourism infrastructure and create a favourable environment for the industry to grow. The division works in partnership with industry, the Queensland Tourism Industry Council, Tourism and Events Queensland (TEQ), the Regional Tourism Organisation Network and other stakeholders to attract investment, develop new products and experiences, and improve access and services, while addressing current and emerging challenges.

The division supports TEQ to bring new major events to the state and promote Queensland as a world-leading tourism destination for visitors and tourism infrastructure investment and experiences.

This division plays a crucial role to encourage sustainable growth in the tourism industry by facilitating a strategic whole-of-government approach to planning and investment in the state's tourism assets and products, and the coordination of one-off major events.

The annual *DestinationQ* forum is delivered by the Tourism division in partnership with the Queensland Tourism Industry Council, and is the flagship event in ongoing industry engagement.

The Tourism division is also working with the Department of State Development, Redland City Council, Quandamooka Yoolooburrabee Aboriginal Corporation and Straddie Chamber of Commerce to implement the North Stradbroke Island Economic Transition Strategy. The Tourism division is leading delivery of the North Stradbroke Island Visitor Research Program.

Access and aviation are key enablers for the growth of the tourism sector in Queensland. The Tourism division works closely with TEQ and other government agencies (including national organisations) to ensure a whole-of-government approach is taken in the development of aviation access, cruise routes and other key transportation channels into Queensland through mechanisms such as the Attracting Aviation Investment Fund and Advance Queensland: Connecting with Asia Strategy.

Office of the Commonwealth Games

The Office of the Commonwealth Games leads a coordinated approach to the Queensland Government's delivery of GC2018. The office provides portfolio management and reporting for the Games. It leads the Queensland Government's statewide program, Embracing 2018, to maximise the legacy benefits of hosting the Games and coordinates development of the associated statewide GC2018 Arts and Cultural Program.

Much more than just a sporting competition, GC2018 will generate:

- **an international profile like never before**, with a global audience of 1.5 billion across key international markets meaning long-term tourism gains
- **strong investor confidence**, with an infrastructure investment pipeline of up to \$2.6 billion supporting thousands of jobs
- **economic transformation**, with new infrastructure to support a diverse, knowledge-driven economy that will help attract global talent and investment and support local jobs
- **support for Queensland business and skills**, with 90% of venues and village contracts awarded to Gold Coast and Queensland businesses, and training opportunities for thousands of volunteers and security guards to leave a lasting skills legacy
- **an event legacy**, with investment in three new world-class venues and upgrades to a further seven cementing the Gold Coast's and Queensland's reputation as a world-leading event destination and helping to create a legacy pipeline that supports the visitor economy and attracts more major events in years to come.

The Embracing 2018 legacy program will ensure meaningful economic and community legacy benefits are realised from the Queensland Government's investment in GC2018.

The Office of the Commonwealth Games works with other Queensland Government agencies, the Australian Government and local authorities (including the City of Gold Coast) to deliver capital infrastructure, transport and security arrangements for GC2018. The office also coordinates cross-jurisdictional delivery and leverage of the investment in other major events.

Office of Small Business

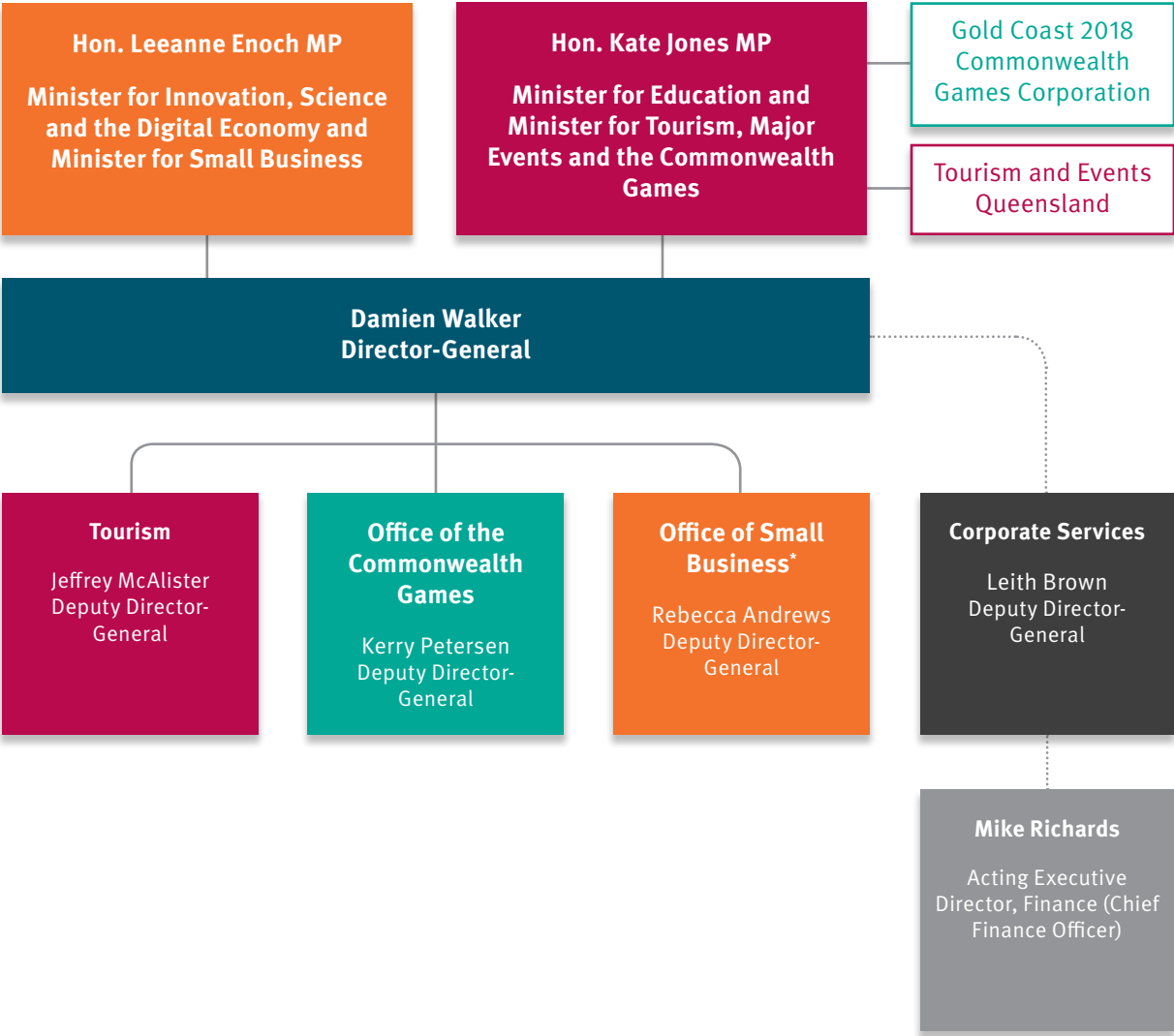
The Office of Small Business leads implementation of policy and strategy development for small businesses through the *Advancing Small Business Queensland strategy 2016–20*. The strategy has three key themes—advocate, enable and empower.

Advocacy for small business is delivered through the Queensland Small Business Champion and the Queensland Small Business Advisory Council. The Queensland Small Business Champion ensures that the views of small businesses are magnified for government consideration, and represents Queensland at national meetings to provide input into the national small business agenda. The Queensland Small Business Advisory Council has established the Better Regulation Taskforce to provide advice on regulatory issues of most concern to small businesses, and helps the state provide a fair and balanced regulatory environment conducive to strong, profitable and globally competitive businesses. The Office of Small Business also delivers the annual Queensland Small Business Week.

The Office of Small Business enables businesses by facilitating greater connections between government and business, particularly through the new look Business Queensland website, www.business.qld.gov.au. The website primarily targets business, industry and investment customers of Queensland Government services, and is the state's one-stop shop for businesses. The website also delivers a wide range of online services, including general business, licencing and permit information aggregated from all three tiers of government, diagnostic tools, webinars and events, and an application gateway for business licences and permits.

The Office of Small Business empowers small business owners by helping them develop skills and access the networks needed to drive innovation, stronger business, growth and employment. It does this by delivering a range of programs and engagement initiatives, including the Mentoring for Growth, Small Business Digital Grants, Small Business Entrepreneur Grants and Accelerate Small Business Grants programs.

Organisational chart



* The Office of Small Business was established in July 2016 and incorporates the previous Small Business division and Business Online Solutions.

Figure 2: DTESB organisational chart as at 30 June 2017

Our leaders

The following people were members of the Executive Management Group (EMG) as at 30 June 2017.

Damien Walker, Director-General

Damien was appointed as Director-General of DTESB in February 2017. Damien oversees the implementation of key government policies and priorities, including tourism and small business growth strategies, and works with national and international partners to deliver GC2018. He brings significant government experience in Queensland and South Australia to the role. He has previously held Deputy Director-General roles in the areas of tourism, Commonwealth Games, housing and public works, and infrastructure and planning. He has also been Queensland's Deputy Coordinator-General.

Before leaving Adelaide to live in Queensland, Damien held senior executive roles in the South Australian Government in infrastructure planning and delivery, investment facilitation, contract management and reform implementation. Damien led the delivery of major health infrastructure, including the \$2 billion New Royal Adelaide Hospital, the South Australian Health and Medical Research Institute and the Glenside Campus Redevelopment.

Damien holds academic qualifications in public policy and planning.

Jeffrey McAlister, Deputy Director-General, Tourism

Jeffrey joined the Queensland Government as Deputy Director-General of Tourism in October 2016, coming from Darwin where he was Director-General of Asian Engagement, Trade and Investment for the Northern Territory Government. Jeffrey previously worked for the New Zealand Government and enjoys roles at the interface of industry development and international engagement. Jeffrey sees tourism as a strategic industry, promoting linkages between people and places, and spurring exports, investment, education and migration. He helped Northern Territory industry strengthen tourism, trade and investment with Asian markets, and developed a new tourism supply chain between South America and New Zealand.

Kerry Petersen, Deputy Director-General, Office of the Commonwealth Games

Kerry returned to the Office of the Commonwealth Games as Deputy-Director General after using her previous experience in delivering GC2018 infrastructure to lead the delivery of other significant public infrastructure programs and projects in multiple state government agencies. She brings 27 years of public sector experience, having worked across multiple Queensland Government agencies with more than a decade in senior leadership roles. Kerry started her career in the public service as an architectural cadet after studying for a Bachelor in Architecture, graduating with Honours.

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

She is part of the executive coordination groups that work proactively across partner organisations to deliver better economic outcomes for Queensland and a lasting legacy for the state through the delivery of a successful GC2018.

Rebecca Andrews, Deputy Director-General, Office of Small Business

Rebecca Andrews leads the Office of Small Business. Rebecca is responsible for developing and nurturing relationships with key stakeholders, businesses and industry, and ensuring effective development and delivery of policy and programs to meet government priorities.

With more than 20 years of professional experience in both private and public organisations, a background in economic development, Bachelor of Management and experience as a business owner, Rebecca has a strong understanding of the challenges of working in this sector. She has previously worked in economic development and tourism in the Whitsundays, New Zealand and South Australia.

Our partners

Portfolio bodies

In addition to the department, there are two statutory bodies that make up the DTESB portfolio. We collaborate with these partners to ensure that all government and industry priorities are delivered.

- Tourism and Events Queensland (TEQ) aims to maximise the economic and social benefits of tourism for the state. It markets and promotes tourism in Queensland, helps develop tourism experiences and destinations, and secures major events for Queensland. TEQ complements the department's efforts in building tourism infrastructure, attracting investment and developing industry capabilities.
- The Gold Coast 2018 Commonwealth Games Corporation (GOLDOC) is responsible for planning, organising and delivering key aspects of the 11-day Games.

Tourism industry

Advancing tourism 2016–20: growing Queensland jobs is the government's strategy to grow Queensland's tourism industry and capitalise on opportunities related to the increasing number of Asian visitors to our state. Launched at the 2016 *DestinationQ* forum, this whole-of-government strategy was developed in partnership with industry and seeks to capitalise on the opportunity afforded by unprecedented growth in tourism to increase market share and boost tourism jobs by targeting four priority areas:

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

DestinationQ is a partnership between the Queensland Government and the tourism industry. The partnership approach involves ongoing engagement between industry and government to drive growth and jobs in Queensland's tourism industry. The most visible element of the partnership is the annual *DestinationQ* forum, at which industry and government come together to discuss key issues facing the industry and agree on priorities to help the industry achieve its long-term vision for success.

The 2016 *DestinationQ* forum was held in Mackay on 25 October 2016—the fifth annual forum. Five sessions were delivered on transport and connectivity, workforce skills and quality, creating digital experiences, event value optimisation and tourism infrastructure and investment—all key elements of under the *Advancing tourism 2016–20: growing Queensland jobs* strategy.

The forum was attended by more than 300 delegates. For full details of the 2016 *DestinationQ* forum, visit www.destq.com.au.

Small business online service delivery partner

The Council of Australian Governments agreement outlines that jurisdictions will work together to deliver nationally coordinated online services to business. This includes ensuring that the necessary regulatory content from federal, state/territory and local government agencies is maintained within the system. The federal Department of Industry, Innovation and Science delivers the Australian Business Licence and Information Service (ABLIS).

ABLIS is provided to DTESB, as the Queensland Government's representative, as a single point of entry for business customers to discover, apply and comply with business regulatory requirements across all three tiers of government.

ABLIS provides a service for businesses and business intenders to find their compliance and regulatory obligations and other business-related information, and create a personalised report with the information required to start and run a business in Australia.

Regional service delivery partner

Regional service delivery within DTESB is provided by the Department of State Development. This integrated approach to service delivery is a commitment for supporting the development of tourism and small business. It enables DTESB to optimise service delivery and improve service reach.

Regional Services supports the delivery of DTESB policies and programs, and works with DTESB to meet the needs of clients across the state. This includes:

- providing a statewide network of regional offices that have the resources to support the growth of businesses and industries across Queensland
- providing regional intelligence and support on portfolio issues to the ministers, Director-General and executive management

- providing timely and quality input into briefing material, correspondence and reporting for the ministers, Director-General and executive management
- proactively establishing and maintaining relationships with key regional stakeholders relevant to service delivery objectives
- supporting investment attraction in regional tourism development
- gathering information for, and providing advice to, small business and/or tourism operators during natural disasters.

Corporate partner

The Business and Corporate Partnership provides direct corporate services to support partnering agencies, including DTESB, to deliver on their government priorities. The partnership operates through three corporate hubs embedded in the Department of Agriculture and Fisheries (DAF), Department of Natural Resources and Mines, and the Department of Environment and Heritage Protection. 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).

Under this model, the focus is on ensuring economies of scale, service integration, consistent service delivery, scalability, flexibility and responsiveness. DTESB receives the majority, but not all, of its corporate support through the corporate hub in DAF and niche corporate services through the remaining hubs.

Although they are not DTESB staff, representatives from our corporate partners participate in EMG meetings under the Business and Corporate Partnership agreement.

Leith Brown, Deputy Director-General, Corporate

Leith was appointed Deputy Director-General, Corporate in April 2017, managing services for both DAF and DTESB. Her extensive experience (gained from senior leadership roles in both the private and public sectors) includes financial management, corporate governance, organisational change management, project management, information systems development and implementation, strategic investment planning and activity-based costing.

Leith has been with DAF, and its earlier iterations, since 2009, becoming the Executive Director, Finance and Asset Management, and Chief Finance

Officer in 2012. She is a member of, and government representative on, the Queensland Agricultural Training Colleges Board.

Leith holds a Bachelor of Business and an Executive Graduate Certificate in Business Administration, and is a Graduate of the Australian Institute of Company Directors. She is a Fellow Certified Practising Accountant.

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

Mike is currently the acting Chief Finance Officer for both DTESB and DAF. Mike holds a Bachelor of Commerce (Finance and Accounting) and is a member of the Institute of Public Accountants. Mike has over 40 years of experience in the Queensland public sector and has worked in a number of departments during his career. Mike provides strategic leadership and advice on the financial management of the department, including budgeting, managing financial risk, financial policies, accounting and reporting, asset management and internal controls assurance frameworks, and provides strategic financial advice to the EMG.

FINANCIAL SUMMARY

This financial summary provides an overview of DTESB's financial performance for 2016–17. A more comprehensive view of DTESB's financial performance for 2016–17 is provided in the 'Financial statements: year ended 30 June 2017' section of this report.

Statement of assurance

In accordance with the *Financial Accountability Act 2009*, the Chief Finance Officer provided the Director-General with a statement that DTESB's financial internal controls were operating efficiently, effectively and economically. DTESB actively manages its financial risks and liabilities, and is financially well positioned to meet its objectives as outlined in DTESB's 2016–20 strategic plan.

Operating result

The operating result for 2016–17 is a Queensland Treasury-approved operational deficit of \$0.121 million. The deficit was a result of a write-off of leasehold improvements due to the relocation of the department from 111 George Street to 63 George Street as part of a whole-of-government accommodation strategy.

Income

For the 2016–17 financial year, DTESB was primarily funded by parliamentary appropriations (departmental services revenue) of \$146.2 million (84%), with the remaining funding coming largely from grants and other contributions of \$28.3 million (16%), which includes \$23.8 million from the City of Gold Coast Council relating to GC2018.

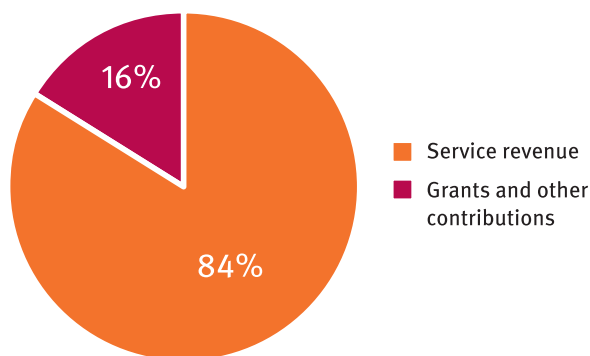


Figure 3: Operating revenues, 1 July 2016 to 30 July 2017

Expenses

Total operating expenses for the year were \$174.7 million including:

- \$22.7 million (13%) in employee costs
- \$14.3 million (8%) for supplies and services, including contractors and consultants, GC2018 annual marketing rights licence fees and accommodation leasing costs
- \$137.2 million (79%) in grants and subsidies payments, including \$85.4 million in capital grants for the construction of GC2018 venues.

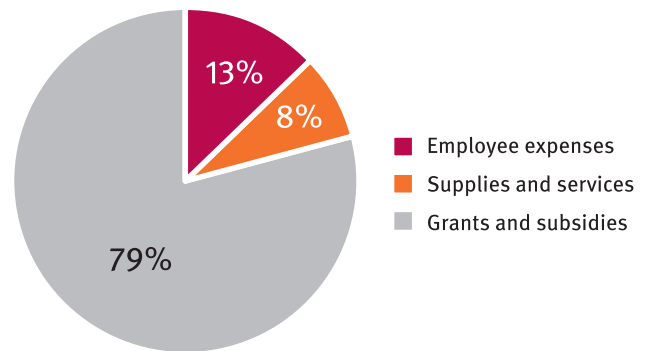


Figure 4: Operating expenses, 1 July 2016 to 30 July 2017

The graph below provides a breakdown of operating expenses in DTESB's two service areas:

- Tourism and Events Development (\$162.0 million or 93%), including GC2018 expenses of \$142.7 million
- Small Business Services (\$12.7 million or 7%).

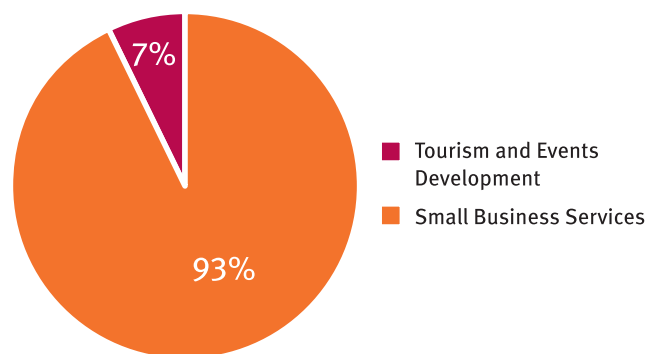


Figure 5: Operating expenses for each service area, 1 July 2016 to 30 July 2017

Administered funds

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

During 2016–17, DTESB received administered appropriation revenue totalling \$267.4 million and made grant payments of \$170.5 million to GOLDOC and \$96.9 million to TEQ.

Outlook for 2017–18

Operating budget

Total expenses are estimated to be \$348.5 million in 2017–18. This represents an increase of \$173.8 million when compared to actual 2016–17 expenses of \$174.7 million. The increase is mainly due to additional expenses for the delivery of GC2018 in relation to transport, security, venues and other programs, and increased expenses for the Advance Queensland: Connecting with Asia Strategy, *Advancing Small Business Queensland strategy 2016–20* and Tourism and Small Business Recovery Package.

Capital expenditure

The 2017–18 budget for capital expenditure is \$19.7 million and includes:

- \$0.9 million in capital purchases for the construction of GC2018 venues, including the Queensland State Velodrome and the Carrara Stadium upgrades
- \$17.0 million in capital grant payments for the construction of GC2018 venues, including the Carrara Precinct (Carrara Indoor Stadium and Carrara Sports and Leisure Centre), Belmont Shooting Centre, Coomera Indoor Sports Centre, Gold Coast Hockey Centre and Village Roadshow Soundstage 9
- \$1.8 million in capital grants for the construction of the Mackay Tourism Visitor Centre and Mount Inkerman Nature Tourism Development under the Significant Regional Infrastructure Project Program.

Table 1: Statement of comprehensive income for the year ending 30 June 2017

Controlled funds	Actual ¹ \$'000	Budget ² \$'000	Variance \$'000
Income from continuing operations			
Appropriation revenue for services	146 189	204 972	(58 783)
User charges and fees	2	-	2
Grants and other contributions	28 329	26 853	1 476
Other revenue	10	-	10
Total income from continuing operations	174 529	231 825	(57 296)
Expenses from continuing operations			
Employee expenses	22 658	20 536	2 122
Supplies and services	14 340	72 138	(57 798)
Grants and subsidies	137 208	138 956	(1 748)
Depreciation	45	54	(9)
Other expenses	399	141	258
Total expenses from continuing operations	174 650	231 825	(57 175)
Operating result from continuing operations	(121)	-	(121)

The decrease relates largely to the realignment of expenditure from 2016–17 to match anticipated payments for GC2018 venues, security, transport, operational contingencies and cultural programs. Additionally, there have been changes to the timing of funding requirements for Advance Queensland: Connecting with Asia, *Advancing Small Business Queensland strategy 2016–20*, Attracting Aviation Investment Fund and Tourism Demand Driver Infrastructure programs.

The increase relates to staff provided by their home agencies to the Office of the Commonwealth Games under the whole-of-government resource-sharing model.

The increase principally relates to the recognition of services received below fair value for officers from other Queensland Government agencies working in the Office of the Commonwealth Games for GC2018 through the whole-of-government resource-sharing model process.

The decrease relates largely to a realignment to match the timing of anticipated expenditure for GC2018 cultural programs and the transfer of GC2018 operational contingencies that were not required in 2016–17 to 2017–18.

The increase primarily relates to loss on disposal resulting from the write-off of accommodation fit-outs following the department's move to new office accommodation as part of the whole-of-government accommodation review.

Table 2: Statement of financial position as at 30 June 2017

Controlled funds	Actual ¹ \$'000	Budget ² \$'000	Variance \$'000
Current assets			
Cash and cash equivalents	9 977	4 401	5 576
Receivables	5 493	944	4 549
Other assets	2 270	-	2 270
Total current assets	17 739	5 345	12 394
Non-current assets			
Property, plant and equipment	238	537	(299)
Total non-current assets	238	537	(299)
Total assets	17 978	5 882	12 096
Current liabilities			
Payables	11 996	3 028	8 968
Accrued employee benefits	817	891	(74)
Other current liabilities	3 735	-	3 735
Total current liabilities	16 548	3 919	12 629
Total liabilities	16 548	3 919	12 629
Net assets	1 430	1 963	(533)
Equity			
Contributed equity	1 229	1 642	(413)
Retained surpluses (accumulated deficit)	201	321	(120)
Total equity	1 430	1 963	(533)

The increase in cash largely relates to grants payable to the Queensland Police Service and Queensland Fire and Emergency Services for GC2018 expenditure when invoices were accrued at 30 June 2017, and an end-of-year payable to Queensland Treasury for equity funding.

The increase relates primarily to GST receivable due to the payment of significant expenditure within June for GC2018 in line with contractual obligations.

The increase relates to prepayments being for the Department of State Development prepayments relating to the GC2018 venues works program, which was due to the timing of construction payments at year end.

The decrease relates largely to the write-off of accommodation fit-outs.

The increase relates to grants payables for the Queensland Police Service and Queensland Fire and Emergency Services when invoices were accrued at 30 June 2017 and also an end-of-year payable to Queensland Treasury for equity funding.

The variance relates to funding provided by the Department of Transport and Main Roads to undertake business advisory services for the taxi and limousine industry.

The decrease relates largely to the write-off of accommodation leasehold fit-outs.

¹ 2016-17 actual as per financial statements

² 2016-17 budget as per 2016–17 service delivery statement

PERFORMANCE MANAGEMENT FRAMEWORK

The DTESB strategic plan outlines the department's direction for the next four years. The Service Delivery Statement (Budget Paper 5) outlines the investment priorities for the current year against two service areas—Tourism and Events Development and Small Business Services (see Table 3 overleaf for the relationship between the strategic plan objectives, service areas and the responsible division).

Tourism and Events Development

This service area promotes sustainable growth of the tourism industry by facilitating a strategic whole-of-government approach to planning and investment in the state's tourism assets and products, and the coordination of major events.

It works across government to:

- develop policy that creates an environment supporting growth in tourism sector businesses and the jobs they create
- attract and coordinate government support for the delivery of major events
- work in partnership with industry to increase the ability of the tourism sector to be more competitive in global and domestic markets.

The service area works closely with TEQ to showcase Queensland as an attractive destination for tourists and investment in tourism infrastructure, events and experiences. It has a leading role in facilitating the development of sector capability and tourism products.

The service area also leads and coordinates government service delivery for one-off major events. It is working closely with GOLDOC, the City of Gold Coast and the Australian Government to deliver GC2018. It partners with other major event organising committees and leverages other government services and programs across multiple tiers of government to maximise long-term economic and social benefits for Queensland.

Small Business Services

This service area focuses on products and services that are delivered to business and industry customers (particularly small business) to better enable them to grow and make it easier for small businesses to interact with government.

The service area directly benefits the people of Queensland by:

- enhancing the capacity of small business to engage with markets, attract investors, navigate the business/regulatory environment and access tools, resources and expertise to grow and succeed
- engaging other business-focused government agencies to facilitate the delivery of online services for small businesses via Business Queensland online (www.business.qld.gov.au)
- proactively employing strategies that improve and simplify compliance with government regulation.

We monitor our performance on a quarterly basis. The annual report presents the progress against the strategic plan and the priorities in the 2016–17 Service Delivery Statement.

Table 3: Departmental objectives and key performance indicators (from the 2016–20 strategic plan)

	Objective	Key performance indicators	Responsible division
Tourism and Events Development	Queensland’s tourism industry attracts a greater international and domestic market share of visitors and increases yield per visitor	Increase in market share of overnight visitor expenditure Increase in visitor numbers	Tourism
	GC2018 delivers economic and community benefits for Queensland	GC2018 contributes to Queensland’s economy and jobs	Office of the Commonwealth Games
Small Business Services	Create an environment where small business starts, grows and employs	Increase in business confidence Value derived by customers from using Business Queensland online	Office of Small Business
Enabling objective	An agile, high-performing and engaged organisation	Percentage of staff with completed performance and capability agreements Engagement scores	All divisions and the Business and Corporate Partnership

DELIVERING BENEFITS FOR ALL QUEENSLANDERS

Departmental initiatives played a key role in delivering on a number of the government's commitments.

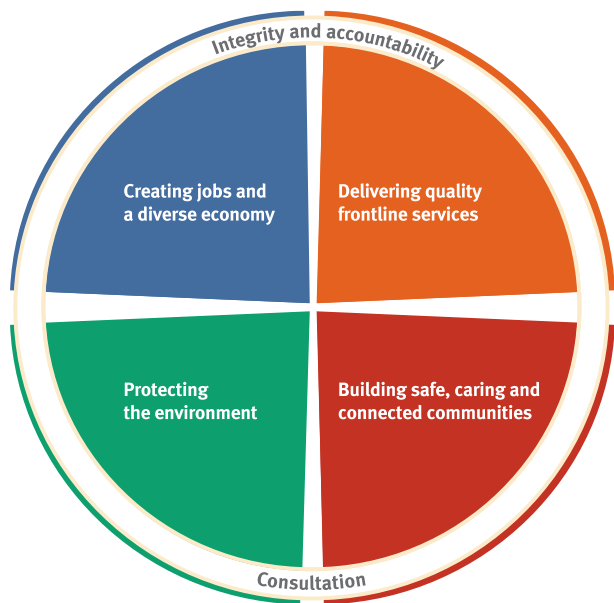


Figure 6: The Queensland Government's objectives for the community

Creating jobs and a diverse economy

- Allocated 604 grants to small businesses across Queensland, valued at more than \$3 million, to support the creation of new businesses, help existing businesses to work smarter and be more resilient, and assist businesses with high growth aspirations to grow and employ.
- Queensland Small Business Advisory Council identified priority areas in 2016–17 and reviewed business-to-business collaboration, digital capability and small business in regional Queensland in order to provide recommendations to government to improve services and support for small businesses.
- Appointed Queensland's first Small Business Champion in an open, merit-based appointment process. The Queensland Small Business Champion provides a dedicated advocacy role, ensuring that Queensland's small businesses are represented at the national level and that the issues facing small businesses in Queensland inform national priorities.

- Helped Queensland secure \$148.5 million in additional capital from local, Chinese and United Arab Emirates investors for key projects in the Whitsundays and Cairns, and on the Gold Coast and the Sunshine Coast.
- Collaborated with Brisbane Marketing to attract investment in new Brisbane CBD hotels, which resulted in the opening of a number of new hotels, including:
 - Mantra Richmond Hotel (\$28 million) at Spring Hill (opened October 2016)
 - The Johnson Hotel (\$87 million) at Spring Hill (opened October 2016)
 - The Swiss-Belhotel (\$50 million) at South Brisbane (opened November 2016)
 - Holiday Inn Express Brisbane Central (\$53 million) at Spring Hill (opened May 2017).
- Launched the Young Tourism Leaders program to showcase the diverse employment opportunities offered in the tourism industry and encourage more young people to pursue a career in tourism. The leaders visit secondary schools across the state to speak to students and encourage them to consider a career in tourism.
- Secured ex-HMAS Tobruk in December 2016 to be scuttled in the Wide Bay Burnett region as a world-class dive site. Work to transform the vessel is creating jobs for locals in the ship-keeping industry and, once scuttled into a dive attraction, will generate flow-on economic benefits to the Fraser Coast and Bundaberg regions and wider Queensland economy.



Delivering quality frontline services

- Mentored 297 businesses through mentoring panels and chats from volunteer business mentors under the Mentoring for Growth program. Mentors donated over 916 hours to help businesses focus on growth opportunities and commercial challenges.
- Delivered 1580 services from 15 Queensland Government departments through the new-look Business Queensland website.
- Delivered the Advancing Women in Business initiative to support, connect and empower women in business by encouraging more women to start and grow their own business. To date, nine events and workshops have been delivered, an additional eight women have signed up as mentors in the Mentoring for Growth program, five industry partnership arrangements have been established and a comprehensive communications campaign is under development.

Protecting the environment

- Launched the *Queensland ecotourism development toolkit* in September 2016 to practically assist developers and investors to navigate the planning and regulatory approvals required for the development of ecotourism products on different land tenures.

Building safe, caring and connected communities

- Developed a small business recovery package as part of the broader Tourism and Small Business Recovery Package to assist small business impacted by Tropical Cyclone Debbie. The Go Local initiative was implemented and continues to support the longer term economic and social recovery efforts across Queensland communities, industries and small businesses by encouraging Queenslanders to support local small businesses. A grants program was also made available to help eligible small businesses recover and rebuild. Planning is also being undertaken to deliver tailored mental health and disaster mentoring services for impacted small businesses.
- Delivered targeted support under the *Advancing Small Business Queensland strategy 2016–20* to help small businesses start, grow and employ. Support includes grants programs, workshops, forums, Queensland Small Business Week events and the expanded Mentoring for Growth program.

OUR PERFORMANCE

The objectives in the DTESB strategic plan for 2016–20 provide the basis for evaluating our performance in 2016–17.

Objective 1: Queensland's tourism industry attracts a greater international and domestic market share of visitors and increases yield per visitor

The performance highlights in Table 4 report on the programs and initiatives delivered by the Tourism division during 2016–17.

The Tourism division works across government to:

- develop policy that grows Queensland tourism and tourism jobs
- attract and coordinate government support for the delivery of major events
- increase the ability of the tourism sector to be more competitive in global and domestic markets, in partnership with industry
- facilitate new investment in Queensland tourism infrastructure.

Table 4: Tourism division performance highlights, 2016–17

Performance indicator: Increase in visitor numbers

	2014–15	2015–16	2016–17
Domestic	7.7%	1.2%	6.2%
International	7.7%	11.3%	5.6%

There is some variance in growth figures from year to year. The five-year trend for 2012–17 is 3.8% growth.

Performance indicator: Increase in market share of overnight visitor expenditure

	2014–15	2015–16	2016–17
Domestic	24.5%	24.9%	24.6%
International	20.7%	20%	18.8%

Although Queensland's market share remained relatively static, overnight visitor expenditure grew by 4.5% and reached \$20.6 billion in the year July 2016 to June 2017. This included:

- \$15.4 billion from domestic visitors
- \$5.2 billion from international visitors.

Attract new airline services

- ✓ Provided final approval, under the Advance Queensland: Connecting with Asia Strategy for the ‘Cairns: Australia’s Tropical Holiday Resort Destination’ proposal. A further two proposals were given in-principle approval to undertake negotiations with key partners.
- ✓ Secured a new domestic service from Melbourne to Townsville, as well as increased capacity on international airline routes to Queensland from Hong Kong, Singapore and Taipei, under the Attracting Aviation Investment Fund. The total number of seats flown into Queensland by all services currently contracted under the fund increased from 202 841 in 2015–16 to 482 998 in 2016–17.

Attract more visitors to Queensland through a joint tourism and events approach

- ✓ Worked with key stakeholders (including TEQ) to develop a compelling bid to secure premium content of the 2017 Rugby League World Cup, including six pool matches in Cairns and Townsville, and a semi-final and final in Brisbane. The women’s grand final was also secured.
- ✓ Secured additional funding for TEQ to win the World Boxing Organisation welterweight title bout—Pacquiao vs Horn—for Brisbane.

Attract new tourism investment and major events to Queensland

- ✓ Established new strategic partnerships with key government bodies, including the Civil Aviation Administration of China and the Beijing Municipal Commission for Tourism Development as a result of the ministerial tourism mission to China and Hong Kong.
- ✓ Provided facilitation support and investment attraction services for tourism infrastructure projects across Queensland to help realise the tourism infrastructure pipeline valued at more than \$14 billion.
- ✓ Attracted \$148.5 million in additional capital into tourism infrastructure development. Projects included:
 - \$55 million sale of land to Chinese theme park operator, Songcheng, for the development of a \$600 million theme park at Carrara on the Gold Coast
 - \$25 million sale of South Molle Island to Chinese investors, China Capital Investment Group, for the development of a new luxury resort
 - \$10 million development of up-market Rivershore Resort Tourist Park at Maroochydore on the Sunshine Coast by local investors, Ocean Isles Pty Ltd
 - \$34 million sale of the Rydges Tradewinds Resort and \$3.7 million sale of the adjacent site in Cairns to United Arab Emirates investor, Ghassan Aboud’s GA Group, for a proposed \$40 million refurbishment and \$25 million new hotel tower
 - \$12 million sale of the 85–87 Esplanade and 68 Abbott Street sites in Cairns to GA Group, which plans to build a \$100 million hotel on the amalgamated 2898 square metre site
 - \$8.8 million sale of 120 Lake Street in Cairns to GA Group for the development of a twin tower, mixed-use development, including a 200-room hotel and residential apartments valued at \$100 million—GA Group also purchased the Crystalbrook resort and cattle property in North Queensland for reportedly over \$3 million.

Deliver economic benefits for the tourism sector through the *DestinationQ* industry partnership

- ✓ Secured ex-HMAS Tobruk to be transformed into a world-class dive site for the Wide Bay Burnett region and create a unique tourism attraction, local jobs and economic benefits for the tourism industry, region and Queensland.
- ✓ Delivered the fifth *DestinationQ* forum in Mackay on 25 October 2016, attracting over 300 delegates.

- ✓ Released the *2016 State of the industry* report at the *DestinationQ* forum, which outlined key highlights across government and industry, and included insights from the Queensland Tourism Industry Council and Regional Tourism Organisation network, as well as research from our university partners.
- ✓ Progressed 11 tourism infrastructure projects, one quality service project and one tourism industry capability project under the federally funded Tourism Demand Driver Infrastructure Program.

Develop and implement a tourism and transport strategy

- ✓ Released the *Queensland tourism and transport strategy: draft for consultation*.

Develop and implement the Advancing Queensland tourism strategy

- ✓ Released *Advancing tourism 2016-20: growing Queensland jobs* strategy and its supplement *Advancing tourism in North Queensland* to capitalise on the opportunity afforded by unprecedented growth in tourism to increase market share and boost tourism jobs.
- ✓ Launched the Young Tourism Leaders program on 8 February 2017, to encourage more young people to consider a career in tourism.
- ✓ Released *Inclusive tourism: making your business more accessible and inclusive* as a resource to help tourism businesses better understand accessibility requirements and how to become a more accessible and inclusive business.
- ✓ Commenced the North Stradbroke Island Visitor Research Program under the Queensland Government's North Stradbroke Island Economic Transition Strategy to provide tourism organisations, operators and others associated with tourism on the island with a clear understanding about visitor expectations and behaviour.

Encourage ecotourism investment

- ✓ Released the *Queensland ecotourism development toolkit* to assist developers and investors navigate the planning and regulatory approvals process for development of ecotourism products on tenured land.

Encourage tourism ventures that protect and showcase the Great Barrier Reef

- ✓ Established a Great Barrier Reef Island Resorts Inter-Agency Working Group to identify measures to rejuvenate the island resorts.

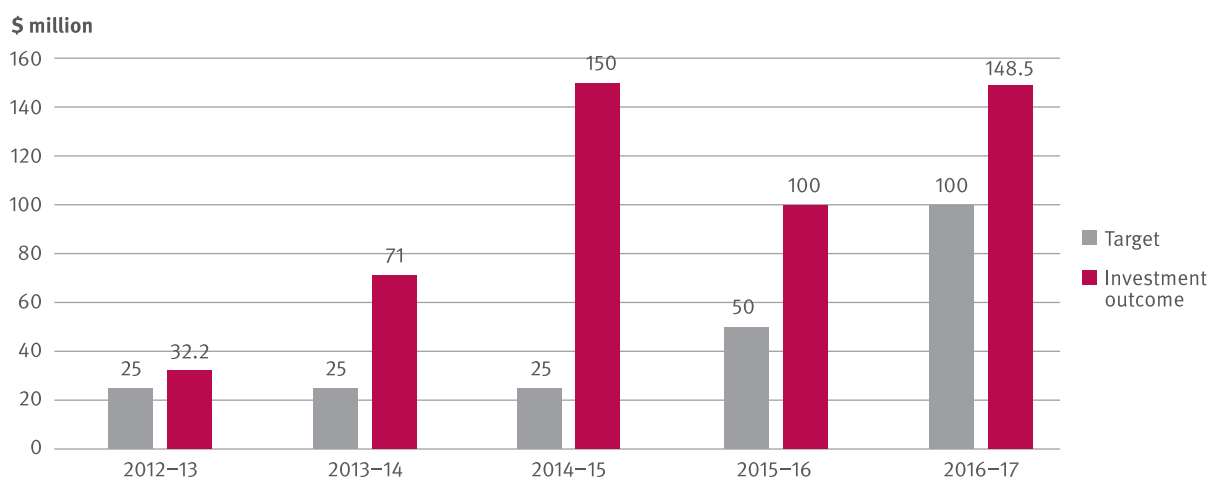


Figure 7: Amount of additional capital attracted into tourism infrastructure development

Plans for 2017–18

- Support recovery of tourism in regions affected by Tropical Cyclone Debbie through:
 - \$7 million for rebuilding and redevelopment of tourism infrastructure in the Whitsundays
 - support for tourism employment through the Young Tourism Leaders program.
- Drive enhancements to state tourism infrastructure through the final year of funding under the federally funded Tourism Demand Driver Infrastructure Program.
- Continue leadership of *Advancing tourism 2016–20: growing Queensland jobs* strategy by:
 - facilitating investment in tourism infrastructure and experiences
 - encouraging ecotourism and Aboriginal and Torres Strait Islander cultural and heritage tourism products, events and experiences
 - delivering the *DestinationQ* forum in November 2017 in partnership with TEQ, and delivering regional *DestinationQ* events in Bundaberg and Gladstone.
- Drive tourism growth from Asia through the Advance Queensland: Connecting with Asia Strategy by securing more direct international aviation access, creating innovative tourism products, building relationships with targeted Asian countries, improving digital connection, increasing awareness of Queensland experiences and encouraging regional dispersal.
- Attract new aviation services to Queensland through the Attracting Aviation Investment Fund.
- Finalise the Queensland tourism and transport strategy.
- Release tourism road maps to make it easier for tourism businesses to find the Queensland Government programs, services and grants that are right for them.
- Undertake economic analysis on the success factors of Great Barrier Reef Island resorts to identify further options for rejuvenating them.
- Undertake a Queensland cruise industry base port study to deliver a composite picture of Queensland's cruise and adventure cruise base porting capacity and potential, along with recommendations to inform actions to maximise its economic potential.
- Expand the Young Tourism Leaders program to appoint more leaders across Queensland and increase their engagement with secondary school students and industry.

Highlights

Advancing tourism 2016–20: growing Queensland jobs

The *Advancing tourism 2016–20: growing Queensland jobs* strategy was launched in October 2016 to drive industry growth, visitation and employment. The strategy has a number of supplementary strategies and targeted programs, the majority of which have been delivered or are being implemented—including *Inclusive tourism: making your business more accessible and inclusive*, *Advancing tourism in North Queensland*, the Advance Queensland: Connecting with Asia Strategy, the Attracting Aviation Investment Fund, the *Queensland ecotourism plan: 2016–2020* and the *Queensland tourism workforce plan 2017–20*.

Advance Queensland: Connecting with Asia Strategy

The Advance Queensland: Connecting with Asia Strategy maximises the opportunities presented by the growing Asia market to Queensland tourism.

The strategy will drive tourism growth from Asia by securing more international air access, creating innovative tourism products, building relationships with targeted Asian countries, improving digital connection, increasing awareness of Queensland experiences and creating regional dispersal.

A proposal was approved in May that secured three direct flights per week between Guangzhou and Cairns. China Southern Airlines is expected to commence operation of the service in December 2017.

providing capacity for an additional 33 000 Chinese visitors and injecting \$30 million into the Tropical North Queensland region economy each year.

A further two proposals were provided with in-principle approval:

- ‘Welcoming China to Southern Queensland and Beyond’
- ‘Welcoming Japan to Southern Queensland’.

These proposals have consortium/funding partners—including Tourism Australia, airports, councils and four regional tourism organisations—working in collaboration to grow visitation from Asia. Negotiations will continue with airline partners in 2017–18.

Supporting recovery from Tropical Cyclone Debbie

The tourism industry in the Whitsunday region, Bowen and Proserpine was significantly impacted by Tropical Cyclone Debbie. A \$10 million tourism recovery package, jointly funded with the Australian Government, supports the rebuilding and recovery of tourism infrastructure and the creation of new tourism experiences. This assistance, along with natural disaster relief and hardship funding, has already helped some of the local tourism operators reopen and re-establish their businesses.

Ecotourism investment

The *Queensland ecotourism plan: 2016–2020* was launched in September 2016 on World Tourism Day. The *Queensland ecotourism development toolkit* helps investors and developers navigate planning and regulatory approval processes in the development of best practice ecotourism facilities, in keeping with the natural environment.

DTESB continues to work with the Department of National Parks, Sport and Racing on a number of ecotourism projects. The department also continues to engage and partner with industry to positively promote investment in ecotourism projects and experiences that enhance Queensland’s appeal to tourists seeking eco experiences, while balancing the protection of our natural environment, tourism activities and providing benefits to communities.

Indigenous tourism

The *Advancing tourism 2016–20: growing Queensland jobs* strategy and its supplements *Advancing tourism in North Queensland* and the *Queensland ecotourism plan: 2016–2020* are creating new tourism opportunities that showcase Queensland’s Aboriginal and Torres Strait Islander culture and heritage by:

- encouraging the development of Aboriginal and Torres Strait Islander cultural and heritage tourism products, events and experiences across the state
- building the capability of Aboriginal and Torres Strait Islander tourism businesses
- developing the Indigenous workforce and encouraging tourism employment opportunities and pathways for young Aboriginal peoples and Torres Strait Islander peoples.

Tourism and transport strategy

The *Queensland tourism and transport strategy: draft for consultation* was released for public consultation in March 2017 and the final strategy is expected to be released in October 2017. The draft strategy was developed in partnership with the Department of Transport and Main Roads, and highlights the importance of transport infrastructure in supporting tourism growth in the state.

The draft strategy was designed around four themes—visitor information, transport services, ticketing and products, and planning and investment. A number of important projects identified in the strategy are already progressing. These include:

- a refresh of the *Queensland camping options toolkit*
- an update of the design guidelines for caravan parks
- exploring opportunities to enhance safety information for overseas drivers.

Objective 2: GC2018 delivers economic and community benefits for Queensland

The performance highlights in Table 5 report on the programs and initiatives delivered by the Office of the Commonwealth Games during 2016–17.

The performance highlights reported overleaf demonstrate that GC2018 is on track to deliver economic and community benefits for Queensland. Achievement of this objective is driven by the four key priorities of the Office of the Commonwealth Games, which are to:

1. leverage the Commonwealth Games to derive economic benefit
2. maximise long-term community, sport and health benefits from GC2018
3. demonstrate Queensland's ability to stage a successful, inspiring and memorable international event
4. strengthen Queensland as Australia's premier tourism destination.

Table 5: Office of the Commonwealth Games performance highlights, 2016–17

Performance indicator: GC2018 contributes to Queensland's economy and jobs

- Multibillion dollar boost to the Queensland economy
- > 16 000 workers played a role in venues and village construction projects
- > 90% of venues and village contracts awarded to Queensland businesses

Progress in 2016–17

- ✓ Awarded seven satisfied results for GC2018 preparedness by the Coordination Commission of the Commonwealth Games Federation since 2011–12. The commission undertakes an assessment twice each year against an established, comprehensive list of requirements compiled from the experience gained in previous Games and the host city bid and proposals.

Leverage the Commonwealth Games to derive economic benefits

- ✓ Completed three new sporting venues and major upgrades to the final four venues on budget.
- ✓ Commissioned the Griffith University economic model report, which articulates the benefits of the economic and employment outcomes of hosting the Games.
- ✓ Launched *Trade 2018* in London in March 2017 to coincide with the start of the GC2018 Queen's Baton Relay from Buckingham Palace—this program leverages GC2018 to promote Queensland trade and investment opportunities.
- ✓ Delivered the Be Games Ready Program, helping small businesses identify and prepare opportunities leading up to, during and after GC2018.

Maximise long-term community, sport and health benefits

- ✓ Launched the GC2018 Reconciliation Action Plan—an historic first for an event of this kind—including delivery of initiatives to develop the capacity of, and partnerships with, Indigenous businesses and support employment, training and procurement outcomes.
- ✓ Redeveloped the Embracing 2018 website.
- ✓ Finalised the Healthy and Active Program and launched:
 - the 10,000 Steps Games Venues Tournament
 - the \$700 000 Get Out, Get Active Program, with 25 successful programs announced
 - the \$500 000 Embracing 2018 Sports Grants Program, targeting state sporting organisations.
- ✓ Secured nine pre-Games training camps in Brisbane, the Sunshine Coast, the Gold Coast and Toowoomba.

- ✓ Coordinated Festival 2018, including One Million Stars to End Violence and Women Of the World (WOW) Festival 2018.

Demonstrate Queensland's ability to stage a successful, inspiring and memorable international event

- ✓ Implemented the Embracing 2018 Evaluation and Monitoring framework, including the release of the Embracing 2018 Snapshot, completion of the Griffith University economic model report and engagement of a supplier for the Festival 2018 program evaluation.
- ✓ Established the GC2018 governance frameworks, structure and secretariat systems required to support the outcomes of the portfolio review as approved by Cabinet.
- ✓ Made regulations under the *Major Events Act 2014* for Gold Coast 600 Supercars and Townsville 400 Supercars motor racing events, informing the development of the regulation for GC2018.

Strengthen Queensland as Australia's premier tourism destination

- ✓ Rolled out the 'Be My Guest' program for tourism operators to the event cities of Brisbane, Cairns and Townsville, including the development of online content.
- ✓ Developed the GC2018 Tourism Action Plan, identifying key legacy outcomes for the tourism industry in areas such as Indigenous tourism, accessible tourism and industry capability.
- ✓ Developed an Indigenous Tourism program, through implementation of the Reconciliation Action Plan, working with Aboriginal and Torres Strait Islander tourism operators to lift their profile and improve their skills and the quality of experiences.

Plans for 2017–18

Leverage the Commonwealth Games to derive economic benefits

- Implement *Trade 2018* to create diverse and enduring growth in international trade and investment, including showcasing the Gold Coast Health and Knowledge Precinct and our key priority trade sectors on the world stage.

Maximise long-term community, sport and health benefits

- Implement the Reconciliation Action Plan, including working with Aboriginal and Torres Strait Islander tourism operators to lift their profile and improve their skills and the quality of experiences.
- Deliver Festival 2018, including *Women Of the World (WOW) Festival 2018*, the One Million Stars to End Violence installation and the *Griffith Review* publication (a special edition of this publication will be developed for GC2018 to reflect on the past and the future of the Commonwealth of Nations).
- Deliver further healthy and active programs and grants to encourage children and adults to participate in more healthy and active lifestyles.

Demonstrate Queensland's ability to stage a successful, inspiring and memorable international event

- Roll out the 'Get Set for the Games' community readiness program.
- Develop legacy publications such as *Ahead of the Games* and pre- and post-Games reports.
- Provide coordinated event support for GC2018, including:
 - event cities coordination
 - Queens Baton Relay community celebrations
 - hosting of pre-Games training camps
 - command, coordination and communication (C3) system
 - post-Games continuity and legacy.

Strengthen Queensland as Australia's premier tourism destination

- Provide further industry development, including rollout of 'Be My Guest' workshops.
- Partner with TEQ and the tourism industry to capitalise on Queensland's exposure to GC2018, to attract visitors, events and investment in tourism infrastructure and business opportunities.

Highlights

More than a spectacular sporting event, GC2018 is also about the opportunities and benefits that hosting the Games will bring to the Gold Coast and Queensland before, during and after the event. This includes:

- trade and supply opportunities for Queensland companies
- long-term sport and health benefits
- development of arts and cultural experiences for Queensland residents and visitors
- showcasing Queensland and its attributes as a tourism destination.

GC2018 venues complete

In 2016–17, the Queensland Government delivered three new competition venues to host GC2018, as well as major upgrades to a further four facilities.

The \$320 million investment in venues is already paying off, with a major international badminton competition, the Sudirman Cup, hosted at the Gold Coast Sports and Leisure Centre in May—attracting competitors from 27 countries, with a global television audience of around 500 million.

The venues and village construction program will support around 2500 full-time equivalent jobs over the life of the projects, with more than 16 000 workers having been involved in design and construction. More than 90% of venues and village contracts have also been awarded to South East Queensland businesses.

Table 6: Venues delivered during 2016–17

Venue	Date opened
Coomera Indoor Sports Centre	5 August 2016 (new)
Anna Meares Velodrome	12 November 2016 (new)
Gold Coast Sports and Leisure Centre	29 April 2017 (new)
Nerang Mountain Bike Trail	February 2017 (upgrade)
Carrara Stadium	March 2017 (upgrade)
Belmont Shooting Complex	April 2017 (upgrade)
Gold Coast Hockey Centre	May 2017 (upgrade)

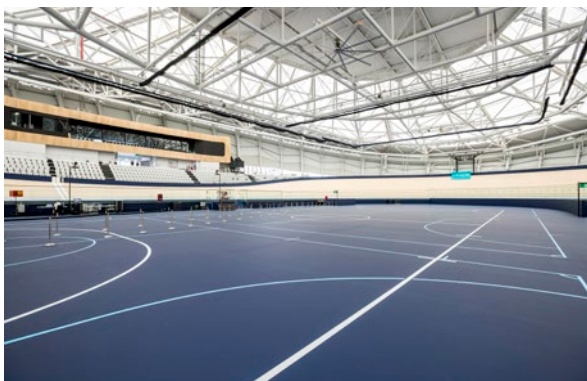


Figure 8: The Anna Meares Velodrome is Queensland's first permanent indoor track cycling venue and has already attracted elite training squads and competitions, including the 2017 and 2018 National Track Championships

Trade 2018 on show

Business opportunities within Queensland are being showcased to the world through *Trade 2018*.

Trade 2018 is central to the legacy aspiration as it focuses on identifying and attracting investment for the Gold Coast Health and Knowledge Precinct, and profiling Queensland's wider capability in this area.

The program has both an inbound and outbound focus. From March 2017, we worked with Queensland suppliers to match them with international opportunities linked to a number of defined industry sectors—this reflects shared priorities across local, state and national program partners.

We also conducted events in priority markets to coincide with the Queens Baton Relay, including outbound trade missions, investor briefings and roundtable discussions.



Figure 9: *Trade 2018* was launched in London by the Premier of Queensland and the Mayor of the City of Gold Coast in March 2017

GC2018 inspires reconciliation

Launched during National Reconciliation Week, the Reconciliation Action Plan will leave a lasting and meaningful legacy through employment and training, procurement, showcasing art and culture, and building a culturally capable workforce.

Initiatives are already making a difference. For example, our work in partnership with the Police–Citizens Youth Club's Indigenous Programs Development Unit has supported up to 60 Aboriginal peoples and Torres Strait Islander peoples from regional, remote and urban communities across Queensland to apply for the GC2018 Volunteering Program.



Figure 10: The Reconciliation Action Plan is helping to create sustainable employment pathways for Aboriginal peoples and Torres Strait Islander peoples through GC2018

Extending the experience beyond the stadiums

Festival 2018 will be a bold, aspirational, 12-day arts and culture program that inspires audiences and celebrates GC2018 throughout the Gold Coast and the event cities of Brisbane, Townsville and Cairns.

It will be a force for good—supporting the Commonwealth Games Federation’s values of humanity, equality and destiny, and using artistic and cultural programs to bring diverse audiences and communities together in celebration of these values.

The Office of the Commonwealth Games plays a pivotal role in coordinating the event cities, the Women of the World (WOW) Festival 2018, the *Griffith Review* publication and One Million Stars to End Violence (which has engaged communities worldwide in a peaceful global weaving project).



Figure 11: The One Million Stars to End Violence project has engaged individuals, groups and communities around the world in the peaceful practice of star weaving for a spectacular installation in Brisbane during GC2018

A warm welcome for our guests

Queensland’s tourism employees are harnessing the pride and passion of our state to deliver a warm welcome for visitors in the lead-up to, during and beyond GC2018.

The ‘Be My Guest’ program focuses on delivering a consistent quality service, creating a guest mindset and leveraging benefits from GC2018. Online content is also available for businesses across the state.

It’s about an entire guest experience in Queensland—because people remember events but also the people they meet.



Figure 12: A series of Be My Guest forums and workshops were delivered in Townsville to improve guest experience

Objective 3: Create an environment where small business starts, grows and employs

The performance highlights in Table 7 report on the programs and initiatives delivered by the Office of Small Business during 2016–17.

The Office of Small Business leads implementation of policy and strategy development for small businesses through the *Advancing Small Business Queensland strategy 2016–20*. The strategy has three focus areas:

1. advocate
2. enable
3. empower.

Table 7: Office of Small Business performance highlights, 2016–17

Performance indicator: Increase in business confidence

	June quarter 2016	June quarter 2017
National Australia Bank business confidence score, Queensland	2 index points	7 index points

The June 2017 National Australia Bank Monthly Business Survey indicated that business confidence was at +13 points—the second highest among all Australian states. The July 2017 Westpac–Melbourne Institute Consumer Sentiment Index reports Queensland’s consumer sentiment index rose 3.3% to 97.5 points, placing Queensland above the national average of 96.6 points—one of only two states to achieve a rise in sentiment. The Chamber of Commerce and Industry Queensland Pulse Survey released on 18 May 2017 reported business confidence had increased to 49.4 points. The March Quarter Sensis Business Index also reported Queensland’s business confidence reached its highest level in seven years, to +44 points.

Performance indicator: Value derived by customers from using Business Queensland online

	2015–16	2016–17
DTEBS customer impact index score	65.6%	62.7%

The customer impact index score, although having dropped from the 2015–16 result, was still in excess of the target of 60%. Analysis of the result suggests that a contributing factor to the drop was the change in look of the website, with the introduction of the new look Business Queensland site replacing the previous Business and Industry Portal.

Progress in 2016–17

The *Advancing Small Business Queensland strategy 2016–20* was developed to create an environment in which Queensland is the place for small business to start, grow and employ. The strategy is delivered under three focus areas—advocate, enable and empower.

Advocate

- ✓ Queensland Small Business Advisory Council provided advice and made recommendations to government on issues related to small business growth, sustainability and employment.
- ✓ Appointed Queensland’s first Small Business Champion to further advocate for Queensland small business and ensure their views are raised at the national table.
- ✓ Established a small business knowledge and data hub to provide targeted research on issues impacting Queensland small businesses.

Enable

- ✓ Reviewed the regulatory environment of three industry sectors (ecotourism, live music entertainment and start-ups) by the Better Regulation Taskforce.
- ✓ Increased Business Queensland online custom by 6.8% since 2015–16, with more than 4.7 million customers (unique users).
- ✓ Enhanced Business Queensland online services with 1580 services from 15 Queensland Government departments.
- ✓ Provided opportunities for small business owners to network and collaborate by:
 - celebrating 2017 Queensland Small Business Week (15–20 May), which attracted more than 6000 participants to 125 different registered activities and events across the state
 - delivering a total of 40 other events and workshops throughout the year with 1505 attendees
 - launching the Advancing Women in Business initiative
 - holding the first New Ideas Forum.

Empower

- ✓ Allocated grants funding totalling \$447 908 to 53 small businesses under the Accelerate Small Business Grants program, to help small businesses demonstrating high growth and employment aspirations engage high-level expertise in their business for an extended period.
- ✓ Allocated 403 businesses with a total of \$2 076 701 in funding under the Small Business Digital Grants Program to help small businesses access digital technologies and services enabling them to work smarter, engage with the global economy and make the most of online business opportunities arising from digitalisation.
- ✓ Initiated Small Business Entrepreneur Grants to provide new small businesses with access to professional advice and support in the critical early stages of establishing a business. In 2016–17, 148 grants were allocated to businesses totalling \$559 547.
- ✓ Provided mentoring to 297 businesses under the Mentoring for Growth program, through panels and chats from volunteer business mentors. Mentors donated over 916 hours to help small business owners focus on growth opportunities and commercial challenges.
- ✓ Completed the Home-based Business Grant Program—12 months after completing stage 1 of the program, 71% of grantee respondents reported having achieved at least a 10% increase in at least one the following areas: employees, revenue or gross profit.

Plans for 2017–18

- Deliver the small business elements of the broader Tourism and Small Business Recovery Package for regions affected by Tropical Cyclone Debbie, which includes:
 - the *Go Local* campaign that encouraged people to buy from local businesses and help maintain local jobs and local economies
 - planning workshops and tailored mental health and disaster recovery support services for affected small businesses
 - offering grants to eligible small business to support business recovery.
- Continue to deliver the *Advancing Small Business Queensland strategy 2016–20*, which includes:
 - leading the implementation of the strategy across government, advocating strongly for small business and delivering a suite of programs and activities that connect small business to opportunities and support
 - supporting the Queensland Small Business Champion, Queensland Small Business Advisory Council and Better Regulation Taskforce to advocate for the interests of small business across all levels of governments
 - supporting small business policy and program decisions through detailed research and analytics

- improving the Queensland Government’s online services to business via Business Queensland (www.business.qld.gov.au) to make it easier to access the right service at the right time for customers via a single online location
- delivering Queensland Small Business Week events that provide networking and knowledge exchange opportunities
- supporting the creation of new businesses, helping existing businesses to work smarter and be more resilient, and assisting businesses with high growth aspirations to grow and employ through the delivery of three targeted grants programs, mentoring and promoting linkages to other Queensland programs
- assisting women, Aboriginal peoples and Torres Strait Islander peoples, and people with a disability to start and grow businesses.

Highlights

Advancing Small Business in Queensland strategy 2016–20

The Office of Small Business was established to deliver the *Advancing Small Business Queensland strategy 2016–20* that aims to create the environment in which Queensland is the place for small businesses to start, grow and employ. The strategy links to the Advance Queensland initiative, which aims to boost Queensland’s entrepreneurial culture and improve access to finance, new business opportunities and management support for start-ups and small to medium enterprises.

The strategy focuses on stronger advocacy for small business, simplified and coordinated service delivery, connecting small businesses to opportunity and empowering small businesses to grow and employ.

Giving small businesses a more effective voice

The Queensland Small Business Advisory Council was established to engage and consult with small businesses, providing a direct line of communication between small business and government. The council focuses on significant small business issues and provides advice and solutions on small business growth, sustainability and employment. Its membership covers a cross-section of the small business community, with representation from a variety of industry sectors and rural and regional Queensland.

The council established the Better Regulation Taskforce on 1 December 2016 as a subcommittee that better aligns with the *Advancing Small Business Queensland strategy 2016–20*. It provides advice to the Queensland Government on the areas of regulation of most concern to small businesses. The taskforce is finalising a review of the regulatory environment of three target industry sectors—ecotourism, live music entertainment and start-ups.

Together, the Queensland Small Business Advisory Council and Better Regulation Taskforce create greater opportunity for the government to hear firsthand from small businesses and regional and industry representatives.

Queensland Small Business Champion

On 21 December 2016, Queensland’s first Small Business Champion was appointed following an open, merit-based appointment process. The Small Business Champion provides a dedicated advocacy role for small business at the national level through the Australian Small Business Commissioners group and regular interactions with the Australian Small Business Family Enterprise Ombudsman and Australian Government representatives.

From January 2017 to June 2017, the Small Business Champion:

- chaired two meetings of the Better Regulation Taskforce
- attended two meetings of the National Small Business Commissioners Network
- attended three meetings of the Queensland Small Business Advisory Council
- met with the Australian Small Business and Family Enterprise Ombudsman
- chaired the Cairns Small Business Roundtable
- attended key events as part of 2017 Queensland Small Business Week
- met directly with over 65 industry associations and stakeholders.

Cyclone recovery package for small businesses

In 2016–17, a dedicated small business recovery package was developed as part of the broader Tourism and Small Business Recovery Package to assist small businesses in areas affected by Tropical Cyclone

Debbie. The Go Local initiative was implemented and continues to support the longer term economic and social recovery efforts across Queensland communities, industries and small businesses. The initiative promotes the benefits of buying locally and supporting local small businesses. An online hub was established on the Business Queensland website that offers information and online tools on the Go Local campaign.

Revitalising and growing online services

The Office of Small Business enables business by facilitating greater connections between government, business and industry, particularly through the new look Business Queensland website, www.business.qld.gov.au. The website primarily targets business and industry customers of Queensland Government services and information.

Business Queensland delivers 1580 Queensland Government online services, including general business, licencing and permit information aggregated from all three tiers of government, diagnostic tools, webinars and events, and is a gateway for business licences and permits.

Business Queensland has been enhanced, making it easier and quicker for businesses to find the right services at the right time. In 2016–17, more than 4.7 million customers (unique users) used Business Queensland—an increase of 6.8% from 2015–16.

The DTESB customer impact index is used to measure the value provided by the Business Queensland website to Queensland small businesses. The index is developed from the results of a customer impact survey, an online exit survey and customer feedback. The index result for 2016–17 is 62.7%, which exceeds our target of 60%.

Grants

The Queensland Government committed \$12 million over three years to three grants programs under the *Advancing Small Business Queensland strategy 2016–20*. The programs are designed to support the creation of new businesses, help existing businesses to work smarter and be more resilient, and assist businesses with high growth aspirations to grow and employ.

Accelerate Small Business Grants provide grants of up to \$10 000 for businesses with high potential to grow and employ. Grants were allocated to 53 businesses, valued at \$447 908.

Small Business Digital Grants are designed to help small businesses enter the digital economy and build

their digital capability. Grants were allocated to 403 businesses, valued at \$2 076 701.

The Small Business Entrepreneur Grants program is designed for new businesses to enable them to access professional advice and support in the critical early stages of establishing a business. A total of 148 businesses were allocated grants valued at \$559 547.

The Home-based Business Grants Program provided support to stay-at-home parents to make their business a success, while keeping a healthy balance between work and family. The Home-based Business Grants Program was formally closed in June 2017 following payment of grants to recipients that required project extensions. Twelve months after completing stage 1 of the program, 71% of respondents reported that they achieved at least a 10% increase at least one of the following areas—employees, revenue or gross profit—and 96% of respondents reported improved capability 12 months after participating in the program.

Mentoring for Growth program

The Mentoring for Growth program is in its 15th year and continues to help Queensland small businesses grow and employ. The program is being expanded in line with the commitment made in the *Advancing Small Business Queensland strategy 2016–20*.

Mentoring for Growth offers eligible businesses access to a panel of between six and eight business experts. These experts offer insights, options and suggestions on business challenges relating to growth and innovation.

A total of 297 Mentoring for Growth panels and chats were undertaken over the course of the year, supported by more than 190 active and registered mentors who gave their time generously to support Queensland small business.

The Office of Small Business is developing an online Mentoring for Growth hub where mentors and mentees can come together to share knowledge and ideas.

Of those participants surveyed:

- 100% reported that mentors at the sessions offered honest and constructive criticism about their business
- 94% reported that they will act on the feedback they received at their panel and that the panel was useful or very useful
- 84% reported that the panel helped them address, test and explore key businesses issues, success factors and performance drivers.

Objective 4: An agile, high-performing and engaged organisation

The performance highlights in Table 8 report on internal programs and initiatives delivered by DTESB during 2016–17.

Table 8: Internal departmental performance highlights, 2016–17

Performance indicator: Percentage of staff with completed performance and development agreements, and percentage of positive staff engagement

- 78% of staff had performance and development agreements in place at 30 June 2017

Percentage of positive staff engagement is measured through the Working for Queensland survey, which was not undertaken in the 2016–17 financial year. The next survey is scheduled for August 2017.

Progress in 2016–17

- ✓ Implemented the DTESB Connect Action Plan in response to the results of the 2015–16 Working for Queensland survey. This included a 12-month High Performance Teams program, resulting in the activation of five teams across the department that guided leadership development, engagement of staff and the creation of clear action plans to deliver results that improve culture and delivery of programs.

Plans for 2017–18

- Continue to build a culture that delivers results through its partnerships, develops talented and emerging leaders, and embraces health and safety and innovation.

GOVERNANCE

DTESB promotes the principles of good governance and ensures they are applied in ways that encourage all staff to focus on high standards of performance, be accountable for their actions and ensure the efficient, effective and ethical management of resources. The governance framework includes committees that support and advise the Director-General on areas of organisational management, business planning and reporting activities, performance management, management of risk, audit and activities to support a strong culture of integrity and ethical decision-making. This ensures that our obligations under the *Financial Accountability Act 2009* and *Public Sector Ethics Act 1994* are met.

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

In the countdown to GC2018, the Office of the Commonwealth Games senior executive engaged Richard Bingham, Queensland Integrity Commissioner, to present to staff. The presentation provided a timely reminder for staff of the expectations and their responsibilities as public sector employees in relation to integrity matters, specifically gifts and benefits, and provided them with advice and support to actively manage and mitigate the risk posed by the range of potential scenarios that may emerge during their roles supporting the delivery of GC2018.

Governance committees

The Director-General has overall responsibility under the *Public Service Act 2008* (s. 98) for the management, governance and operation of the department. The DTESB governance committees meet regularly and assist the Director-General and senior executives in decision-making and ensuring the department's goals and objectives are met. The Executive Management Group (EMG) meets weekly to consider department business priorities and resourcing, ministerial and parliamentary business, and corporate policy. The membership of the group is outlined in the 'Our leaders' section of this report.

There are three additional committees that focus on specific areas of organisational management—the Audit and Risk Management Committee, ICT Investment and Strategy Committee and Workplace Health and Safety Committee. As DTESB's corporate service needs are supported through the Business and Corporate Partnership that covers six agencies, the Director-General and the Deputy Director-General, Corporate, represent DTESB's interests on the Business and Corporate Partnership Board.

Business and Corporate Partnership Board

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

During 2016–17, the board membership comprised:

- the Directors-General of DTESB, Department of Agriculture and Fisheries, Department of Natural Resources and Mines, Department of Energy and Water Supply, Department of Environment and Heritage Protection and Department of National Parks, Sport and Racing
- the head of corporate from each of the three Business and Corporate Partnership hubs.

Management accountability and risk management

Audit and Risk Committee

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

The structure of the committee meets the requirements of the Financial and Performance Management Standard 2009 (s. 35) and is chaired by a professional expert external to the department.

During the year the committee carried out the terms of its charter, with regard to the *Audit committee guidelines: improving accountability and performance* issued by Queensland Treasury in June 2012.

In discharging its responsibilities, the 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's internal and external auditors as necessary
- seek advice from external parties as necessary.

During 2016–17, the committee reviewed the findings and recommendations of four internal audit reports. Committee members were also provided with recommendations arising from the Queensland

Audit Office reports to Parliament that relate to the department. During 2016–17, four recommendations were actioned and closed.

The committee also provided a forum for dialogue between the Director-General, senior management, internal audit and the Queensland Audit Office.

The committee convened four times during 2016–17—August, November, February and May. The Business and Corporate Partnership's Internal Audit Services provided secretariat support to the committee during 2016–17.

In this financial year there was movement in committee membership (as detailed in Table 9). To overcome possible information gaps due to changes in the representatives, the Deputy Directors-General of Tourism and the Office of Small Business were invited to be observers.

Table 9: Audit and Risk Committee membership and attendance, 2016–17

Name	Position	Committee role	Membership period	Number of meetings attended
Kaylene Gaffney	Group Financial Controller, Super Retail Group	External chair	July 2016 to March 2017	3
Peter Dowling	Consultant	External member	July 2016 to February 2017	3
		External chair	April to June 2017	1
Karen Prentis	Consultant	External member	April to June 2017	1
Damien Walker*	Deputy Director-General, Office of the Commonwealth Games	Member—departmental representative	July 2016 to February 2017	2
Kerry Petersen	Deputy Director-General, Office of the Commonwealth Games	Member—departmental representative	April to June 2017	1

* During this membership period, Damien Walker was Acting Director-General in addition to his role as Deputy Director-General, Office of the Commonwealth Games. In attending this committee, he was fulfilling his committee role as the Deputy Director-General, Office of the Commonwealth Games.

As external chair of the committee, Kaylene Gaffney was entitled to be paid \$1000 per meeting (excluding GST) to a maximum of \$5000 per calendar year (excluding GST). On assuming the role of the chair, Peter Dowling was entitled to be paid \$2400 per meeting (excluding GST) that he chaired to a maximum of \$12 000 (excluding GST) per annum.

As external members, Peter Dowling and Karen Prentice were entitled to be paid \$600 per meeting (excluding GST) to a maximum of \$3000 per calendar year (excluding GST) to prepare for, and attend, up to five meetings per annum.

Internal audit

Internal Audit Services (IAS) is a business unit within the Department of Environment and Heritage Protection and provides internal audit services to DTESB and four other Queensland Government agencies as part of a co-sourced corporate services arrangement under the Business and Corporate Partnership.

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

Key audit activities for 2016–17 included:

- providing reports to the Director-General and Audit and Risk Committee on completed audits outlined in the DTESB 2016–17 strategic internal audit plan
- providing secretariat support to the Audit and Risk Committee
- monitoring and reporting on the status of implementation of internal and external audit recommendations to the Audit and Risk Committee.

IAS considers that there are controls in place to minimise the opportunity of fraud or mismanagement in those areas of the department that were audited during the year.

External scrutiny

The business of DTESB is subject to independent review by a number of bodies. The preparation and readiness to stage GC2018 is subject to six-monthly reviews undertaken by the Commonwealth Games Federation. The biannual reports contain recommendations for areas of improvement, which are actioned by the department and other GC2018 partners.

During 2016–17, the Crime and Corruption Commission conducted an audit of Queensland public sector responses to corrupt conduct incidents in recruitment and selection activities. The commission issued its public audit report in June 2017. The department is currently in the process of implementing the key recommendation outlined in the audit report—that agencies improve policies and procedures that direct staff in managing and declaring conflicts of interest associated with recruitment processes; particularly, that a disclosure of a conflict of interest, and how it was managed, should be recorded in the relevant selection report to enable an authorised officer to make a fair and transparent decision.

The Queensland Audit Office (QAO) undertakes financial and performance audits within the public sector. In 2016–17, three audit reports required action by DTESB:

1. The QAO report 1 to Parliament, *Strategic procurement—report 1: 2016–17*, examined whether good quality data was available and whether state government departments were achieving and enabling value for money procurement outcomes through effective strategic procurement. It also examined whether there were sufficient measures in place to develop the necessary procurement capability in the staff who work in this field. One recommendation related to all departments. DTESB will actively work with the Office of the Chief Advisor—Procurement to ensure a procurement plan is developed and relevant stakeholders are consulted during the process.
2. The QAO report 16 to Parliament, *Government advertising—report 16: 2016–17*, examined the economy of government purchasing of advertising, the effectiveness of a selection of advertising campaigns and the application of governance frameworks. General recommendations for all departments included:
 - strengthening the evaluation of communication activities by preparing formal reports

post-campaigns summarising results, cost-effectiveness of advertising mediums and insights into how results inform future campaigns

- ensuring that campaign materials submitted to the Government Advertising and Communication Committee have been certified by the relevant authority (Director-General or equivalent) as compliant with the *Queensland Government advertising code of conduct 2013*, and that evidence of this certification is included in submissions.

The Department of the Premier and Cabinet, in their response to the report, indicated that many agencies had noted a formal evaluation reporting process was in place and will continue this practice. They indicated that guidance and best practice materials will be developed and shared across government. DTESB will use the materials to improve the evaluation of communication activities.

The Department of the Premier and Cabinet also noted that many agencies reported that approval by the Director-General already formed part of the internal process. Therefore, this recommendation was considered as actioned by all agencies, including DTESB.

3. The QAO report 17 to Parliament, *Organisational structure and accountability—report 17: 2016–17*, assessed whether the structure within Queensland Government departments supported the achievement of individual agency strategic objectives as well as government priorities, and whether there was a clear accountability for delivering these objectives. The recommendations for all government departments included:
 - enhancing strategic planning approaches
 - establishing clear alignment between accountability and strategic objectives
 - reviewing delegations of authority in relation to organisational structure
 - calculating and reviewing staff structures and workforce profiles to ensure that departments allocate staff efficiently and effectively to deliver strategic objectives.

DTESB will work with the Department of the Premier and Cabinet and the Public Service Commission to implement the report's recommendations.

Risk management and business continuity

The department maintains a risk management system for managing uncertainty to take advantage of opportunities and minimise threats to its operations and objectives. The department is committed to considered risk-taking that rewards innovation and supports agile business solutions. Considerable changes in the EMG throughout 2016–17 led to the EMG initiating a review of the DTESB Risk Management Framework and departmental risk register to ensure the risks reflected changes in priority, organisational structures and appropriate assignment of ownership.

The DTESB risk register is supported by the divisional and corporate functions operational risk registers. These registers are reviewed quarterly for any themes or trends that warrant attention at an organisational level.

In response to Tropical Cyclone Debbie the department activated its Emergency Management Plan, which is part of a broader emergency management framework across Queensland Government. It complements the *Queensland state disaster management plan*, which outlines whole-of-government coordination and response to a large-scale emergency such as a cyclone or flood. Following the disaster, DTESB reviewed its emergency plan—with an agreement by the EMG to activate key recommendations, including training for staff in key roles as part of the plan.

During 2016–17, DTESB participated in a series of desktop exercises simulating scenarios based upon realistic cyber security threats. The desktop exercises were part of a whole-of-government Cyber Security Incident Response project commissioned by the Queensland Government Chief Information Office. As part of the project, the department's *Information security incident management procedure* was tested through the responses provided under each scenario. A number of recommendations have been raised and these will be addressed accordingly by DTESB.

In addition to managing the risks to the department, DTESB (through the Office of the Commonwealth Games) also coordinates the GC2018 Portfolio Management Framework and its associated Strategic Risk Management Framework to ensure that Games-wide risks are collectively understood, reported to the GC2018 executive group and escalated further if needed.

Information management

ICT Investment and Strategy Committee

The ICT Investment and Strategy Committee is part of DTESB's formal governance structure, with responsibilities for information and communications technology (ICT), and reports to the EMG. The committee contributes to the efficient and effective operation of the department through the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009, *Information standard 2—ICT resources strategic planning* and *Information standard 18—information security*.

The committee was established to:

- assure the Director-General that ICT, information management, information security and related investments support the
 - delivery of government priorities and departmental strategic direction
 - implementation of whole-of-government ICT direction, policies and standards.
- ensure that ICT performance meets the following objectives
 - alignment of ICT with the agency and realisation of associated benefits
 - use of ICT to enable the agency by exploiting opportunities and maximising benefits
 - responsible use of ICT resources
 - appropriate management of ICT-related risks.

In order to deliver maximum value to the agency as a whole from the ICT-enabled investment portfolio, the committee:

- provides guidance/direction in its development
- prioritises investment consistent with government priorities and DTESB's strategic direction
- reviews the portfolio to ensure the benefits and value as defined can be achieved and take any necessary action to deliver the maximum value
- ensures all initiatives approved to proceed have a valid, approved business case throughout the life of the initiative.

In addition, the committee:

- provides guidance/direction in the development of the ICT resources strategic plan and associated plans and policies
- ensures agency compliance with whole-of-government and Queensland Government Chief Information Office policies, standards, methodologies and reporting requirements
- receives six-monthly reports from the department's Information and Technology Partners on the effectiveness of support and maintenance in ensuring the health and reliability of current ICT systems
- communicates direction, decisions and policies to the broader organisation
- monitors ICT-related risks and escalates significant risks to the ICT Partnership Board and/or EMG/Director-General as required.

The role of the committee chair includes:

- reporting to, and advising, the EMG on matters of strategic importance to the agency
- ensuring the strategic drivers of the agency are well understood
- ensuring there is an appropriate balance between strategic and tactical discussions in the committee business
- managing preparation for, and the conduct of, the meeting
- ensuring action items are adequately addressed and any outstanding issues are addressed in the required time frame
- ensuring meetings are accurately minuted and decisions documented and disseminated to the appropriate stakeholders
- representing the agency on the ICT Partnership Board
- approving various 'out of session' whole-of-government reporting artefacts.

Table 10: ICT Investment and Strategy Committee membership as at 30 June 2017

Name	Position	Committee role
Rebecca Andrews	Deputy Director-General, Office of Small Business	Chair
Tony King	Executive Director, Business Services and Market Insights, Office of Small Business	Member
Gillian Gardiner	Acting Executive Director, Games Portfolio, Finance and Procurement, Office of the Commonwealth Games	Member
Gayle O'Brien	General Manager, Policy and Industry Engagement, Tourism	Member
Tony Grant	Chief Information Officer, Corporate	Member
Mike Richards	Acting Executive Director, Finance and Asset Management, and Chief Finance Officer, Corporate	Member

Information systems

DTEBS continues to operate, maintain and develop a range of systems that manage and store information. These systems support the delivery of its services, initiatives and corporate operations. Key systems include the following:

- Business Queensland (www.business.qld.gov.au) provides a single location for Queensland Government online business services, including content, transactions and the Council of Australian Governments online services to Queensland businesses. In addition to business development services, it also assists businesses by providing access to services specific to their industry. A new version of Business Queensland online was released in February 2017, which improved usability and functionality of the site.
- The Australian Business Licence and Information Service (ABLIS) is accessed through Business Queensland online and ensures the regulatory requirements from federal, state/territory and local government agencies are maintained within a single solution. ABLIS provides a service for businesses and business intenders to find their compliance and regulatory requirements and other business-related information, and create a personalised report with the information required to start and run a business in Australia.
- The Australian Government's SmartForms platform, facilitated by DTEBS, assists state agencies and local governments to develop online business transaction forms. These forms allow businesses to save time and money when completing compliance obligations. A record of

the form submission is also held for later re-use by the customer.

- The Customer Relationship Management System provides the department with a platform to record dealings with customers in real time and facilitate seamless delivery of services. The system allows the department to understand its customers, anticipate customer needs and use business intelligence to guide development of services and deployment of resources. During 2016–17, the system was extended to include more department users and marketing automation functionality.

Records management

The department ensures ongoing compliance with the *Public Records Act 2002*, *Public Service Act 2008*, *Information standard 40—recordkeeping* and *Information standard 31—retention and disposal of public records* through the operation of its recordkeeping strategy. Policies are in place for recordkeeping, email management, retention and disposal of records, managing information on shared network drives, information security and digitisation disposal.

The department has a corporate electronic document and records management system (eDOCS) and staff are encouraged to maximise the use of digital records in business processes. New integration technology was introduced to allow the harvesting of documents into the corporate recordkeeping system from other user interfaces. The Records Management unit is appraising new business systems to provide recordkeeping requirements for compliance and recordkeeping. Considerations continue to be addressed in the decommissioning of business systems.

Approved retention and disposal schedules and documented processes for records disposal are in place across the department. Time-expired records have been identified for disposal and 14 boxes of hard copy files have been securely disposed. Permanent records have been identified and 11 boxes of hard copy records have been transferred to Queensland State Archives.

Information release and open data

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

In accordance with the *Right to Information Act 2009*, the department is required to publish information to the public, which can be found on the DTESB website at www.dtesb.qld.gov.au. There are a range of specific public reporting requirements that are released online through the open data portal (www.data.qld.gov.au) instead of being included in the annual report. These include:

- consultancies
- overseas travel
- the *Queensland languages services policy*.

We are also committed to increasing the release of data that we collect for re-use and repurposing to provide new and exciting resources for the community. DTESB's *Open data strategy: 2014–2018* outlines the proposed release of data into the community through the open data portal.

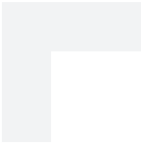
Work health and safety

Work Health and Safety Steering Committee

The Work Health and Safety Steering Committee provides strategic leadership for health and safety across the department. The committee is supported by work health and safety network groups, which meet regularly to promote the involvement and participation of DTESB staff and act as the first point of consultation for work health and safety practice and challenges. The 2016–17 membership of the committee is outlined below.

Table 11: Work Health and Safety Steering Committee membership as at 30 June 2017

Name	Position	Committee role
Damien Walker	Director-General	Chair
Kerry Petersen	Deputy Director-General, Office of the Commonwealth Games	Member
Jeffrey McAlister	Deputy Director-General, Tourism	Member
Rebecca Andrews	Deputy Director-General, Office of Small Business	Member
Leith Brown	Deputy Director-General, Corporate	Member
Karenne Graham	Acting Director, Human Resources, Corporate	Member
Darren Hayden	Acting Manager, Work Health and Safety, Corporate	Member
Mike Richards	Acting Executive Director, Finance and Asset Management, and Chief Finance Officer, Corporate	Member



DTESB values the importance of providing staff with a healthy, safe workplace. In 2016–17, the department continued to build on our proactive health and safety culture through a strategic health, safety and wellbeing program. Key initiatives delivered during the year included:

- the Domestic and Family Violence Program to promote a respectful workplace culture and provide support to those whose lives are affected by domestic and family violence—DTESB is working towards becoming accredited as a White Ribbon Workplace
- maintaining a comprehensive work health and safety incident database and quarterly reports to benchmark performance, ensuring continual improvement towards best practice
- delivering resilience sessions that provided staff with practical techniques to help manage stress and avoid burnout
- promoting the annual health and safety week to raise awareness and promote a positive health and safety culture
- delivery of an influenza vaccination program
- maintaining ‘Silver Recognition’ in the Queensland Government’s Healthier, Happier Workplaces initiative—the department is in the process of progressing to ‘Gold Recognition’.

The department’s active work, health and safety program of initiatives has resulted in positive financial outcomes for the department’s WorkCover Queensland premium. For the year 2016–17, DTESB recorded 100% stay at work for reported claims compared to the industry average of 44.35%, and zero average paid days compared to the industry average of 24.65 days.

OUR PEOPLE

Workforce profile

The *Queensland public sector quarterly workforce profile: June 2017*, based on Minimum Obligatory Human Resources Information data, shows that DTESB had 150.22 full-time equivalent staff at 30 June 2017. The permanent separation rate was 10.79%.

The financial statements show that the number of paid full-time equivalent employees as at 30 June 2017 was 154—which includes both full-time employees and part-time employees measured on a full-time basis as provided to the Public Service Commission and utilised in the preparation of the Minimum Obligatory Human Resource Information.

Employees who had been seconded to DTESB from other state government departments and who continued to be paid by their department are reflected in the Minimum Obligatory Human Resource Information data of their substantive department. However, for purposes of transparency, these same employees are reflected in the financial statements for DTESB.

In order to ensure the successful delivery of GC2018, staff and agencies from across government supported the need for a highly capable workforce delivering a diverse range of Games projects. Staff are being made available through secondment arrangements as part of a whole-of-government Leadership Board-sponsored program driven by the Office of the Commonwealth Games, with support from the Public Service Commission. Seconded staff contributed to planning for the Games and the arrangement was in addition to the valued contributions of staff in Queensland Health, the Department of Transport and Main Roads, the Queensland Police Service and Queensland Fire and Emergency Services working on their own responsibilities that support GC2018.

Workforce planning and performance

Industrial relations

Significant industrial relations reform in Queensland occurred in March 2017 with the commencement of the *Industrial Relations Act 2016*. The department undertook an extensive education program for all staff, along with a revision of relevant policies and

procedures to ensure our continued compliance and promotion of employee's entitlements.

A significant component of the education program challenged managers to give greater consideration to flexible working arrangements. As technology improves the ways in which staff can work and removes the constraints of where staff can work, DTESB policies on adaptable working arrangements (such as flexible working hours, job-sharing, part-time work and telecommuting) were promoted. These are effective tools for managers to support work-life balance, retain and attract high quality staff and promote innovation. The department also has provisions for family and cultural leave. These policies are promoted to job candidates and staff, and are available online.

DTESB's Consultative Committee continues to hold meetings every quarter to facilitate meaningful consultation between management and unions on industrial issues, workforce strategy and organisational change, and the implementation and monitoring of relevant provisions of the *State government entities certified agreement 2015*.

Workforce strategy

In 2016–17, the department maintained its focus on aligning workforce skills and resources to the current and future challenges of the business. DTESB is committed to providing opportunities for individuals from diverse backgrounds and strives for a workplace culture that is inclusive of all individuals.

Workforce priorities in 2016–17 continued to have a strong focus on the rapidly approaching GC2018 (4–15 April 2018). The whole-of-government Leadership Board-sponsored secondment program is working well and the support of departments and the Public Service Commission has been invaluable. The experience gained by their seconded staff has already seen contributing agencies benefit from the broader skills and capabilities of returning staff. Offering additional opportunities through the secondment program will be essential in the coming year as GC2018 draws ever closer.

The work by each division undertaken in previous years to review their workforce needs led to greater flexibility in the movement of staff to priority programs and activities. To better prioritise workloads across the whole department, a formal

Resource Committee (a subcommittee of EMG) was established in the late 2016. This ensures senior management time is dedicated to regularly reviewing the critical time frames of upcoming work programs across the department, and the effect of emergent unplanned events. Collective decisions are made on the workforce mobility required and to ensure that dedicated staff maintain a healthy work–life balance.

Building DTESB culture and performance

DTESB’s strategic plan, business plans and individual performance agreements are all aligned to the government’s key objectives, providing a clear line of sight and expectations of performance.

The DTESB Connect Action Plan delivered several initiatives in response to the 2016–17 Working for Queensland survey results. A 12-month High Performance Teams program activated five teams across the department to guide divisions in developing leadership, engaging staff and creating clear action plans to deliver results to improve culture and delivery of programs.

The High Performance Teams program was complemented by a refreshed intranet to promote staff engagement and a new reward and recognition program—the DTESB All Star Awards. The awards were held twice in 2016–17 and recognised staff for their achievements in leadership, innovation, performance and teamwork.

As well as the All Star Awards, performance excellence was recognised through the Australia Day Awards, as well as through whole-of-government award programs such as the Public Service Medal and the Prime Minister’s Award for Excellence in Public Sector Management.

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

- all executives implementing comprehensive performance agreements
- executive participation in the Public Service Commission–led Executive Capability Assessment and Development process (including Executive Capability Assessment and Development Refresh)
- participation in Public Service Commission management development programs, masterclasses and seminars.

DTESB has succession plans in place for senior management so that business continuity can be guaranteed when change in leadership occurs.

DTESB’s Performance Management Framework Program continues to enable all staff to make informed decisions about their business unit priorities, individual goals and development needs. The framework clearly outlines behavioural expectations that are in line with the department’s culture and values.

There were learning and development initiatives in 2016–17 for all staff that focused on building management and leadership skills. These programs included:

- Managing Performance for Program Managers and Executives
- Change Management—a program providing supervisors and staff with the tools to understand and manage change both as a team and as individuals.

Keen to promote a digital-first approach to learning and development, DTESB used the practical tools and strategies available online through Lynda.com to build resilience for managers and staff, and an online induction program to promote ethical behaviour, safety at work and information security.

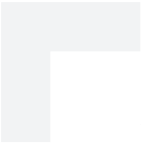
There was also mandatory training and refreshers for all staff on the code of conduct, fraud awareness and corruption prevention and ethical decision-making, and health and wellbeing support staff deal with workplace pressures and challenges.

DTESB held all-staff forums quarterly to engage staff in key priorities and achievements, as well as to discuss and debate new ideas and trends. We also started a new induction program for staff that involved the Director-General and Deputy Directors-General of each division meeting new staff and talking to them about their division.

The DTESB Culture Club continued its work to enhance departmental culture by enabling staff to connect through events such as the International Women’s Day panel, and recognise their peers by sponsoring the DTESB All Star Awards.

The Culture Club, made up of volunteers from across the department, also promoted diversity, supporting the Office of the Commonwealth Games in their activities and events for NAIDOC Week and National Reconciliation Week.

In 2016, DTESB started its journey towards accreditation as a White Ribbon Workplace. This year-long program is aimed at stopping violence against women by educating staff to ensure they know how to recognise, respond to and refer domestic violence in the workplace.



As part of this accreditation, DTESB held information forums and promoted the online Recognise, Respond and Refer training for all staff, and the Executive Management Group committed to zero-tolerance of violence and bullying.

All of the department's work to build culture and performance aligns with the Queensland public service values—customers first, ideas into action, unleash potential, be courageous and empower people.

Early retirement, redundancy and retrenchment

During the 2016–17 period, two employees received redundancy packages at a cost of \$233 104. No early retirement packages were paid during this period.

FINANCIAL STATEMENTS: YEAR ENDED 30 JUNE 2017

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

Financial Statements

for the year ended 30 June 2017

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General information

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

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

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

Level 39
1 William Street
BRISBANE QLD 4000

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

For information in relation to the department's financial statements please call the Director, Planning (part of the Business and Corporate Partnership) for DTEsb on 07 3087 8569, email larisa.villis@daf.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 2017

		2017	2017		2016
	Notes	Actual	Original	Budget	Actual
		\$'000	Budget	Variance*	
			\$'000	\$'000	\$'000
Income from continuing operations					
Appropriation revenue	2	146,189	204,972	(58,783)	128,378
User charges and fees		2	-	2	430
Grants and other contributions	3	28,329	26,853	1,476	26,620
Other revenue	4	10	-	10	1,591
Total income from continuing operations		174,529	231,825	(57,296)	157,019
Expenses from continuing operations					
Employee expenses	5	22,658	20,536	(2,122)	18,689
Supplies and services	6	14,340	72,138	57,798	12,636
Grants and subsidies	7	137,208	138,956	1,748	113,874
Depreciation expense		45	54	9	52
Other expenses	8	399	141	(258)	11,769
Total expenses from continuing operations		174,650	231,825	57,175	157,019
Operating result from continuing operations		(121)	-	(121)	-
Operating result for the period		(121)	-	(121)	-
Total comprehensive income		(121)	-	(121)	-

* An explanation of major variances is included at Note 21

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
for the year ended 30 June 2017

	Tourism and Events Development		Small Business Services		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Income from continuing operations						
Appropriation revenue	133,803	117,610	12,386	10,768	146,189	128,378
User charges and fees	-	-	2	430	2	430
Grants and other contributions	28,198	26,574	130	46	28,329	26,620
Other revenue	5	1,591	5	-	10	1,591
Total income from continuing operations	162,006	145,775	12,523	11,244	174,529	157,019
Expenses from continuing operations						
Employee expenses	15,064	11,171	7,594	7,518	22,658	18,689
Supplies and services	10,191	9,479	4,149	3,157	14,340	12,636
Grants and subsidies	136,417	113,378	791	495	137,208	113,874
Depreciation expense	40	41	5	11	45	52
Other expenses	279	11,749	120	20	399	11,769
Total expenses from continuing operations	161,991	145,818	12,659	11,201	174,650	157,019
Operating result for the year	16	(43)	(136)	43	(121)	-

Major Departmental Services

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

Tourism and Events Development:

Tourism and Events Development works across government to:

- develop policy that creates an environment supporting growth in tourism sector businesses and the jobs they create
- attract and coordinate government support for the delivery of major events
- work in partnership with industry to increase the ability of the tourism sector to be more competitive in global and domestic markets.

The service area works closely with Tourism and Events Queensland to showcase Queensland as an attractive destination for tourists and investment in tourism infrastructure, events and experiences. It has a leading role in facilitating the development of sector capability and tourism product.

The service area also leads and coordinates government service delivery for one-off major events. It is working closely with the Gold Coast 2018 Commonwealth Games Corporation, the City of Gold Coast and the Australian Government to deliver the Gold Coast 2018 Commonwealth Games (GC2018). It partners with other major event organising committees and leverages other government services and programs across multiple tiers of government to maximise long term economic and social benefits for Queensland.

Small Business Services

This service area focuses on products and services that are delivered to business and industry customers (particularly small business) to better enable them to grow and make it easier for small businesses to interact with Government.

This service area directly impacts on the people of Queensland by:

- enhancing the capacity of business to engage with the market, attract investors, navigate the business/regulatory environment, and access tools, resources and expertise to grow and succeed.
- engaging other business-focused government agencies to facilitate the delivery of online services for small business services via the Business and Industry Portal (BIP) at www.business.qld.gov.au.
- proactively employing strategies that reduce red tape and simplify compliance with Government regulation.

Business and Corporate Partnership (BCP) arrangements:

In addition to the corporate services delivered within 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 (DNRM): Accommodation Services; Legal Services; Customer Solution Services.
- Department of Environment and Heritage Protection (DEHP): Privacy and Ethics; Internal Audit; Procurement; Right to Information.
- Department of Agriculture and Fisheries (DAF): Finance; Human Resources; Corporate Communications; Governance Oversight; Planning and Performance Management; Information Management; Fleet Management; Telecommunications.

DEPARTMENT OF TOURISM, MAJOR EVENTS, SMALL BUSINESS AND THE COMMONWEALTH GAMES
Statement of financial position
as at 30 June 2017

		2017	2017	Budget	2016
	Notes	Actual	Original	Variance*	Actual
		\$'000	Budget	\$'000	\$'000
			\$'000		
Current assets					
Cash and cash equivalents	9	9,977	4,401	5,576	5,208
Receivables	10	5,493	944	4,549	1,035
Other current assets	11	2,270	-	2,270	12,321
Total current assets		17,739	5,345	12,394	18,564
Non-current assets					
Plant and equipment	12	238	537	(299)	158
Total non-current assets		238	537	(299)	158
Total assets		17,978	5,882	12,096	18,722
Current liabilities					
Payables	13	11,996	3,028	(8,968)	16,374
Accrued employee benefits	14	817	891	74	797
Other current liabilities	15	3,735	-	(3,735)	-
Total current liabilities		16,548	3,919	(12,629)	17,171
Total liabilities		16,548	3,919	(12,629)	17,171
Net assets		1,430	1,963	(533)	1,551
Equity					
Contributed equity		1,229	1,642	(413)	1,229
Accumulated surplus/(deficit)		201	321	(120)	321
Total equity		1,430	1,963	(533)	1,551

* An explanation of major variances is included at Note 21

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
as at 30 June 2017

	Tourism and Events Development		Small Business Services		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Current Assets						
Cash and cash equivalents	4,934	3,387	5,043	1,821	9,977	5,208
Receivables	5,080	857	412	178	5,493	1,035
Other current assets	2,264	12,312	6	9	2,270	12,321
Total Current Assets	12,278	16,556	5,461	2,008	17,739	18,564
Non-Current Assets						
Plant and equipment	219	142	20	16	238	158
Total Non Current Assets	219	142	20	16	238	158
Total Assets	12,497	16,698	5,480	2,023	17,978	18,722
Current Liabilities						
Payables	12,567	16,827	(571)	(453)	11,996	16,374
Accrued employee benefits	486	490	332	308	817	797
Other current liabilities	-	-	3,735	-	3,735	-
Total Current Liabilities	13,053	17,317	3,495	(146)	16,548	17,171
Total Liabilities	13,053	17,317	3,495	(146)	16,548	17,171

DEPARTMENT OF TOURISM, MAJOR EVENTS, SMALL BUSINESS AND THE COMMONWEALTH GAMES
Statement of changes in equity
for the year ended 30 June 2017

	Accumulated Surplus/(Deficit) \$'000	Contributed Equity \$'000	Total \$'000
Balance as at 1 July 2015	321	1,642	1,963
Operating result from operations	-	-	-
Total comprehensive income for the year	-	-	-
Transactions with owners as owners:			
- Appropriated equity injections (Note 2)	-	37,325	37,325
- Net asset transfers in/(out) from other Queensland Government entities ⁽¹⁾	-	(37,738)	(37,738)
Net transactions with owners as owners	-	(413)	(413)
Balance as at 30 June 2016	321	1,229	1,551
Balance as at 1 July 2016	321	1,229	1,551
Operating result from operations	(121)	-	(121)
Total comprehensive income for the year	(121)	-	(121)
Transactions with owners as owners:			
- Appropriated equity injections (Note 2)	-	11,557	11,557
- Appropriated equity withdrawals	-	(1,287)	(1,287)
- Net asset transfers in/(out) from other Queensland Government entities ⁽¹⁾	-	(10,270)	(10,270)
Net transactions with owners as owners	-	-	-
Balance as at 30 June 2017	201	1,229	1,430

⁽¹⁾ This relates to the transfer of capital works in progress for GC2018 venues to Stadiums Queensland (SQ).

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 2017

	Notes	2017 Actual \$'000	2017 Original Budget \$'000	Budget Variance* \$'000	2016 Actual \$'000
Cash flows from operating activities					
<i>Inflows:</i>					
Service appropriation receipts		134,437	204,972	(70,535)	129,684
User charges and fees		2	78	(76)	605
Grants and other contributions		28,102	26,853	1,249	26,620
GST input tax credits from Australian Taxation Office		1,671	-	1,671	1,899
GST collected from customers		2,433	-	2,433	2,785
Other inflows		5	-	5	1,594
<i>Outflows:</i>					
Employee expenses		(19,824)	(20,711)	887	(18,390)
Supplies and services		(7,473)	(71,951)	64,478	(23,585)
Grants and subsidies		(128,089)	(138,956)	10,867	(113,296)
GST remitted to Australian Taxation Office		(2,190)	-	(2,190)	(2,153)
GST paid to suppliers		(5,449)	-	(5,449)	(2,893)
Other outflows		(272)	(139)	(133)	(144)
Net cash provided by (used in) operating activities		3,353	146	3,207	2,726
Cash flows from investing activities					
<i>Outflows:</i>					
Payments for plant and equipment		(10,270)	(11,665)	1,395	(37,746)
Net cash provided by (used in) investing activities		(10,270)	(11,665)	1,395	(37,746)
Cash flows from financing activities					
<i>Inflows:</i>					
Equity injections		11,686	11,655	31	37,383
<i>Outflows:</i>					
Equity withdrawals		-	-	-	-
Net cash provided by (used in) financing activities		11,686	11,655	31	37,383
Net increase (decrease) in cash and cash equivalents		4,769	136	4,633	2,363
Cash and cash equivalents at beginning of financial year		5,208	4,265	943	2,845
Cash and cash equivalents at end of financial year	9	9,977	4,401	5,576	5,208

* An explanation of major variances is included at Note 21

The accompanying notes form part of these statements.

	2017 \$'000	2016 \$'000
Reconciliation of Operating Result to Net Cash Provided by Operating Activities		
Operating surplus / (deficit)	(121)	-
Non-cash items:		
Depreciation expense	45	52
Assets received below fair value	(238)	-
Loss on disposal of plant and equipment	121	-
Change in assets and liabilities:		
(Increase)/decrease in appropriation revenue receivable	(182)	666
(Increase)/decrease in trade receivables	(567)	178
(Increase)/decrease in LSL reimbursement receivables	(182)	(42)
(Increase)/decrease in annual leave reimbursement receivables	(178)	37
(Increase)/decrease in other current assets	10,051	(12,321)
(Increase)/decrease in non-current assets	-	413
Increase/(decrease) in payables	(5,616)	13,803
Increase/(decrease) in accrued employee benefits	20	302
Increase/(decrease) in other liabilities	3,735	-
(Increase)/decrease in GST input tax credits receivable	(3,535)	(362)
Net cash provided from operating activities	3,353	2,726

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 comply with Queensland Treasury's (QT's) Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2016.

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

New accounting standards early adopted and/or applied for the first time in these financial statements are outlined in Note 1c.

The reporting entity

The financial statements include the value of all income, expenses, assets, liabilities and equity of DTESB.

DTESB did not control other entities in the 2016-17 financial year.

Accounting estimates and judgements

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

Basis of measurement

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

Other Presentation Matters

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

Comparatives - Comparative information reflects the audited 2015-16 financial statements except where a restatement was necessary to be consistent with disclosures in the current reporting period.

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

Authorisation of financial statements for issue

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

Note	Note Title
1	Objectives and principal activities of the department
1	Summary of significant accounting policies
2	Reconciliation of payments from consolidated fund to appropriation revenue recognised in statement of comprehensive income
2	Reconciliation of payments from consolidated fund to equity adjustment recognised in contributed equity
3	Grants and other contributions
4	Other revenue
5	Employee expenses
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14	Accrued employee benefits
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16	Commitments for expenditure
17	Contingencies
18	Key management personnel (KMP) disclosures
19	Related party transactions
20	Events occurring after balance date
21	Budget vs actual comparison
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23	Reconciliation of payments from consolidated fund to administered income

Objectives and principal activities of the department

DTESB is furthering the Advance Queensland agenda and creating opportunities for Queenslanders by growing tourism in the State, supporting small businesses and delivering the Gold Coast 2018 Commonwealth Games (GC2018).

Working with industry, other government agencies, as well as Tourism and Events Queensland (TEQ) and the Gold Coast 2018 Commonwealth Games Corporation (GOLDOC), the department contributes to the Queensland Government's objectives for the community of:

- creating jobs and a diverse economy
- delivering quality frontline services
- protecting the environment
- building safe, caring and connected communities

1. Summary of significant accounting policies

(a) Insurance

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

(b) Taxation

The department is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the department. GST credits receivable from, and GST payable to the ATO are recognised (refer Note 10).

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

Changes in Accounting Policy

The department did not voluntarily change any of its accounting policies during 2016-17.

Accounting Standards Early Adopted

No Australian Accounting Standards have been early adopted for 2016-17.

Accounting Standards Applied for the First Time

The only Australian Accounting Standard that became effective for the first time in 2016-17 is AASB 124 *Related Party Disclosures*. This standard requires note disclosures about relationships between a parent entity and its controlled entities, key management personnel (KMP) remuneration expenses and other related party transactions. As Queensland Treasury already required disclosure of KMP remuneration expenses, AASB 124 itself had minimal impact on the department's KMP disclosures compared to 2015-16 (refer to Note 18(c)). However, the standard has resulted in the department's responsible Minister being identified as part of the department's KMP from 2016-17. Material related party transactions for 2016-17 are disclosed in Note 19(a). No comparative information about related party transactions is required in respect of 2015-16. The relationship between the department and other Queensland Government entities are outlined in Note 19(b).

(d) Future impact of accounting standards not yet effective

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

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

These standards will first apply to the department's financial statements effective from 2019-20. Potential future impacts identifiable at the date of this reports are as follows:

- Grants received to construct non-financial assets controlled by the department will be recognised as a liability, and subsequently recognised progressively as revenue as the department satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront.
- Under the new standards, other grants presently recognised as revenue upfront may be eligible to be recognised as revenue progressively as the associated performance obligations are satisfied, but only if the associated performance obligations are enforceable and sufficiently specific.
- Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. The department receives several grants for which there are no sufficiently specific performance obligations. These grants are expected to continue being recognised as revenue upfront assuming no change to the current grant arrangements.
- Depending on the respective contractual terms, the new requirements of AASB 15 may potentially result in a change of the timing of revenue from sales of the department's goods and services such that some revenue may need to be deferred to a later reporting period to the extent that the department has received cash but has not met its associated performance obligations (such amounts would be reported as a liability in the meantime).

AASB 9 Financial Instruments

This standard will become effective from reporting periods beginning on or after 1 January 2018. The main impact of this standard on the department is that it 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. 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. 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.

Another potential impact of AASB 9 relates to calculating impairment losses for the department's receivables. Assuming no substantial change in the nature of the department's receivables, the impairment losses will be determined according to the amount of lifetime expected credit losses. On initial adoption of AASB 9, the department will need to determine the expected credit losses for its receivables by comparing the credit risk at that time to the credit risk that existed when those receivables were initially recognised.

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

(d) Future impact of accounting standards not yet effective (cont'd)

AASB 16 Leases

This standard will become effective for reporting periods beginning on or after 1 January 2019. Lessees will be required to recognise a right-of-use asset (representing the right to use the underlying leased asset) and a liability (representing the obligation to make future lease payments) for all leases with a term of more than 12 months, unless the underlying assets are of low value. The majority of operating leases will be reported in the Statement of Financial Position, potentially resulting in a significant increase in assets and liabilities.

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

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Expenses for operating lease payments will no longer be reflected in the Statement of Comprehensive Income. Instead, these payments will be apportioned between a reduction in the lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will be recognised as an expense.

AASB 16 allows a 'cumulative approach' rather than full retrospective application to recognising existing operating leases. If a lessee chooses to apply the 'cumulative approach', it does not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application. The Department will await further guidance from Queensland Treasury on the transitional accounting method to be applied.

	2017 \$'000	2016 \$'000
2. Reconciliation of payments from consolidated fund to appropriation revenue recognised in statement of comprehensive income		
Budgeted appropriation revenue	204,972	175,684
Lapsed appropriation revenue	(70,535)	(46,000)
Total appropriation receipts (cash)	134,437	129,684
Plus: Opening balance of appropriation refundable to Consolidated Fund payable	11,627	-
Plus: Closing balance of appropriation revenue receivable	125	-
Less: Opening balance of appropriation revenue receivable	-	(1,306)
Less: Closing balance of deferred appropriation refundable to consolidated fund payable	-	(11,627)
Net Appropriation Revenue	146,189	116,751
Plus: Deferred appropriation payable to consolidated fund (expense) ⁽¹⁾	-	11,627
Appropriation revenue recognised in Statement of Comprehensive Income	146,189	128,378

⁽¹⁾ The increase within the 2016 Appropriation Revenue and Other Expenses (Note 8) reflects a reclassification of the deferred appropriation payable to Consolidated Fund.

Accounting Policy - Appropriation Revenue

Appropriations provided under the *Appropriation Act 2016* are recognised as revenue when received or when appropriation revenue receivable is recognised after approval from QT.

2. Reconciliation of payments from consolidated fund to equity adjustment recognised in contributed equity

Budgeted equity adjustment appropriation	11,655	43,419
Transfers from/to other headings	31	-
Lapsed equity adjustment	-	(6,036)
Equity adjustment receipts (payments)	11,686	37,383
Less: Opening balance of equity adjustment receivable	(129)	(187)
Plus: Closing balance of equity adjustment receivable	-	129
Less: Closing balance of equity adjustment payable	(1,287)	-
Equity adjustment recognised in Contributed Equity	10,270	37,325

Accounting Policy - Contributed Equity

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities, as a result of machinery-of-Government 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.

	2017 \$'000	2016 \$'000
3. Grants and other contributions		
Contributions from City of Gold Coast (CGC) for the Gold Coast 2018 Commonwealth Games (GC2018)	23,782	25,903
Contributions from Queensland Government agencies	520	372
Goods and services received below fair value ⁽¹⁾	3,955	300
Sponsorships	72	45
Total	28,329	26,620

⁽¹⁾ This largely relates to the Whole of Government Resource Sharing Model (WGRSM) which has been implemented across Government by the Public Service Commission whereby staff are provided by their home agencies to the Office of the Commonwealth Games (OCG) in order to deliver critical activities for the Gold Coast 2018 Commonwealth Games (GC2018).

Accounting Policy - Grants and other contributions

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).

Contributed assets are recognised at their fair value.

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. Where this is the case, an equal amount is recognised as revenue and an expense.

DTEBS received defined services from the following agencies:

- DNRM (Accommodation Services; Legal Services; Customer Solution Services)
- DEHP (Privacy and Ethics; Internal Audit; Procurement; Right to Information)
- DAF (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 are considered to be immaterial and cannot be measured reliably.

4. Other revenue

Recoveries of prior year expenditure ⁽¹⁾	-	1,588
Sundry revenue	10	3
Total	10	1,591

⁽¹⁾ Recoveries of prior year expenditure in 2016 relate to return of surplus funds for 2015 AFC Asian Cup of \$1.307 million and the Gold Coast Theme Park Capital of Australia campaign of \$267,000.

5. Employee expenses

Employee benefits

Salaries and wages	14,452	14,418
Annual leave levy	1,565	1,413
Employer superannuation contributions	1,968	1,853
Long service leave levy	306	294
Termination benefits	278	181
Other employee benefits	250	145
Goods and Services received below fair value ⁽¹⁾	3,712	289

Employee related expenses

Workers compensation premium	106	76
Other employee related expenses	21	18
Total	22,658	18,689

⁽¹⁾ This relates to officers working in the OCG from other Qld Government agencies who continue to be paid by their home agency payroll systems. This represents services received below fair value under the WOGRSM.

The number of employees as at 30 June 2017, including both full-time employees and part-time employees, measured on a full-time basis as provided to the Public Service Commission (PSC) and utilised in the preparation of the Minimum Obligatory Human Resource Information (MOHRI) is:

Number of Employees:	2017	2016
Paid employees	154	170
Employees who provided services below fair value	47	2
Total Employees	201	172

The reduction from 2016 to 2017 relates to officers working in the OCG from other Qld Government agencies who were paid by their home agency from 1 July 2016 as part of the WOGRSM.

Accounting Policy Notes

(a) Employee Expenses

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

Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. It is not employee benefits and is recognised separately as employee related expenses.

(b) Wages, Salaries and Sick Leave

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

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

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

5. Employee expenses (cont'd)

Accounting Policy Notes (cont'd)

(c) Long Service Leave and Annual Leave

Under the Queensland Government's Long Service Leave Scheme (LSL) and Annual Leave Central Scheme (ALCS), levies are payable by the department to cover the cost of employees' long service leave and annual leave (including leave loading and on-costs). Hence, no provision for long service leave and annual leave will be recognised in the department's financial statements. Instead, the provisions for these schemes are reported on a whole of government basis pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. These levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave and annual leave are claimed from the scheme quarterly in arrears.

(d) Superannuation

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.

(e) Key Management Personnel and Remuneration

Key management personnel and remuneration disclosures are made in accordance with part 3C of the Financial Reporting Requirements for Queensland Government Agencies issued by QT. Refer to Note 18 for disclosures on key management personnel and remuneration.

	2017 \$'000	2016 \$'000
6. Supplies and services ⁽¹⁾		
Consultants and contractors	5,040	4,502
Operating lease rentals	2,151	1,694
Property building expenses	426	343
Transport	86	77
Travel	205	125
Computer/information technology	305	221
Telecommunications	202	148
Subscriptions, publications and stationery	178	177
Portable and attractive items	200	219
Service delivery costs and service level agreement charges	1,284	1,415
Licence fees and permits ⁽²⁾	3,466	3,416
Other	794	298
Total	14,340	12,636

⁽¹⁾ Due to transition from SAP Finance 4.6C to SAP ECC5 during 2016-17 and implementation of the Whole of Government Chart of Accounts, some accounts have been realigned to different categories within supplies and services. The 2016 comparative figures have been recast to realign to the current mapping of accounts.

⁽²⁾ This expenditure is the annual marketing rights contribution to the Australian Commonwealth Games Association (ACGA) for hosting the GC2018.

Accounting Policy - 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.

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.

7. Grants and subsidies

Industry	3,122	1,100
Individuals	772	495
Charities/community groups	110	4
Queensland and local government	47,221	12,799
Capital grants ⁽¹⁾	85,415	97,895
Commonwealth government	80	74
Universities	40	-
Contributions	447	1,507
Total	137,208	113,874

⁽¹⁾ In 2016-17, \$85.398 million (2015-16 \$85.486 million) in capital grants has been paid to Department of State Development (DSD) for construction of GC2018 venues on behalf of the City of Gold Coast.

Accounting Policy - Grants and Subsidies

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

	2017	2016
	\$'000	\$'000
8. Other expenses		
External audit fees ⁽¹⁾	141	93
Internal audit fees ⁽²⁾	86	-
Insurance premiums - Queensland Government Insurance Fund (QGIF)	23	22
Gifts and donations	12	1
Sponsorships	5	24
Loss on disposal of plant and equipment ⁽³⁾	121	-
Other expenses	10	3
Deferred appropriation payable to Consolidated Fund ⁽⁴⁾	-	11,627
Total	399	11,769

⁽¹⁾ Queensland Audit Office (QAO) fee for audit of the 2016-17 and 2015-16 financial statements are estimated to be \$100,000 and \$106,700 respectively. The amount for 2016-17 also includes work undertaken on the Gold Coast 2018 Commonwealth Games Special Purpose Financial Statements. The total fee for this engagement is \$400,000. There are no non-audit services included in these amounts.

⁽²⁾ 2016-17 expenditure relates to audits undertaken on Small Business Grants programs.

⁽³⁾ This relates to the write-off of leasehold improvements due to the relocation of the department from 111 George Street to 63 George Street, Brisbane in 2016-17.

⁽⁴⁾ The increase within the 2016 Other Expenses and Appropriation Revenue (Note 2) reflects a reclassification of the deferred appropriation payable to Consolidated Fund.

9. Cash and cash equivalents

Cash at bank	9,977	5,208
Total	9,977	5,208

Accounting Policy - Cash and cash equivalents

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

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques received but not banked as at 30 June 2017.

10. Receivables ⁽¹⁾

Trade debtors	635	69
Equity adjustment receivable	-	129
GST receivable	4,128	593
Appropriation revenue receivable	125	-
Annual leave levy reimbursements	349	171
Long service leave levy reimbursements	255	73
Other current receivable	1	-
Total	5,493	1,035

⁽¹⁾ Due to transition from SAP Finance 4.6C to SAP ECC5 during 2016-17 and implementation of the Whole of Government Chart of Accounts, some accounts have been realigned between Payables and Receivables. The 2016 comparative figures have been recast to realign to the current mapping of accounts.

Accounting Policy - 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 30 days from the invoice date.

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

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 department manages credit risk through ensuring that the department invests in secure assets and monitors all funds owed on a timely basis.

No collateral is held as security and no credit enhancements relate to financial assets held by the department. Subsequently no financial assets or financial liabilities have been offset and presented net in the Statement of Financial Position.

There were no individually impaired financial assets as at 30 June 2017 or as at 30 June 2016. All past due but not impaired financial assets were within the <30 days overdue category for both respective financial years.

11. Other current assets

Prepayments ⁽¹⁾	2,270	12,321
Total	2,270	12,321

⁽¹⁾ Prepayments in 2016-17 and 2017-18 largely relate to funds paid to the Department of State Development (DSD) for GC2018 venue works.

Accounting Policy - Prepayments

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

12. Plant and equipment

	2017 \$'000	2016 \$'000
Plant and equipment: At cost		
Gross	331	471
Less: accumulated depreciation	(92)	(313)
Total plant and equipment	238	158
Capital work in progress: At cost		
At cost	-	-
Total capital work in progress	-	-
Total Plant and Equipment	238	158

Plant and Equipment Reconciliation

	Plant and Equipment 2017 \$'000	Capital Works in Progress 2017 \$'000	Total 2017 \$'000
Carrying amount at 1 July 2016	158	-	158
Acquisitions ⁽¹⁾	246	10,270	10,516
Transferred out to other Qld Government entities ⁽²⁾	-	(10,270)	(10,270)
Disposals	(121)	-	(121)
Depreciation expense	(45)	-	(45)
Carrying amount at 30 June 2017	238	-	238

⁽¹⁾ Acquisitions of capital works in progress of \$10.270 million are for the GC2018 venues of the Queensland State Velodrome Cycling Track and Carrara Stadium facilities.

⁽²⁾ This relates to the transfer of venues capital works in progress for the GC2018 to SQ.

	Plant and Equipment 2016 \$'000	Capital Works in Progress 2016 \$'000	Total 2016 \$'000
Carrying amount at 1 July 2015	202	412	614
Acquisitions ⁽¹⁾	8	37,738	37,745
Transferred out to other Qld Government entities ⁽²⁾	-	(37,738)	(37,738)
Transferred to capital grants expense ⁽³⁾	-	(412)	(412)
Depreciation expense	(52)	-	(52)
Carrying amount at 30 June 2016	158	-	158

⁽¹⁾ Acquisitions of capital works in progress of \$37.738 million are for the GC2018 venues of the Queensland State Velodrome Cycling Track and Carrara Stadium facilities.

⁽²⁾ This relates to the transfer of venues capital works in progress for the GC2018 to SQ.

⁽³⁾ This relates to the change in recognition for the Belmont Shooting Centre which is no longer being capitalised and subsequently a carried forward balance of \$0.412 million has been expensed via Capital Grants.

Accounting Policy Notes

(a) Plant and equipment

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

(b) Acquisitions of assets

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

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

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

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

(c) Depreciation of plant and equipment

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

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

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

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

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

	2017 \$'000	2016 \$'000
13. Payables ⁽¹⁾		
Current		
Appropriation Payable to Queensland Treasury	-	11,627
Equity withdrawable payable to Queensland Treasury	1,287	-
Trade creditors	1,396	1,210
Taxes payable	26	13
Grants payable ⁽²⁾	9,285	3,524
Other	2	-
Total	11,996	16,374

⁽¹⁾ Due to transition from SAP Finance 4.6C to SAP ECC5 during 2016-17 and implementation of the Whole of Government Chart of Accounts, some accounts have been realigned between Payables, Receivables and Other current liabilities. The 2016 comparative figures have been recast to realign to the current mapping of accounts.

⁽²⁾ This largely relates to accruals for GC2018 security planning undertaken by Queensland Police Service (QPS) and Queensland Fire and Emergency Services (QFES) which has increased from \$3.359 million in 2016 to \$8.509 million in 2017.

Accounting Policy - Payables

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

Liquidity risk

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

The department is exposed to liquidity risk in respect of its payables for capital works.

The department manages liquidity risk by ensuring there is sufficient funds available to meet employee and supplier obligations as they fall due.

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

14. Accrued employee benefits

Annual leave levy payable	419	430
Long service leave levy payable	83	86
Salaries and allowances	315	281
Total	817	797

15. Other current liabilities

Unearned revenue ⁽¹⁾	3,735	-
Total	3,735	-

⁽¹⁾ This relates to funding provided by the Department of Transport and Main Roads (DTMR) for Business Advisory Services for the Taxi and Limousine Industry.

Accounting Policy - Unearned Revenue

Where funding is received that is reciprocal in nature, revenue is recognised when the performance obligations under the funding arrangements are satisfied. Until such time it is recorded as unearned revenue.

16. Commitments for expenditure

(a) Non-cancellable operating lease commitments

Commitments under operating leases at reporting date (inclusive of non-recoverable GST input tax credits) are payable as follows:

· Not later than one year	2,440	1,864
· Later than one year and not later than five years	10,594	7,512
· Later than five years	8,515	15,805
Total	21,549	25,181

(b) Grants and subsidies commitments ⁽¹⁾

Grants and subsidies commitments (inclusive of non-recoverable GST input tax credits), committed to be provided at reporting date, but not recognised in the accounts are payable as follows:

· Not later than one year	17,683	19,124
· Later than one year and not later than five years	15,300	34,666
Total	32,983	53,790

⁽¹⁾ There has been a change in calculation methodology for Grants commitments for 2017 from budget held to the value of signed agreements with grant recipients. It is not possible to re-cast the 2016 figures on the same basis.

16. Commitments for expenditure (cont'd)

(c) Other expenditure commitments ⁽²⁾

Other expenditure commitments (inclusive of non-recoverable GST input tax credits), committed at the end of the reporting period, but not recognised in the accounts are payable as follows:

. Not later than one year	140,830	137,566
. Later than one year and not later than five years	6,620	108,823
Total	147,450	246,389

⁽²⁾ There has been a change in calculation methodology for other expenditure commitments for 2017 from budget held (largely for the GC2018) to the value of approved agreements with grant recipients. It is not possible to re-cast the 2016 figures on the same basis.

17. Contingencies

There are no contingencies to be disclosed as at 30 June 2017.

18. Key management personnel (KMP) disclosures

a) Details of key management personnel

As from 2016-17, the department's responsible Minister is identified as part of the department's KMP, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. DTESB has two Ministers being the Minister for Tourism, Major Events and the Commonwealth Games and the Minister for Small Business.

The following details for non-Ministerial KMP reflect those departmental positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2016-17 and 2015-16. Further information about these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Position Responsibility
Director-General	The Director-General directs the overall efficient, effective and economical administration of the department.
Deputy Director-General, Tourism	The Deputy Director-General, Tourism is responsible for the efficient, effective and economic administration of the tourism and major events responsibilities for the department.
Deputy Director-General, Office of the Commonwealth Games	The Deputy Director-General, Office of the Commonwealth Games is responsible for the efficient, effective and economic administration of the commonwealth games responsibilities for the department.
Deputy Director-General, Office of Small Business	The Deputy Director-General, Office of Small Business is responsible for the efficient, effective and economic administration of the small business responsibilities for the department.
Executive Director, Office of the Director-General ⁽¹⁾	The Executive 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.

In addition to the above, the Deputy Director-General, Corporate and Executive Director, Finance and Asset Management (Chief Finance Officer) of the Department of Agriculture and Fisheries (DAF) are shared positions with DTESB. These positions are fully funded by DAF to 30 June 2017 as per the BCP arrangement.

⁽¹⁾ This position was a KMP position up to 31 January 2017.

b) KMP remuneration policies

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members Remuneration Handbook. The department does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government Consolidated Financial Statements as from 2016-17, which are published as part of Queensland Treasury's Report on State Finances.

Remuneration policy for the department's other KMP is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*. Individual remuneration and other terms of employment (including motor vehicle entitlements and performance payments if applicable) are specified in employment contracts.

Remuneration expenses for those KMP comprise the following components:

- Short term employee expenses, including:
 - salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee was a key management person.
 - non-monetary benefits - consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.
- Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.
- Post-employment expenses include amounts expensed in respect of employer superannuation obligations.
- Termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

18. Key management personnel (KMP) disclosures (cont'd)

c) Remuneration expenses

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

1 July 2016 - June 2017

Position	Short Term Employee Expenses		Termination Benefits	Long Term Employee Expenses	Post Employment Expenses	Total Expenses
	Monetary Expenses \$ '000	Non-Monetary Benefits \$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Director-General 23/02/2017 - 30/06/2017	142		-	3	14	159
Director-General (Acting) 29/10/2016 - 22/02/2017	126		-	3	10	139
Director-General (Former) 01/07/2016 - 28/10/2016	140		-	2	23	165
Deputy Director-General, Tourism 15/10/2016 - 30/06/2017	170	-	-	3	15	188
Deputy Director-General, Tourism (Acting) 01/07/2016 - 14/10/2016	53	-	-	0	1	54
Deputy Director-General, Office of the Commonwealth Games 29/04/2017 - 30/06/2017	56			1	5	62
Deputy Director-General, Office of the Commonwealth Games (Acting) 29/10/2016 - 28/04/2016	115	-	-	1	3	119
Deputy Director-General, Office of the Commonwealth Games (Former) 01/07/2016 - 28/10/2016	115	-	-	2	7	124
Deputy Director-General, Office of Small Business 28/10/2016 - 30/06/2017	127	-	-	2	14	143
Deputy Director-General, Office of Small Business (Acting) 01/07/2016 - 27/10/2016	97	-	-	2	9	108
Executive Director, Office of the Director-General Former ⁽¹⁾ 01/07/2016 - 31/01/2017	114	-	-	2	11	127
Total	1,255	-	-	21	112	1,388

⁽¹⁾ This position was a KMP position up to 31 January 2017.

Due to the creation of the Office of Small Business and the new Deputy Director-General, Office of Small Business role the roles of Executive Director, Small Business and Executive Director, Business Online Solutions are no longer KMP positions in 2016-17.

1 July 2015 - 30 June 2016

Position	Short Term Employee Expenses		Termination Benefits	Long Term Employee Expenses	Post Employment Expenses	Total Expenses
	Monetary Expenses \$ '000	Non-Monetary Benefits \$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Director-General 07/09/2015 - 30/06/2016	333	-	-	6	40	379
Director-General (Acting) 03/07/2015 - 06/09/2015	50	-	-	1	5	56
Director-General (Former) ⁽¹⁾ 01/07/2015 - 02/07/2015	113	-	144	180	4	441
Deputy Director-General, Tourism (Acting) 03/08/2015 - 30/06/2016	226	-	-	2	22	250
Deputy Director-General, Commonwealth Games 21/09/2015 - 30/06/2016	241	-	-	5	25	271
Assistant Director-General, Commonwealth Games 01/07/2015 - 16/10/2015	72	-	-	1	7	80
Subtotal	1,035	-	144	195	103	1,477

⁽¹⁾ Where a termination payment has been made to the former incumbent these expenses have been separately identified as they are in excess of the normal costs of the role.

18. Key management personnel (KMP) disclosures (cont'd)

c) Remuneration expenses

1 July 2015 - 30 June 2016 (cont'd)

Position	Short Term Employee Expenses		Termination Benefits	Long Term Employee Expenses	Post Employment Expenses	Total Expenses
	Monetary Expenses \$ '000	Non-Monetary Benefits \$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Carried Forward	1,035	-	144	195	103	1,477
Executive Director, Small Business 06/10/2015 - 30/06/2016	150	-	-	3	8	161
Executive Director, Small Business (Acting) 22/07/2015 - 02/10/2015	30	-	-	-	3	33
Executive Director, Business Online Solutions 16/05/2016 - 30/06/2016	28	-	-	1	2	31
Executive Director, Business Online Solutions (Acting) 18/09/2015 - 02/10/2015	11	-	-	-	2	13
Executive Director, Business Online Solutions - Former ⁽¹⁾ 01/07/2015 - 13/05/2016	124	-	37	3	18	182
Executive Director, Regional Services 01/07/2015 - 11/12/2015	86	-	-	2	15	103
Director, Office of the Director-General 01/07/2015 - 4/08/2015	15	-	-	-	2	17
Executive Director, Office of the Director-General (Acting) 29/02/2016 - 30/06/2016	52	-	-	-	6	58
Total	1,532	-	181	205	159	2,076

⁽¹⁾ Where a termination payment has been made to the former incumbent these expenses have been separately identified as they are in excess of the normal costs of the role.

d) Performance payments

KMP remuneration packages do not provide for any performance or bonus payments.

19. Related party transactions

a) Transactions with people/entities related to KMP

A review has been undertaken for the financial year to 30 June 2017 of the departments' KMP related party transactions (RPT) declarations and no transactions have been identified between the department and its KMP's related parties.

b) Transactions with other Queensland Government-controlled entities

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

The department received defined services, free of charge, from the following agencies:

- DNRM (Accommodation Services; Legal Services; Customer Solution Services)
- DEHP (Privacy and Ethics; Internal Audit; Procurement; Right to Information)
- DAF (Finance; Human Resources; Corporate Communications; Governance Oversight; Planning and Performance Management; Information Management; Fleet Management; Telecommunications)

Within the departments controlled funding approximately 62% of the total grants expenditure (Note 7) has been provided to the Department of State Development (DSD) for the GC2018 venues construction. Other GC2018 expenditure relates to the Department of Transport and Main Roads (DTMR) 8% and the Queensland Police Service (QPS) 5%. Additionally, 8% has been provided to Tourism and Events Queensland for payments relating to Tourism and Major Event activities.

The department has a prepayment (Note 11) for DSD relating to payments for construction of GC2018 venues which will be expensed during 2017-18.

The department transferred Capital Works in Progress (CWIP) of \$10.270 million to SQ for works undertaken on venues for the GC2018 (Note 12).

20. Events occurring after balance date

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

21. Budget vs actual comparison

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

Statement of Comprehensive Income

	Variance Notes	Original Budget 2017 \$'000	Actual 2017 \$'000	Variance \$'000	Variance % of Budget
Income from continuing operations					
Appropriation revenue	1	204,972	146,189	(58,783)	(29)
User charges and fees		-	2	2	-
Grants and other contributions	2	26,853	28,329	1,476	5
Other revenue		-	10	10	-
Total income from continuing operations		231,825	174,529	(57,296)	(25)
Expenses from operations					
Employee expenses	3	20,536	22,658	2,122	10
Supplies and services	4	72,138	14,340	(57,798)	(80)
Grants and subsidies		138,956	137,208	(1,748)	(1)
Depreciation and amortisation		54	45	(9)	(17)
Other expenses	5	141	399	258	183
Total expenses from continuing operations		231,825	174,650	(57,175)	(25)
Operating result for the year		-	(121)	(121)	-
Total comprehensive income		-	(121)	(121)	-

Explanation of major variances in the financial statements

- The decrease relates largely to the realignment of expenditure from 2016-17 to match anticipated payments for GC2018 venues, security, transport and cultural programs plus the transfer of operational contingencies funding to 2017-18. Additionally, there have been changes to the timing of funding requirements for Advance Queensland: Connecting with Asia (AQCWA), Advancing Small Business Queensland Strategy (ASBQS), Attracting Aviation Investment Fund (AAIF), and Tourism Demand Driver Infrastructure (TDDI) programs.
- The increase relates to staff provided by their home agencies to the Office of the Commonwealth Games (OCG) under the Whole of Government resource sharing model (WOGSRM).
- The increase principally relates to the recognition of services received below fair value for officers from other Qld Government Agencies working in the OCG on the GC2018 through the WOGSRM process.
- The decrease relates largely to a realignment to match the timing of expenditure for GC2018 cultural programs and the transfer of GC2018 operational contingencies which were not required in 2016-17 to 2017-18.
- The increase primarily relates to loss on disposal resulting from the write-off of accommodation fitouts following the departments move to new office accommodation as part of the WoG Accommodation Review. Additionally, there has been additional audit expenditure as outlined in Note 8.

21. Budget vs actual comparison (cont'd)

Statement of Financial Position

	Variance Notes	Original Budget 2017 \$'000	Actual 2017 \$'000	Variance \$'000	Variance % of Budget
Current assets					
Cash and cash equivalents	6	4,401	9,977	5,576	127
Receivables	7	944	5,493	4,549	482
Other current assets	8	-	2,270	2,270	-
Total current assets		5,345	17,739	12,394	232
Non-current assets					
Plant and equipment	9	537	238	(299)	(56)
Total non-current assets		537	238	(299)	(56)
Total assets		5,882	17,978	12,096	206
Current liabilities					
Payables	10	3,028	11,996	8,968	296
Accrued employee benefits		891	817	(74)	(8)
Other current liabilities	11	-	3,735	3,735	-
Total current liabilities		3,919	16,548	12,629	322
Net assets		1,963	1,430	(533)	(27)
Equity					
Contributed equity	12	1,642	1,229	(413)	(25)
Accumulated surplus/deficit		321	201	(120)	(38)
Total equity		1,963	1,430	(533)	(27)

Explanation of major variances in the financial statements

- The increase in cash largely relates to grants payable to QPS and QFES for GC2018 expenditure where invoices were accrued at 30 June 2017, and an end of year payable to Queensland Treasury for equity funding.
- The increase relates primarily to GST Receivable due to the payment of significant expenditure within June for the GC2018 in line with contractual obligations.
- The increase relates to prepayments predominantly being for DSD relating to the GC2018 venues works program, which was due to the timing of construction payments at year end.
- The decrease relates largely to the write-off of accommodation fitouts following the department's move to new office accommodation as part of the WoG Accommodation Review.
- The increase relates to grants payables for QPS and QFES where invoices were accrued at 30 June 2017 and also an end of year payable to Queensland Treasury for equity funding.
- The variance relates to funding provided by DTMR for Business Advisory Services for the Taxi and Limousine Industry.
- The decrease relates largely to the write-off of accommodation leasehold fitouts.

21. Budget vs actual comparison (cont'd)

Statement of Cash Flows	Variance Notes	Original Budget 2017 \$'000	Actual 2017 \$'000	Variance \$'000	Variance % of Budget
Cash flows from operating activities					
<i>Inflows:</i>					
Service appropriation receipts	13	204,972	134,437	(70,535)	(34)
User charges		78	112	34	43
Grants and other contributions		26,853	27,992	1,139	4
GST input tax credits from Australian Taxation Office		-	1,671	1,671	-
GST collected from customers		-	2,433	2,433	-
Other inflows		-	5	5	-
<i>Outflows:</i>					
Employee expenses		(20,711)	(19,824)	(887)	(4)
Supplies and services	14	(71,951)	(7,473)	(64,478)	(90)
Grants and subsidies		(138,956)	(128,089)	(10,867)	(8)
GST remitted to Australian Taxation Office		-	(2,190)	2,190	-
GST paid to suppliers		-	(5,449)	5,449	-
Other outflows		(139)	(272)	133	96
Net cash provided by (used in) operating activities		146	3,353	(3,207)	(2,197)
Cash flows from investing activities					
<i>Outflows:</i>					
Payments for plant and equipment	15	(11,665)	(10,270)	(1,395)	(12)
Net cash provided by (used in) investing activities		(11,665)	(10,270)	(1,395)	(12)
Cash flows from financing activities					
<i>Inflows:</i>					
Equity injections		11,655	11,686	31	0
Net cash provided by (used in) financing activities		11,655	11,686	31	0
Net increase/(decrease) in cash and cash equivalents		136	4,769	4,633	3,407
Cash and cash equivalents at beginning of financial year		4,265	5,208	943	22
Cash and cash equivalents at end of financial year		4,401	9,977	5,576	127

Explanation of major variances in the financial statements

- The decrease relates largely to the realignment of expenditure from 2016-17 to match anticipated payments for GC2018 venues, security, transport and cultural programs plus the transfer of operational contingencies funding to 2017-18. Additionally there have been changes to the timing of funding requirements for AQCWA, ASBQS, AAIF, and TDDI programs.
- The decrease relates largely to a realignment to match the timing of expenditure for GC2018 cultural programs and the transfer of GC2018 operational contingencies which were not required in 2016-17 to 2017-18.
- The decrease relates largely to the end of year equity adjustment for the construction of State owned GC2018 venues being the Queensland State Velodrome and Carrara Stadium facilities.

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

Notes to the Financial Statements for the year ended 30 June 2017

		2017	2017	Budget	2016
	Variance	Actual	Original	Variance	Actual
	Notes	\$'000	Budget	\$'000	\$'000
			\$'000		
22. Schedule of administered items					
Administered income					
Appropriation revenue	16	267,352	269,906	(2,554)	167,448
Total administered income		267,352	269,906	(2,554)	167,448
Administered expenses					
Grants and subsidies ⁽¹⁾	16	267,352	269,906	2,554	167,448
Total administered expenses		267,352	269,906	2,554	167,448
Operating surplus/(deficit)		-	-	-	-
Administered assets					
Current assets					
Appropriation revenue receivables	17	338	-	(338)	942
Total current assets		338	-	(338)	942
Administered liabilities					
Current liabilities					
Payables	17	338	-	338	942
Total current liabilities		338	-	338	942
Net administered assets		-	-	-	-
⁽¹⁾ Administered grants and services					
Gold Coast 2018 Commonwealth Games Corporation (GOLDOC)		170,480	170,480	-	71,518
Tourism and Events Queensland (TEQ)		96,872	99,426	(2,554)	95,930
		267,352	269,906	(2,554)	167,448

Accounting Policy - Administered Items

The department administers, but does not control, certain activities on behalf of the government. In doing so, it has the responsibility for administering those activities (and related transactions and balances) efficiently and effectively, but does not have the discretion to deploy those resources for the achievement of the department's own objectives.

Accounting policies applicable to administered items are consistent with the equivalent policies for controlled items, unless stated otherwise.

Explanation of major variances in the financial statements

16. The variance relates to realignments during 2016-17 for TEQ to match cash flows to known commitments for tourism campaigns and events.
17. The variance is due to the 2016-17 EOY adjustment for TEQ.

23. Reconciliation of payments from consolidated fund to administered income

	2017	2016
	\$'000	\$'000
Budgeted appropriation	269,906	170,386
Lapsed administered appropriation	(1,950)	(2,374)
Total administered receipts	267,956	168,012
Less: Opening balance of administered revenue receivable	(942)	(1,506)
Plus: Closing balance of administered revenue receivable	338	942
Administered revenue recognised (as above)	267,352	167,448

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

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 financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Department of Tourism, Major Events, Small Business and the Commonwealth Games for the financial year ended 30 June 2017 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.

Mike Richards B.Com., MIPA
Chief Finance Officer (Acting)
Executive Director

Date

21 AUGUST 2017

Damien Walker
Director General

Date

21 AUGUST 2017

INDEPENDENT AUDITOR'S REPORT

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

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Department of Tourism, Major Events, Small Business and the Commonwealth Games.

In my opinion, the financial report:

- a) gives a true and fair view of the department's financial position as at 30 June 2017, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2009* and Australian Accounting Standards.

The financial report comprises the statement of financial position and statement of assets and liabilities by major departmental services as at 30 June 2017, 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 to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

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

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

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

Key audit matters

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

Recognition of controlled grants and subsidies expenses of \$137.208 million and commitments of \$32.983 million

Refer to notes 7 and 16(b) in the financial report.

Key audit matter	How my audit addressed the key audit matter
<p>Grant and subsidy expenditure totals \$137.208 million. Commonwealth Games transactions represented 89 per cent of this balance and were considered significant to the department.</p> <p>The department has applied significant judgements relating to the recognition of grant and subsidies expenses including:</p> <ul style="list-style-type: none"> ▪ assessing whether a grant is reciprocal or non-reciprocal in nature ▪ assessing the point at which the department has a present or future obligation. <p>These judgements determine when a grant expense or commitment for expenditure is recognised.</p>	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> ▪ Assessing the adequacy of management's controls over grants and subsidies including the recognition of grant expenditure and commitments. ▪ Examining the terms and conditions of grant arrangements, including contractual documentation for Commonwealth Games transactions between public sector entities, to ascertain the rights and obligations of the department and grant recipients and confirm the assessment of reciprocal or non-reciprocal in nature. ▪ Testing a sample of grant agreements to determine whether the department has a present or future obligation to transfer funds.

Responsibilities of the department for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the department.
- Conclude on the appropriateness of the department's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the department's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the department to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2017

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



Michelle Reardon
as delegate of the Auditor-General



Queensland Audit Office
Brisbane

APPENDIX 1: STATUTORY BODIES

Table A1: DTESB statutory bodies, 2016–17

Name	Objective	Legislation under which the body was established	Annual reporting arrangement
Gold Coast 2018 Commonwealth Games Corporation	To plan, organise and deliver GC2018 in conjunction with the Australian Commonwealth Games Association, Commonwealth Games Federation, City of Gold Coast, Office of the Commonwealth Games (DTESB) and the Australian Government	<i>Commonwealth Games Arrangements Act 2011</i>	Annual report tabled in Parliament
Tourism and Events Queensland	To achieve economic and social benefits for the state by growing the tourism and events industry in a partnership between industry and government	<i>Tourism and Events Queensland Act 2012</i>	Annual report tabled in Parliament

APPENDIX 2: BOARDS AND COMMITTEES

The information below is also available at www.dtesb.qld.gov.au.

Table A2: DTESB boards and committees, 2016–17

Queensland Small Business Advisory Council						
Act or instrument	The Queensland Small Business Advisory Council is established administratively with members appointed by letter following approval by the Premier.					
Functions	The Queensland Small Business Advisory Council provides advice and solutions to the Minister on issues related to small business growth, sustainability and employment. Ongoing engagement with small business underpins delivery of the <i>Advancing Small Business Queensland strategy 2016–20</i> . Through this work, the council is not only identifying the issues relevant to small business across Queensland, but is actively working to progress solutions and opportunities that will improve the small business operating environment.					
Achievements	<p>Progression of three priority projects and associated action plans to improve business-to-business collaboration, increase small business digital capacity and capability, and support the growth of small business in regional communities.</p> <p>Overseeing research into the entrepreneurial pipeline of artisan food and beverage producers and independent grocers, with a focus on opportunities to grow the sector and foster entrepreneurship and skills.</p> <p>Ongoing monitoring and advocacy of key small business issues, and provision of advice and recommendations to the Queensland Government to support growth of small business in Queensland. Key areas of focus outside of priority projects have included the Go Local initiative, retail leasing and trading hour issues.</p>					
Financial reporting	Queensland Small Business Advisory Council costs are contained within the department's financial statements.					
Remuneration						
Position	Name	Meetings/ sessions/ attendance	Approved annual, sessional or daily fee	Approved subcommittee fees, if applicable	Actual fees received	
Chair	Hon. Leeanne Enoch MP, Minister for Innovation, Science and the Digital Economy and Minister for Small Business	4	N/A	N/A	\$0	
Member	Maree Adshead	4	N/A	N/A	\$0	
Member	Courtney Petersen	4	N/A	N/A	\$0	
Member	Debbie Smith	4	N/A	N/A	\$0	
Member	Julia Telford	3	N/A	N/A	\$0	
Member	Julie-ann Lambourne	4	N/A	N/A	\$0	
Member	Tony Axford	3	N/A		\$0	
Member	Ralph Edwards	3	N/A	N/A	\$0	
Member	Derek Lightfoot	4	N/A	N/A	\$0	
Member	Kate Whittle	4	N/A	N/A	\$0	
Member	Jemina Dunn	2	N/A	N/A	\$0	
No. scheduled meetings/ sessions	4 (including 1 extraordinary meeting)					
Total out-of-pocket expenses	\$2973					

Legacy Advisory Committee

Act or instrument	The Legacy Advisory Committee is established administratively with members appointed by letter following approval by the Premier.
Functions	<p>The Legacy Advisory Committee provides advice and assistance to the Minister and key GC2018 partners on legacy issues, with particular focus on:</p> <ul style="list-style-type: none"> leveraging the Commonwealth Games to derive economic benefits and develop local business and workforce capability maximising long-term community, sport and health benefits from GC2018 strengthening Queensland as Australia's premier tourism destination. <p>The committee is made up of prominent Queenslanders who have extensive knowledge and experience to drive outcomes from <i>Embracing our Games legacy: Queensland's legacy for the Gold Coast 2018 Commonwealth Games</i>.</p>
Achievements	The Legacy Advisory Committee has provided advice on the delivery of the state government's transformational legacy initiatives, programs and projects. The chair and two members travelled to London at their own expense for the launch of the Queens Baton Relay and to attend the International launch of the <i>Trade 2018</i> program. Other members have publicly advocated for the Embracing 2018 legacy program through presenting at events such as the Plan, Prepare, Perform Conference, the Be My Guest leaders launch, Gold Coast Tourism's Conversations with Industry and the <i>Trade 2018</i> Domestic Forum.
Financial reporting	Legacy Advisory Committee costs are contained within the department's financial statements.

Remuneration

Position	Name	Meetings/ sessions/ attendance	Approved annual, sessional or daily fee	Approved subcommittee fees, if applicable	Actual fees received
Chair	Rob Borbidge, AO	5	N/A	N/A	\$0
Member	Andrew Baildon	3	N/A	N/A	\$0
Member	Vicki Batten	6	N/A	N/A	\$0
Member	Nick Behrens (until November 2016)	2	N/A	N/A	\$0
Member	Louise Bezzina	2	N/A	N/A	\$0
Member	Campbell Charlton	5	N/A	N/A	\$0
Member	Julie MacDonald, OAM	6	N/A	N/A	\$0
Member	Ian O'Connor	4	N/A	N/A	\$0
Member	Nick Scott (from May 2017)	1	N/A	N/A	\$0
No. scheduled meetings/ sessions	6				
Total out-of-pocket expenses	\$939				

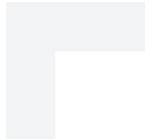
APPENDIX 3: PERFORMANCE STATEMENT

Table A3: DTESB performance statement, 2016–17

	Notes	2016–17 target/estimate	2016–17 estimated actual	2016–17 actual
Tourism and Events Development service area				
Tourism division				
Amount of additional capital attracted into tourism investment	1	\$100 million	\$148.5 million	\$148.5 million
Additional seats by targeted airlines on routes supported by the Attracting Aviation Investment Fund	2, 3	220 000	436 000	482 998
Ratio of tourism investment costs to the value of direct capital attracted	1, 4	\$1:\$160	\$1:\$255	\$1:\$240
Office of the Commonwealth Games				
Level of Commonwealth Games Federation's satisfaction with preparedness for GC2018	5, 6	Satisfied	Satisfied	Satisfied
Small Business Services service area				
Office of Small Business				
Customer impact index—the level of customer value derived from using Business Queensland online, which incorporates customer awareness, experience and satisfaction	7	> 60%	65.5%	62.7
Percentage of new or existing business reporting increased capability (including digital) as a direct result of participation in small business grant programs	8, 9	> 75%	N/A	N/A
Percentage of businesses assisted by small business programs that report after 12 months declaring a 10% increase in either employment, turnover or profitability	8, 10	90%	83%	87%
Average cost to the department to provide online services per customer visit	11, 12	\$0.70–\$0.80	\$0.57	\$0.59

Variance reporting

1. The capital investment pipeline developed over the past several years is starting to yield strong results, which is reflected in the variance between the 2016–17 target/estimate and the 2016–17 estimated actual.
2. The 2016–17 estimated actual measure is significantly higher than the 2016–17 target/estimate and trends over previous years. Contracts are for a defined period and, therefore, it is to be expected that at points in time there can be significant increases or decreases in inbound seat capacity, regardless of whether or not the service continues beyond the contract period.

- 
3. The variance between the 2016–17 estimated actual and the 2016–17 actual is due to a number of reasons, including total Attracting Aviation Investment Fund services (direct and indirect), seasonality of services and rounding of figures.
 4. This measure assesses the input for staffing costs of tourism investment attraction activities undertaken by DTESB's Tourism division to secure new capital investment for the tourism industry.
 5. The assessment of satisfaction is undertaken by a comprehensive external assessment of progress against an extensive list of requirements compiled from the experience of previous games and the host city bid proposal and schedules. The assessment is made by the international oversight body, the Commonwealth Games Federation. This service standard is shared by GOLDOC, which is responsible for planning the operational aspect of the event and DTESB, which is responsible for coordinating the necessary infrastructure and government services to support the Commonwealth Games
 6. The actual reflects the Commonwealth Games Federation Coordination Commission's satisfactory assessment made in June 2017.
 7. The customer impact index incorporates three elements—customer awareness, customer experience and customer satisfaction. This approach determines customer value by assessing the customer's perception of the usefulness and importance of the benefits received from the services, which go beyond an estimate of time and effort saved. The assessment of the three elements better enables the targeting of service improvement areas based on direct customer feedback. It incorporates both qualitative data captured through direct customer complaints and complements feedback mechanisms, surveys, customer focus groups/observations and data from various quantitative data sources.
 8. Innovation and technology are primary sources of competitive advantage for businesses, in nearly all industries and environments. These elements also drive efficiency and higher productivity. The department gauges the success of its small business grant programs by the reported increase in digital capability, turnover and employment.
 9. This measure assesses the effectiveness of a broad range of new and existing small business grant programs outlined in the *Advancing Small Business Queensland strategy 2016–20* to increase the capability of small businesses in using digital technologies and implementing innovative solutions to improve their business. The majority of small business grant programs are in the early stages of delivery and grantees are still in the process of implementing changes to their business. Results on the benefits achieved by these grant programs will only begin to be available in 2017–18. The Home-based Business Grants Program is profiled on page 34 of this report.
 10. This measure incorporates existing and new programs under the *Advancing Small Business Queensland strategy 2016–20*, including Mentoring for Growth and *Accelerate Small Business Grants*. The estimated actual and actual results for 2016–17 include results for Mentoring for Growth only. Accelerate Small Business Grants are still being rolled out and are not due to commence providing 12-month post participation reports until the 2017–18 financial year.
 11. The average cost to DTESB to provide online services per customer visit is the average cost to the department to provide the online service to each customer, and is defined by using a customer session (which is a group of interactions undertaken on a website). This may include viewing a number of different web pages, completing an online application form or making a payment.
 12. The variance is due largely to increases in the number of visitor sessions to Business Queensland (www.business.qld.gov.au). Visitor sessions have increased by over 1.3 million sessions above the target baseline.

APPENDIX 4: LEGISLATION ADMINISTERED

DTESB was established under Administrative Arrangements Order (No. 3) 2012 on 3 April 2012. The Administrative Arrangements Order details the responsibilities of the relevant minister, as well as legislation that is required to be administered within the portfolio.

In 2016–17, the department administered the following legislation for the Minister for Education and Minister for Tourism, Major Events and the Commonwealth Games.

Table A4: Legislation administered by DTESB, 2016–17

Legislation

Commonwealth Games Arrangements Act 2011

Major Events Act 2014

Tourism and Events Queensland Act 2012

Traveller Accommodation Providers (Liability) Act 2001

APPENDIX 5: COMPLIANCE CHECKLIST

Table A5: Annual report compliance checklist, 2016–17

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant minister/s	ARRs—section 7	3
Accessibility	Table of contents	ARRs—section 9.1	1–2
	Glossary		n/a
	Public availability	ARRs—section 9.2	i
	Interpreter service statement	<i>Queensland language services policy</i>	i
		ARRs—section 9.3	
	Copyright notice	<i>Copyright Act 1968</i>	i
		ARRs—section 9.4	
	Information licensing	<i>QGEA—information licensing</i>	i
		ARRs—section 9.5	
General information	Introductory information	ARRs—section 10.1	5–6
	Agency role and main functions	ARRs—section 10.2	7–9
	Operating environment	ARRs—section 10.3	17–36
Non-financial performance	Government’s objectives for the community	ARRs—section 11.1	19–20
	Other whole-of-government plans and specific initiatives	ARRs—section 11.2	19–36
	Agency objectives and performance indicators	ARRs—section 11.3	7, 18, 21, 31
	Agency service areas and service standards	ARRs—section 11.4	8–9, 77–78
Financial performance	Summary of financial performance	ARRs—section 12.1	14–16
Governance—management and structure	Organisational structure	ARRs—section 13.1	10
	Executive management	ARRs—section 13.2	11–13
	Government bodies (statutory bodies and other entities)	ARRs—section 13.3	74–76
	<i>Public Sector Ethics Act 1994</i>	<i>Public Sector Ethics Act 1994</i>	36
		ARRs—section 13.4	
	Queensland public service values	ARRs—section 13.5	7

Summary of requirement		Basis for requirement	Annual report reference
Governance— risk management and accountability	Risk management	ARRs—section 14.1	36–39
	Audit committee	ARRS—section 14.2	36–38
	Internal audit	ARRs—section 14.3	38
	External scrutiny	ARRs—section 14.4	38–39
	Information systems and recordkeeping	ARRs—section 14.5	40–42
Governance— human resources	Workforce planning and performance	ARRs—section 15.1	44–46
	Early retirement, redundancy and retrenchment	<i>Directive no.11/12: early retirement, redundancy and retrenchment</i>	
		<i>Directive no. 16/16: early retirement, redundancy and retrenchment (from 20 May 2016)</i>	46
	ARRs—section 15.2		
Open data	Statement advising publication of information	ARRs – section 16	42
	Consultancies	ARRs—section 33.1	42
	Overseas travel	ARRs—section 33.2	42
	<i>Queensland language services policy</i>	ARRS—section 33.3	42
Financial statements	Certification of financial statements	FAA—section 62	
		FPMS—sections 42, 43 and 50	47–70
		ARRs—section 17.1	
	Independent Auditor’s report	FAA—section 62	
		FPMS—section 50	71–73
	ARRs—section 17.2		

Notes:

ARRs *Annual report requirements for Queensland Government agencies*

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2009*



ABBREVIATIONS

Term	Definition
ABLIS	Australian Business Licence and Information Service
ARRs	<i>Annual report requirements for Queensland Government agencies</i>
DAF	Department of Agriculture and Fisheries
DTESB	Department of Tourism, Major Events, Small Business and the Commonwealth Games
EMG	Executive Management Group
FAA	<i>Financial Accountability Act 2009</i>
FPMS	Financial and Performance Management Standard 2009
GC2018	Gold Coast 2018 Commonwealth Games
GOLDOC	Gold Coast 2018 Commonwealth Games Corporation
IAS	Internal Audit Services
ICT	information and communications technology
QAO	Queensland Audit Office
TEQ	Tourism and Events Queensland



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Regional offices

DTESB's regional services are delivered by the Department of State Development. Visit www.dsd.qld.gov.au and select 'Contact us' to see a list of regional offices.

Feedback

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

